



EXECUTIVE SUMMARY

DATE ISSUED: April 8, 2010

REPORT NO: HCR 10-060

ATTENTION: Chair and Members of the Housing Commission
For the Agenda of April 16, 2010

SUBJECT: Revision to the Housing Commission's Contract with the Reznick Group

COUNCIL DISTRICT:

SUMMARY:

In August 2009, the Housing Commission approved the award of the contract for professional auditing services between the Housing Commission and the Reznick Group. The contract is a two year contract for Fiscal Years 2010 and 2011 with three one-year options to renew, a total amount of \$ 433,306 for the five years. The current FY10 budget includes \$91,000 for audit fees. LLCs were established by the Commission's General Counsel in order to acquire and retain property for the Commission's portfolio. Loan documents specify that independent audits may be required on LLC's. Additionally, tax returns and REAC filings are also required on the LLCs.

STAFF RECOMMENDATION:

Approve additional funding for the contract with the Reznick Group, in the additional amount indicated below, to enable the firm to provide additional auditing, tax return, REAC filing services for the recently created LLCs and additional cost certification services on existing capital funds.

Housing Commission approval of revision transferring \$104,700 of Housing Commission Local units funds from Unobligated Reserves to Financial Services for FY10. Funds for FY11 and option years 1-3 will be budgeted in the applicable fiscal year budgets and committed via Auditors Certificates.

FISCAL CONSIDERATIONS:

The transfer of \$104,700 will decrease Local Funds Unobligated Reserves and increase Financial Services for FY10

REPORT CONTACT: Joelle Verbestel

619-578-7734

REPORT

DATE ISSUED: March 16, 2010

REPORT NO: HCR10-060

ATTENTION: Chair and Members of the Housing Commission
For the Agenda of April 16, 2010

SUBJECT: Revision to the Housing Commission's Contract with the Reznick Group

REQUESTED ACTION:

That the Housing Commission amend the contract with the Reznick Group for professional auditing services to extend the contract's scope of services to include services for the Limited Liability Companies (LLC) and approve additional funding for FY2010 through FY2014.

STAFF RECOMMENDATION:

Approve additional funding for the contract with the Reznick Group, in the additional amount indicated below, to enable the firm to provide additional auditing, tax return, REAC filing services for the recently created LLCs and additional cost certification services on existing capital funds.

Housing Commission approval of revision transferring \$104,700 of Housing Commission Local Units funds from Unobligated Reserves to Financial Services for FY10. Funds for FY11 and option years 1-3 will be budgeted in the applicable fiscal year budgets and committed via Auditors Certificates.

Fiscal Year	Funded and Approved Audit	Additional Funding					Total
		Cost Cert	LLC tax returns	LLC Audit non HUD	LLC Audit HUD	LLC REAC Filing	
2010	80,000	23,000	17,100	45,600	27,000	3,000	195,700
2011	83,200		17,784	47,424	28,080	3,120	179,608
2012	86,528		18,495	49,321	29,203	3,245	186,792
2013	89,989		19,235	51,294	30,371	3,375	194,264
2014	93,589		20,005	53,346	31,586	3,510	202,035
Total	433,306	23,000	92,619	246,984	146,241	16,249	958,399

BACKGROUND:

In August 2009, the Housing Commission approved the award of the contract for professional auditing services between the Housing Commission and the Reznick Group. The contract is a two year contract for Fiscal Years 2010 and 2011 with three one-year options to renew, a total amount of \$ 433,306 for the five years. The current FY10 budget includes \$91,000 for audit fees. LLCs were established by the Commission's General Counsel in order to acquire and retain property for the Commission's portfolio.

(real time date issued)

(Subject title)

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FISCAL CONSIDERATIONS:

The transfer of \$104,700 will decrease Local Funds Unobligated Reserves and increase Financial Services for FY10

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

The Housing Commission approved the Contract for Professional Auditing Services on August 21, 2009.

ENVIRONMENTAL REVIEW:

This activity is not a project within the meaning of the California Environmental Quality Act (CEQA) pursuant to Section 15060(c)(3) of the State CEQA guidelines. This activity is also exempt from review under the national Environmental Policy Act as no federal Funds are involved.

Respectfully submitted,



John Pfeiffer
Vice President
Financial Services

Approved by,



Carrol M. Vaughan
Executive Vice President &
Chief Operating Officer

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