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SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

February 19, 1981

CITY MANAGER'S OFFICE

RECEIVED
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Housing Authority of the
City of Sacramento
City Hall, 915 "I" Street
Sacramento, California 95814

CITY GOVERNING BOARD

- PHILLIP L. ISENBERG, MAYOR
- LLOYD CONNELLY
- PATRICK B. DONOVAN
- BLAINE H. FISHER
- THOMAS R. HOEBER
- DOUGLAS N. POPE
- JOHN ROBERTS
- ANNE RUDIN
- DANIEL E. THOMPSON

Honorable Members in Session:

SUBJECT: Rent and Maintenance Collection Loss Write-offs
for October 1, 1979 to September 30, 1980

SUMMARY

The attached resolution approves the write-off of \$30,857.06 in rent and maintenance charge losses in Conventional and Section 23 leased housing projects, and \$3,766.40 in projects owned by the Authority.

COUNTY GOVERNING BOARD

- ILLA COLLIN
- C. TOBIAS (TOBY) JOHNSON
- JOSEPH E. (TED) SHEEDY
- SANDRA R. SMOLEY
- FRED G. WADE

BACKGROUND

EXECUTIVE DIRECTOR
WILLIAM G. SELINE

Each year, HUD requires that the Housing Authority write off its collection losses. This write-off is for the period October 1, 1979 to September 30, 1980. The rent charged during this period to all City Housing Authority tenants was over \$2.1 million. The percentage of total maintenance and rent loss is approximately 1.60% of these collections. The percentage of rent collection loss is approximately .90%.

P.O. Box 1834
SACRAMENTO, CA 95809
630 I STREET
SACRAMENTO, CA 95814
(916) 444-9210

Exhibit I attached to this letter provides a breakdown by project. The losses result from tenants who move out of Housing Authority residences without payment of their account in full, and whose security deposit does not cover the unpaid amount. This is a good rent collection record and an irreducible minimum of bad rent debts.

These write-offs are turned over to Retail Credit Association (RCA) for possible collection. Most accounts, however, are not collectible because the former tenant is either unemployed or has moved from the Sacramento area. The Agency has in the past turned over accounts to other collection agencies with no success. The Agency also tried to secure County Office of Revenue Reimbursements and was notified that sampling of accounts receiveable submitted do not contain sufficient economic mix of debtors to allow a profitable margin of recovery. (See Exhibit II.)

APPROVED
SACRAMENTO HOUSING AUTHORITY

3-10-81

Date 3/10/81

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Housing Authority of
the City of Sacramento
February 19, 1981
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During the past year RCA recovered for the Agency \$3,539.53. In most cases, they retain 50% of the collectible amount from accounts turned over to their Agency.

FINANCIAL DATA

For each annual project budget, HUD reviews and approves in advance an estimated figure for collection losses, and fully reimburses the Housing Authority for actual collection losses within the percentage limits approved by HUD. These losses are within those limits.

VOTE AND RECOMMENDATION OF COMMISSION

At its regular meeting on February 19, 1981, the Sacramento Housing and Redevelopment Commission recommended approval of this resolution. The votes were as follows:

AYES: Fisher, Knepprath, Luevano, A. Miller, Serna,
Teramoto, Walton, B. Miller
NOES: None
ABSENT: Coleman

RECOMMENDATION


The staff recommends approval of these collection losses write-offs.

Respectfully submitted,



WILLIAM H. EDGAR
Interim Executive Director

TRANSMITTAL TO COUNCIL:


WALTER J. SLIPE
City Manager

RESOLUTION NO. 81-024

Adopted by the Housing Authority of the City of Sacramento

March 10, 1981

APPROVING WRITE OFF OF RENTAL
AND MAINTENANCE COLLECTION LOSSES

BE IT RESOLVED BY THE HOUSING AUTHORITY OF THE CITY OF
SACRAMENTO:

1. The following amounts are written off as collection
losses for the period October 1, 1979 to September 30, 1980:

- | | | |
|-----|-------------|--|
| (a) | \$17,234.20 | Rent, Conventional and Section 23
Projects |
| (b) | \$13,622.86 | Maintenance Charges, Conventional and
Section 23 Projects |
| (c) | \$2,255.64 | Rent, Section 8 Owned Projects |
| (d) | \$1,492.76 | Maintenance Charges, Section 8 Owned
Projects |

Chairperson

ATTEST:

Secretary

APPROVED
SACRAMENTO HOUSING AUTHORITY

Date 3/10/81

EXHIBIT I
 RENTAL & MAINTENANCE COLLECTION LOSS
 From: October 1, 1979 - September 30, 1980

226 Total Cases
 Average Rent Collection Loss
 Per case \$ 76.25 Maint. \$ 60.60

PROJECT	Approx. Rent Charge Out 10-1-79 - 10-1-80	Maint Loss %	Rent Loss %	Total Loss %
CAL 5-5 - New Helvetia - River Oaks & Hi-Rise 1702 Units Avg. Rent \$66.00	1,336,682.00	4527.50 .34%	8302.72 .62%	12830.22 .96%
CAL 5-4 - City Leasing 1075 Units - gradual decrease to 600 Avg. Rent \$62.00	587,258.00	9095.36 1.55%	8931.48 1.55%	18026.84 3.07%
Totals	1,923,940.00	13622.89 .71%	17234.20 .90%	30857.06 1.60%

AGENCY OWNED:

Kennedy Estates - 100 Units	85,836.00	¼ of 1%	1310.18	1783.90	3094.08
Ping Yuen - 72 Units	96,099.00	Almost Nil	42.50	125.54	168.04
8 Scats.	11,673.00	Nil	-0-	-0-	-0-
San Jose & Broadway - 24 Units	26,244.00	Almost Nil	140.08	346.20	486.28
Wildflower - 10 Units	22,227.00	Nil	-0-	-0-	-0-



COUNTY OF SACRAMENTO

OFFICE OF REVENUE REIMBURSEMENTS

January 20, 1976

Sacramento Housing and Redevelopment Agency
 P.O. Box 1834
 Sacramento, CA 95809

Attn: Randy Wagaman

Dear Mr. Wagaman:

I have reviewed the information concerning accounts receivable balances submitted by Caroline Tregellas and feel that this time our office could not be of material benefit.

The sampling of accounts receivable submitted do not contain a sufficient economic mix of debtors to allow us a profitable margin of recovery at this time.

We are currently operating under severe staffing and space limitations, and, in addition, our computerized system for handling accounts will not be ready until July of this year.

Since it is mandatory that we expend our efforts in the most profitable collection areas available to us, we feel, at least for the time being, that participation in this collection effort is not possible.

If, in the future, circumstances change sufficiently, I will contact you for a further review.

Sincerely,

Fred W. Adkins
 Fred W. Adkins
 Office of Revenue Reimbursements

FSA/kk

