
Information

Subject:

Review and approve the Uncollected Debt Write-off in YCH Low-Income Public Housing, in accordance with the Adopted Accounts Receivable Charge Off Policy.

From:

Jennifer Crowell

Recommended Action

Review and approve the Uncollected Debt Write-off in YCH Low-Income Public Housing (LIPH), in the amount of \$26,985.39 for the period ending June 30, 2022.

Reason for Recommended Action/Background

Over time, debts from residents accrue in YCH LIPH for unpaid rents, tenant damage, and other charges. In order to avoid eviction proceedings for lack of payment, real estate and client services staff work with residents to figure out potential options for the payment of amounts due whenever possible.

If the tenant is ultimately evicted or decides to vacate the unit, these amounts are deemed to be uncollectible and therefore brought before the Commission before they are written off as required under Housing & Urban Development (HUD) financial reporting requirements.

In the past year, the COVID-19 Eviction Moratorium compounded these issues due to delays in court hearings.

The write-offs for the year quarter ending June 30, 2022 are as follows:

- \$6,125.98 for Asset Management Program I (AMP I) (Woodland): Reflects a remaining balance following one tenant death and one tenant move out. Remaining security deposit funds once the units were turned over to YCH were not enough to repair the damages incurred.
- \$18,336.34 for AMP II (Winters): Reflects a remaining balance following two deaths, one eviction and five unit abandonments. The eviction occurred following the tenant remaining in the unit for several months as eviction court dates were delayed during the pandemic. The eviction was eventually completed in January 2022. The occupants who abandoned their units gave no notice. All of these units sustained extensive damage.
- \$2,523.70 for AMP III (West Sacramento): Reflects a remaining balance following the death of a tenant. This unit had minimal damage but had been occupied for some time with insufficient rent payments.

Real Estate Services staff work with all tenants, including these occupants, to collect timely rent payments, and refer individuals who are struggling to make payments to available resources. Once occupants vacate, there are additional staff-level efforts to locate and collect payment, but often to no avail.

Recommendation

Staff recommends approval of this Uncollected Debt Write-Off in YCH LIPH. This approval will allow YCH Finance staff to enter relevant data into the financial records, while leaving the balance and payment history in the Tenant Accounts Receivable System (TARs). The outstanding balance amounts and tenant information are forwarded to a collection agency for a final attempt at restitution.

Fiscal Information

This Uncollected Debt Write-Off in YCH LIPH is lower than the last year but is the second highest in the last five years. Job loss, business closing, and COVID-19 were all significant contributing factors.

Year	Write-Off	Percentage of Rent
2016-2017	\$6,805	0.36%
2017-2018	\$19,390	1.00%
2018-2019	\$16,267	0.77%
2019-2020	\$7,775	0.62%
2020-2021	\$27,639	1.41%
2021-2022	\$26,985	1.37%

Fiscal Impact

Cost of Recommended Action: \$26,985.39
Amount Budgeted: n/a

Additional Expenditure Authority needed?: n/a

Comments:

Attachments

No file(s) attached.

Form Review

Form Started By: Mindi Nunes
Final Approval Date: 07/19/2022

Started On: 07/18/2022 10:04 AM