



# **HOUSING AUTHORITY OF THE CITY OF NEW HAVEN**



## **Moving to Work Deregulation Demonstration Program**

# **MTW ANNUAL REPORT Fiscal Year 2006**



**Housing Authority of the City of New Haven  
MTW Annual Report for FY 2006**

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## 1. Introduction

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The Housing Authority of the City of New Haven (HANH) is a public housing agency created in 1938 for the purpose of administering affordable housing programs in the City of New Haven. HANH's mission is to provide quality affordable housing, in strong communities, for low income persons and families. Today, HANH operates more than 2,500 public housing apartments in two dozen developments citywide. HANH also administers more than 4,500 Section 8 vouchers, which provide housing subsidies to low income families who rent in the private apartment market.

In 2001, HANH became one of 32 public housing agencies nationwide selected for participation in the Moving to Work (MTW) Deregulation Demonstration Project. MTW status provides unprecedented regulatory and fiscal flexibility for housing authorities to design and test innovative, locally-determined approaches to more effectively address local needs.

As an MTW agency, at the end of each fiscal year, HANH must submit an Annual Report that describes our agencies activities and progress in achieving our long-term goals as well as the objectives and performance measures established in our Annual Plan for the year. This MTW Annual Report for FY 2006 describes HANH's activities, outcomes, successes, and challenges during the fiscal year, October 1, 2005 through September 30, 2006, HANH's fifth year of MTW status.

### A. HUD's MTW Deregulation Demonstration Program

Congress established the MTW Demonstration Program in 1996 as a pilot project that provides greater flexibility to HUD and housing authorities to design and test innovative local approaches that more effectively address the housing needs of low income families in our local communities. The purpose of the MTW Program is to identify innovative local approaches that accomplish the following goals:

1. To reduce costs and achieve greater cost effectiveness in federal expenditures.
2. To give incentives to families with children where the head of household is working, is seeking to work, or is preparing to work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient.
3. To increase housing choice for low income families.

Through the MTW Program, housing authorities may request exemptions or waivers from existing regulations in order to pursue strategies that may result in more effective operations and services to low income families, according to local needs and conditions. This includes greater budget flexibility, as MTW agencies may allocate resources according to local determinations of the most effective use of funds in order to address local needs.

## **B. HANH's MTW Program & Local Goals**

HANH was awarded MTW status in 2001, and HANH's MTW term ends September 30, 2008, unless HANH is granted an extension. According to our MTW Agreement with HUD, HANH's MTW status became effective retroactively to October 1, 2000.

HANH's MTW plans include aggressive goals for transforming our public housing stock, and transforming our agency's operations, in order to effectively address the affordable housing needs of our community. In the development of its initial MTW Annual Plan, HANH established the following goals.

1. Transform HANH's existing public housing portfolio into housing of choice.
2. Expand housing choice in all areas of New Haven, as well as areas surrounding New Haven, while maintaining the City's level of subsidized, affordable housing at 30% of rental units.
3. Increase operating efficiencies while improving the marketability of HANH units.
4. Strengthen cooperative efforts with area service providers to address resident needs through assessment, service matching, and intervention.
5. Create opportunities for economic development for HANH program participants.
6. Expand resident involvement initiatives to promote community input, resident input, and agency accountability.
7. Enhance HANH's management systems to high performing agency status.

According to our MTW Agreement with HUD, HANH's MTW program and funding flexibility includes the following HUD programs: HANH's Public Housing Program (LIPH Operating Fund subsidy), Public Housing Capital Fund Program (CFP formula grants), and Section 8 (Housing Choice Voucher) Program for vouchers on yearly ACC cycles.

HANH's MTW program flexibility does not include HUD grant funds committed to specific grant purposes: HANH's HOPE VI grants for Monterey Place, HANH's HOPE VI grants for Quinnipiac Terrace/Riverview, any future HOPE VI Revitalization grants, and other competitive grant funds awarded for specific purposes. In addition, specific voucher allocations under the Section 8 (Housing Choice Voucher) program are excluded from HANH's MTW program. For these specific grant programs excluded from HANH's MTW program, HANH provides required periodic reporting to HUD. Although these programs are not included in HANH's MTW program, HANH has included information where relevant in its MTW Annual Plans and Reports.

## **C. Purpose of This MTW Report**

The flexibility permitted under the MTW program encourages innovative local program activities that, in many cases, are not effectively reported nor measured through standardized reporting and evaluation tools. MTW agencies are not required to develop its agency's plans according to the standardized PHA Five-Year Plan and Annual Plans,

required of traditional PHAs. In addition, MTW agencies may be exempted from the standard annual PHA evaluation measures—the Public Housing Assessment System (PHAS) and the Section 8 Management Assessment Program (SEMAP).

In lieu of these standardized reporting and evaluation tools, HANH must submit an MW Annual Plan prior to the beginning of each fiscal year. The MTW Annual Plan states HANH's planned activities for the fiscal year, its objectives, strategies, and projected outcomes toward achieving the agency's long-term goals. At the end of each fiscal year, HANH must submit an MTW Annual Report. The MTW Annual Report states HANH's success in achieving the objectives and outcomes projected in the MTW Annual Plan for that year, in the context of the agency's long-term goals. It includes narrative description and explanations of program management measures. It also includes reporting of key program changes to ensure effective monitoring of HANH's programs.

This MTW Annual Report states HANH's activities and outcomes for FY 2006, the fiscal year period of October 1, 2005 through September 30, 2006. It describes HANH's progress toward meeting the objectives established in HANH's MTW Annual Plan for FY 2006 and, more broadly, toward achieving HANH's long-term goals.



## 2. FY 2006 Overview

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FY 2006 was HANH's fifth year of MTW status. It was a critical year in HANH's long-term plans, as, according to the seven-year term of our current MTW Agreement, HANH has only two more years of MTW's regulatory and funding flexibility in order to accomplish its goals. FY 2006 was also a year of significant transitions, with many changes in HANH's management, as well as major changes in HUD regulations and projected funding. This Section provides an overview of HANH's major activities, accomplishments, and challenges during FY 2006, many of which are described in greater detail in later Sections of this MTW Annual Report.

### A. HANH Management Changes

Through most of FY 2005 and the beginning of FY 2006, HANH was led by Interim Executive Directors. In December 2005, Jimmy L. Miller assumed leadership as HANH's permanent Executive Director. Timothy Sandor, formerly Director of HANH's Finance Department, was promoted to Deputy Executive Director responsible for HANH's Operations, Service Center, and Finance and Administration. A second Deputy Executive Director, Karen DuBois-Walton, will join HANH's staff in January 2007 from her current position as Chief Administrative Officer for the City of New Haven.

During FY 2006, HANH also had significant changes in management of its departments, with new Directors of the Departments of Operations, the Service Center, Finance and Administration, Design and Construction Management, and Planning and Development. Other key positions with new management include the Chief of Security, Special Assistant for Legal Affairs, Comptroller, Resident Services Manager, and Performance Auditor. Several of these management positions were filled by the promotion of existing HANH staff persons. This includes the Service Center Director, Comptroller, Resident Services Manager, and Performance Auditor.

These transitions in HANH's management have presented challenges to the agency, as is to be expected. At the same time, new management has reinvigorated the agency's operations and produced significant progress and accomplishments during the year, which we are proud to report in this MTW Annual Report.

### B. FY 2006 Major Accomplishments

- **Elm Haven/Monterey Place HOPE VI Revitalization.** During FY 2006, the Elm Haven/Monterey Place HOPE VI Revitalization project was completed and the grant closed out. This revitalization of HANH's oldest public housing development has resulted in 340 newly-constructed or renovated affordable rental units, as well as affordable homeownership units. Although this HOPE VI project is not included in HANH's MTW program, its successful completion would not have been possible without the agency's management improvements during HANH's MTW term.

- **Quinnipiac Terrace HOPE VI Revitalization.** FY 2006 saw demolition of 143 Quinnipiac Terrace units, as well as the completion and occupancy of 81 newly constructed units. They are beautiful have generated significant demand. This HOPE VI revitalization is proceeding on schedule, within budget, and with effective management, with a very positive 2006 HUD review of HANH's management of the project.
- **Katharine Harvey Terrace Major Modernization.** During FY 2006, HANH completed major modernization of Katharine Harvey Terrace, an elderly-designated development. Today, Katharine Harvey Terrace includes 16 residential units plus a TRC/community center. Every unit was completely renovated, and renovations also included accessibility improvements designed to support an elderly population aging in-place.
- **Newhall Gardens Major Modernization.** Newhall Gardens is another elderly-designated development undergoing modernization. Renovations were largely completed during FY 2006 (and the development is in the process of being re-occupied at the time this Report is prepared). It includes 26 residential units plus a TRC/community center, all fully renovated. Like Katharine Harvey Terrace, renovations included accessibility improvements designed to support an elderly population aging-in-place.
- **Development #4-15 (County & Henry Streets) Major Modernization.** HANH completed major modernization of 4 General Occupancy units during FY 2006, and these units are occupied.
- **Eastview Terrace Major Modernization.** When complete, HANH's major modernization of Eastview Terrace, a General Occupancy development, will include new construction of 37 units, complete gut rehab of 90 original units, new construction of a community center, and major changes in site design. This modernization project has been in preliminary planning stages for some years and, during FY 2006, it moved forward significantly. HANH completed site plans, preliminary design documents, and detailed financial plans for mixed finance development. We submitted an application for tax credit financing for Eastview's modernization, and an application to HUD for disposition of the property to Glendower, Inc., for mixed finance redevelopment. We completed relocation of all Eastview residents. We conducted environmental testing, completed the environmental review under Part 58, and abatement of all units is currently in progress. HANH has procured a contractor for the partial demolition, which will begin as soon as abatement is completed. Construction will begin during FY 2007.
- **FY 2006 REAC Scores.** Each year, HUD conducts REAC inspections that evaluate the physical condition of HANH's public housing developments. In HUD's 2006 inspections, the majority of HANH's public housing developments received REAC scores of 80 or higher (of 100 possible points). The developments that received low scores are the very developments that HANH would have predicted and for which HANH has planned major capital improvements. HANH considers the 2006 REAC

scores to be a notable accomplishment, as they indicate property management strengths resulting in high scores for the majority of developments, and asset management and capital planning strengths where the independent HUD inspections' deficiencies accorded with HANH's assessment of capital needs. Nonetheless, HANH's agency-wide weighted REAC score was a 78%, a score we will continue to strive to improve through redevelopment and capital improvements, as we aspire to a REAC scores of 90% or higher for every HANH property.

### **C. Other Key FY 2006 Activities**

**Improvements in Section 8 Program Management.** The Section 8 Management Assessment Program (SEMAP) is HUD's program for evaluating Section 8 program management. For FY 2005, HANH submitted a SEMAP certification that resulted in a score of 7%. As a result of this troubled performance score, HANH and HUD entered into a Corrective Action Plan identifying specific steps to improve its Section 8 program management. HANH has reported monthly on its performance of the activities specified in our Corrective Action Plan, and improvements in HANH's Section 8 program management and administration have been a major agency commitment during FY 2006—and will continue to be a major commitment through FY 2007.

HANH's efforts have produced notable results during FY 2006. As an example, at the beginning of FY 2006, HANH had more than 1,000 delinquent annual recertifications. By the end of FY 2006, HANH had fewer than 300 delinquent recertifications. Thus HANH's FY 2006 efforts not only addressed the backlog of delinquent recertifications but, also, included program management changes for timely and accurate ongoing recertifications. For FY 2006, HANH is submitting a SEMAP certification that we anticipate will result in a score of 55-58%, roughly 50% percentage points higher than FY 2005's score, and this improvement is based on systemic program changes that will continue to produce improved outcomes.

**Implementation of HUD's Project-Based Property Management Model & Other Changes Required by HUD's New Rule for Operating Subsidy Formula.** During FY 2006, HUD published a final rule for the public housing operating subsidy formula with specific program requirements for implementing HUD's project-based management model. HUD's project-based management model is intended to move public housing property management to operate more like private owners and managers, requiring greater accountability for property management, asset management, and fiscal management.

The implementation of HUD's project-based management model requires significant reorganization of our agency's operations. Many operational functions that are performed centrally—for example, work order administration, inspections, recertifications, etc.—may need to be decentralized to ensure that property managers can effectively control operational functions for which they will be held accountable. Ultimately, effective project-based management also may require some level of decentralization of such functions as marketing, applications and waiting list

administration, admissions, lease enforcement, procurement, contract administration, and many other activities that, currently, are performed centrally.

The requirements of the new operating subsidy formula will impact not only HANH's project-based budgets for each development but, also, HANH's agency-wide budget planning due to the decentralization and reorganization of operational functions required under the new operating subsidy formula rule. Because of HANH's MTW Agreement for program funding, the projected fiscal impacts of this new rule will not fully affect HANH until the end of our MTW status. We are particularly fortunate because we have 3 years (including FY 2006) to plan and experiment and review and revise our strategies for effective project-based management.

During FY 2006, implementation of HUD's project-based management model has involved significant reorganization of HANH's public housing operations. During FY 2006, HANH redefined its portfolio of properties for management, reporting, and evaluation purposes. We reorganized our property management structure, resulting in 6 Property Management Groups, each headed by a Property Manager responsible for 200-300 units. Each Property Manager oversees a staff including administrative and maintenance staff. Certain functions that previously had been centralized, such as work order processing, are now conducted on-site, under the management of the Property Managers, to provide Property Managers with effective control over processes and outcomes for which they are accountable. HANH's planning will continue to move toward site-based management of other functions that are currently centralized.

The implementation of HUD's project-based management model requires a reorganization of HANH's operations agency-wide, as well as long-term fiscal planning in response to the changes in HUD's public housing operating subsidy formula. This organizational and fiscal planning has required a significant commitment of HANH's efforts during FY 2006, including the development of a three-year strategic plan for necessary organizational and fiscal changes to fully implement HUD's project-based management model and to plan for projected deficits that would result from the new Operating Subsidy rule upon the expiration of HANH's MTW term. This organizational and fiscal planning will continue to be central to HANH's planning in FY 2007 and future years.

**Reinvigoration of HANH's Capital Projects.** HANH's primary MTW goal is to transform our public housing developments into housing of choice, through redevelopment, major modernization, and other needed capital improvements of HANH's deteriorated public housing portfolio. When completed, our MTW activities would result in transformation of 40% of our public housing stock.

HANH's major accomplishments for FY 2006, listed above, include the substantial completion of several capital projects. Achieving our MTW goal also depends upon several major projects, such as Brookside, Rockview, and Eastview, that have remained at preliminary planning phases during recent years. During FY 2006, HANH completed critical predevelopment activities necessary for these projects to move forward to

construction, so that we expect that we will be able to report concrete outcomes during the next year.

These major redevelopment projects represent only a portion of HANH's public housing stock; the remainder still has significant capital needs that HANH also intends to address. During FY 2006, HANH has worked to rebuild the pipeline of new capital improvement projects. Recognizing that the amount of capital projects we need to begin in a short time is beyond the capacity of staff, HANH has engaged 3 Construction Management firms as well as A&E firms on Indefinite Quantities Contracts to support our staff capacity so that we may handle a heavy volume of capital improvement projects over the next 2 years.

**Building & Expanding HANH's Resident Services.** HANH was fortunate to be awarded FY 2004 HUD ROSS grants and other resident services grants, with funding that became available during the latter half of FY 2005. HANH began implementation of these grant activities during FY 2005, but FY 2006 was the key year, with a full team of resident services staff, and with increased HANH commitments to resident services, including 2 FTE resident services coordinator positions committed to families, and 2 FTE resident services coordinator positions committed to elderly and disabled persons. In addition, HANH's Family Self-Sufficiency Program is staffed by 2 FTE staff persons. Additional staff persons coordinate CSS resident services for HANH's two HOPE VI revitalization projects, Elm Haven/Monterey Place and Quinnipiac Terrace. HANH has created a new FTE position, Resident Business Developer, who coordinates job training and business development programs for public housing residents. For this purpose, HANH has contracted for job training services in the skilled union trades, and also has contracted for small business development services and administration of HANH's Revolving Loan Fund for resident business development. During FY 2006, HANH also expanded its supportive housing services for residents with behavioral health disabilities to two new mixed population developments, McQueeney Towers and Robert T. Wolfe.

**Improving HANH's Agency Administration.** During FY 2006, HANH committed significant efforts to improving its agency-wide program administration; these efforts are ongoing. These improvements in HANH's agency administration may have only indirect effects on program outcomes, and they may not be reported elsewhere in this or future MTW Annual Reports, but they are key to HANH's successful management of its operations. HANH's FY 2006 efforts include the following:

- **Procurement.** During FY 2006, HANH made significant efforts to improve our procurement and contracting procedures. HANH has reviewed and revised its internal procedures for effectively implementing our procurement policies, and has developed new procurement documents for all RFPs and IFBs. HANH's changes in procurement procedures include new procedures for decentralizing small procurements, in accord with HUD's property-based management model. HANH's procurement procedures include a formal role of HANH's Resident Business Developer to ensure maximum efforts for promoting Section 3 employment and contracting opportunities for HANH residents.

- Data Quality and Reporting.** During FY 2006, as HANH has improved its management of its Section 8 and public housing programs and other program administration, one key effort in improving HANH's management functions has been improving the quality of data and reporting that HANH uses to guide its management. This has required a significant commitment by HANH staff for many reasons but particularly because of HANH's conversion to Emphasys Elite reporting software for the LIPH program, which has required HANH to newly develop every management report that we rely upon for management purposes. In addition, management improvements have continued to identify problems in HANH data and reporting, both in our internal Elite data and in PIC data. During FY 2006, improvements include procedures for monitoring and correcting 50058 submissions to PIC; monitoring and correcting PIC data; refining HANH's internal Elite data; correcting HANH data and developing reports for historical waiting list status for effective monitoring of intake functions, for vacant unit turnaround tracking, for monitoring rent collections, and many other management functions.
- Internal Audit and Quality Control Functions.** During FY 2006, HANH re-staffed and reinvigorated its internal quality control division, headed by HANH's Performance Auditor. The Performance Auditor's efforts are supported by new quality control procedures within HANH departments. In addition, during FY 2006, HANH contracted for a quality control assessment of its Section 8 program files, which guides HANH's FY 2006 and ongoing planning for staffing, training, and program management improvements.

#### **D. HANH's Long-Term Strategic Planning**

From 1998-2001, HANH engaged in an extensive planning process to establish long-term plans for improving our agency's operations, and for transforming our public housing stock, in order to more effectively serve our residents and New Haven's low income families, in furtherance of HANH's mission. This planning process resulted in HANH's Moving to Work plans and goals.

During FY 2006, HANH engaged in an internal assessment and planning process in order to update and reinvigorate our agency's plans. This internal strategic planning process builds upon the earlier planning process of 1998-2001 that resulted in HANH's Moving to Work status and plans, as well as HANH's regular routine planning processes, including the most recent planning process for HANH's FY 2007 MTW Annual Plan.

The purpose of HANH's recent strategic planning process is to reinvigorate our agency's activities and to direct our agency's priorities for the next three fiscal years, the period of October 1, 2006 through September 30, 2009. It defines HANH's goals and objectives for fiscal years 2007-2009, the resulting priorities that will guide HANH's funding decisions and allocation of resources, and our proposed strategies and actions for achieving the agency's MTW commitments, goals, and objectives. It includes fiscal and operational plans and strategies for achieving our MTW goals and for transitioning from MTW status, as HANH's MTW status is scheduled to expire September 30, 2008 (unless

HANH receives an extension). The recent strategic planning also incorporates HANH's objectives and strategies for addressing new challenges that have emerged since HANH's original MTW goals and objectives were established, such as HUD's new LIPH Operating Subsidy formula and the related project-based management model, as well as necessary improvements in HANH's Section 8 (HCV) program administration.

HANH's three-year strategic plan for FYs 2007-2009 is still in progress, and was still in progress at the time HANH developed its MTW Annual Plan for FY 2007. It will be incorporated in HANH's MTW Annual Plan for FY 2008. While the three-year strategic plan for FYs 2007-2009 is still being finalized in its details, it does not alter the fundamental commitments of HANH's MTW plan and goals. Rather, HANH has restated its MTW goals and objectives to more effectively achieve our agency's long-term goals and commitments.



### 3. Households Served

Under HANH's MTW Agreement, HANH commits that we will continue to assist substantially the same number of eligible low-income families under MTW, and to maintain a comparable mix of families by family size as would have been served or assisted if HUD funding sources had not been used under the MTW demonstration. In addition, HANH's MTW Agreement requires HANH to comply with the regulatory requirement that at least 75% of families assisted by HANH will be very low income families.

This Section provides information about the number and characteristics of households served by HANH housing programs, including HANH's public housing program and the Section 8 (Housing Choice Voucher) program. The information provided in this Section includes scattered site public housing units. It does not include the Monterey Place development (which is not covered under HANH's MTW Agreement).

#### A. Current Number of Households Served

As of September 30, 2006, HANH serves 4,803 total households. This includes 1,553 families who live in HANH public housing developments and 3,250 families who receive Section 8 (HCV) assistance. The following table describes households served by program, housing type, and bedroom size. More detailed data describing households served for each public housing development follows at the end of this Section, at page 27.

Current HHs Served by BR Size (Sept 30, 2006)

Housing Program & Type	0	1	2	3	4	5+	Total
Public Housing							
General Occupancy	0	6	371	229	90	17	713
Scattered Sites	0	0	0	129	10	2	141
Mixed Population	393	248	5	0	0	0	646
Elderly	7	46	0	0	0	0	53
Public Housing Subtotal	400	300	376	358	100	19	1,553
Section 8 (HCV)	89	878	1,027	943	212	43	3,250
<b>HANH Total</b>	<b>489</b>	<b>1,178</b>	<b>1,403</b>	<b>1,301</b>	<b>312</b>	<b>62</b>	<b>4,803</b>

#### B. Comparison of Current Households Served to FY 2006 Projections

In HANH's MTW Annual Report for FY 2006, HANH projected serving 5,096 households by the end of the fiscal year. This projection did not include scattered site units, nor did it include new units scheduled to come on-line for Quinnipiac Terrace occupancy.

At the end of FY 2006, HANH serves 4,803 households. This includes 1,553 households living in HANH's public housing developments, and 3,250 households receiving Section 8 (HCV) assistance. Accounting for households served in HANH's scattered sites and the new Quinpiac Terrace units, the number of current households served is 499 fewer than projected. This includes 192 fewer public housing households, and 307 fewer Section 8 (HCV) households, than projected. The following table compares HANH's actual households served to projections.

**Households Served at the End of FY 2006: Comparison of Projects to Actuals**

Housing Program & Type	Projected 9/30/06	Actual 9/30/06	Difference
Public Housing			
General Occupancy	733	648	- 85
Mixed Population/ Elderly	806	699	- 107
Public Housing Subtotal	1,539	1,347	- 192
Scattered Sites		141	
QT Redevelopment		65	
Public Housing Total		1,553	
Section 8 (HCV)	3,557	3,250	-307
<b>HANH Subtotal</b>	<b>5,096</b>	<b>4,803</b>	<b>- 499</b>

As stated above, the current number of households served is 499 fewer than projected. The following are HANH's explanations for the variance between actuals and projections.

**Section 8 (HCV) HHs.** In its MTW Annual Plan for FY 2006, HANH projected serving 3,557 total Section 8 (HCV) households by the end of the year, according to our objective of increasing utilization by 3% each year. HANH did not meet this objective. During FY 2006, in response to our FY 2005 SEMAP score and under new executive leadership, HANH was engaged in a major reorganization of our entire Section 8 (HCV) program, a significant challenge that we recognized would not be resolved over-night. We established priorities in our Corrective Action Plan, and we have made very significant progress. In our MTW Annual Plan for FY 2007, HANH established an objective of increasing this number by 240 households, for a total of 3,518 Section 8 (HCV) households served by the end of FY 2007. HANH has already begun efforts to increase our voucher utilization. During FY 2006, HANH issued roughly 240 total vouchers (including both portability vouchers and new vouchers to applicants from HANH's waiting lists). As of September 30, 2006, in addition to the 3,250 households served by HANH's Section 8 (HCV) program, 134 families have vouchers issued that are not yet under HAP contracts.

**Mixed Population/Elderly Units.** In our MTW Annual Plan for FY 2006, HANH projected that, by the end of the fiscal year, we would serve 806 total households in our Mixed Population and Elderly-designated developments. This projection was based on the current occupancy reported in the Plan, of 719 households, increased by 87 additional households due to full re-occupancy of 3 developments undergoing modernization and projected for completion during FY 2006, as follows.

# Units	Explanation
719	HHs served, as reported in FY 2006 MTW Annual Plan
45	Constance Baker Motley units returning on-line
16	Katharine Harvey Terrace units returning on-line
26	Newhall Gardens units returning on-line
<b>806</b>	<b>Projected HHs served at FY-end</b>

At FY-end, HANH's Mixed Population and Elderly public housing served 699 total households, 107 fewer households than projected.

Constance Baker Motley and Katharine Harvey Terrace were completed and reoccupied. Newhall Gardens was not completed during FY 2006. (Although at the time this Report is prepared, Newhall Gardens is largely completed and is being re-occupied). In addition, during FY 2006, HANH has kept some developments off-line for new occupancy of vacant units in order to minimize displacement associated with planned capital improvement projects (at McQueeney Towers and Winslow-Celentano), and pending asset management decisions (at William T. Rowe). New vacancies in these developments, due to routine move-outs during FY 2006, have not been re-occupied, which decreases the number of households served.

But the majority of the decrease in households served by HANH's Mixed Population and Elderly-designated public housing is due to an increased number of routine vacancies that have not been re-occupied—and, particularly, an increased volume of routine vacancies resulting from relocated households moving back to their former development after modernization is completed—as discussed below.

**General Occupancy HHs.** In our MTW Annual Plan for FY 2006, HANH projected that, at the end of the fiscal year, we would serve 733 total households in our General Occupancy developments. The projection was based on the current occupancy of 812 households, at the time of the Plan, reduced by 87 households due to partial relocation at Quinnipiac Terrace, Eastview Terrace, and Brookside. The redevelopment projects for each of these developments will be conducted in phases, and it was originally planned that residents could remain on-site in units scheduled for later phases.

During FY 2006, HANH accelerated relocation plans for all residents of the 3 developments. The variation between projected and actual occupancies is largely due to accelerated relocation efforts. By the end of FY 2006, Quinnipiac Terrace and Eastview Terrace are fully vacated, and only 32 families remain at Brookside.

**Routine Vacancies.** While a significant number of vacant units are due to HANH's capital plans, in addition, there are a large number of routine vacancies. During FY 2006, HANH revised its strategies and procedures for addressing routine vacancies. HANH's strategies for addressing routine vacancies are described in greater detail in Section 10, "Management Information: Public Housing Program." We determined that the backlog of vacant units, combined with routine turnover, is larger than HANH's staff can address. To supplement staff capacity, during FY 2006, HANH contracted for vacant unit preparation services for more than 200 vacant units. While the effectiveness of HANH's strategies for addressing routine vacancies is not yet reflected in the number of households served, it will. During FY 2006, HANH prepared 301 vacant units.

**Increased Routine Vacancies Due to Relocation.** In prior years, HANH faced a significant challenge in needing to maintain vacant units for projected relocation of families occupying developments subject to redevelopment or major modernization projects. Today, this relocation is largely complete, and, furthermore, several modernization projects were completed. This presents a new challenge, as residents who had been temporarily relocated to another public housing development now moved back to their newly-renovated units. This increased the number of routine vacancies, as LIPH units that had been temporarily occupied by families under relocation are now vacated when families move back to their modernized development.

### C. Comparison of Households Served During HANH's MTW Status

HANH's housing programs currently serve 4,803 total households. The total number of households served by HANH has not changed dramatically during HANH's MTW status, as indicated in the following table. However, the distribution of households served among HANH housing programs has changed, with fewer households served by HANH's public housing program, and more households served by HANH's Section 8 (HCV) program. The following table provides counts of the total households served by each HANH housing program and housing type for each fiscal year from FY 2003 through the present. It is based on adjusted numbers provided in HANH's MTW Annual Plans.

**Households Served FY 2003-2007 (Annual Plans) and Current**

Housing Program & Type	6/02	5/03	6/04	5/05	6/06	10/06
Public Housing						
General Occupancy	1,240	1,206	1,032	960	855	854
Mixed Population	813	795	743	719	690	646
Elderly Designated	0	0	0	0	42	53
Public Housing Subtotal	2,053	2,001	1,775	1,679	1,587	1,553
Section 8 (HCV)	2,830	2,904	3,092	3,360	3,278	3,250
<b>HANH Total</b>	<b>4,883</b>	<b>4,905</b>	<b>4,867</b>	<b>5,039</b>	<b>4,865</b>	<b>4,803</b>

As the above table indicates, HANH has served a fairly consistent number of households during its MTW term, although the number of public housing households has decreased. In HANH's public housing program, the decreased number of households served is due to HANH's redevelopment and modernization plans for several public housing developments, in accord with HANH's MTW goal for transforming our public housing stock. As redevelopment and major modernization projects are completed, HANH's inventory of public housing, and the number of households served by HANH's public housing program, will increase again.

While the number of public housing households served has decreased, at the same time the number of households served by HANH's Section 8 (HCV) program has grown significantly. In June 2002, HANH's Section 8 (HCV) program served 2,830 total households. Today, HANH's Section 8 (HCV) program serves 3,250 households, an increase of 420 households.

#### **D. Income Levels of Households Served**

More than three-quarters of families served by HANH's housing program are extremely low income, with total annual household incomes less than 30% of the area median. The following table provides information about the income levels of families served by HANH's housing programs. More detailed data follows, with counts and percentages for each HANH public housing development, at pages 28-29.

**Income Level of HHs Served as Percent of MFI (Sept 30, 2006)**

<b>Housing Program &amp; Type</b>	<b>&lt; 30%</b>	<b>30-50%</b>	<b>50-80%</b>	<b>&gt; 80%</b>	<b>Total</b>
Public Housing					
General Occupancy	76%	17%	6%	2%	854
Mixed Population	93%	5%	1%	0%	646
Elderly	85%	15%	0%	0%	53
Public Housing Subtotal	83%	12%	4%	1%	1,553
Section 8 (HCV)	74%	20%	5%	0%	3,250
<b>HANH Total</b>	<b>77%</b>	<b>17%</b>	<b>5%</b>	<b>0%</b>	<b>4,803</b>

As the above table indicates, the majority (77%) of families served by HANH's housing programs are extremely low income, with a total household income less than 30% of the area median income. 17% of total families served are very low income (total household income between 30% and 50% of the area median), and 5% are low income (total household income between 50% and 80% of the area median).

**Variations in Income Levels Among HANH's Housing Programs.** The proportion of extremely low income families is greater in HANH's public housing program as

compared to the Section 8 (HCV) program. 83% of public housing families served are extremely low income, 12% are very low income, and 4% are low income. A handful of families, representing 1% of total public housing families, have incomes above 80% of the area median, due to increased incomes since their families' admission to the program. Within HANH's Mixed Population and Elderly-Designated public housing, there is a notably higher percentage of extremely low income households than in HANH's General Occupancy public housing, which is more likely to include working families with more family members contributing to household income.

Section 8 (HCV) households are less likely than public housing households to be extremely low income. Roughly 25% of Section 8 (HCV) households have incomes above 30% of the median (compared to 17% of public housing households). In the Section 8 (HCV) program, roughly three-quarters (74%) of families served are extremely low income, 20% are very low income, and 5% are low income.

**Change in Income Levels During FY 2006.** Following are more detailed data and comparisons of the income levels of households served at the beginning and end of FY 2006. Data reported below for the beginning of the fiscal year (column "BegFY06") are data from the MTW Annual Plan for FY 2006.

**LIPH General Occupancy Households: Income Levels**

Household Income Level	Beg FY06	End FY06	Change
Extremely Low Income (<30%)	85%	76%	- 9%
Very Low Income (30-50%)	10%	17%	+ 7%
Low Income (50-80%)	4%	6%	+ 2%
Moderate Income (80%+)	0%	2%	+ 2%
Total	99%	101%	

In HANH's General Occupancy program, during FY 2006, there was a notable change in the income levels of households served. The proportion of extremely low income households decreased by 9%, and larger percentages of households have incomes above 30% of the area median. HANH welcomes this change, as our public housing communities benefit from an income mix that does not include such a heavy concentration of extremely low income families. This change would not be predicted, based on the income levels of applicants on HANH's waiting lists. HANH will continue to monitor this change in the income level of General Occupancy households to determine whether it represents a true trend and, if so, the causes, i.e., whether changes in the demographics of new admissions or increased self-sufficiency of existing participants.

**LIPH Mixed Population & Elderly-Designated Households: Income Levels**

Household Income Level	Beg FY06	End FY06	Change
Extremely Low Income (<30%)	92%	93%	+ 1%
Very Low Income (30-50%)	7%	6%	- 1%
Low Income (50-80%)	1%	1%	0%
Moderate Income (80%+)	0%	0%	0%
Total	100%	100%	

There were no significant changes in the income levels of households residing in HANH's Mixed Population and Elderly-designated developments. The vast majority, more than 90%, are extremely low income.

During FY 2006, HANH began implementing its approved elderly-designation plan for 4 developments. HANH began including separate demographics for elderly-designated households in its MTW Plan for FY 2007 and, in HANH's MTW Annual Reports beginning FY 2007, HANH will provide separate demographics for its Mixed Population households and its Elderly-designated households.

**Section 8 (HCV) Households: Income Levels**

Household Income Level	Beg FY06	End FY06	Change
Extremely Low Income (<30%)	76%	74%	- 2%
Very Low Income (30-50%)	18%	20%	+ 2%
Low Income (50-80%)	5%	5%	0%
Moderate Income (80%+)	0%	0%	0%
Total	99%	99%	

As the above table indicates, there was no significant change in the income levels of Section 8 (HCV) households served. The slight reduction in extremely low income households, and the corresponding increase in very low income households, is too small to be significant.

**E. Ethnicity and Race of Households Served**

Ninety percent of households served by HANH's housing programs are of minority race or ethnicity. The following table summarizes race and ethnicity data for HANH's housing programs, including both public housing and Section 8 (HCV) programs. This table includes separate data for each public housing type, including General Occupancy (GO), Mixed Population (MP), and Elderly (Eld) housing. More detailed data follows, with race and ethnicity counts and percents for each HANH public housing development, at pages 30-31.

Ethnicity & Race of HHs Served (Sept 30, 2006)

Ethnicity & Race	Public Housing				Sec 8	HANH Total
	GO	MP	Eld	Total		
Hispanic						
White	17%	14%	9%	16%	27%	23%
Black	1%	2%	0%	1%	2%	2%
AI/AN *	0%	0%	0%	0%	0%	0%
Asian	2%	1%	0%	1%	3%	2%
NH/OPI *	0%	0%	0%	0%	0%	0%
Total Hispanic	20%	16%	9%	18%	32%	28%
Non-Hispanic						
White	3%	16%	15%	9%	11%	10%
Black	76%	67%	75%	73%	57%	62%
AI/AN *	0%	0%	0%	0%	0%	0%
Asian	0%	0%	0%	0%	0%	0%
NH/OPI *	0%	0%	0%	0%	0%	0%
Total Non-Hispanic	80%	84%	91%	82%	68%	72%
Total Minority HHs	97%	84%	85%	91%	89%	90%

\* "AI/AN" = American Indian or Alaska Native. "NH/OPI" = Native Hawaiian or Other Pacific Islander.

As this data indicates, 90% of families served by HANH housing programs are of a minority race or ethnicity. 28% of families are Hispanic. 64% of families are of Black/African-American race, including 62% of families who are Black Non-Hispanic, and 2% of families who are Black Hispanic. 10% of families are White Non-Hispanic. HANH serves only a small number of families of other races, which include American Indian/Alaska Native, Asian, and Native Hawaiian/Other Pacific Islander.

**Variations in Ethnicity and Race Demographics Among HANH Programs.** There are some notable variations in the race and ethnicity of families served by HANH's housing programs.

There are larger percentages of White Non-Hispanic families in HANH's Mixed Population housing (16%) and Elderly housing (15%) than in General Occupancy housing (3%).

HANH's Elderly housing serves a smaller number of Hispanic families (9%, compared to 18% for all public housing). Elderly housing also serves a larger number of White Non-Hispanic families (15%, compared to 10% for all public housing), however the percentage is not significantly different from the percentage of White Non-Hispanic families served by HANH's Mixed Population housing (16%). The percentage of Black families (75%) is comparable to other HANH housing (73% for all public housing). HANH notes that data for its Elderly housing may not be properly comparable to other HANH housing programs, as Elderly housing represents only 53 total households.

HANH's Section 8 (HCV) program serves a larger percentage of Hispanic families (32%) than does HANH's public housing program (18%), and a smaller percentage of Black families (57%) compared to HANH's public housing program (73%). The percent of minority households served by these 2 programs does not differ significantly, and likewise the percent of White non-Hispanic households served by these 2 programs does not differ significantly (9% for public housing, and 11% for Section 8).

**Changes in Ethnicity and Race Demographics During FY 2006.** Following are more detailed data and comparisons of the ethnicity and race of households served at the beginning and end of FY 2006. Data reported below for the beginning of the fiscal year (column "BegFY06") are data from the revised MTW Annual Plan for FY 2006, which revisions included more detailed ethnicity and race breakdowns.

**LIPH General Occupancy Households: Ethnicity and Race**

Ethnicity & Race	Beg FY06	End FY06	Change
Hispanic			
White	15%	17%	+ 2%
Black	1%	1%	0%
AI/AN *	0%	0%	0%
Asian	2%	2%	0%
NH/OPI *	0%	0%	0%
Total Hispanic	19%	20%	+ 1%
Non-Hispanic			
White	5%	3%	- 2%
Black	76%	76%	0%
AI/AN *	0%	0%	0%
Asian	0%	0%	0%
NH/OPI *	0%	0%	0%
Total Non-Hispanic	81%	80%	- 1%
Total	100%	100%	

\* AI/AN = American Indian/Alaska Native

NH/OPI = Native Hawaiian/Other Pacific Islander

As the above table indicates, during FY 2006, there was no significant change in the ethnicity and race composition of households served in HANH's General Housing developments.

**LIPH Mixed Population & Elderly-Designated Households: Ethnicity and Race**

<b>Ethnicity &amp; Race</b>	<b>Beg FY06</b>	<b>End FY06</b>	<b>Change</b>
Hispanic			
White	14%	14%	0%
Black	1%	1%	0%
AI/AN *	0%	0%	0%
Asian	1%	1%	0%
NH/OPI *	0%	0%	0%
Total Hispanic	16%	16%	0%
Non-Hispanic			
White	17%	16%	- 1%
Black	66%	68%	+ 2%
AI/AN *	0%	0%	0%
Asian	1%	0%	- 1%
NH/OPI *	0%	0%	0%
Total Non-Hispanic	84%	84%	0%
Total	100%	100%	

\* AI/AN = American Indian/Alaska Native  
 NH/OPI = Native Hawaiian/Other Pacific Islander

As the above table indicates, during FY 2006, there was no significant change in the ethnicity and race composition of households served in HANH's Mixed Population and Elderly-Designated developments.

During FY 2006, HANH began implementing its approved elderly-designation plan for 4 developments. HANH began including separate demographics for elderly-designated households in its MTW Plan for FY 2007 and, in HANH's MTW Annual Reports beginning FY 2007, HANH will provide separate demographics for its Mixed Population households and its Elderly-designated households.

**Section 8 (HCV) Households: Ethnicity and Race**

<b>Ethnicity &amp; Race</b>	<b>Beg FY06</b>	<b>End FY06</b>	<b>Change</b>
Hispanic			
White		27%	
Black		2%	
AI/AN *		0%	
Asian		3%	
NH/OPI *		0%	
Total Hispanic	32%	32%	0%
Non-Hispanic			
White	11%	11%	0%
Black	57%	57%	0%
AI/AN *		0%	
Asian		0%	
NH/OPI *		0%	
Total Non-Hispanic	68%	68%	
Total	100%	100%	

\* AI/AN = American Indian/Alaska Native  
 NH/OPI = Native Hawaiian/Other Pacific Islander

For its MTW Annual Plan for FY 2006, HANH's ethnicity and race demographic reporting did not provide the same detailed breakdowns that HANH has since incorporated in its FY 2007 Plan and in this FY 2006 Annual Report, included above. Nonetheless, as the above table indicates, there has been significant change in the ethnicity and race composition of households served in HANH's Section 8 (HCV) program.



## F. Detailed Tables: Characteristics of Current Households Served

### HANH LIPH Occupancy by Bedroom Size (Sept 30, 2006)

AMP & Development Name	Bedroom Size of Unit							Total
	0	1	2	3	4	5	6+	
<b>General Occupancy</b>								
1 Westville Manor (04-37)	0	0	29	61	28	12	0	130
2 Brookside (04-36)	0	0	14	16	1	1	0	32
4 McConaughy Terrace (04-35)	0	0	131	26	7	0	0	164
5 County & Henry Streets (04-15)	0	0	0	1	0	0	1	2
Valley Townhouses (04-29)	0	0	8	15	12	3	0	38
Waverly Townhouses (04-30)	0	0	18	19	10	0	0	47
<i>Total AMP Group #5</i>	<i>0</i>	<i>0</i>	<i>26</i>	<i>35</i>	<i>22</i>	<i>3</i>	<i>1</i>	<i>87</i>
10 Farnam Courts (04-4)	0	6	113	66	20	0	0	205
12 Quinpiac Terrace (04-3)	0	0	0	0	0	0	0	0
QT Redevelopment (04-72)	0	0	47	13	5	0	0	65
<i>Total AMP Group #12</i>	<i>0</i>	<i>0</i>	<i>47</i>	<i>13</i>	<i>5</i>	<i>0</i>	<i>0</i>	<i>65</i>
13 Eastview Terrace (04-34)	0	0	0	0	0	0	0	0
14 Essex (04-23)	0	0	11	12	7	0	0	30
Scattered Sites (04-44 to 04-64)	0	0	0	129	10	2	0	141
<i>Total AMP Group #14</i>	<i>0</i>	<i>0</i>	<i>11</i>	<i>141</i>	<i>17</i>	<i>2</i>	<i>0</i>	<i>171</i>
<b>Total General Occupancy</b>	<b>0</b>	<b>6</b>	<b>371</b>	<b>358</b>	<b>100</b>	<b>18</b>	<b>1</b>	<b>854</b>
<b>Mixed Population</b>								
3 Ribicoff Cottage (04-14)	0	34	0	0	0	0	0	34
Ribicoff Extension (04-24)	11	38	0	0	0	0	0	49
<i>Total AMP Group #3</i>	<i>11</i>	<i>72</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>83</i>
7 George Crawford Manor (04-12)	44	47	3	0	0	0	0	94
William T. Rowe (04-31)	52	14	0	0	0	0	0	66
<i>Total AMP Group #7</i>	<i>96</i>	<i>61</i>	<i>3</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>160</i>
8 Charles T. McQueeney (04-28)	97	19	0	0	0	0	0	116
9 Robert T. Wolfe (04-16)	50	9	2	0	0	0	0	61
Valentina Macri Court (04-26)	9	2	0	0	0	0	0	11
Winslow Celentano (04-11)	20	21	0	0	0	0	0	41
<i>Total AMP Group #9</i>	<i>79</i>	<i>32</i>	<i>2</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>113</i>
11 Fairmont Heights (04-40)	38	45	0	0	0	0	0	83
Ruoppolo Manor (04-22)	72	19	0	0	0	0	0	91
<i>Total AMP Group #11</i>	<i>110</i>	<i>64</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>174</i>
<b>Total Mixed Population</b>	<b>393</b>	<b>248</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>646</b>
<b>Elderly Designated</b>								
6 Constance B. Motley (04-18)	7	33	0	0	0	0	0	40
Katherine Harvey Terrace (04-8)	0	13	0	0	0	0	0	13
Newhall Gardens (04-9)	0	0	0	0	0	0	0	0
Prescott Bush (04-10)	0	0	0	0	0	0	0	0
<b>Total Elderly Designated</b>	<b>7</b>	<b>46</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>53</b>
<b>HANH Total</b>	<b>400</b>	<b>300</b>	<b>376</b>	<b>358</b>	<b>100</b>	<b>18</b>	<b>1</b>	<b>1,553</b>

File: HHs Served LIPH (Sheet 1)

LIPH Family Income Levels (Sept 30, 2006)

AMP & Development Name	Income Level as % of Median				Total
	<30%	30-50%	50-80%	>80%	
<b>General Occupancy</b>					
1 Westville Manor (04-37)	93	23	11	3	130
2 Brookside (04-36)	18	10	3	1	32
4 McConaughy Terrace (04-35)	129	24	7	4	164
5 County & Henry Streets (04-15)	2	0	0	0	2
Valley Townhouses (04-29)	29	3	4	2	38
Waverly Townhouses (04-30)	37	6	2	2	47
<i>Total AMP Group #5</i>	<i>68</i>	<i>9</i>	<i>6</i>	<i>4</i>	<i>87</i>
10 Farnam Courts (04-4)	167	29	9	0	205
12 Quinnipiac Terrace (04-3)	0	0	0	0	0
QT Redevelopment (04-72)	38	21	6	0	65
<i>Total AMP Group #12</i>	<i>38</i>	<i>21</i>	<i>6</i>	<i>0</i>	<i>65</i>
13 Eastview Terrace (04-34)	0	0	0	0	0
14 Essex (04-23)	27	3	0	0	30
Scattered Sites (04-44 to 04-64)	107	28	5	1	141
<i>Total AMP Group #14</i>	<i>134</i>	<i>31</i>	<i>5</i>	<i>1</i>	<i>171</i>
<b>Total General Occupancy</b>	<b>647</b>	<b>147</b>	<b>47</b>	<b>13</b>	<b>854</b>
<b>Mixed Population</b>					
3 Ribicoff Cottage (04-14)	29	2	3	0	34
Ribicoff Extension (04-24)	44	4	1	0	49
<i>Total AMP Group #3</i>	<i>73</i>	<i>6</i>	<i>4</i>	<i>0</i>	<i>83</i>
7 George Crawford Manor (04-12)	86	6	1	1	94
William T. Rowe (04-31)	64	2	0	0	66
<i>Total AMP Group #7</i>	<i>150</i>	<i>8</i>	<i>1</i>	<i>1</i>	<i>160</i>
8 Charles T. McQueeney (04-28)	110	6	0	0	116
9 Robert T. Wolfe (04-16)	60	1	0	0	61
Valentina Macri Court (04-26)	11	0	0	0	11
Winslow Celentano (04-11)	40	1	0	0	41
<i>Total AMP Group #9</i>	<i>111</i>	<i>2</i>	<i>0</i>	<i>0</i>	<i>113</i>
11 Fairmont Heights (04-40)	75	5	3	0	83
Ruoppolo Manor (04-22)	85	6	0	0	91
<i>Total AMP Group #11</i>	<i>160</i>	<i>11</i>	<i>3</i>	<i>0</i>	<i>174</i>
<b>Total Mixed Population</b>	<b>604</b>	<b>33</b>	<b>8</b>	<b>1</b>	<b>646</b>
<b>Elderly Designated</b>					
6 Constance B. Motley (04-18)	32	8	0	0	40
Katherine Harvey Terrace (04-8)	13	0	0	0	13
Newhall Gardens (04-9)	0	0	0	0	0
Prescott Bush (04-10)	0	0	0	0	0
<b>Total Elderly Designated</b>	<b>45</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>53</b>
<b>HANH Total</b>	<b>1,296</b>	<b>188</b>	<b>55</b>	<b>14</b>	<b>1,553</b>

File: HHs Served LIPH (Sheet 4)

LIPH Family Income Levels (Percent) (Sept 30, 2006)

AMP & Development Name	Income Level as % of Median				Total
	<30%	30-50%	50-80%	>80%	
<b>General Occupancy</b>					
1 Westville Manor (04-37)	72%	18%	8%	2%	130
2 Brookside (04-36)	56%	31%	9%	3%	32
4 McConaughy Terrace (04-35)	79%	15%	4%	2%	164
5 County & Henry Streets (04-15)	100%	0%	0%	0%	2
Valley Townhouses (04-29)	76%	8%	11%	5%	38
Waverly Townhouses (04-30)	79%	13%	4%	4%	47
Total AMP Group #5	78%	10%	7%	5%	87
10 Farnam Courts (04-4)	81%	14%	4%	0%	205
12 Quinnipiac Terrace (04-3)	0%	0%	0%	0%	0
QT Redevelopment (04-72)	58%	32%	9%	0%	65
Total AMP Group #12	58%	32%	9%	0%	65
13 Eastview Terrace (04-34)	0%	0%	0%	0%	0
14 Essex (04-23)	90%	10%	0%	0%	30
Scattered Sites (04-44 to 04-64)	76%	20%	4%	1%	141
Total AMP Group #14	78%	18%	3%	1%	171
<b>Total General Occupancy</b>	<b>76%</b>	<b>17%</b>	<b>6%</b>	<b>2%</b>	<b>854</b>
<b>Mixed Population</b>					
3 Ribicoff Cottage (04-14)	85%	6%	9%	0%	34
Ribicoff Extension (04-24)	90%	8%	2%	0%	49
Total AMP Group #3	88%	7%	5%	0%	83
7 George Crawford Manor (04-12)	91%	6%	1%	1%	94
William T. Rowe (04-31)	97%	3%	0%	0%	66
Total AMP Group #7	94%	5%	1%	1%	160
8 Charles T. McQueeney (04-28)	95%	5%	0%	0%	116
9 Robert T. Wolfe (04-16)	98%	2%	0%	0%	61
Valentina Macri Court (04-26)	100%	0%	0%	0%	11
Winslow Celentano (04-11)	98%	2%	0%	0%	41
Total AMP Group #9	98%	2%	0%	0%	113
11 Fairmont Heights (04-40)	90%	6%	4%	0%	83
Ruoppolo Manor (04-22)	93%	7%	0%	0%	91
Total AMP Group #11	92%	6%	2%	0%	174
<b>Total Mixed Population</b>	<b>93%</b>	<b>5%</b>	<b>1%</b>	<b>0%</b>	<b>646</b>
<b>Elderly Designated</b>					
6 Constance B. Motley (04-18)	80%	20%	0%	0%	40
Katherine Harvey Terrace (04-8)	100%	0%	0%	0%	13
Newhall Gardens (04-9)	0%	0%	0%	0%	0
Prescott Bush (04-10)	0%	0%	0%	0%	0
<b>Total Elderly Designated</b>	<b>85%</b>	<b>15%</b>	<b>0%</b>	<b>0%</b>	<b>53</b>
<b>HANH Total</b>	<b>83%</b>	<b>12%</b>	<b>4%</b>	<b>1%</b>	<b>1,553</b>

File: HHs Served LIPH (Sheet 6)

HANH LIPH Households by Ethnicity and Race (Sept 30, 2006)

AMP & Development Name	Hispanic*						Non-Hispanic*						Total
	1W	2B	3AI	4As	5NH	Total	1W	2B	3AI	4As	5NH	Total	
<b>General Occupancy</b>													
1 Westville Manor (04-37)	9	0	0	2	0	11	7	112	0	0	0	119	130
2 Brookside (04-36)	0	0	0	1	0	1	0	31	0	0	0	31	32
4 McConaughy Terrace (04-35)	13	1	0	1	0	15	6	143	0	0	0	149	164
5 County & Henry Streets (04-15)	1	0	0	0	0	1	0	1	0	0	0	1	2
Valley Townhouses (04-29)	6	0	0	0	0	6	0	32	0	0	0	32	38
Waverly Townhouses (04-30)	7	0	0	1	0	8	1	38	0	0	0	39	47
Total AMP Group #5	14	0	0	1	0	15	1	71	0	0	0	72	87
10 Farnam Courts (04-4)	49	6	0	3	0	58	10	136	0	1	0	147	205
12 Quinpiac Terrace (04-3)	0	0	0	0	0	0	0	0	0	0	0	0	0
QT Redevelopment (04-72)	22	4	0	0	0	26	1	38	0	0	0	39	65
Total AMP Group #12	22	4	0	0	0	26	1	38	0	0	0	39	65
13 Eastview Terrace (04-34)	0	0	0	0	0	0	0	0	0	0	0	0	0
14 Essex (04-23)	12	0	0	1	0	13	2	15	0	0	0	17	30
Scattered Sites (04-44 to 04-64)	29	0	0	4	0	33	2	106	0	0	0	108	141
Total AMP Group #14	41	0	0	5	0	46	4	121	0	0	0	125	171
<b>Total General Occupancy</b>	<b>148</b>	<b>11</b>	<b>0</b>	<b>13</b>	<b>0</b>	<b>172</b>	<b>29</b>	<b>652</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>682</b>	<b>854</b>
<b>Mixed Population</b>													
3 Ribicoff Cottage (04-14)	1	0	0	0	0	1	1	32	0	0	0	33	34
Ribicoff Extension (04-24)	4	1	0	0	0	5	1	43	0	0	0	44	49
Total AMP Group #3	5	1	0	0	0	6	2	75	0	0	0	77	83
7 George Crawford Manor (04-12)	10	0	0	1	0	11	19	64	0	0	0	83	94
William T. Rowe (04-31)	4	0	0	1	0	5	6	53	0	2	0	61	66
Total AMP Group #7	14	0	0	2	0	16	25	117	0	2	0	144	160
8 Charles T. McQueeney (04-28)	25	3	0	0	0	28	22	66	0	0	0	88	116
9 Robert T. Wolfe (04-16)	16	0	0	0	0	16	7	38	0	0	0	45	61
Valentina Macri Court (04-26)	5	0	1	0	0	6	1	4	0	0	0	5	11
Winslow Celentano (04-11)	6	3	0	1	0	10	9	22	0	0	0	31	41
Total AMP Group #9	27	3	1	1	0	32	17	64	0	0	0	81	113
11 Fairmont Heights (04-40)	7	0	0	0	0	7	23	53	0	0	0	76	83
Ruoppolo Manor (04-22)	13	3	0	1	0	17	15	59	0	0	0	74	91
Total AMP Group #11	20	3	0	1	0	24	38	112	0	0	0	150	174
<b>Total Mixed Population</b>	<b>91</b>	<b>10</b>	<b>1</b>	<b>4</b>	<b>0</b>	<b>106</b>	<b>104</b>	<b>434</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>540</b>	<b>646</b>
<b>Elderly Designated</b>													
6 Constance B. Motley (04-18)	2	0	0	0	0	2	8	30	0	0	0	38	40
Katherine Harvey Terrace (04-8)	3	0	0	0	0	3	0	10	0	0	0	10	13
Newhall Gardens (04-9)	0	0	0	0	0	0	0	0	0	0	0	0	0
Prescott Bush (04-10)	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Elderly Designated</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>8</b>	<b>40</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>48</b>	<b>53</b>
<b>HANH Total</b>	<b>244</b>	<b>21</b>	<b>1</b>	<b>17</b>	<b>0</b>	<b>283</b>	<b>141</b>	<b>1,126</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>1,270</b>	<b>1,553</b>

\* Race Categories: 1W = White; 2B = Black/African American; 3AI = American Indian/Alaska Native; 4As = Asian; 5NH = Native Hawaiian/Other Pacific Islander

File: HHs Served LIPH (Sheet 2)

HANH LIPH Households by Ethnicity and Race (Percent) (Sept 30, 2006)

AMP & Development Name	Hispanic*						Non-Hispanic*						Total
	1W	2B	3AI	4As	5NH	Total	1W	2B	3AI	4As	5NH	Total	
<b>General Occupancy</b>													
1 Westville Manor (04-37)	7%	0%	0%	2%	0%	8%	5%	86%	0%	0%	0%	92%	130
2 Brookside (04-36)	0%	0%	0%	3%	0%	3%	0%	97%	0%	0%	0%	97%	32
4 McConaughy Terrace (04-35)	8%	1%	0%	1%	0%	9%	4%	87%	0%	0%	0%	91%	164
5 County & Henry Streets (04-15)	50%	0%	0%	0%	0%	50%	0%	50%	0%	0%	0%	50%	2
Valley Townhouses (04-29)	16%	0%	0%	0%	0%	16%	0%	84%	0%	0%	0%	84%	38
Waverly Townhouses (04-30)	15%	0%	0%	2%	0%	17%	2%	81%	0%	0%	0%	83%	47
Total AMP Group #5	16%	0%	0%	1%	0%	17%	1%	82%	0%	0%	0%	83%	87
10 Farnam Courts (04-4)	24%	3%	0%	1%	0%	28%	5%	66%	0%	0%	0%	72%	205
12 Quinnipiac Terrace (04-3)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0
QT Redevelopment (04-72)	34%	6%	0%	0%	0%	40%	2%	58%	0%	0%	0%	60%	65
Total AMP Group #12	34%	6%	0%	0%	0%	40%	2%	58%	0%	0%	0%	60%	65
13 Eastview Terrace (04-34)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0
14 Essex (04-23)	40%	0%	0%	3%	0%	43%	7%	50%	0%	0%	0%	57%	30
Scattered Sites (04-44 to 04-64)	21%	0%	0%	3%	0%	23%	1%	75%	0%	0%	0%	77%	141
Total AMP Group #14	24%	0%	0%	3%	0%	27%	2%	71%	0%	0%	0%	73%	171
<b>Total General Occupancy</b>	<b>17%</b>	<b>1%</b>	<b>0%</b>	<b>2%</b>	<b>0%</b>	<b>20%</b>	<b>3%</b>	<b>76%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>80%</b>	<b>854</b>
<b>Mixed Population</b>													
3 Ribicoff Cottage (04-14)	3%	0%	0%	0%	0%	3%	3%	94%	0%	0%	0%	97%	34
Ribicoff Extension (04-24)	8%	2%	0%	0%	0%	10%	2%	88%	0%	0%	0%	90%	49
Total AMP Group #3	6%	1%	0%	0%	0%	7%	2%	90%	0%	0%	0%	93%	83
7 George Crawford Manor (04-12)	11%	0%	0%	1%	0%	12%	20%	68%	0%	0%	0%	88%	94
William T. Rowe (04-31)	6%	0%	0%	2%	0%	8%	9%	80%	0%	3%	0%	92%	66
Total AMP Group #7	9%	0%	0%	1%	0%	10%	16%	73%	0%	1%	0%	90%	160
8 Charles T. McQueeney (04-28)	22%	3%	0%	0%	0%	24%	19%	57%	0%	0%	0%	76%	116
9 Robert T. Wolfe (04-16)	26%	0%	0%	0%	0%	26%	11%	62%	0%	0%	0%	74%	61
Valentina Macri Court (04-26)	45%	0%	9%	0%	0%	55%	9%	36%	0%	0%	0%	45%	11
Winslow Celentano (04-11)	15%	7%	0%	2%	0%	24%	22%	54%	0%	0%	0%	76%	41
Total AMP Group #9	24%	3%	1%	1%	0%	28%	15%	57%	0%	0%	0%	72%	113
11 Fairmont Heights (04-40)	8%	0%	0%	0%	0%	8%	28%	64%	0%	0%	0%	92%	83
Ruoppolo Manor (04-22)	14%	3%	0%	1%	0%	19%	16%	65%	0%	0%	0%	81%	91
Total AMP Group #11	11%	2%	0%	1%	0%	14%	22%	64%	0%	0%	0%	86%	174
<b>Total Mixed Population</b>	<b>14%</b>	<b>2%</b>	<b>0%</b>	<b>1%</b>	<b>0%</b>	<b>16%</b>	<b>16%</b>	<b>67%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>84%</b>	<b>646</b>
<b>Elderly Designated</b>													
6 Constance B. Motley (04-18)	5%	0%	0%	0%	0%	5%	20%	75%	0%	0%	0%	95%	40
Katherine Harvey Terrace (04-8)	23%	0%	0%	0%	0%	23%	0%	77%	0%	0%	0%	77%	13
Newhall Gardens (04-9)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0
Prescott Bush (04-10)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0
<b>Total Elderly Designated</b>	<b>9%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>9%</b>	<b>15%</b>	<b>75%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>91%</b>	<b>53</b>
<b>HANH Total</b>	<b>16%</b>	<b>1%</b>	<b>0%</b>	<b>1%</b>	<b>0%</b>	<b>18%</b>	<b>9%</b>	<b>73%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>82%</b>	<b>1,553</b>

\* Race Categories: 1W = White; 2B = Black/African American; 3AI = American Indian/Alaska Native; 4As = Asian; 5NH = Native Hawaiian/Other Pacific Islander

File: HHs Served LIPH (Sheet 5)



## 4. Households on HANH's Waiting Lists

This Section provides information about the number and characteristics of applicant households on HANH's waiting lists, including HANH's public housing program and Section 8 (HCV) program. It is based on the extensive data analysis conducted for our MTW Annual Plan for FY 2007.

### A. Number of Households on HANH's Waiting Lists

HANH has 3,664 applicant households on its waiting lists. The following table provides counts for each waiting list and housing type. It also includes bedroom sizes for all public housing waiting lists and some Section 8 (HCV) waiting lists. HANH does not record bedroom sizes for its Section 8 (HCV) tenant-based applicants as this information is not relevant to the pre-application process and is not determined until the full application, eligibility review, and admissions process.

**Number and Bedroom Size of Applicant Households**

Housing Program & Type	SRO	0	1	2	3	4+	Total
Public Housing							
General Occupancy	0	0	546	495	257	84	1,382
Mixed Population	0	597	187	0	0	0	784
Elderly	0	11	84	1	0	0	96
Accessible Housing	0	4	34	17	6	2	63
Ruoppolo SHP	0	5	1	0	0	0	6
Public Housing Subtotal	0	617	852	513	263	86	2,331
Section 8 (HCV)							
Tenant-Based							1,057
Project-Based	0	18	120	82	43	10	273
SROs	3	0	0	0	0	0	3
Section 8 (HCV) Subtotal							1,333
<b>HANH Total</b>							<b>3,664</b>

### B. FY 2006 Change in Number of Applicants

At the beginning of FY 2006, as reported in HANH's Annual Plan for FY 2006, HANH's waiting lists included 2,578 total applicant households. During FY 2006, the number of applicants has increased by nearly 1,100 households, primarily due to the opening of HANH's Section 8 (HCV) waiting list. The following table summarizes changes in the number of households on each waiting list, as reported in HANH's MTW Annual Plans for FY 2006 compared to FY 2007.

**HANH's Waiting Lists: Change in Number of Applicants During FY 2006**

<b>Housing Program &amp; Type</b>	<b>Beg FY06</b>	<b>End FY06</b>	<b>Difference</b>
Public Housing			
General Occupancy	1,410	1,382	- 28
Mixed Population	492	790	+ 298
Elderly-Designated	45	96	+ 51
Accessible Units	60	63	+ 3
Public Housing Total	2,007	2,331	+ 324
Section 8 (HCV)	571	1,333	+ 762
<b>HANH Subtotal</b>	<b>2,578</b>	<b>3,664</b>	<b>+ 1,086</b>

As this table indicates, the majority of the difference is due to increased applicants on HANH's Section 8 waiting list. HANH opened this waiting list for a one-month period of April 2005, and subsequently selected 1,000 new applicants through a lottery. At the time that the MTW Annual Plan for FY 2006 was prepared (June 2005), HANH's waiting list numbers did not yet reflect the increase due to the April 2005 waiting list opening. These new applicants are reflected above, in the FY-end data counts. The FY-end counts also reflect routine purging and intake procedures.

The table also indicates a significant number of new applicants on HANH's Mixed Population waiting list. This waiting list has remained open through FY 2006 and in prior years and is subject to significant variation.

HANH's waiting list for elderly-designated housing also reflects an increase during FY 2006. As HANH anticipated completion of major modernization of 3 elderly-designated developments--Constance Baker Motley, Katharine Harvey Terrace, and Newhall Gardens—HANH outreached to build the waiting list for this housing option. The modernization of these developments also has generated increased demand.

**C. FY 2006 Changes in Applicant Characteristics**

The following tables compare basic demographics of applicants for HANH's housing programs and any changes during the year, based on HANH's MTW Annual Reports for FY 2006 compared to FY 2007. HANH notes that we have more limited demographic information related to applicants, particular for race and ethnicity data, because we do not require this information in our pre-applications.

**Applicant Characteristics: LIPH General Occupancy Waiting Lists**

	Beg FY06	End FY06	Change
<b>Race and Ethnicity</b>			
Hispanic	56%	56%	0%
Non-Hispanic			
White	21%	20%	- 1%
Black	22%	24%	+ 2%
Total	99%	101%	
<b>Household Income</b>			
Extremely Low Income (<30%)	97%	95%	- 2%
Very Low Income (30-50%)	3%	4%	+ 1%
Low Income (50-80%)	0%	1%	+ 1%
Moderate Income (80%+)	0%	0%	0%
Total	100%	100%	

\* *AI/AN = American Indian/Alaska Native*  
*NH/OPI = Native Hawaiian/Other Pacific Islander*

During FY 2006, there were no significant changes in the characteristics of General Occupancy applicants. HANH would not expect demographic changes in this waiting list because it was closed throughout FY 2006.

**Applicant Characteristics: LIPH Mixed Population Waiting Lists**

	Beg FY06	End FY06	Change
<b>Race and Ethnicity</b>			
Hispanic	30%	26%	- 4%
Non-Hispanic			
White	45%	36%	- 9%
Black	24%	38%	+ 14%
Total	99%	100%	
<b>Household Income</b>			
Extremely Low Income (<30%)	99%	99%	0%
Very Low Income (30-50%)	1%	1%	0%
Low Income (50-80%)	0%	0%	0%
Moderate Income (80%+)	0%	0%	0%
Total			

\* *AI/AN = American Indian/Alaska Native*  
*NH/OPI = Native Hawaiian/Other Pacific Islander*

As this table indicates, during FY 2006, there was a notable increase (14%) of Black non-Hispanic households on HANH's Mixed Population waiting lists, with a corresponding

reduction primarily in White non-Hispanic households. There was no change in the income levels of applicants.

**Applicant Characteristics: LIPH Elderly-Designated Units Waiting Lists**

	Beg FY06	End FY06	Change
<b>Race and Ethnicity</b>			
Hispanic	38%	20%	- 18%
Non-Hispanic			
White	38%	24%	- 14%
Black	24%	56%	+ 32%
Total	100%	100%	
<b>Household Income</b>			
Extremely Low Income (<30%)	91%	93%	+ 2%
Very Low Income (30-50%)	9%	7%	- 2%
Low Income (50-80%)	0%	0%	0%
Moderate Income (80%+)	0%	0%	0%
Total	100%	100%	

\* *AI/AN = American Indian/Alaska Native*  
*NH/OPI = Native Hawaiian/Other Pacific Islander*

The above table indicates very significant changes in the ethnicity and race demographics of applicants on HANH’s waiting list for elderly-designated units. However, HANH does not consider these changes to be significant because they are based on such small numbers. At the beginning of FY 2006, HANH had fewer than 50 applicants on this waiting list, a number too small for percentages to be trustworthy. During FY 2006, the number of applicants on this waiting list doubled. The number of applicants (96) is still small, and likewise the data indicating changes in demographics during FY 2006 may have limited value. HANH will continue to monitor demographic changes in this waiting list.

**Applicant Characteristics: Section 8 (HCV) Waiting Lists**

	<b>Beg FY06</b>	<b>End FY06</b>	<b>Change</b>
<b>Race and Ethnicity</b>			
Hispanic	46%	34%	- 12%
Non-Hispanic			
White	12%	13%	+ 1%
Black	42%	53%	+ 11%
Total	100%	100%	
<b>Household Income</b>			
Extremely Low Income (<30%)	79%	94%	+ 15%
Very Low Income (30-50%)	18%	5%	- 13%
Low Income (50-80%)	3%	1%	- 2%
Moderate Income (80%+)	0%	0%	0%
Total	100%		

\* *AI/AN = American Indian/Alaska Native*  
*NH/OPI = Native Hawaiian/Other Pacific Islander*

During April 2005, HANH opened its Section 8 (HCV) waiting list for new applicants and subsequently selected 1,000 new applicants for placement on its waiting list. These changes to HANH's Section 8 (HCV) waiting list were not completed at the time of HANH's preparation of its MTW Annual Plan for FY 2006 (June 2005) and therefore were not reported in this Annual Plan and are not recorded in the following data for the beginning of FY 2006.

They are included in the waiting list data for the end of FY 2006. There are significant changes in the race and ethnicity of applicants—an increase of 11% of Black applicants, and a decrease of 12% of Hispanic applicants. There also are significant changes in the income levels of applicants, with 94% of Section 8 (HCV) applicants reporting incomes that qualify as extremely low income, an increase of 15% from the beginning of FY 2006 applicant data, prior to the inclusion of data from the April 2005 waiting list opening.



## 5. Section 8 (HCV) Inventory

This Section provides information about the current number of vouchers in HANH's Section 8 (HCV) inventory and any changes in HANH's Section 8 (HCV) inventory during FY 2006.

The following table describes HANH's total voucher pool and changes during FY 2006. It includes both MTW vouchers (vouchers that are presently covered under HANH's MTW Agreement) as well as "Non-MTW" (vouchers recently assigned to HANH or otherwise committed for a specific purpose and, therefore, not included in the funding fungibility of HANH's MTW Agreement).

**HANH's Section 8 (HCV) Voucher Inventory: Beginning and End of FY 2006**

		Beg FY06	End FY06	Change
MTW	Tenant-Based Assistance	3,796	3,796	0
	West Rock Redevelopment	491	491	0
	Eastview Terrace Relocation	0	30	30
	Ethan Gardens	0	28	28
	<b>Total MTW Vouchers</b>	<b>4,287</b>	<b>4,345</b>	<b>58</b>
Non-MTW	SRO/Mod Rehab	80	80	0
	Fair Haven Elderly	61	61	0
	Canterbury Gardens	0	34	34
	<b>Total Non-MTW Vouchers</b>	<b>141</b>	<b>175</b>	<b>34</b>
<b>Total</b>		<b>4,428</b>	<b>4,520</b>	<b>92</b>

In its MTW Annual Plan for FY 2006, HANH reported that it administered 4,287 total Section 8 (HCV) vouchers covered by HANH's MTW Agreement. This includes 491 vouchers committed to West Rock redevelopment activities, and 3,796 vouchers for tenant-based assistance or other authorized MTW purposes. In addition, at the beginning of FY 2006, HANH administered 141 vouchers committed to specific purposes and not covered by HANH's MTW Agreement. HANH's total voucher inventory at the beginning of FY 2006 included 4,428 vouchers.

At the end of FY 2006, HANH's Section 8 (HCV) inventory includes 4,520 total vouchers. This represents an increase of 92 vouchers during FY 2006. The new vouchers include replacement/relocation vouchers acquired for Eastview Terrace relocation (30 vouchers). In addition, during FY 2006, HANH began administering vouchers for residents of two housing developments that previously had received HUD project-based assistance, Ethan Gardens (28 vouchers) and Canterbury Gardens (34 vouchers).



## 6. Public Housing Inventory

HANH's primary MTW long-term goal is to transform our public housing stock into housing of choice through redevelopment and major modernization of its public housing developments. This Section provides information about HANH's current public housing stock. It describes changes in HANH's public housings stock during FY 2006. It also describes and explains variations from the projections made in HANH's MTW Annual Plan for FY 2006.

### A. HANH's Current Public Housing Stock

HANH's public housing stock currently includes 2,623 total units. The following table provides a summary of HANH's current public housing inventory by bedroom size. A more detailed table with unit counts for each HANH public housing development is provided at page 41.

HANH's Public Housing Inventory by Bedroom Size (September 30, 2006)

Housing Type	Bedroom Size									Total
	0	1	2	3	4	5	6	7	M	
General Occupancy	0	7	690	585	176	31	5	3	0	1,497
Mixed Population	588	325	8	0	0	0	0	0	23	944
Elderly Designated	41	109	8	0	0	0	0	0	24	182
<b>HANH Total</b>	<b>629</b>	<b>441</b>	<b>706</b>	<b>585</b>	<b>176</b>	<b>31</b>	<b>5</b>	<b>3</b>	<b>47</b>	<b>2,623</b>

The column labeled "M" provides counts of merged/conversion units (units merged with an adjacent unit with break-throughs to create a larger apartment).

### B. Changes in HANH's Public Housing Stock During FY 2006

HANH's MTW Annual Report for FY 2006 reported 2,685 total units in HANH's public housing inventory. This included 1,559 General Occupancy units and 1,126 units for elderly and disabled residents (944 Mixed Population units and 182 Elderly-Designated Units).

The following table compares HANH's public housing stock at the beginning and end of FY 2006. It includes separate counts for Mixed Population units and Elderly Designated units.

**Change in HANH Public Housing Inventory During FY 2006**

<b>HANH Housing Program</b>	<b>Beg FY06</b>	<b>End FY06</b>	<b>Change</b>
General Occupancy	1,559	1,497	- 62
Mixed Population	944	944	0
Elderly Designated	182	182	0
<b>HANH Total</b>	<b>2,685</b>	<b>2,623</b>	<b>- 62</b>

As the above table indicates, during FY 2006, HANH's public housing inventory had a loss of 62 units. This change in HANH's housing stock reflects demolition and new construction at Quinnipiac Terrace, as follows:

<b># Units</b>	<b>Explanation</b>
- 143	Quinnipiac Terrace demolition
81	Quinnipiac Terrace new construction
<b>- 62</b>	<b>Total change in unit count</b>

**C. Comparison of FY 2006 Actuals to Projections**

In HANH's MTW Annual Plan for FY 2006, HANH projected that, at FY-end, HANH's public housing inventory would include 2,426 total units. At FY-end, HANH's public housing stock totals 2,623 total units, which is 197 units larger than projected.

The projection had assumed a reduction of 259 units at 3 developments planned for partial demolition: Quinnipiac Terrace (143 units), Brookside (82 units), and Eastview Terrace (34 units). Quinnipiac Terrace demolition of 143 units was completed during FY 2006, but demolition at Brookside and Eastview Terrace was not completed during FY 2006. In addition, the current actual count of units includes 81 newly construction units at Quinnipiac Terrace that were not included in the projected count. The following table summarizes the difference between projected and actual change in units for FY-end:

<b>Proj</b>	<b>Act</b>	<b>Diff</b>	<b>Explanation</b>
- 143	- 143	0	Quinnipiac Terrace demolition
0	+ 81	+ 81	Quinnipiac Terrace new construction units
- 82	0	+ 82	Brookside units scheduled for demolition
- 34	0	+ 34	Eastview Terrace units scheduled for demolition
<b>- 259</b>	<b>- 62</b>	<b>+ 197</b>	<b>Totals</b>

**D. Changes in HANH's Public Housing Stock During MTW Status**

HANH's current public housing stock of 2,623 total units reflects a reduction of more than 300 units since the beginning of HANH's MTW status, when HANH's housing stock included 2,964 total public housing units. The reduction in units is due to HANH's aggressive MTW plans for redevelopment and major modernization of its public housing stock. The following table provides actual counts of units for each year of HANH's MTW status, beginning May 2003. A detailed table with unit counts for each public housing development follows at page 45.

**HANH Public Housing Stock 2003-Present**

Housing Type	5/03	6/04	5/05	5/06	10/06	Change
General Occupancy	1,838	1,561	1,559	1,416	1,497	- 341
Mixed Population	1,126	1,126	1,126	944	944	- 182
Elderly Designated	0	0	0	182	182	+ 182
<b>HANH Total</b>	<b>2,964</b>	<b>2,687</b>	<b>2,685</b>	<b>2,542</b>	<b>2,623</b>	<b>- 341</b>

The above table indicates a reduction of 182 units in HANH's Mixed Population housing, and a corresponding increase of 182 units in HANH's elderly-designated housing, reflecting HANH's implementation of its Elderly Designation Plan and resulting in no net change in units.

The decreased number of units in HANH's public housing stock is due to changes in HANH's General Occupancy units, as described below:

Units	Explanation of Change
- 195	Demolition of Rockview for West Rock Revitalization
- 12	Demolition of Riverview for HOPE VI Revitalization
- 36	Demolition of Sheffield Manor
- 34	Disposition of Winter Gardens for redevelopment by City & TCB
- 2	Disposition of 2 units at Count & Henry Streets (Dev #4-15)
-143	Partial demolition of Quinnipiac Terrace for HOPE VI Revitalization
+ 81	New construction of Quinnipiac Terrace Units
<b>- 341</b>	<b>Total change in units</b>

## E. Detailed Tables: HANH's Public Housing Inventory

HANH's Current Public Housing Inventory (September 30, 2006)

AMP & Development Name	Bedroom Size of Units								Merged	Total
	0	1	2	3	4	5	6	7		
<b>General Occupancy</b>										
1 Westville Manor (04-37)	0	0	36	69	29	17	0	0	0	151
2 Brookside (04-36)	0	0	163	112	15	2	2	1	0	295
4 McConaughy Terrace (04-35)	0	0	165	29	7	0	0	0	0	201
5 County & Henry Streets (04-15)	0	0	0	3	0	1	0	2	0	6
Valley Townhouses (04-29)	0	0	9	15	13	3	0	0	0	40
Waverly Townhouses (04-30)	0	0	22	20	10	0	0	0	0	52
10 Farnam Courts (04-4)	0	7	137	72	24	0	0	0	0	240
12 Quinpiac Terrace (04-3)	0	0	72	20	6	0	3	0	0	101
Quinpiac Terrace Revitalization	0	0	54	19	8	0	0	0	0	81
13 Eastview Terrace (04-34)	0	0	18	72	46	6	0	0	0	142
14 Essex (04-23)	0	0	14	13	8	0	0	0	0	35
Scattered Sites (04-44 to 04-64)	0	0	0	141	10	2	0	0	0	153
<b>Total General Occupancy</b>	<b>0</b>	<b>7</b>	<b>690</b>	<b>585</b>	<b>176</b>	<b>31</b>	<b>5</b>	<b>3</b>	<b>0</b>	<b>1,497</b>
<b>Mixed Population</b>										
3 Ribicoff Cottage (04-14)	0	40	0	0	0	0	0	0	0	40
Ribicoff Extension (04-24)	16	44	0	0	0	0	0	0	20	80
7 George Crawford Manor (04-12)	52	52	5	0	0	0	0	0	0	109
William T. Rowe (04-31)	138	35	0	0	0	0	0	0	3	176
8 Charles T. McQueeney (04-28)	128	22	0	0	0	0	0	0	0	150
9 Robert T. Wolfe (04-16)	77	14	2	0	0	0	0	0	0	93
Valentina Macri Court (04-26)	11	6	0	0	0	0	0	0	0	17
Winslow Celentano (04-11)	32	32	1	0	0	0	0	0	0	65
11 Fairmont Heights (04-40)	42	56	0	0	0	0	0	0	0	98
Ruoppolo Manor (04-22)	92	24	0	0	0	0	0	0	0	116
<b>Total Mixed Population</b>	<b>588</b>	<b>325</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>23</b>	<b>944</b>
<b>Elderly Designated</b>										
6 Constance B. Motley (04-18)	8	37	0	0	0	0	0	0	18	63
Katherine Harvey Terrace (04-8)	0	17	0	0	0	0	0	0	6	23
Newhall Gardens (04-9)	10	26	0	0	0	0	0	0	0	36
Prescott Bush (04-10)	23	29	8	0	0	0	0	0	0	60
<b>Total Elderly Designated</b>	<b>41</b>	<b>109</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>24</b>	<b>182</b>
<b>HANH Total</b>	<b>629</b>	<b>441</b>	<b>706</b>	<b>585</b>	<b>176</b>	<b>31</b>	<b>5</b>	<b>3</b>	<b>47</b>	<b>2,623</b>

File: LIPH Inventory (Sheet 1)

HANH Public Housing Inventory During MTW FY 2003-2006

AMP & Development Name	Actuals					Change 2003-2006
	5/2003	6/2004	5/2005	5/2006	10/2006	
<b>General Occupancy</b>						
1 Westville Manor (04-37)	151	151	151	151	151	0
2 Brookside (04-36)	295	295	295	295	295	0
4 McConaughy Terrace (04-35)	201	201	201	201	201	0
5 County & Henry Streets (04-15)	8	8	6	6	6	-2
Valley Townhouses (04-29)	40	40	40	40	40	0
Waverly Townhouses (04-30)	52	52	52	52	52	0
10 Farnam Courts (04-4)	240	240	240	240	240	0
12 Quinnipiac Terrace (04-3)	244	244	244	101	101	-143
Quinnipiac Terrace Revitalization	0	0	0	0	81	81
13 Eastview Terrace (04-34)	142	142	142	142	142	0
14 Essex (04-23)	35	35	35	35	35	0
Scattered Sites (04-44 to 04-64)	153	153	153	153	153	0
<b>D Rockview</b>	195	0	0	0	0	-195
Riverview	12	0	0	0	0	-12
Sheffield Manor	36	0	0	0	0	-36
Winter Gardens	34	0	0	0	0	-34
<b>Total General Occupancy</b>	<b>1,838</b>	<b>1,561</b>	<b>1,559</b>	<b>1,416</b>	<b>1,497</b>	<b>-341</b>
<b>Mixed Population</b>						
3 Ribicoff Cottage (04-14)	40	40	40	40	40	0
Ribicoff Extension (04-24)	80	80	80	80	80	0
7 George Crawford Manor (04-12)	109	109	109	109	109	0
William T. Rowe (04-31)	176	176	176	176	176	0
8 Charles T. McQueeney (04-28)	150	150	150	150	150	0
9 Robert T. Wolfe (04-16)	93	93	93	93	93	0
Valentina Macri Court (04-26)	17	17	17	17	17	0
Winslow Celentano (04-11)	65	65	65	65	65	0
11 Fairmont Heights (04-40)	98	98	98	98	98	0
Ruoppolo Manor (04-22)	116	116	116	116	116	0
6 Constance B. Motley (04-18)	63	63	63			-63
Katherine Harvey Terrace (04-8)	23	23	23			-23
Newhall Gardens (04-9)	36	36	36			-36
Prescott Bush (04-10)	60	60	60			-60
<b>Total Mixed Population</b>	<b>1,126</b>	<b>1,126</b>	<b>1,126</b>	<b>944</b>	<b>944</b>	<b>-182</b>
<b>Elderly Designated</b>						
6 Constance B. Motley (04-18)				63	63	63
Katherine Harvey Terrace (04-8)				23	23	23
Newhall Gardens (04-9)				36	36	36
Prescott Bush (04-10)				60	60	60
<b>Total Elderly Designated</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>182</b>	<b>182</b>	<b>182</b>
<b>HANH Total</b>	<b>2,964</b>	<b>2,687</b>	<b>2,685</b>	<b>2,542</b>	<b>2,623</b>	<b>-341</b>

File: LIPH Inventory History (Sheet 1)



## 7. Public Housing Capital Projects

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The primary goal of HANH's MTW long-term planning is to transform HANH's public housing into housing of choice. HANH's MTW long-term plans include aggressive plans for redevelopment and major modernization of roughly 40% of our most severely-deteriorated public housing stock, as well as capital improvements to address critical capital needs in other developments. This Section describes HANH's FY 2006 progress, activities, accomplishments, and challenges in our planned capital improvements. Detailed financial statements, comparing budgets to actual expenditures for HANH's FY 2006 capital projects, are attached at page 53.

### A. Quinnipiac Terrace/Riverview HOPE VI Revitalization

In 2002, HANH received a HOPE VI Revitalization grant for the redevelopment of its Quinnipiac Terrace and Riverview developments. When completed, this \$60 million revitalization will comprise 245 total units, including homeownership and market rate rentals, and significant site improvements including new streets, park space, and a new community building. The Quinnipiac Terrace Revitalization is projected for completion in late 2008.

In 2005, demolition and construction was completed on the Riverview site, resulting in 8 two-family homeownership buildings (16 total units).

During FY 2006, Quinnipiac Terrace Phase I was completed. This included demolition of 143 units, and new construction of 81 low income rental units, which were completed and occupied during the summer of 2006. The new units are beautiful and have generated significant demand. In addition, during FY 2006, HANH completed the Phase II closing, with demolition to occur during FY 2007 and new construction of 79 rental units with a projected completion date of December 2007.

This project is proceeding on schedule, within budget, and with effective management, as indicated in HUD's 2006 review, which states,

“Based on a review of the HOPE VI files, it was evident that on a weekly basis the PHA and the architect are inspecting the revitalization activities to ensure that the physical work is being carried out in accordance with the plans and specifications. The files showed that job meeting records and inspection reports are being provided in a timely fashion.”

“The HANH has made good progress obligating and expending funds and completing work set forth in the Revitalization Plans. Physical work completed and in progress is consistent with approved budgets.”

## **B. Eastview Terrace Major Modernization**

Eastview Terrace is a General Occupancy development with 142 units that have severely deteriorated and, perhaps more importantly, with critical site design problems that have contributed to security problems, quality of life problems, and the development's isolation from the surrounding community, including the lack of a community center and the lack of programs or resources to engage the developments 500+ children and youth. HANH's MTW objectives include major modernization of the site, including selective demolition. HANH's modernization plans selective demolition (9 buildings, 52 units), complete gut rehab and renovation of the remaining 90 units, new construction of 37 units, new construction of an on-site community center, and major changes in the site design including street layout and other site design issues intended to promote security.

In 2003, HANH received HUD approval, and a HOPE VI demolition grant, for proposed partial demolition. Phase 1 residents were relocated during FYs 2004-2005.

During FY 2006, HANH reinvigorated the Eastview Terrace modernization project. We have finalized site plans, preliminary design plans, and financing plans. HANH's FY 2006 activities include the following:

- State DECD hearings under C.G.S. 8-64a were conducted, and HANH has approval for the partial demolition needed according to our present site plan.
- All remaining residents of Eastview Terrace were relocated.
- Abatement of all buildings was begun and largely completed by the end of FY 2006.
- A demolition contractor has been procured, and partial demolition will begin in FY 2006, once abatement is completed.
- HANH conducted and completed detailed environmental reviews, including the required environmental reviews under 24 CFR Part 58.
- HANH has submitted applications for mixed finance tax credit funding for the project, as well as a disposition application to HUD.

## **C. West Rock Redevelopment**

HANH's MTW objectives include revitalization of its West Rock neighborhood through redevelopment of two of its oldest and most deteriorated developments, Rockview Circle (formerly 195 General Occupancy units) and the neighboring Brookside development (295 General Occupancy units). Rockview was demolished in 2003. Brookside also had been approved for demolition and is planned for selective demolition.

HANH had conducted extensive planning for the West Rock revitalization over the past several years. During FY 2006, HANH reinvigorated the West Rock redevelopment process:

- HANH submitted a HOPE VI Revitalization Grant to HUD for redevelopment of Brookside. Although this grant was not selected for funding, the process re-engaged HANH and the community in concrete planning for the redevelopment.
- In the process of developing the HOPE VI Revitalization Grant application, HANH updated the master plan and design documents, as well as concrete and realistic financing plans.
- HANH conducted extensive community planning activities, with multiple resident meetings, West Rock Implementation Committee meetings, and new engagement with key partners, including the City of Hamden and Southern Connecticut State University.
- Brookside demolition plans have moved forward. During FY 2006, all abatement is completed, and demolition will follow.
- Relocation of the remaining Brookside families has moved forward. As of September 30, 2006, only 32 families remained at Brookside (and only 3 families remain at the time this Report is prepared).
- HANH began procurement of a Master Developer.

Redevelopment of Rockview, which has already been demolished, is projected to include new construction of roughly 200 affordable rental units, with a total project cost of \$60 million. Funding includes \$18 million of HANH MTW funds, \$33 million in equity raised by tax credits, and \$9 million of debt financing and grant funds.

Brookside, similarly, is projected for new construction of roughly 200 affordable rental units, plus 95 Section 8 (HCV) vouchers for replacement, with a total project cost of \$60 million or more. Anticipated funding for Brookside includes \$12 million of HANH MTW funds, \$32 million in equity raised by tax credits, and \$16 million in debt financing and grant funds. HANH anticipates difficulties with fully funding the Brookside redevelopment as planned, in the absence of a HOPE VI Revitalization grant, and may need to consider alternative strategies for redevelopment of this site.

#### **D. Modernization of Four Elderly Developments**

HANH's MTW objectives include major modernization of 4 elderly-designated developments with 182 total units: Constance Baker Motley, Katharine Harvey Terrace, Newhall Gardens, and Prescott Bush Mall.

**Constance Baker Motley.** Renovations were completed in July 2005. The renovated development includes 45 total units: 37 one-bedrooms and 8 efficiencies. The project included modernization of all units, including accessibility features designed to support elderly residents aging in place.

**Katharine Harvey Terrace.** During FY 2006, renovations of Katharine Harvey Terrace were completed. This development originally included 23 total units. The renovations included break-throughs to convert adjacent efficiency apartments into 1-bedroom apartments, resulting in 17 total units. One of the 17 units is committed to use as a

TRC/community space. The project included modernization of all units, including accessibility features designed to support elderly residents aging in place.

**Newhall Gardens.** Renovations of Newhall Gardens were largely completed during FY 2006. (As of November 2006, the development is partially re-occupied.) Like Katharine Harvey Terrace, the renovations included break-throughs to convert adjacent efficiency apartments into 1-bedroom apartments. Today, the development has 26 units. The project included modernization of all units, including accessibility features designed to support elderly residents aging in place.

**Prescott Bush Mall.** Prescott Bush Mall is the last of HANH's 4 elderly-designated developments scheduled for major modernization. During FY 2006, HANH conducted procurement process for architectural & engineering services, and for construction management services. Construction will begin during FY 2007 and is scheduled for completion during FY 2008.

#### **E. Modernization of Development #4-15**

Development #4-15 (County & Henry Streets) was an 8-unit General Occupancy development that had severely deteriorated. HANH previously disposed of 2 units estimated to have excessive renovation costs.

During FY 2006, HANH completed renovations of 4 units at 65, 123-125, and 127 County Streets, and these units have been reoccupied.

This development includes 2 additional units, at 39 County Street, in need of significant capital improvements. HANH had originally intended to renovate these units. During FY 2006, HANH conducted more extensive assessment of the capital needs of this building, which indicate that renovations may be more costly than is cost-effective. HANH will conduct more detailed needs assessments and cost estimates and may dispose of this building.

#### **F. Scattered Site Development**

Under the *CCA v. Cisneros* settlement agreement, HANH is obligated to develop 183 scattered site public housing units located in neighborhoods outside of areas of minority concentration. HANH has developed and occupied 153 units, and 30 units remain to satisfy the settlement agreement.

During FY 2006, HANH conducted renovations of 1 scattered site unit at 555 Fountain Street, and acquired 3 scattered site units at 859 Woodward Avenue. In addition, during FY 2006, HANH has sought to resolve issues in the development of the remaining 26 units in projects at Fulton Street (6 units) and Dell Drive (20 units). The FY-end status of these projects is summarized below.

Address	Units	Status
555 Fountain	1	Renovations are nearly complete, and HANH anticipates occupancy in January 2007.
859 Woodward Ave	3	HANH acquired this property during FY 2006 and is preparing procurement documents for renovations, expected to be completed by the end of FY 2007.
63/75 Fulton	6	With various delays in implementing this turnkey development, construction costs have increased. HANH is seeking HUD approvals, and agreement with the turnkey developer, in hopes that the project may proceed.
Dell Drive	20	With various delays in implementing acquisition of the property, during FY 2006, the owner indicated that he is no longer willing to sell to HANH.

HANH is hopeful that the Fulton Street development may proceed. The Dell Drive project will not proceed. In sum, HANH has 20-26 remaining units to develop, depending on the outcome of Fulton Street.

During FY 2006, HANH has aggressively multiple approaches for acquiring or developing the remaining scattered site units to meet our obligations under the settlement agreement. HANH has identified all properties in eligible neighborhoods and outreached to property owners. We have met with the Alderpersons representing each eligible neighborhood to enlist their support and guidance. We have issued an RFP for acquisition and/or turnkey development. We are anticipating alternative acquisition strategies, such as master lease agreements for units within larger rental developments. We have issued a solicitation for consultant services to help HANH identify potential properties. Finally, we have established regular meetings with New Haven Legal Assistance Association so that, together, we may accomplish our shared goal of developing additional scattered site public housing units.

### **G. Construction Management & A&E Contracts for Capital Improvements**

While HANH's MTW goals focus on the redevelopment or major modernization of 40% of HANH's public housing stock, the majority of HANH's developments may not receive this level of investment but, nonetheless, require significant capital improvements. During FY 2006, HANH focused significant efforts on re-building the pipeline of capital improvement projects and procuring contracts to ensure that we have sufficient capacity to manage a large volume of capital projects at present and over the next 2-3 years.

During FY 2006, HANH procured contracts to provide construction management services for nearly \$17 million in capital improvement projects at 7 public housing developments, as described in the table below. The construction managers are charged first with updating capital needs assessments, from which HANH will prioritize capital

improvement projects it intends to undertake. Subsequently, the construction managers will be responsible for overseeing contracted renovations.

Housing Type	Development	Est Amount Budgeted
General Occupancy	McConaughy Terrace	\$ 3.9 million
	Essex Townhouses	\$ 800,000
Mixed Population	McQueeney Towers	\$ 1.75 million
	Ruoppolo Manor	\$ 500,000
	Crawford Manor	\$ 900,000
Elderly-Designated	Robert T. Wolfe	\$ 1.8 million
	Prescott Bush Mall	\$ 7 million
Total		\$ 16.65 million

As of the end of FY 2006, HANH received preliminary needs assessments from the construction management firms. HANH is in the process of reviewing to develop final needs assessments and, from these, to identify the priorities for capital improvements to begin during FY 2007.

In addition, during FY 2006, HANH contracted for additional A&E services to supplement staff's capacity as necessary to undertake a large volume of capital projects.

#### H. Other Capital Improvement Projects During FY 2006

HANH contracted with construction managers, as described above, to increase our capacity to undertake a high volume of capital improvements. At the same time, during FY 2006, HANH's internal staff has overseen significant capital projects in HANH's public housing developments. The following is a summary list of other capital projects undertaken during FY 2006:

Development	Description
Farnam Courts	Fencing of park
Winslow-Celentano	Replace elevator
Crawford Manor	Replace boiler/upgrade controls
Ruoppolo Manor	Balcony rails repairs
McQueeney	Roof repairs
Valley Townhouses	Erosion control, gutters & siding
Waverly Townhouses	Erosion control, gutters & siding
William T. Rowe	Roof repairs
William T. Rowe	Make-up air system repairs
Westville Manor	Erosion & masonry wall repairs
Westville Manor	Window replacement

## **I. FY 2006 Capital Budget: Planned Versus Actual Expenditures**

The following table presents HANH's FY 2006 capital expenditures in comparison to the 2006 budget presented in HANH's FY 2006 Annual Plan.

The FY 2006 budget for capital projects was prepared in April-June 2005. It projected that several capital improvement projects would be completed before FY 2006 began and therefore these projects were not included in the FY 2006 budget. Several of these projects were not completed until during FY 2006. As a result, the attached table includes significant expenditures of capital projects completed during FY 2006 but not originally budgeted for that fiscal year. FY 2006 capital activities also included significant pre-development and planning activities necessary to undertake major redevelopment and modernization projects including Rockview, Brookside, Eastview Terrace, and William T. Rowe as described earlier in this Section.

**HOUSING AUTHORITY OF THE CITY OF NEW HAVEN  
BUDGET VS ACTUAL  
MTW SOURCES AND USES - FY06**

ACCOUNT NAME	FISCAL YEAR 2006 BUDGET				FISCAL YEAR 2006 ACTUALS				Variance	%
	PUBLIC HOUSING	SECTION 8	OFFICCP	TOTAL BUDGET	PUBLIC HOUSING	SECTION 8	OFFICCP	TOTAL BUDGET		
DWELLING RENTALS	\$4,027,036			\$4,027,036.69	\$3,537,490			\$3,537,490.31	(\$489,546.59)	-12%
TENANT STIPENDS	(\$211,300)			(\$211,300.00)				\$0.00	\$211,300.00	-100%
FSS	\$1,600			\$1,600.00				\$0.00	\$1,600.00	-100%
NON-DWELLING RENTALS	(\$9,780)			(\$9,780.00)				\$0.00	\$9,780.00	-100%
INVESTMENT INCOME	\$27,288			\$27,288.00	\$2,309,408			\$2,309,408.42	(\$27,288.00)	-100%
OTHER OPERATING INCOME	\$1,062,000			\$1,062,000.00	\$343,254			\$343,253.99	\$1,227,406.42	113%
OPERATING FUND TRANSFERS	\$1,434,981			\$1,434,981.00				\$0.00	\$1,434,981.00	-100%
EQUITY TRANSFERS	\$0			\$0.00				\$0.00	\$0.00	0%
GRANTS/SUBSIDY	\$11,874,900			\$11,874,900.00	\$15,099,589			\$15,099,589.00	(\$2,117,007.79)	-3%
TOTAL SOURCES	\$18,477,888	\$30,827,123	\$10,757,732	\$59,162,766.43	\$21,299,740	\$39,858,154	\$4,978,937	\$66,224,831.28	\$8,462,080.85	11%
ADMINISTRATIVE SALARIES	\$2,487,159	\$1,862,817		\$4,350,076.87	\$2,541,219	\$1,004,469		\$3,545,684.71	(\$804,691.28)	-19%
OTHER ADMIN EXPENSES	\$1,605,025	\$102,530		\$1,707,555.00	\$338,215	\$589,856		\$927,071.84	(\$841,383.36)	-48%
TENANT SERVICES	\$269,111			\$269,111.00	\$4,713,007			\$4,713,006.81	(\$159,682.37)	-58%
UTILITIES	\$4,878,280			\$4,878,280.00	\$5,236,422			\$5,237,068.57	(\$162,573.39)	-3%
ORDINARY MAINTENANCE	\$5,509,560			\$5,509,560.00	\$197,128	\$969		\$198,097.00	(\$361,271.77)	-6%
PROTECTIVE SERVICES	\$271,524			\$271,524.00	\$5,001,201	\$403		\$5,001,604.00	(\$73,985.50)	-27%
GENERAL EXPENSES	\$2,589,234	\$885,778		\$3,475,012.00	\$328,048	\$328,048		\$656,096.00	\$1,874,868.33	84%
NONROUTINE EXPENDITURES	\$789,232	\$10,000		\$799,232.00	\$630,384	\$8,346		\$638,730.00	\$170,603.01	-21%
DEPRECIATION	\$3,268,000			\$3,268,000.00	\$4,125,000			\$4,125,000.00	\$859,000.00	26%
HOUSING ASSISTANCE PAYMENTS		\$27,608,000		\$27,608,000.00		\$28,867,288		\$29,967,296.00	\$1,361,298.00	5%
CAPITAL PROJECTS				\$0.00				\$0.00	\$215,482.97	0%
OPERATIONS				\$0.00				\$0.00	\$0.00	0%
MANAGEMENT IMPROVEMENTS				\$0.00				\$0.00	\$0.00	0%
ADMINISTRATION				\$0.00				\$0.00	\$2,152.50	0%
IOP				\$0.00				\$0.00	(\$269,469.49)	-36%
FEES & COSTS				\$0.00				\$0.00	\$0.00	0%
SITE ACQUISITION				\$0.00				\$0.00	\$96,392.44	25%
SITE IMPROVEMENT				\$0.00				\$0.00	\$0.00	0%
DWELLINGS STRUCTURES				\$0.00				\$0.00	\$90,741.72	0%
DWELLING EQUIPMENT				\$0.00				\$0.00	(\$5,855,049.13)	-63%
NON-DWELLINGS STRUCTURES				\$0.00				\$0.00	\$0.00	0%
NON-DWELLINGS EQUIPMENT				\$0.00				\$0.00	\$59,900.00	0%
DEMOLITION				\$0.00				\$0.00	\$145,820.43	0%
REPLACEMENT RESERVE				\$0.00				\$0.00	\$0.00	0%
RELOCATION				\$0.00				\$0.00	\$0.00	0%
CONTINGENCY				\$0.00				\$0.00	(\$158,746.09)	-64%
TOTAL USES	\$21,743,885.43	\$30,827,123.00	\$10,757,732.00	\$63,228,766.43	\$22,884,101.65	\$39,858,682.44	\$4,978,937.38	\$67,789,721.48	(\$4,269,028.97)	-7%
NET INCOME/(LOSS)	(\$3,266,000.00)	\$0.00	\$0.00	(\$3,266,000.00)	(\$1,604,361.74)	\$9,068,471.68	\$0.00	\$7,465,109.92	\$10,721,108.82	-326%

## 9. Occupancy Policies

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As an MTW agency, HANH is permitted to undertake alternative occupancy and rent policies, according to HANH's MTW Agreement. This Section provides relevant information about HANH's occupancy and rent policies, including changes during FY 2006.

### A. HANH's Occupancy Policy Documents

For the public housing program, HANH's occupancy policies are contained in the Admissions and Continued Occupancy Policy (ACOP). For the Section 8 (HCV) program, HANH's occupancy policies are contained in the Administrative Plan. Both documents are available upon request at HANH's main office at 360 Orange Street.

Detailed statements of HANH's policies governing eligibility, tenant selection, admissions, continued occupancy, and rents are provided in HANH's MTW Annual Plan for FY 2007.

### B. FY 2006 Changes in Occupancy Policies

During FY 2006, HANH revised both its ACOP and Administrative Plan. Following notice and resident consultation, the revised policy documents were approved by HANH's Board in March 2006. The March 2006 revisions to HANH's ACOP and Administrative Plan included procedural changes and clarifications throughout both documents, in particular, changes recommended by HUD's RIM review. The FY 2006 revisions did not include occupancy or rent policies beyond those permitted under regulations. A detailed listing of changes to HANH's Administrative Plan and ACOP is attached at page 62. Some notable changes include the following:

- **Reorganization of Administrative Plan.** In revising its Section 8 Administrative Plan, HANH used the most recent Nan McKay policy document. It is substantially revised and reorganized.
- **Medical Expense Deduction Policies.** Both the ACOP and the Administrative Plan included new policies regarding medical expense deductions. According to the new policy, determinations of qualifying medical expenses, eligible for deduction, will be based upon Medicare/Medicaid coverage determinations (or other public insurance programs).
- **LEP Policies.** Both policy documents include more detailed policies for increased access for persons with limited English proficiency.
- **LIPH Screening Procedures.** For the public housing program, the revised ACOP includes new policies and procedures for a Tenant Advisory Screening Committee.

- **Expanded Housing Opportunities.** The Administrative Plan incorporated more detailed policies and procedures for expanding housing opportunities to assist Section 8 families in moving to neighborhoods with lower poverty concentrations.

### **C. Deconcentration of Poverty Analysis for HANH's LIPH Program**

HUD regulations at 24 CFR 903.2 require HANH to ensure that its admissions policies promote statutory goals for the deconcentration of poverty in "covered developments," which include General Occupancy family public housing developments. The regulations require housing authorities to undertake detailed analysis of the concentration of poverty in its public housing developments. HANH conducted this detailed analysis for planning for its MTW Annual Plan for FY 2007, and reports this analysis below. Hereafter, the detailed analysis will be conducted and reported in HANH's Annual Reports.

Implementation of HUD's requirements for deconcentration of poverty begins with analysis of average incomes in covered developments. If the average income of each development falls within the range of 85%-115% of the agency-wide average income, HANH's admissions policies are presumed to comply with the statutory goals for the deconcentration of poverty. This range is referred to as the "Established Income Range." HUD regulations provide that the upper limit of the Established Income Range shall never be less than the income at which a family would be defined as an extremely low income family. In addition, the analysis of average incomes may include adjustments for variations in bedroom sizes, according to HUD procedures in PIH Notice 2001-4.

If the analysis identifies developments whose average income is outside of the Established Income Range, HANH may provide a justification, if appropriate, that the income profile is consistent with the goals of deconcentrating poverty and income mixing as specified by the statute. Otherwise, HANH must develop specific strategies to address the disparities and to promote deconcentration of poverty and income mixing in these developments.

The following table summarizes the data for HANH's deconcentration analysis of incomes. HANH's analysis excludes Brookside, because it is approved for demolition. (24 CFR 903.2(b)(2)(iv)). For planning purposes, HANH's data is organized by AMP Group, according to the Project-Based management model, as well as by traditional PHA developments.

HANH's analysis incorporates adjustments for variations in bedroom sizes. This adjustment is intended to account for variations in income related to household size. This results in an "Adjustment Factor" (column "Adj F") for each development, with an Adjustment Factor of 1.17 for the HANH Total of all covered developments agency-wide. The effect of the Adjustment Factor is to adjust for variations in bedroom sizes, with 2-bedroom units representing the baseline of 1.00. Developments with larger numbers of larger bedroom sizes will have higher adjustment factors. The Adjustment Factor is used to determine an Adjusted Average Income (column "Adj Avg") for each development.

Deconcentration Analysis (June 2, 2006)

AMP & Development	Number of Units by Bedroom Size							Avg Inc	Adj F	Adj Avg	Comp
	1	2	3	4	5	6	Total				
1 Westville Manor	0	27	59	26	13	0	125	15,254	1.26	12,062	1.07
4 McConaughy Terrace	0	139	27	7	0	0	173	12,157	1.06	11,521	1.03
5 County & Henry Streets	0	0	1	0	0	0	1	10,164	1.25	8,131	0.72
Valley Townhouses	0	9	14	12	3	0	38	18,468	1.27	14,581	1.30
Waverly Townhouses	0	19	20	10	0	0	49	15,243	1.18	12,877	1.15
<b>Subtotal AMP #5</b>	<b>0</b>	<b>28</b>	<b>35</b>	<b>22</b>	<b>3</b>	<b>0</b>	<b>88</b>	<b>16,578</b>	<b>1.22</b>	<b>13,586</b>	<b>1.21</b>
10 Farnam Courts	7	111	68	21	0	0	207	10,735	1.12	9,605	0.86
12 Quinnipiac Terrace	0	25	10	2	0	1	38	10,188	1.11	9,191	0.82
14 Essex Townhouses	0	11	13	6	0	0	30	12,945	1.19	10,893	0.97
Scattered Sites	0	0	134	10	2	0	146	14,462	1.27	11,430	1.02
<b>Subtotal AMP #14</b>	<b>0</b>	<b>11</b>	<b>147</b>	<b>16</b>	<b>2</b>	<b>0</b>	<b>176</b>	<b>14,203</b>	<b>1.25</b>	<b>11,343</b>	<b>1.01</b>
<b>HANH Total</b>	<b>7</b>	<b>341</b>	<b>346</b>	<b>94</b>	<b>18</b>	<b>1</b>	<b>807</b>	<b>13,107</b>	<b>1.17</b>	<b>11,231</b>	

\*Adj F" = Adjustment Factor (per PIH Notice 2001-4)

\*Adj Avg" = Total Adjusted Average Income (per PIH Notice 2001-4)

\*Comp" = Comparison of development's adj avg, as a percent of HANH's total adj avg

File: Deconcentration Data (Sheet 2)

As the above table indicates, the average income for these developments is \$15,107. When adjusted for bedroom size, the adjusted average income for HANH's total covered developments is \$11,231. The adjusted average income for individual developments ranges from \$8,131 (County & Henry Streets) to \$14,581 (Valley Townhouses).

The column labeled "Comp" provides a comparison of each development's adjusted average income to the HANH total adjusted average income for all covered developments agency-wide. This is presented as a percentage of the agency-wide average. For example, the adjusted average income at Westville Manor (\$12,062) is 1.07% of the agency wide adjusted average income (\$11,231).

The majority of HANH's developments fall within the Established Income Range of 85%-115% of the HANH Total Adjusted Average Income of \$11,231. This Established Income Range is \$9,546 (85%) to \$12,916 (115%).

Per HUD regulations at 903.2(c)(1)(iii), the upper limit of the Established Income Range shall never be less than the income at which a family would be defined as an extremely low income family, which is \$16,100 for a family of 1 persons, or \$20,700 for a family of 3 persons. This regulation is relevant to HANH's analysis, as 115% of its agency-wide average income is \$12,916, significantly lower than the income limits for extremely low income.

Two developments have adjusted average incomes that are lower than the Established Income Range: County & Henry Streets, and Quinnipiac Terrace. One development, Valley Townhouses, has an adjusted average income that is higher than 115% of the

agency-wide average, but within the income limits for extremely low income families. A fourth development, Farnam Courts, is also relevant to HANH planning because its adjusted average income is very low (86% of the Established Income Range), even if it falls just within the Established Income Range. The following are HANH's explanations and strategies related to these four developments:

**County & Henry Streets (Dev #4-15):** This development has an adjusted average income of \$8,131, which is only 72% of the agency-wide adjusted average income, which is well below the Established Income Range lower limit of 85%. However, this development has only 1 occupant family at present, thus its inclusion in HANH's deconcentration analysis of incomes is effectively meaningless. This development contains 6 total units which have been undergoing major modernization. Two units were recently completed, one has been leased, and one is vacant. The remaining four units are still undergoing modernization. When all 6 units are completed and occupied, deconcentration analysis of this development's income may be more purposeful. At the same time, the development's 6 units are still so small in number so that its averages may be significantly distorted, and it may be more appropriately considered as part of its AMP Group under the Project-Based Management model that HANH is implementing. Finally, HANH notes that small developments such as County & Henry Streets is an ideal strategy for deconcentration of incomes, similar to the scattered site public housing model, with smaller clusters of public housing units distributed throughout the community.

**Quinnipiac Terrace:** This development has an adjusted average income of \$9,191, which is 82% of the agency-wide adjusted average income, below the Established Income Range lower limit of 85%. This development is undergoing HOPE VI Revitalization and mixed finance redevelopment, including homeownership opportunities and self-sufficiency strategies, as part of the HOPE VI CSS service plans, which are designed to reduce the concentration of poverty, promote income mixing, and increase the incomes of Quinnipiac Terrace residents.

**Valley Townhouses:** This development has an adjusted average income of \$14,581, which is 130% of the agency-wide adjusted average income, but is within the income limits for extremely low income families (which are \$16,100 for a family of 1 person, and \$20,700 for a family of 3, where Valley Townhouses has an average family size of 3.5 persons). Thus Valley Townhouses has an adjusted average income falling within the HUD definition of the Established Income Range.

Nonetheless, an examination of the income profile of Valley Townhouses is very relevant to HANH's deconcentration analysis of incomes, as Valley Townhouses provides a model of the ideal of statutory and HANH goals for deconcentration. Valley Townhouses has a higher adjusted average income because its occupancy includes two families with very high incomes, especially compared to HANH's average of \$11,231. The high incomes inflate the average income for the development as a whole, but represent HANH's ideal for strategies for the deconcentration of poverty and mixed income in our developments.

One family has an annual income of roughly \$70,000. This is a single mother of 2 children who moved in to HANH public housing in 1981 and subsequently increased her income with good employment at an annual salary of approximately \$55,000 per year. The balance of the family's income is Social Security benefits for a disabled child. This family pays a flat rent of \$988 per month for their public housing apartment.

Valley Townhouses also is home to a family with an annual income of nearly \$100,000. This is a family of 6, including a husband and wife in their 40s, both of whom are employed, and 4 children. The majority of the family's income is the wages of the 2 parents, but also includes Social Security benefits for a disabled child. This household moved in to their current housing in 1978—when the present head of household was a youth, who was raised in Valley Townhouses, got a good job, and nonetheless remained in Valley Townhouses. This family also pays a flat rent of \$988 per month for their public housing apartment.

HANH believes that the example of these families in Valley Townhouses is the ideal means for deconcentrating poverty and income mixing in our public housing developments. Our ideal strategy for deconcentrating poverty and income mixing would focus on building the incomes and economic self-sufficiency of the existing residents. Our public housing communities benefit from every higher income family who continues to live in public housing because these families help stabilize our communities and provide a model for other residents, and their children, demonstrating that families in public housing can achieve economic self-sufficiency through employment.

**Farnam Courts:** HANH's Farnam Courts development has an adjusted average income of \$9,605, which is 86% of the agency-wide average income, within the Established Income Range, but is close to the lower limit of 85%. This is one of several indices of problems at HANH's Farnam Courts development, including the difficulty of leasing Farnam Courts units and significant security problems, which HANH must consider in its long-term planning for Farnam Courts.

CHANGES TO HANH'S ADMINISTRATIVE PLAN

Chapter	Changes Made in HANH's Administrative Plan
Entire TOC	Updated
Introduction	Introduction added. (Insert before Chapter 1)
1	New chapter
2	Limited English Proficiency requirement (LEP) included
2	Expanded Reasonable Accommodations
3	Consideration of Circumstances – revised policy to clarify circumstances would be considered <i>prior to</i> making a decision to deny assistance .
3	Criminal Activity - PHA Policy on evidence – added a statement that convictions will be given more weight than arrests
3	Family – clarified the HUD definitions of family and revised HANH definition of not related by blood.
3	Mandatory Denial of Assistance - PHA policy on reasonable cause - added a statement that convictions will be given more weight than arrests, and that HANH will consider positive information when determining reasonable cause
3	Notice of Eligibility or Denial - added a new decision point and policy regarding denial process when criminal record or sex offender registration information is the basis of denial
3	Overview – minor editing
3	Screening for Eligibility – new policy added regarding criminal background checks
3	Types of Low-Income Families – added regulatory citation
3	Family and Household - added information to "Things to Consider," revised policy to clarify HUD and PHA definitions of family and added new policy option in response to Notice PIH 2005-16, Policy Guidance on College Student Admissions
3	Verification of Student Status - added information to "Things to Consider" and new policy option in response to Notice PIH 2005-16, Policy Guidance on College Student Admissions
3	Family Members Receiving/Not Receiving SSA Disability Benefits – added decision points and PHA policies to clarify requirements of Notice 2004-18
3	Income Eligibility and Targeting – added new section on income limits for students receiving athletic scholarships with policy options in response to Notice PIH 2005-16 (p. 3? 24).

3	<b>Mandatory Denial of Assistance</b> - added information to "Things to Consider" and expanded PHA policy to say that convictions will be given more weight than arrests, and that PHA will consider positive information when determining reasonable cause
3	<b>Mandatory Denial of Assistance</b> – added information to "Things to Consider" regarding sex offender registration
3	<b>Criminal Activity</b> - added information to "Things to Consider" regarding the amount of time a PHA will deny assistance for certain criminal activities
3	<b>Criminal Activity</b> – added information to "Things to Consider" and expanded policy on evidence of criminal activity stating that convictions will be given more weight than arrests
3	<b>Screening for Eligibility</b> – added new decision point and policy regarding criminal background checks
3	<b>Consideration of Circumstances</b> – added information to "Things to Consider" and revised policy to clarify that circumstances will be considered <i>prior to</i> making a decision to deny assistance
3	<b>Notice of Eligibility or Denial</b> – added new decision point and policy regarding denial process when criminal record or sex offender registration information is basis of denial
4	<b>Completing the Application Process</b> – clarified policy that if the PHA determines that the family is eligible to receive assistance, the PHA will invite the family to attend a briefing in accordance with the policies in Chapter 5
4	<b>Order of Selection</b> – revised policy to state that applicants would be selected based on preference and date and time of application .
4	<b>Removal From the Waiting List</b> – PHA policy edited for clarity.
4	<b>Special Admissions</b> - Include families displaced by government action.
4	<b>Special Admissions</b> - Include Homeownership with vouchers set aside for LIPH participants in the FSS/SEHOP plans.
4	<b>Selection Method</b> – added to regulatory citation
4	<b>Purging the Waiting List</b> – corrected typo in policy
4	<b>Removal From the Waiting List</b> - policy edited for clarity
4	<b>Order of Selection</b> – revised default policy to state that applicants would be selected based on preference and date and time of application. Also revised "Things to Consider" and all policy options

4	<b>Application Process-</b> Included lottery process
4	<b>Application Interview - revised for clarity and include LEP</b>
5	<b>Voucher Issuance – new policy on insufficient funding</b>
5	<b>Added HANH will not approve addition to family if voucher size increase by more than 1 bedroom size</b>
5	<b>Determining Voucher Size - added a chart defining voucher size</b>
5	<b>Exception to subsidy - revised for clarity</b>
5	<b>Changed diagnostician to knowledgeable professional source</b>
5	<b>Expanding Housing Opportunities - Detailed strategies for helping families to access housing in nonimpacted neighborhoods.</b>
6	<b>Guests previously "visitors"</b>
6	<b>Revised the language for Joint Custody</b>
6	<b>Additional Exclusions from Annual Income – added new requirement and new policy related to Student Financial Assistance, based on PIH Notice 2005-16.</b>
6	<b>Determination of Hardship – Added PHA policy defining temporary financial hardship.</b>
6	<b>Temporary, Nonrecurring or Sporadic income – added PHA policy.</b>
6	<b>Valuing Assets – added PHA policy defining reasonable costs that would be incurred when disposing of an asset.</b>
6	<b>Temporary, Nonrecurring or Sporadic Income – added decision point and PHA policy</b>
6	Defined how the cash value of IRA, Keogh account and similar accounts will be determined
6	<b>Qualifying medical expenses - redefined policy on acceptable medical expenses</b>
7	<b>Assets - Review of documents will be used in lieu of requesting third-party verification when the market value of an individual asset or an expense is less than \$500 annually and the family has original documents that support the declared amount</b>
7	<b>Certain Income, Asset and Expense Sources – added to PHA policy due to the expiration of Notice PIH 2004-1</b>
7	<b>Family Members Receiving/Not Receiving SSA Disability Benefits - added decision points and policies to clarify requirements</b>

7	<b>HUD's Verification Hierarchy</b> – changed from requirement to PHA policy due to the expiration of Notice PIH 2004-1
7	<b>Self Certification</b> – added to PHA policy due to expiration of Notice PIH 2004-1
7	<b>Social Security/SSI Benefits</b> –reference to UIV changed to EIV
7	<b>Up-Front Income Verification</b> – added Enterprise Income Verification (EIV) policies
7	<b>Using Review of Documents as Verification</b> – changed from requirement to PHA policy due to the expiration of Notice PIH 2004-1.
7	<b>Verification of Student Status</b> - added information to "Things to Consider" and new policy option in reponse to Notice PIH 2005-16, Policy Guidance on College Student Admissions.
7	<b>Child care</b> - added familiy must submit canceled checks or money order receipts when child care is provided by relative
8	<b>HAP Abatement</b> – regulatory citation corrected.
8	<b>Rent Reasonableness Methodology</b> - How Market Data is Collected – PHA policy changed to state that data more than 12 months old (instead of 24 months old) will be eliminated from the database.
10	<b>Insufficient Funding</b> – PHA policy to deny moves revised to refer to new policy in Chapter 16. Reference to cost-reduction plan also deleted.
10	<b>Timing of Voucher Issuance</b> – PHA policy corrected to say that paperwork is provided by the initial PHA instead of the family.
11	<b>Interim</b> - 1)Families that qualify for the earned income disallowance (EID), and only when the EID family's share of rent will change as a result of the increase.2) Any increase in gross household income that exceeds \$1,000 in any one month or \$12,000 in one 12 month period. 3) If the family has reported zero income, the family will be required to complete a Personal Declaration form 3 every 3 months as long as the family continues to report that they have no income.4) If at the time of the annual reexamination, it is not feasible to anticipant a level of income for the next 12 monhts (e.g. seasonal or cyclic income), an interim will be required every 3months.
12	<b>Methamphetamine Manufacture or Production</b> – corrected regulatory citation.

12	<b>Other Authorized Reasons for Termination of Assistance</b> – added new PHA policy on terminations due to insufficient funding.
12	<b>Methamphetamine Manufacture or Production</b> - regulatory citation corrected.
12	<b>Use of Illegal Drugs and Alcohol Abuse</b> – minor edit for clarity.
13	<b>Owner Actions That May Result in Disapproval of Tenancy</b> – PHA policy edited to clarify that PHA will disapprove a request if “the PHA becomes aware that” certain circumstances have occurred. Policy also clarifies that on a case-by-case basis, PHA may decide to approve an owner, based on certain circumstances, who would otherwise be disapproved.
13	<b>Termination of HAP Payments</b> – regulatory citation added.
14	<b>Notices and Appeals</b> – grammatical error corrected.
14	<b>Notice and Appeals</b> - corrected grammatical error.
15	<b>Denial or Termination of Homeownership Assistance</b> - added decision point and “Things to Consider” for PHA policy.
16	<b>Utility Allowances</b> – corrected reference to HCV Guidebook from Chapter 16 to Chapter 18.
16	<b>Informal Review Decision</b> – added to PHA policy to clarify what happens if the decision to deny is overturned or family fails to appear.
16	<b>Attendance at the Informal Hearing</b> – PHA policy edited to clarify that the PHA may have more than one representative attend the hearing.
16	<b>Notice of Denial or Termination of Assistance</b> – Corrected typo in third bullet.
16	<b>Upfront Income Verification Records</b> – reference to HUD Security Procedures updated to reflect latest version.
16	<b>Introduction</b> – added new Part VIII
16	<b>Owner or Family Debts to HANH</b> - revised the policy on initial payment and the maximum amount owed
16	<b>Hearing &amp; Informal reviews</b> - changed days to schedule and render decision
16	<b>Minor reorganization and edits for clarity.</b>
16	<b>SEMAP</b> - added policy on expanding housing opportunities
16	Added new <b>Part VIII</b> – Determination of Insufficient Funding
Entire Glossary	<b>Updated</b>

File: Occupancy Policy Changes (Sheet 1)

CHANGES TO HANH'S PUBLIC HOUSING ACOP		
Section	Description	Start Page
<b>CHAPTER 1: GENERAL POLICY STATEMENTS</b>		
1.C	Equal Opportunity and Nondiscrimination Policy: restatement/clarification of HANH's policy without substantive change to HANH's policies or procedures.	1-2
1.D	Nondiscrimination and Accommodations of Persons with Disabilities: The Nan McKay S8 template included policy changes that HANH considered but ultimately declined to incorporate in the ACOP as procedural measures rather than policy measures. The proposed changes incorporate no policy changes, but do include a reorganization and restatement of HANH's policy that rely on HANH development of procedures for reasonable accommodations.	1-4
1.E	Improving Access for Persons with Limited English Proficiency (LEP): The policy revisions include clear statements of HANH's policy for providing vital documents and interpreters for Spanish speakers	1-15
1.F	Public outreach about available assistance: Includes HANH outreach to organizations serving persons with disabilities.	1-18
1.H	Privacy rights: Delete paragraph related to file maintenance of disability-related information, per the RIM review of HANH policies.	1-19
1.K	Attachments: Policy clarifying that HANH may include in its ACOP attachments or procedures for the convenience of program administration but that do not require Board approval.	1-20
<b>CHAPTER 2: ELIGIBILITY</b>		
2.A	SSNs as eligibility requirement: Correct policy: HANH may <i>not</i> require that a person apply for an SSN	2-1
2.B	Eligible family composition: Deletion of redundant paragraph related to nondiscrimination on the basis of familial status.	2-2
2.B	Live-in Aides: Clarification that live-in aides must be verified to possess the skills and abilities needed by the family member requiring a live-in aide. Additional clarifications in this section regarding live-in aides.	2-3
2.C	Mandatory SSNs: Clarification that verification of the SSN may include documents other than Social Security cards.	2-4
2.D	Citizenship: Wording changes to clarify and correct HANH's procedures for verifying citizenship status (but no policy change).	2-6
2.F	Denial for Drug-Related & Other Criminal Activity: Clarification that this policy applies to admissions (not continued occupancy, which is governed by the lease). Some procedural clarifications.	2-11
2.G	Home Visits: In prior years, HANH conducted home visits as part of its screening process for new applicants. The home visits were discontinued. However, rather than deleting this policy, HANH wishes to retain this policy with clarification that HANH may again implement home visits as part of its screening process for new applicants.	2-18
2.G	Credit history: deletion of language regarding tradeline debts	2-20
2.G	Tenant Advisory Screening Committee: These procedures establish a Tenant Advisory Screening Committee who would interview applicants for purposes of determining and expressing the requirements for lease compliance.	2021
<b>CHAPTER 3: APPLYING FOR ADMISSION</b>		
Procedural clarifications, including:		
3.A	HANH will close a waiting list if we project the wait would be more than 18 months.	3-1
3.B	At preapplication stage, HANH will rely on family certification (and will verify later).	3-2

<b>CHAPTER 4: WAITING LIST &amp; UNIT ASSIGNMENT PLAN</b>		
	Change of chapter name & substantial reorganization of sections within this chapter for more effective administration of the LIPH program but without policy changes except as described below.	
	Changes throughout this chapter permitting short-term waiting list openings by lottery, should HANH choose to do so (and give public notice of its intent).	
4.A	Accessible Unit Waiting List: Clarification that this list is for persons with certain mobility impairments (not units designed for persons with visual or hearing impairments, etc.)	4-1
4.D	Preferences and Admission to Supportive Housing Program Units: Clarification of HANH policies and deletion of redundant/irrelevant statements.	4-2
4.E	Management of the Waiting Lists: Deletion of sections that are stated elsewhere in the ACOP.	4-4
4.G	Order of Placement on Waiting Lists: Clarification	4-7
4.L	Income Targeting: HUD regulations require that at least 40% of new admissions be extremely low-income families, but provides for exceptions. This revision deletes the complicated exception provisions because they are not relevant to HANH admissions, given that the vast majority of HANH admissions are extremely low-income.	4-9
4.Q	Procedures related to unit offers: This section does not represent a policy change but instead states HANH's procedures for making unit offers, including a clear statement of the priorities among administrative transfers, waiting list admissions, and tenant-initiated transfers.	4-13
4.R	Changes in Family Status: Deletion of redundant policies included elsewhere in the ACOP.	4-15
4.R	Good Cause Reasons for applicants to reject a unit: additional good cause reasons.	4-15
<b>CHAPTER 6: RENTS &amp; OTHER CHARGES</b>		
6.B	Annual income: corrected definition	6-3
6.B	Items excluded from annual income: corrected this list	6-5
6.C	Removed description of medical expense deductions b/c redundant (described elsewhere)	6-8
6.G.8	Medical expense deductions will be based on Medicare/Medicaid coverage determinations (rather than IRS)	6-17
<b>CHAPTER 7: VERIFICATION PROCEDURES</b>		
7.A	Include cases when 3rd party verification is not required	7-1
7.H	Verification of child care expenses when child care provided by a family member	7-18
7.H	Delete reference to IRS guidelines for medical expense deductions	7-19
7.I	Verification of marital status deleted, replaced with clarifications for verification of familial status	7-21
7.I	Deleted verification for domestic violence split households	7-22
7.I	Clarified verification of permanent absence of adult family member	7-22
7.I	Verification of disability can be provided by physician or licensed practitioner	7-23
7.I	Verification of SSNs: corrected permissible forms of verification	7-25
<b>CHAPTER 8: TRANSFERS</b>		
8.A.4	Administrative transfer for protections of victims and witnesses. Staff originally deleted this section, but re-included it without change.	8-2
8.B	Transfers for good cause: removed example, replaced it with general statement that "good cause" must be approved.	8-4
8.G	Clarification of transfer procedures, including 7 days notice, 2 unit offers, appropriate unit offers.	8-7
8.J	Splitting households: Policy statement that HANH does not split households, except as necessary to accommodate an overcrowded household or as a reasonable accommodation.	8-8

8.K	Transfers to scattered site units: Policy statement that families are admitted to scattered site housing through a separate waiting list, with priority for FSS participants.	8-8
<b>CHAPTER 9: LEASING</b>		
9.D	Additions to the lease: removed policies for screening juvenile court and police records	9-3
9.D	Additions to the lease: HANH will not approve short-term additions (less than 12 months)	9-4
9.G	Security deposits: are amount of monthly TIP or flat rent	9-6
9.G	Security deposits: remove provision that security deposit interest paid after move-out	9-6
<b>CHAPTER 10: PET POLICY</b>		
10.B	Management approval of pets may include photographing the approved pet	10-2
10.D	Security deposit for pets increased to flat \$300	10-2
<b>CHAPTER 12: REEXAMINATIONS</b>		
12.B	Annual reexaminations: throughout, clarification of timeframes for notices	12-3 to 12-6
12.B	Annual reexaminations include verification of household composition, including foster children	12-5
12.C	Interim changes: delete repetitive statement that additions to households require HANH approval, and include statement that families must report absences of family members	12-6
12.G	Changes in household composition: clarify policy to state that all changes in family composition must be reported to and approved by HANH	12-11
12.G	Delete statements regarding transfers (repetitive of transfer policies)	12-11
12.G	Adult children in military: broaden policy to allow continued occupancy of persons called into service	12-14
12.I	Remaining family members: Must have been previously approved by HANH, on the most recent lease or recertification, must have legal capacity to execute a lease, must meet eligibility and screening requirements, and must be eligible for their housing type.	12-15
<b>CHAPTER 14: GRIEVANCE PROCEDURES</b>		
14.B	In this chapter and elsewhere, revisions to standardize all response times in calendar days (rather than business days). For example, grievance hearings must be requested within 14 calendar days.	14-2
14.D.2	Applicability of grievance procedures: clarification according to regulations that grievance hearings are not applicable for actions related to violent criminal activity or felony convictions.	14-5
14.D.3	Pre-hearing procedures: clarifications and deletions to minimize confusion between "grievances" and "requests for grievance hearings."	14-5
14.D.10	Appeals of grievance hearings are made to HANH's Board. Changes permit Board to designate a designee for the appeal. Also clearly states that tenants may request an appeal.	14-9
14.D.11	Clarification of vague policy describing the relationship between grievance hearings and eviction actions. If a tenant has requested a hearing, HANH will not issue a Notice to Quit prior to the decision of the hearing officer.	14-10
<b>CHAPTER 16: COMMUNITY SERVICE REQUIREMENT</b>		
16.C	Included a definition of qualifying "community service"	16-2
<b>GLOSSARY</b>		
	Deleted irrelevant definition of "family of veteran or serviceperson"	GL-11
	Deleted definition of "handicapped person"	GL-11
<b>ATTACHMENTS</b>		
	Tenant Advisory Selection Committee	Att-1
<i>File: Occupancy Policy Changes (Sheet 2)</i>		



## 10. Management Information: Public Housing Program

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As an MTW agency, HANH may be exempted from standard program evaluation measures of the Public Housing Assessment System (PHAS). Instead, MTW agencies are required to report performance measures in annual MTW Annual Reports. In addition to developing MTW Annual Reports, HANH continues to submit annual PHAS certifications. This Section describes HANH's activities and key performance measures for HANH's public housing program during FY 2006. Much of the information in this Section provides narrative explanations of basic management performance measures reported in HANH's PHAS Management Operations Certification for FY 2006.

### A. Implementation of Project-Based Management

During FY 2006, HUD published a final rule for changes in the public housing operating subsidy formula with specific program requirements for implementing HUD's project-based management model. HUD's project-based management model is intended to move public housing property management to operate more like private owners and managers, requiring greater accountability in the property management, asset management, and fiscal planning for each property.

The implementation of HUD's project-based management model requires significant reorganization of our agency's operations. Many operational functions that are performed centrally—for example, work order administration, inspections, recertifications, etc.—may need to be decentralized to ensure that property managers can effectively control operational functions for which they ultimately will be held accountable. Effective project-based management also may require some level of decentralization of such functions as marketing, applications and waiting list administration, admissions, lease enforcement, procurement and contract administration, etc. At the same time, there are significant efficiencies in centralized administration of many of these functions. Central administration of these functions also facilitates HANH's ability to manage and monitor program administration and compliance. HANH's planning and implementation of HUD's project-based management model must balance these efficiencies and advantages of centralized versus decentralized management of these and other operational functions related to effective property management and asset management of each public housing development.

Because of HANH's MTW Agreement for program funding, the fiscal impact of this new rule will not fully affect HANH until the end of our MTW status. This provides HANH with 3 years (including FY 2006) to plan, implement, experiment, review, and revise our strategies for effective project-based property management under the new HUD regulations. HANH began planning and implementation activities immediately, including the following FY 2006 activities:

**Redefinition of Public Housing Developments:** Under previous regulations, HUD and HANH defined an individual public housing "development" based on the time its housing

units came on-line for occupancy. Thus, for example, Valentina Macri Court, a small development with 17 total units, is treated as a single “development” comparable to Farnam Courts with 240 units. Under HUD’s project-based management model, PHAs are permitted to redefine their public housing developments into groupings that make sense for property management, budgeting, and reporting purposes. HANH has redefined its public housing portfolio into 14 AMP groups. (A 15<sup>th</sup> AMP group includes all Monterey Place housing.)

To guide HANH’s project-based management planning, the data provided throughout this MTW Annual Report is organized according to these AMP groups. (For example, see the table at page 76, which describes HANH’s current public housing stock according to AMP groups.) HANH notes that our new AMP groups are subject to revision and refinement as HANH continues to implement its project-based management strategies.

**Reorganization of Property Management:** Under HANH’s former organizational structure, HANH management of its public housing portfolio was organized into 3 Asset Management districts, each including 600+ units. During FY 2006, HANH has reorganized its property management into 6 property management areas, each including roughly 300 units. Each property management area has on-site management offices. Each Property Manager is supported by administrative staff, a Maintenance Foreman, and a crew of maintenance staff.

**Reorganization of HANH Staffing in Accord with Project-Based Management:** Certain program operations that previously had been performed centrally, at HANH’s main office—including work order administration and small purchases—have been transferred to the site-based property management offices.

HANH will continue to refine its project-based management model. Future reorganization may include project-based management of such functions as maintenance of tenant files, recertifications, inventory, marketing and leasing, lease enforcement, and procurement. HANH’s reorganization plans will necessarily balance the benefits of decentralized operations against the efficiencies and internal control advantages of centralized services.

**Project-Based Budgeting:** HUD’s project-based management model also requires project-based budgeting. HANH began implementing project-based budgeting several years ago, we have refined our project-based budgeting each year, and we will continue to refine our project-based budgeting in accord with the new requirements of the new operating subsidy formula.

**Fiscal & Organizational Planning in Accord with the New Operating Subsidy Rule:** The new LIPH operating subsidy rule includes significant restrictions on costs related to the operation of the program, including central overhead costs (such as IT, or executive and other administrative costs). Because of HANH’s MTW Agreement for program funding, the fiscal impact of this new rule will not fully affect HANH until the end of our MTW status. However, at the end of HANH’s MTW term, according to the operating

subsidy formula, HANH anticipates significant deficits in our ability to fund our present operations. Effective implementation of HUD's project-based property management model will affect not only property management and maintenance organization; it requires a reorganization of HANH's agency and operations as a whole, and also affects HANH's long-term fiscal planning.

This organizational and fiscal planning has required a significant commitment of HANH's efforts during FY 2006, including the development of a three-year strategic plan for necessary organizational and fiscal changes to fully implement HUD's project-based management model and to plan for projected deficits that would result from the new Operating Subsidy rule upon the expiration of HANH's MTW term. This organizational and fiscal planning will continue to be central to HANH's planning in FY 2007 and future years.

## **B. Vacancy Rates**

During the previous years of HANH's MTW term, a major challenge has been coordination of an ambitious program of modernization, which requires maintaining a substantial number of vacant units for modernization itself as well as for the relocation of households scheduled for renovations. During FY 2006, relocation was largely completed (with only 32 households remaining at Brookside at FY-end, and only 3 families remaining at the time this Report was prepared). However, FY 2006 also was the first year for which we can report modernized developments returning on-line for occupancy, including Quinnipiac Terrace, Constance Baker Motley, Katharine Harvey Terrace, and now Newhall Gardens.

This has created new challenges for HANH's vacant unit turnover process, as residents relocating back from a public housing unit to their modernized development create new vacancies that need to be prepared for occupancy. Until HANH's modernization and the resulting relocations are completed, HANH anticipates a larger than usual number of routine vacancies, associated with residents returning back to their modernized development from temporary relocation within another public housing unit. Whereas previous years' relocation activities resulted in vacancies exempted for capital plan purposes, today's relocation activities, with residents relocating back to their modernized developments, result in an increased volume of routine vacancies.

As described below, HANH reports a 13% routine vacancy rate for FY 2006. HANH's objective for FY 2006 was to maintain the 95% occupancy rate (5% routine vacancy rate) reported in our MTW Annual Report for FY 2005.

The following table provides a summary of unit status and vacancies. A detailed table attached at page 76 provides unit status by public housing development. As the following table indicates, of 2,2623 total public housing units, HANH excludes 63 units exempt for nondwelling purposes (the column labeled "NonD"), which includes merged units, units reserved for officers in residence, or units approved for on-site resident services. In addition, HANH excludes 604 units ("Cap") approved for demolition or

major modernization, and 162 units offline temporarily (“Offline”). This leaves 1,794 units available for occupancy (“Avail”). Of these, 1,553 units are occupied (“Occ’d”), and 241 are routine vacancies, a routine vacancy rate of 13%.

**Vacancy Rates in HANH Public Housing (Sept 30, 2006)**

	Total	NonD	Cap	Offline	Avail	Occ’d	Vacant	V Rate
General Occupancy	1,497	9	508	0	980	854	126	13%
Mixed Population	944	30	0	162	752	646	106	14%
Elderly Designated	182	24	96	0	62	53	9	15%
<b>HANH Total</b>	<b>2,623</b>	<b>63</b>	<b>604</b>	<b>162</b>	<b>1,794</b>	<b>1,553</b>	<b>241</b>	<b>13%</b>

The 604 units offline for demolition or major modernization include the following:

**Vacant Units Off-Line for Demolition or Modernization**

Vacant Units	Development Planned for Redevelopment or Modernization
263	Brookside (295 total units, 32 occupied)
2	Dev #4-15 (County & Henry Streets)
101	Quinnipiac Terrace
142	Eastview Terrace
36	Newhall Gardens
60	Prescott Bush Mall
<b>604</b>	<b>Total Units Off-Line Due to Redevelopment/Modernization</b>

An additional 162 units are off-line for new occupants due to asset management planning or capital improvements. This includes 107 vacant units at William T. Rowe, pending asset management decision-making for this property. At McQueeney Towers, vacant units (32 at present) are not being re-occupied at present because, during FY 2007, HANH’s capital plans include replacing kitchens and bathrooms in all units. This capital work will displace residents for a few days while their units are under construction, thus HANH intends to provide short-term “swing space” within the building to minimize displacement. Similarly, HANH is maintaining vacant units (23 at present) in one building at Winslow-Celentano in which HANH will be replacing the only elevator.

The backlog of vacant units includes many that have suffered fire damage, water damage, or other severe damage. In addition, many units, particularly in our Mixed Population developments, have asbestos tile and require abatement as part of vacancy turnaround. This has a significant affect on the turnaround time for preparation of these vacant units.

During FY 2006, HANH reinvigorated systems for vacancy tracking and management. HANH’s Executive Director holds weekly meetings with Service Center and Property Management staff to review vacancies and the status of unit preparations. Improved tracking and reporting procedures have increased accountability and monitoring of

progress in unit prep. Improved admissions procedures in our Service Center have reduced the time between a unit's availability for occupancy and actual lease-up. Staff are beginning the intake process at least 6 weeks before a vacant unit is projected to become available, and are calling in a greater proportion of applicants (3-5 applicants for each vacancy) based on this year's experience of the ratio of applicants needed to fill vacancies.

HANH determined that the volume of vacant unit preparation is greater than can be addressed by our in-house staff. During FY 2006, HANH contracted for vacancy prep services for more than 200 units:

- HANH has contracted for vacancy preparation of 57 units; this work has begun.
- HANH has completed procurement of a second contract for preparation of 175 additional vacant units. (As of November 2006, when this Report was prepared, the contractor is completing 5 units a week.)
- HANH is in the process of developing specifications of units requirement abatement so that HANH can procure a contractor.

Through these improved procedures, HANH completed unit preparation of 301 vacant units during FY 2006. As always, HANH's primary agency-wide strategy for addressing vacancies is to reduce move-out rates and increase move-in rates by increasing the quality of life and market competitiveness of our public housing.

HANH's LIPH Unit Status: Occupancy & Vacancy (September 30, 2006)

AMP & Development Name	Total Units	Total Unit Status					Occupiable Unit Status		
		Merged	Nonwell	Capital	Off-Line	Occupable	Occupied	Vacant	V Rate
<b>General Occupancy</b>									
1 Westville Manor (04-37)	151	0	0	0	0	151	130	21	14%
2 Brookside (04-36)	295	0	0	263	0	32	32	0	0%
4 McConaughy Terrace (04-35)	201	0	1	0	0	200	164	36	18%
5 County & Henry Streets (04-15)	6	0	0	2	0	4	2	2	50%
Valley Townhouses (04-29)	40	0	1	0	0	39	38	1	3%
Waverly Townhouses (04-30)	52	0	2	0	0	50	47	3	6%
<i>Total AMP Group #5</i>	<i>98</i>	<i>0</i>	<i>3</i>	<i>2</i>	<i>0</i>	<i>93</i>	<i>87</i>	<i>6</i>	<i>6%</i>
10 Farnam Courts (04-4)	240	0	4	0	0	236	205	31	13%
12 Quinpiac Terrace (04-3)	101	0	0	101	0	0	0	0	0%
QT Redevelopment (04-72)	81	0	0	0	0	81	65	16	20%
<i>Total AMP Group #12</i>	<i>182</i>	<i>0</i>	<i>0</i>	<i>101</i>	<i>0</i>	<i>81</i>	<i>65</i>	<i>16</i>	<i>20%</i>
13 Eastview Terrace (04-34)	142	0	0	142	0	0	0	0	0%
14 Essex (04-23)	35	0	1	0	0	34	30	4	12%
Scattered Sites (04-44 to 04-64)	153	0	0	0	0	153	141	12	8%
<i>Total AMP Group #14</i>	<i>188</i>	<i>0</i>	<i>1</i>	<i>0</i>	<i>0</i>	<i>187</i>	<i>171</i>	<i>16</i>	<i>9%</i>
<b>Total General Occupancy</b>	<b>1,497</b>	<b>0</b>	<b>9</b>	<b>508</b>	<b>0</b>	<b>980</b>	<b>854</b>	<b>126</b>	<b>13%</b>
<b>Mixed Population</b>									
3 Ribicoff Cottage (04-14)	40	0	0	0	0	40	34	6	15%
Ribicoff Extension (04-24)	80	20	0	0	0	60	49	11	18%
<i>Total AMP Group #3</i>	<i>120</i>	<i>20</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>100</i>	<i>83</i>	<i>17</i>	<i>17%</i>
7 George Crawford Manor (04-12)	109	0	1	0	0	108	94	14	13%
William T. Rowe (04-31)	176	3	0	0	107	66	66	0	0%
<i>Total AMP Group #7</i>	<i>285</i>	<i>3</i>	<i>1</i>	<i>0</i>	<i>107</i>	<i>174</i>	<i>160</i>	<i>14</i>	<i>8%</i>
8 Charles T. McQuerey (04-28)	150	0	2	0	32	116	116	0	0%
9 Robert T. Wolfe (04-16)	93	0	1	0	0	92	61	31	34%
Valentina Macri Court (04-26)	17	0	0	0	0	17	11	6	35%
Winslow Celentano (04-11)	65	0	1	0	23	41	41	0	0%
<i>Total AMP Group #9</i>	<i>175</i>	<i>0</i>	<i>2</i>	<i>0</i>	<i>23</i>	<i>150</i>	<i>113</i>	<i>37</i>	<i>25%</i>
11 Fairmont Heights (04-40)	98	0	0	0	0	98	83	15	15%
Ruoppolo Manor (04-22)	116	0	2	0	0	114	91	23	20%
<i>Total AMP Group #11</i>	<i>214</i>	<i>0</i>	<i>2</i>	<i>0</i>	<i>0</i>	<i>212</i>	<i>174</i>	<i>38</i>	<i>18%</i>
<b>Total Mixed Population</b>	<b>944</b>	<b>23</b>	<b>7</b>	<b>0</b>	<b>162</b>	<b>752</b>	<b>646</b>	<b>106</b>	<b>14%</b>
<b>Elderly Designated</b>									
6 Constance B. Motley (04-18)	63	18	0	0	0	45	40	5	11%
Katherine Harvey Terrace (04-8)	23	6	0	0	0	17	13	4	24%
Newhall Gardens (04-9)	36	0	0	36	0	0	0	0	0%
Prescott Bush (04-10)	60	0	0	60	0	0	0	0	0%
<b>Total Elderly Designated</b>	<b>182</b>	<b>24</b>	<b>0</b>	<b>96</b>	<b>0</b>	<b>62</b>	<b>53</b>	<b>9</b>	<b>15%</b>
<b>HANH Total</b>	<b>2,623</b>	<b>47</b>	<b>16</b>	<b>604</b>	<b>162</b>	<b>1,794</b>	<b>1,553</b>	<b>241</b>	<b>13%</b>

File: LIPH Inventory Vacancy Rates (Sheet 1)

### **C. Rent Collections**

In previous years' Annual Plans and Annual Reports, HANH reported rent calculation rates as total cash collected as a percentage of rent billed. This formula overstates HANH's rent collections because it includes non-rent payments such as maintenance and legal fees. In its FY 2007 Annual Plan, HANH corrected its rent collection formula to report total rent collected as a percentage of rent billed. In addition, during FY 2006, HANH conducted extensive revisions of its data, reporting, and adjustments that had resulted in under-stated rent collection rates.

HANH's objective for FY 2006 was to increase our rent collection rate to 97%, which was based on the former formula for rent calculations. HANH's objective for FY 2007 is to increase our rent collection rate to 95%. As of September 30, 2006, HANH has achieved a 95% rent collection rate. A table attached at page 78 provides detailed rent collection information for each public housing development.

<b>HANH</b>			
<b>Revenue Analysis</b>			
<b>September</b>			
<b>**DeMarco Amounts are not included in totals and %'s.</b>			
	<b>Adjusted</b>	<b>Total Dwelling</b>	<b>Total %</b>
<b>Development</b>	<b>Rent Roll</b>	<b>Rent Collected</b>	<b>Collected</b>
<b>Group A</b>			
4-03 Quinnipiac Terrace			0.00%
4-04 Farnam Courts	\$ 49,002.00	\$ 39,456.07	80.52%
4-34 Eastview Terrace	\$ -	\$ -	0.00%
<b>Group B</b>			
4-31 William T. Rowe	\$ 12,192.00	\$ 12,908.02	105.87%
4-12 George Crawford Manor	\$ 19,838.00	\$ 19,738.08	99.50%
<b>Group C</b>			
4-8 Katherine Harvey	\$ 1,200.00	\$ 1,285.54	107.13%
4-9 Newhall Gardens	\$ -	\$ -	0.00%
4-18 Constance Baker Motley	\$ 10,481.00	\$ 9,451.01	90.17%
4-10 Prescott Bush Mall	\$ -	\$ -	0.00%
4-26 Valentina Macri Court	\$ 2,220.00	\$ 1,708.00	76.94%
4-11 Winslow Celentano	\$ 9,124.00	\$ 7,725.41	84.67%
4-16 Robert T. Wolfe	\$ 11,649.00	\$ 11,913.49	102.27%
<b>Group D</b>			
4-35 McConaughy Terrace	\$ 28,035.00	\$ 27,156.66	96.87%
4-29 Valley Townhouses	\$ 12,045.00	\$ 13,059.74	108.42%
4-30 Waverly Townhouses	\$ 16,477.00	\$ 14,219.62	86.30%
4-15 County Street	\$ 661.00	\$ 450.38	68.14%
<b>Group E</b>			
4-28 Charles T. McQueeney	\$ 23,932.00	\$ 23,662.42	98.87%
4-40 Fairmont Heights	\$ 15,490.00	\$ 15,301.80	98.79%
4-22 Ruoppolo Manor	\$ 17,689.00	\$ 16,212.17	91.65%
<b>Group F</b>			
4-14 Abraham Ribicoff Cottages	\$ 7,847.00	\$ 8,796.48	112.10%
4-24 Abraham Ribicoff Cottages EXT	\$ 9,249.00	\$ 8,438.60	91.24%
4-36 Brookside	\$ 11,369.00	\$ 12,734.63	112.01%
4-37 Westville Manor	\$ 18,934.00	\$ 18,947.38	100.07%
DeMarco		\$ -	0.00%
<b>Totals</b>	<b>\$ 277,434.00</b>	<b>\$ 263,165.50</b>	<b>94.86%</b>
<b>Group A</b>	<b>\$ 49,002.00</b>	<b>\$ 39,456.07</b>	<b>80.52%</b>
<b>Group B</b>	<b>\$ 32,030.00</b>	<b>\$ 32,646.10</b>	<b>101.92%</b>
<b>Group C</b>	<b>\$ 34,674.00</b>	<b>\$ 32,083.45</b>	<b>92.53%</b>
<b>Group D</b>	<b>\$ 57,218.00</b>	<b>\$ 54,886.40</b>	<b>95.93%</b>
<b>Group E</b>	<b>\$ 57,111.00</b>	<b>\$ 55,176.39</b>	<b>96.61%</b>
<b>Group F</b>	<b>\$ 47,399.00</b>	<b>\$ 48,917.09</b>	<b>103.20%</b>
<b>DeMarco</b>		<b>\$ -</b>	<b>0.00%</b>
<b>**DeMarco Amounts are not included in totals and %'s.</b>			

#### **D. Work Orders**

During FY 2006, HANH received 3,869 emergency work orders. HUD requires that 99% of emergency work orders be abated within 24 hours, and HANH's goal is that 100% of emergency work orders be abated within 24 hours. During FY 2006, HANH completed 3,749 emergency work orders within 24 hours, or 97% of the total. To ensure that 100% of emergency work orders are abated timely, HANH has reinforced procedures for daily monitoring and tracking of emergency work orders. In addition, HANH's Performance Auditor now regularly monitors completion of emergency work orders, and coordinates quality control reviews of HANH staff's response.

During FY 2006, HANH received 17,964 non-emergency work orders, with an average of 26 days for completion. This rate is an improvement over the average of 27.1 days reported in HANH's MTW Annual Plan for FY 2006. HANH's goal throughout its MTW term has been to average a 15-day turnaround time for completion of non-emergency work orders.

#### **E. Inspections**

During FY 2006, HANH completed annual UPCS inspections of 100% of nonexempt units. Each unit inspected required some level of repairs. HANH's inspections also included building exteriors, systems, common spaces, and sites.

During FY 2005, HANH's inspections were conducted by a third-party vendor. During FY 2006, HANH has returned to conducting inspections by its in-house staff. This reduces coordination issues, particularly ensuring that emergency work orders identified during inspections are handled timely. Performing inspections in-house also improves the quality of information available to our staff for work orders and capital planning. During FY 2006, HANH hired a new staffperson as UPCS inspector who is REAC certified.

In addition to UPCS inspections, during FY 2006, HANH developed a preventive maintenance plan with a schedule of routine periodic inspections.

#### **F. Security Issues**

In December 2005, HANH hired a new Chief of Security. During FY 2006, HANH engaged a security consultant to support the Chief of Security in inspecting all of HANH's public housing sites and developing comprehensive security strategies to update the Sparta Security report conducted in 2000.

Guard and patrol services is only one part of HANH's comprehensive security strategy. HANH does not have sufficient resources to provide guard and patrol services at every property 24/7. We may use our resources more efficiently through capital improvements, including security systems and site improvements, as preventive measures that reduce the

probability of security problems and that increase communities' capacity to monitor and control access to their environment. In addition, our agency and our residents must build effective relationships with the New Haven Police Department. HANH's provision of guard and patrol services should be supplementary to these efforts. The following are key security strategies and activities of FY 2006.

### **Security Systems**

- HANH already has relatively new camera and security access systems in all of our highrise mixed population developments.
- HANH has implemented comprehensive security improvements in 3 elderly-only developments as part of their major modernization, including camera systems, fencing, lighting, electronic entry and exit controls. This includes Constance Baker Motley and Katharine Harvey Terrace, which have been completed and reoccupied during FY 2005-2006, as well as Newhall Gardens, which is substantially complete (and is in the process of being reoccupied at the time this Report is prepared, in November 2006). (The 4<sup>th</sup> elderly-only development to undergo major modernization, Prescott Bush Mall, also will include comprehensive security improvements.) The specific security improvements included in each development's modernization are based on the development's site plan and features—for example, security systems will be different for highrise properties versus garden-style properties.
- With assistance from HANH's security consultant, during FY 2006, HANH developed plans and specifications for installing security cameras in HANH's family developments and other garden-style housing developments, beginning with Farnam Courts. This presents significantly greater challenges, as the family developments have much greater common/open space and access compared to highrise buildings. During FY 2006, HANH developed specifications and began procurement, for contracting and installation to begin in FY 2007.
- Each highrise development has relatively new security systems, including cameras, intercom and access systems. HANH has planned to arrange with the cable company so that residents may have cable access to images from the security cameras in their buildings. This would permit residents to view any person who has buzzed them for entry to the building to determine if they are legitimate guests. This project had remained in planning stages for some years. During FY 2006, HANH contracted with the local cable company to provide cable services at all mixed population and elderly developments with one cable channel committed to the security cameras. This will be implemented during FY 2007. The combination of electronic card access, effective intercom systems, and cable monitoring allows residents significantly greater control over nonresidents' access and entry to the building.

### **Site Improvements**

- HANH began fencing improvements at several developments. At Valentina Macri Court, a small garden-style Mixed Population development, HANH developed specifications and procured a contractor for fencing, gate, and access systems capital

improvements to control access to the property. In larger General Occupancy developments, such as McConaughy Terrace, where it may not be feasible nor desirable to fully limit access, fencing improvements and regular maintenance will channel entry and exit to a more limited number of public access points that can be more effectively monitored.

- During FY 2006, HANH's Chief of Security conducted evening inspections of every public housing site to determine where improved site lighting is needed. He has coordinated with the local utility to ensure their assistance, particularly with public lighting. Existing site lighting that is out of service or too dim have been repaired and replaced, and new lighting has been installed where needed. The site lighting improvements conducted during FY 2006 include every development's common spaces, parking spaces, thoroughfares, as well as the public streets and spaces surrounding the developments.
- During FY 2006, HANH arranged an agreement with the City of New Haven Department of Parks and Recreation for shared management of the city park located adjacent to our Farnam Courts General Occupancy development. This park has long been a source of security concerns for the Farnam community. Under this agreement, HANH was permitted to fully fence and gate the park, and daily to open and close the gates according to posted hours. As our Property Management staff are on-site at Farnam Courts every day, HANH is able to more efficiently manage access to the park.
- The Chief of Security is centrally involved in all discussions of HANH capital improvements to ensure that HANH's capital planning incorporates effective security measures.

### **Responding to Criminal Activity in HANH Developments**

- During FY 2006, HANH has contracted for 411 background check services which provides on-line access to detailed, nation-wide background checks within 3 days or less.
- HANH's Chief of Security receives weekly reports from the NHPD of all police calls and reports originating from or near HANH public housing developments. These are reviewed by the Chief of Security, who follows up to request a full report for calls that demonstrate criminal activity or other security issues. The Chief of Security forwards copies to Property Managers, the Legal Department, and the Executive Director, to determine incidents that should proceed to increased security measures or lease enforcement actions. During FY 2006, HANH adopted written procedures to codify these routine procedures for tracking and monitoring crime and security problems in our public housing developments.
- In addition, HANH has improved procedures for internal incident reporting procedures and follow up. Staff are required to provide incident reports, within 24 hours, to the Chief of Security and the Executive Director. The Chief of Security communicates with the NHPD regarding relevant incidents, to gain information regarding related police calls or reports, and to report the security incident to the NHPD when it had not been reported by residents.

- In addition to the above procedures for monitoring crime and security problems, during FY 2006, HANH renewed former practices of monthly reporting of crime and security problems in our public housing developments. The Chief of Security develops monthly aggregate reports of all police calls and reports for each public housing development. A copy of the September 30, 2006 report is attached at page 84. HANH staff are in the process of collating back data for the whole fiscal year, for planning purposes, which data will be incorporated into future Annual Plans and Reports.
- HANH's Chief of Security has continued to build relationships with the New Haven Police Department and narcotics task forces, in particular, to conduct undercover investigations. We had 2 particularly noteworthy undercover operations that resulted in drug busts and arrests.
- During FY 2006, HANH's Legal Department, Chief of Security, and Property Management staff have vigorously pursued nuisance evictions. We had a particularly noteworthy victory during FY 2006. HANH brought an eviction case against a family whose son shot a gun on the premises of one of HANH's public housing developments. The housing court judge found in favor of the family, claiming that the nuisance action was "curable." HANH appealed the decision, and we were successful. Our Legal Department reports that it is an uphill battle that will require continuous, ongoing efforts toward educating and building trust within the housing court. For other security-related lease enforcement activities, such as housekeeping issues, HANH is pursuing a two-pronged strategy of intervention by HANH's Resident Services Coordinator, combined with legal activity if necessary, however, our primary aim is to help families access needed services to address housekeeping problems.

### **On-Site Security Presence**

- HANH has provided extra duty police patrol services on an as-needed basis, targeted particularly to developments with higher levels of criminal activity, and with increased services at family developments during summer months.
- HANH has also contracted for guard and patrol services on an as-needed basis in response to specific security needs, for example, to supplement guard services at building entries, to provide additional security services at largely-vacated developments, to respond to specific criminal activities, etc.
- During FY 2006, HANH has developed specifications and conducted procurement for a contract for uniformed guard services for all HANH public housing sites to operate on an as-needed basis. The services include guard services at several highrise developments and mobile patrol services operating at varying times and sites, as determined by HANH. HANH's rationale is that regularly scheduled patrols have the primary effect of shifting the timing of criminal activities, whereas frequent but unpredictably timed patrols may have a broader deterrent effect.
- HANH has brought in Officers in Residence into several general occupancy developments, including Eastview Terrace, Essex Townhouses, McConaughy Terrace, Waverly Townhouses, and Westville Manor. (The officer who resided in

Eastview Terrace has been temporarily relocated due to the development's forthcoming renovations.)

- During FY 2006, HANH reevaluated its Building Attendant program. The Building Attendant program was designed to provide full-time monitoring of access to HANH's highrise developments. It has two key limitations. First, there is not a sufficient number of Building Attendants to provide full-time coverage and, as a volunteer program, HANH cannot expect full-time coverage, for example in the late hours or holidays. More importantly, the Building Attendants cannot reasonably be expected to perform the functions necessary to effectively control access. HANH has determined that the Building Attendant program provides very significant value to the communities where it operates, that it should be fostered for the purpose of building residents' sense of obligation to their communities and neighbors, similar to a Block Watch. HANH has conducted extensive discussions with Building Attendants and the public housing communities that they serve. According to community decisions, in most highrise developments, the Building Attendant program now primarily functions between 8 a.m.-4 p.m. and is administered by the Resident Services Department. The Building Attendant program is considered to supplement primary security strategies to control building access, the electronic access systems, soon to be combined with cable access to view security camera images of the person buzzing to request entry. Security systems are and will be supplemented with uniformed guard services as needed.

September 2006

Developments	Assaults	Auto Thefts	Burglaries	Dog Complaints	Domestic	Drug Activities	Misc.	Murders	Rapes	Sexual Offenses	Thefts	Trespassers	Incidents Unfounded	Total
Ribicoff Cottages														
	1						4					1	1	7
Ribicoff Ext			1											4
McQueeny	1		1				4				1	1	7	15
CB Motley											2			2
Fairmont	1						4							11
Farnam Courts						1	5					1	4	11
							18					1	5	24
Crawford							3				1		3	7
K Harvey							2							2
Ruoppolo							7				1		4	12
McConaughy							7				1		5	13
							5						2	7
														0
Newhall														0
Prescott Bush	1						1							2

Developments	Assaults	Auto Thefts	Burglaries	Dog Complaints	Domestic	Drug Activities	Misc.	Murders	Rapes	Sexual Offenses	Thefts	Trespassers	Incidents Unfounded	Total
Quinnipiact														
	1													0
														3
							2							0
														3
							1							0
RT Wolfe														1
Scattered Site							11							5
V-Macri														0
Valley												2		2
Waverly							2							3
														5
Westville							1			1				2
							2							3
							1							1
WT Rowe			1			1	9				1			18
							5							8
							5					2		14
W-Celentano											1			1
	1													7
HANH Total	6	0	3	0	0	2	106	0	0	1	9	9	70	206

MISC Includes:  
 Accident, Breach of Peace,  
 Burglar Alarms,  
 Emotionally Disturbed, etc.,  
 Fights, Hang-up Call,  
 Missing Person, Moving Violation,  
 Recovered Plates, Sick Person,  
 Wants/Warrants, Weapons

See Attached Police Report



## 11. Management Information: Section 8 Program

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As an MTW agency, HANH is permitted significant flexibility in the management of our Section 8 program and may receive waivers of regulatory requirements in order to pursue innovative program strategies. HANH's primary aim has been to improve fundamental program operations and administration. This Section describes activities and key performance measures for FY 2006 management of HANH's Section 8 program.

### A. Reorganization Within HANH's Service Center

HANH's Service Center is the department responsible for all Section 8 program functions, as well as admissions and recertifications for the LIPH program. During FY 2006, with new executive and department director leadership, HANH has made some significant changes in the organization of the Service Center.

Formerly, HANH's Service Center was organized into 3 separate divisions. The Section 8 division, and the Public housing division, handled all recertification and other customer services for existing participants in the Section 8 and public housing programs respectively. A third division, Intake, handled all application, waiting list, and admissions functions for both Section 8 and LIPH. Today, HANH's Service Center does not have a separate Intake division. The Section 8 division handles all Section 8 program functions, including all admissions functions. This change is particularly helpful in administration of the Section 8 program, which requires significant coordination of admissions, inspections, and other leasing functions. This organizational change included internal promotions of new supervisors of the 2 resulting divisions, as well as realignment of staffing within the Service Center.

Also during FY 2006, HANH restructured its Service Center operations according to a case management model. Formerly, individual Service Center staff were responsible for separate functions, for example, certain staff were responsible for coordinating inspections, other staff handled leasing, other staff handled recertifications, etc. There may be efficiencies in this division of labor, but HANH has determined that it not provide good customer service and effective program administration. Today, under HANH's case management model, each Section 8 family is assigned to one Service Center staff person who coordinates every service the family needs, whether recertifications or inspections, etc. Each Section 8 family (and their landlords) have a single point of contact for every program issue, and that Service Center staff person is responsible for making sure the family's need is addressed. In making this change, HANH determined that we wished to preserve some advantages and efficiencies of the former division of labor for certain functions, such as inspections, where the expertise of specialization is particularly valuable. Thus we have committed some Section 8 staff to particular functions, such as inspections, but these staff are essentially support staff to the case managers who have direct contact and responsibility for individual families.

These organizational changes are intended to improve HANH's management of its Section 8 program and performance of program outcome measures and, most importantly, to improve our services to the families we serve.

## **B. Improvements in Section 8 Program Management**

The Section 8 Management Assessment Program (SEMAP) is HUD's program for evaluating Section 8 program management. For FY 2005, HANH submitted a SEMAP certification that resulted in a score of 7%. As a result of this troubled performance score, HANH and HUD entered into a Corrective Action Plan identifying specific steps to improve its Section 8 program management. HANH has reported monthly on its performance of the activities specified in our Corrective Action Plan, and improvements in HANH's Section 8 program management and administration have been a major agency commitment during FY 2006—and will continue to be a major commitment through FY 2007.

HANH's efforts to improve its Section 8 (HCV) program management include management of all functions performed by HANH's Service Center, including LIPH recertifications and intake. HANH's efforts have produced notable results during FY 2006, including the following:

- During FY 2006, HANH implemented improved procedures for timely completion of annual recertifications. At the beginning of FY 2006, HANH had more than 1,000 delinquent annual recertifications. By the end of FY 2006, HANH had fewer than 300 delinquent recertifications. This significant reduction indicates not only HANH's efforts to address the backlog of delinquent recertifications but, more importantly, HANH's implementation of effective recertification management and procedures for routine, ongoing recertifications. The management planning and procedural changes necessarily included not only annual recertifications but, also, initial and interim recertification needs. By the end of the year, in the month of September 2006, HANH's staff completed 464 total recertifications.
- During FY 2006, HANH identified a significant problem of 50058 submissions reported but rejected due to errors. HANH procured software and technical assistance, and committed significant staff efforts, to identifying and correcting past errors that resulted in rejected 50058 submissions. HANH implemented procedures for ongoing routine 50058 submissions to identify and correct errors prior to submission.
- HANH has examined and revised and implemented comprehensive procedures for more effective intake. This includes weekly meetings as well as substantial reporting improvements for more effective management and monitoring of intake activities.
- HANH has significantly enhanced quality control and internal audit functions to improve management of its Service Center activities. HANH contracted with a third-party vendor to conduct quality control reviews of a sample of HANH's files. These

reviews have guided HANH's management, procedures, staffing, and training. Ongoing quality control functions and internal audit functions are conducted by HANH's Performance Auditor, and are supported by departmental quality control reviews conducted by Service Center supervisors as well as weekly and monthly reports and management meetings with HANH's Executive Director.

- During FY 2006, all Service Center staff received training on HUD's occupancy policies for both the LIPH and Section 8 program, conducted by Nan McKay consultants, and training in rent calculation requirements is scheduled. Additional training will continue, on a departmental basis and individual basis, according to the needs identified by ongoing quality control reviews.

For FY 2006, HANH is submitting a SEMAP certification that we anticipate will result in a score of 55-58%, roughly 50% percentage points higher than FY 2005's score, and this improvement is based on systemic program changes that will continue to produce improved outcomes.

### **C. Voucher Utilization**

HANH's Section 8 program manages 4,345 Section 8 (HCV) vouchers under the MTW program, as reported in Section 5, "Section 8 (HCV) Inventory." This includes 491 replacement and relocation vouchers committed to West Rock redevelopment. Of the remaining 3,854 MTW vouchers, as of September 30, 2006, a total of 3,250 vouchers were under HAP and leased-up, which represents a utilization rate of 84%. An additional 134 vouchers have been issued but are not yet leased-up. Including these vouchers issued, the total of 3,384 vouchers represents a utilization rate of 88%. The balance of HANH's budget authority is committed to other purposes authorized in HANH's MTW Agreement and its MTW Annual Plans.

HANH's utilization rate is lower than the target objective for FY 2006, which was 94%. Throughout HANH's MTW term, HANH's objective has been to increase its utilization rate by 3% each year to achieve a 97% utilization rate by September 30, 2008. During the past two years, HANH has not met its objectives, with decreasing utilization rates. HANH's MTW Annual Report for FY 2005 HANH reported an 89% utilization rate. MTW Annual Plan for FY 2006 reported a utilization rate of 87%. HANH's MTW Annual Plan for FY 2007 established the objective of increasing utilization by 240 families by the end of the year.

This objective requires procedural and management improvements, that HANH has begun during FY 2006, including weekly intake reports and meetings with the Executive Director; the development of improved management reports, and regular review and correction of reported data; improved procedures for reporting, monitoring, and accountability of admissions functions such as admissions briefing notices; and ongoing reexamination and revisions of admissions procedures. In accord with these management improvements and commitments, HANH issued roughly 240 vouchers during FY 2006

(including portability vouchers as well as new vouchers to applicants from HANH's waiting lists).

#### **D. Ensuring Rent Reasonableness**

The amount of rent that HANH will approve for any Section 8 apartment is limited by HANH's payment standards but, in addition, the rent must be reasonable for the market, given neighborhood conditions, property amenities, utility costs, etc. Based on regulatory requirements, it is HANH's policy that HANH must review all rents to ensure that they are reasonable (1) at the time of initial leasing by a Section 8 family, (2) when a landlord of a participant family requests a rent increase, and (3) with certain changes in the FMRs that would affect HANH's payment standards.

HANH's rent reasonableness reviews and determinations are based upon a database of rental market information, which HANH obtains from contracted consultant firms and updates every 2 years. During FY 2006, HANH began procurement for a new rent reasonableness study.

HANH is considering updating its rent reasonableness data annually, as biannual data may not sufficiently address market changes in annual requests for rent increases, but this change is still under consideration.

#### **E. Expanding Housing Opportunities & Deconcentrating Low Income Families**

Every housing authority has the obligation to undertake reasonable and regulatorily-required effort, to establish policies and procedures, and to provide participant families with information, toward the goal of expanding Section 8 families' access to housing opportunities in neighborhoods with lower concentrations of poverty. During FY 2006, HANH significantly increased its efforts and commitments to helping Section 8 families access expanded housing opportunities. HANH's FY 2006 activities include the following:

- HANH designated a specific Section 8 staffperson with responsibility for HANH's efforts to expand housing opportunities for Section 8 families.
- HANH developed new maps of the greater New Haven area identifying neighborhoods with lower poverty and minority concentrations. We have large maps to guide us in our planning and program management, and regular-sized maps for distribution to families in their briefings and other communications with the Service Center.
- HANH developed a brochure for Section 8 families describing HANH's expanded housing opportunities program, their options, and the information, resources, and assistance available.
- HANH has HUD approval for exception rents in specific census tracts within New Haven and neighboring jurisdictions. During FY 2006, HANH requested HUD approval for additional exception rents. (In addition, HANH's MTW Agreement

permits HANH to provide incentives to landlords provided that the total amount does not exceed 120% of the FMR.)

- HANH has attempted to procure a service provider to provide housing search assistance services to support HANH's expanded housing opportunities initiative. We began this process early in 2006. We solicited proposals twice but received no qualifying responses. HANH is revising its RFP to incorporate more realistic objectives in order to obtain housing search assistance services to support our expanded housing opportunities efforts.
- In order to facilitate expanded opportunities available in other communities, during FY 2006, HANH designated a specific Section 8 staff person with responsibility for all portability functions.

## **F. Inspection Strategies**

It is HANH's policy, according to regulatory requirements, that HANH will provide Section 8 payments under HAP only for apartments that meet HUD's Housing Quality Standards (HQS). HANH requires that each apartment pass HQS inspection prior to a Section 8 family's lease-up. Each Section 8-assisted apartment is subject to annual HQS inspections, and HANH will abate payments to the landlord if an apartment fails to meet HQS standards until the landlord has corrected the deficiencies. During FY 2006, HANH conducted 3,555 total inspections.

HANH's HQS inspections are conducted by the City of New Haven's Livable Cities Initiative (LCI), office, the City department responsible for enforcing housing codes and rental property licensing in our community.

During FY 2006, HANH has made program changes to improve our HQS inspections, including the following:

- Improved procedures for coordination between HANH and LCI, including daily, weekly, and monthly reports of inspections.
- Development of electronic recording and reporting of inspections, through hand-held systems. This effort is still in progress at the end of FY 2006, it has involved significant planning and development during FY 2006, but it will be worthwhile as it may result in instantaneous reports of inspection outcomes and will eliminate the need for much manual recording of inspection reports.



## 12. Resident Programs

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In accord with HANH's MTW goals, the focus of HANH's resident programs has been to promote public housing residents' self-sufficiency. HANH's self-sufficiency efforts focus particularly on helping families obtain employment and homeownership opportunities. In addition, HANH's self-sufficiency efforts are intended to help residents who are elderly or persons with disabilities to live independently and effectively in their communities. This Section provides information about the FY 2006 activities and outcomes of HANH's resident services programs.

HANH was particularly fortunate to be awarded 4 HUD FY 2004 grants for resident services. The grants included grants for Family Self-Sufficiency Coordinators for the LIPH program and for the Section 8 program. They also included 3-year ROSS Resident Services Delivery Models (RSDM) grants for Elderly/Disabled residents, and for Families. At the time that HANH prepared its MTW Annual Plan for FY 2006 (June-July 2005), these grant funds were not incorporated in HANH's planning. (The grant agreement for ROSS RSDM for Elderly/Disabled was executed in June 2005, and HANH was still awaiting the grant agreement for ROSS RSDM for Families, which was executed later that year.) As a result, HANH's MTW Annual Plan for FY 2006 did not reflect plans and activities for these grant programs. The ROSS RSDM grants are included in HANH's MTW Annual Plan for FY 2007.

HANH's MTW Agreement does not cover competitive grants committed for specific purposes, such as the FSS grants and the ROSS RSDM grants. HANH is required to provide biannual reporting to HUD for these grants.

The following is a summary listing of HANH's FY 2006 activities and outcomes of its resident programs:

**Family Self-Sufficiency (FSS) Program.** HANH's FSS program provides intensive counseling and case management services to help participant families achieve their self-sufficiency goals. The FSS program is staffed with 2 full-time staff persons, with capacity to serve 100 families: 50 public housing families, and 50 Section 8 families. It focuses particularly on building families' economic self-sufficiency and helping families move to homeownership through HANH's Section 8 Homeownership Program. HANH's FSS program is presently funded by two HUD FSS grants that have a one-year term and are renewable, through a competitive grant process.

As of September 30, 2006, HANH's FSS participants have, combined, roughly \$80,000 in escrow savings, related to increased earned income due to employment. Nearly 100% of FSS participants are enrolled in homeownership training programs.

**Section 8 Homeownership Program (SEHOP).** Since 2003, HANH has operated a SEHOP program that allows Section 8 (HCV) voucher holders to use their housing assistance toward mortgage and other homeownership costs. HANH's SEHOP program

is available to FSS participants who wish to become first-time homeowners and who have satisfied all SEHOP requirements, including income, employment, homeownership training, and other requirements intended to increase families' successful homeownership.

HANH is particularly committed to promoting homeownership by public housing residents. In 2003, HANH was awarded a HUD grant to provide homeownership supportive services for public housing residents. This HUD grant is expiring, but it has provided a foundation for HANH to continue to promote homeownership services through its FSS program, and HANH has committed Section 8 (HCV) vouchers for public housing FSS participants who are prepared for homeownership with assistance through the SEHOP program.

To date, HANH's SEHOP program has helped 12 HANH-assisted families become first-time homeowners, including one public housing family. During FY 2006, HANH has particularly focused on supporting public housing FSS participants who wish to become homeowners. By FY-end, HANH's FSS participants include 6 public housing families who are mortgage ready, including 3 who have closings scheduled.

**Supportive Housing Services for HANH Residents with Behavioral Health Disabilities.** In 2001, in partnership with ALSO-Cornerstone, Inc. and Continuum of Care, Inc., HANH has established a supportive housing program at its Ruoppolo Manor public housing development. The Ruoppolo Supportive Housing Program provides intensive services to 23 residents with behavioral health disabilities including mental health and substance abuse problems. The Ruoppolo Supportive Housing Program is currently funded by the State of Connecticut Department of Mental Health and Addiction Services (DMHAS). The program has been very effective in helping some of HANH's most troubled residents to maintain lease compliance and live independently and effectively in their public housing communities. HANH's MTW goals include expanding the RSHP model to other HANH mixed population developments.

During FY 2006, HANH began expansion of on-site supportive housing programs to two additional highrise developments, McQueeney Towers and Robert T. Wolfe. Supportive services at these sites will be provided by Continuum of Care, Inc. (McQueeney Towers) and ALSO-Cornerstone, Inc. (Robert T. Wolfe). Both service providers bring matching funds to support the programs. In addition, HANH is making significant funding commitments to these programs for a two-year period. During these 2 years, we will work with our partners to seek funding for the longer-term sustainability of these programs.

The supportive services provided at Ruoppolo Manor, and now at Robert T. Wolfe and McQueeney, are needed by many HANH residents, particularly in HANH's Mixed Population and Elderly developments. It is HANH's long-term aim to expand supportive housing to all HANH highrise public housing developments.

**Resident Employment & Business Development Initiatives.** During FY 2006, HANH hired a full-time Business Development Manager, Edith Rawls, responsible for coordinating resident employment and business development initiatives.

During FY 2006, HANH contracted with the City's Commission on Equal Opportunities (CEO) to conduct apprenticeship training in the construction trades targeted to HANH residents. HANH and CEO have scheduled 4 eight-week training sessions, each serving up to 16 residents and including classroom and on-the-job training in renovating vacant public housing units. FY 2006 activities included program development, outreach to residents, and pre-training programs. In addition, during FY 2006, HANH and CEO have conducted two pre-training sessions in which 32 residents participated in orientation and employment readiness development. The next pre-training sessions are scheduled for January and July 2007. The on-the-job construction training program will be conducted in HANH vacant units that require an extensive range of skills for preparation for re-occupancy. This apprenticeship training program is expected to serve 64 public housing residents total.

In addition, during FY 2006, HANH has reinvigorated its efforts to encourage the development of resident businesses. We have contracted with Empower New Haven and partners to administer a revolving loan fund and to provide small business development training to HANH public housing residents and Section 8 families. HANH's goal is to provide training to roughly 40 participants, and we project providing 10-15 small businesses.

**Coordination of Additional On-Site Services.** HANH's Resident Services staff do not provide direct services; rather, we aim to help residents by providing referrals and connections and supports to help our residents effectively access services that already exist in our community. HANH's Resident Services programs depend upon building effective partnerships with New Haven service providers. In addition, in many cases, we can most effectively serve our residents when we can coordinate services provided on-site in HANH's public housing developments. HANH's Resident Services staff coordinates a significant number of on-site services, which are detailed in attachment at the end of this Section at page 96.

**RESIDENT SERVICES—Community Partner Providers**

<b>Agency/Organization</b>	<b>Site Designated for Services</b>
Alternative to Recovery Program	Westville Manor—61 Level
CCFC	Monterey—230 Ashmun St
CT Food Bank	Multiple sites with Food Pantries
Continuum Home Health	Screenings at McQueeney, Fairmont, RT Wolfe, & Winslow-Celentano
Community Action Agency	Farnam Courts
Crossroads	McConaughy—substance abuse rehab
Freddie Mac	Budgeting & credit workshops—all sites
Jam Tuesdays (Church on the Rock)	Farnam—dance group for youth
LEAP	Farnam Courts (and other developments)—right now LEAP is at capacity with Farnam youth (50 kids)
Nutrition Program—CAA and City	Ribicoff
Off the Block/On the Clock	Westville Manor TRC
Pioneer Club-Lighthouse Community Church	McConaughy youth program
Solar Youth	Westville Manor
St Raphael Elder Care	Crawford, CB Motley, & Ribicoff
STRIVE	Job training for young adults, sited at 904 Howard
Youth Empowered to Survive (YES) – Women of Color	Valley & McConaughy after school program

## **Appendix A: HANH Board of Commissioners Approval**

To: Board of Commissioners

From: Jimmy Miller, Executive Director

Date: November 21, 2006

**RE: Approval of MTW Annual Report for FY 2006**

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**ACTION:** Recommend that the Board of Commissioners adopt Resolution Number 11-154/06-S .

**TIMING:** Immediately.

**DISCUSSION:** As a Moving to Work (MTW) agency, in lieu of the five-year and annual plans required of other agencies, HANH is required to submit to HUD an MTW Annual Plan and an MTW Annual Report. The MTW Annual Report is prepared at the end of each fiscal year. It reports HANH's progress and challenges in achieving the objectives established in HANH's Annual Plan for the year. The MTW Annual Report must be submitted to HUD within 60 days after the end of the fiscal year (by November 30th).

Attached is a proposed copy of HANH's MTW Annual Report for FY 2006.

This resolution requests the Board's authorization for the Executive Director to submit to the U.S. Department of Housing and Urban Development the MTW Annual Report for FY 2006, and all required and related certifications, documents, and HUD forms.

**FISCAL IMPACT:** None.

**STAFF:** Maureen Novak, Special Assistant to the Executive Director

**Housing Authority of the City of New Haven**

**Resolution Number 11-154/06-S**

**APPROVING THE SUBMISSION OF HANH'S  
MTW ANNUAL REPORT FOR FY 2006**

WHEREAS, the U.S. Department of Housing and Urban Development (HUD) has granted Moving to Work (MTW) status to HANH; and

WHEREAS, HANH has signed an MTW Agreement with HUD regarding the operation of HANH's MTW program; and

WHEREAS, a requirement of the MTW Deregulation Demonstration program is for HANH to submit an MTW Annual Report within 60 days after the end of each fiscal year;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF NEW HAVEN that the Board authorizes the Executive Director to take such actions and execute such documents as necessary to finalize and submit to the U.S. Department of Housing and Urban Development HANH's MTW Annual Report for fiscal year 2006, including all required certifications, documentation, and HUD forms, of which this Board Resolution is a part.



**Appendix B: Independent Audit Report (FY 2005)**



**HOUSING AUTHORITY OF THE CITY OF NEW HAVEN**  
**FINANCIAL STATEMENTS**

September 30, 2005

**HURLEY, O'NEILL & COMPANY, P.C.**

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**CERTIFIED PUBLIC ACCOUNTANTS**

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# HOUSING AUTHORITY OF THE CITY OF NEW HAVEN

## MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

The Housing Authority of the City of New Haven ("the Authority") management's discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, (c) identify changes in the Authority's financial position, and (d) identify individual fund issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current years activities, resulting changes and currently known facts, please read it in conjunction with the Authority's financial statements.

### FINANCIAL HIGHLIGHTS

- The Authority's net assets increased by \$17,678,160 or 13.9% during 2005, including a \$1,194,889 increase in Operating Subsidies, a decrease in Operating Expenses of (\$5,175,384), plus an increase in the investment in Capital Assets of \$8,163,277. Since the Authority engages only in business-type activities, the increase is all in the category of business-type net assets. Net Assets were \$126.9 million and \$144.6 million for 2004 and 2005, respectively.
- Revenues increased by \$8.5 million or 13% during 2005, and were \$66.5 million and \$75 million for 2004 and 2005, respectively.
- The total expenses of all Authority programs decreased by (\$5,175,384) or (8%). Total expenses were \$65.8 million and \$60.6 million for 2004 and 2005, respectively.

## USING THIS ANNUAL REPORT

The Report includes three major sections, the "Management's Discussion and Analysis (MD&A)", "Basic Financial Statements", and "Other Required Supplementary Information":

### MD&A

~ Management's Discussion  
and Analysis ~

### Basic Financial Statements

~ Authority-wide Financial Statements ~  
~ Notes to Financial Statements ~

### Other Required Supplementary Information

~ Required Supplementary Information ~  
(other than the MD&A)

The Authority is considered by accounting principles generally accepted in the United States of America (GAAP) to be a special purpose single purpose government accounted for as enterprise funds. That is, its chartered purpose is the housing of low and moderate income families and elderly individuals. All of the activities, programs and grants administered by the Authority are focused to that purpose.

As a single purpose enterprise fund government the Authority is permitted to issue combined entity level and fund level financial statements. These statements report financial information for each of the Authority's major funds, an aggregated total for all non-major funds and a combined total of all funds that represents the authority wide financial position. The following is a brief description of each financial statement.

- State Modernization Program – Through the Connecticut Department of Economic and Community Development (DECD), funds are provided for modernization. This is on a project-by-project basis and as money becomes available.
- City Modernization Program – Funds provided for modernization efforts, based on an appeal to the City's Livable City's Initiative department. These funds are used in concert with those provided by DECD.
- Component Unit – Glendower Group Inc. – This not-for-profit entity is used to house low and moderate income individuals by obtaining federal and state grants, private funds and other funds to either purchase or rehab properties throughout the City of New Haven.

Low Rent Leased Housing – This fund is used to account for leasing activities of properties that are not owned by the Authority. The Authority administers contracts with independent landlords that own the property. The Authority subsidizes the family's rent through an Assistance Payment made to the landlord. The funds for the assistance payments are provided by HUD. HUD also provides a fee to the authority to support the administration of the programs. Other major grant programs that support the fund are:

- New Construction Single Room Occupancy (SRO) Section 8 Program – the Authority administers a project-based contract with an independent landlord that owns the property. The Authority subsidizes the family's rent through a Housing Assistance Payment made to the landlord. A fee is earned for each unit leased. The funds come from HUD through an Annual Contributions Contract.
- Section 8 Moderate Rehabilitation Program - the Authority administers contracts with independent landlords that own the property. The Authority subsidizes the family's rent through a Housing Assistance Payment made to the landlord. A fee is earned for each unit leased. The program is administered under and Annual Contributions Contract (ACC) with HUD.

## FINANCIAL STATEMENTS

### Balance Sheet

The following table reflects the condensed Balance Sheet compared to prior year. The Authority is engaged only in Business-Type Activities.

TABLE 1  
STATEMENT OF NET ASSETS

	<u>2005</u>	<u>2004</u>
Current Assets (excludes intercompany)	\$65,333,719	61,446,103
Capital Assets	50,247,683	42,084,406
Non-current Assets	34,120,618	28,123,489
Total Assets	<u>\$149,702,020</u>	<u>\$131,653,998</u>
Current Liabilities (excludes intercompany)	4,435,215	3,819,380
Long-Term Liabilities	671,536	917,509
Total Liabilities	<u>5,106,751</u>	<u>4,736,889</u>
Net Assets:		
Invested in Capital Assets, Net of Related Debt	50,247,683	42,084,406
Restricted		
Unrestricted	94,347,586	84,832,703
Total Net Assets	<u>144,595,269</u>	<u>126,917,109</u>

### Major Factors Affecting the Statement of Net Assets

During 2005, Current Assets were increased by \$3,887,616; Current Liabilities were increased by \$615,835 and Long-Term Liabilities decreased by \$245,973. The current and other assets, primarily cash and investments, increased due to the Authority's MTW status, as these funds will be used for development/redevelopment of the portfolio.

Noncurrent assets increased by \$5,997,129, due to additional loans receivables entered into as part of the MTW projects and the reclassing of cash and cash equivalents to long term assets as these funds will not be used in the next 12 months. The Capital Assets increased due to construction in progress increases that includes capital fund, HOPE VI and MTW projects.

Table 2 presents details on the change in Unrestricted Net Assets

**TABLE 2**  
**CHANGE OF UNRESTRICTED NET ASSETS**

Unrestricted Net Assets 9/30/04	\$84,832,703
Prior Year Adjustments to Unrestricted Net Assets (1)	<u>(413,592)</u>
Adjusted Unrestricted Net Assets 9/30/04	<u>84,419,111</u>
Results of Operations	14,391,892
(Adjustments:	
Depreciation (2)	<u>3,946,111</u>
Adjusted Results from Operations	<u>18,338,003</u>
Capital Expenditures	<u>(8,409,528)</u>
Unrestricted Net Assets 9/30/05	<u><u>\$94,347,586</u></u>

(1) The prior year adjustment to unrestricted net assets is a component of the total prior period adjustment to total net assets, which is composed of unrestricted net assets and invested in capital assets, net of related debt.

(2) Depreciation is treated as an expense and reduces the results of operations but does not have an impact on Unrestricted Net Assets

While the results of operations are a significant measure of the Authority's activities, the analysis of the changes in Unrestricted Net Assets provides a clearer change in financial well-being.

**TABLE 3**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**

The following schedule compares the revenues and expenses for the current and previous fiscal year. The Authority is engaged only in Business-Type Activities.

	2005	2004
<b>Revenues</b>		
Tenant Revenue – Rents and Other	\$3,590,867	\$3,989,008
Operating Subsidies and Grants	60,121,983	58,927,094
Capital Grants	5,647,019	2,531,896
Investment Income	1,908,737	554,564
Gain on Sale of Fixed Assets	40,850	0
Other Revenues	3,691,362	466,702
<b>Total Revenue</b>	<b>75,000,818</b>	<b>66,469,264</b>
<b>Expenses</b>		
Administrative	9,777,666	18,479,685
Tenant Services	562,315	1,302,744
Utilities	4,148,555	4,337,310
Maintenance	13,366,751	7,122,544
Protective Services	131,159	282,695
General & Extraordinary Maint	1,073,660	5,699,156
Housing Assistance Payments	27,602,709	24,544,325
Depreciation	3,946,111	4,015,851
<b>Total Expenses</b>	<b>60,608,926</b>	<b>65,784,310</b>
<b>Net Increase</b>	<b>\$14,391,892</b>	<b>\$ 684,954</b>

**MAJOR FACTORS AFFECTING THE STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS**

Tenant revenue decreased 10% during 2005 due to vacancy increase because of revitalization of our projects. Section 8 funding increased during 2005 from HUD by 3.5%. HOPE VI funding increased by \$2.2 million during 2005, and the CFP funding increased by \$1,645,617 over 2004 funding level. Investment income increased 200% due to interest rates increasing and large increase in cash balances. Other income increased by \$3.2 million, due to fees earned on the settlement of HOPE VI development in the amount of \$2,381,000. Revenues increased \$8.5 million for fiscal year 2005 when compared with fiscal year 2004.

Operating expenses decreased by 8% during 2005, most notably by decreases in operating costs in all areas of administration, general and tenant services. Housing Assistance Payments increased \$3 million or 12% due to increase in utilization rates. Administrative costs decreased by (47%), mainly due to reduction of staff and related benefits and reclassification of costs from WIP to soft costs in the HOPE VI program that are booked in Extraordinary Maintenance costs in FY 2005. Tenant services decreased by \$740,429 from 2004 to 2005 as the Authority began reducing service programs associated with major redevelopments. Utilities costs and protective services were stable in FY 2005. Maintenance costs increased 88% in 2005 due to the increased costs of demolition and relocation costs in the early stages of a new HOPE VI property being constructed. Included in the "General Costs" are insurances, which continues to increase every year also included in that line item in previous years was the allowance for uncollectible receivables which represented an one-time increase in 2004. In 2005 the line-item was reduced 84% from 2004. Depreciation, a non-cash expense, decreased by \$69,740 for fiscal year 2005.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

As of the 2005 year-end, the Authority had \$50.2 million invested in a variety of capital assets as reflected in the following schedule, which represents a net increase (additions, deductions and depreciation) of \$8,163,277 or 19% from the end of last year.

**TABLE 4**  
**CAPITAL ASSETS AT YEAR-END**  
**(NET OF DEPRECIATION)**

	2005	2004
Land and land rights	\$4,520,212	\$3,872,411
Buildings	208,340,383	219,111,829
Equipment	4,752,841	4,185,827
Accumulated Depreciation	(180,224,789)	(190,230,365)
Construction In Progress	12,859,036	5,144,704
Total	\$50,247,683	\$42,084,406

The following reconciliation summarizes the change in Capital Assets, which is presented in detail on the following page.

**TABLE 5  
CHANGE IN CAPITAL ASSETS  
(IN MILLIONS)**

	Business Type Activities
Beginning Balance	\$42,084,406
Additions	13,535,144
Deletions	(15,377,443)
Depreciation and Amortization	10,005,576
Ending Balance	\$50,247,683

This year's major adjustment to Capital Assets was for the demolition of buildings funded from HOPE VI grants and MTW:(\$15,377,443). An amount of dwelling equipment (\$700,000) was for the purchase of new maintenance vehicles and other equipment. An Auditor's adjustment to land, buildings and depreciation was made to agree with actual value of fixed assets.

#### Debt Outstanding

As of year-end, the Authority had \$250,000 in long-term debt (bonds, notes, etc.) outstanding to our non-profit for the purchase of housing.

#### ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- Federal funding provide by Congress to the Department of Housing and Urban Development
- Designation by HUD as a Moving To Work (MTW) Agency
- Labor and Industries dictates rates based on current rates in construction which can affect maintenance wage rates
- Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental income
- Inflationary pressure on utility rates, supplies and other costs

#### FINANCIAL CONTACT

The individual to be contacted regarding this report is Timothy Sandor, Deputy Director of the Housing Authority of the City of New Haven at (203) 498-8800. Specific requests may be submitted to the Housing Authority of the City of New Haven at 360 Orange Street, New Haven, CT 06511.

# HURLEY, O'NEILL & COMPANY, P.C.

*Certified Public Accountants*

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*J. Thomas Hurley, C.P.A.*

*Gene O'Neill C.P.A.*

## INDEPENDENT AUDITORS' REPORT

To The Board of Commissioners  
Housing Authority of the City of New Haven  
New Haven, Connecticut

We have audited the accompanying financial statements of each major fund and component unit of the Housing Authority of the City of New Haven, New Haven, CT as of and for the year ended September 30, 2005, which collectively comprise the Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Housing Authority of the City of New Haven's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit 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; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards require that we plan and perform the audit 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 audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund of the Housing Authority of the City of New Haven, New Haven, CT, as of September 30, 2005, and the respective changes in financial position and cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have issued our report dated June 22, 2006 on our consideration of Housing Authority of the City of New Haven's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. 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 the results of our audit.

The management discussion and analysis is 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 audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority of the City of New Haven's basic financial statements. The Schedule of Expenditures of Federal Awards, the Statement of Actual Expenditures – Revitalization of Severely Distressed Public Housing and the Supplemental Financial Data Schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has 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.

*Ashley O'Neil & Co.*

Quincy, Massachusetts  
June 22, 2006

HOUSING AUTHORITY OF THE CITY OF NEW HAVEN

BALANCE SHEET  
September 30, 2005

	Low & Moderate Rent Public <u>Housing</u>	Low Rent Leased <u>Housing</u>	<u>Total</u>
<b>ASSETS</b>			
Current Assets:			
Cash and cash equivalents	\$ 57,980,944	\$ -	\$ 57,980,944
Restricted cash and cash equivalents	321,415	-	321,415
Accounts receivable, net	5,325,322	737,734	6,063,056
Prepaid expenses and other current assets	718,304	-	718,304
Notes receivable, current	250,000	-	250,000
Due from other funds	<u>-</u>	<u>43,620,801</u>	<u>43,620,801</u>
Total Current Assets	<u>64,595,985</u>	<u>44,358,535</u>	<u>108,954,520</u>
Noncurrent Assets:			
Land and land improvements	4,520,212	-	4,520,212
Building and building improvements	208,227,978	112,405	208,340,383
Furniture, equipment, and machinery	4,722,829	30,012	4,752,841
Construction in progress	12,859,036	-	12,859,036
Less accumulated depreciation	<u>(180,133,412)</u>	<u>(91,377)</u>	<u>(180,224,789)</u>
	50,196,643	51,040	50,247,683
Restricted cash and cash equivalents	2,649,530	-	2,649,530
Interest receivable	2,189,798	-	2,189,798
Notes receivable, net of current portion	<u>29,281,290</u>	<u>-</u>	<u>29,281,290</u>
Total Noncurrent Assets	<u>84,317,261</u>	<u>51,040</u>	<u>84,368,301</u>
<b>Total Assets</b>	<u>\$ 148,913,246</u>	<u>\$ 44,409,575</u>	<u>\$ 193,322,821</u>

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See Accompanying Notes

**HOUSING AUTHORITY OF THE CITY OF NEW HAVEN**

**BALANCE SHEET**  
September 30, 2005

	<u>Low &amp; Moderate Rent Public Housing</u>	<u>Low Rent Leased Housing</u>	<u>Total</u>
<b>LIABILITIES AND NET ASSETS</b>			
Current Liabilities:			
Notes payable, current	\$ 250,000	\$ -	\$ 250,000
Accounts payable	751,773	147,070	898,843
Accounts payable, HUD	281,810	9,384	291,194
Accounts payable, other govt.	13,863	-	13,863
Accrued wages and current portion of compensated absences	685,134	119,691	804,825
Accrued expenses and other current liabilities	1,823,867	13,646	1,837,513
Deferred revenue	17,562	-	17,562
Tenant security deposits	321,415	-	321,415
Due to other funds	<u>43,620,801</u>	<u>-</u>	<u>43,620,801</u>
Total Current Liabilities	<u>47,766,225</u>	<u>289,791</u>	<u>48,056,016</u>
Noncurrent Liabilities:			
Accrued compensated absences, net of current portion	405,961	99,265	505,226
Other noncurrent liabilities	<u>118,725</u>	<u>47,585</u>	<u>166,310</u>
Total Noncurrent Liabilities	<u>524,686</u>	<u>146,850</u>	<u>671,536</u>
Total Liabilities	<u>48,290,911</u>	<u>436,641</u>	<u>48,727,552</u>
Net Assets:			
Invested in capital assets net of related debt	50,196,643	51,040	50,247,683
Unrestricted net assets	<u>50,425,692</u>	<u>43,921,894</u>	<u>94,347,586</u>
Total Net Assets	<u>100,622,335</u>	<u>43,972,934</u>	<u>144,595,269</u>
Total Liabilities and Net Assets	<u>\$ 148,913,246</u>	<u>\$ 44,409,575</u>	<u>\$ 193,322,821</u>

HOUSING AUTHORITY OF THE CITY OF NEW HAVEN

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
For the Year Ended September 30, 2005

	Low & Moderate Rent Public <u>Housing</u>	Low Rent Leased <u>Housing</u>	<u>Total</u>
<b>OPERATING REVENUES</b>			
Tenant rental income	\$ 3,590,867	\$ -	\$ 3,590,867
Other revenue	<u>3,691,362</u>	-	<u>3,691,362</u>
Total Operating Revenues	<u>7,282,229</u>	-	<u>7,282,229</u>
<b>OPERATING EXPENSES</b>			
Repair and maintenance	13,366,751	-	13,366,751
Administration	7,155,113	2,622,553	9,777,666
Utilities	4,148,555	-	4,148,555
Depreciation expense	3,929,940	16,171	3,946,111
Insurance and PILOT	806,118	-	806,118
Tenant services	562,315	-	562,315
Bad debt expense	140,192	34,521	174,713
Protective services	131,159	-	131,159
Other general expenses	-	92,829	92,829
Housing assistance payments	-	<u>27,602,709</u>	<u>27,602,709</u>
Total Operating Expenses	<u>30,240,143</u>	<u>30,368,783</u>	<u>60,608,926</u>
Operating Loss	<u>(22,957,914)</u>	<u>(30,368,783)</u>	<u>(53,326,697)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
HUD operating grants and contributions	20,330,107	39,696,364	60,026,471
Other govt. operating grants and contributions	95,512	-	95,512
Interest and investment revenue	1,908,737	-	1,908,737
Gain on sale of fixed assets	<u>40,850</u>	-	<u>40,850</u>
Total Nonoperating Revenues	<u>22,375,206</u>	<u>39,696,364</u>	<u>62,071,570</u>
(Loss) Income before Capital Contributions and Transfers	<u>(582,708)</u>	<u>9,327,581</u>	<u>8,744,873</u>
<b>CAPITAL CONTRIBUTIONS AND TRANSFERS</b>			
HUD capital contributions and grants	5,647,019	-	5,647,019
Operating transfers	<u>1,602,752</u>	<u>(1,602,752)</u>	-
Total Capital Contributions and Transfers	<u>7,249,771</u>	<u>(1,602,752)</u>	<u>5,647,019</u>
Change in Net Assets	6,667,063	7,724,829	14,391,892
Total Net Assets - Beginning of Year	90,669,004	36,248,105	126,917,109
Adjustment to Beginning Net Assets	<u>3,286,268</u>	-	<u>3,286,268</u>
Total Net Assets - End of Year	<u>\$ 100,622,335</u>	<u>\$ 43,972,934</u>	<u>\$ 144,595,269</u>

See Accompanying Notes

HOUSING AUTHORITY OF THE CITY OF NEW HAVEN

STATEMENT OF CASH FLOWS  
For the Year Ended September 30, 2005

	Low & Moderate Rent Public <u>Housing</u>	Low Rent Leased <u>Housing</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from tenants	\$ 3,291,039	\$ -	\$ 3,291,039
Payments to suppliers	(18,467,279)	(28,080,801)	(46,548,080)
Payments to employees	(7,447,479)	(2,168,106)	(9,615,585)
Other operating receipts (payments)	<u>3,719,735</u>	<u>5,425</u>	<u>3,725,160</u>
Net cash used in operating activities	<u>(18,903,984)</u>	<u>(30,243,482)</u>	<u>(49,147,466)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
HUD operating grants	<u>20,431,536</u>	<u>42,540,534</u>	<u>62,972,070</u>
Net cash provided by noncapital financing activities	<u>20,431,536</u>	<u>42,540,534</u>	<u>62,972,070</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
HUD capital grants	3,225,384	-	3,225,384
Other governments	433,342	-	433,342
Acquisitions of capital assets	(8,409,528)	-	(8,409,528)
Proceeds from sale of capital assets	<u>40,850</u>	<u>-</u>	<u>40,850</u>
Net cash used in capital and related financing activities	<u>(4,709,952)</u>	<u>-</u>	<u>(4,709,952)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and dividends received	1,216,910	-	1,216,910
Receipts on notes receivable	823,625	-	823,625
Issuance of notes receivable	(2,250,254)	-	(2,250,254)
Loans from (to) other funds	10,694,300	(10,694,300)	-
Operating transfer	<u>1,602,752</u>	<u>(1,602,752)</u>	<u>-</u>
Net cash provided by (used in) investing activities	<u>12,087,333</u>	<u>(12,297,052)</u>	<u>(209,719)</u>
Net increase in cash and cash equivalents	8,904,933	-	8,904,933
Cash and cash equivalents at beginning of year	<u>52,046,956</u>	<u>-</u>	<u>52,046,956</u>
Cash and cash equivalents at end of year	<u>\$ 60,951,889</u>	<u>\$ -</u>	<u>\$ 60,951,889</u>

See Accompanying Notes

HOUSING AUTHORITY OF THE CITY OF NEW HAVEN

STATEMENT OF CASH FLOWS  
For the Year Ended September 30, 2005

	<u>Low &amp; Moderate Rent Public Housing</u>	<u>Low Rent Leased Housing</u>	<u>Total</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (22,957,914)	\$ (30,368,783)	\$ (53,326,697)
Adjustments:			
Depreciation	3,929,940	16,171	3,946,111
Change in assets and liabilities:			
Decrease (increase) in accounts receivable tenants	43,829	(26,693)	17,136
Decrease in accounts receivable other	28,373	66,639	95,012
(Increase) decrease in prepaid expenses and other current assets	(155,205)	51,890	(103,315)
Increase (decrease) in accounts payable	168,486	(23,331)	145,155
Decrease in accounts payable, other government	(2,686)	-	(2,686)
(Decrease) increase in compensated absences and accrued wages	(199,656)	19,464	(180,192)
Increase in accrued expenses and current liabilities	444,314	21,161	465,475
Decrease in tenant security deposits	(76,099)	-	(76,099)
Decrease in deferred operating revenue	<u>(127,366)</u>	<u>-</u>	<u>(127,366)</u>
Net cash used in operating activities	<u>\$ (18,903,984)</u>	<u>\$ (30,243,482)</u>	<u>\$ (49,147,466)</u>

HOUSING AUTHORITY OF THE CITY OF NEW HAVEN

NOTES TO FINANCIAL STATEMENTS

September 30, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The Housing Authority of the City of New Haven was incorporated under the laws of the state of Connecticut. The Authority operates under a board of commissioner form of government to provide safe and decent housing to low and moderate income families and elderly individuals.

The Authority's financial statements include the accounts of all Authority's operations. The criteria for including organizations as components units within the Authority's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the Authority holds the corporate powers of the organization
- the Authority appoints a voting majority of the organization's board
- the Authority is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the Authority
- there is fiscal dependency by the organization on the Authority

Based on the aforementioned criteria, the Authority has one component unit, Glendower Group Inc. Because of its close association with, and financial reliance on the Authority, this entity has been included in the financial statements of the Authority. The component unit's year-end is September 30 and accordingly, its financial statements for the year ended September 30, 2005 have been blended into the Authority's financial statements in accordance with GASB 14.

B. Basis of Presentation and Accounting

The Authority's financial statements are accounted for on the flow of economic resources measurement focus using the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when incurred. Pursuant to GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting*, the Authority applies all applicable GASB pronouncements as well as FASB Statements and Interpretations, APB Opinions, and ARB's issued on or before November 30, 1989, unless those pronouncements conflict with or contradicts GASB pronouncements. The more significant accounting policies of the Authority are described below.

The Authority adopted GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions* and GASB Statement No. 36, *Recipient Reporting for Certain Shared Nonexchange Revenues* as of and for the year ended September 30, 2001. In accordance with these statements, the Authority accounted for all grants that qualify as nonexchange transactions, recognizing receivables and revenues when all applicable eligibility requirements are met. In addition, capital contributions are recorded on the Statement of Revenues, Expenses and Changes in Net Assets after income before capital contributions and before changes in net assets.

HOUSING AUTHORITY OF THE CITY OF NEW HAVEN

NOTES TO FINANCIAL STATEMENTS

September 30, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

**B. Basis of Presentation and Accounting (Continued)**

In June 1999, the GASB issued Statement Number 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. This statement provides for a significant change in financial reporting that is described in the Management's Discussion and Analysis section and Note 1, Summary of Significant Accounting Policies. The Authority has implemented the applicable provisions of the statement for the fiscal year ended September 30, 2003. In addition to GASB Number 34, the Authority implemented GASB statement numbers 37 and 38 as well as Interpretation Number 6.

The programs of the Authority are organized on the basis of two major funds, each of which is considered to be a separate accounting entity. The transactions of each major fund is summarized by providing a separate set of self-balancing accounts which include its assets, liabilities, equity, revenues and expenses. The Authority's major funds are ordered into the Low & Moderate Rent Public Housing and Low Rent Leased Housing. These two major funds represent the position and operations of the Authority, which is defined by GASB as a special purpose entity.

Generally accepted accounting principles for state and local governments requires that resources be classified for accounting and reporting purposes into the following three net asset categories:

- *Invested in capital assets, net of related debt* – Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.
- *Restricted* – Net assets whose use by the Authority is subject to externally imposed stipulations that can be fulfilled by actions of the Authority pursuant to those stipulations or that expire by the passage of time. Such assets include assets restricted for capital acquisitions and debt service.
- *Unrestricted* – Net assets that are not subject to externally imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of management or the Authority Board or may otherwise be limited by contractual agreements with outside parties.

**C. Use of Estimates**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires the use of estimates that affect reported amounts of assets, liabilities, revenues and expenses and related disclosures. Actual amounts could differ from those estimates.

**D. Fund Changes and Transactions Between Funds**

Legally authorized transfers are treated as operating transfers and are included in the results of operations of the Enterprise Funds.

HOUSING AUTHORITY OF THE CITY OF NEW HAVEN

NOTES TO FINANCIAL STATEMENTS

September 30, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

E. Cash and Cash Equivalents

Cash and cash equivalents consist of cash on deposit and money market accounts that are readily convertible into cash and purchased with original maturities of three months or less.

F. Capital Assets

Capital assets include property, furniture, equipment and machinery. Capital assets with initial, individual costs that equal or exceed \$1,000 and estimated useful lives of one year are recorded as capital assets. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is not included as part of the capitalized value of the assets constructed. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings	27.5 years
Land and Building Improvements	10 years
Furniture, Equipment and Machinery	5 years

G. Compensated Absences

The Authority allows employees to carry forward unlimited unused sick leave, but only 30 days of unused vacation time to the next fiscal period. Upon standard retirement or death, the employee or employee's beneficiary will be reimbursed for all unused vacation, and up to 100 days of unused sick time. The employee forfeits all unused sick time accumulated if employment is terminated before standard retirement is achieved. Vacation leave for all employees accrues from 5 to 25 days per year, based on years of service. The financial statements include an estimate of this compensated absence liability of \$1,114,415.

NOTE 2 – MAJOR FEDERAL PROGRAM

OMB A-133 requires that entities receiving Federal financial assistance define major federal programs for purposes of auditing and reporting on compliance with laws, regulation and contracts and related internal control structures relating to Federal programs administered by the entity. Major programs have been defined as follows: First programs were divided into type A and type B programs. Type A programs are those Federal programs with total expenditures exceeding \$1,900,000. Type B programs are those Federal programs with total expenditures not exceeding \$1,900,000. Low risk type A and high risk type B programs are identified. Low risk type A programs are identified as those programs that have been audited as type A programs within the two most recent audit periods and for which there have been no findings or questioned costs identified. High risk type B programs are those Federal programs that have been identified by the auditor based on assessed risk and past experience as possessing a high risk that

HOUSING AUTHORITY OF THE CITY OF NEW HAVEN

NOTES TO FINANCIAL STATEMENTS

September 30, 2005

NOTE 2 – MAJOR FEDERAL PROGRAM – (Continued)

there are findings or questioned costs with respect to the program that would be required to be disclosed if known. All type A programs are considered major unless the auditor chooses to exclude some or all low risk type A programs. One half of the high risk type B programs are considered major programs except that in no case will the number of type B high risk programs included as major program exceed the number of low risk type A programs that the auditor has chosen to exclude from major programs. Major programs must at a minimum comprise 25 percent of total Federal expenditures.

NOTE 3 – DEPOSITS AND INVESTMENTS

GASB standards require that deposits with financial institutions be classified into one of the following three categories:

Category A – Insured or collateralized with securities held by the entity or by its agent in the entity's name.

Category B – Collateralized, with securities held by the pledging financial institution's trust department or agent in the entity's name.

Category C – Non-collateralized (Includes any bank balance collateralized with securities held by the pledging financial institution, or by its trust department or agent, but not in the entity's name.)

Department of Housing and Urban Development (HUD) regulations require that all HUD deposits in financial institutions and investments be fully insured or collateralized, by U.S. Government obligations that have a market value of not less than the principal amount of the deposits. Deposits and investments not under the regulatory agreements of HUD are not required to be insured or collateralized. At September 30, 2005 all the Authority's HUD and Non HUD deposits of \$60,951,989 were classified as category A; insured by the FDIC or collateralized by specific qualified investments held by the financial institutions for the benefit of the Authority. The Authority had no investments at September 30, 2005. Cash and cash equivalent deposits are as follows:

NOTE 4 – RESTRICTIONS ON CASH AND CASH EQUIVALENTS

The Authority maintains restricted cash and cash equivalents in the amount of \$2,970,945, which is composed of several escrow accounts. The Authority maintains a tenant security account for \$321,415 and a Federal Self Sufficiency Program account for \$74,649. Both these accounts are offset by a corresponding liability. The Authority also maintains in accordance with contractual agreements four affordability reserve accounts for Hope VI projects totaling 2,574,881.

NOTE 5 – DUE FROM/DUE TO OTHER FUNDS

This amount results primarily from inter-program transactions. The Authority uses the Low Rent Public Housing Program to make vendor payments. All of the other individual programs have advanced this program a sum of money in the past. The individual programs reimburse the program monthly in arrears for their share or the expenditures paid by the program. This results in a build up of due from/due to amounts.

**HOUSING AUTHORITY OF THE CITY OF NEW HAVEN**

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2005

**NOTE 6 – ACCOUNTS RECEIVABLES**

The following is a detail listing of receivables for the Authority including the applicable allowances for uncollectable accounts at September 30, 2005.

<u>Category of Receivable</u>	<u>Low &amp; Moderate Rent Public Housing</u>	<u>Low Rent Leased Housing</u>	<u>Total Amount</u>
HUD	\$ 6,299,680	\$ 2,909,554	\$ 9,209,234
Miscellaneous	279,422	1,487	280,909
Tenants	<u>184,765</u>	<u>26,693</u>	<u>211,458</u>
Gross Receivables	<u>6,763,867</u>	<u>2,937,734</u>	<u>9,701,601</u>
Allowance - Miscellaneous	<u>(1,281,821)</u>	<u>(2,200,000)</u>	<u>(3,481,821)</u>
Allowance - Tenants	<u>(156,724)</u>	<u>-</u>	<u>(156,724)</u>
Net Receivables	<u>\$ 5,325,322</u>	<u>\$ 737,734</u>	<u>\$ 6,063,056</u>

**NOTE 7 – NOTES RECEIVABLES – INTEREST RECEIVABLE**

The Authority in the past received funds from HUD under the HOPE VI Program to redevelop properties that the Authority had properties on that needed rehabilitation. All new properties will be owned by a third party and the Authority will lease the land to this third party until the loan funds are repaid and all other construction loans entered into by the third party related to these properties are collected by other financial institutions. The Authority has the right to place a lien on the properties if the loans are not repaid at maturity, only after all other financing arrangements entered into by the third party related to these properties has been paid. The following information details the numerous loans made and amounts still outstanding as of September 30, 2005.

<u>Development Phase</u>	<u>Loan Type</u>	<u>Amount Borrowed</u>	<u>Interest Rate</u>	<u>Repayment Date</u>	<u>Amount Outstanding</u>
Phase 1B	CPI Loan	\$ 560,940	1.00%	12/31/2051	\$ 560,940
	HOPE VI Loan	\$ 20,778,477	1.00%	12/31/2051	\$ 20,778,477
	Acquisition Loan	\$ 2,350,000	5.25%	12/31/2051	\$ 370,000
	Settlement Loan	\$ 2,250,254	0.10%	9/30/2055	\$ 2,250,254
Phase 1C	HOPE VI Loan	\$ 3,047,344	1.00%	12/31/2051	\$ 3,047,344
Phase 2R	HOPE VI Loan	\$ 2,274,275	Variable	12/31/2053	\$ 2,274,275
Total Third Party Outstanding Notes Receivable at September 30, 2005					\$ 29,281,290

HOUSING AUTHORITY OF THE CITY OF NEW HAVEN

NOTES TO FINANCIAL STATEMENTS

September 30, 2005

**NOTE 7 – NOTES RECEIVABLES – INTEREST RECEIVABLE – (Continued)**

The notes receivable with variable interest rates have rates that are equal to the prime interest rate. At September 30, 2005 this rate was 5.25. As of September 30, 2005 the outstanding notes receivable have an aggregate interest receivable balance of \$2,094,298. The interest payments on the outstanding balances are due upon payment of each loan balance at their date of maturity.

The Authority has also loaned \$250,000 interest free to its Component Unit – Glendower Group Inc., to be used for redevelopment purposes and affordable housing purchases. The note receivable is due to the Authority when the Component Unit collects on its outstanding debts related to affordable housing development loans. As of September 30, 2005 the Component Unit has collected on these outstanding notes, however, it has not repaid the debt to the Authority. The debt was repaid to the Authority after year-end, therefore the notes receivable at September 30, 2005 was reflected on the Authority's financials as a current asset (See Note 12 for Note Payable Disclosure).

**NOTE 8 – CAPITAL ASSETS**

The following is a summary of changes in capital assets and related accumulated depreciation

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Capital assets not being depreciated				
Land and improvements	\$ 4,520,212	\$ -	\$ -	\$ 4,520,212
Construction in progress	<u>5,144,704</u>	<u>7,714,332</u>	<u>-</u>	<u>12,859,036</u>
Total capital assets not being depreciated	<u>9,664,916</u>	<u>7,714,332</u>	<u>-</u>	<u>17,379,248</u>
Other Capital Assets				
Buildings	202,718,398	-	(15,377,443)	187,340,955
Building improvements	20,999,428	-	-	20,999,428
Furniture, equipment & machinery	<u>4,057,645</u>	<u>695,196</u>	<u>-</u>	<u>4,752,841</u>
Total other capital assets	<u>227,775,471</u>	<u>695,196</u>	<u>(15,377,443)</u>	<u>213,093,224</u>
Less accumulated depreciation				
Buildings	182,710,887	1,431,708	(15,377,443)	168,765,152
Building improvements	5,653,025	2,081,903	-	7,734,928
Furniture, equipment & machinery	<u>3,292,209</u>	<u>432,500</u>	<u>-</u>	<u>3,724,709</u>
Total accumulated depreciation	<u>191,656,121</u>	<u>3,946,111</u>	<u>(15,377,443)</u>	<u>180,224,789</u>
Capital Assets Net	<u>\$ 45,784,266</u>	<u>\$ 4,463,417</u>	<u>\$ -</u>	<u>\$ 50,247,683</u>
Depreciation expense was charged to				
Federal Low Rent Program		<u>\$ 3,929,940</u>		
Housing Choice Voucher Program		<u>\$ 16,171</u>		

HOUSING AUTHORITY OF THE CITY OF NEW HAVEN

NOTES TO FINANCIAL STATEMENTS  
September 30, 2005

NOTE 9 – REAL ESTATE TAXES

The Authority's property constructed with HUD funding is exempt from local real estate taxes. The Authority makes a payment in lieu of taxes equal to 10% of rental income charged less utility expenses annually. The payment in lieu of taxes for 2005 aggregated \$13,863. The Component Unit makes real estate tax payments like any other entity based on property value and for 2005, payments of \$982 were made.

NOTE 10 – RETIREMENT PLANS

The Authority provides pension benefits for all its full-time employees through a defined contribution plan entitled "Housing Authority of the City of New Haven Pension Plan". The plan is administered by the Principle Financial Group with the Plan Trustee of Chase Manhattan Bank of CT, N.A. with principal place of business at 999 Broad Street, Bridgeport, CT 06604. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The Board of Commissioners for the Authority is authorized to establish and amend plan benefits. Employees are eligible to participate from the date of employment. The Authority contributes 5% of the employee's base salary each month, while the employee contributes 5%. The Authority's contributions for each employee (and interest allocated to the employee's account) are fully vested after five years of continuous service, or until age 65, whichever is first. Authority contributions for, and interest forfeited by, employees who leave employment before vesting are used to reduce the Authority's current-period contribution requirement.

The Authority's total payroll for the period was \$7,613,727. The Authority and employee's contributions were calculated using the same amount. The Authority and employees made the required contributions amounting to \$317,525 and \$352,850, respectively.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

Litigation

The Authority is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of its operations. Claims covered by the risk management program are reviewed and losses are accrued as required in the judgment of management. In the opinion of management, based on the advice of legal counsel, the ultimate disposition of lawsuits and claims will not have a material adverse effect on the financial position of the Authority.

Grants

Amounts received or receivable from the grantor agencies are subject to audit and adjustment by grantor agencies. If expenditures are disallowed as a result of these audits, the claims for reimbursement to the grantor agency would become a liability of the Authority. In the opinion of management, any such adjustments would not be significant.

The Authority has entered into contracts for major repairs and renovations to its properties. As of September 30, 2005 the aggregate commitment of funds to uncompleted contracts aggregated approximately \$10.0M. The funds required to pay these contract commitments will be provided by HUD, or are currently held in replacement reserve accounts in the name of the Authority.

**HOUSING AUTHORITY OF THE CITY OF NEW HAVEN**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2005**

**NOTE 12 – RELATED PARTY TRANSACTIONS**

The Authority's Component Unit – Glendower Group Inc. was started in December 2001. The Not-For-Profit entity was started by the Authority to purchase properties, which can be rehabilitated and either rented or sold to low and moderate income individuals. To initiate this entity the Authority's Chairman of the Board of Directors and the Component Unit's Chairman of the Board of Directors signed a \$250,000 interest free note. The note payable is due to the Authority when the Component Unit collects on its outstanding debts related to affordable housing development loans. As of September 30, 2005 the Component Unit has not collected on outstanding notes, thus the note payable is not expected to be collected in the next period, therefore the note payable is reflected as a long term note payable.

The Authority in the past has also advanced the Component Unit – Glendower Group Inc. \$500,000 from Authority operating reserves to allow the entity the ability to pay initial operating expenses. This amount has been reflected as a part of the due to/due from on the Authority's financial statements.

**NOTE 13 – PRIOR PERIOD ADJUSTMENT**

The addition in net assets reflected on the Low & Moderate Rent Housing Fund of \$3,286,268 represents the net adjustment made to beginning equity of the fund for errors made in the Low Rent Public Housing Program, Hope VI and State and Local Programs. The net assets of the Low Rent Public Housing Program were adjusted by \$1,985,114 for errors made in past periods in recording capital assets. The net assets of the Hope VI Program were adjusted by \$6,000 for an error made in a past period in recording revenue. The net assets of the State and Local Programs were adjusted by \$1,295,154 for errors made in past periods in recording notes receivable and revenues.

**ADDITIONAL INFORMATION**

# HURLEY, O'NEILL & COMPANY, P.C.

*Certified Public Accountants*

*J. Thomas Hurley, C.P.A.*

*Gene O'Neill, C.P.A.*

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## REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners  
Housing Authority of the City of New Haven  
New Haven, Connecticut

We have audited the financial statements of the Housing Authority of the City of New Haven, as of and for the year ended September 30, 2005, and have issued our report thereon dated June 22, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United State of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### Compliance

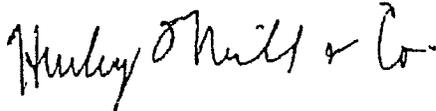
As part of obtaining reasonable assurance about whether the Housing Authority of the City of New Haven's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have 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 instances of noncompliance that are required to be reported under Government Auditing Standards, which are described in the accompanying Schedule of Findings and Questioned Costs as items 05-04 and 05-05.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Housing Authority of the City of New Haven's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be a reportable condition. *Reportable conditions* involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Housing Authority of the City of New Haven's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as item 05-01, 05-04 and 05-05.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider items 05-01, 05-04 and 05-05 to be material.

This report is intended solely for the information of the Audit Committee, Management and the U.S. Department of Housing & Urban Development and other federal and state awarding agencies and is not intended to be and should not be used by anyone other than those specified parties.



Quincy, Massachusetts  
June 22, 2006

# HURLEY, O'NEILL & COMPANY, P.C.

*Certified Public Accountants*

*J. Thomas Hurley, C.P.A.*

*Gene O'Neill, C.P.A.*

## 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  
Housing Authority of the City of New Haven  
New Haven, Connecticut

### Compliance

We have audited the compliance of Housing Authority of the City of New Haven 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 year ended September 30, 2005. The Housing Authority of the City of New Haven's major federal programs are identified in the Schedule of Expenditures and Federal Awards. 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 New Haven's management. Our responsibility is to express an opinion on the Housing Authority of the City of New Haven's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United State 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 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 New Haven'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 on the Housing Authority of the City of New Haven's compliance with those requirements.

As described in items 05-03 and 05-05 in the accompanying Schedule of Findings and Questioned Costs, the Housing Authority of the City of New Haven did not comply with requirements regarding Allowable Costs / Cost Principles that are applicable to its Low Rent Public Housing Program; Compliance with such requirements is necessary, in our opinion, for the Housing Authority of the City of New Haven to comply with requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, the Housing Authority of the City of New Haven complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2005. The results of our auditing procedures also disclosed another instance of noncompliance with those requirements that is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying Schedule of Findings and Questioned Costs as items 05-02 and 05-04.

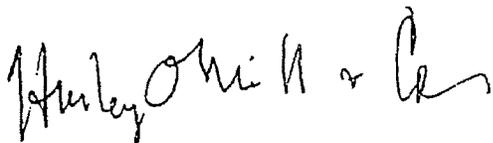
### Internal Control Over Compliance

The management of the Housing Authority of the City of New Haven is responsible for establishing and maintaining effective internal control over compliance with 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 New Haven'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 and to test and report on internal control over compliance in accordance with OMB Circular A-133.

We noted certain matters involving the internal control over compliance and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect Housing Authority of the City of New Haven's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants. Reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as items 05-01, 05-03, 05-04 and 05-05.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider items 05-01, 05-03, 05-04 and 05-05 to be material weaknesses.

This report is intended solely for the information of the Audit Committee, Management and the U.S. Department of Housing & Urban Development and other federal and state awarding agencies and is not intended to be and should not be used by anyone other than those specified parties.



Quincy, Massachusetts  
June 22, 2006

HOUSING AUTHORITY OF THE CITY OF NEW HAVEN

SUPPLEMENTAL FINANCIAL DATA SCHEDULE

September 30, 2005

Line Item No.	Account Description	Operating Assistance for Troubled Multifamily Housing Projects	N/C S/R Section 8 Programs	Low Rent Public Housing	Development	Public and Indian Housing Drug Elimination Program	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitat CI004MR0001	Public Housing Comprehensive Grant Program
111	Cash - Unrestricted	-	-	57,033,568.00	-	-	-	-
113	Cash - Other Restricted	-	-	164,545.00	-	-	-	-
114	Cash - Tenant Security Deposits	-	-	321,415.00	-	-	-	-
100	Total Cash	-	-	57,519,528.00	-	-	-	-
122	Accounts Receivable - HUD Other Projects	-	-	1,281,821.00	137,977	-	672,323	-
125	Accounts Receivable - Miscellaneous	-	-	279,422.00	-	-	-	-
126	Accounts Receivable - Tenants - Dwelling Rents	-	-	184,765.00	-	-	-	-
126.1	Allowance for Doubtful Accounts - Dwelling Rents	-	-	(156,724.00)	-	-	-	-
126.2	Allowance for Doubtful Accounts - Other	-	-	(1,281,821.00)	-	-	-	-
127	Notes, Loans, & Mortgages Receivable - Current	-	-	-	-	-	-	-
129	Accrued Interest Receivable	-	-	95,500.00	-	-	-	-
120	Total Receivables, net of allowances for doubtful accounts	-	-	402,963.00	137,977	-	672,323	-
142	Prepaid Expenses and Other Assets	-	-	276,382.00	-	-	-	-
143	Inventories	-	-	485,469.00	-	-	-	-
143.1	Allowance for Obsolete Inventories	-	-	(48,547.00)	-	-	-	-
144	Interprogram Due From	-	-	-	-	-	-	-
150	Total Current Assets	-	-	58,635,793.00	137,977	-	672,323	42,574
161	Land	-	-	-	-	-	-	42,574
162	Buildings	-	-	4,520,212.00	-	-	-	-
163	Furniture, Equipment & Machinery - Dwellings	-	-	208,227,978.00	-	-	-	-
164	Furniture, Equipment & Machinery - Administration	-	-	47,638.00	-	-	-	-
166	Accumulated Depreciation	-	-	4,675,191.00	-	-	-	-
167	Construction In Progress	-	-	(180,133,412.00)	-	-	-	-
160	Total Fixed Assets, Net of Accumulated Depreciation	-	-	2,071,695.00	413,372	-	-	-
		-	-	39,409,302.00	413,372	-	-	-

HOUSING AUTHORITY OF THE CITY OF NEW HAVEN

SUPPLEMENTAL FINANCIAL DATA SCHEDULE

September 30, 2005

Line Item No.	Account Description	Operating Assistance for Troubled Multifamily Housing Projects	N/C S/R Section 8 Programs	Low Rent Public Housing	Development	Public and Indian Housing Drug Elimination Program	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitation CT004MR0001	Public Housing Comprehensive Grant Program
171	Notes, Loans, & Mortgages Receivable - Non Current	-	-	-	-	-	-	-
180	Total Non-Current Assets	-	-	39,409,302.00	413,372	-	-	-
190	Total Assets	-	-	98,045,097.00	551,349	-	672,323	42,574
312	Accounts Payable <= 90 Days	-	-	270,287.00	-	-	-	-
321	Accrued Wage/Payroll Taxes Payable	-	-	195,636.00	-	-	-	-
322	Accrued Compensated Absences - Current Portion	-	-	332,682.00	-	-	-	-
331	Accounts Payable - HUD PHA Programs	-	9,384	-	-	-	-	-
333	Accounts Payable - Other Government	-	-	13,863.00	-	-	-	42,574
341	Tenant Security Deposits	-	-	321,415.00	-	-	-	-
342	Deferred Revenues	-	-	17,562.00	-	-	-	-
343	Long-term Debt, Current - Operating Borrowings	-	-	-	-	-	-	-
346	Accrued Liabilities - Other	-	266	1,823,867.00	-	-	-	-
347	Interprogram Due To	-	70,325	41,193,008.00	137,977	-	148	-
310	Total Current Liabilities	-	79,975	44,168,320.00	137,977	-	425,488	-
352	Long-term Debt, Net of Current - Operating Borrowings	-	-	-	-	-	-	42,574
354	Accrued Compensated Absences - Non Current	-	-	275,906.00	-	-	-	-
353	Noncurrent Liabilities - Other	-	-	118,725.00	-	-	-	-
350	Total Noncurrent Liabilities	-	-	394,631.00	-	-	-	-
300	Total Liabilities	-	79,975	44,562,951.00	137,977	-	425,636	42,574
508	Invested in Capital Assets, Net of Related Debt	-	-	39,409,302.00	413,372	-	-	-
511	Restricted Net Assets	-	-	-	-	-	-	-

HOUSING AUTHORITY OF THE CITY OF NEW HAVEN

SUPPLEMENTAL FINANCIAL DATA SCHEDULE

September 30, 2005

Line Item No.	Account Description	Operating Assistance for Troubled Multifamily Housing Projects	N/C S/R Section 8 Programs	Low Rent Public Housing	Development	Public and Indian Housing Drug Elimination Program	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitation CT004MR0001	Public Housing Comprehensive Grant Program
512	Unrestricted Net Assets	-	(79,975)	14,072,844.00	-	-	246,687	-
513	Total Equity/Net Assets	-	(79,975)	53,482,146.00	413,372	-	246,687	-
600	Total Liabilities and Equity/Net Assets	-	-	98,045,097.00	551,340	-	672,323	42,574
703	Net Tenant Rental Revenue	-	-	3,590,867.00	-	-	-	-
705	Total Tenant Revenue	-	-	3,590,867.00	-	-	-	-
706	HUD PHA Operating Grants	90,637	615,628	13,947,714.00	121	11,001	321,919	-
706.1	Capital Grants	-	-	-	137,856	-	-	-
708	Other Government Grants	-	-	-	-	-	-	-
711	Investment Income - Unrestricted	-	-	1,299,281.00	-	-	-	-
715	Other Revenue	-	-	299,071.00	-	-	-	-
716	Gain/Loss on Sale of Fixed Assets	-	-	10,850.00	-	-	-	-
700	Total Revenue	90,637	615,628	19,147,783.00	137,977	11,001	321,919	-
911	Administrative Salaries	-	-	2,848,334.00	-	-	37,625	-
912	Auditing Fees	-	500	21,700.00	-	-	500	-
913	Outside Management Fees	-	-	89,829.00	-	-	-	-
914	Compensated Absences	-	-	(53,149.00)	-	-	-	-
915	Employee Benefit Contributions - Administrative	-	-	687,614.00	-	-	618	-
916	Other Operating - Administrative	90,637	2,468	1,805,615.00	121	-	12,127	-
921	Tenant Services - Salaries	-	-	23,608.00	-	-	9,095	-
922	Relocation Costs	-	-	-	-	-	-	-
924	Tenant Services - Other	-	-	-	-	-	-	-
931	Water	-	-	71,018.00	-	12,252	-	-
932	Electricity	-	-	745,301.00	-	-	-	-
933	Gas	-	-	1,871,677.00	-	-	-	-
		-	-	1,514,466.00	-	-	-	-

HOUSING AUTHORITY OF THE CITY OF NEW HAVEN

SUPPLEMENTAL FINANCIAL DATA SCHEDULE

September 30, 2005

Line Item No.	Account Description	Operating Assistance for Troubled Multifamily Housing Projects	N/C S/R Section 8 Programs	Low Rent Public Housing	Development	Public and Indian Housing Drug Elimination Program	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitation CT004MR0001	Public Housing Comprehensive Grant Program
934	Fuel	-	-	14,111.00	-	-	-	-
938	Other Utilities Expense	-	-	3,000.00	-	-	-	-
941	Ordinary Maintenance and Operations - Labor	-	-	2,451,287.00	-	-	-	-
942	Other	-	-	-	-	-	-	-
943	Ordinary Maintenance and Operations - Contract Costs	-	-	712,332.00	-	-	-	-
945	Employee Benefit Contributions - Ordinary Maintenance	-	-	2,489,210.00	-	-	-	-
951	Protective Services - Labor	-	-	591,763.00	-	-	-	-
952	Protective Services - Other Contract Costs	-	-	833.00	-	-	-	-
953	Protective Services - Other	-	-	109,051.00	-	-	-	-
961	Insurance Premiums	-	-	21,275.00	-	-	-	-
962	Other General Expenses	-	-	790,438.00	-	-	-	-
963	Payments in Lieu of Taxes	-	-	-	-	-	-	-
964	Bad Debt - Tenant Rents	-	-	13,863.00	-	-	-	-
966	Bad Debt - Other	-	-	140,192.00	-	-	-	-
969	Total Operating Expenses	90,637	2,968	16,963,368.00	121	12,252	59,965	-
970	Excess Operating Revenue over Operating Expenses	-	612,660	2,184,415.00	137,856	(1,251)	261,954	-
971	Extraordinary Maintenance	-	-	654,659.00	-	-	-	-
972	Casualty Losses - Non-Capitalized	-	-	177,746.00	-	-	-	-
973	Housing Assistance Payments	-	589,969	-	-	-	-	-
974	Depreciation Expense	-	-	3,929,940.00	-	-	260,946	-
900	Total Expenses	90,637	592,937	21,725,713.00	121	12,252	320,911	-
1001	Operating Transfers In	-	-	1,602,752.00	-	1,751	-	-
1002	Operating Transfers Out	-	-	(10,451.00)	-	-	-	-

HOUSING AUTHORITY OF THE CITY OF NEW HAVEN

SUPPLEMENTAL FINANCIAL DATA SCHEDULE  
September 30, 2005

Line Item No.	Account Description	Operating Assistance for Troubled Multifamily Housing Projects	N/C S/R Section 8 Programs	Low Rent Public Housing	Development	Public and Indian Housing Drug Elimination Program	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitation CT004MR0001	Public Housing Comprehensive Grant Program
1010	Total Other Financing Sources (Uses)	-	-	1,592,301.00	-	1,251	-	-
1000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	-	22,691	(985,629.00)	137,856	-	1,008	-
1103	Beginning Equity	-	-	-	-	-	-	-
1104	Prior Period Adjustments, Equity Transfers and Correction of Errors	-	(102,666)	52,482,661.00	275,516	-	245,679	-
1113	Maximum Annual Contributions Commitment (Per ACC)	-	-	1,985,114.00	-	-	-	-
1114	Prorata Maximum Annual Contributions Applicable to a Period of less than Twelve Months	-	625,012	-	-	-	493,440	-
1115	Contingency Reserve, ACC Program Reserve	-	1,198	-	-	-	-	-
1116	Total Annual Contributions Available	-	626,210	-	-	-	548,798	-
1120	Unit Months Available	-	732	29,208.00	-	-	1,042,238	-
1121	Number of Unit Months Leased	-	732	26,900.00	-	-	960	-

HOUSING AUTHORITY OF THE CITY OF NEW HAVEN

SUPPLEMENTAL FINANCIAL DATA SCHEDULE

September 30, 2005

Line Item No.	Account Description	PHH - Youth Sports Program	Revitalization of Severely Distressed Public Housing	Resident Opportunity and Supportive Services	Housing Choice Vouchers	Public Housing Capital Program	State/Local	Component Units	Total
111	Cash - Unrestricted	-	439,886	-	-	-	-	507,490	57,980,944
113	Cash - Other Restricted	-	2,378,996	-	-	-	105,989	-	2,649,530
114	Cash - Tenant Security Deposits	-	-	-	-	-	-	-	321,415
100	Total Cash	-	2,818,882	-	-	-	105,989	507,490	60,951,889
122	Accounts Receivable - HUD Other Projects	-	2,073,800	113,845	2,237,231	2,692,237	-	-	9,209,234
125	Accounts Receivable - Miscellaneous	-	-	-	1,487	-	-	-	280,909
126	Accounts Receivable - Tenants - Dwelling Rents	-	-	-	26,693	-	-	-	211,458
126.1	Allowance for Doubtful Accounts - Dwelling Rents	-	-	-	-	-	-	-	(156,724)
126.2	Allowance for Doubtful Accounts - Other	-	-	-	(2,200,000)	-	-	-	(3,481,821)
127	Notes, Loans, & Mortgages Receivable - Current	-	-	-	-	-	250,000	-	250,000
129	Accrued Interest Receivable	-	2,094,298	-	-	-	-	-	2,189,798
120	Total Receivables, net of allowances for doubtful accounts	-	4,168,098	113,845	65,411	2,692,237	250,000	-	8,502,854
142	Prepaid Expenses and Other Assets	-	-	-	-	-	-	-	281,382
143	Inventories	-	-	-	-	-	-	5,000	485,469
143.1	Allowance for Obsolete Inventories	-	-	-	-	-	-	-	(48,547)
144	Interprogram Due From	7,785	667,435	-	44,116,614	231,451	-	-	45,065,859
150	Total Current Assets	7,785	7,654,415	113,845	44,182,025	2,923,688	355,989	512,490	115,238,906
161	Land	-	-	-	-	-	-	-	4,520,212
162	Buildings	-	-	-	112,405	-	-	-	208,340,383
163	Furniture, Equipment & Machinery - Dwellings	-	-	-	-	-	-	-	47,638
164	Furniture, Equipment & Machinery - Administration	-	-	-	30,012	-	-	-	4,705,203
166	Accumulated Depreciation	-	-	-	(91,377)	-	-	-	(180,224,789)
167	Construction In Progress	-	-	-	-	10,211,730	-	-	12,859,036
160	Total Fixed Assets, Net of Accumulated Depreciation	-	-	-	51,040	10,211,730	-	162,239	50,247,683

HOUSING AUTHORITY OF THE CITY OF NEW HAVEN

SUPPLEMENTAL FINANCIAL DATA SCHEDULE

September 30, 2005

Line Item No.	Account Description	PIH - Youth Sports Program	Revitalization of Severely Distressed Public Housing	Resident Opportunity and Supportive Services	Housing Choice Vouchers	Public Housing Capital Fund Program	State/Local	Component Units	Total
171	Notes, Loans, & Mortgages Receivable - Non Current	-	24,756,761	-	-	-	4,524,529	-	29,281,290
180	Total Non-Current Assets	-	24,756,761	-	51,040	10,211,730	4,524,529	162,239	79,528,973
190	Total Assets	7,785	32,411,176	113,845	44,233,065	13,135,418	4,880,518	674,729	194,767,879
312	Accounts Payable <= 90 Days	-	-	-	147,070	280,173	201,313	-	898,843
321	Accrued Wage/Payroll Taxes Payable	-	-	-	-	-	-	-	195,636
322	Accrued Compensated Absences - Current Portion	-	10,441	-	119,691	146,375	-	-	609,189
331	Accounts Payable - HUD PHA Programs	7,785	-	-	-	231,451	-	-	291,194
333	Accounts Payable - Other Government	-	-	-	-	-	-	-	13,863
341	Tenant Security Deposits	-	-	-	-	-	-	-	321,415
342	Deferred Revenues	-	-	-	-	-	-	-	17,562
343	Long-term Debt, Current - Operating Borrowings	-	-	-	-	-	-	-	250,000
346	Accrued Liabilities - Other	-	-	-	-	-	-	-	1,837,513
347	Interprogram Due To	-	-	-	13,232	-	-	-	2,500,000
310	Total Current Liabilities	7,785	10,441	113,845	279,993	2,144,294	480,922	500,000	45,065,859
	Long-term Debt, Net of Current - Operating Borrowings	-	-	-	-	2,802,293	682,235	750,000	49,501,074
352	Borrowings	-	-	-	-	-	-	-	-
354	Accrued Compensated Absences - Non Current	-	8,660	-	99,265	121,395	-	-	505,226
353	Noncurrent Liabilities - Other	-	-	-	47,585	-	-	-	166,310
350	Total Noncurrent Liabilities	-	8,660	-	146,850	121,395	-	-	671,536
300	Total Liabilities	7,785	19,101	113,845	426,843	2,923,688	682,235	750,000	50,172,610
508.1	Invested in Capital Assets, Net of Related Debt	-	-	-	51,040	10,211,730	-	162,239	50,247,683
511.1	Restricted Net Assets	-	-	-	-	-	-	-	-
512.1	Unrestricted Net Assets	-	32,392,075	-	43,755,182	-	4,198,283	(237,510)	94,347,586

HOUSING AUTHORITY OF THE CITY OF NEW HAVEN

SUPPLEMENTAL FINANCIAL DATA SCHEDULE

September 30, 2005

Line Item No.	Account Description	PIH - Youth Sports Program	Revitalization of Severely Distressed Public Housing	Resident Opportunity and Supportive Services	Housing Choice Vouchers	Public Housing Capital Fund Program	State/Local	Component Units	Total
513	Total Equity/Net Assets	-	32,392,075	-	43,806,222	10,211,730	4,198,283	(75,271)	144,595,269
600	Total Liabilities and Equity/Net Assets	7,785	32,411,176	113,845	44,233,065	13,135,418	4,880,518	674,729	194,767,879
703	Net Tenant Rental Revenue	-	-	-	-	-	-	-	-
705	Total Tenant Revenue	-	-	-	-	-	-	-	3,590,867
706	HUD PHA Operating Grants	-	-	-	-	-	-	-	3,590,867
706.1	Capital Grants	-	5,798,514	134,095	38,758,817	348,025	-	-	60,026,471
708	Other Government Grants	-	-	-	-	5,509,163	-	-	5,647,019
711	Investment Income - Unrestricted	-	597,022	-	-	-	95,512	-	95,512
715	Other Revenue	-	10,521	-	-	-	1,536	10,898	1,908,737
716	Gain/Loss on Sale of Fixed Assets	-	-	-	-	-	3,381,770	-	3,691,362
700	Total Revenue	-	6,406,057	134,095	38,758,817	5,857,188	3,478,818	40,898	75,000,818
911	Administrative Salaries	-	400,543	-	1,552,050	172,395	-	-	5,010,947
912	Auditing Fees	-	-	-	11,750	-	-	-	34,450
913	Outside Management Fees	-	-	-	-	-	-	-	89,829
914	Compensated Absences	-	-	-	18,846	-	-	-	(33,685)
915	Employee Benefit Contributions - Administrative	-	-	-	566,304	-	-	-	1,266,045
916	Other Operating - Administrative	-	-	9,500	410,670	30,707	1,051,267	-	3,410,080
921	Tenant Services - Salaries	-	-	124,595	-	-	-	-	148,203
922	Relocation Costs	-	185,919	-	-	144,923	-	-	330,842
924	Tenant Services - Other	-	-	-	-	-	-	-	83,270
931	Water	-	-	-	-	-	-	-	745,301
932	Electricity	-	-	-	-	-	-	-	1,871,677
933	Gas	-	-	-	-	-	-	-	1,514,466
934	Fuel	-	-	-	-	-	-	-	14,111
938	Other Utilities Expense	-	-	-	-	-	-	-	3,000

HOUSING AUTHORITY OF THE CITY OF NEW HAVEN

SUPPLEMENTAL FINANCIAL DATA SCHEDULE

September 30, 2005

Line Item No.	Account Description	PIH - Youth Sports Program	Revitalization of Severely Distressed Public Housing	Resident Opportunity and Supportive Services	Housing Choice Vouchers	Public Housing Capital Fund Program	State/Local	Component Units	Total
941	Ordinary Maintenance and Operations - Labor	-	-	-	-	-	-	-	2,451,287
942	Ordinary Maintenance and Operations - Materials and Other	-	-	-	-	-	-	-	712,332
943	Ordinary Maintenance and Operations - Contract Costs	-	-	-	-	-	-	-	2,489,210
945	Employee Benefit Contributions - Ordinary Maintenance	-	-	-	-	-	-	-	591,763
951	Protective Services - Labor	-	-	-	-	-	-	-	833
952	Protective Services - Other Contract Costs	-	-	-	-	-	-	-	109,051
953	Protective Services - Other	-	-	-	-	-	-	-	21,275
961	Insurance Premiums	-	-	-	-	-	-	-	791,273
962	Other General Expenses	-	-	-	92,829	-	-	835	92,829
963	Payments in Lieu of Taxes	-	-	-	-	-	-	-	92,829
964	Bad Debt - Tenant Rents	-	-	-	34,521	-	-	982	34,521
966	Bad Debt - Other	-	-	-	-	-	-	-	14,845
969	Total Operating Expenses	-	586,462	134,095	2,686,970	348,025	1,051,267	1,817	21,937,947
970	Excess Operating Revenue over Operating Expenses	-	5,819,595	-	36,071,847	5,509,163	2,427,551	39,081	53,062,871
971	Extraordinary Maintenance	-	6,289,754	-	-	-	-	-	6,944,413
972	Casualty Losses - Non-Capitalized	-	-	-	-	-	-	-	177,746
973	Housing Assistance Payments	-	-	-	26,751,794	-	-	-	27,602,709
974	Depreciation Expense	-	-	-	16,171	-	-	-	3,946,111
900	Total Expenses	-	6,876,216	134,095	29,454,935	348,025	1,051,267	1,817	60,608,926
1001	Operating Transfers In	-	359,200	-	-	-	-	-	-
1002	Operating Transfers Out	-	-	-	-	-	-	-	-
1010	Total Other Financing Sources (Uses)	-	359,200	-	(1,602,752)	-	(350,000)	-	1,963,203
		-	359,200	-	(1,602,752)	-	(350,000)	-	(1,963,203)

HOUSING AUTHORITY OF THE CITY OF NEW HAVEN

SUPPLEMENTAL FINANCIAL DATA SCHEDULE

September 30, 2005

Line Item No.	Account Description	PHH - Youth Sports Program	Revitalization of Severely Distressed Public Housing	Resident Opportunity and Supportive Services	Housing Choice Vouchers	Public Housing Capital Fund Program	State/Local	Component Units	Total
1000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	-	(110,959)	-	7,701,130	5,509,163	2,077,551	39,081	14,391,892
1103	Beginning Equity	-	32,497,034	-	36,105,092	4,702,567	825,578	(114,352)	126,917,109
1104	Prior Period Adjustments, Equity Transfers and Correction of Errors	-	6,000	-	-	-	1,295,154	-	3,286,268
1113	Maximum Annual Contributions Commitment (Per ACC)	-	-	-	38,758,817	-	-	-	39,877,269
1114	Prorata Maximum Annual Contributions Applicable to a Period of less than Twelve Months	-	-	-	-	-	-	-	-
1115	Contingency Reserve, ACC Program Reserve	-	-	-	-	-	-	-	549,996
1116	Total Annual Contributions Available	-	-	-	38,758,817	-	-	-	40,427,265
1120	Unit Months Available	-	-	-	51,444	-	-	-	82,344
1121	Number of Unit Months Leased	-	-	-	40,826	-	-	-	69,418

HOUSING AUTHORITY OF THE CITY OF NEW HAVEN  
STATEMENT OF ACTUAL EXPENDITURES –  
REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING  
For the Year Ended September 30, 2005

Project CT26URD004-I193

Total Federal Funds Received	\$ 45,331,593
Total Other Funds Received	<u>                    -</u>
Total Funds Received	<u>45,331,593</u>
Total Funds Expended	45,331,593
Excess of Funds Received Over Expended	<u>\$                    -</u>

Based on our review of the completed projects:

- 1) All work in connection with the projects is complete.
- 2) All liabilities have been incurred and discharged through payment.

**HOUSING AUTHORITY OF THE CITY OF NEW HAVEN**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended September 30, 2005**

	<u>Major Program</u>	<u>Direct Award</u>	<u>Pass Through Entity</u>	<u>CFDA Number</u>	<u>Federal Financial Assistance Received</u>	<u>Total Federal Financial Assistance Expenditures</u>
Department of Housing and Urban Development						
Section 8 Programs:						
Housing Choice Vouchers Program	Yes	Yes		14.871	\$ 38,758,817	\$ 38,758,817
Low Rent Public Housing Programs:						
Operations	Yes	Yes		14.850a	13,947,714	13,947,714
Capital Fund Program	Yes	Yes		14.872	5,857,188	5,857,188
Revitalization of Severely Distressed Public Housing	Yes	Yes		14.866	5,798,514	5,798,514
<b>Total Major Programs</b>					<u>64,362,233</u>	<u>64,362,233</u>
Department of Housing and Urban Development						
Section 8 Programs:						
New Construction Program	No	Yes		14.182	615,628	615,628
Section 8 Moderate Rehab - CT004MR0001	No	Yes		14.856	321,919	321,919
Low Rent Public Housing Programs:						
Resident Opportunity and Supportive Services	No	Yes		14.870	134,095	134,095
Drug Elimination Program	No	Yes		14.854	11,001	11,001
Operating Assistance for Troubled Housing	No	Yes		14.164	90,637	90,637
Development	No	Yes		14.850b	137,977	137,977
<b>Total Non Major Programs</b>					<u>1,311,257</u>	<u>1,311,257</u>
<b>Total All Programs</b>					<u>\$ 65,673,490</u>	<u>\$ 65,673,490</u>

HOUSING AUTHORITY OF THE CITY OF NEW HAVEN

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
September 30, 2005

The audit for the year ended September 30, 2005 disclosed material instances of noncompliance with laws and regulations, material weaknesses in internal control structure or questioned costs.

1. Type of report issued on the financial statements - Unqualified
2. The reports on internal control did disclose reportable conditions relating to the financial statement audit.
3. The report on compliance did not disclose instances of non-compliance material to the financial statements.
4. Type of report issued on compliance for major programs - Qualified
5. The report on internal control did disclose reportable conditions relating to the major federal programs.
6. The report on compliance did disclose instances of non-compliance material to major federal programs.
7. The report on compliance disclosed questioned costs of \$2,000,000.
8. The report on compliance disclosed no findings or questioned costs that contained instances of fraud.
9. The prior audit report did disclose findings and questioned costs.
10. Major federal assistance programs are identified in the schedule of federal expenditures. The dollar threshold to distinguish type A and type B programs was \$1,900,000.
11. The auditee did not qualify as a low-risk auditee.
12. The following programs were tested as major programs in accordance with OMB A-133:
  - CFDA # 14.871 – Housing Choice Voucher Program
  - CFDA # 14.850a – Low Rent Public Housing Program – Operations
  - CFDA # 14.872 – Capital Fund Program
  - CFDS # 14.866 – Revitalization of Severely Distressed Public Housing

HOUSING AUTHORITY OF THE CITY OF NEW HAVEN

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

September 30, 2005

REPORTABLE CONDITIONS

*Material Weakness in Internal Controls over Financial Reporting and Compliance*

Finding # 05-01 - Internal Controls Over Financial Reporting and Compliance with Laws and Regulations

Management has a responsibility to design a system of internal control that reduces the risk that financial statements will be materially misstated to acceptable levels. There are five components of internal control that collectively provide an entity with assurance that financial statements are fairly stated they are:

- 1) Control environment
- 2) Risk assessment
- 3) Communication
- 4) Control activities
- 5) Monitoring

Control environment deals with the tone and attitude that management and the governing board of the Authority have with respect to the tolerance for misstated financial statements and how that attitude is conveyed to employees. Management has a responsibility to impart to employees that the organizations goal is to provide financial statements that are fairly stated in accordance with generally accepted financial principles and that errors, irregularities or fraud in the Authority's financial statements will not be tolerated. The control environment can be set by management and the governing board in many ways. Larger organizations may choose to publish a written code of conduct with respect to financial reporting. Smaller organizations may choose to inform employees in less formal ways such as orally or through memos. Management and the governing board also set the internal control environment by their actions in the way that they deal with financial statement errors and irregularities.

Risk assessment deals with how management assesses financial statement risks and how it deals with those risks. Every entity faces a variety of risks from external and internal sources that must be assessed. A precondition to risk assessment is establishment of objectives, linked at different levels and internally consistent. Risk assessment is the identification and analysis of relevant risks to achievement of the objectives, forming a basis for determining how the risks should be managed. Because economic, industry, regulatory and operating conditions will continue to change, mechanisms are needed to identify and deal with the special risks associated with change. A risk is anything that endangers the achievement of an objective. Always ask: What could go wrong? What assets do we need to protect?

- Risk assessment is the process used to identify, analyze, and manage the potential risks that could hinder or prevent an agency from achieving its objectives
- Risk increases during a time of change, for example, turnover in personnel, rapid growth, or establishment of new services.
- Other potential high risk factors include complex programs or activities, cash receipts, direct third party beneficiaries, and prior problems.

HOUSING AUTHORITY OF THE CITY OF NEW HAVEN

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
September 30, 2005

Finding # 05-01 - Internal Controls Over Financial Reporting and Compliance with Laws and Regulations  
- (Continued)

The way that management documents its risk assessment procedures will vary from organization to organization. Some will be more formal and documented than others. Regardless management must assess risk to effectively design procedures to minimize risk.

Information must be reliable to be of use and it must be communicated to those who need it. For example, supervisors must communicate duties and responsibilities to the employees that report to them and employees must be able to alert management to potential problems.

- Information must be communicated both within the organization and externally to those outside, for example, vendors, recipients, and other
- Communication must be ongoing both within and between various levels and activities of the agency.

Organizations establish policies and procedures so that identified risks do not prevent an organization from reaching its objectives.

- Clearly identified activities minimize risk and enhance effectiveness.
- Internal control activities are nothing more than policies, procedures, and the organizational structure of an organization
- Can be either preventive, for example, requiring supervisory sign off, or detective, for example reconciling reports.
- Avoid excessive controls, which are as harmful as excessive risk and result in increased bureaucracy and reduced productivity.

After internal controls are put in place, their effectiveness needs to be periodically monitored to ensure that controls continue to be adequate and continue to function properly. Management must also monitor previously identified problems to ensure that they are corrected.

Management and the governing board does not appear to have any formal documentation that identifies its control environment, methods of risk assessment, methods of communication, control procedures or monitoring efforts.

The Authority does have procedures in place to minimize risk for its routine transactions. Many procedures are computerized that help to insure that routine and repetitive transactions are consistently processed and reported. However, the Authority does not appear to have procedures in place to minimize risk that non routine transactions are identified and processed consistently and in accordance with generally accepted accounting principles. The lack of control procedures can be evidenced by the following types of errors that we noted while conducting our audit:

HOUSING AUTHORITY OF THE CITY OF NEW HAVEN

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

September 30, 2005

Finding # 05-01 - Internal Controls Over Financial Reporting and Compliance with Laws and Regulations  
- (Continued)

- A loan made to a HOPE VI limited partnership aggregating \$2,250,000 was not identified or recorded on the Authority's books or in the financial statements
- The Authority received a \$2,300,000 settlement from the developer of one of its HOPE VI projects. The settlement was not recorded on the Authority's books or financial statements
- A \$1,000,000 supervisory fee was received by the Authority from the developer of one of the Authority's HOPE VI projects. The revenue was misreported as HUD operating grant income and reported in the wrong fund.
- Interest income on loans receivable are not being recorded on the Authority's books nor were they reported in the financial statements
- The Authority's financial statements do not agree with the Authority's general ledgers.
- The Authority does not have a clear understanding of the correct financial statement reporting of grant expenditures. Expenditures that should have been charged to operations as an expense have been capitalized while other expenditures that should have been reported as an assets have been charged to operations.
- Land buildings and building improvements have been demolished or otherwise disposed through the HOPE VI projects yet continue to be carried as assets on the Authority's balance sheet.
- Transactions from the affordability reserve accounts have not been recorded in the Authority's general ledger or in the financial statements.
- \$1,600,000 of expenditures were transferred from non-grant fund ledgers to capital fund ledgers with no support as to the allowable nature of the expenditures for the capital fund program.

The above noted errors bring into question the effectiveness of internal control procedures with respect to these larger and less routine transactions as well as the effectiveness of any monitoring activities.

Management and the governing board should assess the effectiveness of all five aspects of its internal control structure to determine if the system reduces risk to an acceptable level. Furthermore management should review the timing and adequacy of the communication of information to the accounting department and the involvement of appropriate accounting personnel in the planning and implementation of management decisions and transactions that may have financial implications. Finally management should assess the size and knowledge level of its accounting department.

HOUSING AUTHORITY OF THE CITY OF NEW HAVEN

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

September 30, 2005

*Reportable Conditions related to Compliance with Federal Grant Programs*

Finding 05-02 - Accounting Records Not In Accordance With GAAP

- Condition The Authority's general ledgers for its grant programs and its state and local funds are not maintained in accordance with generally accepted accounting principles. In additions the Authority's ledgers for its low rent public housing program and Section 8 programs do not agree with the Authority's financial statements. The Authority's fee accountant maintains off book trail balances that pick up from the Authority's books and records and contain adjustments to convert balances into proper generally accepted accounting principles format for preparation of financial statements and REAC filings. The fee accountants trial balances do not contain sufficient audit trail to readily determine the propriety of balances. Formal journal entries are not prepared by the fee accountant. In addition multiple adjusting transactions may be combined into a single adjusting amount on the trial balances. This makes it difficult to determine the offsetting sides of the fee accountants adjusting transactions. Lack of formal journal entries makes it difficult to determine the reason that adjusting entries were made. Finally the trial balances maintained by the fee accountant are outside of the Authority's internal control structure and increase risk that can not be properly managed by the Authority's systems.
- Criteria HUD regulations require that the Authority maintain its accounting records and prepare its financial statements when reporting to HUD in accordance with generally accepted accounting principles.
- Cause It appears that the Authority has chosen to delegate the financial reporting process to its fee accountant and has not taken an active role in the reporting process.
- Effect The lack of internal control resulting from the failure to maintain its books in accordance with generally accepted accounting principles coupled with its lack of involvement in the financial reporting process increases the risk that the financial statements may be materially misstated to unacceptable levels.

*Reportable Conditions related to Compliance with Federal Grant Programs*

*Material Weakness in Internal Controls over Compliance*

Finding 05-03 - Operating Fund Grants Pass-through To HOPE VI Entity (Formerly 04-01)

- Condition The Authority under a HOPE VI grant has demolished federal low rent housing units and has funded mixed finance entity, a separate limited partnership, to own and construct replacement low-income housing. Under the terms of the mixed finance amendment to the annual contributions contract, the mixed finance project is eligible to receive operating fund grants. The mechanism for receiving the operating funds is the completion of the Operating Fund Calculation of Operating Subsidy, HUD Form 52723.

HOUSING AUTHORITY OF THE CITY OF NEW HAVEN

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

September 30, 2005

Finding 05-03 - Operating Fund Grants Pass-through To HOPE VI Entity (Formerly 04-01) –  
(Continued)

Condition That form requires numerous calculations that is in part or in whole based on historical operating information of the project. One such calculation is the computation of allowable utility costs. Utility costs are funded based on a rolling three-year average of utility consumption at anticipated utility rates. As part of the Authority's oversight responsibilities with respect to the mixed finance development, the Authority is required to review and approve the mixed finance entities support for the historic financial information on HUD Form 52723. We found no evidence that the PHA reviewed the mixed finance entities historic financial information and utility consumption records that supported the mixed finance entity's operating fund calculations for the year ended September 30, 2005.

Cause Because of the operating autonomy of the mixed finance entity, the Authority has had difficulty obtaining the financial information from the mixed finance entity to properly review the Operating Fund Calculation form.

Effect Failure to properly review the Operating Fund Calculation could result in overpayment of federal funds to the mixed finance entity.

*Reportable Conditions related to Compliance with Laws, Regulations and Federal Grant Programs  
Material Weakness in Internal Controls over Financial Reporting and Compliance*

Finding 05-04 - Fixed Asset and Depreciation Records (Formerly 04-03)

Condition At the present time, fixed asset records are not maintained by the Authority. The Authority's fee accountant maintains Excel spread sheets to support depreciation. The spreadsheets do not contain sufficient detail and are prone to errors and inaccuracies because of the size and complexities of the spreadsheet. We recommend that maintain detailed fixed asset records and reconcile these records to the general ledger on a timely basis to ensure accurate accounting for assets. Specifically, fixed asset records should include the following data:

- Description of the asset.
- Cost, voucher number and vendor name.
- Date placed in service.
- Estimated useful life.
- Depreciation method.
- Depreciation expense and accumulated depreciation for the year
- Date asset retired and selling price if applicable

Complete information such as the above on all fixed assets would provide excellent control for the safeguarding of these assets, which are significant costs. Better assessment and evaluation could also be made regarding the reliability of certain fixed assets and the need for replacements, etc.

HOUSING AUTHORITY OF THE CITY OF NEW HAVEN

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

September 30, 2005

Finding 05-04 - Fixed Asset and Depreciation Records (Formerly 04-03) – (Continued)

Condition While the Authority does have a capitalization and depreciation policy. The policy deals predominantly with the amount that must be capitalized (\$1,000) and prescribed useful lives for various classes of assets. We suggest the policy be expanded in order to more effectively control and account for the Authority's property and equipment. We suggest the present capital expenditure policy be reviewed in order to more effectively regulate and control the Authority's practice in this area. To accomplish this goal, we suggest the following:

- Formalize a policy to differentiate between maintenance and repair items and long-term improvement items.

Implementation of the above recommended policies will create more consistent accounting treatment for purchases of fixed assets.

Cause Fixed assets accounting is a relatively new concept for housing authorities who prior to 1999 were not required to depreciate fixed assets. The Authority has not yet adapted its accounting and internal control systems to accommodate proper fixed assets accounting.

Effect Failure to maintain proper fixed asset accounting records could result in the undetected loss of assets through misappropriation or accounting error.

*Reportable Conditions related to Compliance with Laws, Regulations and Federal Grant Programs  
Material Weakness in Internal Controls over Financial Reporting and Compliance*

Finding 05-05 - Imbalances in Inter-program Accounts (Formerly 04-05)

Condition The Authority uses one cash account to make disbursements to vendors and to receive grant funds from HUD and other cash receipts for all programs and all funds. The cash account used is on the Low Rent Public Housing Fund. As a result interfund accounts receivables and payables result from the cross fund transactions. Interfund receivables on one fund should be offset by interfund payables on one or more other funds. The Authority's interfund balances did not offset each other by approximately \$2,000,000. This imbalance has been charged to operations of the low rent public housing fund as a charge to prior period adjustments. This should be considered a questionable cost to the low rent public housing program.

Cause The imbalance of \$2,000,000 in the inter-program balances may be the result of accounting errors or balances remaining in funds or grant years that are inactive and have not been reported in the financial statements.

Effect The recording of the assets appears to be an accounting error. Assets and as a result equity or reserves may be incorrectly stated.

**HOUSING AUTHORITY OF THE CITY OF NEW HAVEN**  
**SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS**  
**September 30, 2005**

The audit for the year ended September 30, 2004 disclosed material instances of noncompliance with laws and regulations, material weaknesses in internal control structure or questioned costs.

1. Type of report issued on the financial statements - Unqualified
2. The reports on internal control did disclose reportable conditions relating to the financial statement audit.
3. The report on compliance did not disclose instances of non-compliance material to the financial statements.
4. Type of report issued on compliance for major programs - Qualified
5. The report on internal control did disclose reportable conditions relating to the major federal programs.
6. The report on compliance did disclose instances of non-compliance material to major federal programs.
7. The report on compliance disclosed no questioned costs.
8. The report on compliance disclosed no findings or questioned costs that contained instances of fraud.
9. Major federal assistance programs are identified in the schedule of federal expenditures. The dollar threshold to distinguish type A and type B programs was \$1,800,000.
10. The auditee did not qualify as a low-risk auditee in 2004.

**HOUSING AUTHORITY OF THE CITY OF NEW HAVEN**  
**SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS**  
**September 30, 2005**

Finding 04-02 - Failure to Complete Section 8 Management Assessment (SEMAP)

Status      The Authority has corrected this finding and has filed this required information with HUD as of September 30, 2005.

Finding 04-04 - Accounting For Loans and Mortgages Receivable

Status      The Authority has corrected this finding and has implemented controls to ensure that transactions similar to these will be properly recorded.

