



Good Neighbors

San Diego
Housing Commission

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INFORMATIONAL REPORT

DATE ISSUED: July 26, 2006

REPORT NO: HCR06-57

SUBJECT: Annual Report of FY06 Collection Write-Offs
(Citywide)

NO ACTION IS REQUIRED ON THE PART OF THE HOUSING COMMISSION

SUMMARY

The Property Management Section provides management functions for 1,746 publicly owned housing units. One major responsibility is collection of rent. Costs resulting from occupancy are charged to residents upon move-out. The classification of charges is: unpaid rent, late fees, maintenance, resident-caused damages and court-defined legal fees. Occasionally, a former resident owing a debt will fail to meet that obligation for various reasons. The debt is then designated as a write-off. Current practice calls for writing-off accounts older than 90 days.

Although an account is written off, the file on each resident is retained in a collection status. A person owing a debt to the Commission is not provided rental assistance at any future date unless the debt is liquidated. All debt in excess of \$100 is sent to a collection agency. In addition, other methods of pursuing collection include judgments, abstracts, and garnishment of wages. In FY05, participation in the Franchise Tax Board Interagency Intercept Collection Program was initiated, whereby debtor tax refunds and lottery winnings are intercepted and forwarded to the Housing Commission.

On February 22, 1980, the Commission delegated authority to the Chief Executive Officer to write off uncollectible accounts to collection losses. The Commission also required the Chief Executive Officer to submit quarterly reports on actions taken regarding write-offs. In 1995, frequency of this report was modified to once a year.

The acceptable HUD standard for collection loss is ten percent of rental income per year. In the past five years, the Housing Commission average collection loss has been about 0.89% percent. In FY06, it was 1.12%, up from 0.78% prior fiscal year.



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In FY06 collection loss was \$130,321.28. Collection loss recovery for FY06 through judgments, abstracts, garnishment of wages and Franchise Tax Board intercepts was \$31,071.64.

Although the Housing Commission is well below the HUD standard and within Board-approved budget limits, staff continues its collection efforts in FY07 to reduce this loss.

A breakdown of annual write-offs and a history of collection losses are provided as Attachments 1 and 2.

DESCRIPTION AND AMOUNT OF WRITE-OFFS FOR FY06						
PROGRAM	RENT	MAINT	LATE	LEGAL	SUNDRY	TOTAL
Conventional - HUD	\$34,128.95	\$55,090.14	\$3,001.02	\$4,262.30	\$225.00	\$96,707.41
Belden	2,019.20	5,985.29	150.00	1,514.00	0.00	\$9,668.49
State Rental	4,438.25	3,465.78	575.00	989.00	50.00	\$9,518.03
University Canyon	2,849.56	383.58	50.00	0.00	30.15	\$3,313.29
Maya Apartments	1,902.31	7,954.75	731.00	451.00	75.00	\$11,114.06
City-Owned Sites	0.00	0.00	0.00	0.00	0.00	\$0.00
Local	0.00	0.00	0.00	0.00	0.00	\$0.00
Foreclosed	0.00	0.00	0.00	0.00	0.00	\$0.00
Total:	\$45,338.27	\$72,879.54	\$4,507.02	\$7,216.30	\$380.15	\$130,321.28

Respectfully submitted,

Steve Snyder
 Director of Facilities

**Signature on File
 With Original Document**

Approved by,

Elizabeth C. Morris
 President & Chief Executive Officer

Attachment(s): 1. Quarterly Write-Off Totals for FY06
 2. Prior Year Write-Offs

VACATED ACCOUNTS AS OF JUNE 30, 2006
4TH QUARTER FY-06

ATTACHMENT 1

DESCRIPTION OF AMOUNT DUE

	RENT	MAINT	LATE FEES	LEGAL	SUNDRY	TOTAL
HUD CONVENTIONAL - TOTAL						
1ST QTR	5780.16	21555.40	725.00	2090.30	75.00	30225.86
2ND QTR	10425.24	9480.08	599.98	601.00	50.00	21156.30
3RD QTR	3756.52	13332.42	650.00	701.00	0.00	18439.94
4TH QTR	16186.23	16707.53	1176.04	2384.00	100.00	36553.80
FY06 YTD	36,148.15	61,075.43	3,151.02	5,776.30	225.00	106,375.90
STATE RENTAL						
1ST QTR	1,042.03	2,118.21	100.00	38.00	0.00	3,298.24
2ND QTR	210.74	15.87	75.00	0.00	0.00	301.61
3RD QTR	539.92	183.26	75.00	0.00	0.00	798.18
4TH QTR	2,645.56	1,148.44	325.00	951.00	50.00	5,120.00
FY06 YTD	4,438.25	3,465.78	575.00	989.00	50.00	9,518.03
UNIVERSITY CANYON						
1ST QTR	2,455.50	383.58	0.00	0.00	30.15	2,869.23
2ND QTR	0.00	0.00	0.00	0.00	0.00	0.00
3RD QTR	394.06	0.00	50.00	0.00	0.00	444.06
4TH QTR	0.00	0.00	0.00	0.00	0.00	0.00
FY06 YTD	2,849.56	383.58	50.00	0.00	30.15	3,313.29
FORECLOSED						
1ST QTR	0.00	0.00	0.00	0.00	0.00	0.00
2ND QTR	0.00	0.00	0.00	0.00	0.00	0.00
3RD QTR	0.00	0.00	0.00	0.00	0.00	0.00
4TH QTR	0.00	0.00	0.00	0.00	0.00	0.00
FY06 YTD	0.00	0.00	0.00	0.00	0.00	0.00
CITY						
1ST QTR	0.00	0.00	0.00	0.00	0.00	0.00
2ND QTR	0.00	0.00	0.00	0.00	0.00	0.00
3RD QTR	0.00	0.00	0.00	0.00	0.00	0.00
4TH QTR	0.00	0.00	0.00	0.00	0.00	0.00
FY06 YTD	0.00	0.00	0.00	0.00	0.00	0.00
MAYA						
1ST QTR	162.50	1,711.26	50.00	0.00	0.00	1,923.76
2ND QTR	1,134.11	3,070.90	400.00	451.00	25.00	5,081.01
3RD QTR	605.70	3,172.59	281.00	0.00	50.00	4,109.29
4TH QTR	0.00	0.00	0.00	0.00	0.00	0.00
FY06 YTD	1,902.31	7,954.75	731.00	451.00	75.00	11,114.06
LOCAL						
1ST QTR	0.00	0.00	0.00	0.00	0.00	0.00
2ND QTR	0.00	0.00	0.00	0.00	0.00	0.00
3RD QTR	0.00	0.00	0.00	0.00	0.00	0.00
4TH QTR	0.00	0.00	0.00	0.00	0.00	0.00
FY06 YTD	0.00	0.00	0.00	0.00	0.00	0.00
ALL PROGRAM SUMMARY						
1ST QTR	9,440.19	25,768.45	875.00	2,128.30	105.15	38,317.09
2ND QTR	11,770.09	12,566.85	1,074.98	1,052.00	75.00	26,538.92
3RD QTR	5,296.20	16,688.27	1,056.00	701.00	50.00	23,791.47
4TH QTR	18,831.79	17,855.97	1,501.04	3,335.00	150.00	41,673.80
FY06 YTD	45,338.27	72,879.54	4,507.02	7,216.30	380.15	130,321.28

PRIOR YEARS' WRITE-OFF

FISCAL YEAR	ACTUAL INCOME	COLLECTION LOSSES	% OF LOSS TO TOTAL INCOME
1978	786,540	139,950	17.79%
1979	439,638	109,984	25.02%
1980	282,257	12,873	4.56%
1981	515,602	12,204	2.37%
1982	471,221	2,221	0.47%
1983	1,010,111	4,409	0.44%
1984	1,342,141	18,018	1.34%
1985	2,186,223	31,900	1.46%
1986	3,565,181	77,899	2.18%
1987	3,482,792	89,013	2.56%
1988	3,680,577	105,124	2.86%
1989	4,191,243	138,072	3.29%
1990	4,534,778	93,910	2.07%
1991	5,561,745	145,337	2.61%
1992	4,829,747	77,775	1.61%
1993	4,604,433	62,602	1.36%
1994	4,507,394	54,885	1.22%
1995	4,406,927	71,219	1.62%
1996	4,254,702	84,913	2.00%
1997	5,440,489	77,280	1.42%
1998	5,199,703	61,266	1.18%
1999	4,917,387	48,228	0.98%
2000	5,044,795	41,605	0.82%
2001	5,289,136	47,779	0.90%
2002	5,687,812	68,243	1.20%
2003	7,407,099	73,940	1.00%
2004	10,861,125	55,129	0.51%
2005	11,149,660	86,651	0.78%
2006	11,630,078	130,321	1.12%