



SAN DIEGO
HOUSING
COMMISSION

INFORMATIONAL REPORT

DATE ISSUED: March 30, 2016

REPORT NO: HCR16-035

ATTENTION: Chair and Members of the San Diego Housing Commission
For the Agenda of April 8, 2016

SUBJECT: Annual Report of FY2015 Collection Write-Offs

NO ACTION IS REQUIRED ON THE PART OF THE HOUSING COMMISSION

SUMMARY:

On February 22, 1980, the San Diego Housing Commission (Housing Commission) Board delegated authority to the President & Chief Executive Officer to write off non-recoverable accounts, commonly known as “write-offs.” The Housing Commission Board further required the submission of quarterly reports on such actions. In 1995, the frequency of this report was modified from quarterly to annually.

During Fiscal Year (FY) 2015 (July 1, 2014 – June 30, 2015), the Housing Commission provided property management services to 2,181 residential rental units. An additional 119 units were managed by a third-party property management provider.

The Property Management Unit is responsible for the collection of rent and other costs resulting from occupancy. The classifications of such charges include rent, maintenance expenses, resident-caused damages, late fees and legal fees. Occasionally, former residents owing a debt will fail to meet financial obligations for various reasons. Current practice mandates writing off such non-recoverable accounts whenever they are outstanding for longer than 90 days.

Although an account is written off, the write-off information and history is retained in the tenant’s file, and the tenant’s status is flagged as delinquent. A former delinquent resident owing an unpaid debt to the Housing Commission is prohibited from leasing a Housing Commission unit until the debt is repaid. Debts in excess of \$100 are sent to a collection agency. In addition, other methods of collection include judgments, abstracts, and the garnishment of wages. Since FY 2005 (July 1, 2004 – June 30, 2005), the Housing Commission has participated in the State of California’s Franchise Tax Board Interagency Intercept Collection Program, which intercepts and forwards tax refunds, unclaimed property, and lottery winnings to pay off debts owed to government agencies.

For the units managed by the Housing Commission, the FY 2015 collection write-off amount was \$286,249. In FY 2015, \$32,091 (excluding collection fees) of total written-off debt was collected.

The net total write-off was \$254,158 or 0.93 percent of total income. In FY 2014 (July 1, 2013 – June 30, 2014), the net total write-off was \$350,082 or 1.55 percent of total income. These favorable results are due to a focused effort on collections, including the implementation of a newly reorganized collection policy. The industry standard for affordable, subsidized multi-family property collection write-offs is 1.1 percent of total income.

An attachment to this report is a FY 2015 listing of the recovered amounts by collection method and a history of prior years' write-offs of both Housing Commission-managed and third-party-managed properties.

Respectfully submitted,



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Approved by,



Deborah N. Ruane
Senior Vice President
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Attachments: FY15 Prior Years' Write-offs and Recovered Amounts by Collection Method

Hard copies are available for review during business hours at the security information desk in the main lobby of the San Diego Housing Commission offices at 1122 Broadway, San Diego, CA 92101 and at the Office of the San Diego City Clerk, 202 C Street, San Diego, CA 92101. You may also review complete docket materials on the San Diego Housing Commission website at www.sdhc.org.