



ACTION	TYPE OF ITEM
<input type="checkbox"/> Approved Recommendation	<input checked="" type="checkbox"/> Info/Consent
<input type="checkbox"/> Ord. No(s). _____	<input type="checkbox"/> Report
<input type="checkbox"/> Res. No(s). _____	<input type="checkbox"/> Public Hearing (Info/consent)
<input type="checkbox"/> Other _____	<input type="checkbox"/> Other _____

Prepared By: Carrie Sabatini Agenda Item No. I-8

Reviewed By: City Manager [Signature] City Attorney [Signature] Finance [Signature] Other _____

DATE: December 28, 2007

TO: Housing Authority Board of Commissioners

FROM: Salvador Gonzalez, Housing Director
Housing Authority [Signature]

SUBJECT: Write-Off Policy of Public Housing Tenant Accounts

RECOMMENDATION

That the Board of Commissioners of the Housing Authority of the City of Oxnard ("Board") adopt a resolution designating the Housing Finance Officer as authorized to write-off public housing tenant accounts receivable.

DISCUSSION

Upon move-out of Public Housing tenants, there are occasions whereby tenants leave the unit and program owing money to the Oxnard Housing Authority ("OHA"). Every effort is made by staff to collect those balances; however, some balances of former tenants cannot be collected – their whereabouts may be unknown, they may be deceased, etc. Generally Accepted Accounting Principles ("GAAP") requires that accounts receivable be reported at their net realizable value; or the value at which all accounts are expected to be collected. Keeping uncollectible accounts on the financial statements of the Housing Authority would misrepresent the value of the outstanding accounts. The OHA, therefore, has put into its Admission and Continued Occupancy Policies ("ACOP") criteria for determining which accounts are to be deemed uncollectible, and therefore to be proposed for write-off. The PIH Low-Rent Technical Accounting Guide (1996) requires that account write-offs be approved by the Board; it also provides that the Board may designate an official to whom such authority may be delegated. Staff recommends that the Board designate the Housing Finance Officer as the official with former tenant write-off authority up to the amount of Collection Loss approved by the Board in the annual Low Rent Public Housing budget using the ACOP criteria for selecting accounts.

Pursuant to the ACOP, once written-off, the Housing Authority does not forgive the debt; rather the debt is assigned to a collection agency for further collection efforts.

FINANCIAL IMPACT

None

Attachments: 1-Resolution
2-FY 2008 ACOP Chapter 14 – Family Debts to the OHA

HOUSING AUTHORITY OF THE CITY OF OXNARD

RESOLUTION NO. _____

A RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF OXNARD
DESIGNATING THE HOUSING FINANCE OFFICER AS AUTHORIZED TO WRITE OFF
FORMER TENANTS ACCOUNTS RECEIVABLE

WHEREAS, on occasion, tenants vacate Housing Authority's public housing units operated by the Housing Authority of the City of Oxnard ("Housing Authority"), leaving unpaid amounts due to the Housing Authority; and

WHEREAS, Housing Authority staff attempts to collect these balances; and

WHEREAS, on occasion, Housing Authority staff determines that the balances are uncollectible pursuant to the Admissions and Continued Occupancy Policy; and

WHEREAS, continually reporting these uncollectible balances as accounts receivable distorts the Housing Authority's financial records; and

WHEREAS, in the past, the Housing Authority Commission has, by resolution, from time to time resolved that uncollectible tenant accounts transferred to accounts receivable to a collection losses account; and

WHEREAS, "PIH Low Rent Technical Accounting Guide (1996)" authorizes the Housing Authority Commissioners to delegate an officer to determine whether accounts are uncollectible and to transfer these accounts from accounts receivable to collection losses account;

NOW, THEREFORE, the Commissioners of the Housing Authority of the City of Oxnard hereby resolve that the Housing Finance Officer is authorized to approve the write-off of ex tenant accounts receivable up to the amount approved by the Board of Commissioners during the budget adoption process.

PASSED AND ADOPTED THIS _____ day of _____, 2007, by the following vote:

AYES:

NOES:

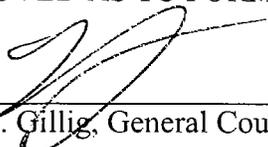
ABSENT:

Dr. Thomas E. Holden, Chairman

ATTEST:

Daniel Martinez, Secretary Designate

APPROVED AS TO FORM:



Gary L. Gillig, General Counsel

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CHAPTER 14

FAMILY DEBTS TO THE OHA

INTRODUCTION

This Chapter describes the OHA's policies for the recovery of monies which have been underpaid by families. It describes the methods that will be utilized for collection of monies and the guidelines for different types of debts. It is the OHA's policy to meet the informational needs of families, and to communicate the program rules in order to avoid family debts. Before a debt is assessed against a family, the file must contain documentation to support the OHA's claim that the debt is owed. The file must further contain written documentation of the method of calculation, in a clear format for review by the family or other interested parties.

When families or owners owe money to the OHA, the OHA will make every effort to collect it. The OHA will use a variety of collection tools to recover debts including, but not limited to:

- ◆ Requests for lump sum payments
- ◆ Civil suits
- ◆ Payment agreements
- ◆ Collection agencies
- ◆ Credit bureaus
- ◆ Income tax set-off programs

A. PAYMENT AGREEMENT FOR FAMILIES

A Payment Agreement as used in this Plan is a document entered into between the OHA and a person who owes a debt to the OHA. It is similar to a promissory note, but contains more details regarding the nature of the debt, the terms of payment, any special provisions of the agreement, and the remedies available to the OHA upon default of the agreement.

Any failure to report income or any other required changes to the Housing Program Supervisor, or designee, within ten (10) calendar days of the change which results in any retroactive rent increase, and/or any debt owed to the Housing Authority for damages, or as a result of previous tenancy in any housing program, shall be due and payable thirty (30) calendar days from the date of the notice to the family specifying the amount owed.

1. Extenuating Circumstances

The Housing Program Supervisor may allow a family who owes a debt to the Housing Authority to enter into a Repayment Agreement under the following circumstances:

- a. Any failure to report income changes was not an intentional misrepresentation of income; and
- b. The debt is greater than fifty (50%) percent of the family's gross monthly income; and

- c. The family does not immediately have the funds available to repay the debt in full, but is cooperative and willing to accept responsibility for the debt.

2. Repayment Agreement

Repayment Agreements shall be due and payable per the same terms and conditions as apply to the payment of monthly rent. The Repayment Agreement is to be signed by the Housing Authority staff person executing the agreement and the family head of household, and/or spouse if on the lease.

3. Late Payments

- a. A payment will be considered to be in arrears if the payment has not been received by the close of the business day on which the payment was due. If the due date is on a weekend or holiday, the due date will be at the close of the next business day.
- b. If the family's payment agreement is in arrears, the OHA will:
 - 1) Require the family to pay the balance in full.
 - 2) Terminate tenancy.
- c. If the family requests a transfer to another unit and has a payment agreement in place and the payment agreement is not in arrears, the family will be permitted to move.

4. Delinquent Payments

If the family skips two or more payments during a twelve-month period of their payment agreement, the family must pay the delinquent payments 30 days prior to their anniversary month and must keep the account current. Otherwise, the OHA will be unable to renew the housing residential dwelling lease, which will result in the termination of their housing assistance. The account will then be referred to a collection agency. The OHA may make an exception if the family has extenuating circumstances.

5. Payment Schedule for Monies Owed to the OHA

a. Initial Payment Due

- 1) A minimum down payment of one-third of the debt due is required before a Repayment Agreement will be executed. The remainder of the balance will be due as follows:

BALANCE OWED	MAXIMUM TERM
0 - \$500	3 - 6 months
\$501 - \$1.000	6 - 10 months

BALANCE OWED	MAXIMUM TERM
\$1,001 - \$2,500	12 - 18 months
\$2,501 - \$5,000	18 - 24 months

- 2) The minimum monthly amount of payment for any Repayment Agreement is \$50 and maximum terms are listed above.
 - b. There are some circumstances in which the OHA will not enter into a payment agreement. They are:
 - 1) If the family already has a payment agreement in place
 - 2) If the OHA determines that the family has committed program fraud
 - 3) If the OHA determines that the debt, due to fraud or failure to report income, is so large that it would take more than five years to repay
6. Guidelines for Payment Agreements
- a. Payment agreements will be executed between the OHA and head of household and spouse.
 - b. The Tenant Rent plus the monthly repayment amount will be reviewed at execution of the payment agreement to ensure that these two amounts do not exceed 50 percent of the total family monthly income, so as to avoid financial hardship for the family.
 - c. Monthly payments may be decreased in cases of hardship with the prior notice of the family, verification of the hardship, and the approval of the Housing Program Supervisor.
 - d. No transfer will be approved until the debt is paid in full unless the transfer is the result of the following causes, and the payment agreement is current:
 - 1) Family size exceeds the maximum Occupancy Guidelines
 - 2) A natural disaster

7. Additional Monies Owed

If the family has a payment agreement in place and incurs an additional debt to the OHA, the OHA will not enter into more than one payment agreement at a time with the same family.

B. DEBTS DUE TO FRAUD/NONREPORTING OF INFORMATION

HUD's definition of program fraud and abuse is a single act or pattern of actions that constitutes false statement, omission, or concealment of a substantive fact, made with intent to deceive or mislead.

1. Family Error/Late Reporting

Families who owe money to the OHA due to the family's failure to report increases in income will be required to repay in accordance with the payment procedures for program fraud, below.

2. Program Fraud

- a. Families who owe money to the OHA due to program fraud will be required to repay it in accordance with the payment procedures for program fraud, below.
- b. If a family owes an amount which equals or exceeds \$5,000, or other thresholds established by HUD as a result of program fraud, the case will be referred to the Inspector General. Where appropriate, the OHA will refer the case for criminal prosecution.

3. Payment Procedures for Program Fraud

Families who commit program fraud or untimely reporting of increases in income will be subject to the following procedures:

- a. The duration of the agreement will not exceed the duration of the violation.
- b. The family will be required to prepay 10 percent of the amount owed prior to or upon execution of the payment agreement, provided that this initial payment does not conflict with other maximum monthly payments or maximum duration limits described in this Chapter.
- c. The maximum time period for a larger payment agreement between \$5,000 and \$10,000 will be 60 months.
- d. The maximum amount for which the OHA will enter into a Repayment Agreement with a family is \$10,000.
- e. The amount of the monthly payment will be determined in accordance with the family's current income, but shall not exceed maximum terms as described in this Chapter.

C. WRITING OFF DEBTS

Debts may be written off if:

1. The debtor's whereabouts are unknown and the debt is more than two years old.
2. A determination is made that the debtor is judgment proof.
3. The debtor is deceased.

4. The debtor is confined to an institution indefinitely or for more than two years.
5. The amount is less than \$100 and the debtor cannot be located.

Written off does not mean the debt is forgiven, rather the debt is assigned to a collection agency for further collection efforts. An exception would apply if the debtor is deceased or judgment proof.