

FORM APPROVED COUNTY COUNSEL  
 BY: GREGORY P. PRIAMOS DATE: 11/17/15

**SUBMITTAL TO THE BOARD OF COMMISSIONERS  
 HOUSING AUTHORITY  
 COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

158



**FROM:** Housing Authority

**SUBMITTAL DATE:**  
 December 3, 2015

**SUBJECT:** Approval of the Housing Authority of the County of Riverside's Significant Amendment to the Public Housing Agency 5-Year Plan for Fiscal Years 2015/16-2019/20 and Annual Plan and Supporting Documents for Fiscal Year 2015-2016, All Districts; [\$0]; Not a Project under CEQA

**RECOMMENDED MOTION:** That the Board of Commissioners:

1. Find that the Housing Authority of the County of Riverside's (Housing Authority) Significant Amendment to the Public Housing Agency 5-Year Plan for Fiscal Years 2015/16-2019/20 and Annual Plan and supporting documents for Fiscal Year 2015-2016 are not projects under California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15378(b) (5);

(Continued)

Robert Field  
 Executive Director

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 0	\$ 0	\$ 0	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	

**SOURCE OF FUNDS:** N/A

**Budget Adjustment:** No  
 For Fiscal Year: 2015/16-2019/20

**C.E.O. RECOMMENDATION:**

APPROVE

BY: Rohini Dasika  
 Rohini Dasika

County Executive Office Signature

**MINUTES OF THE HOUSING AUTHORITY BOARD OF COMMISSIONERS**

On motion of Commissioner Tavaglione, seconded by Commissioner Benoit and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Tavaglione, Washington, Benoit and Ashley  
 Nays: None  
 Absent: Jeffries  
 Date: December 15, 2015  
 xc: Housing Authority

Kecia Harper-Ihem  
 Clerk of the Board  
 By: Kecia Harper-Ihem  
 Deputy

- A-30
- Positions Added
- 4/5
- Change Order
- Vote

**Prev. Agn. Ref.:** 12/8/2015

**District:** ALL

**Agenda Number:**

10-1

**SUBMITTAL TO THE BOARD OF COMMISSIONERS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

Housing Authority

**FORM 11:** Approval of the Housing Authority of the County of Riverside's Significant Amendment to the Public Housing Agency 5-Year Plan for Fiscal Years 2015/16-2019/20 and Annual Plan and Supporting Documents for Fiscal Year 2015-2016, All Districts; [\$0]; Not a Project under CEQA

**DATE:** December 3, 2015

**PAGE:** 2 of 3

**RECOMMENDED MOTION:** (Continued)

2. Find that the Housing Authority's Significant Amendment to the Public Housing Agency 5-Year Plan for Fiscal Years 2015/16-2019/20 and Annual Plan and supporting documents for Fiscal Year 2015-2016 are exempt from the provisions of the National Environmental Policy Act (NEPA) pursuant to Title 24 Code of Federal Regulations Sections 58.34 (a)(1) and (a)(3);
3. Adopt Resolution 2015-020 Approving the Housing Authority of the County of Riverside's Significant Amendment to the Public Housing Agency (PHA) 5-Year Plan for Fiscal Years 2015/16-2019/20 and Annual Plan and Supporting Documents for Fiscal Year 2015-2016 and Authorizing the Chairman of the Board of Commissioners to Sign the PHA Certifications of Compliance;
4. Approve and authorize the Chairman of the Board to sign the attached PHA Certifications of Compliance with PHA Plans and Related Regulations (form HUD-50077);
5. Authorize the Executive Director, or designee, to sign all remaining documents and certifications pertaining to the Housing Authority's housing assistance programs, including, but not limited to, the Housing Choice Voucher Program, Affordable Public Housing and Homeownership Program, and the Capital Fund Program; and
6. Authorize the Executive Director, or designee, to implement changes.

**BACKGROUND:**

**Summary**

The Quality Housing and Work Responsibility Act of 1998 (Act) requires a Public Housing Agency (PHA) (as defined by the U.S. Department of Housing and Urban Development (HUD)) to submit Annual Plans in accordance with the format outlined by HUD under Title 24 Code of Federal Regulations (CFR) Part 903, Subpart B. The purpose of the PHA Plans is to provide a strategic planning framework for local accountability and an easily identifiable source by which public housing residents, participants in the tenant-based assistance program, and other members of the public may locate basic PHA policies, rules and requirements concerning the PHA's operations, programs, and services. The Housing Authority of the County of Riverside (Housing Authority) is a Public Housing Agency. The Annual Plans prepared by the Housing Authority cover fiscal year July 1, 2015 through June 30, 2016. The Annual Plans prepared pursuant to the Act and 24 CFR Part 903 include annual plans for the Housing Authority's various housing assistance programs, including the Affordable Public Housing program. If at any time a significant amendment is made to any of the plans, the PHA must follow HUD guidance to enforce the amendment.

The Housing Authority of the County of Riverside (HACR) is amending its Annual Plan for 2015 because the Department of Housing and Urban Development (HUD) has conditionally approved three Commitments to enter into a Housing Assistance Payment (CHAPs) under the Rental Assistance Demonstration (RAD) program for its public housing properties which will result in the full conversion of HACR's public housing portfolio to units assisted with Project Based Vouchers, which are commonly referred to as "Section 8" units.

An additional salient provision contained in the various proposed annual plans includes the following:

The Housing Choice Voucher (HCV) Program will no longer require families to be rent burdened in order to qualify for selection from the waiting list. Rent-burdened was defined as paying more than 30% towards rent.

(Continued)

**SUBMITTAL TO THE BOARD OF COMMISSIONERS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

Housing Authority

**FORM 11:** Approval of the Housing Authority of the County of Riverside's Significant Amendment to the Public Housing Agency 5-Year Plan for Fiscal Years 2015/16-2019/20 and Annual Plan and Supporting Documents for Fiscal Year 2015-2016, All Districts; [\$0]; Not a Project under CEQA

**DATE:** December 3, 2015

**PAGE:** 3 of 3

**BACKGROUND:**

**Summary** (Continued)

The Housing Authority's 5-Year Plan for Fiscal Years 2015/16-2019/20 and Annual Plan and supporting documents for Fiscal Year 2015-2016 (collectively, the Plans) are not projects as defined by California Environmental Quality Act (CEQA) Section 21065 and State CEQA Guidelines Section 15378(b)(5), because they are an administrative activity of the government that will not result in direct or indirect physical changes to the environment. The Plans consist of the continuation of ongoing programs to provide housing assistance to certain low income populations within the County and will not result in direct or indirect physical changes to the environment. Based on the aforementioned, Housing Authority staff has determined that the plans are not an activity subject to CEQA pursuant to State CEQA Guidelines Section 15060(c)(3). Even if a determination is made that the Plans are a project subject to CEQA, the Plans are exempt pursuant to State CEQA Guidelines Section 15061(b)(3) because they are a purely administrative activity and it can be seen with certainty that here is no possibility that the Plans may have a significant effect on the environment and will not lead to any direct or reasonably indirect physical environmental impacts. In addition, the Plans are exempt from the provisions of the National Environmental Policy Act (NEPA) pursuant to Title 24 Code of Federal Regulations Sections 58.34 (a)(1) and (a)(3), since the Plans are an administrative and planning/strategy activity. A Notice of Exemption will be filed by the Housing Authority staff with the County Clerk within 5 days of the approval of the Plans.

County Counsel has reviewed the attachments and approved them as to form. Staff recommends that the Board formally adopt Resolution No. 2015-004 and approve and adopt the 5-Year Plan for FY 2015/16-2019/20 and the Annual Plan and supporting documents for FY 2015-2016 and authorize the Chairman to sign the PHA Certifications of Compliance.

**Impact on Citizens and Businesses**

Riverside County residents are positively impacted by the rental assistance the PHA provides. The only negative impact is that HUD funding is limited and does not cover the significant need for affordable housing throughout Riverside County.

**SUPPLEMENTAL:**

**Additional Fiscal Information**

There is no contract or General Fund cost associated with this agenda item.

**Attachments:**

- Attachment A – Resolution No. 2015-020 Approving the Housing Authority of the County of Riverside's Public Housing Agency (PHA) Significant Amendment to the 5-Year Plan for Fiscal Years 2015/16-2019/20 and Annual Plan and Supporting Documents for Fiscal Year 2015-2016 and Authorizing the Chairman of the Board of Commissioners to Sign the PHA Certifications of Compliance; Form HUD 50077 Certifications of Compliance
- Attachment B – Final 5-Year and Annual Plan, Financial Resources, Fiscal Single Audit and Fiscal Proprietary Audit
- Attachment C – Final Administrative Plan for the Housing Choice Voucher Program
- Attachment D – Final Statement of Policies for the Affordable Public Housing Program
- Attachment E– Final Homeownership Plan
- Attachment F – Final Capital Fund Program Annual Statement/Performance & Evaluation Report (form HUD 50075.1) and 5 Year Action Plan (form HUD 50075.2)

RESOLUTION NO. 2015-020

APPROVING THE HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE'S  
PUBLIC HOUSING AGENCY (PHA) SIGNIFICANT AMENDMENT TO THE 5-YEAR  
PLAN FOR FISCAL YEARS 2015-2020 AND ANNUAL PLAN AND SUPPORTING  
DOCUMENTS FOR FISCAL YEAR 2015-2016 AND AUTHORIZING THE CHAIRMAN  
OF THE BOARD OF COMMISSIONERS TO SIGN THE PHA CERTIFICATIONS OF  
COMPLIANCE

**WHEREAS**, the Housing Authority of the County of Riverside ("Authority") is a Public Housing Agency (PHA) as defined by the U.S. Department of Housing And Urban Development ("HUD");

**WHEREAS**, the Authority is authorized by HUD to administer the Housing Choice Voucher and Affordable Public Housing programs (collectively the, "Authority's Affordable Housing Programs") throughout the County of Riverside;

**WHEREAS**, pursuant to Title 24 of the Code of Federal Regulations ("CFR") Section 903.5 (a), the Authority is required to submit a 5-Year Plan once every 5 PHA fiscal years, no later than 75 days before the commencement of the PHA's fiscal year;

**WHEREAS**, pursuant to Title 24 CFR Section 903.5 (b), the Authority is required to submit an Annual Plan once every PHA fiscal year, no later than 75 days before the commencement of the PHA's fiscal year;

**WHEREAS**, the Authority's fiscal year begins on July 1, 2015;

**WHEREAS**, pursuant to Title 24 CFR Section 903.21, the Authority may amend or modify its Annual or 5 Year Plan after submitting the plan to HUD;

**WHEREAS**, if the modification or change is considered a Significant Amendment or Substantial Deviation/Modification, the PHA must comply with requirements similar to those required at initial development and submission of the PHA Plan;

**WHEREAS**, the Authority is amending its 5 Year and Annual Plan for 2015 because the Department of Housing and Urban Development (HUD) has conditionally

1 approved three (3) Commitments to Enter into a Housing Assistance Payment (CHAPs)  
2 under the Rental Assistance Demonstration (RAD) program for its public housing  
3 properties which will result in the full conversion of HACR's public housing portfolio to  
4 units assisted with Project Based Vouchers, which are commonly referred to as "Section  
5 8" units;

6 **WHEREAS**, pursuant to Notice PIH 2012-32 (HA), REV-2 requires the Authority  
7 to amend its plan under a Significant Amendment definition before the full conversion of  
8 HACR's public housing portfolio of units with Project Based Vouchers can take place;

9 **WHEREAS**, the Authority has amended its PHA 5- Year Plan and Annual Plan to  
10 include the requirements of RAD;

11 **WHEREAS**, the PHA 5- Year Plan and Annual Plan submittal must include a  
12 HUD PHA Certifications of Compliance with PHA Plans and Related Regulations  
13 (Form HUD-50077) ("PHA Certifications of Compliance") certifying the Authority's  
14 compliance with the PHA's 5-Year Plan and Annual Plan, Consolidated Plan, Civil  
15 Rights certifications and related regulations;

16 **WHEREAS**, the Board of Commissioners desires to approve the Authority's  
17 Significant Amendment to the PHA 5-Year Plan for Fiscal Years 2015-2020 and  
18 Annual Plan and supporting documents for Fiscal Year 2015-2016, as submitted to the  
19 Clerk of the Board;

20 **WHEREAS**, the Authority is in compliance with the PHA 5-Year Plan and  
21 Annual Plan, Consolidated Plan, Civil Rights certifications and related regulations, and  
22 related regulations; and

23 **WHEREAS**, the Board of Commissioners desires to authorize the Chairman of  
24 the Board to sign the PHA Certifications of Compliance, attached hereto as Exhibit A  
25 and incorporated herein by this reference.

26 **NOW THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED** by  
27 the Board of Commissioners of the Housing Authority of the County of Riverside, State  
28 of California, in regular session assembled on December 15, 2015, as follows:

- 1 1. That the Board of Commissioners hereby finds and declares that the above  
2 Recitals are true, correct and incorporated herein.
- 3 2. That the Board of Commissioners hereby approves and adopts the  
4 Authority's Significant Amendment to the PHA 5-Year Plan for Fiscal Years  
5 2015-2020 and Annual Plan and supporting documents for Fiscal Year  
6 2015-2016, as submitted to the Clerk of the Board.
- 7 3. That the Board of Commissioners hereby approves of authorizes the  
8 Chairman of the Board of Commissioners to sign the PHA Certifications of  
9 Compliance, attached hereto as Exhibit A.

10  
11  
12  
13 ROLL CALL:

14 Ayes: Tavaglione, Washington, Benoit and Ashley  
15 Nays: None  
16 Absent: Jeffries

17 The foregoing is certified to be a true copy of a resolution duly  
18 adopted by said Board of Supervisors on the date therein set forth.

19 KEOLA HARPER-IHEM, Clerk of said Board

20 By   
21 Deputy

22  
23  
24  
25  
26

27 S:\Midmanagement\Agency Plan 2015\SIGNIFICANT Amendment--RAD & Preference Changes\F11 and Routing Slips\Plan APPROVAL 12-

28 15-15\ATTACHMENT A--2015 Board Resolution 2015-020.docx

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**EXHIBIT A**  
**PHA Certifications of Compliance**  
**(Form HUD-50077)**

(behind this page)

**PHA Certifications of Compliance  
with PHA Plans and Related  
R e g u l a t i o n s**

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
OMB No. 2577-0226  
Expires 08/30/2011

**PHA Certifications of Compliance with the PHA Plans and Related Regulations:  
Board Resolution to Accompany the PHA 5-Year and Annual PHA Plan**

*Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairman or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the **Significant Amendment** to the X 5-Year and/or X Annual PHA Plan for the PHA fiscal year beginning July 1, 2015, hereinafter referred to as "the Plan", of which this document is a part and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:*

1. The Plan is consistent with the applicable comprehensive housing affordability strategy (or any plan incorporating such strategy) for the jurisdiction in which the PHA is located.
2. The Plan contains a certification by the appropriate State or local officials that the Plan is consistent with the applicable Consolidated Plan, which includes a certification that requires the preparation of an Analysis of Impediments to Fair Housing Choice, for the PHA's jurisdiction and a description of the manner in which the PHA Plan is consistent with the applicable Consolidated Plan.
3. The PHA certifies that there has been no change, significant or otherwise, to the Capital Fund Program (and Capital Fund Program/Replacement Housing Factor) Annual Statement(s), since submission of its last approved Annual Plan. The Capital Fund Program Annual Statement/Annual Statement/Performance and Evaluation Report must be submitted annually even if there is no change.
4. The PHA has established a Resident Advisory Board or Boards, the membership of which represents the residents assisted by the PHA, consulted with this Board or Boards in developing the Plan, and considered the recommendations of the Board or Boards (24 CFR 903.13). The PHA has included in the Plan submission a copy of the recommendations made by the Resident Advisory Board or Boards and a description of the manner in which the Plan addresses these recommendations.
5. The PHA made the proposed Plan and all information relevant to the public hearing available for public inspection at least 45 days before the hearing, published a notice that a hearing would be held and conducted a hearing to discuss the Plan and invited public comment.
6. The PHA certifies that it will carry out the Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990.
7. The PHA will affirmatively further fair housing by examining their programs or proposed programs, identify any impediments to fair housing choice within those programs, address those impediments in a reasonable fashion in view of the resources available and work with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement and maintain records reflecting these analyses and actions.
8. For PHA Plan that includes a policy for site based waiting lists:
  - The PHA regularly submits required data to HUD's 50058 PIC/IMS Module in an accurate, complete and timely manner (as specified in PIH Notice 2006-24);
  - The system of site-based waiting lists provides for full disclosure to each applicant in the selection of the development in which to reside, including basic information about available sites; and an estimate of the period of time the applicant would likely have to wait to be admitted to units of different sizes and types at each site;
  - Adoption of site-based waiting list would not violate any court order or settlement agreement or be inconsistent with a pending complaint brought by HUD;
  - The PHA shall take reasonable measures to assure that such waiting list is consistent with affirmatively furthering fair housing;
  - The PHA provides for review of its site-based waiting list policy to determine if it is consistent with civil rights laws and certifications, as specified in 24 CFR part 903.7(c)(1).
9. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.
10. The PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
11. The PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135.
12. The PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.



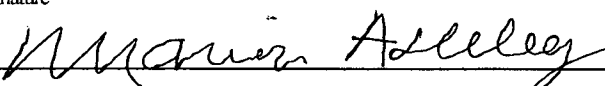

13. The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).
14. The PHA will provide the responsible entity or HUD any documentation that the responsible entity or HUD needs to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58 or Part 50, respectively.
15. With respect to public housing the PHA will comply with Davis-Bacon or HUD determined wage rate requirements under Section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.
16. The PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.
17. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act, the Residential Lead-Based Paint Hazard Reduction Act of 1992, and 24 CFR Part 35.
18. The PHA will comply with the policies, guidelines, and requirements of OMB Circular No. A-87 (Cost Principles for State, Local and Indian Tribal Governments), 2 CFR Part 225, and 24 CFR Part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments).
19. The PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the regulations and included in its Plan.
20. All attachments to the Plan have been and will continue to be available at all times and all locations that the PHA Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the PHA in its PHA Plan and will continue to be made available at least at the primary business office of the PHA.
21. The PHA provides assurance as part of this certification that:
  - (i) The Resident Advisory Board had an opportunity to review and comment on the changes to the policies and programs before implementation by the PHA;
  - (ii) The changes were duly approved by the PHA Board of Directors (or similar governing body); and
  - (iii) The revised policies and programs are available for review and inspection, at the principal office of the PHA during normal business hours.
22. The PHA certifies that it is in compliance with all applicable Federal statutory and regulatory requirements.

Housing Authority of the County of Riverside  
 PHA Name

CA027  
 PHA Number/HA Code

- 5-Year PHA Plan for Fiscal Years 2015 - 2020
- Annual PHA Plan for Fiscal Years 2015 - 2016

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. **Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official: Marion Ashley	Title: Chairman, Board of Commissioners
Signature 	Date 12/15/15
ATTEST: KECIA HARPER-JHEM, Clerk By  DEPUTY	

FORM APPROVED COUNTY COUNSEL 11/14/15  
 BY: GREGORY P. PRIAMOS DATE

Departmental Concurrence

**SUBMITTAL TO THE BOARD OF COMMISSIONERS  
 HOUSING AUTHORITY  
 COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

947



**FROM:** Housing Authority

**SUBMITTAL DATE:**  
 November 24, 2015

**SUBJECT:** Public Hearing on Compliance with Rental Assistance Demonstration Implementation Guidelines Under the Department of Housing and Urban Development Notice PIH-2012-32, REV-2 and Significant Amendment to the PHA 5 Year and Annual Plan to Comply with the Required Rental Assistance Demonstration Changes, All Districts, [0]

**RECOMMENDED MOTION:** That the Board of Commissioners:

1. Conduct a Public Hearing to obtain public comment regarding amendments to the Housing Authority of the County of Riverside's annual plans and documents which include: Agency Five Year and Annual Plan; Administrative Plan for the Housing Choice Voucher Program; Statement of Policies for the Affordable Public Housing Program; Capital Fund Annual Plan and 5-Year Action Plan; and Administrative Plan for the Homeownership Program

**BACKGROUND:**

Summary

(Commences on Page 2)

Robert Field  
 Executive Director

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 0	\$ 0	\$ 0	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	

**SOURCE OF FUNDS:** N/A

**Budget Adjustment:** No  
 For Fiscal Year: 2015/16

**C.E.O. RECOMMENDATION:**

APPROVE

BY:

Imelda Delos Santos

County Executive Office Signature

**MINUTES OF THE HOUSING AUTHORITY BOARD OF COMMISSIONERS**

On motion of Commissioner Ashley, seconded by Commissioner Benoit and duly carried by unanimous vote, IT WAS ORDERED to close the public hearing and approve staff recommendation to bring back December 15, 2015 at 10:30 a.m. for final approval.

Ayes: Jeffries, Tavaglione, Washington, Benoit and Ashley  
 Nays: None  
 Absent: None  
 Date: December 8, 2015  
 xc: Housing Authority, COB

Kecia Harper-Ihem  
 Clerk of the Board  
 By:   
 Deputy

Prev. Agn. Ref.: N/A

District: ALL

Agenda Number:

- A-30
- Positions Added
- 4/5
- Change Order
- Vote

**SUBMITTAL TO THE BOARD OF COMMISSIONERS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

Housing Authority

**FORM 11:** Public Hearing on Compliance with Rental Assistance Demonstration Implementation Guidelines Under the Department of Housing and Urban Development Notice PIH-2012-32, REV-2 and Significant Amendment to the PHA 5 Year and Annual Plan to Comply with the Required Rental Assistance Demonstration Changes, All Districts, [0]

**DATE:** November 24, 2015

**PAGE:** 2 of 3

**BACKGROUND:**

**Summary**

The Quality Housing and Work Responsibility Act of 1998 (Act) requires a Public Housing Agency (PHA) (as defined by the U.S. Department of Housing and Urban Development (HUD)) to submit Annual Plans in accordance with the format outlined by HUD under Title 24 Code of Federal Regulations (CFR) Part 903, Subpart B. The purpose of the PHA Plans is to provide a strategic planning framework for local accountability and an easily identifiable source by which public housing residents, participants in the tenant-based assistance program, and other members of the public may locate basic PHA policies, rules and requirements concerning the PHA's operations, programs, and services. The Housing Authority of the County of Riverside (Housing Authority) is a Public Housing Agency. The Annual Plans prepared by the Housing Authority cover fiscal year July 1, 2015 through June 30, 2016. The Annual Plans prepared pursuant to the Act and 24 CFR Part 903 include annual plans for the Housing Authority's various housing assistance programs, including the Affordable Public Housing program. If at any time a significant amendment is made to any of the plans, the PHA must follow HUD guidance to enforce the amendment. Drafts of each significant amendment are attached.

The Housing Authority is amending its Annual Plan for 2015 because HUD has conditionally approved three Commitments to enter into a Housing Assistance Payment (CHAPs) under the Rental Assistance Demonstration (RAD) program for its public housing properties which will result in the full conversion of the Housing Authority's public housing portfolio to units assisted with Project Based Vouchers, commonly referred to as "Section 8" units.

An additional salient provision contained in the various proposed annual plans includes the following:

The Housing Choice Voucher (HCV) Program will no longer require families to be rent burdened in order to qualify for selection from the waiting list. Rent-burdened was defined as paying more than 30% towards rent.

Public Notice in connection with the significant amendment was published pursuant to 24 CFR 903 (see Attachment A).

**Impact on Citizens and Businesses**

Riverside County residents are positively impacted by the rental assistance the PHA provides. This specific change is welcomed by citizens currently residing in Affordable Public Housing units (Project-based type rental assistance) because they will be able to ask for regular HCV (tenant-based rental assistance) after one year of occupancy, thereby having more flexibility in where they live.

**SUPPLEMENTAL:**

**Additional Fiscal Information**

There are no general fund cost associated with this agenda item.

**Attachments:**

(Commences on Page 3)

**SUBMITTAL TO THE BOARD OF COMMISSIONERS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

Housing Authority

**FORM 11:** Public Hearing on Compliance with Rental Assistance Demonstration Implementation Guidelines Under the Department of Housing and Urban Development Notice PIH-2012-32, REV-2 and Significant Amendment to the PHA 5 Year and Annual Plan to Comply with the Required Rental Assistance Demonstration Changes, All Districts, [0]

**DATE:** November 24, 2015

**PAGE:** 3 of 3

**Attachments:**

- Attachment A—Notices of Public Hearing
- Attachment B—2015 Draft Significant Amendment PHA 5 Year and Annual Agency Plan with Financial Resources, Fiscal Single Audit and Fiscal Proprietary Audit Attachments
- Attachment C—2015 Draft Significant Amendment Administrative Plan for the Housing Choice Voucher Program
- Attachment D—2015 Draft Significant Amendment Statement of Policies for the Affordable Public Housing Program
- Attachment E—2015 Draft Significant Amendment Homeownership Plan
- Attachment F—2015 Draft Significant Amendment Capital Fund Program Annual Statement/Performance & Evaluation Report

RF:JWW:HM:JA:CVH 13033

S:\Midmanagement\Agency Plan 2015\SIGNIFICANT Amendment--RAD & Preference Changes\F11 & ATTACHMENTS & Routing Transmittals\PUBLIC Hearing 12-8-15\HA BOC F11--Public Hearing.docx

# Certification for a Drug-Free Workplace

U.S. Department of Housing  
and Urban Development

Applicant Name \_\_\_\_\_

Program/Activity Receiving Federal Grant Funding \_\_\_\_\_

Acting on behalf of the above named Applicant as its Authorized Official, I make the following certifications and agreements to the Department of Housing and Urban Development (HUD) regarding the sites listed below:

I certify that the above named Applicant will or will continue to provide a drug-free workplace by:

a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Applicant's workplace and specifying the actions that will be taken against employees for violation of such prohibition.

b. Establishing an on-going drug-free awareness program to inform employees ---

- (1) The dangers of drug abuse in the workplace;
- (2) The Applicant's policy of maintaining a drug-free workplace;
- (3) Any available drug counseling, rehabilitation, and employee assistance programs; and
- (4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.

c. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph a.;

d. Notifying the employee in the statement required by paragraph a. that, as a condition of employment under the grant, the employee will ---

(1) Abide by the terms of the statement; and

(2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;

e. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph d.(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

f. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph d.(2), with respect to any employee who is so convicted ---

(1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

(2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

g. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs a. thru f.

**2. Sites for Work Performance.** The Applicant shall list (on separate pages) the site(s) for the performance of work done in connection with the HUD funding of the program/activity shown above: Place of Performance shall include the street address, city, county, State, and zip code. Identify each sheet with the Applicant name and address and the program/activity receiving grant funding.)

Check here  if there are workplaces on file that are not identified on the attached sheets.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

**Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties.  
(18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official \_\_\_\_\_

Title \_\_\_\_\_

Signature \_\_\_\_\_

Date \_\_\_\_\_

X

**Housing Authority of the County of Riverside**  
**5555 Arlington Avenue, Riverside, CA 92504**

**Affordable Public Housing Units**

**A. Street addresses of HA units by area:**

	Location (All are within Riverside County, California)	Bedroom size
Area #1	4675 Jackson St.; Riverside, CA 92503	1, 2
	5571, 5577, 5581, 5587, 5591, 5597 34th Street; Riverside, CA 92509	2
	372 Highland; Riverside, CA 92507	2
	3974, 3986, 3990, 3992, 3996, 3998 Fort Dr.; Riverside, CA 92509	1, 2, 3
	Gloria, Perris Bl.; Moreno Valley, CA 92553 13816, 13836 Perris Bl; 25011, 25025, 25033, 25035, 25037, 25039, 25045, 25051, 25078, 25080, 25103, 25104, 25105, 25106, 25115, 25116, 25117, 25118, 25125, 25126, 25127, 25128 Gloria St	1, 2, 3, 4
	24340, 24346, 24356, 24360, 24366 Dracaea; Moreno Valley, CA 92553	2
	22211, 22215, 22239, 22245 Sherman St.; Moreno Valley, CA 92553	3, 4
	102, 104, 108, 112, 116, 120, 124, 130, 136, 142 Midway; Perris, CA 92570	1, 2, 3
	33051, 33091 Fairview; Lake Elsinore, CA 92530	2
	16366, 16376, 16388, 16400, 16412, 16422, 16436, 16448 Broadway; Lake Elsinore, CA 92530	2
	475, 479 Idyllwild Dr.; San Jacinto, CA 92583	2
	Area #2	5 <sup>th</sup> St. / Maple; Beaumont, CA 92223 (478 & 486 Maple; 717, 733, 749, 765, 769, 777, 781, 789, 815 and 837 E. 5 <sup>th</sup> )
975 E. Williams; Banning, CA 92220		2
13580, 13582, 13584, 13586, 13588, 13590, 13600, 13602, 13604 Don English; Desert Hot Springs, CA 92240		2, 3
34355 Corregidor Dr.; Cathedral City, CA 92234		2
45-909 Aladdin, Indio, CA 92201		2, 3, 4
56-640, 56-660, 56-680 Polk St; Thermal, CA 92274 87-015 and 87-045 Church; Thermal, CA 92274		2
56-690, 56-700, 56-710, 56-720 Polk; Thermal, CA 92274		3, 4, 5
91-400 Seventh Street; Mecca, CA 92254		3, 4, 5

**Declaration of Payments  
to Influence Federal Transactions**

U.S. Department of Housing  
and Urban Development  
Office of Public and Indian Housing

Applicant Name \_\_\_\_\_

Program/Activity Receiving Federal Grant Funding \_\_\_\_\_

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, Disclosure Form to Report Lobbying, in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all sub recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.  
**Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official

Title

Signature

Date (mm/dd/yyyy)

# DISCLOSURE OF LOBBYING ACTIVITIES

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352  
(See reverse for public burden disclosure.)

Approved by OMB  
0348-0046

<b>1. Type of Federal Action:</b> <input type="checkbox"/> a. contract <input type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance		<b>2. Status of Federal Action:</b> <input type="checkbox"/> a. bid/offer/application <input type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award		<b>3. Report Type:</b> <input type="checkbox"/> a. initial filing <input type="checkbox"/> b. material change <b>For Material Change Only:</b> year _____ quarter _____ date of last report _____	
<b>4. Name and Address of Reporting Entity:</b> <input type="checkbox"/> Prime <input type="checkbox"/> Subawardee Tier _____, if known:  Congressional District, if known: 4c			<b>5. If Reporting Entity in No. 4 is a Subawardee, Enter Name and Address of Prime:</b>  Congressional District, if known:		
<b>6. Federal Department/Agency:</b>			<b>7. Federal Program Name/Description:</b>  CFDA Number, if applicable: _____		
<b>8. Federal Action Number, if known:</b>			<b>9. Award Amount, if known:</b> \$ _____		
<b>10. a. Name and Address of Lobbying Registrant</b> (if individual, last name, first name, MI):			<b>b. Individuals Performing Services</b> (including address if different from No. 10a) (last name, first name, MI):		
<b>11.</b> Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.			Signature: _____ Print Name: _____ Title: _____ Telephone No.: _____ Date: _____		
<b>Federal Use Only:</b>			Authorized for Local Reproduction Standard Form LLL (Rev. 7-97)		

NOT APPLICABLE



## INSTRUCTIONS FOR COMPLETION OF SF-LLL, DISCLOSURE OF LOBBYING ACTIVITIES

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to title 31 U.S.C. section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.
2. Identify the status of the covered Federal action.
3. Identify the appropriate classification of this report. If this is a followup report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.
4. Enter the full name, address, city, State and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or subaward recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.
5. If the organization filing the report in item 4 checks "Subawardee," then enter the full name, address, city, State and zip code of the prime Federal recipient. Include Congressional District, if known.
6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.
7. Enter the Federal program name or description for the covered Federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.
8. Enter the most appropriate Federal identifying number available for the Federal action identified in item 1 (e.g., Request for Proposal (RFP) number; Invitation for Bid (IFB) number; grant announcement number; the contract, grant, or loan award number; the application/proposal control number assigned by the Federal agency). Include prefixes, e.g., "RFP-DE-90-001."
9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in item 4 or 5.
10. (a) Enter the full name, address, city, State and zip code of the lobbying registrant under the Lobbying Disclosure Act of 1995 engaged by the reporting entity identified in item 4 to influence the covered Federal action.  
  
(b) Enter the full names of the individual(s) performing services, and include full address if different from 10 (a). Enter Last Name, First Name, and Middle Initial (MI).
11. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

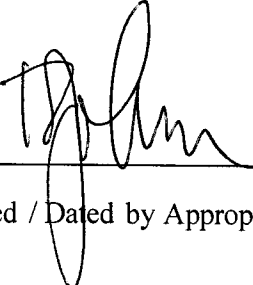
According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB Control Number. The valid OMB control number for this information collection is OMB No. 0348-0046. Public reporting burden for this collection of information is estimated to average 10 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington, DC 20503.

Certification by State or Local  
Official of PHA Plans Consistency  
with the Consolidated Plan

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
OMB# 2577-0226  
Expires 08/30/2011

**Certification by State or Local Official of PHA Plans Consistency with the  
Consolidated Plan**

I, ROBERT JOHNSON the CITY MANAGER certify that the Five Year and  
Annual PHA Plan of the Housing Authority of the County of Riverside is consistent with the Consolidated Plan of  
City of Menifee prepared pursuant to 24 CFR Part 91.

  
\_\_\_\_\_  
Signed / Dated by Appropriate State or Local Official

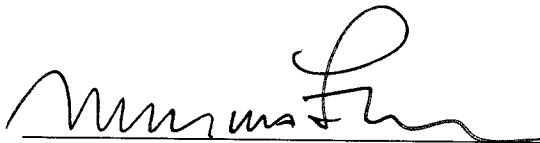
10/30/15


**Certification by State or Local  
Official of PHA Plans Consistency  
with the Consolidated Plan**

**U.S. Department of Housing and Urban Development**  
Office of Public and Indian Housing  
**OMB# 2577-0226**  
**Expires 08/30/2011**

**Certification by State or Local Official of PHA Plans Consistency with the  
Consolidated Plan**

I, Marcus Fuller the Assistant City Manager/City Engineer and Acting City Manager  
certify that the Five Year and Annual PHA Plan of the Housing Authority of the County of  
Riverside is consistent with the Consolidated Plan of City of Palm Springs prepared pursuant to  
24 CFR Part 91.

 10/29/15

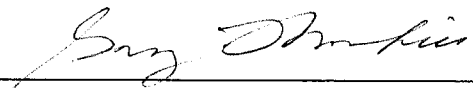
 Signed / Dated by Appropriate State or Local Official

**Certification by State or Local  
Official of PHA Plans Consistency  
with the Consolidated Plan**

**U.S. Department of Housing and Urban Development**  
Office of Public and Indian Housing  
OMB# 2577-0226  
Expires 08/30/2011

**Certification by State or Local Official of PHA Plans Consistency with the  
Consolidated Plan**

I, Gary Thornhill the Interim City Manager certify that the Five Year and  
Annual PHA Plan of the Housing Authority of the County of Riverside is consistent with the Consolidated Plan of  
City of Hemet prepared pursuant to 24 CFR Part 91.

 10/29/15

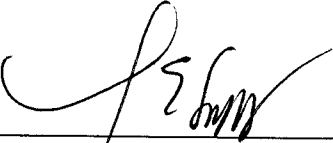
Signed / Dated by Appropriate State or Local Official

Certification by State or Local  
Official of PHA Plans Consistency  
with the Consolidated Plan

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
OMB# 2577-0226  
Expires 08/30/2011

**Certification by State or Local Official of PHA Plans Consistency with the  
Consolidated Plan**

I, Tami E. Scott the Administrative Services Director certify that the Five Year and  
Annual PHA Plan of the Housing Authority of the County of Riverside is consistent with the Consolidated Plan of  
City of Cathedral City prepared pursuant to 24 CFR Part 91.

  
\_\_\_\_\_  
Signed / Dated by Appropriate State or Local Official

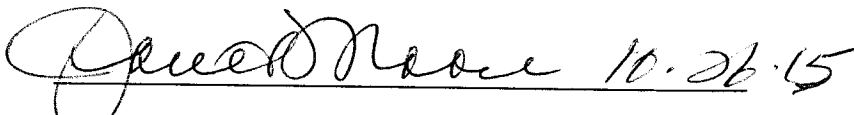
10/30/15

Certification by State or Local  
Official of PHA Plans Consistency  
with the Consolidated Plan

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
OMB# 2577-0226  
Expires 08/30/2011

**Certification by State or Local Official of PHA Plans Consistency with the  
Consolidated Plan**

I, Janet Moore the Director of Housing certify that the Five Year and  
Annual PHA Plan of the Housing Authority of the County of Riverside is consistent with the Consolidated Plan of  
City of Palm Desert prepared pursuant to 24 CFR Part 91.

 Janet Moore 10.26.15

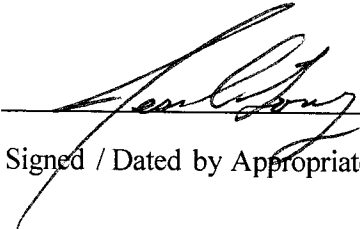
Signed / Dated by Appropriate State or Local Official

Certification by State or Local  
Official of PHA Plans Consistency  
with the Consolidated Plan

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
OMB# 2577-0226  
Expires 08/30/2011

**Certification by State or Local Official of PHA Plans Consistency with the  
Consolidated Plan**

I, Jesus Gomez the Housing Prog. Mgr. certify that the Five Year and  
Annual PHA Plan of the Housing Authority of the County of Riverside is consistent with the Consolidated Plan of  
City of Indio prepared pursuant to 24 CFR Part 91.

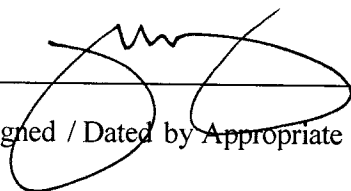
  
10/23/15  
Signed / Dated by Appropriate State or Local Official

Certification by State or Local  
Official of PHA Plans Consistency  
with the Consolidated Plan

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
OMB# 2577-0226  
Expires 08/30/2011

**Certification by State or Local Official of PHA Plans Consistency with the  
Consolidated Plan**

I, JEFF VAN WAGENEN <sup>MANAGING DIRECTOR OF</sup> the ECONOMIC DEV. AGENCY certify that the Five Year and Annual PHA Plan of the Housing Authority of the County of Riverside is consistent with the Consolidated Plan of County of Riverside prepared pursuant to 24 CFR Part 91.

 10.22.15  
Signed / Dated by Appropriate State or Local Official




Certification by State or Local  
Official of PHA Plans Consistency  
with the Consolidated Plan

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
OMB# 2577-0226  
Expires 08/30/2011

**Certification by State or Local Official of PHA Plans Consistency with the  
Consolidated Plan**

I, Luke Watson the Director of Community Development certify that the Five Year and  
Annual PHA Plan of the Housing Authority of the County of Riverside is consistent with the Consolidated Plan of  
City of Temecula prepared pursuant to 24 CFR Part 91.

 10/29/2015

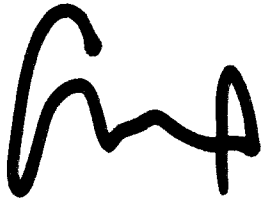
Signed / Dated by Appropriate State or Local Official

**Certification by State or Local  
Official of PHA Plans Consistency  
with the Consolidated Plan**

**U.S. Department of Housing and Urban Development**  
Office of Public and Indian Housing  
**OMB# 2577-0226**  
**Expires 08/30/2011**

**Certification by State or Local Official of PHA Plans Consistency with the  
Consolidated Plan**

I, Emilio Ramirez the Community & Economic Development Director certify that the Five Year and Annual PHA Plan of the Housing Authority of the County of Riverside is consistent with the Consolidated Plan of the City of Riverside prepared pursuant to 24 CFR Part 91.



---


Signed / Dated by Appropriate State or Local Official

Certification by State or Local  
Official of PHA Plans Consistency  
with the Consolidated Plan

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
OMB# 2577-0226  
Expires 08/30/2011

**Certification by State or Local Official of PHA Plans Consistency with the  
Consolidated Plan**

I, Richard Belmudez the City Manager certify that the Five Year and  
Annual PHA Plan of the Housing Authority of the County of Riverside is consistent with the Consolidated Plan of  
City of Perris prepared pursuant to 24 CFR Part 91.

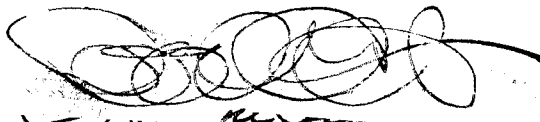
  
Signed / Dated by Appropriate State or Local Official

Certification by State or Local  
Official of PHA Plans Consistency  
with the Consolidated Plan

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
OMB# 2577-0226  
Expires 08/30/2011

**Certification by State or Local Official of PHA Plans Consistency with the  
Consolidated Plan**

I, Darrell Talbert the City Manager certify that the Five Year and  
Annual PHA Plan of the Housing Authority of the County of Riverside is consistent with the Consolidated Plan of  
City of Corona prepared pursuant to 24 CFR Part 91.

  
\_\_\_\_\_  
Signed / Dated by Appropriate State or Local Official

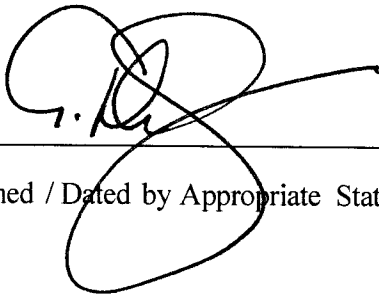
awp  
11/15/15  
C.F. 11-3-15

Certification by State or Local  
Official of PHA Plans Consistency  
with the Consolidated Plan

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
OMB# 2577-0226  
Expires 08/30/2011

**Certification by State or Local Official of PHA Plans Consistency with the  
Consolidated Plan**

I, Tom DeSantis the Assistant City Manager certify that the Five Year and  
Annual PHA Plan of the Housing Authority of the County of Riverside is consistent with the Consolidated Plan of  
City of Moreno Valley prepared pursuant to 24 CFR Part 91.

 11.10.15

Signed / Dated by Appropriate State or Local Official

# ATTACHMENT

## B

### PHA 5-YEAR AND ANNUAL PLAN

Form HUD 50075

#### INCLUDING:

- RAD Conversion Attachments 1,2 & 3
  - Section 5.2 Goals & Objectives
  - Section 6.2 Financial Resources
  - Section 6.11 Single Audit and Proprietary Audit Reports
  - Section 9.1 Housing Needs

<b>PHA 5-Year and Annual Plan</b>	<b>U.S. Department of Housing and Urban Development Office of Public and Indian Housing</b>	<b>OMB No. 2577-0226 Expires 8/30/2011</b>
-----------------------------------	---	--

1.0	<b>PHA Information</b> PHA Name: <u>Housing Authority of the County of Riverside</u> PHA Code: <u>CA027</u> PHA Type: <input type="checkbox"/> Small <input checked="" type="checkbox"/> High Performing <input type="checkbox"/> Standard <input type="checkbox"/> HCV (Section 8) PHA Fiscal Year Beginning: (MM/YYYY): <u>07/01/2015</u>														
2.0	<b>Inventory</b> (based on ACC units at time of FY beginning in 1.0 above) Number of PH units: <u>469</u> Number of HCV units: <u>9062</u>														
3.0	<b>Submission Type</b> <input checked="" type="checkbox"/> 5-Year and Annual Plan <input type="checkbox"/> Annual Plan Only <input type="checkbox"/> 5-Year Plan Only														
4.0	<b>PHA Consortia</b> <input type="checkbox"/> PHA Consortia: (Check box if submitting a joint Plan and complete table below.)														
	Participating PHAs	PHA Code	Program(s) Included in the Consortia	Programs Not in the Consortia	<table border="1"> <thead> <tr> <th colspan="2">No. of Units in Each Program</th> </tr> <tr> <th>PH</th> <th>HCV</th> </tr> </thead> <tbody> <tr> <td>PHA 1:</td> <td></td> </tr> <tr> <td>PHA 2:</td> <td></td> </tr> <tr> <td>PHA 3:</td> <td></td> </tr> </tbody> </table>	No. of Units in Each Program		PH	HCV	PHA 1:		PHA 2:		PHA 3:	
No. of Units in Each Program															
PH	HCV														
PHA 1:															
PHA 2:															
PHA 3:															
5.0	<b>5-Year Plan.</b> Complete items 5.1 and 5.2 only at 5-Year Plan update.														
5.1	<b>Mission.</b> State the PHA's Mission for serving the needs of low-income, very low-income, and extremely low income families in the PHA's jurisdiction for the next five years:  To transform and promote healthy, thriving communities, re-ignite hope and restore human dignity through the creation and preservation of high quality and innovative housing and community development programs which enhance the quality of life and revitalize neighborhoods to foster self-sufficiency.														
5.2	<b>Goals and Objectives.</b> Identify the PHA's quantifiable goals and objectives that will enable the PHA to serve the needs of low-income and very low-income, and extremely low-income families for the next five years. Include a report on the progress the PHA has made in meeting the goals and objectives described in the previous 5-Year Plan.  See Attached <b>Goals and Objectives</b>														

**PHA Plan Update**

(a) Identify all PHA Plan elements that have been revised by the PHA since its last Annual Plan submission:

**PHA Plan Elements:**

1) Eligibility, Selection and Admissions Policies, including Deconcentration and Wait List Procedures.

For the Housing Choice Voucher (Section 8) program, the waiting list will re-open effective July 1, 2015. Under selection of families from the waiting list, one (1) local preference under Level 1 was added: homeless families with children residing in shelters.

For the Affordable Public Housing (PH) program, the waiting list will close. Once the Rental Assistance Demonstration (RAD) conversion from Affordable Public Housing to Project Based Vouchers is approved by the Department of Housing and Urban Development (HUD) and the conversion is complete, there will no longer be a community wide Affordable Public Housing waiting list and instead there will be Project Based Voucher regional waiting lists created.

If the Housing Authority is designated as a shortfall agency, subsidy standards may be adjusted to two per bedroom, regardless of familial status, age and gender, and outgoing portability may only be permitted in cases where the receiving agency, if not absorbing, is an equal or lower cost area.

The PHA may allocate project-based vouchers (PBV) to develop Housing Authority or Successor Agency (HASA) owned properties, those that exclusively assist veterans or farmworker families or development projects to support applications for state and federal funding opportunities up to the regulatory maximum of 20% of the Authority's Budget Authority.

The Housing Authority of the County of Riverside (HACR) is amending its Annual Plan for 2015 because the Department of Housing and Urban Development (HUD) has conditionally approved three (3) Commitments to Enter into a Housing Assistance Payment (CHAPs) under the Rental Assistance Demonstration (RAD) program for its public housing properties which will result in the full conversion of HACR's public housing portfolio to units assisted with Project Based Vouchers, which are commonly referred to as "Section 8" units.

Conversion to Project Based Vouchers

Any public housing units converting to assistance under RAD long-term Project Based Voucher contracts shall no longer be subject to the program rules applicable to public housing. The formerly public housing units which become Section 8 units will be subject to the rules of the applicable Section 8 program, as modified by a few rules specific to RAD converted units. These specific RAD-related rules are intended to apply a few important provisions of the public housing rules to the RAD converted units, even though they would not normally be applicable in the Section 8 context.

In connection with the RAD conversions, HACR anticipates converting the public housing units to Project Based Vouchers under the guidelines of PIH Notice 2012-32, REV-1 and any successor Notices. Upon conversion to Project Based Vouchers, the HACR will adopt the resident rights, participation, waiting list and grievance procedures listed in Section 1.6.C & 1.6.D of PIH Notice 2012-32, REV-1 to be applicable to the Project Based Voucher units. These resident rights, participation, waiting list and grievance procedures are appended to this amendment at Attachment 1. The units converted to Project Based Vouchers under the RAD program will be operated consistent with HACR's Project Based Voucher program rules referenced in this annual plan to the extent not specifically required to operate in a different manner by the regulatory and statutory requirements of the RAD Project Based Voucher program referenced above.

A summary of RAD Program Elements Affecting Resident Rights and Participation Waiting List and Grievance Procedures for PBV is appended to this amendment at Attachment 2.

Compliance with Fair Housing and Civil Rights Requirements

HACR is currently compliant with all fair housing and civil rights requirements and is not under a Voluntary Compliance Agreement.

Implications of RAD Conversion on the Capital Fund Budget

RAD was designed by HUD to assist in addressing the capital needs of public housing by providing HACR with access to private sources of capital to repair and preserve its affordable housing assets. Please be aware that upon conversion, the Authority's Capital Fund Budget will be reduced by the pro rata share of Public Housing Developments converted as part of the Demonstration, and that HACR may also borrow funds to address their capital needs. HACR anticipates the conversion of all of its inventory of public housing units under RAD over the course of the next few years, in which event the Capital Fund Program will be reduced to zero. Regardless of any funding changes that may occur as a result of conversion under RAD, HACR certifies that it will maintain its continued service level. Please find specific information related to the Public Housing Development(s) selected for RAD appended to this amendment at Attachment 3.

Resident Rights, Participation, Waiting List and Grievance Procedures

Additional detail regarding resident rights, participation, waiting list and grievance procedures in connection with the post-conversion Project Based Voucher units is appended to this amendment at Attachment 1.

Relocation Plans

The HACR does not anticipate having to relocate residents as a result of the RAD conversion. All current public housing residents will have the right to return to a RAD assisted unit after RAD conversion in the event that relocation is required.

Significant Amendment Definition

As part of the Rental Assistance Demonstration (RAD), HACR is redefining the definition of a substantial deviation from the agency's annual plan to exclude the following RAD-specific items, provided that the adjustments to the RAD plans are authorized by the Board of Commissioners in the normal course of business:

- Changes to the Capital Fund Budget produced as a result of each approved RAD conversion, regardless of whether the proposed conversion will include use of additional Capital Funds;
- Changes to the construction and rehabilitation plan for each approved RAD conversion;
- Changes to the financing structure for each approved RAD conversion;
- The date the significant amendment is submitted to the PHA Plan website;
- Changes in the number of de minimis units up to the 5% figure permitted by the RAD program rules;
- Decisions to dedicate a portion of the agency's existing capital funds budget and/or public housing reserves as a source of funds for purposes of a RAD conversion and recapitalization transaction; and



• Detailed development of the plans for the transfer of waiting lists to post-RAD conversion waiting lists. See RAD Conversion Attachments 1, 2, and 3 for more details.

**2) Financial Resources**

Please see attached **Statement of Financial Resources**, which includes listings by general categories, of the Agency's anticipated resources for FY 2015, such as PHA Section 8 HAP subsidy and administrative fees, subsidy/grants revenue, bond revenue, fraud recovery, rental income, interest revenue and other income available to support public housing and tenant-based assistance. The statement also includes non-federal sources of funds supporting each federal program, and the planned use for the resources.

**3) Rent Determination**

For 2015, the Agency plans to implement the cost savings measures outlined in PIH Notice 2013-03 and extended through PIH Notice 2013-26 which are included in the Administrative Plan. Rent determination will be adjusted to comply with the notice and the plan. Streamlined annuals are expected to be conducted for families with fixed incomes. The established payment standard amounts are in accordance with federal regulations and are within 90-110% of HUD Fair Market Rents published annually. Flat rent rates for the Affordable Public Housing program are set at amounts for each public housing unit that complies with the requirement that all flat rents be set at no less than 80 percent of the applicable Fair Market Rent (FMR) adjusted, if necessary, to account for reasonable utilities costs. The new flat rental amount applies to all new program admissions effective 10/31/14. For current program participants that pay the flat rental amount, the new flat rental amount will be offered, as well as the income-based rental amount, at the next annual rental option. A cap is placed on any increase in a family's rental payment that exceeds 35 percent, and is a result of changes to the flat rental amount as follows: Multiply the existing flat rental payment by 1.35 and compare that to the updated flat rental amount.

**4) Operation and Management**

For 2015, the Agency has made no changes to Operations or Management.

**5) Grievance Procedures**

For 2015, there are no changes to the grievance procedure policies

**6) Designated housing for Elderly and Disabled Families**

For 2015, there are no changes to housing designated for elderly and disabled families.

**7) Community Service and Self-Sufficiency**

The Housing Authority (HA) has completed Year 1 of the Family Self-Sufficiency Demonstration program. The Family Self-Sufficiency (FSS) Program Demonstration is a random assignment study conducted under contract by MDRC and its subcontractors to evaluate the effectiveness of the FSS program, as part of the Transformation Initiative. The FSS program has operated since 1992 and its objective is to enable participating low-income families to increase their earned income and reduce their dependency on welfare assistance and rental subsidies. FSS program coordinators create plans with participating families to achieve goals and connect them with services that will enhance their employment opportunities. As the family's earnings increase, money is credited to an escrow account on behalf of the family. This study used a random assignment model to determine whether FSS program features, rather than the characteristics of the participating families, cause participant incomes to increase. At the conclusion of Year 1, 200 participants have been randomly assigned and over the next 5 years the HA will work with MDRC to gather the data that will be used in the final report that will be published after the 5 year research study. We continue to administer the regular (non-demonstration) Family Self-Sufficiency program for HCV participants and it is expected that after Year 2 of the FSS Demonstration program, the HA will resume enrollment in the regular FSS Program. The Resident Opportunity and Self Sufficiency (ROSS) program changed locations and is completing the final year of program operations assisting residents at the Gloria Street Apartments and at the Dracaea Townhomes in the Public Housing communities in Moreno Valley. A new application has been submitted to funding consideration to continue the program for another 3 years. The waivers outlined in Federal Register Vol. 79, No. 248, published on December 29, 2014, will be implemented.

**8) Safety and Crime Prevention**

For 2015, there are no changes to the PHA plan regarding Safety and Crime Prevention.

**9) Pets.**

For 2015, there is no change to our pet policy.

**10) Civil Rights Certification.**

The agency examines its programs to identify any impediments to fair housing choice and addresses any impediments in a reasonable fashion. Additionally, the agency works closely with the Fair Housing Council of Riverside County to address any identifiable impediments to fair housing within the jurisdiction. The agency assures that the annual plan is consistent with the 12 city and county consolidated plans within its jurisdiction and has each entity certify this via for HUD 50077-SL.

**11) Fiscal Year Audit**

For Fiscal Year Ending June 30, 2014, the Housing Authority received an Unqualified auditor's opinion on compliance for major programs; and there were no material weaknesses or significant deficiencies identified in its financial statements. Please see attached **Fiscal Year End Audits**.

**12) Asset Management**

The agency continues to employ the Asset Management Plan and monitor the operational performance of each AMP. The Housing Authority of the County of Riverside's (HACR) asset management model eliminated the centralized functions and incorporated a property specific focus. The Department of Housing and Urban Development (HUD) has conditionally approved three (3) Commitments to Enter into a Housing Assistance Payment (CHAPs) under the Rental Assistance Demonstration (RAD) program for its public housing properties which will result in the full conversion of HACR's public housing portfolio to units assisted with Project Based Vouchers, which are commonly referred to as "Section 8" units.

**13) Violence Against Women Act (VAWA)**

For 2015, there have been no implementation changes with regard to the Violence Against Women Act (VAWA). If any VAWA requirements change, the agency will comply as needed.

**(b) Identify the specific location(s) where the public may obtain copies of the 5-Year and Annual PHA Plan. For a complete list of PHA Plan elements, see Section 6.0 of the instructions.**

Electronic copies of the 5-Year and Annual PHA Plan can be found on the Housing Authority's website at [www.harivco.org](http://www.harivco.org) and print copies are available by request at the main administrative office located at 5555 Arlington Avenue, Riverside, CA, 92504 and at the eastern county office located at 44-199 Monroe, Suite B, Indio, CA, 92201.

**Hope VI, Mixed Finance Modernization or Development, Demolition and/or Disposition, Conversion of Public Housing, Homeownership Programs, and Project-based Vouchers.** *Include statements related to these programs as applicable.*

**(a) Hope VI or Mixed Finance Modernization or Development.**

Not applicable.

**(b) Demolition and/or Disposition**

Not applicable.

**(c) Conversion of Public Housing.**

A Rental Assistance Demonstration (RAD) application has been submitted. If approved, public housing developments will be replaced with long term, project-based Section 8 Rental Assistance contracts.

**(d) Homeownership.**

HACR has a comprehensive HUD approved Homeownership program that consists of a HCV Mortgage Voucher program, a locally funded infill housing program, and homeownership counseling for any interested participant with an emphasis on FSS families.

**(e) Project-based Vouchers.**

HACR currently has 48 project-based vouchers at two developments; 10 units in Blythe and 38 units in Cathedral City. The agency proposes to expand the use of project based vouchers for FY2015-16 to further facilitate the development of affordable housing within Riverside County by developing Housing Authority or Successor Agency (HASA) owned properties, those that exclusively assist veterans or farmworker families or development projects to support applications for state and federal funding opportunities. To support this expansion, the maximum allotment allowed under regulations (20% of total allocation) will be reserved.

The Housing Authority of the County of Riverside (HACR) currently owns and operates 469 units of affordable housing within the County of Riverside. Funding to maintain these units is derived from the Public Housing Program. The Public Housing Program has continued to be underfunded through the years, with additional budget cuts to the Capital Fund Program that provides the income source for the modernization of public housing units. This dilemma has forced the HACR to make tough choices between maximizing the funding for repairs or focusing on preventive maintenance. The current available funding has failed to keep up with the renovation needs to enhance the living conditions of residents. Further, through the Public Housing Program, residents do not have flexibility to choose where they prefer to live without losing housing assistance.

The Rental Assistance Demonstration (RAD) Program is a voluntary program of the Department of Housing And Urban Development (HUD). RAD seeks to preserve public housing by providing Public Housing Agencies (PHA), such as the HACR, with access to more stable funding to make needed improvements to properties. RAD provides PHAs a way to rehabilitate, or repair, units without depending on additional money from the public sector. The Department of Housing and Urban Development (HUD) has conditionally approved three (3) Commitments to Enter into a Housing Assistance Payment (CHAPs) under the Rental Assistance Demonstration (RAD) program for its public housing properties which will result in the full conversion of HACR's public housing portfolio to units assisted with Project Based Vouchers, which are commonly referred to as "Section 8" units.

7.0 Conversion to Project Based Vouchers

Any public housing units converting to assistance under RAD long-term Project Based Voucher contracts shall no longer be subject to the program rules applicable to public housing. The formerly public housing units which become Section 8 units will be subject to the rules of the applicable Section 8 program, as modified by a few rules specific to RAD converted units. These specific RAD-related rules are intended to apply a few important provisions of the public housing rules to the RAD converted units, even though they would not normally be applicable in the Section 8 context.

In connection with the RAD conversions, HACR anticipates converting the public housing units to Project Based Vouchers under the guidelines of PIH Notice 2012-32, REV-1 and any successor Notices. Upon conversion to Project Based Vouchers, the HACR will adopt the resident rights, participation, waiting list and grievance procedures listed in Section 1.6.C & 1.6.D of PIH Notice 2012-32, REV-1 to be applicable to the Project Based Voucher units. These resident rights, participation, waiting list and grievance procedures are appended to this amendment at Attachment 1. The units converted to Project Based Vouchers under the RAD program will be operated consistent with HACR's Project Based Voucher program rules referenced in this annual plan to the extent not specifically required to operate in a different manner by the regulatory and statutory requirements of the RAD Project Based Voucher program referenced above.

A summary of RAD Program Elements Affecting Resident Rights and Participation Waiting List and Grievance Procedures for PBV is appended to this amendment at Attachment 2.

Compliance with Fair Housing and Civil Rights Requirements

HACR is currently compliant with all fair housing and civil rights requirements and is not under a Voluntary Compliance Agreement.

Implications of RAD Conversion on the Capital Fund Budget

RAD was designed by HUD to assist in addressing the capital needs of public housing by providing HACR with access to private sources of capital to repair and preserve its affordable housing assets. Please be aware that upon conversion, the Authority's Capital Fund Budget will be reduced by the pro rata share of Public Housing Developments converted as part of the Demonstration, and that HACR may also borrow funds to address their capital needs. HACR anticipates the conversion of all of its inventory of public housing units under RAD over the course of the next few years, in which event the Capital Fund Program will be reduced to zero. Regardless of any funding changes that may occur as a result of conversion under RAD, HACR certifies that it will maintain its continued service level. Please find specific information related to the Public Housing Development(s) selected for RAD appended to this amendment at Attachment 3.

Resident Rights, Participation, Waiting List and Grievance Procedures

Additional detail regarding resident rights, participation, waiting list and grievance procedures in connection with the post-conversion Project Based Voucher units is appended to this amendment at Attachment 1.

Relocation Plans

The HACR does not anticipate having to relocate residents as a result of the RAD conversion. All current public housing residents will have the right to return to a RAD assisted unit after RAD conversion in the event that relocation is required.

Significant Amendment Definition

As part of the Rental Assistance Demonstration (RAD), HACR is redefining the definition of a substantial deviation from the agency's annual plan to exclude the following RAD-specific items, provided that the adjustments to the RAD plans are authorized by the Board of Commissioners in the

	<p>normal course of business:</p> <ul style="list-style-type: none"> <li>• Changes to the Capital Fund Budget produced as a result of each approved RAD conversion, regardless of whether the proposed conversion will include use of additional Capital Funds;</li> <li>• Changes to the construction and rehabilitation plan for each approved RAD conversion;</li> <li>• Changes to the financing structure for each approved RAD conversion;</li> <li>• The date the significant amendment is submitted to the PHA Plan website;</li> <li>• Changes in the number of de minimis units up to the 5% figure permitted by the RAD program rules;</li> <li>• Decisions to dedicate a portion of the agency's existing capital funds budget and/or public housing reserves as a source of funds for purposes of a RAD conversion and recapitalization transaction; and</li> <li>• Detailed development of the plans for the transfer of waiting lists to post-RAD conversion waiting lists.</li> </ul> <p>The Housing Authority of the County of Riverside ("HACR") hereby declares that the Desert Hot Springs (CA027000210) site, which will be converting from the Public Housing program to a RAD PBV contract, complies with the Site selection requirements set forth at 24 CFR § 983.57, the Fair Housing Act, Title VI of the Civil Rights Act of 1964 including implementing regulations at 24 CFR § 1.4(b)(3), Section 504 of the Rehabilitation Act of 1973 including implementing regulations at 24 CFR § 8.4(b)(5), and the Americans with Disabilities Act.</p> <p>The Housing Authority of the County of Riverside ("HACR") hereby declares that the Capri Midway (CA027000220) site, which will be converting from the Public Housing program to a RAD PBV contract, complies with the Site selection requirements set forth at 24 CFR § 983.57, the Fair Housing Act, Title VI of the Civil Rights Act of 1964 including implementing regulations at 24 CFR § 1.4(b)(3), Section 504 of the Rehabilitation Act of 1973 including implementing regulations at 24 CFR § 8.4(b)(5), and the Americans with Disabilities Act.</p> <p>The Housing Authority of the County of Riverside ("HACR") hereby declares that the Desert Hot Springs (CA027000230) site, which will be converting from the Public Housing program to a RAD PBV contract, complies with the Site selection requirements set forth at 24 CFR § 983.57, the Fair Housing Act, Title VI of the Civil Rights Act of 1964 including implementing regulations at 24 CFR § 1.4(b)(3), Section 504 of the Rehabilitation Act of 1973 including implementing regulations at 24 CFR § 8.4(b)(5), and the Americans with Disabilities Act.</p> <p>See RAD Conversion Attachments 1, 2, and 3 for more details.</p>
8.0	<b>Capital Improvements.</b> Please complete Parts 8.1 through 8.3, as applicable.
8.1	<b>Capital Fund Program Annual Statement/Performance and Evaluation Report.</b> As part of the PHA 5-Year and Annual Plan, annually complete and submit the <i>Capital Fund Program Annual Statement/Performance and Evaluation Report</i> , form HUD-50075.1, for each current and open CFP grant and CFFP financing. The Housing Authority anticipates transferring approximately \$570,000.00 of existing Capital Fund funds to be utilized for improvements at the properties that will be converted in the Rental Assistance Demonstration. Upon RAD Closing and conversion of units to PBV subsidies, the Capital Fund Program will be defunct and reporting no longer required.
8.2	<b>Capital Fund Program Five-Year Action Plan.</b> As part of the submission of the Annual Plan, PHAs must complete and submit the <i>Capital Fund Program Five-Year Action Plan</i> , form HUD-50075.2, and subsequent annual updates (on a rolling basis, e.g., drop current year, and add latest year for a five year period). Large capital items must be included in the Five-Year Action Plan. The Housing Authority anticipates transferring approximately \$570,000.00 of existing Capital Fund funds to be utilized for improvements at the properties that will be converted in the Rental Assistance Demonstration. Upon RAD Closing and conversion of units to PBV subsidies, the Capital Fund Program will be defunct and reporting no longer required.
8.3	<b>Capital Fund Financing Program (CFFP).</b> <input type="checkbox"/> Check if the PHA proposes to use any portion of its Capital Fund Program (CFP)/Replacement Housing Factor (RHF) to repay debt incurred to finance capital improvements.
9.0	<b>Housing Needs.</b> Based on information provided by the applicable Consolidated Plan, information provided by HUD, and other generally available data, make a reasonable effort to identify the housing needs of the low-income, very low-income, and extremely low-income families who reside in the jurisdiction served by the PHA, including elderly families, families with disabilities, and households of various races and ethnic groups, and other families who are on the public housing and Section 8 tenant-based assistance waiting lists. The identification of housing needs must address issues of affordability, supply, quality, accessibility, size of units, and location.
9.1	<b>Strategy for Addressing Housing Needs.</b> Provide a brief description of the PHA's strategy for addressing the housing needs of families in the jurisdiction and on the waiting list in the upcoming year. <b>Note: Small, Section 8 only, and High Performing PHAs complete only for Annual Plan submission with the 5-Year Plan.</b> <b>See Attached Identification of Housing Needs and Strategy for Addressing Housing Needs</b>

**Additional Information.** Describe the following, as well as any additional information HUD has requested.

(a) Progress in Meeting Mission and Goals. Provide a brief statement of the PHA's progress in meeting the mission and goals described in the 5-Year Plan.

HACR continues to make progress in meeting the mission and goals described in the 5-Year Plan. Toward this end, the Agency made a concerted effort to increase the availability of decent, safe, and affordable housing by: expanding the supply of assisted housing; improving the quality of assisted housing; and increasing assisted housing choices. Significant achievements during the five year plan period include: expansion of the Family Self-Sufficiency and ROSS Programs. The HACR continues to receive renewal funding to employ 7 full time FSS Coordinators. In 2013, the HACR FSS Program was one out of 17 other FSS Programs selected by MDRC (the firm contracted by HUD) to be a part the National FSS Evaluation Study. The HACR continues to apply for additional ROSS funding and currently has an application pending to continue the current ROSS Program at the Moreno Valley properties for another 3 years; continuation of the current 15 Mortgage Voucher Program participants and the continuation of the Infill Housing Program which both constructs and sells single family homes; securing 539 vouchers through the Veterans Affairs Supportive Housing (VASH) program to provide housing for homeless veterans; expanding the Security Deposit Assistance program to support housing mobility and assist HCV households impacted by the foreclosure crisis and those new from the waiting list that have as a barrier the lack of funds for a security deposit which otherwise prevents equal access to the HCV program and providing supportive housing opportunities for homeless individuals and families through various grant funded programs in an effort to support the goals and work of the local Continuum of Care; the continuation of the Asset Management within the Public Housing program; and attaining High Performer status for the Agency's management of the HCV program.

10.0

(b) Significant Amendment and Substantial Deviation/Modification. Provide the PHA's definition of "significant amendment" and "substantial deviation/modification"

For purposes of the 5-Year Plan, the Agency defines a "substantial deviation/modification" or "significant amendment" as:

1. Changes to admissions policies, organization of the rental assistance waiting lists, or rent determination
2. As part of the Rental Assistance Demonstration (RAD), HACR is redefining the definition of a substantial deviation from the agency's annual plan to exclude the following RAD-specific items, provided that the adjustments to the RAD plans are authorized by the Board of Commissioners in the normal course of business:
  - Changes to the Capital Fund Budget produced as a result of each approved RAD conversion, regardless of whether the proposed conversion will include use of additional Capital Funds;
  - Changes to the construction and rehabilitation plan for each approved RAD conversion;
  - Changes to the financing structure for each approved RAD conversion;
  - The date the significant amendment is submitted to the PHA Plan website;
  - Changes in the number of de minimis units up to the 5% figure permitted by the RAD program rules;
  - Decisions to dedicate a portion of the agency's existing capital funds budget and/or public housing reserves as a source of funds for purposes of a RAD conversion and recapitalization transaction; and
  - Detailed development of the plans for the transfer of waiting lists to post-RAD conversion waiting lists.

When significant changes are proposed the Agency will adhere to a forty-five day Notice of Public Comment; solicit public comment and feedback; ensure that proposed changes are consistent with the Consolidated Plan, and submit the proposed change to the Board of Commissioners for formal approval.

11.0

**Required Submission for HUD Field Office Review.** In addition to the PHA Plan template (HUD-50075), PHAs must submit the following documents. Items (a) through (g) may be submitted with signature by mail or electronically with scanned signatures, but electronic submission is encouraged. Items (h) through (i) must be attached electronically with the PHA Plan. **Note:** Faxed copies of these documents will not be accepted by the Field Office.

- (a) Form HUD-50077, *PHA Certifications of Compliance with the PHA Plans and Related Regulations* (which includes all certifications relating to Civil Rights)
- (b) Form HUD-50070, *Certification for a Drug-Free Workplace* (PHAs receiving CFP grants only)
- (c) Form HUD-50071, *Certification of Payments to Influence Federal Transactions* (PHAs receiving CFP grants only)
- (d) Form SF-LLL, *Disclosure of Lobbying Activities* (PHAs receiving CFP grants only)
- (e) Form SF-LLL-A, *Disclosure of Lobbying Activities Continuation Sheet* (PHAs receiving CFP grants only)
- (f) Resident Advisory Board (RAB) comments. Comments received from the RAB must be submitted by the PHA as an attachment to the PHA Plan. PHAs must also include a narrative describing their analysis of the recommendations and the decisions made on these recommendations.
- (g) Challenged Elements
- (h) Form HUD-50075.1, *Capital Fund Program Annual Statement/Performance and Evaluation Report* (PHAs receiving CFP grants only)
- (i) Form HUD-50075.2, *Capital Fund Program Five-Year Action Plan* (PHAs receiving CFP grants only)

This information collection is authorized by Section 511 of the Quality Housing and Work Responsibility Act, which added a new section 5A to the U.S. Housing Act of 1937, as amended, which introduced 5-Year and Annual PHA Plans. The 5-Year and Annual PHA plans provide a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA's operations, programs, and services, and informs HUD, families served by the PHA, and members of the public of the PHA's mission and strategies for serving the needs of low-income and very low-income families. This form is to be used by all PHA types for submission of the 5-Year and Annual Plans to HUD. Public reporting burden for this information collection is estimated to average 12.68 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. HUD may not collect this information, and respondents are not required to complete this form, unless it displays a currently valid OMB Control Number.

**Privacy Act Notice.** The United States Department of Housing and Urban Development is authorized to solicit the information requested in this form by virtue of Title 12, U.S. Code, Section 1701 et seq., and regulations promulgated thereunder at Title 12, Code of Federal Regulations. Responses to the collection of information are required to obtain a benefit or to retain a benefit. The information requested does not lend itself to confidentiality

## **Instructions form HUD-50075**

**Applicability.** This form is to be used by all Public Housing Agencies (PHAs) with Fiscal Year beginning April 1, 2008 for the submission of their 5-Year and Annual Plan in accordance with 24 CFR Part 903. The previous version may be used only through April 30, 2008.

### **1.0 PHA Information**

Include the full PHA name, PHA code, PHA type, and PHA Fiscal Year Beginning (MM/YYYY).

### **2.0 Inventory**

Under each program, enter the number of Annual Contributions Contract (ACC) Public Housing (PH) and Section 8 units (HCV).

### **3.0 Submission Type**

Indicate whether this submission is for an Annual and Five Year Plan, Annual Plan only, or 5-Year Plan only.

### **4.0 PHA Consortia**

Check box if submitting a Joint PHA Plan and complete the table.

### **5.0 Five-Year Plan**

Identify the PHA's Mission, Goals and/or Objectives (24 CFR 903.6). Complete only at 5-Year update.

**5.1 Mission.** A statement of the mission of the public housing agency for serving the needs of low-income, very low-income, and extremely low-income families in the jurisdiction of the PHA during the years covered under the plan.

**5.2 Goals and Objectives.** Identify quantifiable goals and objectives that will enable the PHA to serve the needs of low income, very low-income, and extremely low-income families.

**6.0 PHA Plan Update.** In addition to the items captured in the Plan template, PHAs must have the elements listed below readily available to the public. Additionally, a PHA must:

- (a) Identify specifically which plan elements have been revised since the PHA's prior plan submission.
- (b) Identify where the 5-Year and Annual Plan may be obtained by the public. At a minimum, PHAs must post PHA Plans, including updates, at each Asset Management Project (AMP) and main office or central office of the PHA. PHAs are strongly encouraged to post complete PHA Plans on its official website. PHAs are also encouraged to provide each resident council a copy of its 5-Year and Annual Plan.

### **PHA Plan Elements.** (24 CFR 903.7)

1. **Eligibility, Selection and Admissions Policies, including Deconcentration and Wait List Procedures.** Describe the PHA's policies that govern resident or tenant eligibility, selection and admission including admission preferences for both public housing and HCV and unit assignment policies for public housing; and procedures for maintaining waiting lists for admission to public housing and address any site-based waiting lists.

2. **Financial Resources.** A statement of financial resources, including a listing by general categories, of the PHA's anticipated resources, such as PHA Operating, Capital and other anticipated Federal resources available to the PHA, as well as tenant rents and other income available to support public housing or tenant-based assistance. The statement also should include the non-Federal sources of funds supporting each Federal program, and state the planned use for the resources.

3. **Rent Determination.** A statement of the policies of the PHA governing rents charged for public housing and HCV dwelling units.

4. **Operation and Management.** A statement of the rules, standards, and policies of the PHA governing maintenance management of housing owned, assisted, or operated by the public housing agency (which shall include measures necessary for the prevention or eradication of pest infestation, including cockroaches), and management of the PHA and programs of the PHA.

5. **Grievance Procedures.** A description of the grievance and informal hearing and review procedures that the PHA makes available to its residents and applicants.

6. **Designated Housing for Elderly and Disabled Families.** With respect to public housing projects owned, assisted, or operated by the PHA, describe any projects (or portions thereof), in the upcoming fiscal year, that the PHA has designated or will apply for designation for occupancy by elderly and disabled families. The description shall include the following information: 1) development name and number; 2) designation type; 3) application status; 4) date the designation was approved, submitted, or planned for submission, and; 5) the number of units affected.

7. **Community Service and Self-Sufficiency.** A description of: (1) Any programs relating to services and amenities provided or offered to assisted families; (2) Any policies or programs of the PHA for the enhancement of the economic and social self-sufficiency of assisted families, including programs under Section 3 and FSS; (3) How the PHA will comply with the requirements of community service and treatment of income changes resulting from welfare program requirements. (**Note: applies to only public housing.**)

8. **Safety and Crime Prevention.** For public housing only, describe the PHA's plan for safety and crime prevention to ensure the safety of the public housing residents. The statement must include: (i) A description of the need for measures to ensure the safety of public housing residents; (ii) A description of any crime prevention activities conducted or to be conducted by the PHA; and (iii) A description of the coordination between the PHA and the appropriate police precincts for carrying out crime prevention measures and activities.

9. **Pets.** A statement describing the PHAs policies and requirements pertaining to the ownership of pets in public housing.
10. **Civil Rights Certification.** A PHA will be considered in compliance with the Civil Rights and AFFH Certification if: it can document that it examines its programs and proposed programs to identify any impediments to fair housing choice within those programs; addresses those impediments in a reasonable fashion in view of the resources available; works with the local jurisdiction to implement any of the jurisdiction's initiatives to affirmatively further fair housing; and assures that the annual plan is consistent with any applicable Consolidated Plan for its jurisdiction.
11. **Fiscal Year Audit.** The results of the most recent fiscal year audit for the PHA.
12. **Asset Management.** A statement of how the agency will carry out its asset management functions with respect to the public housing inventory of the agency, including how the agency will plan for the long-term operating, capital investment, rehabilitation, modernization, disposition, and other needs for such inventory.
13. **Violence Against Women Act (VAWA).** A description of: **1)** Any activities, services, or programs provided or offered by an agency, either directly or in partnership with other service providers, to child or adult victims of domestic violence, dating violence, sexual assault, or stalking; **2)** Any activities, services, or programs provided or offered by a PHA that helps child and adult victims of domestic violence, dating violence, sexual assault, or stalking, to obtain or maintain housing; and **3)** Any activities, services, or programs provided or offered by a public housing agency to prevent domestic violence, dating violence, sexual assault, and stalking, or to enhance victim safety in assisted families.

**7.0 Hope VI, Mixed Finance Modernization or Development, Demolition and/or Disposition, Conversion of Public Housing, Homeownership Programs, and Project-based Vouchers**

- (a) **Hope VI or Mixed Finance Modernization or Development.** **1)** A description of any housing (including project number (if known) and unit count) for which the PHA will apply for HOPE VI or Mixed Finance Modernization or Development; and **2)** A timetable for the submission of applications or proposals. The application and approval process for Hope VI, Mixed Finance Modernization or Development, is a separate process. See guidance on HUD's website at: <http://www.hud.gov/offices/pih/programs/ph/hope6/index.cfm>
- (b) **Demolition and/or Disposition.** With respect to public housing projects owned by the PHA and subject to ACCs under the Act: **(1)** A description of any housing (including project number and unit numbers [or addresses]), and the number of affected units along with their sizes and accessibility features) for which the PHA will apply or is currently pending for demolition or disposition; and **(2)** A timetable for the demolition or disposition. The application and approval process for demolition and/or disposition is a separate process. See guidance on HUD's website at: [http://www.hud.gov/offices/pih/centers/sac/demo\\_dispo/index.cfm](http://www.hud.gov/offices/pih/centers/sac/demo_dispo/index.cfm)  
**Note:** This statement must be submitted to the extent that approved and/or pending demolition and/or disposition has changed.
- (c) **Conversion of Public Housing.** With respect to public housing owned by a PHA: **1)** A description of any building or buildings (including project number and unit count) that the PHA is required to convert to tenant-based assistance or

that the public housing agency plans to voluntarily convert; **2)** An analysis of the projects or buildings required to be converted; and **3)** A statement of the amount of assistance received under this chapter to be used for rental assistance or other housing assistance in connection with such conversion. See guidance on HUD's website at: <http://www.hud.gov/offices/pih/centers/sac/conversion.cfm>

- (d) **Homeownership.** A description of any homeownership (including project number and unit count) administered by the agency or for which the PHA has applied or will apply for approval.
- (e) **Project-based Vouchers.** If the PHA wishes to use the project-based voucher program, a statement of the projected number of project-based units and general locations and how project basing would be consistent with its PHA Plan.

**8.0 Capital Improvements.** This section provides information on a PHA's Capital Fund Program. With respect to public housing projects owned, assisted, or operated by the public housing agency, a plan describing the capital improvements necessary to ensure long-term physical and social viability of the projects must be completed along with the required forms. Items identified in 8.1 through 8.3, must be signed where directed and transmitted electronically along with the PHA's Annual Plan submission.

**8.1 Capital Fund Program Annual Statement/Performance and Evaluation Report.** PHAs must complete the *Capital Fund Program Annual Statement/Performance and Evaluation Report* (form HUD-50075.1), for each Capital Fund Program (CFP) to be undertaken with the current year's CFP funds or with CFFP proceeds. Additionally, the form shall be used for the following purposes:

- (a) To submit the initial budget for a new grant or CFFP;
- (b) To report on the Performance and Evaluation Report progress on any open grants previously funded or CFFP; and
- (c) To record a budget revision on a previously approved open grant or CFFP, e.g., additions or deletions of work items, modification of budgeted amounts that have been undertaken since the submission of the last Annual Plan. The Capital Fund Program Annual Statement/Performance and Evaluation Report must be submitted annually.

Additionally, PHAs shall complete the Performance and Evaluation Report section (see footnote 2) of the *Capital Fund Program Annual Statement/Performance and Evaluation* (form HUD-50075.1), at the following times:

1. At the end of the program year; until the program is completed or all funds are expended;
2. When revisions to the Annual Statement are made, which do not require prior HUD approval, (e.g., expenditures for emergency work, revisions resulting from the PHAs application of fungibility); and
3. Upon completion or termination of the activities funded in a specific capital fund program year.

**8.2 Capital Fund Program Five-Year Action Plan**

PHAs must submit the *Capital Fund Program Five-Year Action Plan* (form HUD-50075.2) for the entire PHA portfolio for the first year of participation in the CFP and annual update thereafter to eliminate the previous year and to add a new fifth year (rolling basis) so that the form always covers the present five-year period beginning with the current year.

**8.3 Capital Fund Financing Program (CFFP).** Separate, written HUD approval is required if the PHA proposes to pledge any

portion of its CFP/RHF funds to repay debt incurred to finance capital improvements. The PHA must identify in its Annual and 5-year capital plans the amount of the annual payments required to service the debt. The PHA must also submit an annual statement detailing the use of the CFFP proceeds. See guidance on HUD's website at:

<http://www.hud.gov/offices/pih/programs/ph/capfund/cffp.cfm>

**9.0 Housing Needs.** Provide a statement of the housing needs of families residing in the jurisdiction served by the PHA and the means by which the PHA intends, to the maximum extent practicable, to address those needs. (Note: Standard and Troubled PHAs complete annually; Small and High Performers complete only for Annual Plan submitted with the 5-Year Plan).

**9.1 Strategy for Addressing Housing Needs.** Provide a description of the PHA's strategy for addressing the housing needs of families in the jurisdiction and on the waiting list in the upcoming year. (Note: Standard and Troubled PHAs complete annually; Small and High Performers complete only for Annual Plan submitted with the 5-Year Plan).

**10.0 Additional Information.** Describe the following, as well as any additional information requested by HUD:

- (a) **Progress in Meeting Mission and Goals.** PHAs must include (i) a statement of the PHAs progress in meeting the mission and goals described in the 5-Year Plan; (ii) the basic criteria the PHA will use for determining a significant amendment from its 5-year Plan; and a significant amendment or modification to its 5-Year Plan and Annual Plan. (Note: Standard and Troubled PHAs complete annually; Small and High Performers complete only for Annual Plan submitted with the 5-Year Plan).
- (b) **Significant Amendment and Substantial Deviation/Modification.** PHA must provide the definition of "significant amendment" and "substantial deviation/modification". (Note: Standard and Troubled PHAs complete annually; Small and High Performers complete only for Annual Plan submitted with the 5-Year Plan.)

- (c) PHAs must include or reference any applicable memorandum of agreement with HUD or any plan to improve performance. (Note: Standard and Troubled PHAs complete annually).

**11.0 Required Submission for HUD Field Office Review.** In order to be a complete package, PHAs must submit items (a) through (g), with signature by mail or electronically with scanned signatures. Items (h) and (i) shall be submitted electronically as an attachment to the PHA Plan.

- (a) Form HUD-50077, *PHA Certifications of Compliance with the PHA Plans and Related Regulations*
- (b) Form HUD-50070, *Certification for a Drug-Free Workplace (PHAs receiving CFP grants only)*
- (c) Form HUD-50071, *Certification of Payments to Influence Federal Transactions (PHAs receiving CFP grants only)*
- (d) Form SF-LLL, *Disclosure of Lobbying Activities (PHAs receiving CFP grants only)*
- (e) Form SF-LLL-A, *Disclosure of Lobbying Activities Continuation Sheet (PHAs receiving CFP grants only)*
- (f) Resident Advisory Board (RAB) comments.
- (g) Challenged Elements. Include any element(s) of the PHA Plan that is challenged.
- (h) Form HUD-50075.1, *Capital Fund Program Annual Statement/Performance and Evaluation Report (Must be attached electronically for PHAs receiving CFP grants only)*. See instructions in 8.1.
- (i) Form HUD-50075.2, *Capital Fund Program Five-Year Action Plan (Must be attached electronically for PHAs receiving CFP grants only)*. See instructions in 8.2.

# ATTACHMENT

## B

- RAD Conversion Attachments 1,2 & 3



# **RAD CONVERSION**

## **Affordable Public Housing Converted to Project-Based Vouchers**

### HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE AMENDMENT TO ANNUAL PLAN

The Housing Authority of the County of Riverside (HACR) is amending its Annual Plan for 2015 because the Department of Housing and Urban Development (HUD) has conditionally approved three (3) Commitments to Enter into a Housing Assistance Payment (CHAPs) under the Rental Assistance Demonstration (RAD) program for its public housing properties which will result in the full conversion of HACR's public housing portfolio to units assisted with Project Based Vouchers, which are commonly referred to as "Section 8" units.

#### Conversion to Project Based Rental Assistance or Project Based Vouchers

Any public housing units converting to assistance under RAD long-term Project Based Voucher contracts shall no longer be subject to the program rules applicable to public housing. The formerly public housing units which become Section 8 units will be subject to the rules of the applicable Section 8 program, as modified by a few rules specific to RAD converted units. These specific RAD-related rules are intended to apply a few important provisions of the public housing rules to the RAD converted units, even though they would not normally be applicable in the Section 8 context.

In connection with the RAD conversions, HACR anticipates converting the public housing units to Project Based Vouchers under the guidelines of PIH Notice 2012-32, REV-1 and any successor Notices. Upon conversion to Project Based Vouchers, the HACR will adopt the resident rights, participation, waiting list and grievance procedures listed in Section 1.6.C & 1.6.D of PIH Notice 2012-32, REV-1 to be applicable to the Project Based Voucher units. These resident rights, participation, waiting list and grievance procedures are appended to this amendment at Attachment 1. The units converted to Project Based Vouchers under the RAD program will be operated consistent with HACR's Project Based Voucher program rules referenced in this annual plan to the extent not specifically required to operate in a different manner by the regulatory and statutory requirements of the RAD Project Based Voucher program referenced above.

A summary of RAD Program Elements Affecting Resident Rights and Participation Waiting List and Grievance Procedures for PBV is appended to this amendment at Attachment 2.

#### Compliance with Fair Housing and Civil Rights Requirements

HACR is currently compliant with all fair housing and civil rights requirements and is not under a Voluntary Compliance Agreement.

#### Implications of RAD Conversion on the Capital Fund Budget

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

HACR anticipates the conversion of all of its inventory of public housing units under RAD over the course of the next few years, in which event the Capital Fund Program will be reduced to zero.

Regardless of any funding changes that may occur as a result of conversion under RAD, HACR certifies that it will maintain its continued service level.

Please find specific information related to the Public Housing Development(s) selected for RAD appended to this amendment at Attachment 3.

### Resident Rights, Participation, Waiting List and Grievance Procedures

Additional detail regarding resident rights, participation, waiting list and grievance procedures in connection with the post-conversion Project Based Voucher units is appended to this amendment at Attachment 1.

### Relocation Plans

The HACR does not anticipate having to relocate residents as a result of the RAD conversion. All current public housing residents will have the right to return to a RAD assisted unit after RAD conversion in the event that relocation is required.

### Significant Amendment Definition

As part of the Rental Assistance Demonstration (RAD), HACR is redefining the definition of a substantial deviation from the agency's annual plan to exclude the following RAD-specific items, provided that the adjustments to the RAD plans are authorized by the Board of Commissioners in the normal course of business:

- Changes to the Capital Fund Budget produced as a result of each approved RAD conversion, regardless of whether the proposed conversion will include use of additional Capital Funds;
- Changes to the construction and rehabilitation plan for each approved RAD conversion;
- Changes to the financing structure for each approved RAD conversion;
- The date the significant amendment is submitted to the PHA Plan website;
- Changes in the number of de minimis units up to the 5% figure permitted by the RAD program rules;
- Decisions to dedicate a portion of the agency's existing capital funds budget and/or public housing reserves as a source of funds for purposes of a RAD conversion and recapitalization transaction; and
- Detailed development of the plans for the transfer of waiting lists to post-RAD conversion waiting lists.

ATTACHMENT 1  
RESIDENT RIGHTS, PARTICIPATION, WAITING LIST AND GRIEVANCE PROCEDURES  
APPLICABLE TO PROPERTIES CONVERTING TO PROJECT BASED VOUCHERS  
EXCERPTS OF PIH NOTICE 2012-32: SECTIONS 1.6.C AND 1.6.D

**C. PBV Resident Rights and Participation**

- 1. No Re-screening of Tenants upon Conversion.** Pursuant to the RAD statute, at conversion, current households are not subject to rescreening, income eligibility, or income targeting provisions. Consequently, current households will be grandfathered for conditions that occurred prior to conversion but will be subject to any ongoing eligibility requirements for actions that occur after conversion. For example, a unit with a household that was over-income at time of conversion would continue to be treated as an assisted unit. Thus, 24 CFR § 982.201, concerning eligibility and targeting, will not apply for current households. Once that remaining household moves out, the unit must be leased to an eligible family.
- 2. Right to Return.** Any residents that may need to be temporarily relocated to facilitate rehabilitation or construction will have a right to return to an assisted unit at the development once rehabilitation or construction is completed. Where the transfer of assistance to a new site is warranted and approved (see Section 1.6.B.7 and Section 1.7.A.8 on conditions warranting a transfer of assistance), residents of the converting development will have the right to reside in an assisted unit at the new site once rehabilitation or construction is complete. Residents of a development undergoing conversion of assistance may voluntarily accept a PHA or Owner's offer to permanently relocate to another assisted unit, and thereby waive their right to return to the development after rehabilitation or construction is completed.
- 3. Renewal of Lease.** Under current regulations at 24 CFR § 983.257(b)(3), upon lease expiration, a PHA can choose not to renew the lease, without good cause. In such a case, the regulatory consequence is the loss of the assisted unit. Under RAD, the PHA must renew all leases upon lease expiration, unless cause exists. Consequently, 24 CFR §983.257(b)(3) will not apply. This provision must be incorporated by the PBV owner into the tenant lease or tenancy addendum, as appropriate.
- 4. Phase-in of Tenant Rent Increases.** The HACR has established a policy setting the length of the phase in period at three years. If a tenant's monthly rent increases by more than the greater of 10 percent or \$25 purely as a result of conversion, the rent increase will be phased in over 3 years. To implement this provision, HUD is waiving section 3(a)(1) of the Act, as well as 24 CFR § 983.3 (definition of "total tenant payment" (TTP)) only to the extent necessary to allow for the phase-in of tenant rent increases. This policy must be in place at conversion and may not be modified after conversion.

The below method explains the set percentage-based phase-in the HACR will follow according to the phase-in period established. For purposes of this section "standard TTP" refers to the TTP calculated in accordance with regulations at 24 CFR §5.628 and the "most recently paid TTP" refers to the TTP recorded on line 9j of the family's most recent HUD Form 50058.

Three Year Phase-in:

- Year 1: Any recertification (interim or annual) performed prior to the second annual recertification after conversion – 33% of difference between most recently paid TTP and the standard TTP
- Year 2: Year 2 Annual Recertification (AR) and any Interim Recertification (IR) prior to Year 3 AR – 66% of difference between most recently paid TTP and the standard TTP
- Year 3: Year 3 AR and all subsequent recertifications – Full standard TTP

*Please Note:* In the three year phase-in, once the standard TTP is equal to or less than the previous TTP, the phase-in ends and tenants will pay full TTP from that point forward.

- 5. Resident Opportunities and Self Sufficiency Service Coordinator (ROSS-SC) programs.**

Current ROSS-SC grantees will be able to finish out their current ROSS-SC grants once their housing is converted under RAD. However, once the property is converted, it will no longer be eligible to be counted towards the unit count for future public housing ROSS-SC grants, nor will its residents be eligible to be served by future public housing ROSS-SC grants.

- 6. Resident Participation and Funding.** In accordance with Attachment 1C, residents of covered projects converting assistance to PBVs will have the right to establish and operate a resident organization for the purpose of addressing issues related to their living environment and be eligible for resident participation funding.
- 7. Resident Procedural Rights.** The following items must be incorporated into both the Section 8 Administrative Plan and the owner's lease, which includes the required tenancy addendum, as appropriate. Evidence of such incorporation may be requested by HUD for purposes of monitoring the program.
  - a. Termination Notification.** HUD is incorporating additional termination notification requirements to comply with section 6 of the Act for public housing projects that convert assistance under RAD. In addition to the regulations at 24 CFR § 983.257, related to owner termination of tenancy and eviction, as modified by the waiver in Section 1.6(C)(3) above, the termination procedure for RAD conversions to PBV will require that PHAs provide adequate written notice of termination of the lease which shall not be less than:
    - i.** A reasonable period of time, but not to exceed 30 days:
      - If the health or safety of other tenants, PHA employees, or persons residing in the immediate vicinity of the premises is threatened; or
      - In the event of any drug-related or violent criminal activity or any felony conviction;
    - ii.** 14 days in the case of nonpayment of rent; and
    - iii.** 30 days in any other case, except that if a State or local law provides for a shorter period of time, such shorter period shall apply.
  - b. Grievance Process.** HUD is incorporating additional procedural rights to comply with the requirements of section 6 of the Act.

For issues related to tenancy and termination of assistance, PBV program rules require the PHA to provide an opportunity for an informal hearing, as outlined in 24 CFR § 982.555. RAD will waive 24 CFR § 982.555(b) in part, which outlines when informal hearings are not required, and require that:

- i.** In addition to reasons that require an opportunity for an informal hearing given in 24 CFR §982.555(a)(1)(i)-(vi),<sup>1</sup> an opportunity for an informal hearing must be given to residents for any dispute that a resident may have with respect to a PHA (as owner) action in accordance with the individual's lease or the contract administrator in accordance with RAD PBV requirements that adversely affect the resident's rights, obligations, welfare, or status.
  - For any hearing required under 24 CFR § 982.555(a)(1)(i)-(vi), the contract administrator will perform the hearing, as is the current standard in the program.
  - For any additional hearings required under RAD, the PHA (as owner) will perform the hearing.
- ii.** An informal hearing will not be required for class grievances or to disputes between residents not involving the PHA (as owner) or contract administrator. This hearing requirement shall not apply to and is not intended as a forum for initiating or negotiating policy changes between a group or groups of residents and the PHA (as owner) or contract administrator.
- iii.** The PHA (as owner) give residents notice of their ability to request an informal hearing as outlined in 24

---

<sup>1</sup> § 982.555(a)(1)(iv) is not relevant to RAD as the tenant-based certificate has been repealed.

CFR § 982.555(c)(1) for informal hearings that will address circumstances that fall outside of the scope of 24 CFR § 982.555(a)(1)(i)-(vi).

- iv. The PHA (as owner) provide opportunity for an informal hearing before an eviction.

Current PBV program rules require that hearing procedures must be outlined in the PHA's Section 8 Administrative Plan.

8. **Earned Income Disregard (EID).** Tenants who are employed and are currently receiving the EID exclusion at the time of conversion will continue to receive the EID after conversion, in accordance with regulations at 24 CFR § 5.617. Upon the expiration of the EID for such families, the rent adjustment shall not be subject to rent phase-in, as described in Section 1.6.C.4; instead, the rent will automatically rise to the appropriate rent level based upon tenant income at that time.

Under the Housing Choice Voucher program, the EID exclusion is limited to only persons with disabilities (24 CFR § 5.617(b)). In order to allow all tenants (including non-disabled persons) who are employed and currently receiving the EID at the time of conversion to continue to benefit from this exclusion in the PBV project, the provision in section 5.617(b) limiting EID to only disabled persons is waived. The waiver and resulting alternative requirement only applies to tenants receiving the EID at the time of conversion. No other tenant (e.g., tenants who at one time received the EID but are not receiving the EID exclusion at the time of conversion (e.g., due to loss of employment); tenants that move into the property following conversion, etc.,) is covered by this waiver.

#### **D. PBV: Other Miscellaneous Provisions**

1. **Access to Records, Including Requests for Information Related to Evaluation of Demonstration.** PHAs must agree to any reasonable HUD request for data to support program evaluation, including but not limited to project financial statements, operating data, Choice-Mobility utilization, and rehabilitation work. Please see Appendix IV for reporting units in Form HUD-50058.
2. **Additional Monitoring Requirement.** The PHA's Board must approve the operating budget for the covered project annually in accordance with HUD requirements.<sup>2</sup>
3. **Davis-Bacon Act and Section 3 of the Housing and Urban Development Act of 1968 (Section 3).** Under existing PBV program rules, projects that qualify as "existing housing" under 24 CFR § 983.52(a) are not subject to Davis-Bacon (prevailing wages, the Contract Work Hours and Safety Standards Act, and other related regulations, rules, and requirements) or Section 3 (24 CFR Part 135). However, the Davis-Bacon Act and Section 3 shall apply to all initial repairs that are identified in the Financing Plan to the extent that such repairs qualify as construction or rehabilitation, regardless of whether the project qualifies as "existing housing." Developmental requirements under 24 CFR §983.154 and fair housing provisions under 24 CFR § 983.152(c)(vi) continue to apply.<sup>3</sup>
4. **Establishment of Waiting List.** A public housing project-specific waiting list does not exist and the HACR shall establish PBV regional site-based waiting lists in accordance 24 CFR § 903.7(b)(2)(ii)-(iv) to ensure that registrants on the HACR's public housing community-wide waiting list have been offered placement on the converted project's initial regional site-based waiting lists.

Registrants on the agency's public housing community-wide waiting list who wish to be placed onto the newly-established PBV regional site-based waiting lists must be done so in accordance with the date and time of their original application to the centralized public housing waiting list. Any activities to contact registrants on the public housing waiting list must be conducted in accordance with the requirements for effective communication with persons with disabilities at 24 DFR 8.6 and with the obligation to provide meaningful access for persons with limited English proficiency (LEP).

---

<sup>2</sup> For PBV conversions that are not FHA-insured, a future HUD notice will describe project financial data that may be required to be submitted by a PBV owner for purposes of the evaluation, given that PBV projects do not submit annual financial statements to HUD/REAC.

<sup>3</sup> Applicable to projects with nine or more units.

The HACR will maintain any ~~regional site-based waiting lists~~ in accordance with all applicable civil rights and fair housing laws and regulations unless the project is covered by a remedial order or agreement that specifies the type of waiting list and other waiting list policies.

For the purpose of establishing the initial waiting list, the HACR has the discretion to determine the most appropriate means of informing registrants on the public housing waiting list given the number of registrants, HACR resources, and community characteristics of the proposed conversion under RAD. Such activities should be pursuant to the HACR's policies for waiting list management, including the obligation to affirmatively further fair housing.

The HACR may consider contacting every registrant on the public housing waiting list via direct mailing; advertising the availability of housing to the population that is less likely to register, both minority and non-minority groups, through various forms of media (e.g., radio stations, posters, newspapers) within the marketing area, informing local non-profit entities and advocacy groups (e.g., disability rights groups); and conducting other outreach as appropriate. Registrants on the agency's centralized public housing waiting list who wish to be placed onto the newly-established waiting list are done so in accordance with the date and time of their original registration to the centralized public housing waiting list. Any activities to contact registrants on the public housing waiting list must be conducted accordance with the requirements for effective communication with persons with disabilities at 24 CFR § 8.6 and the obligation to provide meaningful access for persons with limited English proficiency (LEP).<sup>4</sup>

To implement this provision, HUD is waiving 24 CFR § 983.251(c)(2). However, after the initial waiting list has been established, the HACR shall administer its waiting list for the converted project in accordance with 24 CFR § 983.251(c).

5. **Mandatory Insurance Coverage.** The project shall maintain at all times commercially available property and liability insurance to protect the project from financial loss and, to the extent insurance proceeds permit, promptly restore, reconstruct, and/or repair any damaged or destroyed property of a project, except with the written approval of HUD to the contrary.
6. **Choice-Mobility.** HUD seeks to provide all residents of covered projects with viable Choice-Mobility options. PHAs that are applying to convert the assistance of a project to PBV are required to provide a Choice-Mobility option to residents of covered projects in accordance with the following:<sup>5</sup>
  - *Resident Eligibility.* Residents have a right to move with tenant-based rental assistance (e.g., Housing Choice Voucher (HCV)) 12 months after the move-in date, subject to the availability of tenant-based vouchers. Households must submit a written request after the 12 month period has expired if they wish to be issued a tenant-based voucher. Households requesting tenant-based vouchers will be reviewed and if the required 12 month PBV period has occurred, will be moved to the top of the HCV waiting list based on the date and time of their written request.
  - If a resident is already a resident of the covered project at the time of conversion to PBV, the resident may request a tenant-based voucher after 12 months of PBV assistance, subject to the availability of tenant-based vouchers. When requests for tenant-based vouchers are made after 12 months of PBV residency, residents must submit a written request for a tenant-based voucher which will be reviewed and if the required 12 month PBV period has occurred, will be moved to the top of the HCV waiting list based on date and time of written request.
7. **Agreement Waiver.** For public housing conversions to PBV, there will be no Agreement to Enter into a Housing Assistance Payments (AHAP) contract. Therefore, all regulatory references to the Agreement (AHAP), including regulations under 24 CFR Part 983 Subpart D are waived.
8. **Future Refinancing.** Owners must receive HUD approval for any refinancing or restructuring of permanent debt within the HAP contract term to ensure the financing is consistent with long-term preservation. (Current lenders and investors are also likely to require review and approval of refinancing of the primary permanent debt.)

---

<sup>4</sup> For more information on serving persons with LEP, please see HUD's Final guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons (72 FR 2732), published on January 22, 2007.

<sup>5</sup> The Choice-Mobility requirements that apply to covered PBV projects differ from the requirements that apply to covered PBRA projects.

9. **Administrative Fees for Public Housing Conversions.** For the initial Calendar Year in which a project's assistance has been converted, RAD PBV projects will be funded with public housing money. Since the public housing funding will not have been transferred to the PBV account and since this funding is not section 8 assistance the annual contributions contract (ACC) between the HACR and HUD will cover the project units, but be for zero dollars. For this transition period, the ACC will primarily serve as the basis for covering the units and requiring HACR compliance with HUD requirements, but it will not be (as it is in the regular PBV program) the funding vehicle for the PBV RAD vouchers. Given this, and given the fact that the HACR will be receiving full public housing funding for the PBV units during this transition period, the HACR will not receive ongoing section 8 administrative fee funding during this time. Generally, PHAs receive ongoing administrative fees for units under a HAP contract, consistent with recent appropriation act references to "section 8(q) of the [United States Housing Act of 1937] and related appropriations act provisions in effect immediately before the Quality Housing and Responsibility Act of 1998" and 24 CFR 982.152(b). During the transition period mentioned in the preceding paragraph, these provisions are waived, and PHAs will not receive section 8 ongoing administrative fees for PBV RAD units. After this transition period, the ACC will be amended to include section 8 funding that corresponds to the units covered by the ACC. At that time, the regular section 8 administrative fee funding provisions will apply.

ATTACHMENT 2  
LIST OF RAD PROGRAM ELEMENTS AFFECTING RESIDENT RIGHTS AND PARTICIPATION  
WAITING LIST AND GRIEVANCE PROCEDURES FOR PBV

**Project Based Voucher Requirements (Section 1.6.C of PIH Notice 2012-32)**

1. No re-screening of tenants upon conversion;
2. Resident right to return if relocated as a result of conversion;
3. Phase-in of tenant rent increase: If the rent increase is the greater of 10% or \$25, the increase will be phased in over 3 years or up to five years, as determined by the PHA;
4. Continued eligibility for PH-FSS and ROSS-SC programs;
5. Resident Participation and Funding. Residents will have the right to establish and operate a resident organization and be eligible for resident participation funding. See Attachment 1B of PIH Notice 2012-032.
6. Termination notification: PHA must provide written notification of termination of lease within a reasonable time:
  - i. not to exceed 30 days if health or safety of other tenants, PHA employees or persons residing in the vicinity are threatened or in the event of drug-related or violent criminal activity or any felony conviction;
  - ii. 14 days for non-payment of rent;
  - iii. 30 days in any other case unless State or local law provide for a shorter time period.
7. Grievance process - See PIH Notice 2012-32 Section 1.6.C.7
8. Establishment of Waiting List - See PIH Notice 2012-32 Section 1.6D
9. Earned Income Disregard – Tenants who are employed and are currently receiving the EID exclusion at the time of conversion will continue to receive the EID after conversion, in accordance with regulations at 24 CFR §5.617. Upon the expiration of the EID for such families, the rent adjustment shall not be subject to rent phase-in, as described in Section 1.6.C.4; instead, the rent will automatically rise to the appropriate rent level based upon tenant income at that time. (Please see PIH Notice 2012-32, Section 1.6.C.8.)
10. Resident Participation and Funding - See PIH Notice 2012-32 Attachment 1B.2
11. Renewal of Lease - PHA's are required to renew the lease at expiration unless good cause exists for non-renewal.



ATTACHMENT 3  
 SPECIFIC INFORMATION RELATED TO THE  
 PUBLIC HOUSING DEVELOPMENTS SELECTED FOR RAD

Pending RAD Applications:

An additional annual plan amendment will not be required if any of the following RAD conversions occur in FY 2015. HACR does not yet have RAD authority to convert these sites yet has sufficient information to meet the plan amendment requirements for the sites. The transaction is a conversion of all Public Housing Developments, comprised of 3 AMPs, totaling 469 units, as follows:

PIC ID Number	Project Name	Unit Type	Number of Units
CA027000210	Desert Hot Springs Apts	Family	176 units
CA027000220	Midway Capri Apts	Family	124 units
CA027000230	Desert Hot Springs Apts	Family	169 units
Total			469 units

Physical Development: **CA027000210** are Row or Townhouse Style units with separate entrances. There are 44 dwelling structures and 5 non-dwelling structures. There are a total of **176** units comprised at 7 different residential communities located in Riverside, Jurupa Valley, and Moreno Valley, CA. Of the four properties in Riverside and Jurupa Valley, one is a 29-unit property, which was built in 1984 and contains all 2-bedrooms units, one is a 68-unit property, which was built in the 1950s and contains 1 and 2-bedroom units, a 9-unit property containing 1, 2 and 3 bedroom units and a 4 unit property containing all 2-bedroom units, both of which were acquired in 1985. The six properties in Moreno Valley include a 34-unit property, which was built in the 1940s contains 1,2,3 and 4 bedroom units, a 28-unit property contains all 2-bedroom units, which was built in 1986, and 4 single family homes consisting of 3 and 4 bedrooms acquired in 1985.

ACC Units				Total ACC Units	Non ACC Units	Total Units
General Occupancy	Elderly/Disabled	Non-Dwelling	Other			
176	0	0	0	176	0	176

Unit Designation	0 Bedroom	1 Bedroom	2 Bedrooms	3 Bedrooms	4 Bedrooms	5+ Bedrooms	Total
Elderly/Disabled Units	0	0	0	0	0	0	0
General Occupancy	0	28	137	8	3	0	176
Total	0	28	137	8	3	0	176

Physical Development: **CA027000220** are Row or Townhouse Style units with separate entrances. There are 32 dwelling structures and 5 non-dwelling structures. There are a total of **124** units (one of which is a non-dwelling unit) comprised at 6 different residential communities located in Banning, Beaumont, Lake Elsinore, Perris and San Jacinto, CA. Two of the properties are in Lake Elsinore with one property in each of the following localities, Perris, San Jacinto, Beaumont, and Banning. Of the two properties in Lake Elsinore, one is a 28-unit property, which was

built in 1986 and contains all 2-bedrooms units, and the other property is a 16-unit property, which was built in 1983 and contains all 1-bedroom units. The property in Perris is a 40-unit property which was built in 1956 and contains fifteen 1-bedroom, twenty 2-bedroom, and five 3-bedroom units. The property in San Jacinto is a 14-unit property which was built in 1986 and contains fourteen 2-bedroom units. The property in Beaumont is a 12-unit property which was built in 1950 and contains eleven 3-bedroom units and one 4-bedroom unit. The property in Banning is a 14-unit property which was built in 1985 and contains fourteen 2-bedroom units.

ACC Units						
General Occupancy	Elderly/Disabled	Non-Dwelling	Other	Total ACC Units	Non ACC Units	Total Units
123	0	1	0	124	0	124

Unit Designation	0 Bedroom	1 Bedroom	2 Bedrooms	3 Bedrooms	4 Bedrooms	5+ Bedrooms	Total
Elderly/Disabled Units	0	0	0	0	0	0	0
General Occupancy	0	15	91	16	1	0	123
Total	0	15	91	16	1	0	123

Physical Development: CA027000230 are Row or Townhouse Style units with separate entrances. There are 46 dwelling structures and 11 non-dwelling structures. There are a total of **169 units** comprised at 5 different residential communities located in Cathedral City, Desert Hot Springs, Indio, Mecca and Thermal, CA. Two phases of one of the properties are in Thermal with one property in each of the following localities, Desert Hot Springs, Cathedral City, Indio, and Mecca. Of the two phases in Thermal, one is a 28-unit property, which was built in 1986 and contains all 2-bedrooms units, and the other property is a 25-unit property, which was built in 1995 and contains sixteen 3-bedroom, seven 4-bedroom, and two 5-bedroom units. The property in Desert Hot Springs is a 42-unit property which was built in 1986 and contains thirty-five 2-bedroom and seven 3-bedroom units. The property in Cathedral City is a 14-unit property which was built in 1985 and contains fourteen 2-bedroom units. The property in Indio is a 20-unit property which was built in 1995 and contains ten 2-bedroom, six 3-bedroom, and four 4-bedroom units. The property in Mecca is a 40-unit property which was built in 1993 and contains twenty 3-bedroom, eighteen 4-bedroom, and two 5-bedroom units.

ACC Units						
General Occupancy	Elderly/Disabled	Non-Dwelling	Other	Total ACC Units	Non ACC Units	Total Units
169	0	0	0	169	0	169

Unit Designation	0 Bedroom	1 Bedroom	2 Bedrooms	3 Bedrooms	4 Bedrooms	5+ Bedrooms	Total
Elderly/Disabled Units	0	0	0	0	0	0	0
General Occupancy	0	0	87	49	29	4	169
Total	0	0	87	49	29	4	169

# ATTACHMENT

## B

- Section 5.2 Goals & Objectives

Section 5.2

**Housing Authority of the County of Riverside (HACR)  
PHA 5-Year and Annual Plan Goals and Objectives  
July 1, 2015**

**PHA Goal: Expand the supply of assisted housing.**

Objective: Increase housing choices for families and individuals.

- Apply for additional vouchers
- Leverage private or other public funds
- Acquire, construct, or rehabilitate housing units and developments to expand affordable housing opportunities and promote homeownership for low-income households

**PHA Goal: Improve the quality of assisted housing.**

Objective: Maintain safe, decent, sanitary units and improve quality of life for residents living in assisted housing.

- Obtain and maintain High Performer status for HCV voucher management (SEMAP Score)
- Obtain and maintain High Performer status for Public Housing management (PHAS Score)
- Provide excellent customer service
- Renovate or modernize public housing units
- Annually inspect units to meet Housing Quality Standards with the option to bi-annually inspect units that regularly pass inspection.
- Allocate project-based vouchers for qualified housing projects

**PHA Goal: Increase assisted housing choices.**

Objective: Encourage resident choice in rental selection

- Conduct outreach efforts to potential landlords
- Provide replacement vouchers
- Expand self-sufficiency programs for participant households
- Allocate project-based vouchers for qualified housing projects

**PHA Goal: Promote self-sufficiency within assisted housing programs**

Objective: Promote economic independence for families and individuals.

- Connect working-able and work-ready households to employment opportunities
- Provide or attract supportive services to improve assisted members' employability
- Expand self-sufficiency programs for residents in the assisted housing programs
- Partner with local workforce development centers to positively further self-sufficiency within assisted housing households.

## Section 5.2

### **PHA Goal: Ensure equal opportunity and affirmatively further fair housing.**

Objective: Promote equal housing opportunities.

- Facilitate affirmative measures to ensure access to assisted housing regardless of race, color, religion, national origin, sex, familial status, and disability
- Carry out affirmative measures to provide a suitable living environment for families living in assisted housing, regardless of race, color, religion, national origin, sex, familial status, and disability
- Promote equal housing opportunities

### **Other PHA Goal and Objective: Implement the requirements of the Violence Against Women Act (VAWA)**

- Protect certain victims of criminal domestic violence, dating violence, sexual assault, or stalking (as well as members of the victims' immediate families) from losing their HUD assisted housing as a consequence of abuse of which they were the victim
- Undertake affirmative measures to make tenants participating in the HCV and Public Housing programs aware of VAWA requirements.
- Undertake affirmative measure to make Owners participating in the HCV program aware of VAWA requirements.

# ATTACHMENT

## B

- Section 6.2 Financial Resources

**Section 6.2 of Form HUD 50075**

2. Financial Resources. A statement of financial resources, including a listing by general categories, of the PHA's anticipated resources, such as PHA Operating, Capital and other anticipated Federal resources available to the PHA, as well as tenant rents and other income available to support public housing or tenant-based assistance. The statement also should include the non-Federal sources of funds supporting each Federal program, and state the planned use for the resources.

**Housing Authority of the County of Riverside  
Financial Resources**

REVENUE SOURCES	AUTHORITY PROGRAMS	PUBLIC HOUSING PROGRAM	SECTION 8 PROGRAM	HOUSING AUTHORITY SUCCESSOR AGENCY	RIVERSIDE COMMUNITY HOUSING CORPORATION	TOTAL ESTIMATED RESOURCES
Rental Income	\$ 364,226	\$ 846,915	\$ -	\$ 113,371	\$ -	\$ 1,324,512
Subsidy/Grants Revenue	3,071,943	3,120,633	136,695	1,209,825	-	7,539,096
Bond Pledges Revenue	218,000	-	-	-	290,946	508,946
Sec 8 Fraud Recovery Revenue	-	-	47,265	-	-	47,265
Administrative Revenue Per AB 471	-	-	-	150,000	-	150,000
Bond Proceeds	-	-	-	8,794,189	-	8,794,189
HASA Misc Revenue	-	-	-	416,701	-	416,701
Loan Repayments	-	-	-	25,544	-	25,544
Low Income Housing Fund	-	-	-	850,000	-	850,000
Interest Revenue	2,900	978	1,317	2,000	-	7,195
Miscellaneous/Tenant Charges	1,994,452	69,789	-	64,982	148,260	2,277,483
Administrative Fees (Admin. Bonds)	85,388	-	-	107,500	-	192,888
HUD Section 8 Earned HAP Subsidy	-	-	69,847,560	-	-	69,847,560
HUD Section 8 Earned Administrative Fees	-	-	6,078,043	-	-	6,078,043
HUD Section 8 Earned Other Subsidy	-	-	474,873	-	-	474,873
<b>TOTAL</b>	<b>\$ 5,736,909</b>	<b>\$ 4,038,315</b>	<b>\$ 76,585,753</b>	<b>\$ 11,734,111</b>	<b>\$ 439,205</b>	<b>\$ 98,534,295</b>

**Authority Programs consist of the following:**

1. Central Office Cost Center - This program was established to fulfill the requirement of HUD to convert to an Asset Management Model. This is the internal management agent of the Housing Authority, which provides management services and receives fee income in return from the Public Housing Program, Section 8 Program, Desert Rose Apartments and the Bond Projects.
2. Administration Building & Services Fund derives its income from reimbursement of building expenses from all Housing Authority Programs based on staff time allocation.
3. Housing Opportunities for Persons with AIDS (HOPWA) - The Housing Authority agreed to serve as Project Sponsor for the County of Riverside to procure services such as short-term housing, utilities assistance, and home health care for HOPWA participants.
4. Shelter Plus Care (SPC) - This program provides rental assistance to individuals and families who are certified by the Department of Mental Health to be homeless and mentally disabled. Expenses are reimbursed by the Department of Public and Social Services.
5. Resident Opportunity for Self-Sufficiency (ROSS) - This is a collaborative effort between the Housing Authority and Neighborhood Housing Services of the Inland Empire to provide homebuyer education and training to low-income families. The City of Riverside awarded the Housing Authority a grant to cover three years.
6. Eddie Dee Smith Senior Center - The Housing Authority manages this center with Community Development Block Grant funds and County General funds to strengthen and enhance the social, physical, emotional, and health services for senior citizens.
7. HA Development was established to develop affordable housing opportunities for low-income families. Funds were first derived from the sale of vacant land in the City of Desert Hot Springs.
8. Emergency Housing Response (EHR) - The Housing Authority contracted with RDA to implement a tenant-based rental assistance program for low-income families that have been displaced by circumstances beyond their control.
9. Homelessness Prevention and Rapid Re-Housing Program (HPRP) - The Housing Authority contracted with the Riverside Economic Development Agency to provide homelessness prevention assistance and services to households that would otherwise become homeless due to economic circumstances; and to provide assistance to rapidly re-house and stabilize those that are homeless.
10. Desert Rose Apartments - The Housing Authority oversees the management, administration and maintenance of this 77-unit farm worker housing project in Blythe. Revenue sources are derived from Rental Revenue as well as Rental Subsidy from the RDA.
11. Palm Springs Housing Developments - The Housing Authority oversees the management, administration and maintenance of 17 apartment units. Revenue sources are solely from Rental Revenue from tenants.

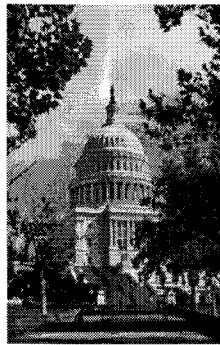
# ATTACHMENT

## B

- Section 6.11 Single Audit and Proprietary Audit Reports



# **HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE**



**SINGLE AUDIT REPORT**

**FOR THE YEAR ENDED JUNE 30, 2014**



# HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE

SINGLE AUDIT REPORT

FOR THE YEAR ENDED JUNE 30, 2014

---

## TABLE OF CONTENTS

	<u>Page</u>
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1-2
Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133	3-4
Schedule of Expenditures of Federal Awards	5
Notes to Schedule of Expenditures of Federal Awards	6
Schedule of Findings and Questioned Costs	7
Summary Schedule of Prior Audit Findings	8



---

Smith Marion & Company, LLP · Certified Public Accountants  
Grand Terrace Office · 22365 Barton Road, Suite 108 · Grand Terrace, CA 92313 · (909) 825-6600

**Board of Supervisors**  
**Housing Authority of the County of Riverside**  
Riverside, CA

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

**INDEPENDENT AUDITORS' REPORT**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Housing Authority of the County of Riverside, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Housing Authority of the County of Riverside's basic financial statements, and have issued our report thereon dated October 21, 2014.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Housing Authority of the County of Riverside's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority of the County of Riverside's internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of the County of Riverside's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing the assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a significant deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies given these limitations, during our audit we have not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

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

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Housing Authority of the County of Riverside's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
October 21, 2014



---

Smith Marion & Company, LLP · Certified Public Accountants  
Grand Terrace Office · 22365 Barton Road, Suite 108 · Grand Terrace, CA 92313 · (909) 825-6600

**Board of Supervisors**  
**Housing Authority of the County of Riverside**  
Riverside, CA

**REPORT ON COMPLIANCE ON EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133**

**INDEPENDENT AUDITORS' REPORT**

**Report on Compliance for Each Major Federal Program**

We have audited Housing Authority of the County of Riverside's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Housing Authority of the County of Riverside's major federal programs for the year ended June 30, 2014. Housing Authority of the County of Riverside's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Housing Authority of the County of Riverside's major federal programs based on our audit of the type of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance 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 Housing Authority of the County of Riverside'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 on compliance for each major federal program. However, our audit does not provide a legal determination of Housing Authority of the County of Riverside's compliance.

**Opinion on Each Major Federal Program**

In our opinion, Housing Authority of the County of Riverside complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

**Report on Internal Control Over Compliance**

Management of Housing Authority of the County of Riverside is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Housing Authority of the County of Riverside's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Housing Authority of the County of Riverside's internal control over compliance.


*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal controls over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal Awards by OMB Circular A-133**

We have audited the financial statements of the Housing Authority of the County of Riverside as of and for the year ended June 30, 2014, and have issued our report thereon dated October 21, 2014, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedure in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

  
October 21, 2014

**HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2014

FEDERAL PROGRAM	CFDA Number	Program Number	Program Expenditures
<b>U S Department of Housing and Urban Development (HUD)</b>			
<b>Public Housing Assistance:</b>			
Public and Indian Housing		CA02700105J	1,423,332
Subtotal	14.850		<u>1,423,332</u>
Public Housing Capital Fund		CA16P027 50111	155,284
Public Housing Capital Fund		CA16P027 50112	449,557
Public Housing Capital Fund		CA16P027 50113	75,879
Subtotal	14.872		<u>680,720</u>
<b>Total Public Housing Programs</b>			<u><b>2,104,052</b></u>
<b>Section 8 Housing Assistance:</b>			
Section 8 Moderate Rehabilitation		CA027MR 0004	463,357
Section 8 Moderate Rehabilitation		CA027MR 0010	135,697
Subtotal	14.856		<u>599,054</u>
Supportive Housing for Persons with Disabilities	14.181	CA027DV	293,458
Section 8 Housing Choice Voucher	14.871	CA027VO	72,830,957
<b>Total Section 8 Housing Programs</b>			<u><b>73,723,469</b></u>
Desert Hot Springs/Cathedral City <b>Resident Opportunity and Supportive Services</b>	14.870	CA027RPS093A008	66,845
<b>Total HUD Direct Funding</b>			<u><b>66,845</b></u>
<b>Total HUD Direct Funding</b>			<u><b>75,894,366</b></u>
<b>Passthrough Awards:</b>			
<b>Housing Opportunities for Persons With AIDS [1]</b>	14.241	CA027 HOPWA	911,557
<b>Emergency Solutions Grant [1] [2]</b>	14.257		125,427
<b>Shelter Plus Care [3]</b>	14.238	CA027 SPC	995,172
<b>Total Passthrough Award</b>			<u>2,032,156</u>
<b>Total Federal Expenditures and Awards</b>			<u><b>\$ 77,926,522</b></u>

Passthrough from the City of Riverside.

[1]

Passthrough from the Riverside County EDA.

[2]

Passthrough from the Riverside County DPSS.

[3]

# HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2014

---

### (1) Summary of Significant Accounting Policies Applicable to the Schedule of Expenditures of Federal Awards

#### Scope of Presentation

The accompanying schedule presents the expenditures incurred (and related awards received) by the Housing Authority of the County of Riverside (Authority) that are reimbursable under federal programs of federal agencies providing financial assistance and state awards. For the purposes of this schedule, only the portion of program expenditures reimbursable with such federal or state funds are reported in the accompanying schedule. Program expenditures in excess of the maximum federal or state reimbursement authorized or the portion of the program expenditures that were funded with local or other nonfederal funds are excluded from the accompanying schedule.

#### Basis of Accounting

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Housing Authority of the County of Riverside and is presented on the full accrual basis of accounting. The information in this schedule is presented in accordance with the requirement of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some of the amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

#### Subrecipients

During the fiscal year ended June 30, 2014, the Authority disbursed a portion of the HOPWA funds to subrecipients. Below is a schedule of subrecipients for the fiscal year ended June 30, 2014.

<u>Agency Name</u>	<u>Award Amount</u>
Desert AIDS Project	\$ 177,294
Catholic Charities	35,323
Foothill AIDS Project	29,705
	<u>\$ 242,322</u>



**HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

---

**SECTION I - Summary of Auditors' Results**

---

***Financial Statements***

1. Type of Auditor Report on the financial statements: Unmodified.
2. Internal control over financial reporting:
- a. Material weakness identified  yes  no
- b. Significant deficiency identified that are not considered to be material weaknesses?  yes  none reported
3. Noncompliance material to financial statements?  yes  no

***Federal Awards***

4. Internal control over major programs:
- a. Material weakness identified  yes  no
- b. Significant deficiency identified that are not considered to be material weaknesses?  yes  none reported
5. Type of auditors' report on compliance for major programs: Unmodified.
6. Audit findings noted which are required to be reported under paragraph .510(a) of Circular A-133?  yes  no

7. Identification of Major Programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
14.871	U.S. Department of Housing and Urban Development – Housing Choice Voucher Program
14.856	U.S. Department of Housing and Urban Development – Section 8 Moderate Rehabilitation

8. The Dollar Threshold Used To Distinguish Between Type A and Type B Programs: \$2,337,775.
9. Auditee qualified as a low-risk auditee?  yes  no

**SECTION II – Financial Statement Findings**

---

1. There are no auditor findings to be reported in accordance with GAS.

**SECTION III – Federal Award Findings and Questioned Costs**

---

1. There are no auditor findings to be reported in accordance with paragraph .510(a) of OMB Circular A-133.

**HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE**  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2014

---

There were no findings noted in the prior Single Audit Report (for the year ended June 30, 2013).



# HOUSING AUTHORITY of the COUNTY of RIVERSIDE



**FINANCIAL STATEMENTS**  
**Proprietary (Enterprise) Fund Type**  
**&**  
**INDEPENDENT AUDITORS' REPORT**

**FOR THE YEAR ENDED JUNE 30, 2015**

**SM&Co**  
**Smith Marion**  
**& Company, L.L.P.**  
Certified Public Accountants

# HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE

Proprietary (Enterprise) Fund Type

## FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT FOR THE YEAR ENDED JUNE 30, 2015

---

### TABLE OF CONTENTS

	<u>Page</u>
<b>FINANCIAL INFORMATION</b>	
Independent Auditors' Report	1-2
Management's Discussion and Analysis	i-viii
Financial Statements:	
Statement of Net Position	3
Statement of Revenues, Expenses and Changes in Fund Net Position	4
Statement of Cash Flows	5
Notes to Financial Statements	6-30
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Schedule of Changes in the Net Pension Liability and Related Ratios	31
Schedule of Pension Contributions	31
<b>SUPPLEMENTARY INFORMATION</b>	
Financial Statements:	
Combining Statement of Net Position – All Programs	32-33
Combining Statement of Revenues, Expenses and Changes in Fund Net Position– All Programs	34-35



---

Smith Marion & Company, LLP · Certified Public Accountants  
Grand Terrace Office · 22365 Barton Road, Suite 108 · Grand Terrace, CA 92313 · (909) 825-6600

**Board of Supervisors**  
**Housing Authority of the County of Riverside**  
Riverside, CA

## INDEPENDENT AUDITORS' REPORT

### Report on the Financial Statements

We have audited the accompanying financial statements of business-type activities of the Housing Authority of the County of Riverside as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

### Auditor's Responsibility

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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Housing Authority of the County of Riverside, as of June 30, 2015, and the respective change in financial position and cash flows thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in net pension liability and related ratios, and schedule of pension contributions as list in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Housing Authority of the County of Riverside's financial statements. The combining statement of net position – all programs and combining statement of revenues, expenses and changes in fund net position – all programs are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining statement of net position – all programs and combining statement of revenues, expenses and changes in fund net position – all programs are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statement of net position – all programs and combining statement of revenues, expenses and changes in fund net position – all programs are fairly stated in all material respects in relation to the financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated, on our consideration of the Housing Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Housing Authority of the County of Riverside's internal control over financial reporting and compliance.

## **MANAGEMENT'S DISCUSSION & ANALYSIS**

The purpose of this Management's Discussion and Analysis (MD&A) is to provide a narrative overview, financial highlights and analyses of the audited annual financial statements of the Housing Authority of the County of Riverside (the "Housing Authority"). This MD&A section is required by the provisions of the Governmental Accounting Standards Board (GASB) Statement 34, and is presented in conjunction with the accompanying Basic Financial Statements.

The financial statements are reported based on a twelve-month fiscal year, which starts on July 1 of one calendar year and ends on June 30 of the next calendar year; the fiscal year is named by the calendar year in which the fiscal year ends. Therefore, the basic annual financial statements presented in this report are for Fiscal Year 2015, which started July 1, 2014 and ended June 30, 2015.

### **THE PURPOSE OF THE HOUSING AUTHORITY**

The Housing Authority of the County of Riverside (Housing Authority) was established in 1942 under the U.S. Housing Act of 1937 and the State of California Housing Authority Law of 1938. The Housing Authority is a government agency which is chartered by the State of California to administer the development, rehabilitation or financing of affordable housing programs. The area of jurisdiction of the Housing Authority is the entire County of Riverside. Permanent operational offices are maintained in the cities of Riverside and Indio to facilitate the provision of services.

The primary mission of the Housing Authority is to assist low and moderate income families, including elderly and disabled persons, by operating programs which provide them decent, safe and sanitary housing at affordable costs.

### **FINANCIAL HIGHLIGHTS**

The Housing Authority ended the fiscal year of operations with assets of \$166.4 million; deferred outflow of resources of \$1.1 million; liabilities of \$19.7 million; deferred inflow of resources of \$2.1 million; and net position of \$145.7 million, which consisted of \$8.4 million invested in land, buildings and equipment; \$1.1 million in restricted assets; and \$136.2 million in unrestricted assets.

The ending net position of \$145.7 million represents a decrease in assets of \$20.9 million from the prior fiscal year, which resulted from operating revenues of \$86.8 million, operating expenses of \$90.9 million, loss from non-operating revenues of \$.7 million, and prior period adjustments of \$16.1 million.

On February 1, 2012 all California Redevelopment Agencies were dissolved. Consequently, the Board of Commissioners adopted a resolution authorizing the Housing Authority to accept any and all assets, liabilities, duties, loans, leases, and obligations associated with the housing activities of the former Redevelopment Agency for the County of Riverside. Therefore, in Fiscal Year 2014, the Housing Authority's financial statements reflected the fund assets for the Low and Moderate Income Housing Asset Funds and Housing Bond Proceeds that will continue to be expended for wind-down activities and the development of housing projects on 57 parcels of land, that have a total value of \$34.4 million. In Fiscal Year 2015, a portion of the largest parcels of land known as North Hemet was sold. Other transferred assets included long-term loans receivables worth \$72 million and other annual revenues. In Fiscal Year 2014, the Housing Authority acquired the housing assets of the former Redevelopment Agency of the City of Coachella. Thus, the financial statements for this period includes long-term loans receivable of \$2.6 million and 4 parcels of land valued at \$4.4 million.

These financial highlights are detailed further in the **Presentation of Condensed Financial Information With Analysis of Overall Financial Position**, as shown on page iii.

## Management Discussion and Analysis (continued)

### OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

The Housing Authority is a special purpose government agency and is a blended component unit of the County of Riverside. The Housing Authority conducts its financial operations in a business-type approach and is defined as a governmental enterprise fund by GASB. Therefore, the Housing Authority is required to present its financial statements in the format of enterprise fund financial statements.

As a blended component unit of a larger governmental body, the Housing Authority provides its financial statements to the County of Riverside, which includes the Housing Authority's financial information in the County's Comprehensive Annual Financial Report (CAFR). Accordingly, the Housing Authority does not issue its own financial statements in the format of government wide statements.

As the major funding source for housing authorities, the U.S. Department of Housing and Urban Development (HUD) established financial reporting requirements and guidelines for presenting the annual basic financial statements. HUD's preference is for housing authorities to report all of their activities in single column format and, if necessary, present combining financial statements to reflect the activity of individual funds. The Housing Authority implemented this approach in Fiscal Year 1999 when it converted its accounting system to Generally Accepted Accounting Principles (GAAP) and continues with the same financial statement presentations in the current fiscal year. Therefore, the Housing Authority's basic financial statements show one enterprise fund, while the combining financial statements are included as supplementary financial information.

For internal tracking and control, the Housing Authority maintains separate funds in its general ledger for all of its multiple enterprise programs, but has combined all of these various programs into three major programs for financial reporting purposes. These three major programs are identified as Authority Funds, HUD Public Housing Funds, and HUD Section 8 Funds. While detailed fund information is not presented in the annual basic financial statements, separate accounts are maintained for each fund and sub-fund to control and manage money for particular purposes and to ensure that the Housing Authority is properly using specific appropriations and grants.

The *enterprise fund financial statements* consist of three documents:

- 1) Statement of Net Position
- 2) Statement of Revenues, Expenses and Changes in Fund Net Position
- 3) Statement of Cash Flows

The *Statement of Net Position* presents information on all of the Housing Authority's assets, deferred inflows of resources, liabilities, and deferred outflows of resources with the difference being reported as net position. The Statement of Net Position replaces the Statement of Net Assets.

The *Statement of Revenues, Expenses and Changes in Fund Net Position* presents information showing how the Housing Authority's net position changed during the fiscal year. All changes in net position are reported in the proprietary (enterprise) fund financial statements based on full accrual of revenues and expenses, regardless of the timing of cash flows. As a result, the accrual of revenues and expenses as reported in this statement would affect cash flow in future fiscal periods. Revenues, whether received or not, are properly recorded in the fiscal period in which they are earned; expenses, whether paid out or not, are properly recorded in the fiscal period in which the related debt obligation is incurred.

The *Statement of Cash Flows* presents information on cash flows from operating activities, capital and related financing activities, and investing activities. The accrual of revenues and expenses from prior fiscal years would affect the cash flow in the current fiscal period.

The proprietary (enterprise) fund financial statements are on pages 3-5 of this report.

The *notes to the financial statements* provide additional information that is essential to a full understanding of the data provided by this agency in the proprietary (enterprise) fund financial statements. The notes to the financial statements are on pages 6-30 of this report.



## Management Discussion and Analysis (continued)

### PRESENTATION OF CONDENSED FINANCIAL INFORMATION WITH ANALYSIS OF OVERALL FINANCIAL POSITION

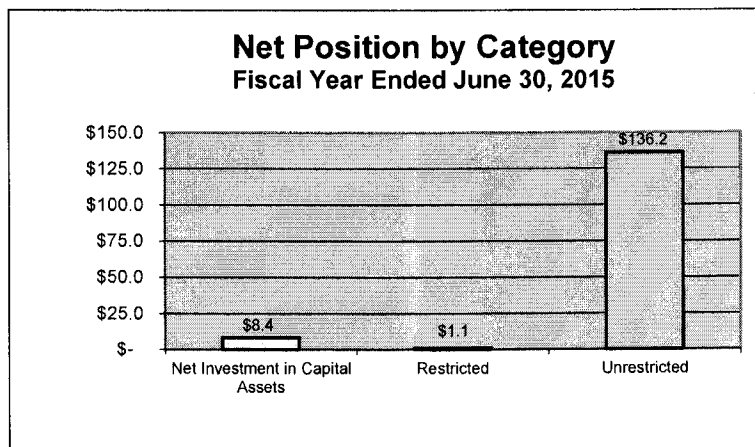
#### Statement of Net Position

Financial statements, presented as follows, are shown in a condensed format to compare amounts from the current fiscal year (2015) to amounts from the prior fiscal year (2014). These condensed financial statements are accompanied by charts to illustrate selected aspects of financial information, along with brief narrative analyses.

#### Housing Authority of the County of Riverside Statement of Net Position

	2015	2014
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash	\$ 25,858,739	\$ 48,650,416
Accounts Receivable	45,454	154,608
Due From Other Governments	1,338,374	2,351,734
Land Held For Sale	38,825,401	34,379,805
Restricted Investments	206,569	202,187
<b>Total Current Assets</b>	<b>66,274,537</b>	<b>85,738,750</b>
<b>Long-Term Receivables:</b>	<b>84,968,103</b>	<b>73,981,402</b>
<b>Capital Assets:</b>		
Land, Structures, and Equipment	50,061,784	51,910,399
Less Accumulated Depreciation	(34,895,762)	(33,535,233)
<b>Capital Assets, net</b>	<b>15,166,022</b>	<b>18,375,166</b>
<b>Total Assets</b>	<b>166,408,662</b>	<b>178,095,318</b>
<b>Total Deferred Outflows of Resources</b>	<b>1,123,605</b>	<b>277,751</b>
<b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Accounts Payable	59,890	8,872
Other Liabilities	1,747,288	888,911
Accrued Interest Payable	4,167	5,052
Tenants Security Deposits	223,510	204,918
Bonds Payable - Current Portion	165,000	155,000
<b>Total Current Liabilities</b>	<b>2,199,855</b>	<b>1,262,753</b>
<b>Noncurrent Liabilities:</b>		
Other Liabilities	8,616,638	2,223,256
Notes Payable	8,322,295	6,795,110
Bonds Payable	565,000	730,000
<b>Total Noncurrent Liabilities</b>	<b>17,503,933</b>	<b>9,748,366</b>
<b>Total Liabilities</b>	<b>19,703,788</b>	<b>11,011,119</b>
<b>Total Deferred Inflows of Resources</b>	<b>2,113,305</b>	<b>721,636</b>
<b>NET POSITION</b>		
Net Investment In Capital Assets	8,370,913	7,173,434
Restricted	1,100,506	23,067,892
Unrestricted	136,243,755	136,398,988
<b>Total Net Position</b>	<b>\$ 145,715,174</b>	<b>\$ 166,640,314</b>

## Management Discussion and Analysis (continued)



(in thousands)

As previously illustrated by the Statement of Net Position, the Housing Authority ended the fiscal year of operations with assets of \$166.4 million; deferred outflow of resources of \$1.1 million; liabilities of \$19.7 million; and deferred inflow of resources of \$2.1 million resulting in a net position of \$145.7 million. This net position consisted of \$8.4 million (6%) net investment in capital assets such as land, buildings and equipment, net of related debt; \$1.1 million (1%) in restricted assets; and \$136.2 million (93%) in unrestricted assets.

The ending net position of \$145.7 million represents a decrease in net position of \$20.9 million from the prior fiscal year's ending net position of \$166.6 million.

Total net investment in capital assets (\$8.4 million) is reported as net of related debt as per GASB requirements, but the capital assets themselves are not the source to pay for any related debt liabilities; instead, the resources to repay such debt come from operating revenues.

The restricted net position (\$1.1 million) is reported separately to show legal constraints from debt covenants and program restrictions that limit the Housing Authority's ability to use this for day-to-day operations.

The unrestricted net position (\$136.2 million) while designated as not having legal or program restrictions include \$38.8 million in land assets that would either be sold or developed to meet the Housing Authority's mission to increase affordable housing projects within Riverside County and \$85 million of Notes Receivables that are deferred for as long as 20-50 years or converted into grants pending completion of project developments. Therefore, \$51.2 million (38%) of unrestricted net position is available as working capital for working capital in day-to-day operations.

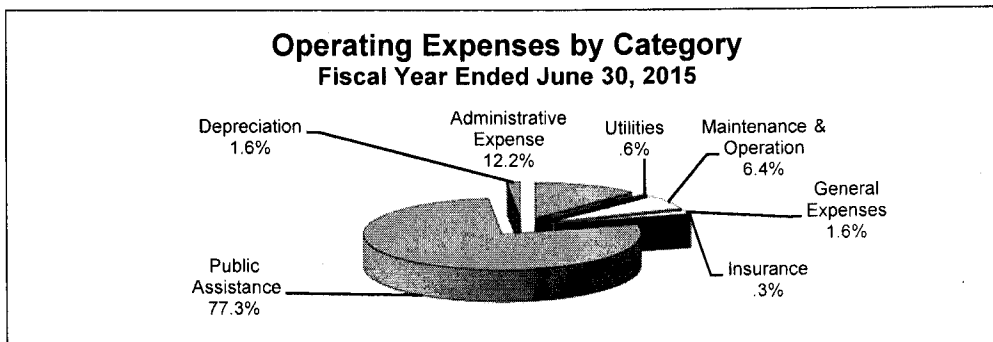
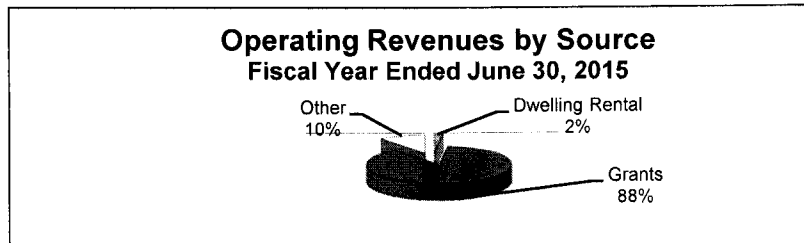
## Management Discussion and Analysis (continued)

### Statement of Revenues, Expenses and Changes in Fund Net Position

Financial statements, presented as follows, are shown in a condensed format to compare amounts from the current fiscal year (2015) to amounts from the prior fiscal year (2014). These condensed financial statements are accompanied by charts to illustrate selected aspects of financial information, along with brief narrative analyses.

#### Housing Authority of the County of Riverside Statement of Revenues, Expenses, and Changes in Fund Net Position

	2015	2014
<b>Operating Revenues:</b>		
Dwelling Rental	\$ 1,674,575	\$ 1,703,837
Grants	76,044,314	78,810,385
Other	9,052,825	4,100,820
<b>Total Operating Revenues</b>	<b>86,771,714</b>	<b>84,615,042</b>
<b>Operating Expenses:</b>		
Administrative Expense	11,170,816	10,852,207
Utilities	523,927	565,007
Maintenance & Operation	5,796,742	11,054,033
General Expenses	1,492,806	1,401,189
Insurance	257,673	244,088
Public Assistance	70,314,976	69,706,232
Depreciation	1,412,562	1,425,429
<b>Total Operating Expenses</b>	<b>90,969,502</b>	<b>95,248,185</b>
<b>Operating Income (Loss)</b>	<b>(4,197,788)</b>	<b>(10,633,143)</b>
<b>Nonoperating Revenues (Expenses)</b>		
Investment Income	338,440	561,895
Interest On Notes And Bonds	(123,866)	(134,198)
Extraordinary Item, Net Gain	(905,096)	6,699,620
<b>Total Nonoperating Revenue (Expenses)</b>	<b>(690,522)</b>	<b>7,127,317</b>
<b>Capital Contribution</b>	<b>88,504</b>	<b>474,860</b>
Change In Net Position	(4,799,806)	(3,030,966)
Net Position-Beginning	166,640,314	169,671,280
Adjustment To Net Position	(16,125,334)	
Restated Net Position - Beginning	150,514,980	169,671,280
<b>Net Position - Ending</b>	<b>\$ 145,715,174</b>	<b>\$ 166,640,314</b>



## **Management Discussion and Analysis (continued)**

As shown by the Statement of Revenues, Expenses and Changes in Fund Net Position, the Housing Authority's net position decreased by \$20.9 million from the prior fiscal year, which is attributed to the following:

- Reduction in Grants Revenue due to unexpended funds for the Capital Fund Program; decrease in Administrative Fees for the Housing Voucher Program; and the delay in receiving reimbursement funds from the City of Riverside for the HOPWA Program.
- Prior period adjustments due to the new disclosure and reporting information required under Governmental Accounting Standards Board Statement 68. This Statement required public employers to record net pension liability, pension expense, and deferred outflows/inflows of resources in their financial statements as part of their financial position.
- Prior period adjustments were also done to align the loans receivables and revenues with actual contract and commitment information outlined in the original loan agreements. Adjustments were done to record additional interest receivable; eliminate pre-development loans replaced by subordinate loans; and update unrecorded loans and payments.

### **ANALYSIS OF SIGNIFICANT BUDGET VARIANCES**

The Housing Authority's fiscal department works closely with the other departments to monitor the annual operating budget throughout the fiscal year in order to avoid over expenditure of available funds. Monthly and quarterly financial documents are prepared to assist in this process.

## Management Discussion and Analysis (continued)

### Comparison of Actual Operating Results and Final Budget

Overall, the actual operating expenses of \$91 million (including depreciation of \$1.4 million not required to be budgeted) were lower than the final budgeted expenses of \$98 million by about 7%.

**Housing Authority of the County of Riverside  
Actuals vs. Budget  
For the Year Ended June 30, 2015**

	Actuals	Final Budget
<b>Operating Revenues:</b>		
Dwelling Rental	\$ 1,674,575	\$ 1,324,512
Grants	76,044,314	83,939,572
Other	9,052,825	13,478,300
Total Operating Revenues	86,771,714	98,742,384
<b>Operating Expenses:</b>		
Administrative Expense	11,170,816	13,639,034
Utilities	523,927	623,553
Maintenance & Operation	5,796,742	12,034,490
General Expenses	1,492,806	132,906
Insurance	257,673	265,047
Public Assistance	70,314,976	71,982,354
Asset Purchase	-	65,000
Depreciation	1,412,562	-
Total Operating Expenses	90,969,502	98,742,384
<b>Operating Income (Loss)</b>	<b>(4,197,788)</b>	<b>-</b>
<b>Nonoperating Revenues (Expenses)</b>		
Investment Income	338,440	
Interest On Notes And Bonds	(123,866)	-
Extraordinary Item, Net Gain	(905,096)	-
<b>Total Nonoperating Revenue (Expenses)</b>	<b>(690,522)</b>	<b>-</b>
<b>Capital Contribution</b>	<b>88,504</b>	
<b>Change In Net Position</b>	<b>\$ (4,799,806)</b>	<b>\$ -</b>

Significant differences between Actuals and Final Budget resulted from the following:

- Budgeted Grant funding was not realized due to the unforeseen reduction of Federal funding for the Section 8 and Public Housing Programs. After sequestration, HUD has not been able to bring the budget for public assistance and administrative fees back to the maximum requirement to run the programs efficiently.
- Administrative Expense included a budget for management fees, which were eliminated by HUD's direction in the actual financial presentation of consolidated expenses.
- Public Assistance funds encumbered for the Emergency Solutions Grant were re-directed to the next fiscal year.
- Depreciation expense was included in the Actuals, but excluded from the Final Budget.
- Extraordinary Loss materialized from adjustments on loan balances of the Housing Successor Agency.

## **Management Discussion and Analysis (continued)**

### **CAPITAL ASSET AND DEBT ADMINISTRATION**

#### **Capital Assets**

Overall, at June 30, 2015, the Housing Authority's investment in capital assets, consisting of land, buildings, furniture, and equipment is reported at its net value of \$15.2 million, which is the acquisition cost of \$50 million less accumulated depreciation of \$34.8 million. This year, changes in capital assets were due to the improvements to Public Housing sites through the Capital Fund program; transfer of mobile home to the non-profit arm of the Housing Authority; disposal of old vehicles; and purchase of software.

#### **Capital Fund Program**

HUD's Capital Fund program provides an annual formula grant to the Housing Authority for major repairs and modernization of HUD affordable housing in the cities of Banning, Beaumont, Desert Hot Springs, Indio, Lake Elsinore, Mecca, Moreno Valley, Perris, Riverside, San Jacinto and Thermal. More detailed information pertaining to capital assets is presented in the notes to the financial statements (Pages 15, Note 4).

#### **Long-Term Debt**

At the end of the current fiscal year, the Housing Authority had long-term bonds outstanding with a book value of \$730 thousand. Principal and interest payments continue to reduce the total debt outstanding. More detailed information pertaining to long-term debt is presented in the notes to the financial statements (Page 21-22, Notes 6 & 7).

### **CURRENTLY KNOWN FACTS: ECONOMIC FACTORS**

The Appropriations Act for the Calendar Year 2015 Operating Fund stated a funding formula of about 83%. This poses a challenge for the Housing Authority's sustainability in operating its 469 public housing sites; and is exacerbated by the shortage of Capital Fund to address the physical and green conservation needs of all the properties. To attain better revenue streams for its public housing sites, the Housing Authority is working on completing a Financial Plan to submit to HUD in consideration for the Rental Demonstration Program that offers a conversion of operating subsidy to a Section 8 project-based platform.

Congressional Appropriations were finalized, which placed the federal expenditure budget for Federal Fiscal Year 2015 at \$1 trillion. While the Section 8 funding for Housing Assistance Payments remains at 100%, the administrative revenue continues to be at a low 79% - 82% for the year.

### **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Housing Authority of the County of Riverside's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Fiscal Manager at the Housing Authority of the County of Riverside, 5555 Arlington Avenue, Riverside, CA 92504.

**HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE**  
Proprietary (Enterprise) Fund Type

STATEMENT OF NET POSITION  
JUNE 30, 2015

**ASSETS**

**Current Assets**

Cash & cash equivalents		\$ 8,429,000
Unrestricted		17,429,739
Restricted		<u>25,858,739</u>
<b>Subtotal</b>		25,858,739
Accounts receivable (net)		40,000
Due from other governments		1,338,374
Accrued interest receivable		-
Notes receivable - current portion		5,454
Restricted investments		206,569
Land held for sale		<u>38,825,401</u>
<b>Total Current Assets</b>		<u>66,274,537</u>

**Noncurrent Assets**

Notes receivable		84,968,103
Capital assets (net)		<u>15,166,022</u>
<b>Total Noncurrent Assets</b>		<u>100,134,125</u>

**TOTAL ASSETS** 166,408,662

**TOTAL DEFERRED OUTFLOWS OF RESOURCES** 1,123,605

**LIABILITIES**

**Current Liabilities**

Accounts payable		59,890
Unearned revenue		644,996
Other liabilities		939,966
Tenants security deposits		223,510
Compensated absences - current portion		162,326
Accrued interest payable		4,167
Bonds payable-current portion		<u>165,000</u>
<b>Total Current Liabilities</b>		<u>2,199,855</u>

**Noncurrent Liabilities**

Compensated absences		1,460,947
Other liabilities		889,841
Net pension liability		6,265,850
Bonds payable		565,000
Notes payable		<u>8,322,295</u>
<b>Total Noncurrent Liabilities</b>		<u>17,503,933</u>
<b>TOTAL LIABILITIES</b>		<u>19,703,788</u>

**TOTAL DEFERRED INFLOWS OF RESOURCES** 2,113,305

**NET POSITION**

Net investment in capital assets		8,370,913
Restricted		1,100,506
Unrestricted		<u>136,243,755</u>
<b>TOTAL NET POSITION</b>		<u>\$ 145,715,174</u>

# HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE

Proprietary (Enterprise) Fund Type

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION FOR THE YEAR ENDED JUNE 30, 2015

### REVENUES

#### Operating Revenues

Dwelling rental (net)	\$ 1,674,575
Grants	76,044,314
Other revenue	9,052,825
<b>Total Operating Revenues</b>	<b>86,771,714</b>

### EXPENSES

#### Operating Expenses

Administrative	11,170,816
Utilities	523,927
Maintenance & operation	5,796,742
General expenses	1,492,806
Insurance	257,673
Housing assistance payments	70,314,976
Depreciation	1,412,562

**Total Operating Expenses** **90,969,502**

**Operating Income (Loss)** **(4,197,788)**

#### Nonoperating Revenues (Expenses)

Investment income	338,440
Interest expense on notes & bonds	(123,866)
Extraordinary items, net gain (loss)	(905,096)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(690,522)</b>

#### Other Financing Sources (Uses)

Capital contributions	88,504
<b>Total Other Financing Sources (Uses)</b>	<b>88,504</b>

**Change in Net Position** **(4,799,806)**

Net Position - beginning 166,640,314

Adjustment to beginning net position (16,125,334)

**Net Position - ending** **\$ 145,715,174**



**HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE**

Proprietary (Enterprise) Fund Type

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2015

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers and users	\$ 1,766,166
Receipts from grants	76,981,034
Payments to suppliers	(10,672,275)
Payments to and for the benefit of employees	(9,162,486)
Payments for housing assistance	(70,314,976)
Other receipts and payments	<u>9,052,825</u>
<b>Net Cash Provided (Used) By Operating Activities</b>	<u><u>(2,349,712)</u></u>
<b>CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Outflow of cash related to reclaimed RDA funds (See Note 15)	<u>(16,397,591)</u>
<b>Net Cash Provided (Used) By Non-Capital and Related Financing Activities</b>	<u><u>(16,397,591)</u></u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Purchase of capital assets (net of soft costs) and assets held for sale	(4,766,411)
Proceeds from sale of capital assets and assets held for sale	2,117,397
Proceeds from capital contribution grant	88,504
Principal paid on debt	(165,000)
Interest paid on debt	<u>(122,576)</u>
<b>Net Cash Provided (Used) By Capital and Related Financing Activities</b>	<u><u>(2,848,086)</u></u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Proceeds from sale of restricted investments	(4,382)
Inflows from the issuance of debt	1,527,185
Proceeds from collections of notes receivable	(3,057,531)
Investment income	<u>338,440</u>
<b>Net Cash Provided (Used) By Investing Activities</b>	<u><u>(1,196,288)</u></u>
<b>Net Increase (Decrease) In Cash</b>	(22,791,677)
<b>CASH AND CASH EQUIVALENTS - Beginning of Year</b>	<u>48,650,416</u>
<b>CASH AND CASH EQUIVALENTS - Ending of Year</b>	<u><u>\$ 25,858,739</u></u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided</b>	
<b>(Used) by Operating Activities</b>	
<b>Operating Income (Loss)</b>	\$ (4,197,788)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	1,412,562
Changes in assets, liabilities, and deferred inflows of resources:	
(Increase) decrease accounts receivable	110,183
(Increase) decrease due from other governments	1,013,360
(Increase) decrease deferred outflows of resources	(984,730)
Increase (decrease) accounts payable	7,023
Increase (decrease) other liabilities	213,418
Other	<u>76,260</u>
Total Adjustments	<u>1,848,076</u>
Net cash used by operating activities	<u><u>\$ (2,349,712)</u></u>
<b>Noncash Activities</b>	
Long term notes receivable as successory agency	<u>\$ (3,057,531)</u>
<b>Total noncash activities</b>	<u><u>\$ (3,057,531)</u></u>

# HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015

---

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### *Introduction*

The financial statements of Housing Authority of the County of Riverside (the "Authority") have been prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The Authority has previously implemented GASB Statement 34, *Basic Financial Statements – and Management's Discussion and Analysis-for State and Local Governments*. Certain significant changes in the statements are as follows: The financial statements will include a Management's Discussion and Analysis (MD&A) section providing an analysis of the Authority's overall financial position and results of operations.

Housing Authority of the County of Riverside is a special-purpose government engaged only in business-type activities and, therefore, presents only the financial statements required for proprietary (enterprise funds), in accordance with GASB Statement 34, paragraph 138 and GASB 63. For these governments, basic financial statements and required supplemental information consist of:

- Management Discussion and Analysis (MD&A)
- Enterprise fund financial statements consisting of:
  - Statement of Net Position
  - Statement of Revenues, Expenses & Changes in Net Position
  - Statement of Cash Flows
- Notes to Financial Statements
- Required supplemental information other than MD&A

Under the United States Housing Act of 1937, as amended, the U.S. Department of Housing and Urban Development (HUD) has direct responsibility for administering low income housing programs in the United States. Accordingly, HUD has contracted with the Authority to administer certain HUD funds.

### A. Reporting Entity

GASB established criteria for determining the governmental reporting entity's status as either a primary government or component unit of a primary government. Under provisions of this statement, Housing Authority of the County of Riverside is considered a component unit of the County of Riverside (the "County"), although it is a legally separate special-purpose government, it does not have a separately elected governing body from that of the County and is not fiscally independent of other state and local governments. Fiscally independent means that the Authority may, without the approval or consent of another governmental entity, determine or modify its own budget, control collection and disbursements of funds, maintain responsibility for funding deficits and operating deficiencies, and issue bonded debt.

The main programs of the Authority are as follows:

- a. *Housing Choice Vouchers Program*- Designed to aid very low-income families in obtaining decent, safe, and sanitary rental housing. The Authority administers contracts with independent land-lords that own property and rent that property to families that have applied for housing assistance through the Authority. The Authority subsidizes the family's rent through a Housing Assistance Payment made to the landlord. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides Annual Contributions Funding to enable the Authority to structure a lease that sets the participants' rent at 30% of household income. (9,142 vouchers)

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2015**

---

- b. *Low Rent Public Housing Program* – Under the Conventional Public Housing Program, Crossville Housing Authority operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides and operating subsidy to enable the Authority to provide the housing at a rent that is based upon 30% of household income. (469 units)
- c. *Other Authority Programs* – The Authority operates several other programs that assist or enhance the above programs. (94 units)

GASB Statement No. 61 establish criteria for determining which, if any, component units should be considered part of Housing Authority of the County of Riverside for financial reporting purposes. The basic criteria for including a potential component unit organization within the Authority's reporting entity includes whether:

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

Based on the aforementioned criteria, and the control and relationship between Housing Authority of the County of Riverside and the component units, the Authority has determined that the following entities are considered blended component units of Housing Authority of the County of Riverside and are required to be blended within the Authority's financial statements:

*Riverside Community Housing Corporation*- The Corporation is a 501(c) (3) tax exempt not for profit corporation, organized to assist low and moderate income families with housing needs. This assistance may include but not be limited to development housing for rental or home ownership, providing assistance with homeownership through down payment assistance grants and owner occupied housing rehabilitation grants or loans. This entity is considered to be a blended component unit. There are separately issued audited financial statements which can be obtained from the Authority staff at the Authority's office.

B. Basic Financial Statements/Funds

All activities of Housing Authority of the County of Riverside are reported in proprietary fund types. The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. Enterprise funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is secured by the Authority's capital assets and by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs.

In the Statement of Net Position, equity is classified as net position and displayed in three components:

- a) Net Investment in capital assets – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balance of any notes or other borrowings attributable to those capital assets.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2015**

---

- b) Restricted net position – Consists of net assets with constraints placed on the use either by external groups, such as grantors or laws and regulations of other governments, or law through constitutional provisions or enabling legislation.
- c) Unrestricted net position – All other assets that do not meet the definition of “restricted” or “net investment in capital assets”.

When both restricted and unrestricted net positions are available for use, generally it is the Authority’s policy to use restricted resources first.

C. Accrual Basis of Accounting

Basis of accounting refers to the point at which revenues or expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Proprietary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

D. Budgetary Data

Enterprise fund service delivery levels are determined by the extent of consumer demand. Because enterprise fund revenues and expenses fluctuate with changing service delivery levels, generally accepted accounting principles do not require the financial statements to include budgetary comparisons and, accordingly, these comparisons have not been included.

Budgets are prepared for regulatory purposes in accordance with Housing Authority of the County of Riverside’s contract with HUD. The Authority prepares annual budgets for each program. Prior to the beginning of each budget year, the Authority’s annual budget is approved by its governing body. Budgetary amendments require approval by the governing body. All budgetary appropriations lapse at the end of each year. Budgets for Capital Fund Programs are approved in the Authority’s 5-year and annual plans.

E. Financial Statement Accounts & Other Accounting Matters

**Revenues.** All Housing Authority of the County of Riverside revenues are accrued. These revenues consist of user charges for rents, utilities, repairs and other miscellaneous charges. Monies received from customers for security deposits are recorded as a liability upon receipt. Subsidies and grants, which finance current operations, are reported as operating revenues. Subsidies and grants, which finance capital operations, gain/loss on sale of fixed assets, and interest income/expense, are reported as non-operating revenues.

Revenues for government-mandated and voluntary exchange transactions, are recorded when all applicable eligibility requirements, including time requirements, are met. Resources received before all eligibility requirements are met are reported as deferred inflows of resources or unearned revenues.

In accordance with GASB standards, for the fiscal year ended June 30, 2015, dwelling income and other rental related fees of \$1,766,442 has been netted with bad debt expense of \$(91,867).

**Expenditures.** Expenditures are recognized when the liability is incurred. Inventory costs are reported in the period when inventory items are purchased due to triviality of inventory balances.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2015**

---

***Cash and Equivalents, and Investments.***

- a. Cash and Equivalents. The Authority defines cash to include certificates of deposit, money market funds, savings accounts, demand deposits, and other short-term securities with original maturities of three months or less; consequently, the cost, carrying value, and market value are equivalent.
- b. Investments. Investments, if any, would be carried at fair market value, except for U.S. Treasury Bills, which would be canceled at amortized cost.

All deposits of the Authority are made in board-designated official depositories and are secured by HUD regulations. The annual contribution contract authorizes the Authority to invest in the following types of securities:

- 1. Obligations of the Federal Government which are backed by the full faith and credit of the Federal Government.
- 2. Obligations of any agency or instrumentality of the Federal Government if the payment of interest and principal on such obligations is fully guaranteed by the Federal Government.
- 3. Obligations of the Federal Intermediate Credit Banks, the Federal Home Loan Banks, the Federal National Mortgage Association, the Bank for Cooperatives, and the Federal Land Banks which mature no later than 18 months after the date of purchase.

During the fiscal year and at year-end, all cash was held in the form of interest bearing accounts. The deposits and the above described investments with an original maturity of 90 days or less are considered cash and cash equivalents for the Statement of Cash Flows.

***Restricted Cash.*** Restricted cash consists of cash set aside by HUD for the Housing Choice Voucher Program, cash and investments that are held in trust, reserves and escrows, as well as other cash and investments that are restricted for specific purposes.

***Accounts Receivable.*** Accounts receivable consists of all amounts earned at year end and not yet received. Allowances for uncollectible accounts are based upon historical trends and periodic aging of accounts receivable.

***Capital Assets.*** Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation of exhaustible capital assets is charged as an expense against operations utilizing the straight-line method. Accumulated depreciation is reported on the Statement of Fund Net Position. The estimated useful lives for each major class of depreciable fixed assets are as follows:

<u>Asset Class</u>	<u>Estimated Lives</u>
Buildings	20-25
Equipment	5-15

***Compensated Absences.*** Compensated absences are absences for which employees will be paid, i.e., vacation and other approved leaves, with the exception of those employees that are terminated on grounds of gross misconduct. The Authority accrues the liability for those absences for which the employee has earned the rights to the benefits. Accrued amounts are based on the current salary rates. Permanent Authority employees earn from 10 to 20 vacation days a year, depending upon their length of employment, and 13 sick days a year. Employees can carry forward up to the equivalent number of vacation days earned in the immediately preceding thirty-six month period and an unlimited number of unused sick leave days.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2015**

---

Upon termination or retirement, permanent employees are entitled to receive compensation at their current base salary for all unused vacation leave. If an employee retires, the employee is entitled to a portion of accumulated sick leave hours. In no event, however, shall the total payment exceed a sum equal to 960 hours. It is the policy of the Authority to reflect the employee vacation leave benefits liability in the financial statements, and an estimated portion of the sick leave liability.

**Use of Estimates.** The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Tenant Security Deposits.** Security deposits consist of amounts held in trust with Housing Authority of the County of Riverside in order for tenants to secure apartment leases.

**Unearned Revenue.** Unearned revenues, if any, consist of rental payments made by tenants in advance of their due date, and rental supplements to be paid to owners of private dwellings during the first month of the next fiscal year as well as grant advances that are only subject to performance milestones in order to recognize revenues.

**Deferred Inflows/Outflows of Resources.** In accordance with GASB 63, in addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Authority had deferred outflows of resources consisting of pension contributions subsequent to the measurement date of June 30, 2014 of \$915,292 and defeasance of debt of \$208,313. The defeasance balance is systematically amortized over the remaining life of the old debt. The amortization is recognized as a component of interest expense. The balance as of June 30, 2015 was \$1,123,605.

Also, in addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Authority deferred inflows of resources consist of net differences between projected and actual earnings of pension plan. The balance as of June 30, 2015 was \$2,113,305.

**Pensions.** For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County Employees Pension Plans (CEPP) and additions to/deductions from CEPP's fiduciary net position have been determined on the same basis as they are reported by the California Public Employee's Retirement System (CalPERS) Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Depreciation.** Depreciation expense of \$1,412,562 has been recognized during the year ended June 30, 2015.

**Income Taxes.** The Authority is not subject to federal or state income taxes.

**Interfund Eliminations.** All interfund receivables and payables between program and blended component units have been eliminated in the financial statements. As have any inter-program or company revenues and expenses.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2015**

---

**Leasing Activities.** The Authority is the lessor of dwelling units to eligible residents. The rents under the leases are determined generally by the residents' income as adjusted for eligible deductions regulated by HUD, although the residents may opt for a flat rent. Leases may be cancelled at any time or renewed annually. The Authority may cancel the leases only for a cause. Revenues associated with these leases are recorded in the accompanying financial statements and related schedules within dwelling rent revenue.

**Impact of Recently Issued Accounting Standard.**

GASB 67/68 Financial Reporting for Pension Plans - Amendment of GASB 25. In June 2012, the GASB issued *GASB Statement No. 68 – ACCOUNTING AND FINANCIAL REPORTING FOR PENSIONS—AN AMENDMENT OF GASB STATEMENT NO. 27*. The scope of this Statement addresses accounting and financial reporting for pensions that are provided to the employees of state and local governmental employers through pension plans that are administered through trusts.

This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

Note disclosure and required supplementary information requirements about pensions also are addressed. Distinctions are made regarding the particular requirements for employers based on the number of employees whose employees are provided with pensions through the pension plan and whether pension obligations and pension plan assets are shared.

GASB 68 is effective for the Authority's fiscal year ended June 30, 2015. As a result, the Authority is required to make a prior period adjustment to book the Net Pension Liability of \$7,656,913 and an equal corresponding reduction in Net Position

GASB 70 Accounting and Financial Reporting For Nonexchange Financial Guarantees. The Housing Authority did not extend financial guarantees for obligations of another government, a no-profit agency, or a private entity. Therefore, this Statement does not apply.

**Subsequent Events.** Housing Authority of the County of Riverside adopted the Subsequent Events topic of the GASB Accounting Standards, which requires disclosure of the date through which subsequent events have been evaluated. Management performed an evaluation of the Authority's activity through, the audit report date, and has concluded that the following pertinent information should be disclosed.

The Housing Authority is currently working on applications to take part in the Rental Assistance Demonstration Program (RAD), which is a voluntary program of the Department of Housing and Urban Development (HUD). RAD seeks to preserve public housing by providing Public Housing Agencies, such as the Housing Authority, with access to more stable funding to make needed improvements to properties. RAD provides a way to rehabilitate, or repair, units without depending on additional money from the public sector.

The Housing Authority currently owns and operates 469 units of affordable housing within the County of Riverside. Funding to maintain these units is derived from the Public Housing Program. The Public Housing Program has continued to be underfunded through the years with additional budget cuts to the Capital Fund Program that provides the income source for the modernization of public housing units. This dilemma has forced the Housing Authority to make tough choices between maximizing the funding for repairs or focusing on preventive maintenance. Therefore, the RAD would provide an opportunity for the Housing Authority to convert projects funded under the Public Housing Program to long-term, project-based Section 8 rental assistance contracts, through the Project-Based Voucher component of the RAD.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2015**

**2. CASH AND INVESTMENTS**

Cash and investments as of June 30, 2015 are classified in the accompanying financial statements as follows:

**Combined Statement of Net Position:**

Cash	\$ 8,429,000
Restricted cash	17,429,739
Restricted investments	<u>206,569</u>
<b>Total cash and investments</b>	<b><u>\$ 26,065,308</u></b>

**Cash and investments consisted of the following:**

Deposits with financial institutions	\$ 8,552,277
Local Agency Investment Fund	1,679,512
Investment firms	<u>15,833,519</u>
<b>Total cash and investments</b>	<b><u>\$ 26,065,308</u></b>

**Required Note Disclosures**

Acknowledging that deposits and investments of state and local governments are subject to various risks, the Governmental Accounting Standards Board Statement requires note disclosures about investment policies and five deposit and investment risks identified as custodial credit risk, credit risk, concentration of credit risk, interest rate risk and foreign currency risk.

**Investment Policy**

In October 1999 (Fiscal Year 2000), the Board of Commissioners of the Housing Authority formally adopted the Investment Policy, which was updated and approved on July 27, 2010. This Investment Policy identifies the specific types of deposits and investments which are authorized by that Investment Policy, by the Department of Housing and Urban Development (HUD) and by the California Government Code (CGC).

The Investment Policy of the Housing Authority does not name the five specific deposit and investment risks identified by GASB, but this Investment Policy does address these risks in principal by stating that it shall be the policy of the Housing Authority to invest funds in a manner which will provide the maximum safety, liquidity and reasonable investment return while meeting the daily cash flow demands of the Housing Authority and conforming to all statutes governing the investment of Housing Authority funds.

**Authorized Types of Deposits and Investments**

All types of deposits with financial institutions and all types of investments made by the Housing Authority during Fiscal Year 2015 were authorized by its own Investment Policy, by HUD and by the CGC. The type and value of these deposits with financial institutions and investments as of June 30, 2015 are identified below.

**Deposits with Financial Institutions**

**Insured Demand Deposit Accounts**

Bank of America	\$ 8,169,032	95.52%
-----------------	--------------	--------

**Other Deposit Accounts**

County of Riverside	14,780	0.17%
Petty Cash	1,000	0.01%

**Insured Money Market Deposit Accounts**

Bank of America	<u>367,465</u>	<u>4.30%</u>
<b>Total Insured Deposits</b>	<b><u>\$ 8,552,277</u></b>	<b><u>100.00%</u></b>



**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**Disclosure Required for Risks Related to Deposits with Financial Institutions**

**Custodial Credit Risk**

For **deposits**, **custodial credit risk** is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

The Investment Policy of the Housing Authority, HUD and the California Government Code do not address legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure such deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

**Investments**

**State Depository Funds**

Local Agency Investment Fund (LAIF)	\$ 1,679,512	9.6%
Trustee Indenture Funds		
US Bank Debt Service Funds	206,569	1.2%
Bank of New York Redevelopment Fund	15,626,950	89.2%
<b>Total Investments</b>	<b><u>\$ 17,513,031</u></b>	<b><u>100.0%</u></b>

**Disclosure Required for Risks Related to Investments**

**State Depository Funds**

All Housing Authority funds on deposit with the Local Area Investment Fund (LAIF) are subject to the California Government Code (CGC). All securities purchased by the LAIF are purchased under the authority of CGC Section 16430 and 16480.4. CGC Section 16429.3 states that money placed with the state treasurer for deposit in the LAIF shall not be subject to transfer, loan or impoundment by any state official or state agency. CGC Section 16429.4 states that the right of a qualified government agency to withdraw its deposited money from the LAIF upon demand may not be altered, impaired, or denied in any way by any state official or state agency based upon the State's failure to adopt a State Budget by July 1 of each new fiscal year.

**Trustee Indenture Funds**

All Housing Authority funds in the possession of US Bank, designated bond trustee, are subject to written debt agreements. US Bank, by written agreement with the Housing Authority, is required to put all available debt service funds of the Housing Authority into their First American Treasury Obligations Fund (Money Market Class Y Shares), which is invested exclusively in short-term US Treasury obligations and repurchase agreements secured by US Treasury obligations.

**Custodial Credit Risk**

For **investments**, **custodial credit risk** is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

All Housing Authority funds invested in LAIF and in Trustee Indenture Funds are subject to the California Government Code and to written debt agreements, respectively, and are not subject to any significant degree of custodial credit risk.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**Credit Risk**

For **investments**, **credit risk** is the risk that an issuer of an **investment** will not fulfill its obligation to the holder of the investment.

All Housing Authority funds invested in LAIF and in Trustee Indenture Funds are subject to the California Government Code and to written debt agreements, respectively, and are not subject to any significant degree of credit risk.

**Concentration of Credit Risk**

For **investments**, **concentration of credit risk** is the risk associated with the Authority having 5% or more of total investments with any one issuer. As show on the investment table on the previous page the Authority has two investments that exceed the 5% threshold.

**Interest Rate Risk**

For **investments**, **interest rate risk** is the risk that changes in market interest rates will adversely affect the fair value of or cash flow from an investment.

All Housing Authority funds invested in LAIF and any required cash flows from LAIF are subject to the California Government Code and are not subject to any significant degree of interest rate risk.

All Housing Authority funds invested in Trustee Indenture Funds are subject to written debt agreements and are not subject to any significant degree of interest rate risk.

**Foreign Currency Risk**

For **investments**, **foreign currency risk** is the risk that changes in the value of foreign currency will adversely affect the fair value of an investment.

All Housing Authority funds invested in LAIF and in Trustee Indenture Funds are subject to the California Government Code and to written debt agreements, respectively, and are not subject to any significant degree of foreign currency risk.

**3. ACCOUNTS RECEIVABLE**

Accounts receivable (net) includes tenant receivables (less allowance for bad debt), interest receivable, and miscellaneous receivables, as following:

**Accounts receivable (net)**

Tenant receivables

Current tenants	\$ 7,589
Noncurrent tenants	<u>204,458</u>
Gross tenant receivable	212,047
Less: allowance for bad debt	<u>(204,246)</u>
Net tenant receivables	7,801

Interest receivable

3,103

Miscellaneous receivables

29,096

**Total accounts receivable (net)**

**\$ 40,000**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**4. CAPITAL ASSETS**

A summary of the land, structures and equipment for the year ended June 30, 2015 is as follows:

	Beginning Balance	Additions	Deletions & Transfers	Ending Balance
<b>Non-depreciable Capital Assets:</b>				
Land	\$ 8,049,657	\$ -	\$ (1,418,621)	\$ 6,631,036
Development work-in-progress	1,310,421	265,997	(643,581)	932,837
Subtotal	<u>9,360,078</u>	<u>265,997</u>	<u>(2,062,202)</u>	<u>7,563,873</u>
<b>Depreciable Capital Assets:</b>				
Buildings and improvements	41,164,677	-	(59,999)	41,104,678
Equipment	1,385,644	54,818	(47,229)	1,393,233
Subtotal	<u>42,550,321</u>	<u>54,818</u>	<u>(107,228)</u>	<u>42,497,911</u>
<b>Total Capital Assets</b>	<b><u>51,910,399</u></b>	<b><u>320,815</u></b>	<b><u>(2,169,430)</u></b>	<b><u>50,061,784</u></b>
<b>Accumulated depreciation</b>	<u>(33,535,233)</u>	<u>(1,412,562)</u>	<u>52,033</u>	<u>(34,895,762)</u>
<b>Total</b>	<b><u>\$ 18,375,166</u></b>	<b><u>\$ (1,091,747)</u></b>	<b><u>\$ (2,117,397)</u></b>	<b><u>\$ 15,166,022</u></b>

Depreciation expense for the year ended June 30, 2015 was \$1,412,562.

In Fiscal Year 2015, work in progress included improvements to the Public Housing sites to meet energy conservation initiatives. These include the conversion of light poles and fixtures to solar panels in Rubidoux; installation of water pressure reducing valves at the Jackson Apartments; and new attic insulation for the Lake Elsinore properties.

**5. LONG-TERM LOANS RECEIVABLES (in thousands)**

The former Redevelopment Agency for the County of Riverside (RDA) made numerous loans as part of the **Redevelopment Housing Program (RHP)** and for various Infill Programs. The interest rates vary from 0% to 3% and the terms vary as well. The funds for this program were used for down payment assistance to low- and moderate-income households that have not owned homes within a three year period. RHP was available for households with an annual income that were not greater than 120% of the area median income as published by the CA Department of Housing and Community Development (HCD); and provided up to 20% of the purchase price with a 45 year affordability period as a "silent second" loan. The balance of these loans as of June 30, 2015 was \$1,590.

**The First Time Home Buyer Program (FTHB)** provided HOME funds for down-payment assistance to low- and very low-income households that have not owned homes within a three-year period. The program was available for households with an annual income that were no greater than 80% of the area median income as published by HUD. The FTHB Program provided up to 20% of the purchase price with a 15-year affordability period as a "silent second" loan. A variety of media were used to inform the public and potential homebuyers of the homebuyer assistance program. At June 30, 2015, the balance of these loans was \$340.

The RDA awarded a developer a grant to carry out its obligation to help eliminate blight and provide safe and decent affordable housing to its residents. The developer acquired 4 bank owned single family homes at a 1% discount, rehabilitated, and rented them to very low-income residents. All four homes were restricted to low-income households for a period of 55 years. The project was named the **Inland Empire Rescue Mission**. At June 30, 2015, the balance of these loans was \$996.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2015**

---

The **Manufactured Replacement Home Program (MHRP)** provided financial assistance to manufactured home owners for substandard dwelling units. The funds were disbursed to low-, very low-, and extremely low-income households for replacement and ancillary infrastructure improvements. The units were restricted by a 45 affordability covenant. At June 30, 2015, the balance of these loans was \$455.

The RDA entered into a Disposition and Development Agreement (DDA) with the Housing Authority of the County of Riverside to acquire 2 parcels located in the unincorporated community of **Home Gardens on Neece Street** for the purpose of constructing 2 single family homes. These homeownership opportunities were made available to low-income, first-time home buyers, and were occupancy-restricted for a minimum period of 45 years. The development loans were each secured by a Subordinate Deed of Trust. All accrued and unpaid interest and principal shall be forgiven, discharged and excused after the end of the Affordability Period ending on the 45<sup>th</sup> anniversary from the recordation of the Notice of Completion dated May 29, 2008. At June 30, 2015 the balance on the loan for **Anjana Kanda** was \$105; and the balance of the loan for **Francisco Beltran** was \$85.

In September 2002, the RDA entered into a loan agreement with **Mission Larue Limited** for a project known as **Mission Palms Senior Housing Project**, which provided construction and permanent financing of a 109-unit rental housing complex for independent living seniors in the Jurupa Valley. The loan is to be amortized over 55 years at 1% per annum. All outstanding principal along with accrued interest shall be due and payable on March 31, 2034. 29 equal payments shall be due each year until the term date. Annual payments are to be paid from available cash flow. Should there be insufficient cash flow within a given annual period, said annual payment is to be deferred and the annual interest will be added to the principal balance. At June 30, 2015 the balance of the loan was \$651.

In 2006-07, the RDA entered into a loan agreement for \$560 with the **Angel View Crippled Children's Foundation** for the development and construction of a single-family group home near Desert Hot Springs. The home was licensed by the California Department of Developmental Services as an Intermediate Care Facility/Developmentally Disabled -Nursing Facility that provides 24-hour personal care, developmental services, and nursing supervision for zero to three year old infants with disabilities who have been removed from their homes by court order. The loan shall accrue simple interest at 3% per annum on December 30, 2063. It is intended that the full amount of the loan will be forgiven at 55 years from the Certificate of Occupancy. At June 30, 2015, the balance of the loan was \$560.

In 2006-07, the RDA loaned \$1,500 to Coachella Valley Housing Coalition to assist in the development of 275 single family units of **Nuestro Orgullo Homes** designated to low-income residents. The principal of the loan bears interest at zero percent per annum and will be transferred to individual homebuyers as mortgage assistance in the form of a silent deed of trust forgiven in 45 years. It is intended that the full amount of the loan will be reduced by the mortgage assistance subsidies given to the low-income buyers. At June 30, 2015, the balance of the loan was \$1,500.

In 2007-08, the RDA loaned \$1,500 in low- and moderate-income housing funds to MCFA Partners, a California Limited Partnership, to help finance the development and construction of a rental housing complex know as **Clinton Family Apartments**, in the community of Mecca. The principal is to be amortized over 50 years at an interest rate of 3%. At June 30, 2015, the balance of the loan was \$1,500.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2015**

---

In November 2008, the RDA entered into a loan agreement with Paseo Housing Associates, L.P. to construct a 52-unit-for-rent mobile home park in the community of Mecca, known as **Paseo De Los Heroes II**. The principal of the loan is to be amortized over 55 years at 3% interest per annum, due and payable in full by December 31, 2065. At June 30, 2015 the balance of the loan was \$1,525.

With an allocation of CalHFA HELP Funds, RDA entered into a revolving loan agreement with CVHC for a 45 single family home affordable housing project, known as **Valencia Homes**, located in the community of Mecca. The term of the loan shall accrue simple interest at 1.5% per annum. It is intended that the full amount of the loan be forgiven in 45 years. At June 30, 2015, the balance of the loan was \$748.

In September 2009, the RDA entered into an agreement for the infill construction of a single family home in **North Shore**. The term of the loan is 55 years and shall be due in full on March 1, 2065. The principal of the loan is to be amortized at 1% per annum. At June 30, 2015 the balance of the loan was \$184.

In September 2006, the RDA entered into a loan agreement with a non-profit affordable housing developer to construct 10 single-family homes, known as the **Ripley/Mesa Verde Infill Housing Project**. The loan was converted to down-payment assistance for low-income first-time homebuyers with an affordability restriction of 45 years. At June 30, 2015 the balance of the homes was \$74.

In September 1999, the RDA entered into an agreement with a developer to improve and rehabilitate the **La Pena Mobile Home Park** in the community of Mecca. The debt obligation shall be fully amortized at an annual percentage rate of 3%. The term of the Promissory Note shall mature of December 1, 2030 and all of the then outstanding principal and interest shall be due and payable. At June 30, 2015 the balance on the loan was \$504.

In March 2010, the RDA entered into an agreement with **Operation Safe House, Inc.** in the amount of \$1,100. The loan bears no interest rate. The repayment of the loan shall be paid by the Borrower's annual payment of an amount equal to 50% of the residual receipts from operation of the Housing Project as determined by a residual receipts calculation from the operation of the Housing Project during the preceding calendar year and shall be paid within 90 days of each year-end. At June 30, 2015 the balance of the loan was \$400.

In June 2010, the RDA approved funding assistance to acquire and develop a site for a gated 80-unit affordable, multi-family community, known as **Legacy Apartments**. In February 2011, the funding allocation was memorialized through a loan agreement. The units serve low-income families with affordable rents for a period of 55 years. Funding included a conventional loan from Farmers & Merchant Bank; a loan from MHSA; a deferred developer fee; and Riverside County Transportation Uniform Mitigation Fee waiver; and the balance from tax credit equity financing. At June 30, 2015 the balance of the loan was \$7,300.

The RDA purchased a 7.43 acre parcel located in the unincorporated community of **Highgrove** to carry out its obligation to help eliminate blight and provide a safe and decent affordable housing to its residents. A public library has since been built on a section of the parcel and a housing project is being proposed for the balance on the parcel. RDA approved a loan for pre-development expenses related to entitlements of an affordable housing project. At June 30, 2015 the balance on the loan was \$398.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2015**

---

In February 2011, the RDA entered into an agreement with **Menifee Vineyards Limited Partnership** to acquire approximately 4.8 acres of land for the development and construction of an 81-unit apartment complex for low-income senior households in the City of Menifee. The term of the agreement is 55 years with an interest rate of 1% per annum. The principal and interest are due to be repaid in full force 55 years after the recordation of the first Certificate of Occupancy. At June 30, 2015 the balance on the loan was \$3,600.

In 1998-99, the RDA entered into a loan agreement with Wildomar Senior Partner, LP. To help finance the development of a low-income senior apartment complex, known as **Amber Thralls Sr. Apartments**. The loan terms provide for an amortization of principal at 1% interest for 30 years with an initial 10-year deferral after which time payments are due from the project's residual receipts. During 2000-01, RDA agreed to pay the Elsinore Valley Municipal Water District for sewer connection fees. At June 30, 2015 the balance of the loan and reimbursement agreement was \$3,068.

In 1996-97, the RDA sold the North Hemet parcel of land and received a note for Phase I and Phase II of the **Hemet Vistas project**. The note was amended to include the development portion of the note receivable. The principal is to be amortized over 55 years at an interest rate of 1%. Annual principal payments plus interest shall be paid from available net proceeds. In the event that there are insufficient net proceeds, the payment shall be deferred pursuant to the note. At June 30, 2015 the loan balance was \$1,581.

In May 2006, the RDA provided a loan for the development and construction of **Phase II of the Mission Palms Senior Apartments**. Phase II is located at the corner of La Rue Street and Mission Boulevard and was completed in June 2007. It consisted of 91 affordable rental units plus one on-site manager unit. The principal of the loan is to be amortized over 55 years and bears simple interest of 1% per annum. All Project Residual Receipts shall be paid 50% to Borrower and 50% to the Lender until the Promissory Note is paid in full. All outstanding principal along with accrued interest shall be due and payable on July 1, 2063. At June 30, 2015 the balance of the loan was \$394.

In September 2008, the RDA and **Mission Village Senior Apartments**, a California limited partnership entered into an Affordable Housing Agreement for a loan that bears simple interest at 3% per annum based on the amount advanced by RDA. The 102-unit affordable senior apartment complex was constructed in the unincorporated community of Glen Avon. The loan shall be paid annually equal to 50% of the residual receipts from the operation of issuance of a Certificate of Occupancy for all units. At June 30, 2015 the balance of the loan was \$10,474.

In January 2009, the RDA entered into an agreement for a pre-development loan with a developer, Northtown Housing Development Corporation, to obtain entitlements to the property for the **Cottonwood Mobile Home Park** project. At June 30, 2015 the balance of the loans was \$100.

In October 2009, the RDA entered into an agreement with **Inspire Life Skills Training, Inc.** for the use of low- and moderate-income housing set-aside funds to improve and increase the supply of affordable housing in the unincorporated area of Riverside County. The funds were also used to acquire and rehabilitate 1 single-family property and rent to a very low-income household. At June 30, 2015 the balance of the loan was \$328.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2015**

---

In 2001-02, the RDA loaned \$800 in low- and moderate-income housing funds to the **Mecca Family Housing Associates**, A California Limited Partnership, to assist in financing the Mecca Family Housing Development. The loan terms provide for payment on demand, or if no demand is made, the loan shall be deferred for a period of 660 months and shall have a maturity date of July 1, 2056. In 2006, an additional \$70 was loaned by RDA. The loan carries a zero percent interest rate. At June 30, 2015 the balance on the loan was \$870.

The RDA made numerous loans as part of the **Home Improvement Program (HIP)** and First Time Home Buyer's Program. Each loan is to be repaid in a single payment upon sale, conveyance, alienation or transfer of the property to other than the present owner of record or surviving joint tenant. The loans bear no interest and the payoff amount is equal to the principal amount plus the proportionate share of the equity in the property. June 30, 2015 the total balance for these loans was \$260.

The RDA purchased the **Date Palm Mobile Home Park** located outside the city limits of Indio in the unincorporated area of the County for the purpose of carrying out its obligation to help eliminate blight and provide safe and decent affordable housing to its residents. RDA relocated the residents that were living in the park and demolished all structures on site. The RDA then provided a pre-development loan for expenses related to entitlements for a new 80-unit affordable housing complex with numerous amenities. On June 29, 2010, RDA approved a loan to fill the financing gap related to construction. Other funding sources include a loan from the State of California Department of Housing and Community Development Multifamily Housing Program, and a tax credit equity contribution. A total of 68-assisted units were reserved for low-income households for an affordability period of at least 55 years. At June 30, 2015 the balance of the loan was \$7,698.

The **Mobile Home Tenant Loan (MHTL) Program** was established to improve substandard living conditions of mobile home owners living in un-permitted mobile home parks. This program provided financial assistance to mobile home owners with a 0% interest loan. The funds were used to purchase a unit that replaced the existing substandard unit, which were installed in a permitted site. As supplement to the MHTL loan, HCD's Joe Serna Jr. Farm Worker Housing Grant Program was utilized to provide a matching source of funds. It is intended that the properties would remain as affordable for a prescribed length of time, and in the event that a property was sold during this time, the Housing Authority has a right of first refusal to purchase the said property at a price agreed to between the parties. This requirement is in effect for 45 years from the date of close of escrow. At June 30, 2015 the total balance on the loans was \$11,957.

The RDA made housing loans as part of the **Agricultural Housing Loan (AGHL) Program** for the Coachella Valley. The loans bear various interest rates ranging from 0% interest to a 3% fixed rate. Payments shall be deferred for the initial 10 years of the term. All outstanding principal along with accrued interest shall be due and payable with a single and final payment due and payable in 40 years. At maturity if it is determined that the borrower is not currently in default nor has been in default at any time prior to the review then a prorated amount shall be forgiven and reduced from the total principal and all interest through the date of the review shall also be forgiven. At June 30, 2015 the total balance of the loans was \$1,141.

The former Coachella RDA also entered a loan agreement in 2001 with **Simpson Housing Investors, Inc.** to help build the **El Jardin Apartments**. This is an 81 unit low income apartment project. The loan amount was \$906 and has a 30 year term. The interest rate is 3% per year for the first 15 years and prime plus 2% per year for the second 15 years. Payments are due annually per available cash flow analysis per loan requirements. As of June 30, 2015, the balance of the loan was \$1,280.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2015**

---

In April 2008, the RDA provided Desert Empire Homes funding to develop a 398-space mobile home park, **Mountain View Estates**, situated on approximately 50 acres. The project received RDA set-aside funds and private financing. The project received US Department of Agriculture Rural Business Enterprise Grant and the US Department of Agriculture Water and Waste Disposal Loan and Grant Funds Program. The project was planned for two phases. The first phase consisted of 180 spaces plus one manager's unit and a community center. The second phase to be built in the future would include the remaining mobile home spaces. A minimum of 90 mobile home park spaces in the development were set aside for very low-income households for a period of at least 55 years. The MHTL program provided financial assistance to mobile home owners with a 0% interest loan. The funds were used to purchase a unit that replaced the existing substandard unit, which were installed in a permitted site. As supplement to the MHTL loan, HCD's Joe Serna Jr. Farm Worker Housing Grant Program was utilized to provide a matching source of funds. It is intended that the properties would remain as affordable for a prescribed length of time, and in the event that a property was sold during this time, the Housing Authority has a right of first refusal to purchase the said property at a price agreed to between the parties. This requirement is in effect for 45 years from the date of close of escrow. At June 30, 2015 the total balance of the loans was \$9,395.

In July 2009, the RDA entered into an agreement with **SL-Imperial, LLC**. The purpose of the loan agreement was to fund a pilot program, whereby SL-Imperial would acquire foreclosed homes, repair and rehabilitate the homes, then sell them to first-time home buyers whose income was less than 120% of the county are median income. Upon sale of the homes, the pre-development and construction loans were converted to a grant and the proceeds were used for the down payment assistance to eligible home buyers. At June 30, 2015 the total balance of the loans was \$1,557.

The former Coachella RDA, whose loans the Housing Authority of the County of Riverside now services, made a number of **Affordable Housing Loans**. These loans were made between 2002 and 2007 and have a 1% to 3% annual interest rate. The loans all have 30 year terms and no payment due until the maturity date. As of June 30, 2015, the total balance of the loans was \$47.

The former Coachella RDA also made a number of **First Time Homebuyer Down Payment Assistance Program** loans. These loans were made between 2008 and 2009 and all have a 1% annual interest rate. The loans all have 30 year terms and no payment due until the maturity date. As of June 30, 2015, the balance of the loans was \$788.

The former Coachella RDA also made a number of **First Time Homebuyer** loans. These loans were made between 1997 and 1998 and all have a 7% annual interest rate. These loans all have 30 year terms and monthly payments are currently due. As of June 30, 2015, the balance of the loans was \$28.

The former Coachella RDA also entered a loan agreement in 2009 with **Coachella Leased Housing Association** to help build the **Desert Palms Apartments**. This is a 111 unit low income apartment project. The loan amount was \$500 and has a 55 year term. The interest rate is 0% per year. There is no payment due until the end of the term at which time the entire principal is due. As of June 30, 2015, the balance of the loan was \$500.



**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**6. REVENUE BONDS PAYABLE**

**Refunding Revenue Bonds 1998 Series A**

On January 27, 1998, the Authority issued \$2,405,000 of Refunding Revenue Bonds, 1998 Series A (Corona Project). The bonds were issued to provide a portion of the funds needed to advance refund \$52,270,000 of outstanding Revenue Bonds, Issue A of 1988. The net proceeds of this bond issue were used, together with \$45,674,896 received from the sale of certain property plus certain reserve and sinking fund monies, to purchase U.S. Government Securities. These securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt services payments on the Revenue Bonds, Issue A of 1988. As a result, the Revenue Bonds, Issue A of 1988, are considered to be defeased and the liability for those bonds has been removed from the Authority Project's statement of net position.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$1,388,754. This difference, reported in the accompanying financial statements as a deferred outflow of resources, is being charged to operations through the year 2018 using the straight-line method. The economic gain or loss that resulted from this advance refunding is not available.

The 1998 bonds consist entirely of term bonds of which \$780,000 of the term bonds matured on December 1, 2007 and accrued interest at 6.25%. The remaining \$1,625,000 of term bonds mature on December 1, 2018 and accrue interest at 6.85%. Interest on the bonds is payable semiannually on June 1 and December 1 of each year, commencing June 1, 1998. The bonds maturing December 1, 2007 and December 1, 2018 are subject to mandatory sinking fund redemption beginning on December 1, 1998 in amounts ranging from \$80,000 to \$200,000. The redemption price is equal to the principal amount thereof to be redeemed, without premium, plus accrued interest thereon to the date of redemption.

The bonds are secured by an agreement with the City of Corona, which has pledged to pay \$218,000 to the Housing Authority each year until the bonds are redeemed in their entirety on December 1, 2018. The bond indenture requires the Housing Authority to remit the entire \$218,000 received each year to the bond trustee to pay for the bond's annual debt service payments. The Housing Authority reports the \$218,000 received each year as revenue. MBIA Insurance Corporation has issued a surety bond in lieu of a cash funded reserve. The outstanding balance as of June 30, 2015 before applying the deferred charge was \$730,000.

*Summary of activity.* The following is a schedule of changes in long-term bonds payable for the year ended June 30, 2015:

	Balance at	Principal		Balance at
	June 30, 2014	Additions	Deletions	June 30, 2015
1998 Series A	\$ 885,000	\$ -	\$ (155,000)	\$ 730,000
Less current portion	(155,000)	(165,000)	155,000	(165,000)
Totals	<u>\$ 730,000</u>	<u>\$ (165,000)</u>	<u>\$ -</u>	<u>\$ 565,000</u>

*Interest payable.* The accrued interest payable consists of unpaid interest accrued on outstanding bonds that are due and payable within one year of the balance sheet date. Below is a summary of the accrued interest payable balance at June 30, 2015:

Revenue Bonds – 1998 Series A	<u>\$ 4,167</u>
-------------------------------	-----------------

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2015**

*Debt service requirements to maturity.* The annual requirements to amortize outstanding long-term bonds payable of the Authority as of June 30, 2015 are as follows:

Year ending June 30	1998 Series A		
	Principal	Interest	Total
2016	\$ 165,000	\$ 44,354	\$ 209,354
2017	175,000	32,709	207,709
2018	190,000	20,208	210,208
2019	200,000	6,850	206,850
Total Debt Service	730,000	104,121	834,121
Less: Interest payments			(104,121)
Outstanding Principal			730,000
Less: Current portion			(165,000)
Balance Long Term			<u>\$ 565,000</u>

**7. NOTES PAYABLE**

The Authority had notes payable as of June 30, 2015 as follows:

USDA Rural Development	\$ 3,795,110
County of Riverside	1,527,185
Farmworker Housing Grant	3,000,000
Total	<u>\$ 8,322,295</u>

*Notes payable descriptions.*

In Fiscal Year 2006, the ownership of the Ripley Migrant Center property was transferred from the State of California to the Housing Authority. Title of the property was granted to the Housing Authority in consideration of a Note Payable to the U.S. Department of Agriculture (USDA) for \$3,795,000 and another Note Payable to the State Farmer Housing Grant Program for the award of \$3,000,000. The total Notes Payable of \$6,795,000, which was set as the value of the buildings, is not subject to any liens and encumbrances as long as the construction, development, rehabilitation and operation of the rental units are fulfilled for a period of 20 years.

The Authority requested a loan of \$1,600,000 from the County of Riverside to pay off outstanding principal and interest on predevelopment loans for entitlements, land carrying costs, design, architecture and engineering costs attributable to Tres Lagos Senior Apartments in the City of Wildomar. This loan amount includes transaction fees to consummate the transfer of the vacant property from Wildomar Tres Lagos Limited Partnership to the Housing Authority. The balance of the loan was \$1,527,185 as of June 30, 2015. The Housing Authority plans to pay off the County loan from the sale of Housing Authority land assets in Fiscal Year 2015-2016.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**8. BOND CONDUIT FINANCING**

The Authority is associated with the issuance of the following tax exempt Mortgage Revenue Bonds (Bonds) that were issued for various development firms. The Bonds are not and will never become general obligations of the issuer but are limited obligations of the issuer and are payable solely from the sources set forth in the indenture. The Bonds and the premium, if any, and interest thereon do not and never shall constitute a debt or an indebtedness or an obligation of the issuer or the State of California (State) or any other political subdivision of the State or a loan of the faith or credit or the taxing power of any of them, within the meaning of any constitutional or statutory provisions, nor shall the Bonds be construed to create any moral obligation on the part of the issuer, the State or any other political subdivision of the State with respect to the payment of the Bonds. The Bonds shall not be payable from the general revenues of the issuer and in no event shall the Bonds be payable out of any funds or properties other than those specifically pledged therefor. The issuer has no taxing power. As of June 30, 2015, the outstanding balances of these Revenue Bonds are as follows:

Description	Issue Date	Final Maturity Date	Amount of Issue	Outstanding Balance June 30, 2015
Tyler Village, Series C	1999	2027	\$ 9,000,000	\$ 7,600,000
Ridgecrest, Series B	1999	2032	5,300,000	4,970,000
Wildomar, Series A	1999	2029	6,700,000	4,735,000
Mission Village, Series A-1	2008	2040	3,019,918	2,800,763
Total Issuances			\$ 24,019,918	\$ 20,105,763

**9. ARBITRAGE REBATE TO FEDERAL AGENCY**

The Internal Revenue Code of 1986, Sections 103 and 141 through 150, details the amount of interest earnings an issuer of tax-exempt bonds can earn on the proceeds. The interest earnings rate cannot exceed the yield on the tax-exempt revenue bonds. The issuer is required to rebate to the federal government any excess earnings.

Every fifth year, until the last revenue bond is paid or redeemed, an arbitrage calculation is required and an installment is due. At least ninety percent of the arbitrage calculation is required to be paid at the installment due date.

Since the Housing Authority's 1998 Series A Bond is taxable at the Federal level, it has been deemed that this bond is not subject to arbitration rebate.

This Space Intentionally Left Blank

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**10. PENSION PLAN**

*General Information about the Pension Plan*

*Plan descriptions.* Through the County of Riverside, the Authority contracts with the CalPERS to provide retirement benefits to its employees. CalPERS is a common investment and administrative agent for participating public entities within the State of California. State statutes governed by the Public Employees' Retirement Law (PERL), have established benefit provisions as well as other requirements. The County may select from a variety of optional benefit provisions offered by CalPERS. Upon selecting the benefit provisions and entering into a contractual agreement with CalPERS, the benefit provisions may be adopted through local ordinance. CalPERS issues a comprehensive annual financial report (CAFR) which details its plan assets, liabilities, and plan activity. The County receives an annual actuarial valuation report which summarizes plan assets, liabilities, and employer rates for its plans. Under GASB Statement No. 68, both the County and the Authority are agent multiple-employer defined benefit pension plans due to their pooling composite. Copies of the CalPERS CAFR may be obtained from: California Public Employees' Retirement System, 400 Q Street, P.O. Box 942701, Sacramento, CA 94229-2701.

*Benefits provided.* CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and plan beneficiaries. County of Riverside has three retirement Tiers through the CalPERS. Tier I – Applicable to employees hired prior to 8/23/2012. Formula is 3% at age 60. Tier II – Applicable to employees hired on or after 8/23/2012 through 12/31/2012. Formula is 2% at age 60. Tier III – Applicable to new CalPERS members hired on or after 01/01/2013 as a result of Public Employees' Pension Reform Act of 2013(PEPRA), new lower retirement benefit formulas, final compensation periods, and contribution requirements were implemented. Formula is 2% at age 62. Listed below is a table with the new retirement options and provision changes.

	Plan	EPMC	Earliest Retirement Ages	PEPRA Comp. Limits	Final Comp.	Effective Date
Tier I	3% at 60	Yes	50	NA	12 Months	NA
Tier II	2% at 60	No	50	NA	36 Months	8/23/2012
Tier III (PEPRA)	2% at 62	No	52	\$117,020	36 Months	1/1/2013

*Contributions.* Active plan members in CalPERS may be required to contribute up to 8% of their annual covered salary as specified in the governing Memorandum of Understanding (MOU) or as provided by state statute. The employer contribution rate is established and may be amended by CalPERS. The actuarial methods and assumptions used to establish the employer contribution rate are adopted by the CalPERS Board of Administration. The County and Authority are required to contribute the actuarially determined annual required contributions necessary to fund the plans.

For fiscal year 2014-15, the employer and employee contribution rates were:

Contribution rates:	County	Members
Tier I	14.5%	8.0%
Tier II	14.5%	7.0%
Tier III	14.5%	6.5%