



Fiscal Year Ended June 30, 2013  
Board Approved September 25, 2013

# ATLANTA HOUSING AUTHORITY LEADERSHIP

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## Vision

Healthy Mixed-Income Communities;  
Healthy Self-Sufficient Families

## Mission

Provide quality affordable housing in amenity-rich, mixed-income communities for the betterment of the community

## Goals

AHA's business model as a "diversified real estate company with a public mission and purpose" has positioned it to achieve three goals:

- **Quality Living Environments** – Provide quality affordable housing in healthy mixed-income communities with access to excellent quality-of-life amenities.
- **Self-Sufficiency** – (a) Facilitate opportunities for families and individuals to build economic capacity and stability that will reduce their dependency on subsidy and help them, ultimately, to become financially independent; (b) facilitate and support initiatives and strategies to support great educational outcomes for children; and (c) facilitate and support initiatives that enable the elderly and persons with disabilities to live independently with enhanced opportunities for aging well.
- **Economic Viability** – Maximize AHA's financial soundness and viability to ensure sustainability.

## Guiding Principles

In approaching its work, regardless of the funding source, strategy or programmatic initiative, AHA applies the following guiding principles:

1. End the practice of concentrating low-income families in distressed and isolated neighborhoods.
2. Create healthy mixed-use, mixed-income (children-centered) communities using a holistic and comprehensive approach to assure long-term market competitiveness and sustainability of the community and to support excellent outcomes for families (especially children), with emphasis on excellent, high-performing neighborhood schools and high quality-of-life amenities, including first-class retail and green space.
3. Create mixed-income communities with the goal of creating market-rate communities with a seamlessly integrated affordable residential component.
4. Develop communities through public/private partnerships using public and private sources of funding and private sector know-how and real estate market principles.
5. Support AHA-assisted families with strategies and programs that help them achieve their life goals, focusing on financial self-sufficiency and educational advancement of the children with expectations and standards for personal responsibility benchmarked for success.

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## HOW TO NAVIGATE THIS REPORT

In 2004, AHA submitted to HUD its first Business Plan, using its new statutory and regulatory framework pursuant to AHA's MTW Agreement (herein referred to as the "Business Plan"). AHA's Business Plan and its subsequent MTW annual implementation plans on a cumulative basis outline AHA's priority projects, activities, and initiatives to be implemented during each fiscal year. Fiscal Year 2013 represents AHA's tenth year of participation in the MTW Demonstration Program. For further details, see *Importance of Moving to Work*.

This report highlights AHA's MTW-Eligible activities and priorities as identified in the FY 2013 MTW Annual Implementation Plan submitted to HUD on April 13, 2012.

- **AHA's Impact and Innovations** highlights significant results achieved by AHA during FY 2013.
- **Planned Activities Directory** summarizes the results and status of AHA priority projects, activities, and initiatives as described in the FY 2013 MTW Annual Implementation Plan.
- **Appendices** section includes detailed charts, AHA Legacy Attachment B, Ongoing Activities Directory, and other HUD reporting requirements.

## Birth of Public Housing & AHA



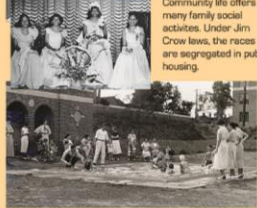
**1933** Real Estate Developer Charles Palmer & Educator John Hope partner on clearing Atlanta's slums and securing funding for public housing.



Slums in inner-city Atlanta replaced by public housing projects.



**1935** Techwood Homes opens as the nation's first public housing community. President Roosevelt speaking at the 1935 dedication of Techwood Homes.



Community life offers many family social activities. Under Jim Crow laws, the races are segregated in public housing.



**1937** University Homes, the nation's first housing project for African-Americans is dedicated. United States Housing Bill signed by President Roosevelt removes federal government from direct production of public housing and subsidizes building of affordable public housing by local authorities.



**June 11, 1938** AHA is founded with the Atlanta City Council resolution declaring the need for "safe, affordable housing for families facing temporary financial difficulty." Charles Palmer becomes first chairman.



**1943** AHA houses World War II workers in Techwood and Clark Howell Homes as units become vacant.

## Urban Renewal & Decline of Public Housing



**1961** Housing Act signed by President Kennedy subsidizes senior public housing and admits disabled persons to public housing.



**1964** Title VII of the Civil Rights Act signed by President Johnson outlaws discrimination against racial, ethnic, national and religious minorities, and women.

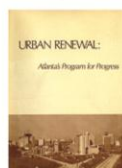
**1964** City of Atlanta contracts with AHA to provide relocation assistance for households being displaced by highway construction and urban renewal.



**1965** The Department of Housing and Urban Development (HUD) is created.

**1965** AHA constructs the first senior high-rises—John Q. Childs and Antoine Graves. Both are open to all low-income persons, regardless of race.

**1968** The Fair Housing Act signed by President Nixon prohibits racial discrimination in the sale, rental, and financing of housing.



**1988** AHA publishes a report on urban renewal projects over the past few decades, involving civic and commercial construction and the relocation of public housing residents into new or refurbished housing. This "bricks and mortar" solution does not solve the worsening problems of concentrated poverty in public housing.



**1990** Atlanta wins the bid to host 1996 Olympics, while public housing is in decline. Conditions have deteriorated and the projects have become islands of poverty where crime rates are spiking, crack cocaine is prevalent, and low-income families are becoming isolated.

## The Atlanta Model Transforms Public Housing

**1994** AHA has been on HUD's list of troubled agencies for years when AHA Board of Commissioners Chair Renée Lewis Glover becomes Executive Director. Glover begins a dramatic turnaround that will lead AHA into a new era of innovation.

HOPE VI Legislation, the last in a series of federal programs known as HOPE (Homeownership & Opportunity for People Everywhere) funds comprehensive revitalization of severely distressed public housing.



Groundbreaking at Centennial Place Made possible with HOPE VI funding and private investment by The Integral Partnership of Atlanta.



**1995** Birth of the Atlanta Model—Based on a three-pronged strategy:

1. Deconcentrating Poverty through mixed-income communities.
2. Leveraging HUD dollars with private investment to offer more choices to residents.
3. Focusing on community building, including quality housing, excellent schools, access to transportation, recreation centers, daycare.



**1996** Centennial Place opens as America's first master-planned, mixed-use, mixed-income community. It is built on the property where Techwood Homes once stood.



**1996** With the Olympic Legacy Program, AHA fast-tracks the remaining development of Centennial Place and begins revitalization of three additional distressed communities: East Lake Meadows, John Hope Homes, and John Egan Homes.

## Moving to Work & Business Transformation

**2003** AHA signs the Moving to Work (MTW) Agreement with HUD giving AHA the flexibility to allocate program funding based on annual, local plans developed by AHA and approved by HUD.

**2004** AHA implements work requirement for non-elderly, nondisabled adults as a condition of receiving housing assistance for public housing units and vouchers.

**2009** ARRA funding is awarded to AHA, providing \$26.5 million for repairs, demolition, modernization, and increased energy efficiency in public housing.

**2010** Demolition of the last of the dilapidated public housing family projects—AHA retains 11 senior high-rises and two small communities for families.

**2013** As an MTW agency, AHA has the flexibility to offer a variety of affordable housing solutions, accompanied by human development services.



AHA's Housing Choice Tenant-Based Voucher Program



AHA-Owned Residential Communities



Mixed-Income Communities Using Project-Based Rental Assistance



Supportive Housing



Human Development Services



AHA-Sponsored Mixed-Use, Mixed-Income Communities

**2010** Multi-year business transformation of AHA operations is launched to introduce new tools and processes for working more cost-effectively, delivering better service, and serving more families.

**2011** Forty-nine high school graduates who started out in Centennial Place kindergarten head to college—proof that the Atlanta Model is breaking the cycle of generational poverty.



## EXECUTIVE SUMMARY

Renée Lewis Glover

The timing of AHA's 75<sup>th</sup> anniversary on June 11, 2013, was fortunate. AHA employees had been working extremely hard on the long and complex process of business transformation, while continuing to carry out the most important work in service to our families.



To navigate through this challenging time, we've had to keep our sights on the future state – a time when the new technology and systems we're putting into place will allow us to make our resources go farther, assist more families, and serve them even better.

The 75th anniversary gave us a point in time in the midst of business transformation to pause and participate in a valuable exercise – seeing our future in the context of our past. It inspired us to keep up our momentum and renewed our sense of purpose.

### What we saw on a journey into our past

In preparation for our 75<sup>th</sup> anniversary, we traveled back in time. We reviewed documents in archived boxes. We looked through photos and publications and saw the faces of people AHA had served over the decades through challenging times: the Great Depression, World War II, the Civil Rights Movement. We viewed old videos and listened to accounts told by employees who still have vivid memories of an earlier era.

We found many stories to celebrate. We also saw times when we were challenged to live up to our founding vision and saw how we responded and how we became stronger.

In the last decade and a half, AHA reinvented the way we serve families and provide housing opportunities. We determined that concentrating families in poverty was destructive to families, neighborhoods, the city, and the nation.

AHA responded to that determination and completely transformed the way we meet our mission using three strategies: **mainstream the real estate, mainstream the families, and mainstream AHA.**

### MTW priorities link to the strategy

This annual report is structured around our three FY 2013 MTW priorities, which align to the three strategies that transformed our way of working:

*June 11, 2013 dedication of the 75<sup>th</sup> anniversary commemorative flag: "May this flag fly over our land, representing an organization that will always champion our vision of healthy mixed-income communities; healthy self-sufficient families."*



**Mainstreaming Real Estate:** Because affordable housing opportunities in economically integrated environments open the door to opportunity, our goal is to be a best-in-class diversified real estate company with a public mission and purpose. We are mainstreaming real estate through public/private partnerships, thereby leveraging the know-how, balance sheets, and brands of great private sector real estate developers. We are also strengthening and structuring our capabilities to work effectively with these partners.

AHA plays a leadership role in bringing together partners to allocate real estate resources in new ways that create healthy environments where the families we assist can thrive. This report highlights the continuation of real estate projects that are complete, in progress, or planned.

**Mainstreaming our Families:** The combination of real estate and human development is where our success is determined. And our success for AHA is when a family makes the transition from assistance to self-sufficiency and moves into mainstream America, or when their children receive an education that prepares them to enter mainstream America. We help pave the way by encouraging and connecting families to the specific services that they need to move out of poverty and into the mainstream. This report covers a new customer-centric model that will help us connect families to human development services and a new approach to strengthening our service provider network.

**Mainstreaming AHA:** Our MTW priority of business transformation is about adopting the best practices from government, nonprofit, and private business sectors that will help us deliver improved service to our families more cost-effectively. These best practices include technology solutions along with organizational structures and practices. Our business transformation is a carefully planned reinvention driven by our vision.

## The AHA Legacy

Our legacy of leadership, reinvention and partnership that began with John Hope and Charles Palmer has been driven by our passion for the founding vision of service.

By keeping the doors of affordable housing open in Atlanta, we have opened the doors of opportunity for people at every stage of their lives: youth, adults, the elderly, the disabled, veterans, and the homeless. We have made it possible for every child to fulfill their God-given potential.

Just two years ago, 49 high school graduates, who had all started out in the first class at Centennial Place kindergarten and grew up in one of AHA's mixed income communities, were college-bound. These high-achievers were headed off to exciting futures at different colleges and universities including Boston University, Georgia Tech, Howard, University of Georgia, Wesleyan, Morehouse, Princeton, Spelman and others.

On this momentous occasion, former President and CEO Renée Glover said, "Real change comes when a child feels hopeful and excited about their future. These 49 young people are re-writing the history of housing, education, economics, class, dependency, disenfranchisement, isolation, and despair."

## Carrying forward our legacy

During our 75<sup>th</sup> anniversary year, we looked to our past to see which experiences we wanted to celebrate and carry forward into the future. We chose three legacies – *leadership*, *reinvention*, *vision* – which grew out of our founding story and the partnership between an African-American educator, Dr. John Hope, and a white real estate developer, Charles Palmer. These legacies still guide us today: the *courage* to lead in the face of adversity, the wisdom to *reinvent* when we need to find a better way, and the *vision* to open the doors of opportunity and brighter futures for the people we serve.

## IMPORTANCE OF MOVING TO WORK

### Meeting Local Needs Using Federal Resources

In 1996, Congress created the Moving to Work Demonstration Program (MTW Program), which gave the Secretary of HUD authority to negotiate agreements with up to 30 high-performing public housing agencies to demonstrate how flexibility, regulatory relief, and innovation could lead to better outcomes for low-income families and the broader community.

Congress wanted to create an environment that encouraged and demanded innovation, creativity, imagination, efficiency, effectiveness, and better outcomes for America's low-income families, cities, and counties. Congress also wanted to demonstrate that with greater flexibility more could get accomplished with the same, or possibly fewer, resources from HUD.

With these principles in mind, Congress authorized the Secretary, through these negotiated agreements, to waive all of the statutory and regulatory provisions under the 1937 Act, except certain core issues: Davis Bacon; Civil Rights laws and Fair Housing; 504, UFAS, and Americans with Disabilities laws; and demolition and disposition under Section 18. Under the first agreements, HUD and the early MTW agencies took an incrementalist approach. It was not until 2003 when AHA and other agencies were able to convince HUD to provide the complete spectrum of statutory and regulatory relief.

MTW has outperformed Congress's and HUD's expectations, and the MTW Program has been expanded beyond 30 housing authorities, and the timeline has been extended. In FY 2013, we are 39 MTW agencies out of 3,400 public housing authorities in the nation.

Over time, the MTW Program has yielded three major lessons:

1. All real estate is local, and conditions vary widely throughout the nation.
2. Local problem-solving based on the needs, aspirations, and market and financial realities in the locality (using a strategic planning framework) yields substantially better results.
3. The focus must be on outcomes and not process.

Simply put, MTW is the new way of making HUD programs and funding resources work better in localities and with better results.

### MTW Statutory Goals

- Reduce costs and achieve greater cost effectiveness in federal expenditure.
- Give incentives to families with children where the head of household is working, seeking work or is preparing for work by participating in job training, educational programs or programs that assist people to obtain employment and become economically self-sufficient.
- Increase housing choices for low-income families.

### Importance of MTW and Single Fund Authority to AHA

AHA applied for and was designated as an MTW agency in 2001. After extensive negotiations, AHA executed its MTW Agreement with HUD on September 23, 2003, effective as of July 1, 2003. Later, AHA was able to retain the unique provisions under its original agreement when it negotiated a 10-year extension with its amended and restated MTW Agreement on November 13, 2008, and further amended it on January 16, 2009. AHA's MTW Agreement may be automatically extended for additional 10-year periods, subject to HUD's approval and AHA meeting certain agreed-upon conditions.

Obtaining MTW status has allowed AHA to continue implementing our long-term strategy of mainstreaming families, mainstreaming real estate, and mainstreaming AHA. The legacy that began in 1994 with the revitalization of Techwood Homes/Clark Howell Homes has been enhanced by using MTW flexibility to further human development and use public/private real estate partnerships to revitalize communities.

While statutory and regulatory flexibility are foundational elements of the MTW Program, the Single Fund authority is essential to AHA's financial viability. AHA's MTW Agreement permits AHA to combine its low-income operating funds, Housing Choice voucher funds, and certain capital funds into an MTW Single Fund or, simply, MTW Funds. When individual funding sources are combined and converted to MTW Funds under AHA's MTW Agreement, they are relieved of their statutory and regulatory strictures and may be used for MTW-Eligible activities as set forth in AHA's Business Plan and its Annual Implementation Plan.

AHA's MTW Agreement has enabled AHA to leverage lessons learned and best practices of its HOPE VI revitalization program, apply private sector business principles to manage resources responsibly, and achieve dramatically better outcomes for AHA-assisted households, AHA-owned real estate, and AHA itself. The funding flexibility provided AHA under the MTW Agreement is essential to AHA's continued success and long-term financial viability.

## Goals of MTW

In keeping with the spirit and intent of the MTW Program's statutory goals, AHA established three overarching goals:

1. Quality Living Environments
2. Self-Sufficiency
3. Economic Viability

To deliver on these three goals, AHA uses its MTW flexibility to focus on local strategies and solutions that will have a positive impact on the families, real estate, and the city of Atlanta. From the very beginning of AHA's official status as an MTW agency and as it moves forward, AHA has served and continues to serve substantially the same number of families.



## Innovation using MTW

The MTW Single Fund is important because, after following a rigorous, participatory strategic planning process, AHA can use its MTW Funds for innovative approaches to meet the local needs that grow out of the planning process and as set forth in AHA's MTW Business Plan, as modified, refined and updated in its Annual Implementation Plans. With the MTW Single Fund, AHA is able to pursue opportunities that benefit low-income families and that are not available to non-MTW agencies.

Unique in this industry, AHA maintains a holistic view of itself as an MTW agency. That is to say, unless otherwise prescribed by Congressional appropriations language governing a specific program, AHA does not separate activities as either MTW or non-MTW. For example, AHA's policy innovations like the work/program requirement are applicable to all families across all AHA programs except for the elderly and persons with disabilities. The success that AHA has achieved as an innovator, fulfilling the promise of the MTW program envisioned by Congress, is apparent in a review of AHA's many initiatives. For more detail, see the section on *MTW Innovations and Policies*.

## FY 2013 ACCOMPLISHMENTS

These following successes and others are highlighted in the enclosed report.

(Figures as of June 30, 2013)

- **21,174** Households Served
- **358 new households** were housed from the Housing Choice waiting list. **9,308 households** (**7,043** of whom live in the City of Atlanta) participated in the Housing Choice Voucher Program and received rental subsidy assistance during FY 2013.
- **35 veterans** were housed through the HUD- Veterans Affairs Supportive Housing (VASH) program and AHA's Supportive Housing Program. Based on this success and the local need identified by the Veterans Affairs Medical Center, HUD awarded AHA **185 additional** VASH vouchers.
- **14 students** were awarded **\$36,350** in scholarships through AHA's Atlanta Community Scholars Award.
- **100 new affordable rental units** were completed in FY 2013 as a part of AHA-Sponsored mixed-use, mixed-income communities developed on the sites of former public housing projects.
- **31** eligible, first-time **home-buyers** received down payment assistance from AHA.
- Through our Project Based Rental Assistance Program, AHA increased our focus on reducing homelessness in Atlanta by increasing our commitment from 700 to 1,000 vouchers available to the Regional Commission on Homelessness and the United Way.
- **\$15.7 million** in upgrades were completed using AHA's MTW Funds across the 13 AHA-Owned (public housing-assisted) Residential Communities. This included completion of a **\$9.3 million** multi-year project to repair and upgrade select units.
- Implemented – on-time – scheduled milestones of the **Business Transformation Initiative** and the Yardi Enterprise Resource Planning (ERP) solution.

## Independent Studies of AHA's Atlanta Model

AHA has engaged multiple third-party academic researchers in evaluating the effectiveness of the Atlanta Model. The studies consistently demonstrate that the Atlanta Model is working and has improved. For copies of these studies, please visit **atlantahousing.org**

## II. AHA'S IMPACT AND INNOVATIONS

Each fiscal year's accomplishments reflect progressive steps toward making AHA's vision a reality. Over the past 10 years as an MTW agency, AHA has creatively used the tools and flexibility afforded by its MTW Agreement to implement housing policy reforms across all programs (See details on MTW-enabled innovations in *MTW Innovations & Policies*).

During FY 2013, AHA followed the FY 2013 MTW Annual Implementation Plan focusing on the three priorities listed below.

AHA's Priorities Are Aligned with MTW Goals			
FY 2013 Priorities	AHA/MTW Goals		
	Quality Living Environment	Self-Sufficiency	Economic Viability
Advance AHA's real estate initiatives with the goals of community sustainability, market competitiveness, and long-term financial sustainability.	*		*
Advance the human development services strategy through strategic partnerships and new funding strategies.		*	*
Implement the business transformation initiative including the integrated Enterprise Resource Planning solution.	*	*	*

## PRIORITY: ADVANCE AHA'S REAL ESTATE INITIATIVES

**FY2013 Goal: Advance AHA's real estate initiatives with the goals of community sustainability, market competitiveness, and long-term financial sustainability.**

Over the last 19 years, AHA and its private sector development partners have repositioned its public housing properties into 16 mixed-use, mixed-income communities with a seamless affordable housing component. The community-building model including human development strategies for mixed-use, mixed-income communities is a blend of private sector market principles and public sector safeguards, which AHA has branded the **"Atlanta Model."**

Public/private partnerships are the key ingredient. AHA leverages its special standing under its charter, its goodwill, its land, its MTW Agreement, and HUD grants, while the private Development Partner leverages its balance sheet, know-how, brand, and track record to raise private equity and incur debt. In all cases, the partners align their interests so that both parties are focused on the success of the community.

Since 1995, AHA and its private sector partners have successfully created quality, mixed-use, mixed-income communities with an economic impact to date of approximately \$2 billion. As the real estate and financial markets strengthen, AHA and its development partners will continue to advance the community sustainability aspects of the Master Plans. These strategies are intended to ensure the long-term sustainability and stability of the communities and the families' progression to self-sufficiency. Most of these additional aspects will be developed using non-HUD funds.

### IMPACT OF FY 2013 REAL ESTATE INITIATIVES

AHA and its partners continued to advance phases for the revitalization developments already underway. The following pages highlight supporting activities that advance our priority real estate initiatives as listed below:

1. Advance master plans for mixed-use, mixed-income communities
2. Pursue Choice Neighborhoods Implementation Grant
3. Implement conversion (reformulation) demonstration for Centennial Place, a mixed-use, mixed-income community
4. Utilize PBRA as a strategic tool to facilitate housing opportunities
5. Expand supportive housing opportunities
6. Continue EPC implementation and unit upgrades for AHA-Owned Residential Communities

#### ***FY 2013 Results***

<b>PBRA Units Added:</b>	<b>100</b>
<b>Supportive Housing Units Added:</b>	<b>35</b>
<b>New Homeowners:</b>	<b>31</b>

## SUPPORTING ACTIVITIES

### Advance master plans for mixed-use, mixed-income communities

#### Revitalization Initiatives

Through communities developed, owned, and managed by public/private partnerships, AHA has helped to address Atlanta's need for additional high-quality affordable housing in economically integrated environments.

- Scholars Landing (University Homes Revitalization)** – In FY 2013, AHA's development partner, Integral, completed 100 affordable rentals for seniors at Veranda at Scholars Landing. Due to demand and attractiveness of the location, the property was fully leased a record three months ahead of schedule. AHA has provided PBRA assistance for all the units.



In a development known as Oasis at Scholars Landing, AHA's private sector development partner submitted a 9-percent LIHTC application for the



development of a 60-unit affordable assisted living community with a preference for veterans and their families. This community is designed to allow elderly residents to age in place, provide alternatives to costly home care, and reduce Medicaid expenditures through a continuum of care. Phase I public improvements were substantially completed in FY 2013 and are slated for completion in FY 2014.

#### Scholars Landing

(Developer: Integral Development LLC) *Veranda at Scholars Landing, a 100-unit building located near the Atlanta University Center, was completed and 100% leased in record time.*

- Auburn Pointe (Grady Homes Revitalization)** – During FY 2013, Integral, AHA's master developer, substantially completed construction on 150 mixed-income units at Ashley at Auburn Pointe II, and expects to begin leasing in FY 2014. Fifty-one of the rental units will be leased to AHA-assisted families, 39 units will be leased to unassisted tax credit-eligible families, and 60 units will be leased to market-rate families.

#### Acquisitions

To further long-term sustainability of the neighborhood defined by the master plan for West Highlands, AHA purchased a 12-acre property adjacent to the City's new Westside Park. AHA will work closely with the Master Developer to develop plans for this property. This acquisition was in accordance with AHA's MTW Agreement and the associated Implementation Protocols and AHA's approved FY 2013 MTW Annual Implementation Plan. The annual plan required a public review process in which AHA solicited comments from community stakeholders.

## Land Transactions and Sale of Assets

AHA completed the sale of the Roosevelt Highrise property at fair market value to the Georgia Board of Regents (the governing and management authority of public higher education in Georgia) for the benefit of Georgia Tech. As part of the sale, Georgia Tech has agreed with Integral Development and AHA to support the evolution of Centennial Place Elementary School as a Georgia Tech-sponsored STEAM (Science, Technology, Engineering, Arts and Math) school. This effort is being led by Integral Development and is supported by AHA, the Metropolitan YMCA, Coca-Cola and other stakeholders. (See *Human Development* section for more details on AHA's education strategy.)

## Homeownership Down Payment Assistance

Using its MTW flexibility, AHA partnered with the City of Atlanta, Atlanta Development Authority, AHA's master development partners, and local lenders to provide down payment assistance to 31 low-to-moderate income, first-time homebuyers purchasing homes throughout the city of Atlanta.

## Pursue Choice Neighborhoods Implementation Grant

In FY 2011, as part of the revitalization of University Homes, AHA applied for and was awarded a \$250,000 Choice Neighborhoods Planning Grant (CNPg) from HUD for the former University Homes and the surrounding Atlanta University Center (AUC) neighborhood. With a strong emphasis on access to high-quality educational opportunities, the CNPg provides funds to develop plans to transform the University Homes site and the surrounding neighborhood into a healthy, sustainable mixed-use, mixed-income neighborhood.

As a requirement for applying for an Implementation Grant, in December 2012 AHA successfully submitted its Choice Neighborhoods Transformation Plan to HUD. Throughout the year and with the support of partners, AHA held community planning meetings. AHA plans to submit an application for a Choice Neighborhoods Implementation Grant in the next round in September 2013.

# Choice Neighborhoods

## People • Housing • Neighborhoods



At community planning meetings, AHA gathered input from many different stakeholders to incorporate in the Neighborhood Transformation Plan.

### AHA Brought Together This Great Group of Partners for the Choice Neighborhoods Initiative

- The City of Atlanta
- Invest Atlanta
- The Integral Group
- United Way
- The Arthur M. Blank Family Foundation
- Georgia Pacific
- Annie E. Casey Foundation
- Atlanta University Center Schools
- Atlanta Public Schools (APS)
- University Community Development Corporation
- Atlanta Neighborhood Development Partnership
- Vine City Health and Housing Ministry
- Councilmembers Ivory Young and Cleta Winslow
- APS Board Vice-Chair Byron Amos
- Neighborhood Planning Units L and T
- Neighborhood associations, businesses, residents and former University Homes residents

## **Implement subsidy conversion demonstration for Centennial Place, a mixed-use, mixed-income community (Reformulation Demonstration Program)**

On November 2, 2012, HUD approved AHA's proposal to pilot AHA's Reformulation Demonstration Program under the auspices of its MTW Agreement at Centennial Place. Centennial Place, which was developed as a result of the Techwood Homes/Clark Howell Homes revitalization, was the first mixed-use, mixed-income community in the United States with public housing units as a component. Of the 738 residential units in four development phases, 301 units receive public housing operating subsidy pursuant to Section 9 of the U.S. Housing Act of 1937, as amended (the Act).

Under the Reformulation Demonstration Program, the operating subsidy for the 301 public housing-assisted units will be converted to project based rental assistance (PBRA) as designed and implemented by AHA using its MTW flexibility. PBRA provides rental assistance to eligible households pursuant to Section 8 of the Act. AHA conceptualized the Reformulation Demonstration Program using its MTW flexibility in order to help update, sustain, and preserve public and private investments in AHA-sponsored mixed-use, mixed income communities with Centennial Place being established as the first community for reformulation. In conjunction with the reformulation of Centennial Place, AHA received additional Housing Choice voucher funding on April 23, 2013, which will be used as part of the PBRA funding to replace the public housing operating subsidy upon conversion.

Consistent with the purpose and intent of the Reformulation Demonstration Program, and in order to complete the conversion of subsidy from Section 9 to Section 8, AHA and the respective owners of the four development phases must terminate the current operating subsidy arrangement under the Regulatory and Operating Agreements for the four development phases and replace the public housing operating subsidy with PBRA pursuant to the terms of AHA's form of PBRA Agreement. This first stage of the subsidy reformulation will occur in early FY 2014.

As the second stage of the reformulation strategy progresses, the managing general partner of the owner entity of each development phase will raise debt and equity to renovate all 738 units on a phase-by-phase basis in order to upgrade and improve the quality, market competitiveness, and sustainability of Centennial Place. Residents will be temporarily relocated on-site or otherwise to accommodate the renovation work. The relocation costs are part of the development budget.

During FY 2013, to prepare in advance for the second stage of the reformulation strategy, the managing general partner of the respective owner entities of development Phases I and II of Centennial Place submitted 9-percent Low Income Housing Tax Credit (LIHTC) applications to raise equity for the renovations. These applications are currently being considered by the Department of Community Affairs, which administers the tax credit program for the State of Georgia.

LIHTC applications for Phases III and IV will follow as the Centennial Place reformulation progresses. The preliminary pro forma assumption is that the rents for the PBRA units will be funded at 60% of the area median income for metropolitan Atlanta. The ultimate objective of the Reformulation Demonstration Program at Centennial Place is to reposition the 301 AHA-assisted units so that these units will carry their aliquot share of the debt service, equity requirements, and operating costs for the property.

## **PBRA continues to facilitate housing opportunities**

AHA continues to facilitate affordable housing opportunities for low income families under the PBRA program. Currently, AHA provides PBRA for 4,358 units in mixed-income communities. (See *Appendix D.*)

## Expand supportive housing opportunities

When a person or family is in crisis because they lack safe and adequate housing or they are unable to maintain housing because of mental health or developmental disabilities, typical housing assistance policies and programs may be inadequate to address their various needs and the root causes.

Based on its past experience and lessons learned through such activities as the Homeless Demonstration Program, Mental Health Demonstration Program, and other Supportive Housing initiatives, AHA concluded that typical housing assistance policies and procedures are not always the best fit for supportive service plans and the varying housing needs of the client populations. In FY 2012 AHA's Board of Commissioners approved a new set of policies, the *Statement of Policies for Supportive Housing*. The new policies and procedures include alternative occupancy arrangements, rent determinations, and rules regarding continuing assistance.

In FY 2013, AHA began to structure its various pilots, procedures, and initiatives under a programmatic approach called Supportive Housing Strategy.

### Supportive Housing Strategy

For AHA, supportive housing equals stable housing plus intensive support services for people with a variety of special needs: **homeless people, people with disabilities, military veterans, at-risk families and youth, and other target groups enrolled in supportive services programs.** By taking a strategic perspective, AHA leverages its resources, funding, and MTW flexibility to collaborate with private sector developers/owners and service provider partners to find solutions that help individuals and families stabilize and secure their future.

The challenges for these special needs populations are complex and the solutions require a coordinated approach, multiple partners, and multiple sources of funding.

For this reason AHA employs both place-based and tenant-based approaches to further its Supportive Housing Strategy.



## Place-Based Approaches

### Reducing Homelessness with Supportive Housing

*Primary Population Served:* Homeless individuals and families

*Partners:* In response to the need in the city of Atlanta, AHA continued its partnerships with the Regional Commission on Homelessness, the United Way of Metropolitan Atlanta, the Atlanta

mayor's *Unsheltered No More* Initiative, and HUD to provide housing opportunities for homeless populations.

*Description:* Under AHA's PBRA for Supportive Housing program, owners and developers of supportive housing receive housing subsidy under PBRA agreement with AHA for up to two years. In return, the owner is required to 1) work with a certified Service Coordinator such as the United Way and 2) enter into an agreement with one or more service providers who will provide appropriate intensive support services for the target population. They also agree to coordinate with any public agencies and nonprofit organizations that are providing additional case support to individual residents.

As funding becomes available, AHA periodically releases competitive Requests for Proposals for PBRA for Supportive Housing. In FY 2013, AHA issued a new competitive solicitation for developers/owners of new and existing supportive housing programs, which will remain open throughout FY 2014 until AHA has achieved its plan. AHA awarded a new PBRA agreement for 10 units to Quest Village III, a supportive housing community for homeless veterans. (See sidebar story.)

AHA has committed 700 vouchers – over 10 percent of its tenant-based Housing Choice vouchers in Atlanta – to support the Regional Commission's fight to end homelessness. As of June 30, 2013, 546 of these units were under current PBRA agreements and another 150 units were under commitment, with construction, completion and occupancy scheduled in FY 2014. (See *Appendix D*.) In FY 2013, AHA increased its commitment to 1,000 MTW vouchers to support a variety of initiatives to reduce homelessness in Atlanta.

### **Stabilizing Disabled Individuals**

*Primary Population Served:* Mentally or developmentally disabled individuals

*Partners:* The Integral Group, Integral Youth and Family Project

*Description:* In FY 2009, AHA and its partner The Integral Group developed a 26-unit supportive services housing community – the Gardens at CollegeTown – for persons with mental or developmental disabilities. This development is part of the larger CollegeTown at West End master-planned, mixed-use, mixed-income community. The Integral Youth and Family Project coordinate supportive services with the vision of connecting persons to needed counseling and supportive services so they can live independently.



### **Quest Village Gives Veteran the Support She Needs To Get Back on Her Feet**

In 2010 Shunita Averett lost her job, her house, and her marriage. Though she is an eight-year Navy vet with work experience as a surgical technician, she found herself in a tough situation and became homeless for over a year and a half.

In 2012, her life turned around when she moved into Quest Village, one of AHA's community partners that uses AHA's PBRA to provide supportive housing for up to 20 homeless men and women.

Now Shunita has a sense of stability. Not only does she have a safe place to live, she is getting job and life skills training that will help her find employment and get back on her feet.

## Tenant-Based Approaches

### Helping Veterans with VASH

*Primary Population Served:* Homeless veterans and their families

*Partners:* HUD, Veterans Administration (VA)

*Description:* Under this special voucher program, AHA issues vouchers based on referrals from the VA, then the VA provides case management and other services for each veteran.

In FY 2013, AHA successfully housed 25 veterans and their families using HUD Veterans Affairs Supportive Housing (HUD-VASH) vouchers awarded to AHA in FY 2012 in a cooperative program between HUD and the Veterans Administration (VA).

HUD-VASH is a key component of HUD's strategy to end homelessness among veterans by 2015. Based on AHA's success using the VASH vouchers and the local needs of the Veterans Affairs Medical Center, in FY 2013 HUD awarded AHA an additional 185 VASH vouchers, which will be issued in FY 2014.

### Unifying Families and Youth with Family Unification Vouchers

*Primary Populations Served:* Homeless families with children and former foster care youth between the ages of 18 and 21

*Partners:* Department of Family and Children Services (DFCS) – Fulton County

*Description:* Family Unification Program (FUP) vouchers provide rental assistance to families under the care of the Fulton County Department of Family and Children's Services (DFCS) who require housing to stay together or come together. AHA reenergized this program by supplementing the DFCS case support with Family Self-Sufficiency coordinators who assist families with housing success.

### Using Housing Choice Tenant-Based Vouchers for Pilot Programs

*Primary Population Served:* Homeless families and youth

*Description:* Using its MTW flexibility and funds in FY 2014, AHA is exploring various rent reforms and homelessness initiatives. For example, AHA is designing a Tenant-Based Supportive Housing pilot that would provide assistance for individuals and families that successfully "graduate" from a permanent supportive housing community into living independently. AHA is also exploring creation of a Short-Term Rental Assistance pilot to prevent homelessness and to support rapid re-housing of families dealing with temporary setbacks.

### Supportive Housing is a Priority for AHA

As of June 30, 2013, AHA funds units and vouchers totaling 897. This figure includes PBRA, VASH and FUP special vouchers, and public housing units in AHA-Sponsored Mixed Income Communities. Based on its plans for new supportive housing initiatives and increased commitments, AHA will nearly double its annual budget to \$15 million by the end of FY 2014. Using its MTW flexibility to partner with the private sector, government agencies, and the service provider community, AHA will continue to expand its supportive housing programs to address the local housing needs of at-risk populations.

## Continue EPC implementation and unit upgrades for AHA-Owned Residential Communities

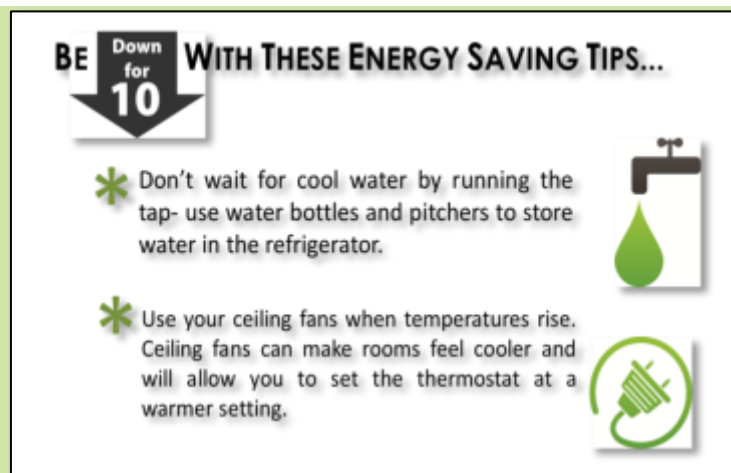
Under AHA's site-based and private property management business model, third-party professional property management firms (PMCOs: Lane Company, Integral Property Management, and the Habitat Company) managed the 13 AHA-Owned Residential Communities.

The PMCOs have provided comprehensive site-based management in accordance with AHA's goals, policies, and financial resources. Site-based management includes the daily property operations, maintenance, and capital improvements as well as admissions and resident services.

In FY 2013, the PMCOs provided comprehensive construction management for property and building rehabilitation work. This work included completion of a two-year rehabilitation project focused on upgrading units. During the project, AHA spent \$9.3 million on replacing 1,100 damaged kitchen cabinets, installing 574 new closet doors, and replacing worn flooring in 1,059 units as well as installing medicine cabinets, blinds and new appliances.

In addition to the unit rehabilitation and other capital improvement projects, working with Johnson Controls, AHA implemented its second energy performance contract (EPC). AHA combined a \$9.1 million EPC loan with \$2 million in MTW funds.

During FY 2013, AHA realized water/sewer savings from the installations of low-flow faucets, showerheads, and toilets and electricity savings from the installation of compact fluorescent lights. Through the EPC project, AHA has replaced HVAC systems with new energy-efficient systems and upgraded bathrooms with new sinks and light fixtures. As a result of these improvements and conservation by residents in all the AHA-Owned Residential Communities, AHA saved \$684,000 in utility costs, which have been used to pay the debt service under the EPC loan.



*Tip sheet used at the senior high-rise communities for the "Down for Ten" Energy Conservation Program launched in FY 2013. This organized competition among all 11 high-rises is building residents' pride and morale in their communities while reducing utility costs. Each quarter, the winning community is the one closest to the 10 percent reduction goal. Residents of Barge Road were the first winners with a 6 percent reduction in electricity and a 4 percent reduction in water.*

## **Reposition and expand property management strategy for AHA-Owned Residential Communities**

Because existing contracts with AHA's three PMCO firms expired on June 30, 2013, during FY 2013 AHA reviewed its property management approach to consider how it aligned with AHA's long-term real estate strategy. AHA decided that, in order to bring the AHA-Owned Residential Communities to market-rate competitive standards, it needed to raise debt and equity in partnership with private sector developers. Therefore, AHA decided to add development to the scope of the future property management contracts.

After this evaluation and determination, AHA completed a competitive solicitation for new Property Manager-Developer (PMD) partners for the AHA-Owned Residential Communities. The solicitation included professional property management services and real estate development services with the intent of attracting private funding for updating and modernizing the properties to bring them up to market-rate competitive standards.

As an outcome of the procurement process, AHA selected The Integral Group, The Michaels Organization, and Columbia Residential. The PMDs took over comprehensive management of the AHA-Owned Residential Communities effective July 1, 2013. Through these new strategic relationships and leveraging debt and equity from private investors, the PMDs will also begin development planning in FY 2014 with the goal of completing the development plans within three years.

## PRIORITY: ADVANCE HUMAN DEVELOPMENT SERVICES

**FY 2013 Goal: Advance the human development services strategy through strategic partnerships and new funding strategies.**

One of the key lessons AHA has learned through its strategic revitalization efforts to transform public housing for the 21<sup>st</sup> century is that human development services are essential to the success of those we serve. Using MTW funds, AHA continues to offer human development services provided by community partners. AHA-assisted customers are given referrals, as needed, to connect them to employment, training, education, and other opportunities. For customers who have more complex needs, we are establishing intensive coaching and counseling services through partnerships with professional firms.

### IMPACT OF FY 2013 HUMAN DEVELOPMENT SERVICES INITIATIVES

The following pages highlight supporting activities that advance these two priority human development initiatives:

1. Implement comprehensive human development life-cycle strategies leading to family self-sufficiency.
  - Working-Age Adults
  - Elderly and Disabled
  - Children and Youth
2. Advance early childhood education strategy and other education partnerships

#### ***FY 2013 Results***

**Work/Program Compliance  
in mixed-income communities: 99%**

**Highrise Resident  
Satisfaction Rating: 94%**

**College Scholarships Awarded: 14  
Totaling \$36,350**

## SUPPORTING ACTIVITIES

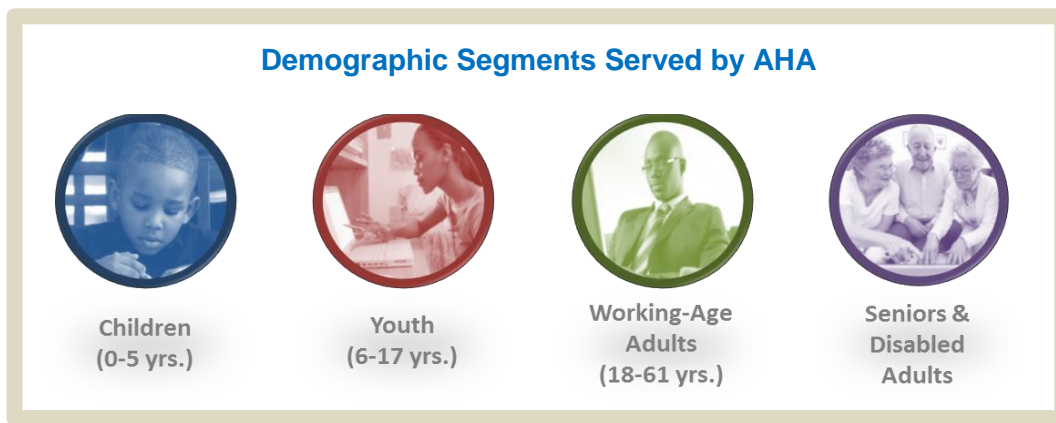
### Implement comprehensive human development life-cycle strategies leading to family self-sufficiency.

During FY 2013, AHA completed foundational work to refine our human development strategy to focus on distinct goals for four segments of our population: children, youth, working-age adults, and seniors and disabled adults.

Using this expanded segmentation, we assessed, and then matched the needs of each population with the appropriate mix of human development services and service provider partners. We established outcome goals for each segment. We then began aligning contracts with service providers and setting performance measures using the life-cycle model.

To build core capabilities aligning with each population segment, we added new staff positions, including a new

Director of Human Development Services, a gerontologist, and a youth programs specialist. AHA also spent Family Self-Sufficiency Program grant funds and MTW funds for on-staff Family Self-Sufficiency Coordinators that assist families in crisis, including counseling on being compliant with AHA's work/program requirement.



### Working-Age Adults

Demonstrating the importance of the Atlanta Model and the impact of mixed-income environments, 99 percent of AHA-assisted households with target adults\* in AHA-Sponsored Mixed-Income and PBRA Communities were in compliance with AHA's work/program requirement. Compliance requires that they maintain full-time employment or are engaged in a combination of school, job training, and/or part-time employment.

These adults succeeded because they have been positively influenced by a culture of work. They also benefited from private property management's support and guidance for gaining and maintaining employment (under AHA's site-based administration policies). This support also helps maintain the integrity and viability of the entire mixed-income community.

*\* Target adults are non-elderly, non-disabled adults between the ages of 18 and 61 years.*

### Work/Program Requirement

As a condition of receiving the housing subsidy, Households must meet the work/program requirement where:

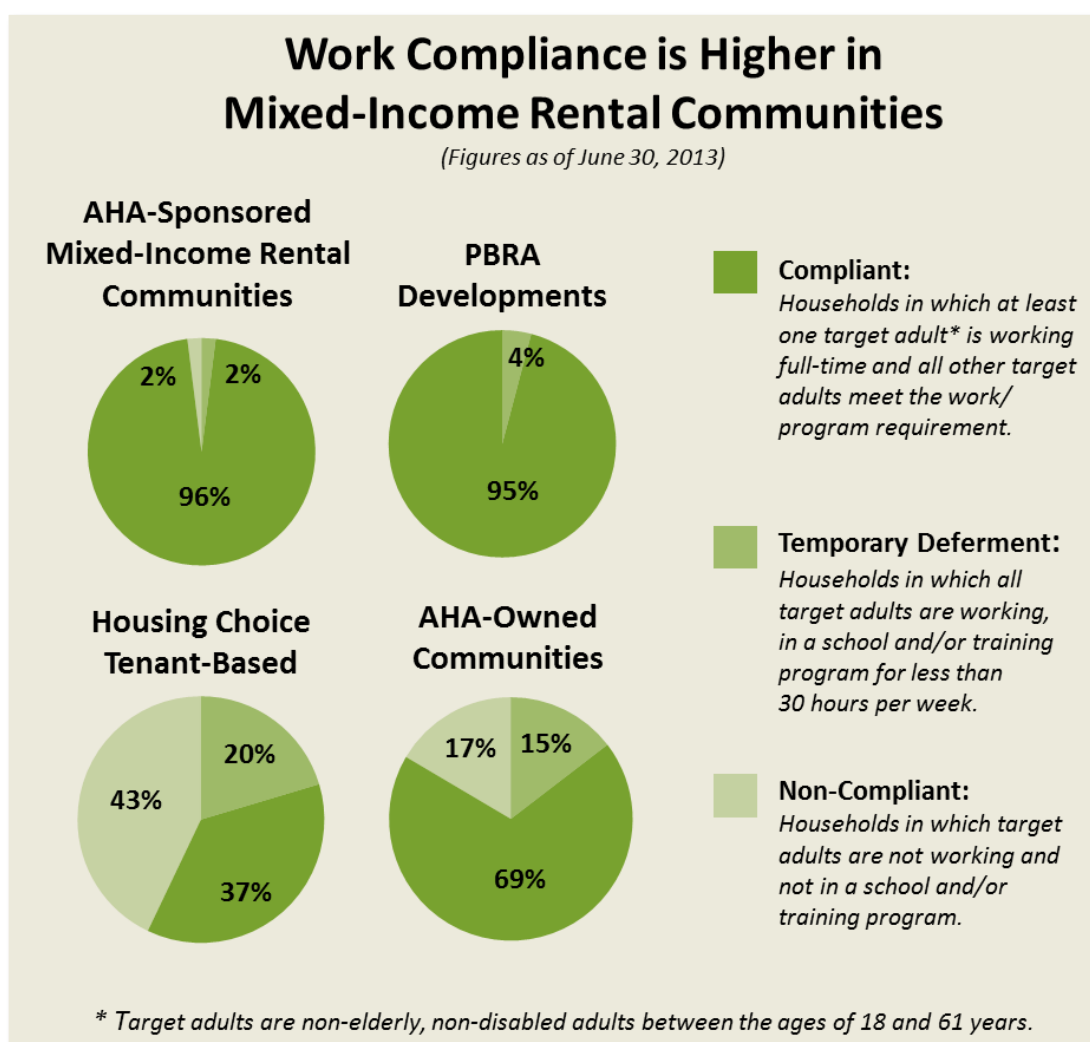
- (a) **one** non-elderly (18 to 61 years old), non-disabled **adult** household member must maintain continuous **full-time employment** (at least 30 hours per week)
- and**
- (b) **all other** non-elderly, non-disabled **household members** must also maintain employment with a minimum of 30 hours per week or **participate in a combination of school, job training and/or part-time employment.**

Further supporting this view, AHA found that among families living in the AHA-Owned Residential Communities, 84 percent of households were in compliance with the work/program requirement.

By contrast, target adults in the Housing Choice Voucher Program found it harder to find jobs or retrain for new ones. As of June 30, 2013, 57 percent of Housing Choice households were in compliance. This rate is composed of 37 percent of households working full-time plus 20 percent of households in which the target adults were engaged in a combination of work, school, or training for less than 30 hours per week (temporary deferments). AHA may grant temporary deferments to a household while target adults complete their education or job training program.

AHA recognizes that many families continue to need human development support. Adults may find it difficult to obtain full-time employment, especially if they lack marketable skills, knowledge, or certifications necessary for success in the new economy.

To help families along their path to self-sufficiency, target adults were referred to AHA's Service Provider Network partners such as the Atlanta Workforce Development Agency, which provided training and services for 1,770 participants in FY 2013. To further improve families' success, in FY 2014 AHA will invest in intensive coaching and counseling services for households that are non-compliant and need extra support in obtaining and retaining jobs.



## AHA Puts Housing Choice Participants On Their Path to Training and Employment



### Work Experience Program Develops New Skills

Through the Atlanta Workforce Development Agency (AWDA), Harvey Moton, 51, was referred to and enrolled in the Automotive & Diesel Technology program at Atlanta Technical College in July 2010.

After graduating in May 2012, Moton was able to enroll in a work experience program with the City of Atlanta Fleet Services as a mechanic.

Moton credits AWDA and AHA for encouraging him to take every opportunity to take his training to the next level.

"Back when I lost my job, I really didn't know how I was ever going to get back on my feet," Moton said. "Even though I was unsure of myself, AWDA really motivated me to go back to school and then to get involved in this training program."



### Work Program Leads To Job Training, Then To A Job

In 2011, after 30 years as a sales associate, Alicia Wheeler was laid off. Being thrust into the job market in the "new economy" was tough.

Alicia turned to AHA's program for help. Through that program, she enrolled in a job readiness training class at the Atlanta Workforce Development Agency (AWDA). Once she completed that class, she was selected for the Occupational Skills Training Program, which prepared her to seek and secure a full-time job working with DTZ Unicoi Service on the Clark University campus.

Through AWDA, she continued working on getting her GED and says, "You are never too old to learn, and I thank AHA and AWDA for giving me the chance to realize that."



### GED and Technical Training Opens Up New Career

When she was 19, Cory Hackney, 26, decided to go back to school for her GED because she wanted to have a better life.

"I enrolled in the GED program with AHA and, after completing the state tests, I went on to obtain a Culinary Arts diploma from Atlanta Technical College," Hackney said.

When she participated in an internship program at the Sheraton in 2011, managers observed her attention to detail (especially the fruit and vegetable trays, she said!) and hired her full-time.

## Elderly and Disabled

AHA's Aging Well program encourages independent living and empowers older adults to be active and control decisions that affect their lives and aging process. It offers social engagement opportunities, enhances connections to family, friends, and the broader community, and promotes wellness. Based on the success of this program in the AHA-Owned Residential Communities, we will expand the offerings to elderly and disabled families in Housing Choice in FY 2014.



## Building Harmony and Respect

Piloted in FY 2012 in two communities, this program uses cultural awareness, understanding, and communication to strengthen a sense of community and help the elderly enjoy a higher quality of life as they age in place. During FY 2013, 64 percent of residents (1,237 residents) at the AHA-Owned Residential Communities have participated. In the sessions developed and facilitated by Dr. Joy Carver, residents engage in dialogues that challenge their assumptions about racial, ethnic, and cultural differences. As result of this program, residents have come to appreciate the value of diversity in their communities.

## Children & Youth

AHA hired a youth programs specialist who will help develop programs and strengthen partnerships with community organizations that support the educational advancement of youth.

AHA and the United Negro College Fund (UNCF) continued their partnership on the Atlanta Community Scholars Awards (ACSA). UNCF provides fiscal oversight for grants and gifts given by AHA and its employees, including disbursements and scholarships. The scholarships are awarded by a committee of AHA employees and other community benefactors. For the 2013/2014 academic year, AHA awarded 14 scholarships totaling \$36,350 to deserving AHA-assisted youth for post-secondary education.



### ACSA Alumna – a Trail Blazer with Her Education – Is Working as a Civil Engineer with Big Dreams for Her Future

"My dream is to work for an international architecture company that will allow me to travel and see the world," said Sade Trammell, 23-year-old, Atlanta Community Scholars Award (ACSA) alumna and Georgia Southern University's first female Civil Engineering graduate.

*Cont'd on next page*

*Cont'd...* Trammell was living in Thomasville Heights, one of AHA's distressed public housing projects, when she graduated from Therrell High School. Going to college was an example she wanted to set for her siblings. "I'm the first in my family to make it this far with education. I didn't want my sisters to think they had to grow up and live from paycheck to paycheck or be stuck in that kind of neighborhood," she said.

Trammell worked with her high school guidance counselor to apply for college scholarships and was happy to learn about the ACSA Program. "AHA's scholarship helped me to go to Georgia Southern without any loans," Trammell said.

Trammell graduated from Georgia Southern in May 2013 and now works for the Georgia Department of Transportation. She is learning a lot working on a variety of projects, including road repaving and bridge building. In two years she plans to go back to school for a master's degree in structural engineering.

"I really appreciate AHA for the extra encouragement they are giving to students like me," Trammell said. "I'm so motivated to move forward! I've got goals, and I do not plan to stop!"

## Advance early childhood education strategy and other education partnerships

In support of Centennial Place Elementary School, AHA and The Integral Group (AHA's master developer for Centennial Place) further advanced a partnership with the Georgia Institute of Technology (Georgia Tech). In a memorandum of understanding signed as part of the sale of the Roosevelt Highrise property to Georgia Tech, all parties – Georgia Tech, Integral, and AHA – agreed to strengthen and expand educational offerings at Centennial Place Elementary.



Georgia Tech has agreed to provide engineering and arts faculty expertise and student involvement to create a high-performing, state of the art, hands-on STEAM (Science, Technology, Engineering, Arts and Math) curriculum. Led by an affiliate of Integral, Atlanta Public Schools, AHA, the YMCA, Centennial Place Elementary PTA, and other community stakeholders have agreed to work collaboratively to expand Centennial Place Elementary from a K-5 school to pre-K to eighth grade in order to offer a seamless educational path from early childhood through college.

During FY 2013, AHA and its partners (Columbia Residential and BrockBuilt) supported the opening of Westside Atlanta Charter School, a new charter school adjacent to the West Highlands at Heman Perry Boulevard community. This new school provides a quality, public educational alternative for the economically and socially diverse Westside neighborhood.



The first day at the new Westside Atlanta Charter School is a day to celebrate because these children, including those who live in AHA's West Highlands community, will now have the opportunity to get an excellent education and foundation for future success.

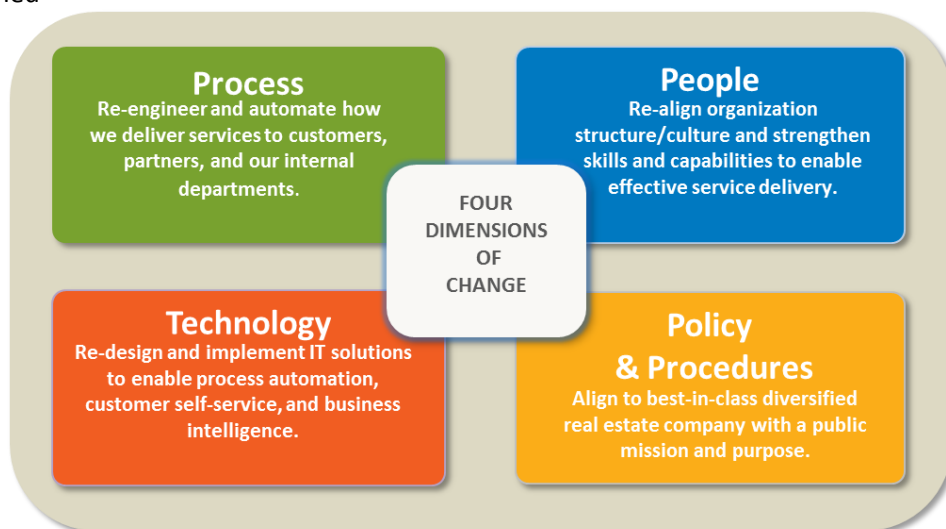
## PRIORITY: IMPLEMENT THE BUSINESS TRANSFORMATION

**FY 2013 Goal: Implement the business transformation initiative including the integrated Enterprise Resource Planning solution in order to streamline and automate operations and ensure the economic viability of AHA.**

AHA initiated a multi-year strategy in FY 2011, which continued through FY 2013, to strengthen AHA's business model as a diversified real estate company and prepare for the "new normal" in the real estate and financial markets.

In FY 2013, AHA's business transformation affected operations in every area of AHA and involved four dimensions of change: process, people, technology, and policy and procedures.

All our business process improvements in concert with our new technology platform will significantly increase business productivity, providing better customer service to AHA-assisted families, internal and external customers, partners, and the community at-large.



## IMPACT OF THE BUSINESS TRANSFORMATION INITIATIVE

During FY 2013, AHA continued to make significant progress toward our goals of streamlining and automating core operations; automating third-party data-exchange with partners and service providers; and eliminating manual, redundant processes and paperwork. Aligned with this work, AHA strengthened our core competencies through staffing, coaching, training, and organizational restructuring.

The following pages highlight these supporting activities that are advancing our business transformation initiative:

1. Implement the ERP Solution
2. Build organizational capabilities
3. Implement a stakeholder education and engagement initiative
4. Develop new sources of revenue and funding

## SUPPORTING ACTIVITIES

### Implement the ERP Solution

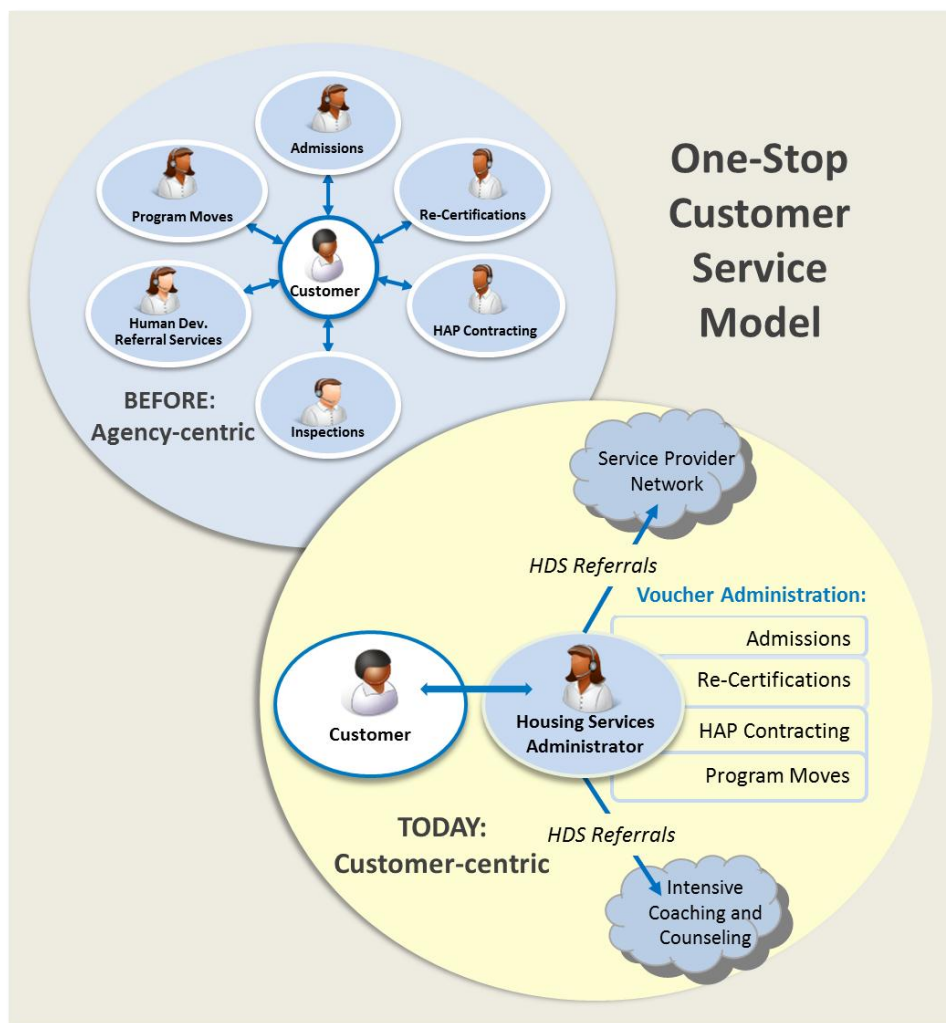
The implementation of AHA's integrated ERP projects has resulted in cost and time efficiencies throughout the agency – all linked to providing more effective service to customer. The following examples illustrate the immediate impact of change in FY 2013:

- Improved Customer Service Model**

AHA reorganized and bolstered Housing Choice operations by providing one-stop services for families with one Housing Services Administrator assigned to each family. Before the reorganization, families regularly interacted with as many as six employees to carry out routine business. AHA also integrated the Human Development Services function with Housing Services to form the Customer Services Group.

The result is quicker turnaround, better customer care, improved efficiency, and greater visibility into human development challenges and solutions.

The result is quicker turnaround, better customer care, improved efficiency, and greater visibility into human development challenges and solutions.



- Introduced a Corporate Card Program**

By replacing purchase orders for micro-purchases under \$5,000, AHA was able to reduce administrative costs by 80% from \$88 to \$17 per transaction. Use of corporate cards also reduced the number of small purchase orders by 66% from 1,500 to 530 in the initial year.

- Implemented an Automated Procurement System**

AHA implemented an automated Procurement Solution that allows vendor registration and management through an online platform. Over 300 new and existing suppliers used self-service features to register with AHA, which reduced AHA's sourcing administration costs by 40%.

- **Digitized and Centralized Millions of Documents**

AHA scanned over 2 million documents resulting in 5% reduction in off-site paper storage. In conjunction with a newly adopted retention schedule, centralized scanning of new documents increases the security and availability of information when working with customers.

- **Began Implementation of Yardi Core System and Automation**

AHA has used new technology to automate and streamline business processes. During FY 2013, AHA completed rollout of the Yardi Core System, as well as the Financial, Procurement and Grants modules and the operational elements for ports administration in the Housing Choice Voucher Program. Ports administration involves actions taken by the sending and receiving agencies to support a family's move from one jurisdiction to another.

Automation has resulted in increased efficiencies and productivity in ports administration, payment processing (Housing Assistance and Utility Allowance payments) and document management (including intake, search/retrieval, and workflow). For example, HAP processing times for ports have been reduced by 79%. With the full rollout of the ERP solution in FY 2014, AHA will realize further efficiencies and cost savings.

## Build organizational capabilities

The effectiveness of new technology, tools, and systems is dependent on the people who use them. The following examples illustrate how AHA has built the core capabilities of our people through development, training, and restructuring to support collaboration and shared resources:

- **Strengthened Core Capabilities**

To prepare for the future state, AHA began by identifying the skills and capabilities that would best leverage the new technology and provide superior customer service to its participants and partners. To fill the skill gaps required for the future state and build bench strength around core competencies, AHA implemented a "Build-Buy-Borrow" strategy. *Build*: First, we developed, coached, and promoted qualified employees for future state roles. *Buy*: When a needed skillset did not exist internally, AHA recruited experienced talent externally. *Borrow*: For projects that have required immediate skills for a specific period with a defined beginning and end date, AHA hired contractors and consultants.

- **Reorganized and aligned operations with service delivery**

Before MTW flexibility, organizational structures and departments were created to align with sources of funding. Leveraging that flexibility, AHA has been able to change its organizational structure. We manage a variety of real estate assets, and all of our experts need to work closely together to make the best use of resources.

Using best practices in the real estate industry, AHA consolidated three areas into one Real Estate Group: 1) real estate development, 2) real estate



oversight and services, and 3) real estate investments and finance.

This organizational change will help strengthen AHA's core competencies and skills, open up new career development opportunities, facilitate more collaborative working relationships, and position the agency to deal more effectively with real estate professionals.

This consolidation of real estate activities, along with the restructuring of Housing Choice and Human Development into the Customer Services Group streamlined AHA's organization so that core work is performed in these two groups and all other departments are considered to be Centers of Expertise, providing professional services that support customers, partners, and other AHA departments.

- **Launched AHA University**

AHA launched AHA University to encompass both technical and professional development programs. In FY 2013, AHA created and introduced role-based training for positions that use the new Yardi system. The role-based approach supports sustained learning over time, and its modular framework enables AHA to customize the curriculum for each individual's role and align the future-state business processes with organizational goals. Role-based training also leverages its development investments by allowing efficient modifications or additions to modules, rather than to the entire curriculum, when processes or roles change.

AHA also implemented a core curriculum of leadership skills training needed by executives and managers. This work will be ongoing.

- **Developed and implemented a new orientation and onboarding program**

The new 90-day program called *Blueprint for Success* is designed to help all employees collaborate, connect and succeed from the start, knowing how their role ties into the agency's mission. The curriculum includes classroom education, an introduction presented by senior leadership to all areas of AHA, property tours, and a ride-along with an inspections team member to see their work firsthand.

AHA launched the program in April 2013 and requires it for all new hires, including anyone hired since April 2012.

## Implement a stakeholder education and engagement initiative

During intense phases of business transformation in FY 2013, AHA focused education and engagement initiatives around its employees, who are primary stakeholders.

AHA took advantage of the 75th anniversary as a time to tell the story of how its business model and community-building strategy have evolved and continue to evolve to achieve better outcomes for AHA-assisted households and the city of Atlanta. This milestone celebration allowed AHA to share its story with a broader external audience including local and regional HUD officials, elected officials, and community partners who participated in presentations highlighting AHA's legacy and vision.



Chantil Coleman, a 2012 Gates Millennium Scholar and sophomore at Wesleyan College, grew up in the Centennial Place mixed-use, mixed-income community. Speaking to AHA employees on our 75<sup>th</sup> anniversary, she said, "I'm proud to be seen as a success story for AHA."

## Expanded communications

Through an expansion of communications media, clear messaging, and increased frequency, AHA has kept employees engaged in changes and improvements to AHA processes and service enhancements. These are a few of the ways we expanded communications:

- **Installed monitors** on each floor to highlight news, training tips, and ERP milestone announcements giving context to the agency's mission and vision.
- **Held all-staff programs** with guest presentations from AHA-assisted families who have achieved successes to demonstrate the purpose and outcomes of our daily work.
- **Created 75<sup>th</sup> anniversary communications** to tell the story of AHA's founding and how its vision has endured over different eras of history into modern times.



*AHA history banner on display in the lobby for our customers, visitors, and employees to view through 2013, tracks the critical eras of AHA, including its MTW designation.*

## Unrestricted sources of revenue

During FY 2013, through its ongoing business relationship with Georgia HAP Administrators, Inc., d.b.a. National Housing Compliance (NHC), AHA earned \$858,319 unrestricted revenue as a member of NHC. *(No MTW or other AHA restricted funds support this independent business operation.)*

## AHA'S BUSINESS LINES AND PROGRAMS

AHA operates its business as an MTW agency pursuant to its MTW Agreement and facilitates quality affordable housing through five different housing solutions:

- AHA-Owned Residential Communities
- Housing Choice Tenant-Based Voucher Program
- AHA-Sponsored Mixed-Use, Mixed-Income Communities
- Mixed-Income Communities using Project Based Rental Assistance (PBRA)
- Supportive Housing

Each one is designed to leverage AHA's resources – finances, knowledge and experience, grant funds, rental subsidies, and land.

Through this variety of programs, all supported by human development services, AHA is able to meet a broad spectrum of housing needs for low-income families, including at-risk populations, in the city of Atlanta.

### AHA-Owned Residential Communities

**1,942 households • 11 senior high-rises • 2 family communities**

AHA owns 13 public housing assisted residential properties, including 11 senior high-rise communities and two small family communities.

AHA contracts with professional private Property Managers-Developers (PMDs) to manage each community in a comprehensive manner in accordance with AHA's goals, policies, and priorities.

***FY 2013 Highlight***  
Community Gardens were completed in all communities. Using a grant from Enterprise Community Partners, residents received training on sustainable gardening techniques.



*Melissa Firestone, a resident of Cosby Spear Highrise, is pictured here gardening and showing off her bountiful produce. Ms. Firestone serves on the Commission on Disability Affairs (CODA). Her leadership is an asset to the community, where she encourages others to get involved in new programs like community gardening.*

## Housing Choice Tenant-Based Voucher Program

9,308 households



*Bertha Wilcher moved into public housing when she was laid off from work. Later, when the “projects” were demolished, she was given the opportunity to rent a house using a Housing Choice voucher. Now she’s happy to have a home where it’s safe for her son to go out and play. Her son is flourishing in school. She says, “Today I am blessed. This is all I could hope for.”*

AHA’s Housing Choice Tenant-Based Voucher Program offers families the greatest mobility and broader range of choice in selecting where they live. Using an AHA voucher, families can identify quality housing anywhere in the city of Atlanta with the assurance that they will not have to pay more than 30 percent of adjusted income towards their rent and utilities. Families may also choose to use their AHA voucher to move outside the city limits of Atlanta.

***FY 2013 Highlight***  
Pulling from our Housing Choice waiting list, AHA provided assistance to 358 new families. AHA may open the waiting list in FY 2014, making housing vouchers available to more families in Atlanta.

Property owners/landlords of single family homes and apartments manage the properties and enter into landlord/tenant relationships with the families.

## AHA-Sponsored Mixed-Use, Mixed-Income Communities

4,992 households • 16 communities

AHA’s Strategic Revitalization Program makes it possible for private real estate developers to create market-rate quality mixed-use, mixed-income communities on the sites of former public housing projects. The Master Plans for each site envision transformational community-building by

- developing new mixed-income rental and for-sale units – both affordable and market-rate,
- incorporating great recreational facilities and amenities,
- creating green space and parks,
- providing quality retail and commercial activities, and
- being child-centered and supporting the creation of high-performing neighborhood schools (pre-K to high school).

### ***FY 2013 Highlight***

AHA’s partners were awarded tax credits for the development of an affordable assisted living community to be named Oasis at Scholars Landing. The first affordable assisted living facility in Georgia, it will provide housing for aging residents who require more assistance.



*150 mixed-income, family units at Auburn Pointe are currently under construction with occupancy anticipated in FY 2014.*

## Mixed-Income Communities using Project Based Rental Assistance

**4,593 households**

Using MTW flexibility, AHA created and implemented the Project Based Rental Assistance Program (PBRA) – AHA’s form of PBRA Agreement that streamlines program activities through site-based administration delivered at the property level.



This program leverages the value of a long-term rental assistance arrangement for private real estate developers and owners to develop or make affordable quality mixed-income communities. Upon completion of the community, AHA and the owner enter into a PBRA Agreement for a period up to 15 years to provide

rental assistance to eligible residents in the PBRA units covered by AHA’s commitment.

The PBRA Program has successfully increased the long-term availability of high-quality affordable units to low-income families in Atlanta.

### ***FY 2013 Highlight***

AHA actively engaged partners in the business transformation initiative by collaborating on ways to use technology to enhance and streamline business processes related to site-based administration and HUD reporting.

## Supportive Housing

**897 households (Sub-set across all business lines)**

The purpose of supportive housing is to provide at-risk populations – who are often homeless or soon-to-be homeless – with a stable housing arrangement that includes

“wraparound services,” the specialized support services that address individual needs. At-risk populations include homeless people, people with physical, mental or

developmental disabilities, military veterans, families separated due to the lack of housing, youth aging out of foster care, and other target groups that need quality, affordable housing. For AHA,

Supportive Housing holds a meaningful place among the housing opportunities we make available to low-income families and individuals.

### ***FY 2013 Highlight***

“As part of its standing commitment to be a facilitator of affordable and quality supportive housing, AHA expanded its supportive housing project based rental assistance program from 700 to 1,000 units.

AHA will implement two pilot programs, a tenant-based supportive housing pilot and a short-term rental assistance pilot to address episodic homelessness,” said Mike Proctor, AHA’s Chief Policy Officer.



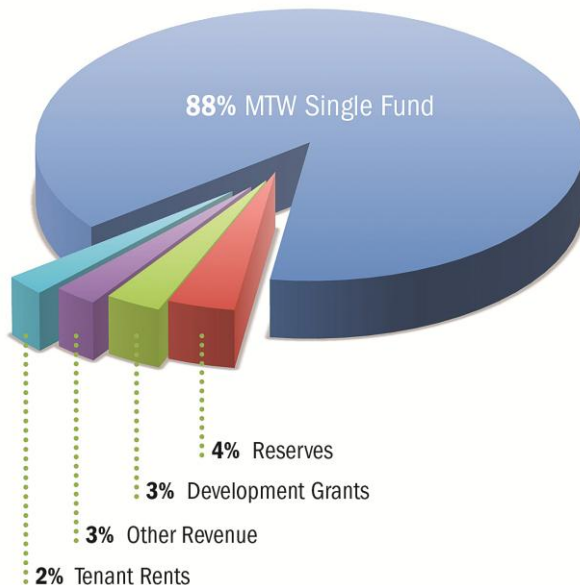
*The historic 1910 Imperial Hotel in downtown Atlanta is being renovated by Columbia and National Church Residences to provide housing for homeless adults who need specialized supportive services. The development deal was made possible by AHA’s commitment to provide PBRA assistance for all 90 units.*

## SUMMARY FINANCIALS

For detailed financials, see **Appendix F: Financial Analysis - FY 2013 Budget vs. Actual (Unaudited)**.

### FY 2013 Sources and Uses of Funds

*(Preliminary & Unaudited Actuals)*

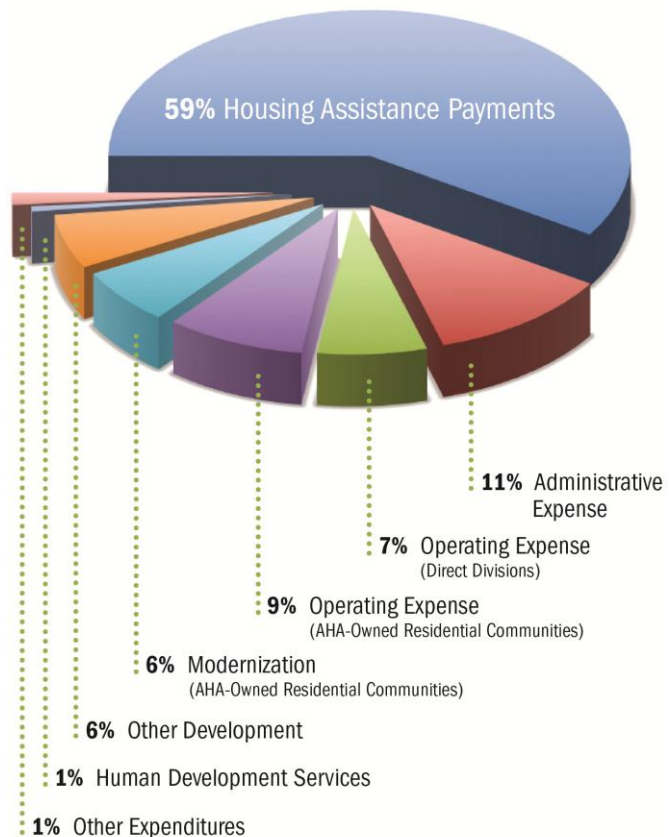


#### Sources of Funds

During FY 2013, most of AHA's funding came from HUD in the form of Housing Choice Voucher Funds, Public Housing Operating Subsidy, and Capital Fund grants.

AHA also received revenue from these sources:

- Rents paid by residents of the 13 AHA-Owned Residential Communities
- Fees earned in connection with development activities under its Revitalization Program
- Participation with the individual Owner Entities in net cash flows from mixed-income, mixed-finance rental communities (in the form of interest payments or ground lease payments)
- Profit participation from the sale of single family homes
- Fees earned as a subcontractor and member of Georgia HAP Administrators, Inc. *dba* National Housing Compliance
- Planned use of Reserves for strategic projects



#### Uses of Funds

In FY 2013, AHA continued to facilitate quality affordable housing opportunities for low-income families in the following ways:

- Provided a total of \$90 million in housing assistance payments for households under the tenant-based Housing Choice Voucher Program
- Provided a total of \$33 million in PBRA payments supporting PBRA units in mixed-income communities
- Provided \$15 million in operating subsidy to cover operating costs for AHA-assisted units in the AHA-Sponsored Mixed-Income Communities
- Funded \$20 million in operating expenses including human development services to support 1,942 households in AHA-Owned Residential Communities

## MTW INNOVATIONS & POLICIES



Under the MTW Agreement, AHA has strategically implemented its housing policy reforms across all programs. This consistency serves multiple purposes. One, families can expect to rise to the same standards that AHA believes lead to self-sufficiency. Two, AHA can align its values with contract terms in various agreements with developers and service providers. Three, AHA gains economies from systematic implementation across the agency. As a result of AHA's participation in the MTW Demonstration and strategic implementation of numerous innovations or reforms, families are living in quality, affordable housing and improving the quality of their lives.






The following represents an overview of a number of key innovations and policy reforms AHA has implemented as a result of its participation in the MTW Demonstration Program and in accordance with the provisions of AHA's Amended and Restated MTW Agreement with HUD.





### Innovations & Policies










*Designates an AHA invention or significant innovation*





Economic Viability	REGULAR HOUSING AUTHORITY	AHA INNOVATION AND IMPACT
 <b>Households Served (HUD Funding Availability)</b> To address the volatility in the availability of HUD funding, this protocol defines "AHA households served" as all households in the Housing Choice voucher program and all households earning 80% and below of area median income (AMI) residing in communities in which AHA owns, sponsors, subsidizes, or invests funds.	Counts families based on funding source	Counts all households affected by AHA programs and investments
<b>Fee-for-Service Methodology</b> As a simplified way to allocate indirect costs to its various grants and programs, AHA developed a fee-for-service methodology replacing the traditional salary allocation system. More comprehensive than HUD's Asset Management program, AHA charges fees, not just at the property-level, but in all aspects of AHA's business activities, which are often not found in traditional HUD programs.	Cost allocation based on labor costs	Accounts for all costs
<b>Local Asset Management Program</b> A comprehensive program for project-based property management, budgeting, accounting and financial management. In addition to the fee-for-service system, AHA differs from HUD's asset management system in that it defines its cost objectives at a different level; specifically, AHA defined the MTW program as a cost objective and defined direct and indirect costs accordingly.	HUD Asset Management	Effective, customized approach
 <b>Revised MTW Benchmarks</b> AHA and HUD defined 11 MTW Program Benchmarks to measure performance. AHA is not subject to HUD's Public Housing Assessment System (PHAS) or Section Eight Management Assessment Program (SEMAP) because each party recognized that such measurements were inconsistent with the terms and conditions of AHA's MTW Agreement.	PHAS & SEMAP	Simplified and focused on outcomes

Human Development and Self-Sufficiency	REGULAR HOUSING AUTHORITY	AHA INNOVATION AND IMPACT
 <b>Work/Program Requirement</b> This policy establishes an expectation that reinforces the importance and necessity for work to achieve economic independence and self-sufficiency. As a condition of receiving the housing subsidy, (a) one non-elderly (18 to 61 years old), non-disabled adult household member must maintain continuous full-time employment (at least 30 hours per week) and (b) all other non-elderly, non-disabled household members must also maintain full-time employment or participate in a combination of school, job training and/or part-time employment.	None	All able-bodied adults must be working or engaged in programs to prepare for work
<b>Service Provider Network</b> For the benefit of AHA-assisted households and individuals, AHA formed this group of social service agencies to support family and individual self-sufficiency, leveraging MTW Funds with resources and expertise from established organizations.	None	Uses partnership model to leverage MTW Funds
 <b>Intensive Coaching and Counseling Services</b> AHA has used over \$30 million of MTW Funds to pay for family counseling services for families transitioning from public housing to mainstream, mixed-income environments and for self-sufficiency.	None	Enabled by MTW Single Fund
 <b>30% of Adjusted Income</b> This innovation ensures housing affordability and uniformity of tenant payments, regardless of the source of AHA subsidy, by establishing that the total tenant payments of all AHA-assisted households (including HCVP participants) will at no time exceed 30 percent of adjusted income.	Only applies to public housing	Increases housing choices in lower poverty neighborhoods
 <b>\$125 Minimum Rent</b> Policy that raises standards of responsibility for some AHA-assisted families in public housing and Housing Choice by increasing tenant contributions towards rent to at least \$125. Policy does not apply to households where all members are either elderly and/or disabled.	\$25	\$125
<b>Elderly and Non-Elderly Disabled Income Disregard</b> This policy encourages healthy aging and self-sufficiency by excluding employment income when determining rental assistance for elderly persons or non-elderly persons with a disability.	n/a	Encourages independent living and incents employment
 <b>4-to-1 Elderly Admissions Preference</b> AHA created this policy to address sociological and generational lifestyle differences between elderly and young disabled adults living in the AHA-Owned Residential Communities (public housing-assisted communities). This policy creates a population mix conducive to shared living space for the elderly.	None	Improves quality of life for all residents

<b>Human Development and Self-Sufficiency Cont'd</b>	<b>REGULAR HOUSING AUTHORITY</b>	<b>AHA INNOVATION AND IMPACT</b>
<b>Rent Simplification</b> AHA determines adjusted annual income with its own Standard Deductions that replace HUD's Standard Deductions, and, in most cases, eliminate the need to consider other deductions. This policy reduces errors and inefficiencies associated with the verification of unreimbursed medical and childcare expenses.	\$480 per child, \$400 for elderly/disabled and requires receipts	Simplifies administration: \$750 per child, \$1000 for elderly/disabled households
<b>Good Neighbor Program</b> An instructional program established in partnership with Georgia State University, the curriculum includes training on the roles and responsibilities necessary to be a good neighbor in mainstream, mixed-income environments. The program supports acceptance of the Housing Choice program by members of the community.	None	Improves quality of life and community acceptance
 <b>Aging Well Initiative</b> Recognizing the needs of older adults to live independently and maintain their quality of life, AHA introduced a program to provide residents with vibrant physical spaces, active programming, support services, and enhanced opportunities for socialization, learning, and wellness.	None	Enabled by MTW Funds
<b>Alternate Resident Survey</b> This protocol, which replaces and satisfies the requirements for HUD's PHAS Resident Survey, allows AHA to monitor and assess customer service performance in public housing using AHA's own resident survey.	PHAS Resident Survey	AHA customized resident survey
 <b>MTW Benchmarking Study—Third Party Evaluation</b> In order to measure the impact of AHA's MTW Program, AHA uses an independent, third-party researcher to conduct a study of the Program and its impact.	n/a	Empirical evaluation by independent third-party
 <b>Early Childhood Learning</b> Because strong communities are anchored by good schools, AHA partners with the public schools, foundations and developers to create physical spaces for early childhood learning centers.	None	Leverages land to break cycle of poverty
<b>Expanding Housing Opportunities</b>	<b>REGULAR HOUSING AUTHORITY</b>	<b>AHA INNOVATION AND IMPACT</b>
 <b>Mixed-Income / Mixed-Finance Development Initiative</b> AHA strategically approaches development and rehabilitation activities by utilizing public/private partnerships and private sector development partners, and by leveraging public/private resources. AHA has evolved its policies and procedures to determine and control major development decisions. This streamlined approach allows AHA to be more nimble and responsive in a dynamic real estate market in the creation of mixed-income communities.	n/a	Pioneered by AHA and now called "The Atlanta Model"

Expanding Housing Opportunities Cont'd	REGULAR HOUSING AUTHORITY	AHA INNOVATION AND IMPACT
 <b>Public-Private Partnerships</b> The public/private partnerships formed to own AHA-Sponsored, Mixed-Income Communities (Owner Entities) have been authorized by AHA to leverage the authority under AHA's MTW Agreement and to utilize innovative private sector approaches and market principles.	n/a	Leverages public funds and private sector funds and know-how
 <b>Total Development Cost (TDC) Limits</b> AHA replaced HUD's Total Development Cost (TDC) limits with a more comprehensive formula to better facilitate development transactions.	Limited	Enables public-private partnership
<b>Managing Replacement Housing Factor (RHF) Funds</b> AHA established a RHF Obligation and Expenditure Implementation Protocol to outline the process with which AHA manages and utilizes RHF funds to further advance AHA's revitalization activities.	Restricted	Clearly defined options for combining or accumulating RHF funds
<b>Mixed-Finance Closing Procedures</b> AHA carries out a HUD-approved procedure for managing and closing mixed-finance transactions involving MTW or development funds.	n/a	Streamlines procedures
<b>Gap Financing</b> AHA may support the financial closings of mixed-income rental communities through gap financing that alleviates the challenges in identifying investors and funders for proposed development projects.	n/a	Enables opportunities to preserve and/or develop additional mixed-income communities
 <b>Project Based Rental Assistance (PBRA) as a Development Tool</b> AHA created a unique program that incents private real estate developers/owners to create quality affordable housing. For PBRA development deals, AHA has authorization to determine eligibility for PBRA units, determine the type of funding and timing of rehabilitation and construction, and perform subsidy layering reviews.	Project Based Vouchers program	Unique PBRA program developed with local Atlanta developers
 <b>PBRA Site-Based Administration</b> Through AHA's PBRA Agreement (which replaces the former Project Based HAP contract), the owner entities of PBRA developments and their professional management agents have full responsibility, subject to AHA inspections and performance reviews, for all administrative and programmatic functions including admissions and occupancy procedures and processes relating to PBRA-assisted units. Allows private owners to manage and mitigate their financial and market needs.	PBV administered by PHA	Allows private owner to optimize management and viability of property

<b>Expanding Housing Opportunities Cont'd</b>	<b>REGULAR HOUSING AUTHORITY</b>	<b>AHA INNOVATION AND IMPACT</b>
 <b>Reformulating the Subsidy Arrangement</b> AHA is implementing strategies to reformulate the subsidy arrangement for AHA-Sponsored Mixed-Income Communities and AHA-Owned Residential Communities from public housing operating subsidy (under the existing Annual Contributions Contract) to Project Based Rental Assistance (under an AHA-devised PBRA Agreement), in order to sustain and preserve investments in these rental communities.	n/a	Unique program enhances long-term viability of real estate
<b>Supportive Housing</b> AHA supports, in partnership with private sector developers, service-enriched housing for target populations such as the homeless, persons with mental health or developmental disabilities, at-risk families and youth, and others requiring a unique and supportive environment to ensure a stable housing situation. AHA utilizes PBRA funding to provide rental assistance and has established separate housing assistance policies for these developments that match the unique needs of the client population.	Requires waivers for preferences	Expands affordable housing for at-risk populations
 <b>Builders/Owners Agreement Initiative</b> Agreements with single-family homebuilders throughout Atlanta to provide down payment assistance for first-time buyers. Designed to facilitate great opportunities for low-income families in a soft real estate market, this initiative has successfully aided in the absorption of Atlanta's "excess" inventory of high-quality, recently constructed, single-family homes.	n/a	Expands affordable, high-quality housing opportunities
 <b>Affordable Assisted Living</b> AHA and a private sector partner are developing a facility primarily for elderly veterans and their spouses who require assistance with daily living activities. AHA seeks to fill the unmet need for affordable assisted living alternatives by leveraging multiple sources of funding.	n/a	Expands affordable housing for at-risk population
<b>Housing Choice Voucher Program (HCVP) Reforms</b> AHA's MTW Agreement allows it to develop its own Housing Choice Voucher Program. In addition to agency-wide policies, following are key features of the program.		
<b>HCRA Agreement</b> Replaces the HUD HAP Agreement and is based on private sector real estate models.	Standard HAP agreement	Market-based with lease addendum
<b>Multi-family Rent Schedules</b> By agreement with certain high-performing multi-family property owners, establishes standard rents and annual review for a property.	Single Fair Market Rent for Atlanta	Increases availability of quality housing while reducing operational costs

<b>Expanding Housing Opportunities Cont'd</b>		REGULAR HOUSING AUTHORITY	AHA INNOVATION AND IMPACT
	<b>Atlanta Submarket Payment Standards</b> AHA established standards in 13 local submarkets to account for varying local markets and to eliminate financial barriers during the housing search.	Single Fair Market Rent for Atlanta	Increases choices for families
	<b>Rent Reasonableness Determinations</b> AHA uses local market comparables to determine rents for each unit and ensure that AHA is not overpaying in any given market.	Varies	Aligns rents with market
	<b>Leasing Incentive Fee (LIF)</b> Allows families greater buying power in lower poverty neighborhoods where security deposits and application fees would normally create a barrier. Attracts more landlords in lesser-impacted markets.	None	Lowers barriers for families
	<b>Occupancy Policies</b> Occupancy standards, including a broad definition of a family, are set by AHA to improve long-term self-sufficiency of the family.	Strict	Increases access to housing
	<b>Housing Choice Homeownership Policies</b> AHA established its own policies, procedures, eligibility, and participation requirements for families to participate in the Housing Choice Homeownership Program and use their voucher for mortgage payment assistance.	None	Supports long-term success of low-income families
	<b>Special Purpose Vouchers Program Flexibility</b> Allows AHA to apply its program standards after the first year for vouchers such as Family Unification.	Restricted by funding source	Aligns MTW goals and flexibility
	<b>Enhanced Inspection Standards</b> AHA created more comprehensive inspections standards and processes than HUD HQS in order to improve the delivery of quality, safe and affordable housing to assisted families. Ensures the quality and financial viability of the product and the neighborhood.	HUD's HQS	Unit + site and neighborhood
	<b>Site and Neighborhood Standards</b> In lieu of the HUD Site & Neighborhood Standards, AHA has adopted the PBRA Site & Neighborhood Standards as set forth in Section VII.B.3 of Attachment D of AHA's MTW Agreement for the evaluation of HOPE VI and other HUD-funded master planned developments.	Limited	Flexible standards to leverage local market realities

## APPENDICES TABLE OF CONTENTS

Attached to this document, AHA has included additional detailed statistics and reports.

<b>Appendix A</b>	<b>MTW Annual Plan Cross-Reference Guides</b> <ol style="list-style-type: none"> <li>1. AHA Legacy Attachment B Requirements</li> <li>2. HUD Form 50900 Attachment B</li> </ol>
<b>Appendix B</b>	<b>FY 2013 MTW Report Resolution &amp; Certifications</b> <ol style="list-style-type: none"> <li>1. Secretary's Certificate</li> <li>2. Resolution               <ul style="list-style-type: none"> <li>Exhibit EO-1-A: MTW Program Benchmarks – Measurable Outcomes</li> <li>Exhibit EO-1-B: Minimum Rent Policy Impact Analysis</li> <li>Exhibit EO-1-C: Elderly and Non-Elderly Disabled Income Disregard Policy Impact Analysis</li> <li>Exhibit EO-1-D: Rent Simplification Policy Impact Analysis</li> </ul> </li> <li>3. Certification to HUD Regarding the AHA's FY 2013 MTW Annual Report</li> </ol>
<b>Appendix C</b>	<b>Ongoing Activities Directory</b>
<b>Appendix D</b>	<b>Housing Opportunities</b> <ol style="list-style-type: none"> <li>1. Households Served Information</li> <li>2. Units Added</li> <li>3. Units Under Commitment</li> <li>4. Units Removed</li> <li>5. Household Characteristics (Income, Family Size, Bedroom Size)</li> <li>6. Waiting List Characteristics (AMI, Bedroom Size, Family Size)</li> </ol>
<b>Appendix E</b>	<b>Management Information for Owned / Managed Units at AHA-Owned Residential Communities and Assisted Units at Mixed-Income Communities</b> <ol style="list-style-type: none"> <li>1. Occupancy Rate</li> <li>2. Rents Uncollected</li> <li>3. Emergency Work Order Completion</li> <li>4. Routine Work Order Completion</li> <li>5. Inspections</li> <li>6. Security</li> </ol>
<b>Appendix F</b>	<b>Financial Analysis</b> <ol style="list-style-type: none"> <li>1. FY 2013 Budget vs. Actual (Unaudited)</li> <li>2. Planned vs. Actual Capital Expenditures</li> <li>3. Annual Statement / Performance and Evaluation Reports</li> <li>4. Housing Choice Vouchers Authorized</li> <li>5. AHA Audit for the Fiscal Years Ended June 30, 2012 and 2011</li> </ol>
<b>Appendix G</b>	<b>Resident Satisfaction Survey, AHA-Owned Residential Communities</b>

### III. PLANNED ACTIVITIES DIRECTORY

The Atlanta Housing Authority's Planned Activities document lists activities, initiatives, and policies identified in AHA's FY 2013 MTW Annual Implementation Plan. This directory summarizes the status of activities/initiatives/policies that AHA has initiated during the Fiscal Year. Activities that have previously received HUD approval and have been operationalized are listed in the Ongoing Activities Directory (Appendix C). In accordance with AHA's MTW Agreement with HUD, HUD's approval of activities is cumulative and ongoing.

#### STATUS KEY:

<b>IP</b>	<b>In Progress</b>	Activity is in progress, but not yet operationalized.
<b>C</b>	<b>Completed</b>	Projects have been completed in the current fiscal year based on established beginning and end dates. Relative learning has been operationalized where applicable.
<b>O</b>	<b>Operationalized</b>	Activity is ongoing and continues to be implemented as part of AHA's ongoing business operations.
<b>P</b>	<b>Postponed</b>	Activity was postponed from full implementation; has potential for future implementation.
<b>D</b>	<b>Discontinued</b>	Activity was discontinued from further implementation; may be renewed if conditions warrant.

Goal of Activity	Status	Results/Comments
<b>1. Implement the business transformation initiative including the integrated Enterprise Resource Planning solution</b>		
A. Implement the ERP solution.	IP	<ul style="list-style-type: none"> <li>Completed rollout of Yardi Core System, including the Financial, Procurement and Grants modules as well as the operational elements for Ports administration in the Housing Choice Voucher Program.</li> <li>Introduced a Corporate Card program, which reduced administrative costs by 80% from \$88 to \$17 per transaction.</li> <li>Implemented an Automated Procurement Solution by implementing an online platform for vendor registration and management. Over 300 new and existing suppliers used self-service features to register with AHA, which reduced AHA's sourcing administration costs by 40%.</li> <li>Scanned over 2 million documents, resulting in 5% reduction in off-site paper storage. In conjunction with newly adopted retention schedule, centralized scanning of new documents increases the security and availability of information when working with customers.</li> </ul>

Goal of Activity	Status	Results/Comments
B. Implement a stakeholder education and engagement initiative.	O	<ul style="list-style-type: none"> <li>AHA took advantage of the 75th anniversary as a time to tell the story of how its business model and community-building strategy have evolved and continue to evolve to achieve better outcomes for AHA-assisted households and the city of Atlanta. This milestone celebration allowed AHA to share its story with a broader external audience including local and regional HUD officials, elected officials, and community partners who participated in presentations highlighting AHA's legacy and vision.</li> <li>Through an expansion of communications channels, clear messaging and increased frequency, AHA has proactively kept employees engaged in changes and improvements to AHA processes and service enhancements.</li> </ul>
C. Build organizational capabilities.	IP	<ul style="list-style-type: none"> <li>To prepare for the future state, we began by identifying the skills and capabilities that would best leverage the new technology and provide superior customer service to our participants and partners. To fill the skill gaps required for the future state and build bench strength around core competencies, we implemented a "Build-Buy-Borrow" strategy.</li> <li>Reorganized and aligned operations with service delivery leveraging MTW flexibility and using best practices in the real estate industry. AHA consolidated three areas into one Real Estate Group: 1) real estate development, 2) oversight and services, and 3) investments and finance. This consolidation of real estate activities, along with the restructuring of Housing Choice and Human Development into the Customer Services Group streamlines AHA's organization so that our core work is performed in these two groups and all other departments are considered to be Centers of Expertise, providing professional services that support our customers, partners, and AHA departments.</li> <li>AHA launched <i>AHA University</i> to encompass both technical and professional development programs. This work will be ongoing. In FY 2013, AHA created and introduced role-based training for positions that use the new Yardi system.</li> <li>Developed and implemented a new orientation and onboarding program. The new 90-day program called <i>Blueprint for Success</i> is designed to help all employees collaborate, connect, and succeed from the start, knowing how their role ties into the agency's mission.</li> </ul>

**STATUS KEY:**

IP	In Progress	O	Operationalized	D	Discontinued
C	Completed	P	Postponed		

Goal of Activity	Status	Results/Comments
D. Initiate a long-term strategic planning process.	P	This activity will resume in FY 2014.
E. Develop new sources of revenue and funding.	O	See Ongoing Activities Directory
<b>2. Advance AHA's real estate initiatives with the goals of community sustainability, market competitiveness and long-term financial sustainability. (See also detailed charts by community.)</b>		
A. Advance master plans for mixed-use, mixed-income communities.	O	See details below.
<ul style="list-style-type: none"> <li>Acquisitions</li> </ul>	O	To further long-term neighborhood sustainability of the master plan area for West Highlands, on April 5, 2013, AHA purchased a 12-acre property adjacent to the City's new Westside Park that will provide mixed-income housing opportunities.
<ul style="list-style-type: none"> <li>Proposed Land Transactions and Sale of Assets</li> </ul>	O	AHA completed the sale of the Roosevelt Highrise property at fair market value to the Georgia Board of Regents (the governing and management authority of public higher education in Georgia) for the benefit of Georgia Tech. As part of the sale, Georgia Tech has agreed with Integral Development and AHA to support the evolution of Centennial Place Elementary School as a Georgia Tech-sponsored STEAM (Science, Technology, Engineering, Arts and Math) school. This effort is being led by Integral Development and supported by AHA, the Metropolitan YMCA, Coca-Cola, and other stakeholders. (See <i>Human Development</i> section for more details on AHA's education strategy.)
<ul style="list-style-type: none"> <li>Homeownership Down Payment Assistance (DPA) Program</li> </ul>	O	Low-to-moderate income, first-time homebuyers closed on 31 homes using AHA-provided DPA. These homes are associated with the following revitalization efforts: 11 Mechanicsville (former McDaniel Glenn); 15 CollegeTown (former Harris Homes); 3 West Highlands (former Perry Homes).
<b>Auburn Pointe:</b>  Close on second multifamily phase of Ashley at Auburn Pointe.	IP	Closed on the transaction on December 12, 2012 to construct 150 multi-family units (51 public housing, 39 LIHTC, and 60 market rate). 150 mixed-income units are currently under construction with certificate of occupancy anticipated for second quarter FY 2014.

**STATUS KEY:**

IP	In Progress	O	Operationalized	D	Discontinued
C	Completed	P	Postponed		

Goal of Activity	Status	Results/Comments
<b>Capitol Gateway:</b>  Continue negotiations with State of Georgia to swap state-owned land to the west of Capitol Gateway with AHA-owned land on the north side of the site.	O	The State of Georgia did not move forward on negotiations. These discussions will resume as the market conditions for development warrant.
<b>CollegeTown at West End:</b> <ul style="list-style-type: none"> <li>Continue negotiations for a land swap with Boys and Girls Club of Metro Atlanta.</li> <li>Continue to explore acquisition opportunities to further long-term neighborhood sustainability within the Master Plan area.</li> </ul>	O	<ul style="list-style-type: none"> <li>The Boys and Girls Club of Metro Atlanta did not move forward on negotiations for the land swap.</li> <li>AHA and its master developer continue to seek opportunities to support the master planned development.</li> </ul>
<b>The Villages at Carver:</b> <ul style="list-style-type: none"> <li>Continue to work to develop retail sites on-site and off-site – to include both marketing and development.</li> <li>Continue negotiations with Fulton County to develop a state-of-the-art public library on an off-site parcel owned by AHA.</li> </ul>	O	<ul style="list-style-type: none"> <li>AHA and its master developer worked with a real estate broker to complete a demand analysis for retail development. The results of the study will be used by the master developer for marketing retail opportunities to quality retailers.</li> <li>Negotiations with Fulton County will continue in FY 2014.</li> </ul>
<b>Mechanicsville:</b> <ul style="list-style-type: none"> <li>Determine utilization of warehouse site, which may include demolition or disposition.</li> <li>Continue to explore acquisition opportunities to further long-term neighborhood sustainability within the Master Plan area.</li> </ul>	O	<ul style="list-style-type: none"> <li>Due to the condition of the facility, AHA decided to demolish the warehouse structure. The Section 106 process was initiated and completed with the State Historic Preservation office, the National Advisory Council on Historic Preservation and HUD. Demolition design was completed and permits are pending with demolition to occur in early FY 2014.</li> <li>AHA and its master developer continue to seek opportunities to support the master planned development.</li> </ul>
<b>West Highlands at Heman E. Perry Boulevard:</b> <ul style="list-style-type: none"> <li>Continue to work on public improvements of the on-site land. Produce 6 for-sale affordable homes and 24 market-rate homes.</li> <li>Continue to explore acquisition opportunities to further long-term neighborhood sustainability within the Master Plan area.</li> </ul>	IP	<ul style="list-style-type: none"> <li>A construction management agreement was executed in FY 2013 for public improvements for a portion of the on-site land to support the construction of single family homes. This phase to be completed in FY 2014.</li> <li>AHA purchased 12 acres on April 5, 2013 to further long-term neighborhood sustainability within the master-planned area.</li> </ul>

**STATUS KEY:**

IP	In Progress	O	Operationalized	D	Discontinued
C	Completed	P	Postponed		

Goal of Activity	Status	Results/Comments
<b>Scholars Landing:</b> <ul style="list-style-type: none"> <li>Complete construction and lease-up of a 100-unit elderly building at Scholars Landing (former University Homes).</li> <li>Work with private sector development partner to submit an LIHTC application for the development of 60 affordable assisted senior living units. Oversee public improvements work.</li> </ul>	IP	<ul style="list-style-type: none"> <li>Construction was completed on the 100-unit senior building known as Veranda at Scholars Landing. The building was 100% leased in record time – a tribute to the product and location adjacent to the Atlanta University area schools.</li> <li>An LIHTC allocation was received from the Department of Community Affairs for the Oasis at Scholars Landing, with a closing expected in FY 2014. Public works activities were substantially completed in FY 2013 for this first phase of development.</li> </ul>
<b>Centennial Place:</b> <ul style="list-style-type: none"> <li>Consider the Cupola Building for development of rental housing if financially feasible.</li> </ul>	IP	<ul style="list-style-type: none"> <li>AHA and its master developer continue to seek opportunities to redevelop the structure.</li> <li>AHA committed PBRA assistance for 74 units at Centennial Place I and 70 units at Centennial Place II as part of a rental subsidy conversion demonstration program. <i>See below: Implement conversion (reformulation) demonstration for Centennial Place.</i></li> </ul>
<b>Roosevelt Highrise:</b>	O	<i>See above: Proposed Land Transactions</i>
<b>Palmer Highrise:</b> Explore feasibility of using the site for development of off-site replacement housing for revitalization of University Homes to support the Choice Neighborhood Implementation application.	P	No action was taken, because AHA did not apply for the FY 2012 Choice Neighborhood Implementation grant.
B. Pursue Choice Neighborhood Implementation grant.	IP	AHA completed and submitted its Neighborhood Transformation Plan in December 2012, but after review of the FY 2012 NOFA and HUD's requirements, AHA did not submit a response to the FY 2012 NOFA. AHA prepared and submitted an application for the FY 2013 Choice Neighborhood Implementation grant NOFA in September 2013.
C. Utilize PBRA as a strategic tool to facilitate housing opportunities.	O	AHA provided PBRA assistance to 100 independent living senior units completed at Veranda at Scholars Landing at the former University Homes site in the proposed Choice Neighborhood boundaries.

**STATUS KEY:**

IP	In Progress	O	Operationalized	D	Discontinued
C	Completed	P	Postponed		

Goal of Activity	Status	Results/Comments
D. Expand supportive housing opportunities.	IP	<ul style="list-style-type: none"> <li>In FY 2013, AHA solicited new proposals from developers/owners of existing supportive housing programs and awarded a new PBRA agreement for 10 units to Quest Village III, a 28-unit supportive housing community located within the planned Choice Neighborhood boundaries.</li> <li>AHA issued a new competitive solicitation, which will remain open throughout FY 2014 until AHA has achieved its plan.</li> <li>AHA applied for and received 25 VASH vouchers, then was later awarded an additional 185 VASH vouchers.</li> <li>AHA began participating in the Homeless Management Information System (HMIS) to use initially for VASH vouchers.</li> <li>AHA increased its commitment from 700 to 1,000 MTW vouchers to support various initiatives to reduce homelessness in Atlanta.</li> </ul>
E. Implement conversion (reformulation) demonstration for Centennial Place.	IP	<ul style="list-style-type: none"> <li>Under the Reformulation Demonstration Program, the operating subsidy for the 301 public housing-assisted units will be converted to project based rental assistance (PBRA) as designed and implemented by AHA using its MTW flexibility.</li> <li>In conjunction with the reformulation of Centennial Place, AHA received additional Housing Choice voucher funding on April 23, 2013, which will be used as part of the PBRA funding to replace the public housing operating subsidy upon conversion.</li> <li>During FY 2013, to prepare in advance for the second stage of the reformulation strategy, the managing general partner of the respective owner entities of development phases I and II of Centennial Place submitted 9-percent Low Income Housing Tax Credit (LIHTC) applications to raise equity for the renovations. These applications are currently being considered by the Department of Community Affairs, which administers the tax credit program for the State of Georgia.</li> </ul>

**STATUS KEY:**

IP	In Progress	O	Operationalized	D	Discontinued
C	Completed	P	Postponed		

Goal of Activity	Status	Results/Comments
F. Continue Energy Performance Contract (EPC) implementation and unit upgrades for AHA-Owned Residential Communities.	C	<ul style="list-style-type: none"> <li>In FY 2013, the PMCOs provided comprehensive construction management for property and building rehabilitation work. This work included completion of a two-year rehabilitation project focused on upgrading units. During the project, AHA spent \$9.3 million on replacing 1,100 damaged kitchen cabinets, installing 574 new closet doors, and replacing worn flooring in 1,059 units as well as installing medicine cabinets, blinds and new appliances.</li> <li>In addition to the unit rehabilitation and other capital improvement projects, working with Johnson Controls, AHA implemented its second energy performance contract (EPC). AHA combined a \$9.1 million EPC loan with \$2 million in MTW funds.</li> </ul>
G. Reposition and expand property management strategy for AHA-Owned Residential Communities.	O	AHA completed a competitive solicitation for new Property Manager-Developer (PMD) partners for the 13 AHA-Owned Residential Communities and selected The Integral Group, The Michaels Organization, and Columbia Residential. The solicitation included professional property management services and real estate development services with the intent of attracting private funding for updating and modernizing the properties to bring them up to market-rate competitive standards. Through these new strategic relationships, the PMDs will begin development planning in FY 2014 with the goal of completing the development plans within three years.

**STATUS KEY:**

IP	In Progress	O	Operationalized	D	Discontinued
C	Completed	P	Postponed		

Goal of Activity	Status	Results/Comments
<b>3. Advance the human development services strategy through strategic partnerships and new funding strategies.</b>		
A. Implement comprehensive human development life-cycle strategies leading to family self-sufficiency.	IP	<ul style="list-style-type: none"> <li>AHA completed foundational work to implement its three-year human development strategy. AHA completed segmentation analysis to focus on distinct goals for four segments: children (ages 0–5), youth (ages 6–17), working-age adults (ages 18–61) and senior and disabled adults.</li> <li>AHA hired a new Director of Human Development Services, a gerontologist, and a youth specialist to build its core capabilities in each segment.</li> </ul>
B. Advance early childhood education strategy and other education partnerships.	O	<ul style="list-style-type: none"> <li>In support of Centennial Place Elementary School, AHA and The Integral Group (AHA's master developer for Centennial Place) further advanced a partnership with the Georgia Institute of Technology (Georgia Tech). In a memorandum of understanding signed as part of the sale of the Roosevelt Highrise property to Georgia Tech, all parties – Georgia Tech, Integral, and AHA – agreed to strengthen and expand educational offerings at Centennial Place Elementary.</li> <li>Georgia Tech has agreed to provide engineering and arts faculty expertise and student involvement to create a high-performing, state of the art, hands-on STEAM (Science, Technology, Engineering, Arts and Math) curriculum.</li> <li>During FY 2013, AHA and its partners (Columbia Residential and BrockBuilt) supported the opening of Westside Atlanta Charter School, a new charter school adjacent to the West Highlands at Heman Perry Boulevard community. This new school provides a quality, public educational alternative for the economically and socially diverse Westside neighborhood.</li> </ul>
C. Explore establishment of an endowment fund for human development services.	P	This activity will resume in FY 2014.

**STATUS KEY:**

IP	In Progress	O	Operationalized	D	Discontinued
C	Completed	P	Postponed		

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<b>Appendix B</b>	<b>FY 2013 MTW Report Resolution &amp; Certifications</b> <ol style="list-style-type: none"><li>1. Secretary's Certificate</li><li>2. Resolution<ol style="list-style-type: none"><li>Exhibit EO-1-A: MTW Program Benchmarks – Measurable Outcomes</li><li>Exhibit EO-1-B: Minimum Rent Policy Impact Analysis</li><li>Exhibit EO-1-C: Elderly and Non-Elderly Disabled Income Disregard Policy Impact Analysis</li><li>Exhibit EO-1-D: Rent Simplification Policy Impact Analysis</li></ol></li><li>3. Certification to HUD Regarding the AHA's FY 2013 MTW Annual Report</li></ol>
<b>Appendix C</b>	<b>Ongoing Activities Directory</b>
<b>Appendix D</b>	<b>Housing Opportunities</b> <ol style="list-style-type: none"><li>1. Households Served Information</li><li>2. Units Added</li><li>3. Units Under Commitment</li><li>4. Units Removed</li><li>5. Household Characteristics (Income, Family Size, Bedroom Size)</li><li>6. Waiting List Characteristics (AMI, Bedroom Size, Family Size)</li></ol>
<b>Appendix E</b>	<b>Management Information for Owned / Managed Units at AHA-Owned Residential Communities and Assisted Units at Mixed-Income Communities</b> <ol style="list-style-type: none"><li>1. Occupancy Rate</li><li>2. Rents Uncollected</li><li>3. Emergency Work Order Completion</li><li>4. Routine Work Order Completion</li><li>5. Inspections</li><li>6. Security</li></ol>
<b>Appendix F</b>	<b>Financial Analysis</b> <ol style="list-style-type: none"><li>1. FY 2013 Budget vs. Actual (Unaudited)</li><li>2. Planned vs. Actual Capital Expenditures</li><li>3. Annual Statement / Performance and Evaluation Reports</li><li>4. Housing Choice Vouchers Authorized</li><li>5. AHA Audit for the Fiscal Years Ended June 30, 2012 and 2011</li></ol>
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## Appendix A - MTW Annual Report Cross-Reference Guides

### 1. AHA Legacy Attachment B Requirements

**Source:** Legacy Attachment B, AHA - Elements for the Annual MTW Plan and Annual MTW Report

**Reference:** AHA's Amended and Restated Moving to Work Agreement, January 16, 2009

**Description:** The following table outlines AHA's MTW reporting requirements per AHA's MTW Agreement. Cross-references are provided specifying the location, within the MTW Annual Report, where the item can be found.

Annual Report Element	Location in FY 2013 MTW Report
<b>I. Households Served</b>	
A. Number served: plan vs. actual by:	Appendix D: Housing Opportunities
- unit size	1. Households Served Information
- family type	5. Household Characteristics
- income group	6. Waiting List Characteristics
- program/housing type	
- race & ethnicity	
B. Changes in tenant characteristics	
C. Changes in waiting list numbers and characteristics	
D. Narrative discussion/explanation of change	
<b>II. Occupancy Policies</b>	
A. Changes in concentration of lower-income families, by program	Appendix D: Housing Opportunities 5. Household Characteristics
B. Changes in Rent Policy, if any	Appendix B: FY 2013 MTW Report Resolution & Certifications Exhibit EO-1-B: Minimum Rent Policy Impact Analysis Exhibit EO-1-C: Elderly and Non-Elderly Disabled Income Disregard Policy Impact Analysis Exhibit EO-1-D: Rent Simplification Policy Impact Analysis
C. Narrative discussion/explanation of change	
<b>III. Changes in the Housing Stock</b>	
A. Number of units in inventory by program: planned vs. actual	Appendix D: Housing Opportunities 1. Households Served Information
B. Narrative discussion/explanation of difference	Public Housing inventory is reported to HUD through the PIC system. Housing Choice unit leasing information is submitted monthly through VMS.
<b>IV. Sources and Amounts of Funding</b>	
A. Planned vs. actual funding amounts	Appendix F: Financial Analysis
B. Narrative discussion/explanation of difference	1. FY 2013 Budget vs. Actual (Unaudited)
C. Consolidated Financial Statement	Appendix F: Financial Analysis 5. AHA Audit for the Fiscal Years Ended June 30, 2012 and 2011

# 1. AHA Legacy Attachment B Requirements

Appendix A  
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Annual Report Element	Location in FY 2013 MTW Report
<b>V. Uses of Funds</b>	
A. Budgeted vs. actual expenditures by line item	Appendix F: Financial Analysis
B. Narrative/explanation of difference	1. FY 2013 Budget vs. Actual (Unaudited)
C. Reserve balance at end of year. Discuss adequacy of reserves.	
<b>VI. Capital Planning</b>	
A. Planned vs. actual expenditures by property	Appendix F: Financial Analysis
B. Narrative discussion/explanation of difference	2. Planned vs. Actual Capital Expenditures
<b>VII. Management Information for Owned/Managed Units</b>	
<b>A. Vacancy (Occupancy) Rates</b>	Appendix E: Management Information for Owned / Managed Units at AHA-Owned Communities and Assisted Units at Mixed-Income Communities
1. Target vs. actual occupancies by property	
2. Narrative/explanation of difference	
<b>B. Rent Collections</b>	Appendix B: FY 2013 MTW Report Resolution & Certifications
1. Target vs. actual collections	Exhibit EO-1-A: MTW Program Benchmarks - Measurable Outcomes
2. Narrative/explanation of difference	
<b>C. Work Orders</b>	
1. Target vs. actual response rates	
2. Narrative/explanation of difference	
<b>D. Inspections</b>	
1. Planned vs. actual inspections completed	
2. Narrative/explanation of difference	
3. Results of independent PHAS inspections	
<b>E. Security</b>	Appendix E: Management Information for Owned / Managed Units at AHA-Owned Communities and Assisted Units at Mixed-Income Communities
1. Narrative: planned vs. actual actions/explanation of difference	
<b>VIII. Management Information for Leased Housing</b>	
<b>A. Leasing Information</b>	
1. Target vs. actual lease ups at end of period	Appendix D: Housing Opportunities 1. Households Served Information
3. Narrative/explanation of difference	Public Housing inventory is reported to HUD through the PIC system. Housing Choice unit leasing information is submitted monthly through VMS.
2. Information and Certification of Data on Leased Housing Management including:	Section II. AHA's Impact and Innovations, MTW Innovations & Policies
▪ Ensuring rent reasonableness	Appendix C: Ongoing Activities Directory
▪ Expanding housing opportunities	
▪ Deconcentration of low-income families	

# 1. AHA Legacy Attachment B Requirements

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Annual Report Element	Location in FY 2013 MTW Report
<b>B. Inspection Strategy</b>	
1. Results of inspection strategy, including:	Appendix E: Management Information for Owned / Managed Units at AHA-Owned Communities and Assisted Units at Mixed-Income Communities
a) Planned vs. actual inspections completed by category:	
▪ Annual HQS Inspections	Appendix B: FY 2013 MTW Report Resolution & Certifications
▪ Pre-contract HQS Inspections	Exhibit EO-1-A: MTW Program Benchmarks - Measurable Outcomes
▪ HQS Quality Control Inspections	
b) HQS Enforcement	Section II. AHA's Impact and Innovations, MTW Innovations & Policies
2. Narrative/explanation of difference	
<b>IX. Resident Programs</b>	
A. Narrative: planned vs. actual actions/explanation of difference	Section II. AHA's Impact and Innovations
B. Results of latest PHAS Resident Survey, or equivalent as determined by HUD.	Appendix G: Resident Satisfaction Survey, AHA-Owned Residential Communities
<b>X. Other Information as Required</b>	
A. Results of latest completed 133 Audit, (including program-specific OMB compliance supplement items, as applicable to AHA's Agreement)	Appendix F: Financial Analysis 5. AHA Audit for the Fiscal Years Ended June 30, 2012 and 2011
B. Required Certifications and other submissions from which the Agency is not exempted by the MTW Agreement	Appendix B: FY 2013 MTW Report Resolution & Certifications Exhibit EO-1-A: MTW Program Benchmarks - Measurable Outcomes 2. Certification to HUD Regarding the AHA's FY 2013 MTW Annual Report 3. Secretary's Certificate
C. Submissions required for the receipt of funds	HUD no longer requires an annual Section 8 budget from AHA to request Housing Choice funds; and AHA will be submitting the CY2014 Low Rent Operating Subsidy Calculation to the Atlanta Field Office in October 2013 for review and funding. HUD provided AHA's 2013 CFP and RHF grant awards in August 2013 and AHA submitted the original Annual Statements/Performance and Evaluation Reports (AS/P&E) for these grants to HUD with our acceptance of the amended ACCs.  AS/P&Es for RHF and CFP grants active in FY2013 with information as of June 30, 2013 are included in Appendix F: Financial Analysis

## 2. HUD Form 50900 Attachment B

**Source:** HUD Form 50900, Elements for the Annual MTW Plan and Annual MTW Report

**Reference:** OMB Approval Number 2577-0216 (expires 12/31/2011)

**Description:** The following cross-reference chart is provided as a convenience for HUD review. Per AHA's Amended and Restated MTW Agreement, AHA's reporting requirements are based only on Legacy Attachment B (Attachment B to AHA's MTW Agreement).

Annual Report Element	Location in FY 2013 MTW Report
<b>I. Introduction</b>	
A. Table of Contents, which includes all the required elements of the Annual MTW Plan; and	Annual Report Table of Contents Annual Report Appendices Table of Contents
B. Overview of the Agency's ongoing MTW goals and objectives.	Section I. Executive Summary Section II. AHA's Impact and Innovations
<b>II. General Housing Authority Operating Information</b>	
<b>A. Housing Stock Information:</b>	
Number of public housing units at the end of the Plan year, discuss any changes over 10%;	Appendix D: Housing Opportunities 1. Households Served Information
Description of any significant capital expenditures by development (>30% of the Agency's total budgeted capital expenditures for the fiscal year );	Appendix F: Financial Analysis 2. Planned vs. Actual Capital Expenditures
Description of any new public housing units added during the year by development (specifying bedroom size, type, accessible features, if applicable);	Appendix D: Housing Opportunities 2. Units Added
Number of public housing units removed from the inventory during the year by development specifying	Appendix D: Housing Opportunities 4. Units Removed
Number of MTW HCV authorized at the end of the Plan year, discuss any changes over 10%;	Appendix F: Financial Analysis 4. Housing Choice Vouchers Authorized
Number of non-MTW HCV authorized at the end of the Plan year, discuss any changes over 10%;	Appendix F: Financial Analysis 4. Housing Choice Vouchers Authorized
Number of HCV units project-based during the Plan year, including description of each separate project; and	Appendix D: Housing Opportunities 2. Units Added
Overview of other housing managed by the Agency, eg., tax credit, state-funded, market rate.	Appendix D: Housing Opportunities 1. Households Served Information
<b>B. Leasing Information - Actual</b>	
Total number of MTW PH units leased in Plan year;	Appendix E: Management Information for Owned / Managed Units at AHA-Owned Communities and Assisted Units at Mixed-Income Communities
Total number of non-MTW PH units leased in Plan year;	AHA does not have any non-MTW PHA units in its inventory.

Annual Report Element	Location in FY 2013 MTW Report
Total number of MTW HCV units leased in Plan year;	Appendix D: Housing Opportunities 1. Households Served Information
Total number of non-MTW HCV units leased in Plan year;	
Description of any issues related to leasing of PH or HCVs; and	Appendix D: Housing Opportunities 1. Households Served Information  Appendix E: Management Information for Owned / Managed Units at AHA-Owned Communities and Assisted Units at Mixed-Income Communities
Number of project-based vouchers committed or in use at the end of the Plan year, describe project where any new vouchers are placed (include only vouchers where Agency has issued a letter of commitment in the Plan year).	Appendix D: Housing Opportunities 1. Households Served Information 3. Units Under Commitment
<b>C. Waiting List Information</b>	
Number and characteristics of households on the waiting lists (all housing types) at the end of the plan year; and	Appendix D: Housing Opportunities 6. Waiting List Characteristics
Description of waiting lists (site-based, community-wide, HCV, merged) and any changes that were made in the past fiscal year.	No changes were made to the policy or procedures for maintaining waiting lists. Waiting lists are opened and closed at various sites on an "as needed" basis in the normal course of business.
<b>III. Non-MTW Related Housing Authority Information (Optional)</b>	
A. List planned vs actual sources and uses of other HUD or other Federal Funds (excluding HOPE VI); and	N/A
B. Description of non-MTW activities implemented by the Agency.	
<b>IV. Long-term MTW Plan (Optional)</b>	
Describe the Agency's long-term vision for the direction of its MTW program, extending through the duration of the MTW Agreement.	N/A
<b>V. Proposed MTW Activities: HUD approval requested</b>	
(provide the listed items below grouped by each MTW activity)	
A. Describe any activities that were proposed in the Plan, approved by HUD, but not implemented, and discuss why these activities were not implemented.	Section III. Planned Activities Directory
(All proposed activities that are granted approval by HUD will be reported on in Section VI as "ongoing activities.")	

Annual Report Element	Location in FY 2013 MTW Report
<b>VI. Ongoing MTW Activities: HUD approval previously granted</b>	
(provide the listed items below grouped by each MTW activity)	
A. List activities continued from the prior Plan year(s); specify the Plan Year in which the activity was first identified and implemented;	Appendix C. Ongoing Activities Directory
B. Provide detailed information on the impact of the activity and compare against the proposed benchmarks, and metrics to assess outcomes, including if activity is on schedule. For rent reform initiatives, describe the result of any hardship requests. [The Agency will need to develop benchmarks and evaluation metrics for all ongoing MTW activities. For MTW activities that were implemented prior to the execution of this Amended and Restated Agreement, the Agency does not have to provide this information for past years. The Agency will establish the benchmarks and metrics in the first year that it Reports under this new format.];	Appendix B: FY 2013 MTW Report Resolution & Certifications Exhibit EO-1-A: MTW Program Benchmarks - Measurable Outcomes Exhibit EO-1-B: Minimum Rent Policy Impact Analysis Exhibit EO-1-C: Elderly and Non-Elderly Disabled Income Disregard Policy Impact Analysis Exhibit EO-1-D: Rent Simplification Policy Impact Analysis
C. If benchmarks were not achieved or if the activity was determined ineffective, provide a narrative explanation of the challenges, and, if possible, identify potential new strategies that might be more effective;	Appendix B: FY 2013 MTW Report Resolution & Certifications Exhibit EO-1-A: MTW Program Benchmarks - Measurable Outcomes
D. If benchmarks or metrics have been revised; identify any new indicator(s) of activities status and impact (e.g. after 2 years of rent reform only 6 hardship cases);	N/A
E. If data collection methodology has changed, describe original data collection methodology and any revisions to the process or change in data collected;	N/A
F. If a different authorization from Attachment C or D was used than was proposed in the Plan, provide the new authorization and describe why the change was necessary; and	On November 13, 2008, AHA and HUD executed AHA's Amended and Restated MTW Agreement. On January 16, 2009, AHA and HUD executed a further amendment to the Amended and Restated MTW Agreement (collectively, the "Amended and Restated MTW Agreement"), which clarified and expanded AHA's ability to use MTW Funds outside of Section 9 and Section 8 of the U.S. Housing Act of 1937, as amended ("1937 Act"). The Amended and Restated MTW Agreement re-affirmed, in all material respects, all of the authorizations set forth in Appendix A of the Original MTW Agreement and includes these authorizations in Attachment D. AHA has all of the authorizations needed from HUD under the Amended and Restated MTW Agreement to implement the activities described in AHA's FY 2013 MTW Annual Plan.
G. Cite the specific provision(s) of the Act or regulation that is waived under MTW (as detailed in Attachment C or D of this Restated Agreement) that authorized the Agency to make the change, and briefly describe if and how the waived section of the Act or regulation was necessary to achieve the MTW activity. With respect to requirements related to statutory or regulatory cites, the following is agreed: Every effort will be made by the Agency to reference the complete and correct statute or regulation application to a particular initiative; However, failure to cite to the correct or entire statute or regulation will not be grounds for disapproval of such initiative in an Annual Plan nor will such failure invalidate the use of the MTW authority necessary to implement and support the initiative.	

Annual Report Element	Location in FY 2013 MTW Report
<b>VII. Sources and Uses of Funding</b>	
A. List planned vs actual sources (Operating, Capital, and HCV) and uses of MTW Funds (excluding HOPE VI).	Appendix F: Financial Analysis 1. FY 2013 Budget vs. Actual (Unaudited)
B. List planned vs actual sources and uses of State or local funds;	
C. If applicable, list planned vs actual sources and uses of the COCC;	N/A: no planned sources and uses of Central Office Cost Center (COCC); AHA has a cost allocation methodology.
D. If using a cost allocation or fee-for-service approach that differs from 1937 Act requirements, describe the actual deviations that were made during the Plan year; and	Section II. MTW Innovations & Policies
E. List or describe planned vs actual use of single-fund flexibility.	Appendix F: Financial Analysis 1. FY 2013 Budget vs. Actual (Unaudited)
F. Optional - List planned vs actual reserve balances at the end of the plan year.	N/A
G. Optional - In plan appendix, provide planned vs actual sources and use by AMP.	
<b>VIII. Administrative</b>	
The Agency will provide the following:	
A. Description of progress on the correction or elimination of observed deficiencies cited in monitoring visits, physical inspections, or other oversight and monitoring mechanisms, if applicable;	N/A
B. Results of latest Agency-directed evaluations of the demonstration, as applicable;	N/A
C. Performance and Evaluation Report for Capital Fund activities not included in the MTW Block Grant, as an attachment to the Report; and	Appendix F: Financial Analysis 3. Annual Statement / Performance and Evaluation Reports
D. Certification that the Agency has met the three statutory requirements of: 1) assuring that at least 75 percent of the families assisted by the Agency are very low-income families; 2) continuing to assist substantially the same total number of eligible low-income families as would have been served had the amounts not been combined; and 3) maintaining a comparable mix of families (by family size) are served, as would have been provided had the amounts not been used under the demonstration.	Appendix B: FY 2013 MTW Report Resolution & Certifications 2. Certification to HUD Regarding the AHA's FY 2013 MTW Annual Report

## SECRETARY'S CERTIFICATE

I, **JOY W. FITZGERALD**, DO HEREBY CERTIFY that:

1. I am the presently appointed and qualified Secretary of the Board of Commissioners of The Housing Authority of the City of Atlanta, Georgia ("AHA"). In such capacity, I am custodian of its records and I am familiar with its organization, membership and activities.
2. Attached hereto as Exhibit 1 is a true and correct copy of the resolution authorizing AHA to submit its Fiscal Year 2013 Moving To Work (MTW) Annual Report to the United States Department of Housing and Urban Development (HUD) in accordance with AHA's Amended and Restated MTW Agreement and other related matters.
3. This resolution was presented to the AHA Board of Commissioners (the "Board") at its Regular Meeting on September 25, 2013 (the "Meeting").
4. The following Board members were present for the Meeting:

Daniel Halpern, Chair  
Cecil Phillips  
James Allen, Jr.  
Margarette Paulyne Morgan White

5. At the Meeting, the Board unanimously adopted and approved the resolution attached hereto as Exhibit 1.

IN WITNESS WHEREOF, I have hereunto set my hand and the duly adopted official seal of The Housing Authority of the City of Atlanta, Georgia this 26<sup>th</sup> day of September 2013.

SEAL



  
JOY W. FITZGERALD,  
Secretary

**EXHIBIT 1**  
**RESOLUTION ADOPTED AT THE REGULAR MEETING**  
**OF THE BOARD OF COMMISSIONERS HELD ON**  
**WEDNESDAY, SEPTEMBER 25, 2013**

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**RESOLUTION**

**WHEREAS,** The Housing Authority of the City of Atlanta, Georgia (AHA) executed its Amended and Restated Moving To Work Agreement, effective as of November 13, 2008, as further amended by that certain Second Amendment to the Moving To Work Agreement, effective as of January 16, 2009 (Amended and Restated MTW Agreement) with the United States Department of Housing and Urban Development (HUD);

**WHEREAS,** the Amended and Restated MTW Agreement amended and restated AHA's initial MTW Agreement, dated September 23, 2003 and effective as of July 1, 2003 and is effective through June 30, 2018, unless further extended;

**WHEREAS,** the Amended and Restated MTW Agreement may be extended for additional ten year terms, with HUD's consent, provided AHA is in compliance with certain agreed conditions;

**WHEREAS,** under the Amended and Restated MTW Agreement, AHA is required to submit an MTW Annual Report to HUD which, except for certain reports identified in the Amended and Restated MTW Agreement, replaces all other conventional HUD performance measures, including the Public Housing Assessment System (PHAS) and Section 8 Management Assessment Program (SEMAP);

**WHEREAS,** the Fiscal Year (FY) 2013 MTW Annual Report must be submitted to HUD by September 30, 2013;

**WHEREAS,** AHA's Amended and Restated MTW Agreement identifies performance benchmarks and specific types of information that are required to be included in the MTW Annual Report;

**WHEREAS,** the performance benchmarks are designed to evaluate AHA's performance during the term of the Amended and Restated MTW Agreement;

**WHEREAS,** AHA's performance against these benchmarks is summarized in Exhibit EO-1-A;

**WHEREAS,** AHA's Amended and Restated MTW Agreement also requires AHA to conduct an annual reevaluation of the impact of its rent policy changes; and

**WHEREAS,** AHA's FY 2013 rent impact analyses are attached hereto as Exhibit EO-1-B through EO-1-D.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF ATLANTA, GEORGIA (AHA)** that AHA's Fiscal Year (FY) 2013 Moving To Work (MTW) Annual Report is hereby approved. Further, the Interim President and Chief Executive Officer is authorized to submit AHA's FY 2013 MTW Annual Report and such other required documents, certifications or forms to the United States Department of Housing and Urban Development (HUD) with such changes, additions or corrections as she shall deem necessary or appropriate or as may be required by HUD. Further, the Chair or Vice Chair of the Board of Commissioners and the Interim President and Chief Executive Officer are hereby authorized to execute any required documents, certifications or HUD forms related to the approval and filing of AHA's FY 2013 MTW Annual Report.

## EXHIBIT EO-1-A

### FY 2013 MTW PROGRAM BENCHMARKS – MEASURABLE OUTCOMES

Performance Measure Definition <i>See Management Notes for further definitions/explanations.</i>	Baseline	FY 2013 Target	FY 2013 Outcome	
Public Housing Program (See Note A)				
<b>Percent Rents Uncollected</b> Gross tenant rents receivable for the Fiscal Year (FY) divided by the amount of tenant rents billed during the FY shall be less than or equal to the target benchmark.	2%	≤2%	0.5%	Exceeds Benchmark
<b>Occupancy Rate</b> The ratio of occupied public housing units to available units as of the last day of the FY will be greater than or equal to the target benchmark. <b>See Note B</b>	98%	≥98%	98%	Meets Benchmark
<b>Emergency Work Orders Completed or Abated in &lt;24 Hours</b> The percentage of emergency work orders that are completed or abated within 24 hours of issuance of the work order shall be greater than or equal to the target benchmark. (Abated is defined as “emergency resolved through temporary measure, and a work order for long term resolution has been issued.”)	99%	≥99%	100%	Exceeds Benchmark
<b>Routine Work Orders Completed in ≤ 7 Days</b> The average number of days that all non-emergency work orders will be active during the FY shall be less than or equal to 7 days.	5 days	≤7 days	2 days	Exceeds Benchmark
<b>Percent Planned Inspections Completed</b> The percentage of all occupied units and common areas that are inspected during the FY shall be greater than or equal to the target benchmark. <b>See Note C</b>	100%	100%	100%	Meets Benchmark
Housing Choice Program (Section 8)				
<b>Budget Utilization Rate</b> The expenditure of FY 2012 Housing Choice MTW vouchers annual budget allocation (i.e. HUD disbursements) for MTW-eligible activities will be greater than or equal to the target benchmark of 98%. <b>See Note D</b>	98%	≥98%	98%	Meets Benchmark
<b>Percent Planned Annual Inspections Completed</b> The percentage of all occupied units under contract that are inspected directly by AHA or any other agency responsible for monitoring the property during the FY shall be greater than or equal to the target benchmark by the last day of the Fiscal Year.	98%	≥98%	100%	Exceeds Benchmark

**EXHIBIT EO-1-A**

**FY 2013 MTW PROGRAM BENCHMARKS – MEASURABLE OUTCOMES**

Performance Measure Definition <i>See Management Notes for further definitions/explanations.</i>	Baseline	FY 2013 Target	FY 2013 Outcome	
See Note E				
Housing Choice Program (Section 8) - continued				
<b>Quality Control Inspections</b> The percentage of all previously inspected units having a quality control inspection during the FY shall be greater than or equal to the target benchmark.	≥1.4%	≥1.4%	4%	Exceeds Benchmark
Community and Supportive Services				
<b>Resident Homeownership</b> The number of Public Housing residents or Housing Choice Voucher participants, and other income eligible families who closed on purchasing a home during the FY, regardless of participation in a homeownership counseling program, shall be greater than or equal to the target benchmark. <b>See Note F</b>	6	120	31	Below Benchmark
<b>Household Work / Program Compliance</b> The annual percentage of Public Housing and Housing Choice assisted households that are Work/Program compliant (excluding elderly and disabled members of the households) through the last day of the fiscal year shall be greater than or equal to the target benchmark. <b>See Note G</b>	N/A	75%	99% in mixed-income rental communities	Exceeds Benchmark
			57% Housing Choice Tenant-Based Vouchers	Below Benchmark
			84% AHA-Owned Communities	Exceeds Benchmark
Finance				
<b>Project Based Financing Closings</b> The annual number of projects to which AHA will commit project-based rental assistance and/or make an investment of MTW funds. <b>See Note H</b>	N/A	6	8	Exceeds Benchmark

## EXHIBIT EO-1-A

### FY 2013 MTW PROGRAM BENCHMARKS – MEASURABLE OUTCOMES

#### MANAGEMENT NOTES:

- A. Public Housing Program - General.** Information for the Public Housing Program includes information for both AHA-Owned Residential Communities and the public housing assisted units at AHA-Sponsored Mixed-Income Communities.

Each of the subject AHA-Sponsored Mixed-Income Communities, developed as a result of public-private partnerships, is owned by a private sector owner entity formed as a limited partnership with an affiliate of AHA's private sector development partner as the managing general partner and an affiliate of AHA as a limited partner. Each community is managed by the owner entity's captive professional property management agent or a third party fee management company hired by the managing general partner. While AHA does not own these communities, AHA engages with the managing general partner of the respective owner entities to monitor financial and operational performance of the property, review monthly and quarterly reports, and make site visits.

The Magnolia Park community is not factored into overall results shown for public housing because of substantial operational and financial challenges. HUD is aware of the situation and actions taken to resolve it. AHA is working closely with the managing general partner of the owner entities and the tax credit syndicator to resolve the issues.

- B. Public Housing Program – Occupancy Rates.** Rates are based on available units, i.e. dwelling units (occupied or vacant) under AHA's Annual Contributions Contract, that are available for occupancy, after adjusting for four categories of exclusions:

1. Units Approved For Non-Dwelling Use: These are units that are HUD-approved for non-dwelling status for the use in the provision of social services, charitable purposes, public safety activities, and resident services, or used in the support of economic self-sufficiency and anti-drug activities.
2. Employee Occupied Units: These are units that are occupied by employees, who are needed at the site, rather than the occupancy being subject to the normal resident selection process.
3. Vacant Units Approved For Deprogramming: These are units that are HUD-approved for demolition/disposition.
4. Temporarily Off-Line Units: These are units undergoing modernization and/or major rehabilitation.

- C. Public Housing Program - Percent Planned Inspections Completed.** Units exempted from the calculation for this purpose include the following:

1. Occupied units for which AHA has documented two attempts to inspect the unit and where AHA has initiated eviction proceedings with respect to that unit;
2. Vacant units that are undergoing capital improvements;
3. Vacant units that are uninhabitable for reasons beyond AHA's control due to:
  - a. Unsafe levels of hazardous/toxic materials;
  - b. An order or directive by a local, state or federal government agency;
  - c. Natural disasters; or
  - d. Units kept vacant because they are structurally unsound and AHA has taken action to rehabilitate or demolish those units.
4. Vacant units covered in an approved demolition or disposition application.

- D. Housing Choice Budget Utilization.** AHA's MTW Housing Choice Budget Utilization benchmark requires that the expenditure of fiscal year Housing Choice Annual Budget allocation (i.e. HUD disbursements) for MTW vouchers utilized for MTW-eligible activities be greater than or equal to the target benchmark of 98 percent. In its FY 2007 MTW Implementation Plan, AHA added clarifying language for this benchmark. As part of the FY 2008 MTW Implementation Plan, AHA included further clarifying language that the 98 percent expenditure rate only applies to vouchers that are fully funded during AHA's entire fiscal year, and that any new vouchers received intermittently during the

## EXHIBIT EO-1-A

### **FY 2013 MTW PROGRAM BENCHMARKS – MEASURABLE OUTCOMES**

fiscal year are excluded from the 98 percent requirement until the following fiscal year and until such time that a 12-month period has elapsed. AHA is making this clarification in light of changes that HUD has made in funding vouchers based on a calendar year rather than on an agency's fiscal year.

- E. Percent Planned Annual Inspections Completed.** This percentage reflects inspections completed on tenant-based Section 8 units under AHA's Housing Choice Program and Project Based Rental Assistance units. The PBRA-assisted units are inspected at least annually in accordance with the PBRA Agreement between AHA and the private owners of the properties.
- F. Resident Homeownership.** During FY 2013, AHA and its development partners continued to experience the effects of the downturn in the construction and sales of single family homes consistent with national trends. AHA's homeownership and down payment assistance program benchmark target was also impacted by tightened financial markets, the higher credit standards for mortgage loans, and spikes in unemployment rates which reduced the pool of eligible buyers. Despite these factors, 31 low-income households were able to close on home purchases through various programs, which represent a substantial achievement given the economic times. For families interested in achieving the goal of homeownership, AHA will continue connecting interested and qualified participants to homebuyer readiness training and programs in collaboration with experienced housing counseling agencies.
- G. Community and Supportive Services – Household Work / Program Compliance.** By design, the work/program compliance policy takes into account both working adults and family members that are enrolled in approved schools or training programs.

Demonstrating the importance of the Atlanta Model and the impact of mixed-income environments, 99 percent of AHA-assisted households with target adults<sup>1</sup> in AHA-Sponsored Mixed-Income and PBRA Communities were in compliance with AHA's work/program requirement. Compliance requires that they maintained full-time employment or were engaged in a combination of school, job training and/or part-time employment.

These adults succeeded because they have been positively influenced by a culture of work. They also benefited from private property management's support and guidance for gaining and maintaining employment (under AHA's site-based administration policies). This support also helps maintain the integrity and viability of the entire mixed-income community.

Further supporting this view, AHA found that of families living in the AHA-Owned Residential Communities, 84 percent of households were in compliance with the work/program requirement.

By contrast, target adults in the Housing Choice Voucher Program found it harder to find jobs or retrain for new ones. As of June 30, 2013, 57 percent of Housing Choice households were in compliance. This rate is composed of 37 percent of households working full-time plus 20 percent of households in which the target adults were engaged in a combination of work, school or training for less than 30 hours per week (temporary deferments). AHA may grant temporary deferments to a household while completing their education or a job training program.

AHA recognizes that many families continue to need human development support. Adults may find it difficult to obtain full-time employment, especially if they lack marketable skills, knowledge or certifications necessary for success and advancement in the new economy.

To help families along their path to self-sufficiency, target adults were referred to AHA's Service

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<sup>1</sup> Target adults are non-elderly, non-disabled adults between the ages of 18-61 years.

## **EXHIBIT EO-1-A**

### **FY 2013 MTW PROGRAM BENCHMARKS – MEASURABLE OUTCOMES**

Provider Network partners such as Atlanta Workforce Development Agency. To further improve families' success, in FY 2014, AHA will invest in intensive coaching and counseling services for households that are non-compliant and need extra support in obtaining and retaining jobs.

Overall, a vast majority of AHA-assisted families are on the road towards self-sufficiency as they continue to improve their skill sets and income earning potential through education, training and on-the job experience.

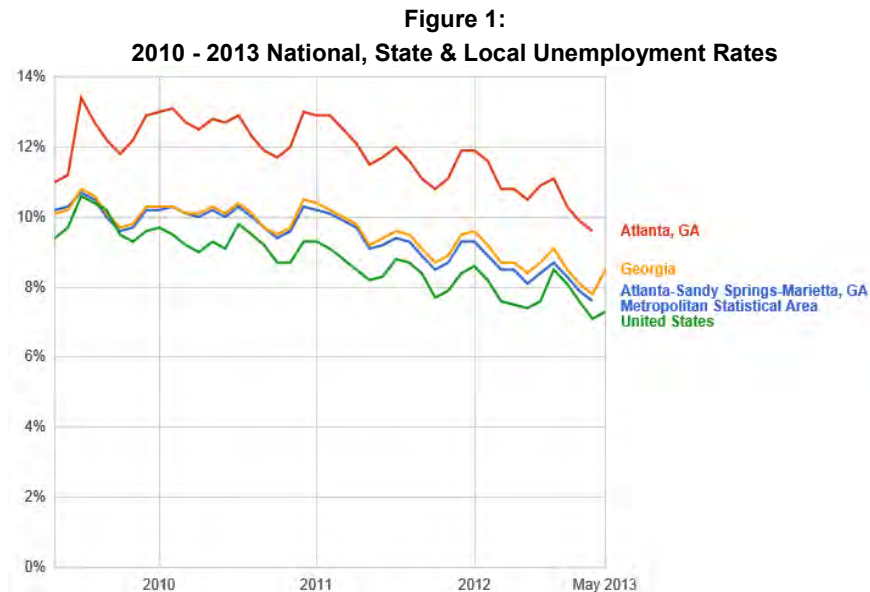
<b>AHA's Work/Program Requirement</b>	
<b>Full-time Worker</b>	Employed for 30 or more hours per week
<b>Participation in an approved program</b>	Attending an accredited school as a "full-time" student Participating in an approved "full-time" training program Attending an accredited school as a "part-time" student, AND successfully participating in an approved "part-time" training program
<b>Part-time Job and Part-time Program Participant</b>	Employed as a part-time employee (at least 16 hours) AND successfully participating in an approved training program Employed as a part-time employee (at least 16 hours) AND successfully participating in an accredited school as a "part-time" student

*This benchmark aligns the previous Resident Workforce Participation benchmark with measuring resident and participant compliance with AHA's Work/Program Compliance policy. Since the execution of AHA's MTW Agreement, the agency has implemented a Work/Program Compliance policy requiring one adult (age 18-61, excluding elderly and disabled persons) in the household to work full-time at least 30 hours per week and all other adults in the household to be either program or work compliant (see table for compliance meanings).*

AHA created deferments because many families have found it difficult to maintain employment and work hours in a tough economy. *Figure 1* illustrates rising unemployment trends from 2010 to 2013 for the US, Georgia, the Atlanta Metro region, and the City of Atlanta, which have been consistently higher than the national unemployment rates. By May 2013, the US unemployment rate was 7.3 percent; while Georgia's unemployment rate, 8.5 percent, exceeded the national rate as did the City of Atlanta unemployment, 9.6 percent; and Atlanta Metro region, 7.8 percent. The steady rise in unemployment has contributed to the decline in AHA's family work compliance outcomes.

## EXHIBIT EO-1-A

### FY 2013 MTW PROGRAM BENCHMARKS – MEASURABLE OUTCOMES



Deferment implies that termination of assistance is “deferred” for a specified period of time and allows an opportunity for AHA and its human development service providers to examine families’ personal circumstances and provide more intensive assistance to connect these households with adequate resources that will assist them in becoming fully compliant with AHA’s compliance definition. Examples of prevailing circumstances under which a deferment may be offered:

1. At least one target household member is working full-time 30 or more hours per week, but the remaining target household members are not working but enrolled in training or school full-time.
2. All target household members are working, but not at the full-time equivalent of 30 or more hours per week.
3. All target household members are attending training or school full-time and there is no target household member working full-time.
4. A target household member is self-employed and working full-time, but not earning a gross income amount equivalent to the income earned when working full-time at the federally mandated minimum wage rate.
5. A target household member was working full-time and recently became unemployed through no fault of his/her own or available work hours were reduced.
6. A target household member is temporarily disabled or experiencing a verified short-term disability.
7. A target household member, who is not disabled, is not able to maintain a job due to physical or mental health issues.
8. A target household member not employed because he or she is a caregiver for a household member who has a disability.

## EXHIBIT EO-1-A

### **FY 2013 MTW PROGRAM BENCHMARKS – MEASURABLE OUTCOMES**

The household work/program compliance requirements were implemented in the following phases:

- *By 12/31/05:* At least 1 target adult in the household is required to be work/program compliant.
- *By 6/30/06 and thereafter:* At least 1 target adult in the household is required to be working full-time and all other adults in the household to be either work or program compliant.

- H. Project Based Financing Closings - Finance.** During FY 2013, AHA continued to be affected by the downturn in the financial and real estate markets at the national and local levels. Despite the trends, AHA met its Project Based Financing Closings target goal in facilitating the creation of healthy mixed-income communities owned by private entities by committing project-based rental assistance or by investing MTW funds to promote or support the development or rehabilitation of housing units that are affordable to low-income families.

## **EXHIBIT EO-1-B**

### **MINIMUM RENT POLICY IMPACT ANALYSIS**

#### **POLICY BACKGROUND**

100% of the rental units in AHA-Owned Residential Communities and a portion, generally 40%, of the rental units in AHA-Sponsored Mixed Income Communities (\*See Note below) are funded with operating subsidies under Section 9 of the 1937 Housing Act, as amended or modified by AHA's MTW Agreement. AHA's Minimum Rent Policy for these communities is outlined below. Part III, Article One, Paragraphs 10-11 Amended and Restated Statement of Corporate Policies Governing the Leasing and Residency of Assisted Apartments (March 28, 2012) states:

- Residents paying an Income Adjusted Rent must pay a minimum rent of \$125, or such lesser or greater amount as Atlanta Housing Authority may set from time to time.
- The minimum rent requirement does not apply to resident households in which all household members are either elderly and/or disabled, and whose sole source of income is Social Security, SSI, or other fixed annuity pension or retirement plans. Such resident households will still be required to pay the Income Adjusted Rent or Affordable Fixed Rent, as applicable.

\*NOTE: Mixed-income, mixed-finance rental communities, including AHA-assisted units and Project Based Rental Assistance (PBRA) units, in private developments are developed through public-private partnerships and are managed by the owner entity's professional property management agent. While AHA does not own these communities, AHA engages the respective owner entities and their property management agents in its capacity as both a partner and asset manager by actively monitoring performance, reviewing monthly and quarterly reports, making site visits and consulting with management agent representatives with respect to management and maintenance performance, financial oversight and occupancy tracking. Management agents are responsible for implementing AHA housing policies; detailed results from these communities are not included in this analysis.

Rental assistance to households in the Housing Choice Tenant-Based Program within jurisdiction and Project Based Rental Assistance Developments (\*See Note above) are covered under Section 8 of the 1937 Housing Act, as amended or modified by AHA's MTW Agreement. AHA's Minimum Rent Policy for households receiving rental assistance is outlined below. Part IV, Article Four, Paragraphs 1-2, Amended and Restated Statement of Policies Governing the Housing Choice Tenant-Based Program (March 27, 2013) states:

- Participants must pay a minimum rent of \$125, or such other amount approved by Atlanta Housing Authority.
- The minimum rent requirement does not apply to Participant households in which all household members are either elderly and/or disabled.

#### **DATA ANALYSIS**

**Chart 1** compares the FY 2012 and the FY 2013 rents paid by the households residing in AHA-Owned Residential Communities. The analysis excludes households in which all members are elderly or disabled and whose source of income is fixed income.

- In FY 2012, approximately 84.2% or **191** of the resident households paid rents greater than the Minimum Rent. Another 11.0% or **25** households paid rents at the \$125 Minimum Rent level. Additionally, less than 4.8% or **11** households of all resident households were paying less than the Minimum Rent.
- In FY 2013, approximately 85.6% or **189** of the resident households paid rents greater than the Minimum Rent. Another 11.3% or **25** were paying rent at the \$125 Minimum Rent level. Additionally, 3.2% or **7** households of all resident households were paying less than the Minimum Rent under approved hardship exemptions.

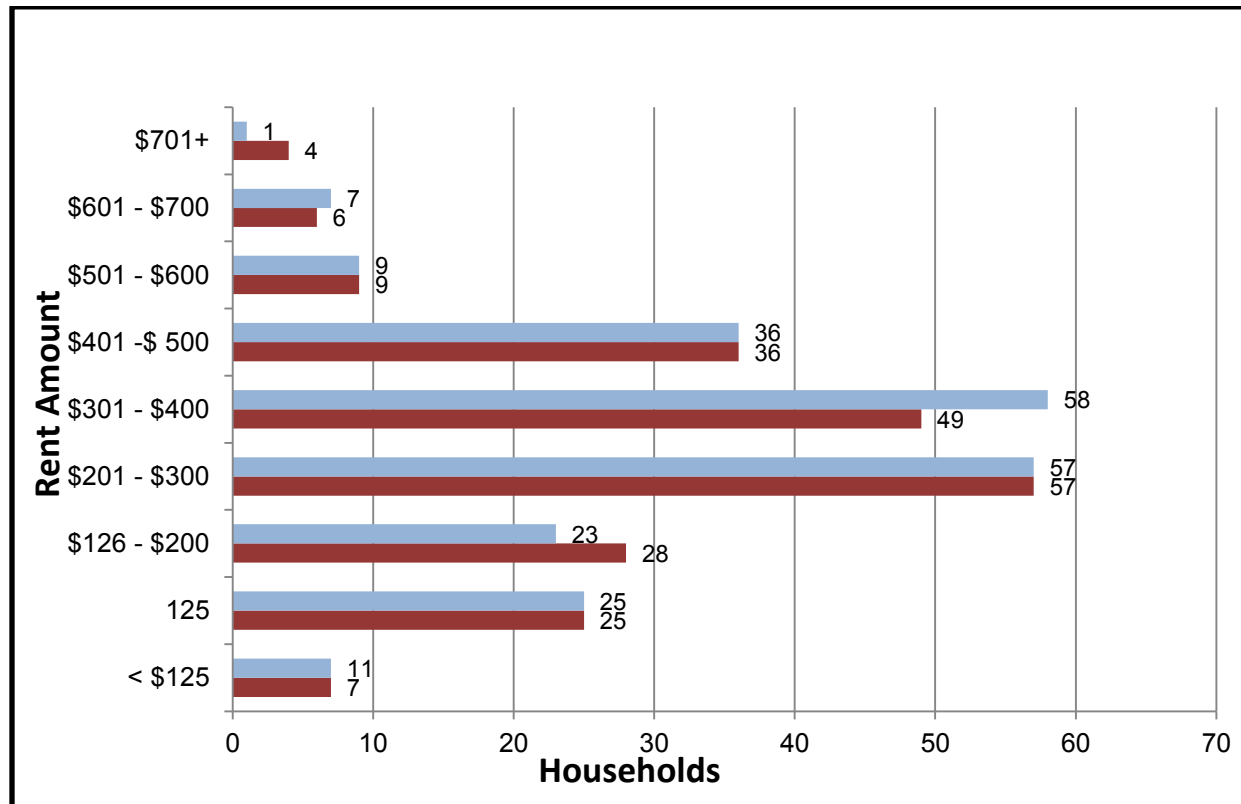
**Chart 2** compares the FY 2012 and the FY 2013 rents (Total Tenant Payment) paid by Housing Choice Tenant-Based Program households. The analysis excludes households in which all members are elderly or disabled.

- In FY 2012, approximately 83.8% or **3,918** of Housing Choice households paid rents greater than the Minimum Rent. Another 15.3% or **716** paid rents at the \$125 Minimum Rent level. Additionally, less than 0.9% or **43** households of all households were paying less than the Minimum Rent. There was one household with an approved hardship exemption. Upon review, AHA determined that the minimum rent policy had not been applied to 42 households in 2012. Adjustments will be made at their annual recertification in FY 2013.
- In FY 2013, approximately 83.7% or **3,876** of Housing Choice households paid rents greater than the Minimum Rent. Another 15.7% or **727** paid rent at the \$125 Minimum Rent level. Additionally, approximately 0.4% or **18** household of all households paid less than the Minimum Rent.

#### **IMPACT ANALYSIS CONCLUSION**

The Minimum Rent Policy does not have a negative impact on assisted families because most assisted households are able to pay at or above the Minimum Rent of \$125. The policy also provides an opportunity for AHA-assisted families to file an appeal for hardship.

**EXHIBIT EO-1-B Chart 1 - Minimum Rent Policy Impact Analysis**  
**Households in Section 9 Operating Subsidy Funded Units**  
**AHA-Owned Residential Communities<sup>(1)(2)</sup>**  
**(As of June 30, 2013)**



**FY 2013**

Rent Amount	< \$125	125	\$126 - \$200	\$201 - \$300	\$301 - \$400	\$401 - \$500	\$501 - \$600	\$601 - \$700	\$701+	Total
Total Households	7	25	28	57	49	36	9	6	4	221
%	3.2%	11.3%	12.7%	25.8%	22.2%	16.3%	4.1%	2.7%	1.8%	100.0%

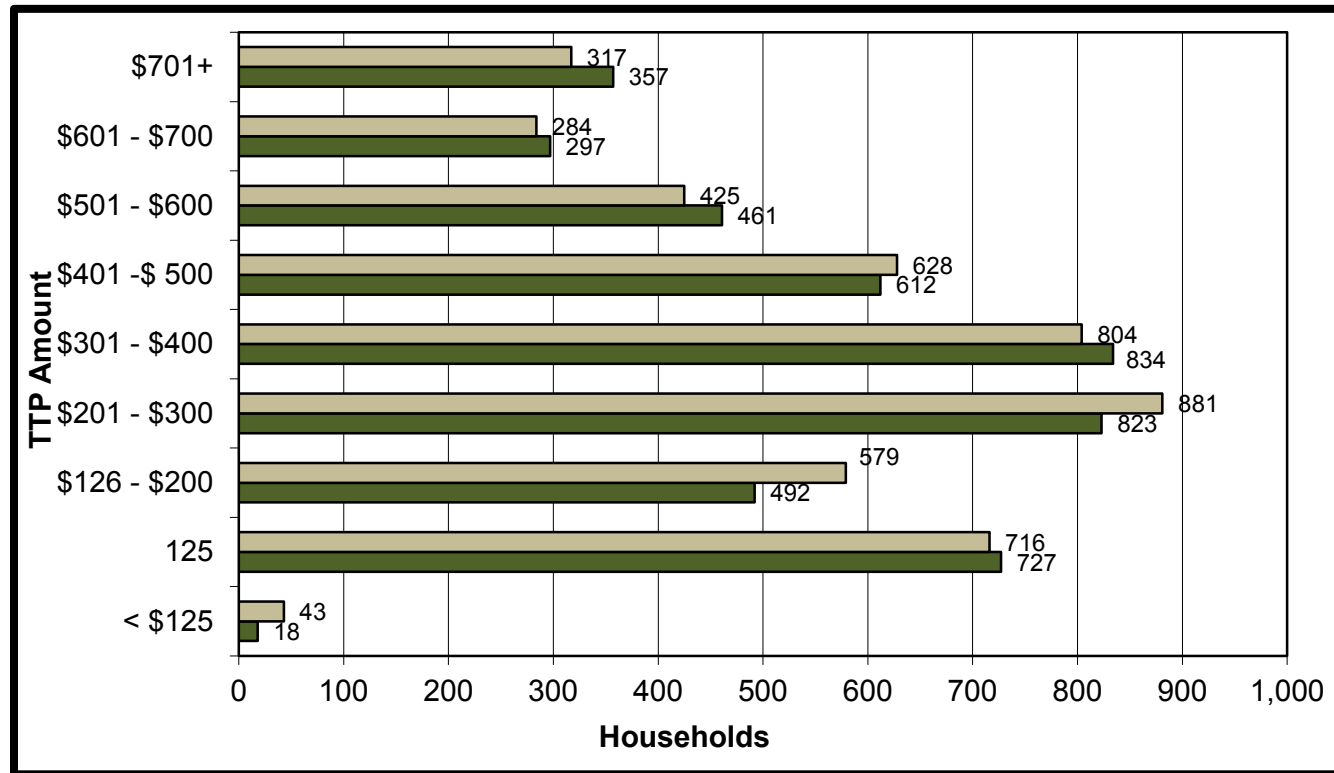
**FY 2012**

Rent Amount	< \$125	125	\$126 - \$200	\$201 - \$300	\$301 - \$400	\$401 - \$500	\$501 - \$600	\$601 - \$700	\$701+	Total
Total Households	11	25	23	57	58	36	9	7	1	227
%	4.8%	11.0%	10.1%	25.1%	25.6%	15.9%	4.0%	3.1%	0.4%	100.0%

(1) Excludes Households that are exempted under the Minimum Rent policy (households in which all members are elderly or disabled and whose source of income is fixed income).

(2) Rent amounts may vary between years with turnover based on changes in household types.

**EXHIBIT EO-1-B Chart 2 - Minimum Rent Policy Impact Analysis**  
**Households Receiving Section 8 Subsidy**  
**Housing Choice Tenant-Based Program<sup>(1)(2)</sup>**  
**(As of June 30, 2013)**



**FY 2013**

Rent Amount	< \$125	125	\$126 - \$200	\$201 - \$300	\$301 - \$400	\$401 - \$500	\$501 - \$600	\$601 - \$700	\$701+	Total
HOUSEHOLDS	18	727	492	823	834	612	461	297	357	4,621
%	0.4%	15.7%	10.6%	17.8%	18.0%	13.2%	10.0%	6.4%	7.7%	100%

**FY2012**

Rent Amount	< \$125	125	\$126 - \$200	\$201 - \$300	\$301 - \$400	\$401 - \$500	\$501 - \$600	\$601 - \$700	\$701+	Total
HOUSEHOLDS	43	716	579	881	804	628	425	284	317	4,677
%	0.9%	15.3%	12.4%	18.8%	17.2%	13.4%	9.1%	6.1%	6.8%	100.0%

(1) Excludes Households that are exempted under the Minimum Rent policy (households in which all members are elderly or disabled).

(2) Rent amounts may vary between years with turnover based on changes in household types.

## **EXHIBIT EO-1-C**

### **ELDERLY AND NON-ELDERLY DISABLED INCOME DISREGARD POLICY IMPACT ANALYSIS**

#### **POLICY BACKGROUND**

Part III, Article One, Paragraph 12 of the Amended and Restated Statement of Corporate Policies Governing the Leasing and Residency of Assisted Apartments (March 28, 2012) states:

AHA, in determining annual household income, will disregard the employment income of an Elderly Person or Non-Elderly Disabled Person whose sole source of income is Social Security, SSI, and/or other similar fixed income received from a verified plan (Annual Fixed Income), provided the employment income does not reduce or result in the discontinuance of the Elderly Person's or Non-Elderly Disabled Person's sole source of Annual Fixed Income.

Part IV, Article Five of the Amended and Restated Statement of Policies Governing the Housing Choice Tenant-Based Program states:

AHA, in determining annual household income, will disregard the employment income of an Elderly Person or Non-Elderly Disabled Person whose sole source of income is Social Security, SSI, and/or other similar fixed income received from a verified plan (Annual Fixed Income), provided the employment income does not reduce or result in the discontinuance of the Elderly Person's or Non-Elderly Disabled Person's sole source of Annual Fixed Income.

Part XV of the Amended and Restated Statement of Policies Governing the Housing Choice Tenant-Based Program provides the policy direction for Project Based Rental Assistance (PBRA). Under PBRA, all program activities are administered at the property level by the owner entity's professional management agent. Although PBRA is administered independent of and separate from the Housing Choice Tenant-Based Program, the Elderly and Non-Elderly Disabled Income Disregard policy as stated above is applicable to PBRA households.

#### **DATA ANALYSIS**

**Chart 1** – Of Elderly households assisted in AHA-Owned Residential Communities only 1.4% (16 households) are subject to the policy. Of households assisted in AHA-Sponsored Mixed-Income Communities only 1.5% (22 households) are subject to the policy. Of households assisted in PBRA Mixed-Income Developments, only 2.7% (43 households) of Elderly households are subject to the policy. Of households assisted in AHA's Housing Choice Voucher program, 4.6% (49 households) of Elderly households are subject to the policy.

**Chart 2** – For households with Non-Elderly Disabled members, a similar picture emerges. Of Non-Elderly Disabled households assisted in AHA-Owned Residential Communities and AHA-Sponsored Mixed-Income Communities, only 0.72% (5 households) and 1.14% (12 households), respectively, are subject to the policy. Of households assisted in PBRA Mixed-Income Developments, 0.59% (6 households) of Non-Elderly Disabled households are subject to the policy. Of households assisted in AHA's Housing Choice Voucher program, 2.89% (55 households) of Non-Elderly Disabled households are subject to the policy.

#### **IMPACT ANALYSIS CONCLUSION**

Overall, the Elderly and Non-Elderly Disabled Income Disregard rent policy has a positive impact because it reduces the rent (or Total Tenant Payment\*) of assisted households by disregarding the employment income of household members with eligible fixed income and employment income. Due to the policy, 208 households may receive a net positive benefit of a reduction in rent (Total Tenant Payment).

*\*Total Tenant Payment is the assisted household's share of the rent and utilities before any adjustment for utility allowances.*

**EXHIBIT EO-1-C Charts 1 and 2**  
**Analysis of Elderly and Non-Elderly Disabled**  
**Income Disregard Policy Impact**  
**(As of June 30, 2013)**

<b>HOUSEHOLDS WITH ELDERLY</b>		<b>FIXED INCOME AND EMPLOYMENT INCOME <i>DISREGARD APPLIES</i></b>	
<b>Program Type</b>	<b>N</b>	<b>N</b>	<b>% of Total Households</b>
AHA-Owned Residential Communities	1,160	16	1.4%
AHA-Sponsored Mixed-Income Communities	1,503	22	1.5%
PBRA Mixed-Income Developments	1,573	43	2.7%
Housing Choice Tenant-Based Program	1,075	49	4.6%
<b>SUMMARY</b>	<b>5,311</b>	<b>130</b>	<b>2.4%</b>

<b>HOUSEHOLDS WITH NON-ELDERLY DISABLED ADULTS</b>		<b>FIXED INCOME AND EMPLOYMENT INCOME <i>DISREGARD APPLIES</i></b>	
<b>Program Type</b>	<b>N</b>	<b>N</b>	<b>% of Total Households</b>
AHA-Owned Residential Communities	696	5	0.72%
AHA-Sponsored Mixed-Income Communities	1,054	12	1.14%
PBRA Mixed-Income Developments	1,009	6	0.59%
Housing Choice Tenant-Based Program	1,903	55	2.89%
<b>SUMMARY</b>	<b>4,662</b>	<b>78</b>	<b>1.67%</b>

## **EXHIBIT EO-1-D**

### **RENT SIMPLIFICATION POLICY IMPACT ANALYSIS**

#### **POLICY BACKGROUND**

Part III, Article One, Paragraph 8 of the Amended and Restated Statement of Corporate Policies Governing the Leasing and Residency of Assisted Apartments (March 28, 2012) states:

STANDARD INCOME DEDUCTIONS AND ASSET DETERMINATIONS: Atlanta Housing Authority, in its discretion, may establish fixed-rate, or standard deduction and asset determination procedures to be used in calculating annual income. Standard income deductions would replace the calculation of income deductions based on actual expenses. Asset determinations would examine the nature and value of the asset in establishing procedures for setting a schedule of assets that would or would not be used in calculating annual income.

Part IV, Article Six, Paragraph 2 of the Amended and Restated Statement of Policies Governing the Housing Choice Tenant-Based Program (March 27, 2013) states:

STANDARD INCOME DEDUCTIONS AND ASSET DETERMINATIONS: Atlanta Housing Authority, in its discretion, may establish fixed-rate, or standard deduction and asset determination procedures to be used in calculating annual income. Standard income deductions would replace the calculation of income deductions based on actual expenses. Asset determinations would examine the nature and value of the asset in establishing procedures for setting a schedule of assets that would or would not be used in calculating annual income.

Prior to implementation of the Rent Simplification Policy, AHA determined that across all programs, including Housing Choice Tenant-Based Program, Project Based Rental Assistance Mixed-Income Developments, AHA-Owned Residential Communities and AHA-Sponsored Mixed-Income Communities, 80% to 85% of assisted families were not claiming “other deductions” relating to unreimbursed medical, attendant care and auxiliary apparatus, and child care expenses.

The goal of the Rent Simplification Policy is to streamline operations by eliminating the burden and potentially inaccurate process of verifying unreimbursed out-of-pocket expenses. The Standard Income Deductions improve and add value to the integrity and accuracy of rent and subsidy determinations and over time will result in improved operating efficiency and effectiveness across all programs. In addition, by increasing the amount of the HUD standard deduction for dependents from \$480 to AHA’s standard deduction of \$750, and the HUD standard deduction for elderly/disabled families from \$400 to AHA’s standard deduction of \$1,000, AHA’s Standard Income Deductions under the Rent Simplification Policy provide an equitable deduction approach applicable to all assisted families.

#### **DATA ANALYSIS**

The implementation of the Standard Income Deductions under the Rent Simplification Policy is based on an appeals process that allows families to file for hardships. Based on the **Chart 1** below, the number of hardship requests for rent reduction has been very minimal. Only **2** assisted households submitted hardship requests as a result of the policy.

**EXHIBIT EO-1-D Chart 1**  
**COMPARISON OF NUMBER OF HARDSHIP REQUESTS TO NUMBER OF HOUSEHOLDS**  
**BENEFITING FROM AHA’S STANDARD INCOME DEDUCTIONS**  
**(As of June 30, 2013)**

ELDERLY/DISABLED DEDUCTION					DEPENDENT DEDUCTION			
Program Type	Housing Choice Tenant-Based	AHA-Owned Residential	AHA-Sponsored Mixed-Income	PBRA Mixed-Income	Housing Choice Tenant-Based	AHA-Owned Residential	AHA-Sponsored Mixed-Income	PBRA Mixed-Income
Total Number of Households Benefiting	2,259	1,856	2,013	1,982	4,137	584	1,578	697
Number with Hardship Requests	1	1	0	0	0	0	0	0

### **IMPACT ANALYSIS CONCLUSION**

The Rent Simplification Policy has a net positive impact and provides financial support for the preponderance of AHA-assisted families when compared to the previous policy that only benefited 15% to 20% of all households. The policy also provides an opportunity for AHA-assisted families to file an appeal for hardship, if required. As shown above very few families filed a hardship request as a result of the policy. The implementation of Standard Income Deductions is an effective method of providing assisted households with relief while, at the same time, streamlining the administrative processes of AHA and its partners and improving accuracy, consistency, and operating efficiencies in the calculation of adjusted incomes.

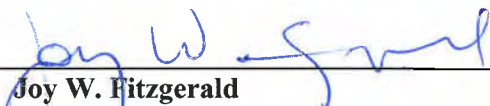
**CERTIFICATION TO THE U.S. DEPARTMENT OF HOUSING AND URBAN  
DEVELOPMENT ("HUD") REGARDING THE  
HOUSING AUTHORITY OF THE CITY OF ATLANTA, GEORGIA'S  
FY 2013 MOVING TO WORK ("MTW") ANNUAL REPORT**

On behalf of The Housing Authority of the City of Atlanta, Georgia ("AHA"), and in accordance with AHA's Amended and Restated MTW Agreement, effective as of November 13, 2008, as further amended by that certain Second Amendment to the Moving to Work Agreement, effective as of January 16, 2009 (the "MTW Agreement"), I hereby certify the following:

1. At least 75 percent of the households assisted by AHA are very low-income families, as defined in Section 3(b)(2) of the U.S. Housing Act of 1937, as amended;
2. As set forth in AHA's HUD Funding Availability Protocol, dated November 9, 2007, AHA assisted substantially the same total number of eligible low-income families as would have been served had the HUD funds which comprise the MTW Funds (as defined in the MTW Agreement) not been combined into a single fund;
3. As set forth in AHA's HUD Funding Availability Protocol, dated November 9, 2007, AHA maintained a comparable mix of families (by family size) as would have been served or assisted had the MTW Funds made available to AHA not been used under the MTW demonstration; and
4. AHA's FY 2013 Moving to Work Annual Report meets the substantive information reporting requirements of the Paperwork Reduction Act for the MTW Demonstration Program and HUD Form 50900 (OMB Control Number 2577-0216).

All capitalized terms used but not defined herein shall have their respective meaning as set forth in the MTW Agreement.

**THE HOUSING AUTHORITY OF THE  
CITY OF ATLANTA, GEORGIA**

BY:   
Name: Joy W. Fitzgerald  
Title: Interim President and Chief Executive Officer  
Date: September 27, 2013

## Appendix C: Ongoing Activities Directory (FY 2005 - FY 2013)

The Atlanta Housing Authority's (AHA) Ongoing Activities Directory addresses the HUD Form 50900 requirement by listing activities, initiatives and policies identified in AHA's MTW Annual Implementation Plans ("MTW Annual Plans") since FY 2005. Per AHA's MTW Agreement with HUD on September 23, 2003, the initial period of which was effective from July 1, 2003 through June 30, 2010, and the executed Amended and Restated MTW Agreement, effective as of November 13, 2008, and further amended by that certain Second Amendment to the Moving to Work Agreement, effective as of January 16, 2009, once HUD approves AHA's MTW Annual Plan, the approval is deemed to be cumulative and remains in effect for the duration of the Amended and Restated MTW Agreement period, as it may be extended from time to time. This directory summarizes activities/initiatives/policies that AHA has operationalized and incorporated in its business model.

### Status Key:

(Year in parentheses indicates fiscal year the related status was achieved.)

<b>O</b>	<b>Operationalized</b>	Activity is ongoing and continues to be implemented as part of AHA's normal business operations.
<b>P</b>	<b>Postponed</b>	Activity was not completed during the planning period or was postponed from full implementation.
<b>C</b>	<b>Completed</b>	Projects have been completed based on established beginning and end dates. Relevant learning has been operationalized where applicable.
<b>D</b>	<b>Discontinued</b>	Activity was discontinued from further implementation; may be renewed if conditions warrant.

NO.	Supporting Activity / Project / Initiative	MTW Plan Start Year	Current Status
1	<b>\$125 Minimum Rent</b> NOTE: During FY 2005-2007, this activity was referred to as "Minimum Rent."	2005	O
2	<b>30% of Adjusted Income</b>	2008	O
3	<b>4 to 1 Elderly Admissions Policy at AHA's High-Rise Communities</b> NOTE: In FY 2005, this activity was referred to as the "Elderly Admissions Preference Policy at AHA's Senior High-Rises."	2005	O
4	<b>Accessibility and 504 / ADA</b> NOTE: See Enhanced Accessibility Initiative	2005	O
5	<b>Acquisitions</b> NOTE: During FY 2005 to FY 2009, this activity was captured under Real Estate Development and Acquisitions.	2005	O
6	<b>Administration of HCVP Waiting List</b> NOTE: From FY 2007-FY2010, this activity was referred to as "Intake / Waitlist Re-engineering (Housing Choice Supporting Projects - Participant Services)."	2007	O
7	<b>Affordable Assisted Living Demonstration</b> NOTE: During FY 2005, FY 2006, FY 2007 & FY 2010, this activity was referenced in several ways: "Affordable Assisted Living Demonstration Program", "Developing Supportive Housing" and "Alternative and Supportive Housing" (includes Affordable Assisted Living and Service-Enriched Housing).	2005	O
8	<b>Affordable Fixed Rent Demonstration</b> NOTE: During FY 2005, FY 2006, & FY 2007, this activity was referred to as the "Affordable Flat Rent Demonstration."	2005	P (2009)
9	<b>Aging Well Program</b>	2011	O
10	<b>AHA Annual Budget and Previous Year's Expenditures</b>	2005	O
11	<b>AHA Submarket Payment Standards</b> NOTE: In FY 2006, this activity was referred to as "Housing Choice Fair Market Rent Standards."	2006	O
12	<b>AHA4You Customer and Community Relations</b> NOTE: See Customer Community Relations Center	2008	O
13	<b>Annual Contributions Contract Waiver</b>	2004	O
14	<b>Annual Recertification Re-engineering</b> (Housing Choice Supporting Projects - Participant Services)	2008	O
15	<b>ARRA Funds</b>	2010	C (2012)
16	<b>Asset Management Systems</b>	2006	O
17	<b>Asset Management Under the New Operating Subsidy Rule</b>	2008	O
18	<b>Atlanta Community Scholars Awards (ACSA)</b>	2006	O
19	<b>Automated Collections Process</b> (Re-engineering Housing Choice Operations)	2008	P (2008)
20	<b>Automated Hearing Database</b> (Housing Choice Supporting Projects - Participant Services)	2008	O

NO.	Supporting Activity / Project / Initiative	MTW Plan Start Year	Current Status
21	<b>Automated Outbound Portability Billing</b> (Housing Choice Supporting Projects - Participant Services) <i>NOTE: See Port Administration Re-engineering</i>	2009	O
22	<b>Business Transformation</b>	2010	O
23	<b>CATALYST Resource Guide</b>	2006	O
24	<b>Choice Neighborhoods Implementation Grant</b>	2013	O
25	<b>Clean and Safe Environment Requirement</b>	2005	O
26	<b>Client Education Seminars</b>	2007	O
27	<b>Client Services</b> <i>NOTE: See Human Development Services</i>	2005	O
28	<b>Comcast Cable Partnership</b>	2006	O
29	<b>Communications Plan</b> <i>NOTE: See Media Management</i>	2006	O
30	<b>Comprehensive Graduation Program</b>	2012	O
31	<b>Comprehensive Homeownership Program</b>	2007	O
32	<b>Consulting Services</b>	2013	O
33	<b>Contract Administration</b> <i>NOTE: See Fee-Based Contract Administration</i>	2006	O
34	<b>Corporate Culture Project</b> <i>NOTE: In FY 2006, this activity was referred to as the "Corporate Culture Plan."</i>	2006	O
35	<b>Customer Community Relations Center</b> <i>NOTE: From FY2008-FY2011, this initiative was referred to as "AHA4You Customer Community Relations."</i>	2008	O
36	<b>Deconcentration Strategy</b> <i>NOTE: In FY 2005, this initiative was discussed under "Using the Housing Choice Vouchers to Provide Income-Eligible Families with Access to Communities of Opportunity."</i>	2005	O
37	<b>Developing Alternative &amp; Supportive Housing Resources</b> <i>NOTE: In FY 2010, this category included: "John O. Chiles Annex Supportive Housing Pilot", "Permanent Designated Housing", and "Affordable Assisted Living Demonstration." In FY 2006, this activity was listed as two separate activities: 1. "Developing Alternative Housing Resources" &amp; 2. "Developing Supportive Housing."</i>	2005	O
38	<b>Document Management Automation</b> <i>NOTE: In FY 2011, this activity was referred to as "File Purge and E-Copy." In FY 2010, was listed under "Housing Choice Supporting Projects - Program Support."</i>	2007	O
39	<b>Early Childhood Learning Initiative</b>	2012	O
40	<b>Elderly Designated Housing</b> <i>NOTE: From FY 2008-2012, this activity was referred to as "Designation of Elderly and Disabled Public Housing Units."</i>	2008	O
41	<b>Elderly Income Disregard</b>	2005	O
42	<b>Endowment Fund for Human Development Services</b>	2013	O
43	<b>Energy Management Initiative</b> <i>NOTE: In FY 2008 and FY 2009, this activity was referred to as "Energy Performance Contracting."</i>	2008	O
44	<b>Enhanced Accessibility Initiative</b> <i>NOTE: In FY 2007-2011, this activity was also known as the "Voluntary Compliance Agreement (VCA)."</i>	2007	O
45	<b>Enhanced Business Systems (Lease / Family Obligation Document Enforcement, Enhanced Criminal Screening and Health and Safety Standards)</b>	2006	O
46	<b>Enhanced Housing Marketing</b> <i>NOTE: See Housing Marketing</i>	2008	O
47	<b>Enhanced Inspection Standards</b> <i>NOTE: In FY 2010, was referred to as Inspections (Housing Choice Supporting Projects - Housing Assistance Payments Contracting). From FY 2005-2009, this activity was referred to as "Enhanced Real Estate Inspection Systems."</i>	2005	O
48	<b>Enhanced Relocation Procedures and Database Enhancements</b> <i>NOTE: In FY 2006-2008, this activity was referred to as "Enhanced Relocation Process and Database Enhancements."</i>	2006	O
49	<b>Enterprise Resource Planning (ERP) Solution</b> <i>NOTE: In FY 2011-2012, this activity was referred to as "Integrated Enterprise Resource Planning (ERP) Solution"; In FY 2010-2011, was described as the "Comprehensive Integrated and Relational Agency-wide Database."</i>	2010	O
50	<b>Fee-Based Contract Administration</b> <i>NOTE: In FY 2006, this activity was referred to as "Contract Administration."</i>	2006	O
51	<b>Fee-For-Service Methodology</b>	2006	O
52	<b>Financial Management</b> <i>NOTE: In FY 2010, this activity was listed under "Housing Choice Supporting Projects - Financial and Business Operations."</i>	2010	O
53	<b>Financial Operations</b>	2005	O
54	<b>Gap Financing</b>	2011	O

NO.	Supporting Activity / Project / Initiative	MTW Plan Start Year	Current Status
55	<b>Good Neighbor Program II</b> NOTE: During FY 2006, this activity was referenced under "Program Participation Requirement."	2005	O
56	<b>Homeownership Standards</b> NOTE: See Comprehensive Homeownership Program	2006	O
57	<b>Housing Assistance Payments (HAP) Contract Update</b> NOTE: Also called AHA's Housing Choice Rental Assistance (HCRA) Agreement	2013	O
58	<b>Housing Choice Budget Utilization Benchmark</b>	2005	O
59	<b>Housing Choice Community Advisory Group (Financial and Business Operations)</b>	2010	O
60	<b>Housing Choice Fair Market Rent Standards</b> NOTE: See AHA Submarket Payment Standards	2006	O
61	<b>Housing Choice Family Self-Sufficiency (FSS) Program Re-engineering</b>	2007	C (2008)
62	<b>Housing Choice Fixed Subsidy Initiative</b>	2007	O
63	<b>Housing Choice Inspection Fees</b>	2006	P (2008)
64	<b>Housing Choice Landlord Certification and Training</b>	2006	P (2008)
65	<b>Housing Choice Operating System (Housing Choice Supporting Projects - Financial and Business Operations)</b>	2010	O
66	<b>Housing Choice Voucher Program HAP Abatement Policy</b>	2011	O
67	<b>Housing Choice Voucher Related MTW Income</b>	2005	O
68	<b>Housing Marketing</b> NOTE: In FY 2008, this activity was referred to as "Enhanced Housing Marketing."	2008	O
69	<b>Human Development Life-cycle Strategies</b>	2013	O
70	<b>Human Development Services</b> NOTE: From FY 2005-2011, was referenced in several ways: "Client Services", "Human Services Management", and "Human Development & Support Services."	2005	O
71	<b>Human Resources Development</b> NOTE: During FY 2008-2009, this activity was referred to as "Organizational Initiatives."	2006	O
72	<b>Human Services Management</b> NOTE: See Human Development Services	2006	O
73	<b>Identity of Interest (IOI) Implementation Protocol</b>	2008	O
74	<b>Individual Development Accounts (IDAs)</b>	2005	P (2009)
75	<b>Innovative Subsidy Strategies for AHA's Affordable Communities providing Housing for Seniors and Residents with Disabilities</b>	2008	O
76	<b>John O. Chiles Annex Supportive Housing Pilot</b> NOTE: In FY 2008 and 2009, this initiative was discussed under "Project Based Rental Assistance as a Development Tool: Developing Alternative and Supportive Housing Resources."	2008	O
77	<b>Landlord Eligibility and Performance Standards</b>	2012	O
78	<b>Landlord Relationship Management (Housing Choice Supporting Projects - Landlord Services)</b>	2010	O
79	<b>Leasing Incentive Fee (LIF)</b>	2008	O
80	<b>Local Asset Management Program (LAMP)</b>	2010	O
81	<b>Long-term Strategic Planning</b>	2013	O
82	<b>Low Income Operating Subsidy and Related Income</b>	2007	O
83	<b>Mark-to-Market Program</b>	2006	O
84	<b>Master Database of Real Estate Owned Portfolio</b>	2012	O
85	<b>Media Management</b> NOTE: In FY 2006-2008, this activity was referred to as "Communications Plan."	2006	O
86	<b>Mixed Income Communities "Working Laboratory Initiative"</b> NOTE: See Private Sector Innovation	2006	O
87	<b>MTW Benchmarking Study</b>	2005	O
88	<b>MTW Mixed-Finance Closing Procedures Protocol</b>	2005	O
89	<b>Next Generation Solutions Project</b> NOTE: In FY 2010 Plan, this activity was referred to as "Housing Choice Operating System (Housing Choice Supporting Projects- Financial and Business Operations)."	2006	O
90	<b>Non-Elderly Disabled Income Disregard</b>	2011	O
91	<b>Operational Enhancements (Housing Choice Supporting Projects - Housing Assistance Payments Contracting)</b>	2010	O
92	<b>Organizational Capabilities including AHA University</b> NOTE: See Human Resources Development	2013	O
93	<b>Organizational Initiatives</b>	2006	O

NO.	Supporting Activity / Project / Initiative	MTW Plan Start Year	Current Status
94	<b>Oversight of Turnkey III Assets</b> NOTE: During FY 2006, this activity was referred to as "Close-out of the Turnkey of Homebuyers Program."	2006	C (2009)
95	<b>Participant Relationship Management</b> (Housing Choice Supporting Projects - Participant Services)	2010	O
96	<b>Performance-based Inspections for Multi-family Properties</b> NOTE: See Enhanced Inspection Standards	2012	O
97	<b>Permanent Designated Housing</b> NOTE: In FY 2005, this activity was referred to as "Designated Housing."	2005	O
98	<b>Place-Based and People-Based De-concentration Plan / Strategy</b> NOTE: See Deconcentration Strategy	2005	O
99	<b>Place-Based Supportive Services Strategy Pilot</b>	2006	O
100	<b>Policy Changes</b> (Housing Choice Supporting Projects - Participant Services)	2010	O
101	<b>Port Administration Re-engineering</b> NOTE: During FY 2006-FY 2008, this activity was referred to as "AHA Standards and Incoming / Outgoing Ports." in FY 2009, was referred to as "Automated Outbound Portability Billing." In FY 2010, was referred to as "Port Administration (Housing Choice Supporting Projects - Financial and Business Operations)."	2006	O
102	<b>Pre-Qualification of Units</b> (Re-engineering Housing Choice Operations)	2008	P (2009)
103	<b>Pre-Relocation Client Education</b>	2008	C (2010)
104	<b>Private Sector Innovation</b> NOTE: In FY 2006-2007, this activity was referred to as Mixed-Income Communities "Working Laboratory Initiative."	2006	O
105	<b>Process for Project Based Rental Assistance Developer Selection</b>	2008	O
106	<b>Procurement Enhancements</b>	2008	O
107	<b>Program Flexibility for Special Purpose Vouchers Protocol</b>	2008	O
108	<b>Program Moves</b> (Housing Choice Supporting Projects - Participant Services) NOTE: In FY 2006, this activity was referred to as "Voucher Administration Reform: Residential Moves."	2006	O
109	<b>Program Performance Indicators</b> (Housing Choice Supporting Projects - Program Support)	2009	O
110	<b>Project Based Accounting and Financial Systems</b>	2006	O
111	<b>Project Based Rental Assistance as a Strategic Tool</b> NOTE: During FY 2008-2012, this activity was referred to as "Project Based Rental Assistance as a Development Tool"; FY 2005-2007, was referred to as "Project Based Voucher as a Development Tool."	2005	O
112	<b>Project Based Rental Assistance for Supportive Housing</b> NOTE: In FY 2012, this activity was referred to as "Project Based Rental Assistance Homeless, Mental Health and Special Needs Demonstration." During FY 2006-2011, this activity was captured under "Developing Alternative and Supportive Housing Resources."	2006	O
113	<b>Project Based Rental Assistance Inside of Mixed Income Communities</b> NOTE: During FY 2006, this activity was referred to as "Project Based Voucher as a Development Tool."	2006	O
114	<b>Project Based Rental Assistance Mental Health Demonstration</b> NOTE: See Project Based Rental Assistance for Supportive Housing	2006	O
115	<b>Project Based Rental Assistance Regional Expansion Program</b>	2008	O
116	<b>Project Based Rental Assistance Site Based Administration</b> NOTE: In FY 2007, this activity was referred to as "Project Based Voucher On-Site Administration." In FY 2006, activity was referred to as "Voucher Administration Reform: On-Site Administration."	2008	O
117	<b>Project Based Rental Assistance Site &amp; Neighborhood Standards</b>	2008	O
118	<b>Project Based Rental Assistance Special Needs Demonstration Program</b> NOTE: See Project Based Rental Assistance for Supportive Housing	2006	O
119	<b>Project Based Voucher as a Development Tool</b> NOTE: See Project Based Rental Assistance as a Strategic Tool	2005	O
120	<b>Project Based Voucher On-Site Administration</b> (Housing Choice Voucher Administration Reform) NOTE: See Project Based Rental Assistance Site Based Administration	2007	O
121	<b>Proposed Land Transactions and Sale of Assets</b> NOTE: In FY 2010-2012, this activity was referred to as "Proposed Land Swaps." FY 2006-2009, activity was captured in Real Estate Development and Acquisitions acquisition strategy for communities undergoing revitalization.	2006	O
122	<b>Quality of Life (QLI) Initiative</b>	2007	C (2010)
123	<b>Rapid Response Team</b> NOTE: In FY 2008, this initiative was referred to as the "Rapid Response Assistance Team."	2008	O
124	<b>Re-engineering Property Owner / Vendor Process</b> (Re-engineering Housing Choice Operations)	2008	O

NO.	Supporting Activity / Project / Initiative	MTW Plan Start Year	Current Status
125	<b>Re-engineering the Housing Choice Voucher Program</b> NOTE: From FY 2007-2010, was referred to as "Re-engineering Housing Choice Operations."	2007	O
126	<b>Reformulating the Subsidy Arrangement in AHA-Sponsored Mixed-Income, Mixed-Finance Communities including Centennial Place</b> NOTE: From FY 2006-2010, this initiative was referred to as "Sustaining Mixed Income Investments." In FY 2005, was referred to as "Sustaining Investments in Mixed-Income, Mixed-Finance Communities."	2005	O
127	<b>Relocation Policies (Re-engineering Housing Choice Operations)</b>	2007	O
128	<b>Rent Reasonableness</b> NOTE: During FY 2007, this activity was referred to as the "Automated Rent Reasonableness System."	2007	O
129	<b>Rent Simplification / AHA Standard Deductions</b>	2008	O
130	<b>Re-Occupancy Process</b>	2008	O
131	<b>Replacement Housing Factor Funds</b>	2008	O
132	<b>Reposition and Expand Property Management Strategy for AHA-Owned Residential Communities</b>	2013	O
133	<b>Resident Survey</b>	2004	O
134	<b>Resource Development to Support Family Success</b>	2011	O
135	<b>Responsible Relocation</b> NOTE: In FY 2006, was referred to as "Enhanced Relocation Process."	2006	O
136	<b>Revitalization Program</b> NOTE: Starting in FY 2008, this program was referred to as "Revitalization Program." In FY 2005, was referred to as "Repositioning Portfolio" and "Real Estate Development and Acquisitions."	2005	O
137	<b>School Attendance Requirement</b>	2006	O
138	<b>Service Provider Network</b>	2006	O
139	<b>Setting Market Rents Under Housing Choice; Fixed Subsidy</b> NOTE: See AHA Submarket Payment Standards and Rent Reasonableness	2005	O
140	<b>Single Family Home Rental Demonstration</b> NOTE: In FY 2012, this activity was referred to as "Neighborhood Stabilization Demonstration Program."	2012	O
141	<b>Single Family Unit Residency / Homeownership Standards</b> NOTE: See Standards for Residency in Single Family Homes	2006	O
142	<b>Staff Capacity (Housing Choice Supporting Projects - Participant Services)</b>	2010	O
143	<b>Stakeholder Education and Engagement Initiative</b> NOTE: See Communications Plan	2013	O
144	<b>Standards for Residency in Single Family Homes</b> NOTE: In FY 2006, this activity was referred to as "Single Family Unit Residency/Homeownership Standards."	2006	P (2008)
145	<b>Statement of Corporate Policies (SCP) Governing the Leasing and Residency of Assisted Apartments (Statement of Corporate Policies)</b>	2005	O
146	<b>Statement of Policies for Supportive Housing</b>	2012	O
147	<b>Statement of Policies Governing the Housing Choice Tenant-Based Program (Statement of Housing Choice Policies)</b> NOTE: During FY 2007-2008, this policy was referred to as the "Administrative Plan."	2005	O
148	<b>Streamlining Property-Level Operations</b> NOTE: In FY 2005, this activity was discussed under "Sustaining Investments in Mixed-Income, Mixed-Finance Communities."	2005	O
149	<b>Subsidy Conversion</b> NOTE: In FY 2005, this activity was discussed under "Real Estate Development and Acquisitions" Also see Innovative Subsidy Strategies for AHA's Affordable Communities providing Housing for Seniors and Residents with Disabilities	2005	O
150	<b>Subsidy Layering Review and Approval</b>	2010	O
151	<b>Supportive Services for Persons with Mental Disabilities</b> NOTE: In FY 2012, this activity was referred to as "Proposal for Supportive Services."	2012	O
152	<b>Tax Credit Compliance Model</b> NOTE: See Streamlining Property-Level Operations	2005	O
153	<b>Technology Solutions (Housing Choice Supporting Projects - Housing Assistance Payments Contracting &amp; Landlord Services)</b>	2010	O
154	<b>Technology Solutions (Housing Choice Supporting Projects - Participant Services)</b> NOTE: See Housing Choice Operating System (Housing Choice Supporting Projects - Financial and Business Operations)	2007	O
155	<b>Thriving Family Index</b>	2012	O
156	<b>Transforming All Conventional Public Housing Assisted Communities to Market Rate, Mixed-Income Communities</b> NOTE: See Revitalization Program	2005	O

NO.	Supporting Activity / Project / Initiative	MTW Plan Start Year	Current Status
157	UHAP Bankcards (Housing Choice Supporting Projects - Program Support)	2008	O
158	Use of MTW Funds	2009	O
159	Utility Allowance Waiver	2007	D (2010)
160	Veterans Supportive Housing	2013	O
161	Video Call Down System	2005	D (2011)
162	Violence Against Women Act (VAWA)	2007	O
163	<b>Work/Program Requirement</b> NOTE: Starting FY 2012, the program was referred to as "Work/Program Requirement." During FY 2005-2011, this program was referenced in several ways: "Program Participation Requirement," "Work/Program Participation Requirement," and "Work Requirement."	2005	O

## Appendix D: Housing Opportunities Information

### 1a. Households Served (actuals as of June 30, 2013)

As defined in AHA's MTW Agreement, Households Served includes all AHA-assisted households ("AHA Families") plus low-income families living in affordable housing facilitated by AHA's investments. This includes Low-Income Housing Tax Credit units, down payment assistance (homeownership), and other services.

Community & Program Type	Type of Assistance <sup>(5)</sup>	Household Totals*			Percent Change FY 2012 to FY 2013
		End of FY 2012	Planned, End of FY 2013	Actual End of FY 2013	
AHA-Owned Residential Communities	PH	1,943	1,942	1,942	-0.1%
AHA-Sponsored Mixed-Income Communities	PH	2,471	2,471	2,471	0.0%
	PBRA <sup>(6)</sup>	1,327	1,508	1,409	6.2%
	LIHTC-only <sup>(6)</sup>	1,055	1,013	1,112	5.4%
PBRA Mixed-Income Developments	PBRA <sup>(6)</sup>	2,953	2,895	2,949	1.2%
	LIHTC-only <sup>(6)</sup>	1,670	1,690	1,644	-1.6%
Housing Choice Tenant-Based <sup>(2)</sup>	HCV	6,878	6,972	7,043	2.4%
Housing Choice Ports <sup>(3)</sup>	HCV	2,399	2,480	2,265	-5.6%
Housing Choice Homeownership	HCV	83	101	62	-25.3%
Homeownership - Other <sup>(4)</sup>	Down-payment	246	287	277	12.6%
<b>TOTAL<sup>(1)</sup></b>		<b>21,025</b>	<b>21,359</b>	<b>21,174</b>	<b>0.7%</b>

#### NOTES:

PH = Public Housing (ACC-assisted), PBRA = Project Based Rental Assistance, LIHTC-only = Low-Income Housing Tax Credits only, HCV = Housing Choice Voucher

\* Sources: FY 2012 MTW Annual Report, FY 2013 MTW Annual Implementation Plan.

<sup>(1)</sup> Overall, AHA saw an increase in households served in the Housing Choice Voucher Program, Supportive Housing Programs and new units from development in AHA Sponsored Mixed-Income Communities. See Chart 1b for details on Supportive Housing Programs.

<sup>(2)</sup> Housing Choice Tenant-Based includes 300 Family Unification Program (FUP) vouchers, 225 Mainstream vouchers, 25 HUD VASH vouchers and port-ins being administered by AHA for other PHAs.

<sup>(3)</sup> Changes in Housing Choice Ports are partially due to absorption of the vouchers by other PHAs and households with AHA vouchers that return to AHA's jurisdiction (i.e. no longer porting).

<sup>(4)</sup> Homeownership - Other category includes down payment assistance through AHA's Owners/Builders Initiative or through AHA's Revitalization Program as well as two families that moved from Housing Choice rental assistance.

<sup>(5)</sup> AHA does not have any non-MTW PH or PBRA units in its portfolio. Most PH and PBRA-assisted units in mixed-income, mixed-finance communities are developed using low income housing tax credit equity and are also tax credit units. For reporting purposes, these units are categorized only as PH or PBRA units (not as LIHTC-only units).

<sup>(6)</sup> Changes in PBRA and LIHTC-only are due to added units and shifts between types of assistance on a unit within a community.

## 1b. Supportive Housing Across All Communities and Programs

		Household Totals <sup>*(2)</sup>			
Community & Program Type	Type of Assistance	End of FY 2012	Planned, End of FY 2013	Actual End of FY 2013	Percent Change FY 2012 to FY 2013
Supportive Housing Programs <sup>(1)</sup>	PH	26	26	26	0.0%
	PBRA	536	546	546	1.9%
	HCV	300	300	325	8.3%
<b>TOTAL <sup>(2)</sup></b>		<b>862</b>	<b>872</b>	<b>897</b>	<b>4.1%</b>

**NOTES:**

PH = Public Housing (ACC-assisted), PBRA= Project Based Rental Assistance, HCV= Housing Choice Voucher

\* Sources: FY 2012 MTW Annual Report, FY 2013 MTW Annual Implementation Plan.

<sup>(1)</sup> Supportive Housing Programs include Supportive Housing PBRA, PH units in AHA-Sponsored Mixed-Income Communities and HCV special purpose voucher programs such as the Family Unification Program and HUD-VASH.

<sup>(2)</sup> Supportive Housing is included in Chart 1a: Total Households Served.

## 2. Units Added (during FY 2013)

Community	Type of Assistance	Units by Bedroom Size					TOTAL Units
		Studio	1 BR	2 BR	3 BR	4+ BR	
Veranda at Scholars Landing	PBRA		100				100
Quest Village III	PBRA		10				10
Columbia Colony Senior	PBRA		10	15			25
<b>TOTAL</b>		<b>0</b>	<b>120</b>	<b>15</b>	<b>0</b>	<b>0</b>	<b>135</b>

## 3. Units Under Commitment (as of June 30, 2013)

Community	Type of Assistance	Units by Bedroom Size					TOTAL Units
		Studio	1 BR	2 BR	3 BR	4+ BR	
Imperial Hotel	PBRA	90					90
Ashley Auburn Pointe II	PH		24	24	3		51
Centennial Place I*	PBRA		10	43	19	2	74
Centennial Place II*	PBRA		8	42	20		70
<b>TOTAL</b>		<b>90</b>	<b>42</b>	<b>109</b>	<b>42</b>	<b>2</b>	<b>285</b>

### NOTES:

PH = Public Housing (ACC-assisted), PBRA= Project Based Rental Assistance, HCV= Housing Choice Voucher

\* Under the Reformulation Demonstration Program, the operating subsidy for the 301 public housing-assisted units at Centennial Place will be converted to project based rental assistance (PBRA) as designed and implemented by AHA using its MTW flexibility. During FY 2013, to prepare in advance for the second stage of the reformulation strategy, the managing general partner of the respective owner entities of development Phases I and II of Centennial Place submitted 9-percent Low Income Housing Tax Credit (LIHTC) applications to raise equity for the renovations.

#### 4. Units Removed (during FY 2013)

Community	Type of Assistance	Units by Bedroom Size					TOTAL Units
		Studio	1 BR	2 BR	3 BR	4+ BR	
Capitol Gateway I	PBRA		3	11			14
Villages at Carver I	PBRA			4	5		9
Villages at Carver III	PBRA			1	2		3
Villages at Carver V	PBRA		2	2			4
Ashley Courts at Cascade I	PBRA		2	2	5	2	11
Ashley Courts at Cascade II	PBRA		2	5			7
Ashley Courts at Cascade III	PBRA		4	5			9
TOTAL		0	13	30	12	2	57

**NOTES:**

*PBRA assistance for these units was intended to be temporary.*

## 5.A. Household Income Profile (actuals as of June 30, 2013)

Community & Program Type	Number of Households by Income group (percent of Area Median Income (AMI))														
	< 30% of AMI			30 - 50% of AMI			50 - 80% of AMI			> 80% of AMI			TOTAL		
	Jun-12	Jun-13	% Chg	Jun-12	Jun-13	% Chg	Jun-12	Jun-13	% Chg	Jun-12	Jun-13	% Chg	Jun-12	Jun-13	% Chg
AHA-Owned Residential Communities	1,715	1,629	-5%	185	267	44%	27	30	11%	3	7	133%	1,930	1,933	0.2%
AHA-Sponsored Mixed-Income Communities <sup>(1) (2)</sup>	3,055	1,586	-48%	479	1,462	205%	46	574	1148%	2	28	1300%	3,582	3,650	2%
PBRA Mixed-Income Developments <sup>(1)</sup>	2,182	1,243	-43%	230	1,088	373%	5	420	8300%	0	0	n/a	2,417	2,751	14%
Housing Choice Tenant-Based	5,110	4,969	-3%	1,409	1,631	16%	286	423	48%	14	20	43%	6,819	7,043	3%
Housing Choice Ports	1,924	1,751	-9%	417	430	3%	57	77	35%	1	7	600%	2,399	2,265	-6%
<b>TOTAL</b>	<b>14,222</b>	<b>11,178</b>	<b>-21%</b>	<b>2,777</b>	<b>4,878</b>	<b>76%</b>	<b>427</b>	<b>1,524</b>	<b>257%</b>	<b>21</b>	<b>62</b>	<b>195%</b>	<b>17,447</b>	<b>17,642</b>	<b>1.1%</b>

	Number of Households by Income June 30, 2013	Percent of Total Households Served
Total ≤ 50% of AMI ("very low-income")	16,056	91%
Total > 50% of AMI	1,586	9%

**NOTES:**

<sup>(1)</sup> AHA does not capture household characteristics for LIHTC-only units within AHA-Sponsored Mixed-Income Communities and PBRA Mixed-Income Developments. Totals also do not include Supportive Housing units in PBRA developments.

<sup>(2)</sup> Numbers shown do not include data for Veranda at Scholars Landing as this development had not reached stabilized occupancy as of June 30, 2013.

## 5.B. Household Family Size Profile (actuals as of June 30, 2013)

Community & Program Type	Number of Households by Family Size																	
	1 Member			2 Members			3 Members			4 Members			5+ Members			TOTAL		
	Jun-12	Jun-13	% Chg	Jun-12	Jun-13	% Chg	Jun-12	Jun-13	% Chg	Jun-12	Jun-13	% Chg	Jun-12	Jun-13	% Chg	Jun-12	Jun-13	% Chg
AHA-Owned Residential Communities	1,753	1,746	0%	126	139	10%	20	21	5%	16	15	-6%	15	12	-20%	1,930	1,933	0%
AHA-Sponsored Mixed-Income Communities <sup>(1) (2)</sup>	1,888	1,785	-5%	774	949	23%	555	621	12%	252	225	-11%	112	70	-38%	3,581	3,650	2%
PBRA Mixed-Income Developments <sup>(1)</sup>	1,612	1,710	6%	484	659	36%	176	222	26%	93	111	19%	52	49	-6%	2,417	2,751	14%
Housing Choice Tenant-Based	2,008	2,118	5%	1,465	1,518	4%	1,271	1,322	4%	986	1,012	3%	1,089	1,073	-1%	6,819	7,043	3%
Housing Choice Ports	480	468	-3%	413	395	-4%	517	482	-7%	486	453	-7%	503	467	-7%	2,399	2,265	-6%
<b>TOTAL</b>	<b>7,741</b>	<b>7,827</b>	<b>1%</b>	<b>3,262</b>	<b>3,660</b>	<b>12%</b>	<b>2,539</b>	<b>2,668</b>	<b>5%</b>	<b>1,833</b>	<b>1,816</b>	<b>-1%</b>	<b>1,771</b>	<b>1,671</b>	<b>-6%</b>	<b>17,146</b>	<b>17,642</b>	<b>N/A</b>

**NOTES:**

<sup>(1)</sup> AHA does not capture household characteristics for LIHTC-only units within AHA-Sponsored Mixed-Income Communities and PBRA Mixed-Income Developments. Totals also do not include Supportive Housing units in PBRA developments.

<sup>(2)</sup> Numbers shown do not include data for Veranda at Scholars Landing as this development had not reached stabilized occupancy as of June 30, 2013.

### 5.C. Household Bedroom Size Profile (actuals as of June 30, 2013)

	Number of Households by Unit Size																	
Community & Program Type	0/1 Bedroom			2 Bedrooms			3 Bedrooms			4 Bedrooms			>4 Bedrooms			TOTAL		
	Jun-12	Jun-13	% Chg	Jun-12	Jun-13	% Chg	Jun-12	Jun-13	% Chg	Jun-12	Jun-13	% Chg	Jun-12	Jun-13	% Chg	Jun-12	Jun-13	% Chg
AHA-Owned Residential Communities	1,836	1,838	0%	45	46	2%	20	20	0%	29	29	0%	0	0	--	1,930	1,933	0%
AHA-Sponsored Mixed-Income Communities <sup>(1)(2)</sup>	1,552	1,621	4%	1,438	1,421	-1%	542	551	2%	49	57	16%	0	0	--	3,581	3,650	2%
PBRA Mixed-Income Developments <sup>(1)</sup>	1,259	1,580	25%	994	999	1%	159	167	5%	5	5	0%	0	0	--	2,417	2,751	14%
Housing Choice Tenant-Based	1,282	1,410	10%	2,253	2,340	4%	2,349	2,382	1%	784	753	-4%	151	158	5%	6,819	7,043	3%
Housing Choice Ports	309	281	-9%	803	745	-7%	983	949	-3%	254	245	-4%	50	45	-10%	2,399	2,265	-6%
TOTAL	6,238	6,730	8%	5,533	5,551	0%	4,053	4,069	0%	1,121	1,089	-3%	201	203	1%	17,146	17,642	3%

**NOTES:**

<sup>(1)</sup> AHA does not capture household characteristics for LIHTC-only units within AHA-Sponsored Mixed-Income Communities and PBRA Mixed-Income Developments. Totals also do not include Supportive Housing units in PBRA developments.

<sup>(2)</sup> Numbers shown do not include data for Veranda at Scholars Landing as this development had not reached stabilized occupancy as of June 30, 2013.

## 6. Waiting List Characteristics (actuals as of June 30, 2013)

Community & Program Type*	Waiting List Households by Income Group (% of Area Median Income)				Waiting List Households by Unit Size Requested (# of Bedrooms)					Waiting List Households by Family Size (# of Members)					TOTAL
	<30%	30-50%	50-80%	>80%	Studio	1 BR	2 BR	3 BR	4+ BR	1	2	3	4	5+	
AHA-Owned Residential Communities	2,279	251	21	4	452	1,770	229	65	43						2,555
AHA-Sponsored Mixed-Income Communities <sup>(1)</sup>	12,297	8,536	1,653	74	0	6,216	9,756	5,804	784						22,561
PBRA Mixed-Income Developments <sup>(2)</sup>	1,909	3,566	898	0	0	2,066	2,887	1,414	6						6,373
Housing Choice <sup>(3)</sup> Tenant-Based	642	223	18	0						161	201	247	142	132	883
<b>TOTAL</b>	<b>17,128</b>	<b>12,576</b>	<b>2,590</b>	<b>78</b>	<b>452</b>	<b>10,052</b>	<b>12,872</b>	<b>7,284</b>	<b>833</b>	<b>161</b>	<b>201</b>	<b>247</b>	<b>142</b>	<b>132</b>	<b>32,372</b>

**NOTES:**

\* Using flexibilities afforded to AHA under its MTW Agreement with HUD, waiting lists (except the Housing Choice Tenant-Based Program) are maintained by partners as part of AHA's site-based administration policies.

<sup>(1)</sup> Numbers shown do not include data for Veranda at Scholars Landing as this development had not reached stabilized occupancy as of June 30, 2013.

<sup>(2)</sup> Numbers shown do not include data for Supportive Housing communities that are leased through referrals from a contracted service provider that provides supportive services to the target population.

<sup>(3)</sup> AHA does not capture waiting list data on the Mainstream waiting list and does not maintain FUP or VASH waiting lists, because these special purpose vouchers are issued through referrals from the public child welfare agency (PCWA) under agreement with AHA or the Veterans Administration, respectively.

**Appendix E: Management Information for Owned / Managed Units at AHA-Owned Residential Communities and Assisted Units at Mixed-Income Communities (as of June 30, 2013)**

<b>1. Occupancy Rate</b>			
The ratio of occupied public housing units to available units as of the last day of the fiscal year shall be greater than or equal to the target benchmark.			
<b>Program / Community Type</b>	<b>AHA MTW Target (at least)</b>	<b>Actual Occupancy Rate (%)</b>	<b>Difference</b>
<b>AHA-Owned Residential Communities</b>			
Barge Road Highrise	98%	98.4%	0.4%
Cheshire Bridge Road Highrise	98%	100.0%	2.0%
Cosby Spear Highrise	98%	100.0%	2.0%
East Lake Highrise	98%	100.0%	2.0%
Georgia Avenue Highrise	98%	100.0%	2.0%
Hightower Manor Highrise	98%	99.2%	1.2%
Juniper and Tenth Highrise	98%	98.7%	0.7%
Marian Road Highrise	98%	99.6%	1.6%
Marietta Road Highrise	98%	99.2%	1.2%
Martin Street Plaza	98%	100.0%	2.0%
Peachtree Road Highrise	98%	99.0%	1.0%
Piedmont Road Highrise	98%	100.0%	2.0%
Westminster	98%	100.0%	2.0%
<b>AHA-Owned Communities Average</b>	<b>98%</b>	<b>99.5%</b>	<b>1.5%</b>
<b>AHA-Sponsored Mixed-Income Communities</b>			
Ashley Auburn Pointe I	98%	98.1%	0.1%
Ashley CollegeTown	98%	100.0%	2.0%
Ashley CollegeTown II	98%	98.6%	0.6%
Ashley Courts at Cascade I	98%	100.0%	2.0%
Ashley Courts at Cascade II	98%	97.6%	-0.4%
Ashley Courts at Cascade III	98%	100.0%	2.0%
Ashley Terrace at West End	98%	100.0%	2.0%
Atrium at CollegeTown	98%	98.7%	0.7%
Capitol Gateway I	98%	94.4%	-3.6%
Capitol Gateway II	98%	95.8%	-2.2%
Centennial Place I	98%	93.2%	-4.8%
Centennial Place II	98%	98.6%	0.6%
Centennial Place III	98%	98.6%	0.6%
Centennial Place IV	98%	98.8%	0.8%
Columbia Commons	98%	100.0%	2.0%
Columbia Creste	98%	98.4%	0.4%
Columbia Estate	98%	96.0%	-2.0%
Columbia Grove	98%	98.2%	0.2%
Columbia Mechanicsville Apartments	98%	100.0%	2.0%
Columbia Park Citi	98%	95.1%	-2.9%
Columbia Senior Residences at Mechanicsville	98%	96.3%	-1.7%

Program / Community Type	AHA MTW Target (at least)	Actual Occupancy Rate (%)	Difference
<b>AHA-Sponsored Mixed-Income Communities, cont.</b>			
Columbia Village	98%	93.3%	-4.7% *
Gardens at CollegeTown	98%	92.3%	-5.7% *
Magnolia Park I	98%	96.6%	-1.4% †
Magnolia Park II	98%	91.8%	-6.2% †
Mechanicsville Crossing	98%	97.1%	-0.9% *
Mechanicsville Station	98%	95.2%	-2.8% *
Parkside at Mechanicsville	98%	97.9%	-0.1% *
Veranda at Auburn Pointe	98%	100.0%	2.0%
Villages at Carver I	98%	93.6%	-4.4% *
Villages at Carver II	98%	97.0%	-1.0% *
Villages at Carver III	98%	92.7%	-5.3% *
Villages at Carver V	98%	93.6%	-4.4% *
Villages at Castleberry Hill I	98%	87.9%	-10.1% *
Villages at Castleberry Hill II	98%	96.5%	-1.5% *
Villages of East Lake I	98%	92.3%	-5.7% *
Villages of East Lake II	98%	92.2%	-5.8% *
<b>AHA-Sponsored Communities Average</b>	<b>98%</b>	<b>96.0%</b>	<b>-2.0% *</b>
<b>Public Housing-Assisted Average</b>	<b>98%</b>	<b>98%</b>	<b>0%</b>

Meets  
Benchmark

#### A. MANAGEMENT NOTES:

Overall, AHA had a combined occupancy rate of 98% for public housing assisted units in AHA-Owned Communities and AHA-Sponsored Mixed-Income Communities.

This was due to a shortfall in benchmark performance in some of the AHA-Sponsored Mixed-Income Communities (starred items above), this shortfall is generally attributable to factors such as: eligibility, turnover, and timing, which are unrelated to the viability of the communities.

The occupancy rate within communities with a low number of assisted units can often skew downward with just one or two vacancies. Vacant unit turnovers often occurred just before the end of FY 2013. Those units were subsequently leased during the first month of the new fiscal year. Also, when multiple units were vacated around the same time, the communities often fell below their occupancy target.

Perhaps more so than in previous years, property management has noticed the economy's effect on the applicants' ability to meet eligibility criteria – in particular many applicants on the waiting list do not meet credit requirements or AHA's work/program requirements, or they lack the money for a security deposit.

Additionally, situations unique to some communities, such as extraordinary repairs, age of the waiting list, and property staff turnover effected the timing of leasing units before the reporting deadline.

Property managers will continue to utilize proactive management of the waiting list to ensure a ready pool of eligible applicants when a unit becomes available. AHA's portfolio management staff will continue to monitor occupancy in collaboration with the professional management companies responsible for the AHA-Sponsored Mixed-Income Communities in order to improve performance.

Each of the AHA-Sponsored Mixed-Income Communities, developed as a result of public-private partnerships, is owned by a private sector owner entity formed as a limited partnership with a managing general partner, and is managed by the owner entity's professional property management agent. While AHA does not own these communities, AHA engages the respective owner entities and their property management agents in its capacity as both a partner and asset manager by actively monitoring performance (including conducting periodic inspections, audits, and business process reviews), reviewing monthly and quarterly reports, making site visits and consulting with management agent and owner representatives at regularly scheduled meetings with respect to management and maintenance performance, financial oversight and occupancy tracking.

† The Magnolia Park community is not factored into the overall results shown above because of substantial operational and financial challenges. HUD is aware of the situation and actions taken to resolve it. AHA is working closely with the managing general partner of the owner entities and the tax credit syndicator to resolve the issues.

2. Percent Rents Uncollected			
Gross tenant rents receivable through the last day of the fiscal year divided by the total amount of tenant rents billed during the FY shall be less than or equal to the target benchmark.			
Program / Community Type	AHA MTW Target (at most)	Actual Rents Uncollected (%)	Difference
<b>AHA-Owned Residential Communities</b>			
Barge Road Highrise	2%	0.3%	-1.7%
Cheshire Bridge Road Highrise	2%	0.0%	-2.0%
Cosby Spear Highrise	2%	0.2%	-1.8%
East Lake Highrise	2%	0.0%	-2.0%
Georgia Avenue Highrise	2%	0.0%	-2.0%
Hightower Manor Highrise	2%	0.3%	-1.7%
Juniper and Tenth Highrise	2%	1.1%	-0.9%
Marian Road Highrise	2%	0.0%	-2.0%
Marietta Road Highrise	2%	0.1%	-1.9%
Martin Street Plaza	2%	0.3%	-1.7%
Peachtree Road Highrise	2%	0.0%	-2.0%
Piedmont Road Highrise	2%	0.0%	-2.0%
Westminster	2%	1.0%	-1.0%
<b>AHA-Owned Communities Average</b>	<b>2%</b>	<b>0.2%</b>	<b>-1.8%</b>
<b>AHA-Sponsored Mixed-Income Communities</b>			
Ashley Auburn Pointe I	2%	0.0%	-2.0%
Ashley CollegeTown	2%	1.2%	-0.8%
Ashley CollegeTown II	2%	0.8%	-1.2%
Ashley Courts at Cascade I	2%	1.9%	-0.1%
Ashley Courts at Cascade II	2%	2.2%	0.2%
Ashley Courts at Cascade III	2%	0.6%	-1.4%
Ashley Terrace at West End	2%	0.7%	-1.3%
Atrium at CollegeTown	2%	0.0%	-2.0%
Capitol Gateway I	2%	1.0%	-1.0%
Capitol Gateway II	2%	0.0%	-2.0%
Centennial Place I	2%	2.3%	0.3%
Centennial Place II	2%	0.9%	-1.1%
Centennial Place III	2%	0.2%	-1.8%
Centennial Place IV	2%	0.2%	-1.8%
Columbia Commons	2%	1.0%	-1.0%
Columbia Creste	2%	1.2%	-0.8%
Columbia Estate	2%	1.8%	-0.2%
Columbia Grove	2%	0.4%	-1.6%
Columbia Mechanicsville Apartments	2%	0.2%	-1.8%
Columbia Park Citi	2%	6.4%	4.4%
Columbia Senior Residences at Mechanicsville	2%	0.5%	-1.5%

Program / Community Type	AHA MTW Target (at most)	Actual Rents Uncollected (%)	Difference
<b>AHA-Sponsored Mixed-Income Communities, cont.</b>			
Columbia Village	2%	0.8%	-1.2%
Gardens at CollegeTown	2%	0.0%	-2.0%
Magnolia Park I	2%	5.1%	3.1%
Magnolia Park II	2%	0.0%	-2.0%
Mechanicsville Crossing	2%	0.0%	-2.0%
Mechanicsville Station	2%	0.0%	-2.0%
Parkside at Mechanicsville	2%	0.3%	-1.7%
Veranda at Auburn Pointe	2%	1.0%	-1.0%
Villages at Carver I	2%	4.0%	2.0%
Villages at Carver II	2%	3.0%	1.0%
Villages at Carver III	2%	1.3%	-0.7%
Villages at Carver V	2%	0.3%	-1.7%
Villages at Castleberry Hill I	2%	3.2%	1.2%
Villages at Castleberry Hill II	2%	0.1%	-1.9%
Villages of East Lake I	2%	0.2%	-1.8%
Villages of East Lake II	2%	0.0%	-2.0%
<b>AHA-Sponsored Communities Average</b>	<b>2%</b>	<b>0.9%</b>	<b>-1.1%</b>
<b>Public Housing-Assisted Totals</b>	<b>2%</b>	<b>0.5%</b>	<b>-1.5%</b>

Exceeds  
Benchmark

#### A. MANAGEMENT NOTES:

Overall, AHA exceeded this benchmark. The AHA-Sponsored Mixed-Income Communities that fell below this benchmark (starred items above) were addressing issues relating to the impact of the economic downturn on resident households. The adverse effects of a depressed economy coupled with high unemployment in the Atlanta metropolitan area contributed to the volatility of rent collections especially for low-income working families who experienced layoffs or reduced hours. Additionally, some cases of households with overdue rent are in the termination process, which can last several months, wherein some households are court-ordered not to pay rents. AHA's portfolio management staff will continue to monitor uncollected rents in collaboration with the professional management companies responsible for the AHA-Sponsored Mixed-Income Communities in order to improve performance.

Each of the AHA-Sponsored Mixed-Income Communities, developed as a result of public-private partnerships, is owned by a private sector owner entity formed as a limited partnership with a managing general partner, and is managed by the owner entity's professional property management agent. While AHA does not own these communities, AHA engages the respective owner entities and their property management agents in its capacity as both a partner and asset manager by actively monitoring performance (including conducting periodic inspections, audits, and business process reviews), reviewing monthly and quarterly reports, making site visits and consulting with management agent and owner representatives at regularly scheduled meetings with respect to management and maintenance performance, financial oversight and occupancy tracking.

† The Magnolia Park community is not factored into the overall results shown above because of substantial operational and financial challenges. HUD is aware of the situation and actions taken to resolve it. AHA is working closely with the managing general partner of the owner entities and the tax credit syndicator to resolve the issues.

3. Emergency Work Orders Completed or Abated in <24 Hours			
The percentage of emergency work orders that are completed or abated within 24 hours of issuance of the work order shall be greater than or equal to the target benchmark. (Abated is defined as "emergency resolved through temporary measure, and a work order for long term resolution has been issued.")			
Program / Community Type	AHA MTW Target (at least)	Actual Emergency Work Orders Completed / Abated in <24 hrs (%)	Difference
<b>AHA-Owned Residential Communities</b>			
Barge Road Highrise	99%	100%	1.0%
Cheshire Bridge Road Highrise	99%	100%	1.0%
Cosby Spear Highrise	99%	100%	1.0%
East Lake Highrise	99%	100%	1.0%
Georgia Avenue Highrise	99%	100%	1.0%
Hightower Manor Highrise	99%	100%	1.0%
Juniper and Tenth Highrise	99%	100%	1.0%
Marian Road Highrise	99%	100%	1.0%
Marietta Road Highrise	99%	100%	1.0%
Martin Street Plaza	99%	100%	1.0%
Peachtree Road Highrise	99%	100%	1.0%
Piedmont Road Highrise	99%	100%	1.0%
Westminster	99%	100%	1.0%
<b>AHA-Owned Communities Average</b>	<b>99%</b>	<b>100.0%</b>	<b>1.0%</b>
<b>AHA-Sponsored Mixed-Income Communities</b>			
Ashley Auburn Pointe I	99%	100%	1.0%
Ashley CollegeTown	99%	100%	1.0%
Ashley CollegeTown II	99%	100%	1.0%
Ashley Courts at Cascade I	99%	100%	1.0%
Ashley Courts at Cascade II	99%	100%	1.0%
Ashley Courts at Cascade III	99%	100%	1.0%
Ashley Terrace at West End	99%	100%	1.0%
Atrium at CollegeTown	99%	100%	1.0%
Capitol Gateway I	99%	100%	1.0%
Capitol Gateway II	99%	100%	1.0%
Centennial Place I	99%	100%	1.0%
Centennial Place II	99%	100%	1.0%
Centennial Place III	99%	100%	1.0%
Centennial Place IV	99%	100%	1.0%
Columbia Commons	99%	100%	1.0%
Columbia Creste	99%	100%	1.0%
Columbia Estate	99%	100%	1.0%
Columbia Grove	99%	100%	1.0%
Columbia Mechanicsville Apartments	99%	100%	1.0%
Columbia Park Citi	99%	100%	1.0%
Columbia Senior Residences at Mechanicsville	99%	100%	1.0%

Program / Community Type	AHA MTW Target (at least)	Actual Emergency Work Orders Completed / Abated in <24 hrs (%)	Difference
<b>AHA-Sponsored Mixed-Income Communities, cont.</b>			
Columbia Village	99%	100%	1.0%
Gardens at CollegeTown	99%	100%	1.0%
Magnolia Park I	99%	100%	1.0%
Magnolia Park II	99%	100%	1.0%
Mechanicsville Crossing	99%	100%	1.0%
Mechanicsville Station	99%	100%	1.0%
Parkside at Mechanicsville	99%	100%	1.0%
Veranda at Auburn Pointe	99%	100%	1.0%
Villages at Carver I	99%	100%	1.0%
Villages at Carver II	99%	100%	1.0%
Villages at Carver III	99%	100%	1.0%
Villages at Carver V	99%	100%	1.0%
Villages at Castleberry Hill I	99%	98%	-1.1%
Villages at Castleberry Hill II	99%	98%	-1.0%
Villages of East Lake I	99%	100%	1.0%
Villages of East Lake II	99%	71%	-28.2%
<b>AHA-Sponsored Communities Average</b>	<b>99%</b>	<b>99.7%</b>	<b>0.7%</b>
<b>Public Housing-Assisted Totals</b>	<b>99%</b>	<b>99.8%</b>	<b>0.8%</b>

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\*  
\*

Exceeds  
Benchmark

#### A. MANAGEMENT NOTES:

AHA exceeded this benchmark by completing or abating approximately 99.8% of emergency work orders within 24 hours.

Each of the AHA-Sponsored Mixed-Income Communities, developed as a result of public-private partnerships, is owned by a private sector owner entity formed as a limited partnership with a managing general partner, and is managed by the owner entity's professional property management agent. While AHA does not own these communities, AHA engages the respective owner entities and their property management agents in its capacity as both a partner and asset manager by actively monitoring performance (including conducting periodic inspections, audits, and business process reviews), reviewing monthly and quarterly reports, making site visits and consulting with management agents and owner representatives at regularly scheduled meetings with respect to management and maintenance performance, financial oversight and occupancy tracking.

† The Magnolia Park community is not factored into the overall results shown above because of substantial operational and financial challenges. HUD is aware of the situation and actions taken to resolve it. AHA is working closely with the managing general partner of the owner entities and the tax credit syndicator to resolve the issues.

4. Routine Work Orders Completed in < 7 Days			
The average number of days that all non-emergency work orders will be active during the fiscal year shall be 7 days or less.			
Program / Community Type	AHA MTW Target (at most)	Actual Average Days to Complete Routine Work Orders (# days)	Difference
<b>AHA-Owned Residential Communities</b>			
Barge Road Highrise	7	3	-4.1
Cheshire Bridge Road Highrise	7	1	-6.0
Cosby Spear Highrise	7	1	-5.8
East Lake Highrise	7	1	-6.0
Georgia Avenue Highrise	7	2	-5.3
Hightower Manor Highrise	7	1	-5.9
Juniper and Tenth Highrise	7	2	-4.8
Marian Road Highrise	7	4	-2.7
Marietta Road Highrise	7	4	-2.9
Martin Street Plaza	7	2	-5.4
Peachtree Road Highrise	7	1	-5.8
Piedmont Road Highrise	7	1	-5.9
Westminster	7	3	-4.0
<b>AHA-Owned Communities Average</b>	<b>7</b>	<b>1.9</b>	<b>-5.1</b>
<b>AHA-Sponsored Mixed-Income Communities</b>			
Ashley Auburn Pointe I	7	2	-5.1
Ashley CollegeTown	7	2	-5.0
Ashley CollegeTown II	7	2	-5.0
Ashley Courts at Cascade I	7	2	-5.2
Ashley Courts at Cascade II	7	2	-5.2
Ashley Courts at Cascade III	7	2	-5.1
Ashley Terrace at West End	7	1	-5.9
Atrium at CollegeTown	7	1	-6.0
Capitol Gateway I	7	3	-3.6
Capitol Gateway II	7	2	-5.0
Centennial Place I	7	2	-5.5
Centennial Place II	7	1	-5.8
Centennial Place III	7	2	-5.2
Centennial Place IV	7	2	-5.3
Columbia Commons	7	4	-3.1
Columbia Creste	7	1	-5.7
Columbia Estate	7	2	-4.5
Columbia Grove	7	3	-4.3
Columbia Mechanicsville Apartments	7	2	-5.1
Columbia Park Citi	7	6	-0.8
Columbia Senior Residences at Mechanicsville	7	3	-4.3

Program / Community Type	AHA MTW Target (at most)	Actual Average Days to Complete Routine Work Orders (# days)	Difference
<b>AHA-Sponsored Mixed-Income Communities, cont.</b>			
Columbia Village	7	1	-6.0
Gardens at CollegeTown	7	1	-5.9
Magnolia Park I	7	3	-3.7
Magnolia Park II	7	2	-4.6
Mechanicsville Crossing	7	2	-5.0
Mechanicsville Station	7	3	-4.2
Parkside at Mechanicsville	7	3	-4.3
Veranda at Auburn Pointe	7	1	-5.8
Villages at Carver I	7	3	-4.2
Villages at Carver II	7	3	-4.4
Villages at Carver III	7	2	-4.7
Villages at Carver V	7	3	-4.2
Villages at Castleberry Hill I	7	2	-5.3
Villages at Castleberry Hill II	7	2	-4.8
Villages of East Lake I	7	3	-3.6
Villages of East Lake II	7	3	-3.8
<b>AHA-Sponsored Communities Average</b>	<b>7</b>	<b>2.3</b>	<b>-4.7</b>
<b>Public Housing-Assisted Totals</b>	<b>7</b>	<b>2.1</b>	<b>-4.9</b>

Exceeds  
Benchmark

#### A. MANAGEMENT NOTES:

AHA exceeded this benchmark by fulfilling routine work orders on average within 2.1 days, which is far less time than the 7-day target.

Each of the AHA-Sponsored Mixed-Income Communities, developed as a result of public-private partnerships, is owned by a private sector owner entity formed as a limited partnership with a managing general partner, and is managed by the owner entity's professional property management agent. While AHA does not own these communities, AHA engages the respective owner entities and their property management agents in its capacity as both a partner and asset manager by actively monitoring performance (including conducting periodic inspections, audits, and business process reviews), reviewing monthly and quarterly reports, making site visits and consulting with management agent and owner representatives with respect to management and maintenance performance, financial oversight and occupancy tracking.

† The Magnolia Park community is not factored into overall result shown above because of substantial operational and financial challenges. HUD is aware of the situation and actions taken to resolve it. AHA is working closely with the managing general partner of the owner entities and the tax credit syndicator to resolve the issues.

5. Percent Planned Inspections Completed			
The percentage of all occupied units and common areas that are inspected during the fiscal year shall be greater than or equal to the target benchmark.			
Program / Community Type	AHA MTW Target (at least)	Actual Inspections Completed (%)	Difference
<b>AHA-Owned Residential Communities</b>			
Barge Road Highrise	100%	100.0%	0%
Cheshire Bridge Road Highrise	100%	100.0%	0%
Cosby Spear Highrise	100%	100.0%	0%
East Lake Highrise	100%	100.0%	0%
Georgia Avenue Highrise	100%	100.0%	0%
Hightower Manor Highrise	100%	100.0%	0%
Juniper and Tenth Highrise	100%	100.0%	0%
Marian Road Highrise	100%	100.0%	0%
Marietta Road Highrise	100%	100.0%	0%
Martin Street Plaza	100%	100.0%	0%
Peachtree Road Highrise	100%	100.0%	0%
Piedmont Road Highrise	100%	100.0%	0%
Westminster	100%	100.0%	0%
<b>AHA-Owned Communities Average</b>	<b>100%</b>	<b>100%</b>	<b>0%</b>
<b>AHA-Sponsored Mixed-Income Communities</b>			
Ashley Auburn Pointe I	100%	100%	0%
Ashley CollegeTown	100%	100%	0%
Ashley CollegeTown II	100%	100%	0%
Ashley Courts at Cascade I	100%	100%	0%
Ashley Courts at Cascade II	100%	100%	0%
Ashley Courts at Cascade III	100%	100%	0%
Ashley Terrace at West End	100%	100%	0%
Atrium at CollegeTown	100%	100%	0%
Capitol Gateway I	100%	100%	0%
Capitol Gateway II	100%	100%	0%
Centennial Place I	100%	100%	0%
Centennial Place II	100%	100%	0%
Centennial Place III	100%	100%	0%
Centennial Place IV	100%	100%	0%
Columbia Commons	100%	100%	0%
Columbia Creste	100%	100%	0%
Columbia Estate	100%	100%	0%
Columbia Grove	100%	100%	0%
Columbia Mechanicsville Apartments	100%	100%	0%
Columbia Park Citi	100%	100%	0%
Columbia Senior Residences at Mechanicsville	100%	100%	0%

Program / Community Type	AHA MTW Target (at least)	Actual Inspections Completed (%)	Difference
<b>AHA-Sponsored Mixed-Income Communities, cont.</b>			
Columbia Village	100%	100%	0%
Gardens at CollegeTown	100%	100%	0%
Magnolia Park I	100%	77%	-23%
Magnolia Park II	100%	73%	-27%
Mechanicsville Crossing	100%	100%	0%
Mechanicsville Station	100%	100%	0%
Parkside at Mechanicsville	100%	100%	0%
Veranda at Auburn Pointe	100%	100%	0%
Villages at Carver I	100%	100%	0%
Villages at Carver II	100%	100%	0%
Villages at Carver III	100%	100%	0%
Villages at Carver V	100%	78%	-22%
Villages at Castleberry Hill I	100%	100%	0%
Villages at Castleberry Hill II	100%	100%	0%
Villages of East Lake I	100%	100%	0%
Villages of East Lake II	100%	100%	0%
<b>AHA-Sponsored Communities Average</b>	<b>100%</b>	<b>100.0%</b>	<b>0.0%</b>
<b>Public Housing-Assisted Totals</b>	<b>100%</b>	<b>100.0%</b>	<b>0.0%</b>

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Meets  
Benchmark

#### A. MANAGEMENT NOTES:

AHA completed 100 percent of its planned inspections. Each AHA-Owned Residential Community and the Owner Entity of the AHA-Sponsored Mixed-Income Communities, through their respective property management agents, are required to inspect 10 percent of the public housing-assisted units at each property monthly. At year end, each site's agent is required to certify that 100 percent of all units, buildings, and common areas have been inspected and work orders have been completed to address deficiencies.

Each of the AHA-Sponsored Mixed-Income Communities, developed as a result of public-private partnerships, is owned by a private sector owner entity formed as a limited partnership with a managing general partner, and is managed by the owner entity's professional property management agent. While AHA does not own these communities, AHA engages the respective owner entities and their property management agents in its capacity as both a partner and asset manager by actively monitoring performance (including conducting periodic inspections, audits, and business process reviews), reviewing monthly and quarterly reports, making site visits and consulting with management agent and owner representatives at regularly scheduled meetings with respect to management and maintenance performance, financial oversight and occupancy tracking.

† The Magnolia Park community is not factored into overall result shown above because of substantial operational and financial challenges. HUD is aware of the situation and actions taken to resolve it. AHA is working closely with the managing general partner and the tax credit syndicator to resolve the issues.

## Inspections Strategy

### AHA Reviews of AHA-Sponsored Mixed-Income Communities

(1) **Physical Real Estate/Operational:** An annual Business Process Review is conducted at all Mixed-Income Communities. The Business Process Review includes a review of the property operations as well as a physical review of a sample of the greater of five (5) units or 5% of the AHA-Assisted Units. The purpose of the annual review is 1) to confirm that site-based administration activities are in compliance with AHA policies, federal requirements and various legal agreements defining the obligations of the owner entities and professional property management companies with respect to the management, maintenance and operations of the respective properties, and 2) to streamline and enhance the compliance review process by utilizing audits, inspections and compliance reviews conducted by other agencies and compliance contractors.

(2) **Business Process Reviews:** Through Business Process Reviews, Asset Management has been able to strengthen AHA's internal controls and external oversight of owner entity and property management performance related to maintenance of the site-based waiting list, operations, physical conditions of the portfolio, enforcement of AHA's Work / Program Requirement, rent determination, and accessibility.

(3) **Financial:** AHA also reviews the audited financial statements of the Mixed-Income Communities, identifying any trends that may affect the long-term financial viability and sustainability of the underlying asset. When there are going concerns, impairments, audit findings or material adverse changes that may impact the ability to meet current or future obligations, AHA works with the Owner to ensure the deficiencies are resolved and develop a corrective action plan, as necessary.

### AHA Reviews of AHA-Owned Residential Communities

Through its quality assurance program, AHA is focused on maintaining quality living environments throughout the AHA-Owned real estate portfolio. AHA provides an integrated assessment of the status of each property, and works closely with its Property Management Company (PMCO) partners to identify and proactively address issues at the properties.

The emphases and outcomes of each element of the quality assurance program are as follows:

(1) **Uniform Physical Conditions Standards (UPCS):** AHA conducts UPCS quality assurance inspections semi-annually. A minimum of 5% of the units, all common areas, and all building systems are inspected. The inspections result in a reduction of systemic maintenance issues and an overall improvement in the physical condition of the communities.

(2) **Elevator:** AHA's elevator consultant continues to provide an annual audit for each elevator, as well as to coordinate with the PMCOs on equipment modernization and ongoing routine maintenance. Improved equipment maintenance has led to improved operational up-time as well as a significant decrease in resident complaints concerning elevators.

(3) **Rental Integrity Monitoring (RIM):** The annual RIM review focuses on procedures related to the complete occupancy life-cycle from the application to termination. The findings from RIM help in the design of staff training, which has, in turn, reduced the amount of errors identified.

(4) **Procurement/Contracts:** AHA conducts this regular on-site review to audit procedures related to the PMCO procurements and contract management. PMCO staff have made significant progress in maintaining best practices for documentation of contract administration and in public transparency and accountability.

(5) **Finance/Accounting:** This annual internal financial audit is beneficial in identifying areas of concern within the properties' fiscal operations.

(6) **Community Safety/Risk:** This semi-annual inspection of requirements for property administrative, technical, and physical security systems enables the PMCOs to identify and mitigate safety issues at the communities. This inspection also includes items in accordance with AHA's Risk/Safety program (inspections, analysis, etc.), which complies with the Insurer's Work Plan instituted by our liability insurance company. AHA insurance premiums have been reduced as a result of AHA's Risk/Safety program.

(7) **Accessibility:** Accessibility inspections are conducted annually to ensure each community's compliance with applicable Fair Housing and accessibility statutes, HUD guidelines, and AHA's related policies and procedures. These inspections enable AHA to have early detection and resolution of accessibility issues, identify process improvements, and identify topics for staff training.

(8) **Resident Services:** In FY 2012, AHA began a review of the operation of resident services programs at the properties. This review focuses on documentation related to resident activities sponsored by the property such as schedules, sign-in sheets, and feedback surveys. Also, the audit includes a review of service provider referrals and follow-up in regards to meeting resident needs.

## 6. Security

AHA has continued to address crime and safety in the communities through collaborative strategies with its private development partners, PMCOs, local law enforcement, and residents. AHA continues to aggressively combat crime by:

- (1) Dedicating over \$1.8 million during FY 2013 at the AHA-Owned Residential Communities to:
  - a) maintain the security presence of concierges/security staff on the properties, and
  - b) provide video surveillance and a community security channel,
- (2) Utilizing visitor management systems at the high-rise AHA-Owned Residential Communities to further monitor access to the buildings,
- (3) Collaborating with the Atlanta Police Department to identify strategies to deter crime and enhance safety and security at AHA-Owned Residential Communities and AHA-Sponsored Mixed-Income Communities,
- (4) Continuing utilization of enhanced criminal screening standards and processes and strict lease enforcement, and
- (5) Completing the necessary preventive maintenance and repairs to ensure security equipment remains operational on a routine basis.

# The Housing Authority of the City of Atlanta, Georgia

## Sources and Uses of Funds

**FY 2013 Budget vs Actual**  
**for the Twelve Months Ended June 30, 2013**  
 (Excludes Non-cash Items)

**PRELIMINARY AND UNAUDITED**

Schedule		Annual	YTD	Greater than/	
		Budget	Actual	(Less than)	Budget
<b>I</b>	<b>Sources of Funds</b>				
	Housing Choice Voucher Funds	\$197,639,069	\$195,261,469	(\$2,377,600)	(1%)
	Public Housing Operating Subsidy	12,020,297	11,382,721	(637,576)	(5%)
	Capital Funds Program (CFP) *	13,621,000	0	(13,621,000)	(100%)
	<b>Total MTW Single Fund</b>	<b>\$223,280,366</b>	<b>\$206,644,190</b>	<b>(\$16,636,176)</b>	<b>(7%)</b>
	Replacement Housing Factor (RHF) Grants *	\$13,495,644	\$7,637,829	(\$5,857,815)	(43%)
	Choice Neighborhood Planning Grant	13,246	23,520	10,274	78%
	Tenant Dwelling Revenue	5,381,950	5,640,413	258,463	5%
	Georgia HAP Administrators, Inc., <i>dba</i> National Housing Compliance (NHC)	500,000	820,022	320,022	64%
	Development and Transaction Fees	1,044,000	1,638,554	594,554	57%
	Interest Income, Net of Banking Fees	96,067	522,990	426,923	444%
	Draws on Energy Performance Contract (EPC) Bank Loan	3,148,000	2,395,868	(752,132)	(24%)
	Other Revenue	146,658	610,231	463,573	316%
	<b>Total Sources of Funds</b>	<b>\$247,105,931</b>	<b>\$225,933,617</b>	<b>(\$21,172,314)</b>	<b>(9%)</b>

\* Since HUD capital grants are funded through a reimbursement drawdown process, a decrease in requests for funding of reimbursable expenditures using these grants creates a corresponding decrease in grant disbursements from HUD for the period. The balances in these grants remain available to be drawn in future periods subject to their respective expenditure deadlines.

This schedule is continued on following page

# Sources and Uses of Funds

## FY 2013 Budget vs Actual

### for the Twelve Months Ended June 30, 2013

(Excludes Non-cash Items)

Continued from previous page

Schedule				
	Annual Budget	YTD Actual	Favorable (Unfavorable) Variance	
	<b>Uses of Funds and Accumulated Cash Balances</b>			
	Housing Assistance Payments (HAP) and Administrative Fees:			
	Tenant-Based and Homeownership Vouchers / Portability Administrative Fees	\$93,139,265	\$90,337,434	\$2,801,831 3%
	Project Based Rental Assistance (PBRA)	42,339,066	33,268,631	9,070,435 21%
	Mixed-Income Communities Operating Subsidy for AHA-Assisted Units	14,176,656	14,897,920	(721,264) (5%)
II	<b>Total Housing Assistance Payments (HAP) and Administrative Fees</b>	<b>\$149,654,987</b>	<b>\$138,503,985</b>	<b>\$11,151,002 7%</b>
III	Direct Divisions - Operating Expense	\$16,807,625	\$15,852,245	\$955,380 6%
IV	Corporate - Administrative Expense	28,099,182	26,742,484	1,356,698 5%
V	Human Development Support Services and Community Relations	2,695,816	1,315,142	1,380,670 51%
VI	Operating Expense for AHA-Owned Residential Communities / Other AHA Properties	20,224,024	20,187,961	36,063 0%
VII	Modernization of AHA-Owned Residential Communities / AHA Headquarters			
	Capital Expenditures	15,505,133	14,665,397	839,737 5%
VIII	Development and Revitalization	26,886,287	14,104,358	12,781,929 48%
IX	ERP Solution (FY 2013 Budget and Expenditures)	4,091,344	2,884,114	1,207,230 30%
X	Non-ERP Hardware and Software Solutions	690,480	243,673	446,807 65%
	<b>Total Uses of Funds</b>	<b>\$264,654,878</b>	<b>\$234,499,359</b>	<b>\$30,155,514 11%</b>
	<b>Current Year Sources minus Current Year Uses of Funds - Favorable (Unfavorable)</b>	<b>(\$17,548,947)</b>	<b>(\$8,565,742)</b>	<b>\$8,983,200 (51%)</b>
	<b>Non-current Year Sources of Funds</b>			
	<b>Reserves Accumulated in Prior Periods</b>			
	Drawdown of Reserves Accumulated and Restricted for Revitalization Activities	\$11,813,914	\$6,986,219	(\$4,827,695) (41%)
	Drawdown of Reserves Accumulated for MTW Activities	3,533,265	1,865,133	(\$1,668,132) (58%)
	<b>Public Improvement Funds Provided by the City of Atlanta and Other City Agencies</b>	<b>2,571,768</b>	<b>357,730</b>	<b>(2,214,038) (86%)</b>
	<b>Total Non-current Year Sources of Funds</b>	<b>\$17,918,947</b>	<b>\$9,209,082</b>	<b>(\$8,709,865) (50%)</b>
	<b>Net Sources and Uses of Funds - Favorable (Unfavorable)</b>	<b>\$370,000</b>	<b>\$643,340</b>	<b>\$273,340 (98%)</b>

**Schedule I**  
**Sources of Funds**  
**FY 2013 Budget vs Actual**  
**for the Twelve Months Ended June 30, 2013**

Description	Annual Budget	YTD Actual	Greater than/ (Less than) Budget		
<b>Sources of Funds</b>					
Housing Choice Voucher Funds	\$197,639,069	\$195,261,469	(\$2,377,600)	<b>A</b>	(1%)
Public Housing Operating Subsidy	12,020,297	11,382,721	(637,576)	<b>B</b>	(5%)
Capital Funds Program (CFP)	13,621,000	0	(13,621,000)	<b>C</b>	(100%)
<b>Total MTW Single Fund</b>	<b>\$223,280,366</b>	<b>\$206,644,190</b>	<b>(\$16,636,176)</b>		<b>(7%)</b>
Replacement Housing Factor (RHF) Grants	\$13,495,644	\$7,637,829	(\$5,857,815)	<b>D</b>	(43%)
Choice Neighborhood Planning Grant	13,246	23,520	\$10,274		78%
Tenant Dwelling Revenue	5,381,950	5,640,413	258,463	<b>E</b>	5%
Georgia HAP Administrators, Inc., <i>dba</i> National Housing Compliance (NHC)	500,000	820,022	320,022	<b>F</b>	64%
Development and Transaction Fees	1,044,000	1,638,554	594,554	<b>G</b>	57%
Interest Income, Net of Banking Fees	96,067	522,990	426,923	<b>H</b>	444%
Draws on Energy Performance Contract (EPC) Bank Loan	3,148,000	2,395,868	(752,132)	<b>I</b>	(24%)
Other Revenue	146,658	610,231	463,573	<b>J</b>	316%
<b>Total Sources of Funds</b>	<b>\$247,105,931</b>	<b>\$225,933,617</b>	<b>(\$21,172,314)</b>		<b>(9%)</b>

Variance Explanations on next page

# Schedule I

## Sources of Funds

### FY 2013 Budget vs Actual for the Twelve Months Ended June 30, 2013

#### Significant Variance Explanations:

**A - Housing Choice Voucher Funds** were less than Budget primarily as a result of AHA's Cash Management Strategy. Rather than HUD disbursing Housing Choice Funds automatically in monthly increments as in previous years, HUD now allows PHAs to draw funds as required each month up to the annual authorizations. AHA's FY 2013 MTW expenditures were less than originally projected and resulted in drawing less than budgeted. AHA will draw the balance of the authorization during FY 2014.

**B - Public Housing Operating Subsidy** funds were less than Budget primarily as a result of AHA's Cash Management Strategy. HUD has not published AHA's final 2013 Public Housing Operating Subsidy authorization, and AHA has deferred drawing the full budgeted amount until this is known. Once HUD provides the final annual authorization amount, AHA will adjust draws in FY 2014 accordingly.

**C - Capital Funds Program (CFP)** funds were less than Budget primarily as a result of AHA's Cash Management Strategy. AHA elected to draw Housing Choice Voucher Funds in lieu of CFP funds in order to optimize AHA's draws of Housing Choice Voucher Funds under HUD's new cash disbursement methodology.

**D - Replacement Housing Factor (RHF) Grants**, which are awarded by HUD for development and revitalization activities, were less than Budget primarily due to the deferral of several expenditures until FY 2014 (see Schedule VIII) resulting in a favorable variance for grant-funded expenditures and an offsetting unfavorable variance in grant reimbursements.

**E - Tenant Dwelling Revenue** was greater than budget primarily due to higher tenant incomes related to Social Security cost-of-living increases. Because rents are tied to tenant income, such increases in income produce a proportional increase in tenant rents.

**F - Georgia HAP Administrators, Inc., dba National Housing Compliance (NHC)** was greater than Budget as a consequence of the ongoing legal proceedings regarding HUD's national rebid and award of contracted services which resulted in an amended contract between HUD and NHC.

**G - Development and Transaction Fees** include Developer Fees, Transaction Fees, profit participation from the sale of single family homes and other fees. Many of these fees are based on the cash flow of the Owner-Entity and because the amounts are difficult to predict, fee revenues based on cash flow are not included in AHA's Annual Budget. The favorable variance indicates continued improving conditions in the real estate market.

**H - Interest Income, Net of Banking Fees** includes interest on bank accounts and interest on loans to Owner Entities of mixed-income rental communities. The Budget includes only the interest on bank accounts. **Interest Income** is greater than Budget primarily due to the receipt of interest payments on loans to Owner Entities of mixed-income rental communities. Many of these payments are based on cash flow of the Owner-Entity and because the amounts are difficult to predict, revenues based on cash flow are not included in AHA's Annual Budget. The favorable variance indicates continued improving conditions in the real estate market.

**I - Draws on Energy Performance Contract (EPC) Bank Loan.** Modernization at the AHA-Owned Communities was funded through a combination of an EPC Bank Loan and MTW funds. Due to accelerated progress in FY 2012, AHA drew approximately \$750,000 of the EPC loan balance in late FY 2012 after the FY 2013 Budget was finalized creating a favorable variance in FY 2013. This loan has been fully drawn.

**J - Other Revenue** includes select reimbursements, incentive partnership management fees, cell tower income and other miscellaneous revenue. These revenues are difficult to predict and the favorable variance was primarily due to the receipt of revenue not anticipated in the Budget.

## Schedule II

### Housing Assistance Payments (HAP) and Administrative Fees FY 2013 Budget vs Actual for the Twelve Months Ended June 30, 2013

Description	Annual Budget	YTD Actual	Favorable (Unfavorable) Variance		
Tenant-Based and Homeownership Vouchers / Portability Administrative Fees	\$93,139,265	\$90,337,434	\$2,801,831	<b>A</b>	3%
Project Based Rental Assistance (PBRA)	42,339,066	33,268,631	9,070,435	<b>B</b>	21%
Mixed-Income Communities Operating Subsidy for AHA-Assisted Units	14,176,656	14,897,920	(721,264)	<b>C</b>	(5%)
<b>Total</b>	<b>\$149,654,987</b>	<b>\$138,503,985</b>	<b>\$11,151,002</b>		<b>7%</b>

#### Significant Variance Explanations:

**A - Tenant-Based and Homeownership Vouchers / Portability Administrative Fees** had a favorable variance primarily due to the absorption of AHA vouchers by administering public housing authorities; decrease in average HAP per voucher resulting from increase in average household incomes; and a slower than projected lease-up rate for 357 eligible households pulled from the Housing Choice Voucher Program waiting list. This account also includes a favorable variance in Leasing Incentive Fees, which was due to a lack of applicant need for these resources.

**B - Project Based Rental Assistance (PBRA)** had a favorable variance primarily due to a change in strategy to pull from the Tenant Based waiting list rather than creating new PBRA agreements, overly aggressive occupancy assumptions in calculating PBRA operating assistance and a delay in the receipt of final HUD approval for the implementation of the reformulation of AHA's assisted units at the four rental phases of Centennial Place from Section 9 ACC operating subsidy to Section 8 PBRA rental assistance under AHA's MTW Agreement. As predicted in the 3rd quarter report, the combined impact of these factors resulted in a \$9 million variance.

**C - Mixed-Income Communities Operating Subsidy for AHA-Assisted Units** had an unfavorable variance primarily due to a delay in the receipt of final HUD approval for the implementation of the reformulation of AHA's assisted units at the four rental phases of Centennial Place from Section 9 ACC operating subsidy to Section 8 PBRA rental assistance offset by subsidy adjustments at other Mixed-Income Communities for the prior fiscal year which occur in the ordinary course of business.

**Schedule III**  
**Direct Divisions - Operating Expense**  
**FY 2013 Budget vs Actual**  
**for the Twelve Months Ended June 30, 2013**

Description	Annual Budget	YTD Actual	Favorable (Unfavorable) Variance	
Housing Choice Including Inspections	\$7,874,492	\$7,954,403	(\$79,911)	(1%)
Real Estate Management - AHA Owned Properties	1,868,404	1,793,290	75,114	4%
Real Estate Management - Other Services	1,300,306	1,191,901	108,405	<b>A</b> 8%
Asset Management	1,232,189	1,208,624	23,565	2%
Real Estate Development & Acquisitions	2,310,630	2,000,901	309,729	<b>B</b> 13%
Community, Governmental & External Affairs	1,671,604	1,153,126	518,478	<b>B</b> 31%
Pay for Performance Program	550,000	550,000	0	0%
<b>Total</b>	<b>\$16,807,625</b>	<b>\$15,852,245</b>	<b>\$955,380</b>	<b>6%</b>

**Significant Variance Explanations:**

**A - Real Estate Management - Other Services** had a favorable variance primarily due to less than anticipated use of **Outsourced Real Estate Services** during the period.

**B - Real Estate Development & Acquisitions** and **Community, Governmental & External Affairs** had favorable variances primarily due to budgeted positions that were either not filled or were vacated during the year.

**Schedule IV**  
**Corporate - Administrative Expense**  
**FY 2013 Budget vs Actual**  
**for the Twelve Months Ended June 30, 2013**

Description	Annual Budget	YTD Actual	Favorable (Unfavorable) Variance		
Executive Office	\$1,076,265	\$752,834	\$323,431	<b>A</b>	30%
General Counsel Including External Legal Services	2,808,865	\$2,298,609	510,256	<b>B</b>	18%
Finance	2,522,421	\$2,633,688	(111,267)	<b>C</b>	(4%)
Internal Audit	240,825	\$69,960	170,865	<b>D</b>	71%
Records & Information Management	2,009,632	\$1,770,888	238,744	<b>E</b>	12%
Information Technology	7,437,255	\$7,084,333	352,922	<b>F</b>	5%
Acquisition & Management Services	1,017,979	\$948,604	69,375		7%
Strategy & Innovation	859,382	\$454,215	405,167	<b>G</b>	47%
Office of Policy Research & Development	998,506	\$989,596	8,910		1%
Enterprise Program Management Office	1,346,360	\$1,249,492	96,868		7%
Corporate Support	1,372,446	\$1,201,701	170,745	<b>H</b>	12%
Communications Group	353,667	\$453,832	(100,165)	<b>I</b>	(28%)
Human Resources Operations	1,669,051	\$1,788,532	(119,481)	<b>J</b>	(7%)
Activities Managed by Human Resources Department:					
Professional Development & Training	589,000	523,191	65,809		11%
Business Transformation & Change Management	529,900	1,213,048	(683,148)	<b>K</b>	(129%)
HR Technology Solutions	156,377	232,744	(76,367)		(49%)
Recruitment Fees	250,000	251,671	(1,671)		(1%)
Severance & Related Expense	472,250	891,953	(419,703)	<b>L</b>	(89%)
Pension Contribution	1,500,000	1,000,000	500,000	<b>M</b>	33%
Pension Consulting Services	150,000	194,593	(44,593)		(30%)
Pay for Performance Program	739,000	739,000	0		0%
<b>Total</b>	<b>\$28,099,182</b>	<b>\$26,742,484</b>	<b>\$1,356,698</b>		<b>5%</b>

Variance Explanations on next page

**Schedule IV**  
**Corporate - Administrative Expense**  
**FY 2013 Budget vs Actual**  
**for the Twelve Months Ended June 30, 2013**

*Significant Variance Explanations:*

**A - Executive Office** had a favorable variance primarily due to budgeted positions which were not filled during the period.

**B - General Counsel Including External Legal Services** had a favorable variance primarily due to budgeted positions which were not filled during the year, the continued focus of utilizing internal staff and the deferral of anticipated legal work (e.g. the Reformulation Initiative).

**C - Finance** had an unfavorable variance primarily due to staffing costs exceeding Budget as additional staff was required to support Finance-related business transformation activities.

**D -** The favorable variance in **Internal Audit** was primarily due to the deferral of utilization of outside resources to implement the Internal Audit function until FY 2014 offset by internal control-related reviews by an outside firm.

**E - Records & Information Management** had a favorable variance primarily due to less than anticipated staff costs and other expenses running substantially less than anticipated for the year.

**F - Information Technology** had a favorable variance primarily due to a change in accounting for annual contracts which now allocates the costs monthly across the year rather than expensing them in the month paid, as well as the capitalization of several large hardware expenditures which resulted in these expenditures being recorded as modernization on Schedule VII of this report rather than as administrative expenses.

**G - Strategy & Innovation** had a favorable variance primarily due to budgeted positions which were not filled during the year and the deferral of projects utilizing external resources (e.g. strategic planning).

**H - Corporate Support** had a favorable variance primarily due to the decision not to undertake budgeted projects requiring external resources, combined with other line items running less than anticipated for the year.

**I - Communications Group** had an unfavorable variance primarily due to the need for external resources to support operations which were not anticipated in the Budget.

**J - Human Resources Operations** had an unfavorable variance primarily due to staffing costs exceeding Budget as additional temporary professional staff was required to support business transformation activities.

**K - Business Transformation & Change Management** had an unfavorable variance primarily due to the expanded scope of work to document changes in processes and procedures, development of training curriculum and job aids, and staff training to support business transformation and ERP. This work was essential to sustain the investment the enterprise has made in business transformation over the years to come.

**L - Severance & Related Expense** had an unfavorable variance due to additional separations which were not anticipated at the time the Budget was finalized.

**M - Pension Contribution** had a favorable variance due to a reduced FY 2013 contribution requirement based on actuarial projections.

## Schedule V

### Human Development Support Services and Community Relations

#### FY 2013 Budget vs Actual

for the Twelve Months Ended June 30, 2013

Description	Annual Budget	YTD Actual	Favorable (Unfavorable) Variance	
Community Relations*	\$119,500	\$105,931	\$13,569	11%
Human Development Support**	2,084,416	722,928	1,361,484	A 65%
Job Training & Education***	491,900	486,283	5,617	1%
<b>Total</b>	<b>\$2,695,816</b>	<b>\$1,315,142</b>	<b>\$1,380,670</b>	<b>51%</b>

\* Community Relations includes support for a variety of civic activities.

\*\* Human Development Support includes activities such as the provision of intensive case management for families with complex needs, the Good Neighbor training program, Aging Well programs for seniors, supportive services and activities for youth.

\*\*\* Job Training & Education includes employment preparation and job training for AHA-assisted households.

#### Significant Variance Explanation:

**A** - The favorable variance for **Human Development Support** reflects the delay in establishing intensive coaching and counseling services for non-work compliant Housing Choice Participants and establishing new youth-related programs.

**Schedule VI**  
**Operating Expense for AHA-Owned Residential Communities / Other**  
**AHA Properties**  
**FY 2013 Budget vs Actual**  
**for the Twelve Months Ended June 30, 2013**

Description	Annual Budget	YTD Actual	Favorable (Unfavorable) Variance	
<b>AHA-Owned Residential Communities</b>				
Barge Road Highrise	\$1,125,382	\$1,094,081	\$31,301	3%
Cheshire Bridge Road Highrise	1,400,825	1,438,117	(37,292)	(3%)
Cosby Spear Highrise	2,509,326	2,420,370	88,956	4%
East Lake Highrise	1,251,283	1,276,257	(24,974)	(2%)
Georgia Avenue Highrise	930,028	888,895	41,133	4%
Hightower Manor Highrise	1,153,962	1,293,813	(139,852)	(12%)
Juniper and Tenth Highrise	1,375,477	1,400,592	(25,116)	(2%)
Marian Road Highrise	1,737,761	1,715,053	22,708	1%
Marietta Road Highrise	1,116,101	1,083,726	32,375	3%
Martin Street Plaza	891,276	851,364	39,912	4%
Peachtree Road Highrise	1,676,289	1,702,088	(25,798)	(2%)
Piedmont Road Highrise	1,695,522	1,592,391	103,131	6%
Westminster	382,776	329,462	53,315	14%
EPC Loan Payment	462,834	465,459	(2,625)	(1%)
<b>Total AHA-Owned Residential Communities</b>	<b>\$17,708,842</b>	<b>\$17,551,668</b>	<b>\$157,174</b>	<b>A 1%</b>
<b>Other AHA Properties</b>				
AHA Headquarters Building	\$1,500,848	\$1,475,237	\$25,611	2%
Zell Miller Center	28,810	106,994	(78,184)	(271%)
Payment in Lieu of Taxes (PILOT)	370,699	370,699	0	0%
Miscellaneous	614,825	683,363	(68,538)	(11%)
<b>Total Other AHA Properties</b>	<b>\$2,515,182</b>	<b>\$2,636,293</b>	<b>(\$121,111)</b>	<b>B (5%)</b>
<b>Total</b>	<b>\$20,224,024</b>	<b>\$20,187,961</b>	<b>\$36,063</b>	<b>0%</b>

**Significant Variance Explanations:**

**A - AHA-Owned Residential Communities** operating expense were within 1% of Budget. The unfavorable variance at some of the properties was primarily the result of unanticipated extraordinary maintenance.

**B - Other AHA Properties** had a collective unfavorable variance primarily due to unanticipated expenses at the Zell Miller Center and other AHA-owned properties.

**Schedule VII**  
**Modernization of AHA-Owned Residential Communities / AHA Headquarters**  
**Capital Expenditures**  
**FY 2013 Budget vs Actual**  
**for the Twelve Months Ended June 30, 2013**

Description	Annual Budget	YTD Actual	Favorable (Unfavorable) Variance	
<b>AHA-Owned Residential Communities</b>				
Barge Road Highrise	\$1,519,432	\$2,011,703	(\$492,271)	(32%)
Cheshire Bridge Road Highrise	1,413,518	873,411	540,107	38%
Cosby Spear Highrise	1,264,701	1,658,175	(393,474)	(31%)
East Lake Highrise	377,403	404,658	(27,255)	(7%)
Georgia Avenue Highrise	373,261	457,543	(84,282)	(23%)
Hightower Manor Highrise	1,157,553	726,283	431,270	37%
Juniper and Tenth Highrise	972,707	1,154,430	(181,723)	(19%)
Marian Road Highrise	2,155,583	1,876,311	279,272	13%
Marietta Road Highrise	1,485,642	1,184,053	301,589	20%
Martin Street Plaza	779,484	695,236	84,248	11%
Peachtree Road Highrise	1,342,470	1,706,452	(363,982)	(27%)
Piedmont Road Highrise	692,509	588,862	103,647	15%
Westminster	505,120	480,822	24,298	5%
EPC Contingency	420,000	0	420,000	100%
<b>Total AHA-Owned Residential Communities</b>	<b>\$14,459,383</b>	<b>\$13,817,936</b>	<b>\$641,447</b>	<b>A 4%</b>
<b>AHA Headquarters Capital Expenditures</b>				
Technology Investments	\$660,750	\$587,627	\$73,123	11%
Capital Improvements to AHA Corporate Headquarters	155,000	63,725	91,275	59%
Equipment	130,000	98,401	31,599	24%
Fleet Vehicle Replacement	100,000	97,708	2,293	2%
<b>Total AHA Headquarters Capital Expenditures</b>	<b>\$1,045,750</b>	<b>\$847,461</b>	<b>\$198,290</b>	<b>B 19%</b>
<b>Total</b>	<b>\$15,505,133</b>	<b>\$14,665,397</b>	<b>\$839,737</b>	<b>5%</b>

**Significant Variance Explanations:**

A - The Budget was based on preliminary plans which were finalized after the Budget was published. The collective favorable variance in **Modernization of AHA-Owned Residential Communities** was primarily due to lack of need to use contingency funds and total project expenditures being less than anticipated. The variance between communities resulted from changes in priorities, final budgets and the actual project costs.

B - The favorable variance in **AHA Headquarters Capital Expenditures** was primarily the result in the deferral of purchasing agency-wide servers and other capital items until FY 2014.

**Schedule VIII**  
**Development and Revitalization**  
**FY 2013 Budget vs Actual**  
**for the Twelve Months Ended June 30, 2013**

Description	Annual Budget	YTD Actual	Favorable (Unfavorable) Variance	
Demolition	\$1,275,000	\$122,485	\$1,152,515	<b>A</b> 90%
Acquisitions	5,242,500	5,652,389	(409,889)	<b>B</b> (8%)
Predevelopment Loans	1,055,000	483,221	571,779	<b>C</b> 54%
Developer Loan Draws	4,675,000	4,548,657	126,343	<b>D</b> 3%
Site Improvements	1,500,000	606,384	893,616	<b>E</b> 60%
Homeownership Downpayment Assistance	920,000	539,900	380,100	<b>F</b> 41%
Extraordinary Sitework	881,332	79,670	801,662	<b>G</b> 91%
Public Improvements	9,672,887	1,487,751	8,185,136	<b>H</b> 85%
Consultants and Professional Services	1,360,307	452,440	907,867	<b>I</b> 67%
Legal Expense	250,000	89,519	160,481	<b>J</b> 64%
Contract - Grounds	54,261	41,942	12,319	23%
<b>Total Development and Revitalization Expenditures</b>	<b>\$26,886,287</b>	<b>\$14,104,358</b>	<b>\$12,781,929</b>	<b>48%</b>
<b>Sources of Funds</b>				
Replacement Housing Factor (RHF) Grants	\$13,495,644	7,637,829	(\$5,857,815)	(43%)
Choice Neighborhood Planning Grant	13,246	23,520	10,274	78%
Public Improvement Funds Provided by the City of Atlanta and Other City Agencies	2,571,768	357,730	(2,214,038)	(86%)
Drawdown of Reserves Accumulated and Restricted for Revitalization Activities	11,813,914	6,986,219	(4,827,695)	(41%)
<b>Total Sources of Funds</b>	<b>27,894,572</b>	<b>15,005,298</b>	<b>(12,889,274)</b>	<b>K</b> (46%)
<b>Fees for Service to Support Administrative Expenses</b>	<b>\$1,008,285</b>	<b>\$900,940</b>	<b>(\$107,345)</b>	<b>(11%)</b>

Variance Explanations on next page

# Schedule VIII

## Development and Revitalization

### FY 2013 Budget vs Actual

### for the Twelve Months Ended June 30, 2013

*Significant Variance Explanations:*

**A** - The favorable variance in **Demolition** was primarily a result of delays in obtaining the necessary approvals from regulatory agencies to secure demolition permits which were ultimately obtained in the 4th quarter, with demolition to take place in FY 2014.

**B** - The unfavorable variance in **Acquisitions** was a result of an \$5.6 million acquisition related to the West Highlands revitalization that was closed during April 2013 and exceeded the Acquisitions budget by \$400,000.

**C** - The favorable variance in **Predevelopment Loans** was due to timing of funding associated with the Scholars Landing revitalization project. Also, predevelopment activities at Centennial Place were not commenced due to the developer not receiving the tax credit award for a proposed elderly community.

**D** - The favorable variance in **Developer Loan Draws** was a result of the timing of the loan draws associated with the Ashley II at Auburn Pointe closing that occurred in late December, which was later than forecasted.

**E** - The favorable variance in **Site Improvements** was primarily related to a change in the revitalization plan for Centennial Place and activities at Scholars Landing that were delayed due to ongoing efforts to obtain the necessary approvals from City of Atlanta for street abandonment which was achieved in the first quarter of FY 2014.

**F** - The favorable variance in **Homeownership Downpayment Assistance** was primarily related to the pace of new housing production which slowed over the winter months resulting in fewer sales than anticipated.

**G** - The favorable variance in **Extraordinary Sitework** was primarily related to ongoing efforts to obtain City of Atlanta approvals related to remediation associated with off-site acquisitions associated with Capitol Gateway. In addition, remedial site preparation at Scholars Landing was budgeted in FY 2013, but occurred in FY 2012 after the FY 2013 Budget had been finalized.

**H** - The favorable variance in **Public Improvements** was primarily related to infrastructure work associated with West Highlands that was delayed due to efforts to obtain the necessary approvals from regulatory agencies. The variance also relates to a portion of the Memorial Drive connectivity work associated with Capitol Gateway that was included in the FY 2013 Budget, but occurred in FY 2012 after the FY 2013 Budget had been finalized.

**I** - The favorable variance in **Consultants and Professional Services** was primarily related to market conditions that delayed revitalization efforts requiring less than anticipated external resources.

**J** - The favorable variance in **Legal Expense** was primarily related to closing fewer than anticipated transactions during the year. In addition, AHA continued to focus on utilizing its in-house counsel in lieu of outside law firms, where appropriate.

**K** - The unfavorable variances in **Sources of Funds** primarily resulted from the timing of development activities and delayed approvals from regulatory agencies. Since HUD Capital Fund grants are funded through a reimbursement process, the decrease in expenditures created a corresponding decrease in grant funding.

**Schedule IX**  
**ERP Solution (FY 2013 Budget and Expenditures)**  
**FY 2013 Budget vs Actual**  
**for the Twelve Months Ended June 30, 2013**

Description	Annual Budget	YTD Actual	Favorable (Unfavorable) Variance	
<b>One-time Investment</b>				
<b>YARDI Professional Services excluding Orion</b>				
Implementation Services	\$1,649,900	\$937,399	\$712,501	43%
Customizations	675,600	423,735	251,865	37%
<b>Total YARDI Professional Services excluding Orion</b>	<b>\$2,325,500</b>	<b>\$1,361,134</b>	<b>\$964,366</b>	<b>41%</b>
<b>Bolt-ons, Extensions, Integrations and Related Services plus ECM Software     and Related Services including Orion</b>	\$989,296	\$1,107,078	(\$117,782)	(12%)
<b>Transformation Professional Services</b>	40,000	18,295	21,705	54%
<b>Total One-time Investment</b>	<b>\$3,354,796</b>	<b>\$2,486,507</b>	<b>\$868,289</b>	<b>26%</b>
<b>Software Licensing Costs</b>	\$486,548	\$397,607	\$88,941	18%
<b>Total Projected Investment Excluding Contingency</b>	<b>\$3,841,344</b>	<b>\$2,884,114</b>	<b>\$957,230</b>	<b>25%</b>
<b>Contingency</b>	<b>\$250,000</b>	<b>\$0</b>	<b>\$250,000</b>	<b>100%</b>
<b>Total</b>	<b>\$4,091,344</b>	<b>\$2,884,114</b>	<b>\$1,207,230</b>	<b>A 30%</b>

**Significant Variance Explanation:**

**A** - The implementation of the Enterprise Resource Planning (ERP) solution continues. The FY 2013 Budget was based on a projected March 31, 2013 “go live” date for Housing Choice and Human Development (HCHD), the second and most complex phase of the project. The favorable variance was primarily the result of a delayed timeline for implementing HCHD. A separate schedule which follows reflects the total Board-approved ERP Budget (\$14,340,281) and projections through the end of the project.

**Schedule X**  
**Non-ERP Hardware and Software Solutions**  
**FY 2013 Budget vs Actual**  
**for the Twelve Months Ended June 30, 2013**

Description	Annual Budget	YTD Actual	Favorable (Unfavorable) Variance		
<b>Non-ERP Hardware and Software Solutions</b>					
Intranet and Internet Redesign	\$400,000	\$0	\$400,000	A	100%
e-Procurement Solution	290,480	243,673	46,807		16%
<b>Total</b>	<b>\$690,480</b>	<b>\$243,673</b>	<b>\$446,807</b>		<b>65%</b>

*Significant Variance Explanation:*

**A** - The favorable variance for **Intranet and Internet Redesign** reflected the deferral of work until FY 2014.

## 2. Planned vs. Actual Capital Expenditures

## MTW-funded and EPC Capital Expenditures

Property	Description	07/01/2012 Budget	06/30/13 Budget	Paid Through 06/30/13
Barge Road	Architectural and Engineering	30,758.00	36,388.75	36,388.75
	Construction Management	54,545.00	241,553.88	201,031.07
	Major Rehab	1,377,199.00	1,964,768.00	1,540,743.86
	Extraordinary Maintenance	0.00	1,022.81	1,022.81
	HVAC	0.00	7,291.00	7,291.00
	Life and Safety Equipment	56,930.00	16,646.00	16,646.00
	Non Dwelling Equipment	0.00	10,489.00	10,489.00
<b>Barge Road Total</b>		<b>1,519,432.00</b>	<b>2,278,159.44</b>	<b>1,813,612.49</b>
Cheshire Bridge	Construction Management	30,455.00	89,638.72	63,098.95
	Site Improvements	36,300.00	12,504.00	12,504.00
	Major Rehab	1,226,963.00	769,829.40	733,730.78
	Extraordinary Maintenance	0.00	1,022.81	1,022.81
	Life and Safety Equipment	95,000.00	0.00	0.00
	HVAC	24,800.00	53,777.00	53,777.00
<b>Cheshire Bridge Total</b>		<b>1,413,518.00</b>	<b>926,771.93</b>	<b>864,133.54</b>
Cosby Spear	Architectural and Engineering	0.00	13,836.00	13,836.00
	Construction Management	0.00	144,965.74	144,965.74
	Site Improvements	29,700.00	95,046.05	95,046.05
	Major Rehab	1,187,401.00	1,056,187.68	1,091,790.10
	Extraordinary Maintenance	30,000.00	0.00	0.00
	HVAC	0.00	9,092.00	9,092.00
	Major Systems	0.00	107,525.00	107,525.00
	Life and Safety Equipment	17,600.00	196,509.00	196,509.00
	Non Dwelling Equipment	0.00	6,146.00	6,146.00
<b>Cosby Spear Total</b>		<b>1,264,701.00</b>	<b>1,629,307.47</b>	<b>1,664,909.89</b>
East Lake	Architectural and Engineering	0.00	250.00	250.00
	Construction Mgt Fees	0.00	43,956.02	43,956.02
	Site Improvements	101,800.00	20,846.56	20,846.56
	Major Rehab	245,603.00	184,224.61	194,224.61
	Elevators	0.00	13,128.00	13,128.00
	Extraordinary Maintenance	30,000.00	71,935.54	80,873.00
	Major Systems	0.00	75,929.00	75,929.00
	Life and Safety Equipment	0.00	57,664.00	57,664.00
<b>East Lake Total</b>		<b>377,403.00</b>	<b>467,933.73</b>	<b>486,871.19</b>
Georgia Avenue	Architectural and Engineering	0.00	250.00	250.00
	Construction Management	13,182.00	41,267.85	35,294.78
	Major Rehab	315,079.00	322,332.41	307,774.44
	Major Systems	0.00	25,286.80	25,286.80
	Extraordinary Maintenance	45,000.00	937.58	937.58
	HVAC	0.00	59,389.65	59,389.65
	Life and Safety Equipment	0.00	21,612.00	21,612.00
<b>Georgia Avenue Total</b>		<b>373,261.00</b>	<b>471,076.29</b>	<b>450,545.25</b>
Hightower Manor	Construction Management	9,545.00	84,163.66	78,310.60
	Major Rehab	933,718.00	626,496.03	601,763.37
	Extraordinary Maintenance	146,000.00	144,026.33	154,252.56
	Major Systems	0.00	15,900.00	15,900.00
	Life and Safety Equipment	7,290.00	26,893.98	26,893.98
<b>Hightower Manor Total</b>		<b>1,157,553.00</b>	<b>907,969.00</b>	<b>887,609.51</b>
Juniper and 10th	Construction Management	0.00	106,511.28	106,511.28
	Major Rehab	826,907.00	941,784.00	971,784.00
	Extraordinary Maintenance	12,000.00	19,699.46	19,699.46
	Life and Safety Equipment	133,800.00	58,022.67	64,457.00
	Non Dwelling Equipment	0.00	10,489.00	10,489.00
<b>Juniper and 10th Total</b>		<b>972,707.00</b>	<b>1,136,506.41</b>	<b>1,172,940.74</b>

## 2. Planned vs. Actual Capital Expenditures

## MTW-funded and EPC Capital Expenditures

Property	Description	07/01/2012 Budget	06/30/13 Budget	Paid Through 06/30/13
Marian Road	Construction Management	69,091.00	227,217.71	158,126.71
	Major Rehab	1,925,802.00	2,167,660.48	1,559,272.06
	Extraordinary Maintenance	22,000.00	5,611.09	5,611.09
	Life and Safety Equipment	138,690.00	26,935.00	26,935.00
	Non Dwelling Equipment	0.00	12,364.00	12,364.00
<b>Marian Road Total</b>		<b>2,155,583.00</b>	<b>2,439,788.28</b>	<b>1,762,308.86</b>
Marietta Road	Construction Management	67,273.00	148,919.00	103,524.13
	Major Rehab	700,752.00	824,074.97	847,001.97
	HVAC	672,727.00	562,038.23	163,745.74
	Extraordinary Maintenance	0.00	9,682.62	9,682.62
	Life and Safety Equipment	18,090.00	33,929.00	33,929.00
	Non Dwelling Equipment	26,800.00	10,489.00	10,489.00
<b>Marietta Road Total</b>		<b>1,485,642.00</b>	<b>1,589,132.82</b>	<b>1,168,372.46</b>
Martin Street	Construction Management	2,545.00	69,320.19	68,731.96
	Site Improvements	88,000.00	0.00	0.00
	Major Rehab	568,939.00	521,540.37	524,345.71
	Extraordinary Maintenance	0.00	63,304.00	63,304.00
	Life and Safety Equipment	120,000.00	107,473.00	107,473.00
<b>Martin Street Total</b>		<b>779,484.00</b>	<b>761,637.56</b>	<b>763,854.67</b>
Peachtree Road	Construction Management	0.00	158,211.00	158,211.00
	Site Improvements	49,500.00	46,230.00	46,230.00
	Major Rehab	1,163,120.00	1,428,447.82	1,490,281.82
	Extraordinary Maintenance	0.00	20,694.91	20,694.91
	HVAC	24,800.00	5,250.00	5,250.00
	Life and Safety Equipment	105,000.00	0.00	0.00
	Major Systems	0.00	3,875.00	3,875.00
<b>Peachtree Road Total</b>		<b>1,342,420.00</b>	<b>1,662,708.73</b>	<b>1,724,542.73</b>
Piedmont Road	Architectural and Engineering	0.00	9,941.00	9,941.00
	Construction Management	0.00	55,166.05	55,166.05
	Major Rehab	558,109.00	236,613.31	262,999.31
	Extraordinary Maintenance	65,000.00	1,817.50	1,817.50
	HVAC	0.00	11,790.00	11,790.00
	Major Systems	0.00	133,758.00	133,758.00
	Life and Safety Equipment	69,400.00	105,385.00	105,385.00
<b>Piedmont Road Total</b>		<b>692,509.00</b>	<b>554,470.86</b>	<b>580,856.86</b>
Westminster	Construction Management	1,364.00	45,009.00	43,645.00
	Major Rehab	350,466.00	362,744.00	356,881.00
	Life and Safety Equipment	153,290.00	79,564.00	79,564.00
<b>Westminster Total</b>		<b>505,120.00</b>	<b>487,317.00</b>	<b>480,090.00</b>
EPC Contingency	EPC Contingency	420,000.00	420,000.00	0.00
<b>EPC Contingency Total</b>		<b>420,000.00</b>	<b>420,000.00</b>	<b>0.00</b>
<b>Grand Total</b>		<b>14,459,333.00</b>	<b>15,732,779.52</b>	<b>13,820,648.19</b>

Annual Statement/Performance and Evaluation Report  
Capital Fund Program, Capital Fund Program Replacement Housing Factor and  
Capital Fund Financing Program

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
OMB No. 2577-0226  
Expires 3/31/2014

<b>Part I: Summary</b>		<b>Grant Type and Number</b> Capital Fund Program Grant No: Replacement Housing Factor Grant No: GA06R006501-12 Date of CFFP:		<b>FFY of Grant: 2012</b> <b>FFY of Grant Approval: 2012</b>	
<b>PHA Name:</b> The Housing Authority of the City of Atlanta, Georgia					
<b>Type of Grant</b> <input checked="" type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/Emergencies <b>X Performance and Evaluation Report for Period Ending: 06/30/2013</b>		<input type="checkbox"/> Revised Annual Statement (revision no: ) <b>Final Performance and Evaluation Report</b>			
<b>Line</b>	<b>Summary by Development Account</b>	<b>Original</b>	<b>Total Estimated Cost</b>	<b>Obligated</b>	<b>Total Actual Cost<sup>1</sup></b>
1	Total non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21) <sup>3</sup>				
3	1408 Management Improvements				
4	1410 Administration (may not exceed 10% of line 21)				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
11	1465.1 Dwelling Equipment—Nonexpendable				
12	1470 Non-dwelling Structures				
13	1475 Non-dwelling Equipment				
14	1483 Demolition				
15	1492 Moving to Work Demonstration				
16	1495.1 Relocation Costs				
17	1499 Development Activities <sup>4</sup>	\$6,618,731	\$6,618,731	0	0

<sup>1</sup> To be completed for the Performance and Evaluation Report.

<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

<sup>3</sup> PHAs with under 250 units in management may use 100% of CFP Grants for operations.

<sup>4</sup> RHF funds shall be included here.

Annual Statement/Performance and Evaluation Report  
Capital Fund Program, Capital Fund Program Replacement Housing Factor and  
Capital Fund Financing Program

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
OMB No. 2577-0226  
Expires 3/31/2014

<b>Part I: Summary</b>		FFY of Grant: 2012 FFY of Grant Approval: 2012	
PHA Name: The Housing Authority of the City of Atlanta, Georgia	Grant Type and Number Capital Fund Program Grant No: Replacement Housing Factor Grant No GA06R006501-12 Date of CFFP:		
Type of Grant <input checked="" type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/Emergencies <input checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending: 06/30/2013 <input type="checkbox"/> Revised Annual Statement (revision no: ) Final Performance and Evaluation Report			
Line	Summary by Development Account	Total Estimated Cost Original	Revised <sup>2</sup> Obligated
18a	1501 Collateralization or Debt Service paid by the PHA		
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment		
19	1502 Contingency (may not exceed 8% of line 20)		
20	Amount of Annual Grant: (sum of lines 2 - 19)	6,618,731	0
21	Amount of line 20 Related to LBP Activities		
22	Amount of line 20 Related to Section 504 Activities		
23	Amount of line 20 Related to Security - Soft Costs		
24	Amount of line 20 Related to Security - Hard Costs		
25	Amount of line 20 Related to Energy Conservation Measures		
Signature of Executive Director		Signature of Public Housing Director	
Date: 8/15/13		Date	

<sup>1</sup> To be completed for the Performance and Evaluation Report.

<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

<sup>3</sup> PHAs with under 250 units in management may use 100% of CFP Grants for operations.

<sup>4</sup> RHF funds shall be included here.

<b>Part I: Summary</b>		FFY of Grant: 2011 FFY of Grant Approval: 2011	
<b>PHA Name:</b> The Housing Authority of the City of Atlanta, Georgia	<b>Grant Type and Number</b> Capital Fund Program Grant No: Replacement Housing Factor Grant No: GA06R006501-11 Date of CFFP:		
<input type="checkbox"/> Reserve for Disasters/Emergencies <input type="checkbox"/> Revised Annual Statement (revision no: )			
<b>Type of Grant</b> Original Annual Statement X Performance and Evaluation Report for Period Ending: 06/30/2013	<b>Final Performance and Evaluation Report</b>		
<b>Summary by Development Account</b>	<b>Total Estimated Cost</b>	<b>Obligated</b>	<b>Total Actual Cost<sup>1</sup></b>
	Original	Revised <sup>2</sup>	Expended
1 Total non-CFP Funds			
2 1406 Operations (may not exceed 20% of line 21) <sup>3</sup>			
3 1408 Management Improvements			
4 1410 Administration (may not exceed 10% of line 21)			
5 1411 Audit			
6 1415 Liquidated Damages			
7 1430 Fees and Costs			
8 1440 Site Acquisition			
9 1450 Site Improvement			
10 1460 Dwelling Structures			
11 1465.1 Dwelling Equipment—Nonexpendable			
12 1470 Non-dwelling Structures			
13 1475 Non-dwelling Equipment			
14 1485 Demolition			
15 1492 Moving to Work Demonstration			
16 1495.1 Relocation Costs			
17 1499 Development Activities <sup>4</sup>	\$ 2,534,662	0	0

<sup>1</sup> To be completed for the Performance and Evaluation Report.  
<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.  
<sup>3</sup> PHAs with under 250 units in management may use 100% of CFP Grants for operations.  
<sup>4</sup> RHF funds shall be included here.

Annual Statement/Performance and Evaluation Report  
Capital Fund Program, Capital Fund Program Replacement Housing Factor and  
Capital Fund Financing Program

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
OMB No. 2577-0226  
Expires 3/31/2014

<b>Part I: Summary</b>		FFY of Grant: 2011 FFY of Grant Approval: 2011	
<b>PHA Name:</b> The Housing Authority of the City of Atlanta, Georgia	<b>Grant Type and Number</b> Capital Fund Program Grant No: Replacement Housing Factor Grant No: GA06R006501-11 Date of CFFP:		
<b>Type of Grant</b> <input checked="" type="checkbox"/> <b>Original Annual Statement</b> <input type="checkbox"/> <b>Revised Annual Statement (revision no: )</b>			
<b>Performance and Evaluation Report for Period Ending: 06/30/2013</b>		<b>Final Performance and Evaluation Report</b>	
<b>Line</b>	<b>Summary by Development Account</b>	<b>Total Estimated Cost</b>	<b>Total Actual Cost<sup>1</sup></b>
		<b>Original</b>	<b>Obligated</b>
18a	1501 Collateralization or Debt Service paid by the PHA		
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment		
19	1502 Contingency (may not exceed 8% of line 20)		
20	Amount of Annual Grant: (sum of lines 2 - 19)	2,534,662	0
21	Amount of line 20 Related to LBP Activities		
22	Amount of line 20 Related to Section 504 Activities		
23	Amount of line 20 Related to Security - Soft Costs		
24	Amount of line 20 Related to Security - Hard Costs		
25	Amount of line 20 Related to Energy Conservation Measures		
<b>Signature of Executive Director</b>		<b>Signature of Public Housing Director</b>	
<b>Date</b> 8/15/13		<b>Date</b>	

<sup>1</sup> To be completed for the Performance and Evaluation Report.

<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

<sup>3</sup> PHAs with under 250 units in management may use 100% of CFP Grants for operations.

<sup>4</sup> RHF funds shall be included here.

Annual Statement/Performance and Evaluation Report  
Capital Fund Program, Capital Fund Program Replacement Housing Factor and  
Capital Fund Financing Program

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
OMB No. 2577-0226  
Expires 3/31/2014

Part I: Summary		Grant Type and Number		FFY of Grant: 2010 FFY of Grant Approval: 2010	
PHA Name: The Housing Authority of the City of Atlanta, Georgia		Capital Fund Program Grant No: GA06P006501-10 Replacement Housing Factor Grant No: Date of CFFP:			
Type of Grant Original Annual Statement X Performance and Evaluation Report for Period Ending: 06/30/2013		<input type="checkbox"/> Reserve for Disasters/Emergencies		<input type="checkbox"/> Revised Annual Statement (revision no: )	
Summary by Development Account		Total Estimated Cost		Total Actual Cost <sup>1</sup>	
Line		Original	Revised <sup>2</sup>	Obligated	Expended
1	Total non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21) <sup>3</sup>				
3	1408 Management Improvements				
4	1410 Administration (may not exceed 10% of line 21)				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
11	1465 1 Dwelling Equipment—Nonexpendable				
12	1470 Non-dwelling Structures				
13	1475 Non-dwelling Equipment				
14	1485 Demolition				
15	1492 Moving to Work Demonstration	11,998,337	11,998,337	11,998,337	9,771,230
16	1495 1 Relocation Costs				
17	1499 Development Activities <sup>4</sup>				

<sup>1</sup> To be completed for the Performance and Evaluation Report.


<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

<sup>3</sup> PHAs with under 250 units in management may use 100% of CFP Grants for operations.

<sup>4</sup> RHF funds shall be included here.

**Annual Statement/Performance and Evaluation Report  
Capital Fund Program, Capital Fund Program Replacement Housing Factor and  
Capital Fund Financing Program**

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
OMB No. 2577-0226  
**Expires 3/31/2014**

<b>Part I: Summary</b>		FFY of Grant: 2010 FFY of Grant Approval: 2010	
<b>PHA Name:</b> The Housing Authority of the City of Atlanta, Georgia	<b>Grant Type and Number</b> Capital Fund Program Grant No: GA06P006501-10 Replacement Housing Factor Grant No: _____ Date of CFFP: _____		
<input checked="" type="checkbox"/> <b>Original Annual Statement</b> <input type="checkbox"/> <b>Revised Annual Statement (revision no: _____)</b> <input checked="" type="checkbox"/> <b>Performance and Evaluation Report for Period Ending: 06/30/2013</b> <input type="checkbox"/> <b>Final Performance and Evaluation Report</b>			
<b>Line</b>	<b>Summary by Development Account</b>	<b>Total Estimated Cost</b> Original      Revised <sup>2</sup>	<b>Total Actual Cost <sup>1</sup></b> Obligated      Expended
18a	1501 Collateralization or Debt Service paid by the PHA		
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment		
19	1502 Contingency (may not exceed 8% of line 20)		
20	Amount of Annual Grant: (sum of lines 2 - 19)	11,998,337	11,998,337
21	Amount of line 20 Related to LBP Activities		9,771,230
22	Amount of line 20 Related to Section 504 Activities		
23	Amount of line 20 Related to Security - Soft Costs		
24	Amount of line 20 Related to Security - Hard Costs		
25	Amount of line 20 Related to Energy Conservation Measures		
<b>Signature of Executive Director</b> 		<b>Signature of Public Housing Director</b>	
<b>Date</b> 8/15/13		<b>Date</b>	

<sup>1</sup> To be completed for the Performance and Evaluation Report.

<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

<sup>3</sup> PHAs with under 250 units in management may use 100% of CFP Grants for operations.

<sup>4</sup> RHF funds shall be included here.

Annual Statement/Performance and Evaluation Report  
Capital Fund Program, Capital Fund Program Replacement Housing Factor and  
Capital Fund Financing Program

U.S. Department of Housing and Urban Development  
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Expires 3/31/2014

<b>Part I: Summary</b>				FFY of Grant: 2009 FFY of Grant Approval: 2009	
PHA Name: The Housing Authority of the City of Atlanta, Georgia		Grant Type and Number Capital Fund Program Grant No: Replacement Housing Factor Grant No: GA06R006501-09 Date of CFFP:			
Type of Grant Original Annual Statement Performance and Evaluation Report for Period Ending: 06/30/2013		<input type="checkbox"/> Reserve for Disasters/Emergencies <input checked="" type="checkbox"/> Revised Annual Statement (revision no: ) X Final Performance and Evaluation Report			
Line	Summary by Development Account	Original	Total Estimated Cost Revised <sup>2</sup>	Obligated	Total Actual Cost <sup>1</sup> Expended
1	Total non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21) <sup>3</sup>				
3	1408 Management Improvements				
4	1410 Administration (may not exceed 10% of line 21)				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
11	1465.1 Dwelling Equipment---Nonexpendable				
12	1470 Non-dwelling Structures				
13	1475 Non-dwelling Equipment				
14	1485 Demolition				
15	1492 Moving to Work Demonstration				
16	1495.1 Relocation Costs				
17	1499 Development Activities <sup>4</sup>	3,112,679	3,112,679	3,112,679	3,112,679

<sup>1</sup> To be completed for the Performance and Evaluation Report.

<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

<sup>3</sup> PHAs with under 250 units in management may use 100% of CFP Grants for operations.

<sup>4</sup> RHF funds shall be included here

Annual Statement/Performance and Evaluation Report  
Capital Fund Program, Capital Fund Program Replacement Housing Factor and  
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U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
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Expires 3/31/2014

<b>Part I: Summary</b>		FFY of Grant: 2009 FFY of Grant Approval: 2009	
<b>PHA Name:</b> The Housing Authority of the City of Atlanta, Georgia	<b>Grant Type and Number</b> Capital Fund Program Grant No: Replacement Housing Factor Grant No GA06R006501-09 Date of CFFP:		
<b>Type of Grant</b> Original Annual Statement Performance and Evaluation Report for Period Ending: 06/30/2013 <input type="checkbox"/> Reserve for Disasters/Emergencies		<input type="checkbox"/> Revised Annual Statement (revision no: )	
<b>Line</b>	<b>Summary by Development Account</b>	<b>Total Estimated Cost</b>	<b>Total Actual Cost<sup>1</sup></b>
		<b>Original</b>	<b>Obligated</b>
18a	1501 Collateralization or Debt Service paid by the PHIA		
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment		
19	1502 Contingency (may not exceed 8% of line 20)		
20	Amount of Annual Grant: (sum of lines 2 - 19)	3,112,679	3,112,679
21	Amount of line 20 Related to LBP Activities		
22	Amount of line 20 Related to Section 504 Activities		
23	Amount of line 20 Related to Security - Soft Costs		
24	Amount of line 20 Related to Security - Hard Costs		
25	Amount of line 20 Related to Energy Conservation Measures		
<b>Signature of Executive Director</b>		<b>Signature of Public Housing Director</b>	
<b>Date</b> 8/15/13		<b>Date</b>	

<sup>1</sup> To be completed for the Performance and Evaluation Report.

<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

<sup>3</sup> PHAs with under 250 units in management may use 100% of CFP Grants for operations.

<sup>4</sup> RHF funds shall be included here.

Annual Statement/Performance and Evaluation Report  
Capital Fund Program, Capital Fund Program Replacement Housing Factor and  
Capital Fund Financing Program

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
OMB No. 2577-0226  
Expires 3/31/2014

Part I: Summary			FFY of Grant: 2008 FFY of Grant Approval: 2008	
PHA Name: The Housing Authority of the City of Atlanta, Georgia		Grant Type and Number Capital Fund Program Grant No: Replacement Housing Factor Grant No: GA06R006501-08 Date of CFFP:		
Type of Grant Original Annual Statement Performance and Evaluation Report for Period Ending: 06/30/2013		<input type="checkbox"/> Revised Annual Statement (revision no: ) <input checked="" type="checkbox"/> Final Performance and Evaluation Report		
Line	Summary by Development Account	Original	Total Estimated Cost Revised <sup>2</sup>	Obligated Total Actual Cost <sup>1</sup> Expended
1	Total non-CFP Funds			
2	1406 Operations (may not exceed 20% of line 21) <sup>3</sup>			
3	1408 Management Improvements			
4	1410 Administration (may not exceed 10% of line 21)			
5	1411 Audit			
6	1415 Liquidated Damages			
7	1430 Fees and Costs			
8	1440 Site Acquisition			
9	1450 Site Improvement			
10	1460 Dwelling Structures			
11	1465.1 Dwelling Equipment—Nonexpendable			
12	1470 Non-dwelling Structures			
13	1475 Non-dwelling Equipment			
14	1485 Demolition			
15	1492 Moving to Work Demonstration	\$1,461,675	\$1,461,675	\$1,461,675
16	1495.1 Relocation Costs			
17	1499 Development Activities <sup>4</sup>			

<sup>1</sup> To be completed for the Performance and Evaluation Report.

<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

<sup>3</sup> PHAs with under 250 units in management may use 100% of CFP Grants for operations.

<sup>4</sup> RHF funds shall be included here.

Annual Statement/Performance and Evaluation Report  
Capital Fund Program, Capital Fund Program Replacement Housing Factor and  
Capital Fund Financing Program

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
OMB No. 2577-0226  
Expires 3/31/2014

<b>Part I: Summary</b>		FFY of Grant: 2008 FFY of Grant Approval: 2008	
<b>PHA Name:</b> The Housing Authority of the City of Atlanta, Georgia	<b>Grant Type and Number</b> Capital Fund Program Grant No: Replacement Housing Factor Grant No GA06R006501-08 Date of CFFP:		
<b>Type of Grant</b> Original Annual Statement Performance and Evaluation Report for Period Ending: 06/30/2013 <input type="checkbox"/> Reserve for Disasters/Emergencies		<input type="checkbox"/> Revised Annual Statement (revision no: ) <input checked="" type="checkbox"/> Final Performance and Evaluation Report	
<b>Line</b>	<b>Summary by Development Account</b>	<b>Total Estimated Cost</b>	<b>Total Actual Cost<sup>1</sup></b>
		<b>Original</b>	<b>Obligated</b>
18a	1501 Collateralization or Debt Service paid by the PHA		
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment		
19	1502 Contingency (may not exceed 8% of line 20)		
20	Amount of Annual Grant <sup>2</sup> : (sum of lines 2 - 19)	1,461,675	1,461,675
21	Amount of line 20 Related to LBP Activities		
22	Amount of line 20 Related to Section 504 Activities		
23	Amount of line 20 Related to Security - Soft Costs		
24	Amount of line 20 Related to Security - Hard Costs		
25	Amount of line 20 Related to Energy Conservation Measures		
<b>Signature of Executive Director</b>		<b>Signature of Public Housing Director</b>	<b>Date</b>
			8/15/13

<sup>1</sup> To be completed for the Performance and Evaluation Report.

<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

<sup>3</sup> PHAs with under 250 units in management may use 100% of CFP Grants for operations.

<sup>4</sup> RHF funds shall be included here.

Annual Statement/Performance and Evaluation Report  
Capital Fund Program, Capital Fund Program Replacement Housing Factor and  
Capital Fund Financing Program

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
OMB No. 2577-0226  
Expires 3/31/2014

Part I: Summary			
PHA Name: The Housing Authority of the City of Atlanta, Georgia		Grant Type and Number Capital Fund Program Grant No.: Replacement Housing Factor Grant No: GA06R006502-12 Date of CFP:	
Type of Grant Original Annual Statement X Performance and Evaluation Report for Period Ending: 06/30/2013		FFY of Grant: 2012 FFY of Grant Approval: 2012	
Summary by Development Account		Revised Annual Statement (revision no: ) Final Performance and Evaluation Report	
Line	Original	Total Estimated Cost Revised <sup>2</sup>	Obligated Total Actual Cost <sup>1</sup> Expended
1	Total non-CFP Funds		
2	1406 Operations (may not exceed 20% of line 21) <sup>3</sup>		
3	1408 Management Improvements		
4	1410 Administration (may not exceed 10% of line 21)		
5	1411 Audit		
6	1415 Liquidated Damages		
7	1430 Fees and Costs		
8	1440 Site Acquisition		
9	1450 Site Improvement		
10	1460 Dwelling Structures		
11	1465 1 Dwelling Equipment—Nonexpendable		
12	1470 Non-dwelling Structures		
13	1475 Non-dwelling Equipment		
14	1485 Demolition		
15	1492 Moving to Work Demonstration		
16	1495 1 Relocation Costs		
17	1499 Development Activities <sup>4</sup>	1,429,204	0
		1,429,204	0

<sup>1</sup> To be completed for the Performance and Evaluation Report.

<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement

<sup>3</sup> PHAs with under 250 units in management may use 100% of CFP Grants for operations.

<sup>4</sup> RHF funds shall be included here.

**Annual Statement/Performance and Evaluation Report**  
**Capital Fund Program. Capital Fund Program Replacement Housing Factor and**  
**Capital Fund Financing Program**

U.S. Department of Housing and Urban Development  
 Office of Public and Indian Housing  
 OMB No. 2577-0226  
 Expires 3/31/2014

<b>Part I: Summary</b>		FFY of Grant: 2012 FFY of Grant Approval: 2012	
<b>PHA Name:</b> The Housing Authority of the City of Atlanta, Georgia	<b>Grant Type and Number</b> Capital Fund Program Grant No: Replacement Housing Factor Grant No: GA06R006502-12 Date of CFFP:		
<input checked="" type="checkbox"/> <b>Original Annual Statement</b> <input type="checkbox"/> <b>Revised Annual Statement (revision no: )</b>			
<input checked="" type="checkbox"/> <b>Performance and Evaluation Report for Period Ending: 06/30/2013</b>		<b>Final Performance and Evaluation Report</b>	
<b>Line</b>	<b>Summary by Development Account</b>	<b>Total Estimated Cost</b> Original Revised <sup>2</sup>	<b>Total Actual Cost <sup>1</sup></b> Obligated Expended
18a	1501 Collateralization or Debt Service paid by the PHA		
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment		
19	1502 Contingency (may not exceed 8% of line 20)		
20	Amount of Annual Grant: (sum of lines 2 - 19)	\$ 1,429,204	0
21	Amount of line 20 Related to LBP Activities		
22	Amount of line 20 Related to Section 504 Activities		
23	Amount of line 20 Related to Security - Soft Costs		
24	Amount of line 20 Related to Security - Hard Costs		
25	Amount of line 20 Related to Energy Conservation Measures		
<b>Signature of Executive Director</b>		<b>Signature of Public Housing Director</b>	<b>Date</b> 8/15/13

<sup>1</sup> To be completed for the Performance and Evaluation Report.

<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

<sup>3</sup> PHAs with under 250 units in management may use 100% of CFP Grants for operations.

<sup>4</sup> RHF funds shall be included here.

Annual Statement/Performance and Evaluation Report  
Capital Fund Program, Capital Fund Program Replacement Housing Factor and  
Capital Fund Financing Program

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
OMB No. 2577-0226  
Expires 3/31/2014

<b>Part I: Summary</b>		<b>FFY of Grant: 2011</b>	
<b>PHA Name:</b> The Housing Authority of the City of Atlanta, Georgia	<b>Grant Type and Number</b> Capital Fund Program Grant No: Replacement Housing Factor Grant No: GA06R006502-11 Date of CFFP:	<b>FFY of Grant Approval: 2011</b>	
<input type="checkbox"/> Reserve for Disasters/Emergencies <input type="checkbox"/> Revised Annual Statement (revision no: ) <b>Original Annual Statement and Evaluation Report for Period Ending: 06/30/2013</b> <b>Final Performance and Evaluation Report</b>			
<b>Type of Grant</b>	<b>Summary by Development Account</b>	<b>Total Estimated Cost</b>	<b>Total Actual Cost<sup>1</sup></b>
<b>Line</b>	<b>Original</b>	<b>Revised<sup>2</sup></b>	<b>Obligated</b>
1	Total non-CFP Funds		Expended
2	1406 Operations (may not exceed 20% of line 21) <sup>3</sup>		
3	1408 Management Improvements		
4	1410 Administration (may not exceed 10% of line 21)		
5	1411 Audit		
6	1415 Liquidated Damages		
7	1430 Fees and Costs		
8	1440 Site Acquisition		
9	1450 Site Improvement		
10	1460 Dwelling Structures		
11	1465 1 Dwelling Equipment—Nonexpendable		
12	1470 Non-dwelling Structures		
13	1475 Non-dwelling Equipment		
14	1485 Demolition		
15	1492 Moving to Work Demonstration		
16	1495 1 Relocation Costs		
17	1499 Development Activities <sup>4</sup>	2,136,846	0
		2,136,846	0

<sup>1</sup> To be completed for the Performance and Evaluation Report.

<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

<sup>3</sup> PHAs with under 250 units in management may use 100% of CFP Grants for operations.

<sup>4</sup> RHF funds shall be included here.

Annual Statement/Performance and Evaluation Report  
Capital Fund Program, Capital Fund Program Replacement Housing Factor and  
Capital Fund Financing Program

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
OMB No. 2577-0226  
Expires 3/31/2014

<b>Part I: Summary</b>		FFY of Grant: 2011 FFY of Grant Approval: 2011	
<b>PHA Name:</b> The Housing Authority of the City of Atlanta, Georgia	<b>Grant Type and Number</b> Capital Fund Program Grant No: Replacement Housing Factor Grant No: GA06R006502-11 Date of CFFP:		
<input checked="" type="checkbox"/> <b>Original Annual Statement</b> <input type="checkbox"/> <b>Revised Annual Statement (revision no: )</b>			
<b>Performance and Evaluation Report for Period Ending: 06/30/2013</b>			
<b>Line</b>	<b>Summary by Development Account</b>	<b>Total Estimated Cost</b>	<b>Total Actual Cost<sup>1</sup></b>
		<b>Original</b>	<b>Revised<sup>2</sup></b>
18a	1501 Collateralization or Debt Service paid by the PHA		
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment		
19	1502 Contingency (may not exceed 8% of line 20)		
20	Amount of Annual Grant: (sum of lines 2 - 19)	2,136,846	0
21	Amount of line 20 Related to LBP Activities		
22	Amount of line 20 Related to Section 504 Activities		
23	Amount of line 20 Related to Security - Soft Costs		
24	Amount of line 20 Related to Security - Hard Costs		
25	Amount of line 20 Related to Energy Conservation Measures		
<b>Signature of Executive Director</b>		<b>Signature of Public Housing Director</b>	
<b>Date</b> 8/15/13		<b>Date</b>	

<sup>1</sup> To be completed for the Performance and Evaluation Report

<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

<sup>3</sup> PHAs with under 250 units in management may use 100% of CFP Grants for operations.

<sup>4</sup> RHF funds shall be included here.

Annual Statement/Performance and Evaluation Report  
Capital Fund Program, Capital Fund Program Replacement Housing Factor and  
Capital Fund Financing Program

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
OMB No. 2577-0226  
Expires 3/31/2014

<b>Part I: Summary</b>		<b>Grant Type and Number</b> Capital Fund Program Grant No: Replacement Housing Factor Grant No: GA06R006502-09 Date of CFFP:		<b>FFY of Grant: 2009</b> <b>FFY of Grant Approval: 2009</b>	
<b>PHA Name:</b> The Housing Authority of the City of Atlanta, Georgia					
<input type="checkbox"/> Reserve for Disasters/Emergencies <input type="checkbox"/> Revised Annual Statement (revision no: ) <input checked="" type="checkbox"/> Final Performance and Evaluation Report					
<b>Type of Grant</b>	<b>Original Annual Statement</b>	<b>Performance and Evaluation Report for Period Ending: 06/30/2013</b>		<b>Total Actual Cost<sup>1</sup></b>	
<b>Line</b>	<b>Summary by Development Account</b>	<b>Original</b>	<b>Revised<sup>2</sup></b>	<b>Obligated</b>	<b>Expended</b>
1	Total non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21) <sup>3</sup>				
3	1408 Management Improvements				
4	1410 Administration (may not exceed 10% of line 21)				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
11	1465.1 Dwelling Equipment—Nonexpendable				
12	1470 Non-dwelling Structures				
13	1475 Non-dwelling Equipment				
14	1485 Demolition				
15	1492 Moving to Work Demonstration				
16	1495.1 Relocation Costs				
17	1499 Development Activities <sup>4</sup>	4,838,507	4,838,507	4,838,507	4,838,507

<sup>1</sup> To be completed for the Performance and Evaluation Report.

<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

<sup>3</sup> PHAs with under 250 units in management may use 100% of CFP Grants for operations.

<sup>4</sup> RHF funds shall be included here.

Annual Statement/Performance and Evaluation Report  
Capital Fund Program, Capital Fund Program Replacement Housing Factor and  
Capital Fund Financing Program

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
OMB No. 2577-0226  
Expires 3/31/2014

<b>Part I: Summary</b>		FFY of Grant: 2009 FFY of Grant Approval: 2009	
<b>PHA Name:</b> The Housing Authority of the City of Atlanta, Georgia	<b>Grant Type and Number</b> Capital Fund Program Grant No. Replacement Housing Factor Grant No: GA06R006502-09 Date of CFFP:		
<b>Type of Grant</b> <input type="checkbox"/> Reserve for Disasters/Emergencies <input checked="" type="checkbox"/> Original Annual Statement <b>Performance and Evaluation Report for Period Ending: 06/30/2013</b>		<input type="checkbox"/> Revised Annual Statement (revision no: ) <input checked="" type="checkbox"/> Final Performance and Evaluation Report	
<b>Line</b>	<b>Summary by Development Account</b>	<b>Total Estimated Cost</b>	<b>Total Actual Cost<sup>1</sup></b>
		<b>Original</b>	<b>Obligated</b> <b>Expended</b>
18a	1501 Collateralization or Debt Service paid by the PHA		
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment		
19	1502 Contingency (may not exceed 8% of line 20)		
20	Amount of Annual Grant: (sum of lines 2 - 19)	\$ 4,838,507	\$ 4,838,507
21	Amount of line 20 Related to LBP Activities		
22	Amount of line 20 Related to Section 504 Activities		
23	Amount of line 20 Related to Security - Soft Costs		
24	Amount of line 20 Related to Security - Hard Costs		
25	Amount of line 20 Related to Energy Conservation Measures		
<b>Signature of Executive Director</b>		<b>Signature of Public Housing Director</b>	<b>Date</b>
			8/15/13

<sup>1</sup> To be completed for the Performance and Evaluation Report.

<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

<sup>3</sup> PHAs with under 250 units in management may use 100% of CFP Grants for operations.

<sup>4</sup> RHF funds shall be included here.

Annual Statement/Performance and Evaluation Report  
Capital Fund Program, Capital Fund Program Replacement Housing Factor and  
Capital Fund Financing Program

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
OMB No. 2577-0226  
Expires 3/31/2014

<b>Part I: Summary</b>		<b>Grant Type and Number</b> Capital Fund Program Grant No: Replacement Housing Factor Grant No: GA06R006502-08 Date of CFFP:		<b>FFY of Grant: 2008</b> <b>FFY of Grant Approval: 2008</b>	
<b>PHA Name:</b> The Housing Authority of the City of Atlanta, Georgia					
<b>Type of Grant</b> Original Annual Statement Performance and Evaluation Report for Period Ending: 06/30/2013 <input type="checkbox"/> Reserve for Disasters/Emergencies <input checked="" type="checkbox"/> Final Performance and Evaluation Report		<b>Revised Annual Statement (revision no: )</b> <input type="checkbox"/> Revised <input checked="" type="checkbox"/> Final Performance and Evaluation Report			
<b>Line</b>	<b>Summary by Development Account</b>	<b>Original</b>	<b>Revised<sup>2</sup></b>	<b>Obligated</b>	<b>Total Actual Cost<sup>1</sup></b> Expended
1	Total non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21) <sup>3</sup>				
3	1408 Management Improvements				
4	1410 Administration (may not exceed 10% of line 21)				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
11	1465.1 Dwelling Equipment—Nonexpendable				
12	1470 Non-dwelling Structures				
13	1475 Non-dwelling Equipment				
14	1485 Demolition				
15	1492 Moving to Work Demonstration	5,472,872	5,472,872	5,472,872	5,472,872
16	1495.1 Relocation Costs				
17	1499 Development Activities <sup>4</sup>				

<sup>1</sup> To be completed for the Performance and Evaluation Report.

<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

<sup>3</sup> PHAs with under 250 units in management may use 100% of CFP Grants for operations.

<sup>4</sup> RHF funds shall be included here.

**Annual Statement/Performance and Evaluation Report**  
**Capital Fund Program, Capital Fund Program Replacement Housing Factor and**  
**Capital Fund Financing Program**

U.S. Department of Housing and Urban Development  
 Office of Public and Indian Housing  
 OMB No. 2577-0226  
**Expires 3/31/2014**

<b>Part I: Summary</b>		FFY of Grant: 2008 FFY of Grant Approval: 2008	
<b>PHA Name:</b> The Housing Authority of the City of Atlanta, Georgia	<b>Grant Type and Number</b> Capital Fund Program Grant No: Replacement Housing Factor Grant No: GA06R006502-08 Date of CFFP:		
<b>Type of Grant</b> Original Annual Statement Performance and Evaluation Report for Period Ending: 06/30/2013	<input type="checkbox"/> Reserve for Disasters/Emergencies	<input type="checkbox"/> Revised Annual Statement (revision no: )	
<b>Summary by Development Account</b>	<b>Summary by Development Account</b>	<b>Summary by Development Account</b>	<b>Summary by Development Account</b>
<b>Line</b>	<b>Original</b>	<b>Revised <sup>2</sup></b>	<b>Total Actual Cost <sup>1</sup></b>
18a	1501 Collateralization or Debt Service paid by the PHA		
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment		
19	1502 Contingency (may not exceed 8% of line 20)		
20	Amount of Annual Grant: (sum of lines 2 - 19)	5,472,872	5,472,872
21	Amount of line 20 Related to LBP Activities		
22	Amount of line 20 Related to Section 504 Activities		
23	Amount of line 20 Related to Security - Soft Costs		
24	Amount of line 20 Related to Security - Hard Costs		
25	Amount of line 20 Related to Energy Conservation Measures		
<b>Signature of Executive Director</b>		<b>Signature of Public Housing Director</b>	
<b>Date</b> 8/15/13		<b>Date</b>	

<sup>1</sup> To be completed for the Performance and Evaluation Report.

<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

<sup>3</sup> PHAs with under 250 units in management may use 100% of CFFP Grants for operations.

<sup>4</sup> RHF funds shall be included here.

Annual Statement/Performance and Evaluation Report  
Capital Fund Program, Capital Fund Program Replacement Housing Factor and  
Capital Fund Financing Program

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
OMB No. 2577-0226  
Expires 3/31/2014

<b>Part I: Summary</b>		<b>Grant Type and Number</b> Capital Fund Program Grant No: GA06P006501-12 Replacement Housing Factor Grant No: Date of CFFP:		<b>FFY of Grant: 2012</b> <b>FFY of Grant Approval: 2012</b>	
<b>PHA Name:</b> The Housing Authority of the City of Atlanta, Georgia					
<b>Type of Grant</b> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/Emergencies X Performance and Evaluation Report for Period Ending: 06/30/2013		<input type="checkbox"/> Revised Annual Statement (revision no: ) Final Performance and Evaluation Report			
<b>Line</b>	<b>Summary by Development Account</b>	<b>Original</b>	<b>Total Estimated Cost Revised<sup>2</sup></b>	<b>Obligated</b>	<b>Total Actual Cost<sup>1</sup> Expended</b>
1	Total non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21) <sup>3</sup>				
3	1408 Management Improvements				
4	1410 Administration (may not exceed 10% of line 21)				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
11	1465.1 Dwelling Equipment—Nonexpendable				
12	1470 Non-dwelling Structures				
13	1475 Non-dwelling Equipment				
14	1485 Demolition				
15	1492 Moving to Work Demonstration	\$4,667,238	\$4,667,238	0	0
16	1495.1 Relocation Costs				
17	1499 Development Activities <sup>4</sup>				

<sup>1</sup> To be completed for the Performance and Evaluation Report.

<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

<sup>3</sup> PHAs with under 250 units in management may use 100% of CFP Grants for operations.

<sup>4</sup> RHF funds shall be included here.

Annual Statement/Performance and Evaluation Report  
Capital Fund Program, Capital Fund Program Replacement Housing Factor and  
Capital Fund Financing Program

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
OMB No. 2577-0226  
Expires 3/31/2014

<b>Part I: Summary</b>		FFY of Grant: 2012 FFY of Grant Approval: 2012	
<b>PHA Name:</b> The Housing Authority of the City of Atlanta, Georgia	<b>Grant Type and Number</b> Capital Fund Program Grant No: GA06P006501-12 Replacement Housing Factor Grant No: Date of CFFP:		
<b>Type of Grant</b> <input checked="" type="checkbox"/> <b>Original Annual Statement</b> <input type="checkbox"/> <b>Reserve for Disasters/Emergencies</b> <input checked="" type="checkbox"/> <b>Performance and Evaluation Report for Period Ending: 06/30/2013</b> <input type="checkbox"/> <b>Revised Annual Statement (revision no: )</b> <b>Final Performance and Evaluation Report</b>			
<b>Line</b>	<b>Summary by Development Account</b>	<b>Total Estimated Cost</b> Original	<b>Revised</b> Revised <sup>2</sup>
18a	1501 Collateralization or Debt Service paid by the PHA		Obligated
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment		
19	1502 Contingency (may not exceed 8% of line 20)		
20	Amount of Annual Grant: (sum of lines 2 - 19)	\$ 4,667,238	0
21	Amount of line 20 Related to LBP Activities		
22	Amount of line 20 Related to Section 504 Activities		
23	Amount of line 20 Related to Security - Soft Costs		
24	Amount of line 20 Related to Security - Hard Costs		
25	Amount of line 20 Related to Energy Conservation Measures		
<b>Signature of Executive Director</b>		<b>Signature of Public Housing Director</b>	
<b>Date</b> 8/15/13		<b>Date</b>	

<sup>1</sup> To be completed for the Performance and Evaluation Report.

<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

<sup>3</sup> PHAs with under 250 units in management may use 100% of CFP Grants for operations.

<sup>4</sup> RHF funds shall be included here

Annual Statement/Performance and Evaluation Report  
Capital Fund Program, Capital Fund Program Replacement Housing Factor and  
Capital Fund Financing Program

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
OMB No. 2577-0226  
Expires 3/31/2014

<b>Part I: Summary</b>		<b>Grant Type and Number</b> Capital Fund Program Grant No: GA06P006501-11 Replacement Housing Factor Grant No: Date of CFFP:		<b>FFY of Grant: 2011</b> <b>FFY of Grant Approval: 2011</b>	
<b>PHA Name:</b> The Housing Authority of the City of Atlanta, Georgia					
<b>Type of Grant</b> <input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/Emergencies <b>X Performance and Evaluation Report for Period Ending: 06/30/2013</b>		<input type="checkbox"/> Revised Annual Statement (revision no: ) <b>Final Performance and Evaluation Report</b>			
<b>Line</b>	<b>Summary by Development Account</b>	<b>Original</b>	<b>Revised<sup>2</sup></b>	<b>Obligated</b>	<b>Total Actual Cost<sup>1</sup></b> <b>Expended</b>
1	Total non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21) <sup>3</sup>				
3	1408 Management Improvements				
4	1410 Administration (may not exceed 10% of line 21)				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
11	1465.1 Dwelling Equipment—Nonexpendable				
12	1470 Non-dwelling Structures				
13	1475 Non-dwelling Equipment				
14	1485 Demolition				
15	1492 Moving to Work Demonstration	9,426,542		9,426,542	9,426,542
16	1495.1 Relocation Costs				0
17	1499 Development Activities <sup>4</sup>				

<sup>1</sup> To be completed for the Performance and Evaluation Report.

<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

<sup>3</sup> PHAs with under 250 units in management may use 100% of CFP Grants for operations.

<sup>4</sup> RHF funds shall be included here.

Annual Statement/Performance and Evaluation Report  
Capital Fund Program, Capital Fund Program Replacement Housing Factor and  
Capital Fund Financing Program

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
OMB No. 2577-0226  
Expires 3/31/2014

<b>Part I: Summary</b>		<b>FFY of Grant: 2011</b>	
<b>PHA Name:</b> The Housing Authority of the City of Atlanta, Georgia	<b>Grant Type and Number</b> Capital Fund Program Grant No: GA06P006501-11 Replacement Housing Factor Grant No: Date of CFFP:	<b>FFY of Grant Approval: 2011</b>	
<b>Type of Grant</b> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/Emergencies		<input type="checkbox"/> Revised Annual Statement (revision no: )	
<input checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending: 06/30/2013		Final Performance and Evaluation Report	
<b>Line</b>	<b>Summary by Development Account</b>	<b>Total Estimated Cost</b>	<b>Total Actual Cost<sup>1</sup></b>
		<b>Original</b>	<b>Obligated</b>
18a	1501 Collateralization or Debt Service paid by the PHA		
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment		
19	1502 Contingency (may not exceed 8% of line 20)		
20	Amount of Annual Grant: (sum of lines 2 - 19)	9,426,542	9,426,542
21	Amount of line 20 Related to LBP Activities		
22	Amount of line 20 Related to Section 504 Activities		
23	Amount of line 20 Related to Security - Soft Costs		
24	Amount of line 20 Related to Security - Hard Costs		
25	Amount of line 20 Related to Energy Conservation Measures		
<b>Signature of Executive Director</b>		<b>Signature of Public Housing Director</b>	<b>Date</b>

<sup>1</sup> To be completed for the Performance and Evaluation Report.

<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

<sup>3</sup> PHAs with under 250 units in management may use 100% of CFP Grants for operations.

<sup>4</sup> RHF funds shall be included here.

Annual Statement/Performance and Evaluation Report  
Capital Fund Program, Capital Fund Program Replacement Housing Factor and  
Capital Fund Financing Program

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
OMB No. 2577-0226  
Expires 3/31/2014

Part I: Summary		Grant Type and Number		FFY of Grant: 2010	
PHA Name: The Housing Authority of the City of Atlanta, Georgia		Capital Fund Program Grant No: GA06P006501-10 Replacement Housing Factor Grant No: Date of CFFP:		FFY of Grant Approval: 2010	
Type of Grant		<input type="checkbox"/> Reserve for Disasters/Emergencies <input type="checkbox"/> Revised Annual Statement (revision no: )			
Original Annual Statement		Final Performance and Evaluation Report			
X Performance and Evaluation Report for Period Ending: 06/30/2013		Total Estimated Cost		Total Actual Cost <sup>1</sup>	
Line	Summary by Development Account	Original	Revised <sup>2</sup>	Obligated	Expended
1	Total non-CFFP Funds				
2	1406 Operations (may not exceed 20% of line 21) <sup>3</sup>				
3	1408 Management Improvements				
4	1410 Administration (may not exceed 10% of line 21)				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
11	1465.1 Dwelling Equipment—Nonexpendable				
12	1470 Non-dwelling Structures				
13	1475 Non-dwelling Equipment				
14	1485 Demolition				
15	1492 Moving to Work Demonstration	11,998,337	11,998,337	11,998,337	9,771,230
16	1495.1 Relocation Costs				
17	1499 Development Activities <sup>4</sup>				

<sup>1</sup> To be completed for the Performance and Evaluation Report.

<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

<sup>3</sup> PHAs with under 250 units in management may use 100% of CFFP Grants for operations.

<sup>4</sup> RHF funds shall be included here.

Annual Statement/Performance and Evaluation Report  
Capital Fund Program, Capital Fund Program Replacement Housing Factor and  
Capital Fund Financing Program

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
OMB No. 2577-0226  
Expires 3/31/2014

<b>Part I: Summary</b>		FFY of Grant: 2010 FFY of Grant Approval: 2010	
<b>PHA Name:</b> The Housing Authority of the City of Atlanta, Georgia	<b>Grant Type and Number</b> Capital Fund Program Grant No. GA06P006501-10 Replacement Housing Factor Grant No: Date of CFFP:		
<input checked="" type="checkbox"/> <b>Original Annual Statement</b> <input type="checkbox"/> <b>Revised Annual Statement (revision no: )</b> <input checked="" type="checkbox"/> <b>Performance and Evaluation Report for Period Ending: 06/30/2013</b> <input type="checkbox"/> <b>Final Performance and Evaluation Report</b>			
<b>Line</b>	<b>Summary by Development Account</b>	<b>Total Estimated Cost</b>	<b>Total Actual Cost <sup>1</sup></b>
		<b>Original</b>	<b>Obligated</b>
18a	1501 Collateralization or Debt Service paid by the PHA		
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment		
19	1502 Contingency (may not exceed 8% of line 20)		
20	Amount of Annual Grant: (sum of lines 2 - 19)	11,998,337	11,998,337
21	Amount of line 20 Related to LBP Activities		9,771,230
22	Amount of line 20 Related to Section 504 Activities		
23	Amount of line 20 Related to Security - Soft Costs		
24	Amount of line 20 Related to Security - Hard Costs		
25	Amount of line 20 Related to Energy Conservation Measures		
<b>Signature of Executive Director</b>		<b>Signature of Public Housing Director</b>	
<b>Date</b> 8/15/13		<b>Date</b>	

<sup>1</sup> To be completed for the Performance and Evaluation Report.

<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

<sup>3</sup> PHAs with under 250 units in management may use 100% of CFP Grants for operations.

<sup>4</sup> RHF funds shall be included here.

Annual Statement/Performance and Evaluation Report  
Capital Fund Program, Capital Fund Program Replacement Housing Factor and  
Capital Fund Financing Program

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
OMB No. 2577-0226  
Expires 3/31/2014

Part I: Summary			
PHA Name: The Housing Authority of the City of Atlanta, Georgia		Grant Type and Number Capital Fund Program Grant No: GA06P006501-09 Replacement Housing Factor Grant No: Date of CFFP:	
Type of Grant Original Annual Statement X Performance and Evaluation Report for Period Ending: 06/30/2013		<input type="checkbox"/> Reserve for Disasters/Emergencies <input type="checkbox"/> Revised Annual Statement (revision no: ) Final Performance and Evaluation Report	
Line	Summary by Development Account	Original	Revised <sup>2</sup>
		Total Estimated Cost	Obligated
		Expend	Total Actual Cost <sup>1</sup>
1	Total non-CFP Funds		
2	1406 Operations (may not exceed 20% of line 21) <sup>3</sup>		
3	1408 Management Improvements		
4	1410 Administration (may not exceed 10% of line 21)		
5	1411 Audit		
6	1415 Liquidated Damages		
7	1430 Fees and Costs		
8	1440 Site Acquisition		
9	1450 Site Improvement		
10	1460 Dwelling Structures		
11	1465.1 Dwelling Equipment—Nonexpendable		
12	1470 Non-dwelling Structures		
13	1475 Non-dwelling Equipment		
14	1485 Demolition		
15	1492 Moving to Work Demonstration	12,535,836	12,535,836
16	1495.1 Relocation Costs		
17	1499 Development Activities <sup>4</sup>		
		12,535,836	10,629,350

<sup>1</sup> To be completed for the Performance and Evaluation Report.

<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

<sup>3</sup> PHAs with under 250 units in management may use 100% of CFP Grants for operations.

<sup>4</sup> RHF funds shall be included here.

Annual Statement/Performance and Evaluation Report  
Capital Fund Program, Capital Fund Program Replacement Housing Factor and  
Capital Fund Financing Program

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
OMB No. 2577-0226  
Expires 3/31/2014

<b>Part I: Summary</b>		<b>FFY of Grant: 2009</b> <b>FFY of Grant Approval: 2009</b>	
<b>PHA Name:</b> The Housing Authority of the City of Atlanta, Georgia	<b>Grant Type and Number</b> Capital Fund Program Grant No: GA06P006501-09 Replacement Housing Factor Grant No: Date of CFFP:		
<b>Type of Grant</b> <input checked="" type="checkbox"/> <b>Original Annual Statement</b> <input type="checkbox"/> <b>Revised Annual Statement (revision no: )</b>		<b>Final Performance and Evaluation Report</b>	
<b>Performance and Evaluation Report for Period Ending: 06/30/2013</b>			
<b>Line</b>	<b>Summary by Development Account</b>	<b>Total Estimated Cost</b> <b>Original</b>	<b>Total Actual Cost<sup>1</sup></b> <b>Revised<sup>2</sup></b> <b>Obligated</b> <b>Expended</b>
18a	1501 Collateralization or Debt Service paid by the PHA		
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment		
19	1502 Contingency (may not exceed 8% of line 20)		
20	Amount of Annual Grant: (sum of lines 2 - 19)	\$ 12,535,836	\$ 12,535,836
21	Amount of line 20 Related to LBP Activities		
22	Amount of line 20 Related to Section 504 Activities		
23	Amount of line 20 Related to Security - Soft Costs		
24	Amount of line 20 Related to Security - Hard Costs		
25	Amount of line 20 Related to Energy Conservation Measures		
<b>Signature of Executive Director</b>		<b>Signature of Public Housing Director</b>	<b>Date</b> 8/15/13

<sup>1</sup> To be completed for the Performance and Evaluation Report.

<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

<sup>3</sup> PHAs with under 250 units in management may use 100% of CFP Grants for operations.

<sup>4</sup> RHF funds shall be included here.

Annual Statement/Performance and Evaluation Report  
Capital Fund Program, Capital Fund Program Replacement Housing Factor and  
Capital Fund Financing Program

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
OMB No. 2577-0226  
Expires 3/31/2014

<b>Part I: Summary</b>		<b>Grant Type and Number</b> Capital Fund Program Grant No: Replacement Housing Factor Grant No: GA06R006502-10 Date of CFFP:		<b>FFY of Grant: 2010</b> <b>FFY of Grant Approval: 2010</b>	
<b>PHA Name:</b> The Housing Authority of the City of Atlanta, Georgia					
<b>Type of Grant</b> <input checked="" type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/Emergencies <input type="checkbox"/> Performance and Evaluation Report for Period Ending: 06/30/2013 <input type="checkbox"/> Revised Annual Statement (revision no: )		<b>Final Performance and Evaluation Report</b>			
<b>Line</b>	<b>Summary by Development Account</b>	<b>Original</b>	<b>Total Estimated Cost Revised<sup>2</sup></b>	<b>Obligated</b>	<b>Total Actual Cost<sup>1</sup> Expended</b>
1	Total non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21) <sup>3</sup>				
3	1408 Management Improvements				
4	1410 Administration (may not exceed 10% of line 21)				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
11	1465.1 Dwelling Equipment—Nonexpendable				
12	1470 Non-dwelling Structures				
13	1475 Non-dwelling Equipment				
14	1485 Demolition				
15	1492 Moving to Work Demonstration				
16	1495.1 Relocation Costs				
17	1499 Development Activities <sup>4</sup>	\$ 3,958,066	\$ 3,958,066	\$ 3,958,066	\$ 2,682,199

<sup>1</sup> To be completed for the Performance and Evaluation Report.

<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

<sup>3</sup> PHAs with under 250 units in management may use 100% of CFP Grants for operations.

<sup>4</sup> RHF funds shall be included here.

Annual Statement/Performance and Evaluation Report  
Capital Fund Program, Capital Fund Program Replacement Housing Factor and  
Capital Fund Financing Program

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
OMB No. 2577-0226  
Expires 3/31/2014

<b>Part I: Summary</b>		<b>FFY of Grant: 2010</b> <b>FFY of Grant Approval: 2010</b>	
<b>PHA Name:</b> The Housing Authority of the City of Atlanta, Georgia	<b>Grant Type and Number</b> Capital Fund Program Grant No: Replacement Housing Factor Grant No: GA06R006502-10 Date of CFFP:		
<b>Type of Grant</b> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/Emergencies		<input type="checkbox"/> Revised Annual Statement (revision no: )	
<input checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending: 06/30/2013		<b>Final Performance and Evaluation Report</b>	
<b>Line</b>	<b>Summary by Development Account</b>	<b>Total Estimated Cost</b> <b>Original</b>	<b>Obligated</b> <b>Total Actual Cost<sup>1</sup></b> <b>Revised<sup>2</sup></b> <b>Expended</b>
18a	1501 Collateralization or Debt Service paid by the PHA		
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment		
19	1502 Contingency (may not exceed 8% of line 20)		
20	Amount of Annual Grant: (sum of lines 2 - 19)	\$ 3,958,066	\$ 3,958,066
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23	Amount of line 20 Related to Security - Soft Costs		
24	Amount of line 20 Related to Security - Hard Costs		
25	Amount of line 20 Related to Energy Conservation Measures		
<b>Signature of Executive Director</b>		<b>Signature of Public Housing Director</b>	<b>Date</b> 8/15/13
			<b>Date</b>

<sup>1</sup> To be completed for the Performance and Evaluation Report.

<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

<sup>3</sup> PHAs with under 250 units in management may use 100% of CFP Grants for operations.

<sup>4</sup> RHF funds shall be included here.

#### 4. Housing Choice Vouchers Authorized – as of June 30, 2013

##### Number of MTW HCV authorized at the end of FY 2013

As of June 30, 2013, AHA had 18,909 MTW Housing Choice Vouchers (HCV) authorized. This is an increase of 199 MTW vouchers over June 30, 2012 resulting from the conversion of Tenant Protection Vouchers to MTW vouchers during FY 2013.

##### Number of Non-MTW HCV authorized at the end of FY 2013

As of June 30, 2013, AHA had 660 non-MTW vouchers. This represents an increase of 110 non-MTW vouchers since June 30, 2012. This increase resulted from the receipt of additional vouchers during FY 2013.

**Permanent Non-MTW Vouchers:** As of June 30, 2013, AHA had 660 non-MTW vouchers that will not be converted to MTW vouchers. This includes 300 Family Unification Program (FUP) vouchers, 175 1-Year Mainstream vouchers, 50 5-year Mainstream Vouchers, and 135 Veterans Affairs Supportive Housing (VASH) vouchers. 110 of the VASH Vouchers were authorized in June 2013, but HUD will not begin funding until FY 2014 based on AHA's lease-up schedule.

**Table 1. Housing Choice Vouchers Authorized<sup>(1)</sup>**

Housing Choice Vouchers	6/30/2012	6/30/2013	Change	Percent Change
MTW Vouchers	18,710	18,909	199	1%
Non-MTW Vouchers:				
<i>Permanent Non-MTW Vouchers</i>	550	660	110	20%
<i>Tenant Protection Vouchers</i>	199	0	-199	-100%
Total Non-MTW Vouchers	749	660	-89	-12%
<b>TOTAL VOUCHERS</b>	<b>19,459</b>	<b>19,569</b>	<b>110</b>	<b>1%</b>

<sup>(1)</sup> AHA also received two FSS Coordinator vouchers effective January 1, 2013 which are not included in these figures.

# Comprehensive Annual Financial Report and Independent Auditors' Report



For the fiscal years ended  
June 30, 2012 and 2011

The Housing Authority of the City of  
Atlanta, Georgia

Prepared by the Atlanta Housing Authority

**COMPREHENSIVE ANNUAL FINANCIAL REPORT AND  
INDEPENDENT AUDITORS' REPORT**

**THE HOUSING AUTHORITY OF THE CITY OF ATLANTA, GEORGIA**

**For the fiscal years ended June 30, 2012 and 2011**

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## **INTRODUCTORY SECTION**

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November 27, 2012

Board of Commissioners  
The Housing Authority of the City of Atlanta, Georgia

We are pleased to present the Comprehensive Annual Financial Report of The Housing Authority of the City of Atlanta, Georgia (AHA or the Authority) for the fiscal year ended June 30, 2012 (FY 2012).

The information presented in this report is the responsibility of the management of AHA. To the best of our knowledge and belief, the information as presented is accurate in all material respects, is presented in a manner designed to fairly state the financial position and the results of operations of the Authority, and includes all necessary disclosures to enable the reader to gain a complete understanding of AHA's financial position. To provide a reasonable basis for making these representations, management of the Authority has established internal controls that are designed both to protect its assets and the integrity of its operations, and to compile sufficient reliable information for the preparation of the Authority's financial statements in conformity with generally accepted accounting principles (GAAP).

The U.S. Department of Housing and Urban Development (HUD) requires that each local housing authority publish, within nine months of the close of its fiscal year, a complete set of financial statements prepared in accordance with GAAP, consistently applied, and audited by a firm of independent certified public accountants. Metcalf Davis, engaged by AHA to audit its FY 2012 financial statements, issued an unqualified opinion on the financial statements of the Authority for the fiscal years ended June 30, 2012 and 2011, indicating that the Authority's financial statements are fairly presented in conformity with GAAP. The Independent Auditors' Report is included as the first component of the financial section of this report.

The independent audit of the financial statements of the Authority is part of a broader, federally mandated "Single Audit" designed to meet the special needs of Federal grantor agencies. The standards governing Single Audit engagements require an independent auditor to report not only on the fair presentation of the financial statements, but also on the Authority's internal controls and compliance with Federal Program requirements.

The Financial Statements for AHA consist of the Statements of Net Assets, Statements of Revenue, Expense and Changes in Net Assets, and Statements of Cash Flows. Notes to the Financial Statements are an integral part of the financial statements.

The Government Accounting Standards Board (GASB) requires that management provide a narrative introduction, overview and analysis to accompany the Financial Statements in the form of a Management's Discussion and Analysis (MD&A). This Letter of Transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent public accountants.

## **Profile of the Authority**

AHA is a public body corporate and politic created under the Housing Authorities Laws of the State of Georgia. AHA's mission is to provide quality affordable housing in amenity-rich, mixed-income communities for the betterment of the community. Since 1994, AHA has been transforming its operations from a troubled public housing authority to become a well-managed, diversified real estate company, with a public mission and purpose. AHA meets its mission by deploying its assets to facilitate quality affordable housing opportunities for low-income households (including low-income elderly and disabled persons) in amenity-rich, mixed-income communities in the City of Atlanta. AHA has broad corporate powers including, but not limited to, the power to: acquire, manage, own, operate, develop and renovate housing; invest and lend money; create for-profit and not-for-profit entities; administer Housing Choice Vouchers; issue bonds for affordable housing purposes; and develop commercial, retail and market-rate properties that benefit affordable housing. Many of AHA's programs are funded, in part, and regulated by HUD under the provisions of the U.S. Housing Act of 1937, as amended, as modified by AHA's Moving to Work Agreement (MTW Agreement) dated September 23, 2003, as amended and restated effective as of November 13, 2008 and as further amended effective as of January 16, 2009.

Under the Housing Authorities Laws, the governing body of AHA is the Board of Commissioners, whose members are appointed by the Mayor of the City of Atlanta. The Board of Commissioners hires the President and Chief Executive Officer who, in turn, hires the staff of the Authority. The current President and Chief Executive Officer is Renée Lewis Glover, who was hired on September 1, 1994.

AHA has created affiliate entities to implement and execute a number of the Authority's program activities and initiatives. The financial statements of these affiliates are included in AHA's financial statements as blended component units. AHA has one affiliate that is not a component unit, but is considered a related entity. As such, the financial activities for this entity have been excluded from the Authority's financial statements. (See Note A of the Notes to the Financial Statements for further details.)

AHA is one of the 11 founding members of Georgia HAP Administrators, Inc. *dba* National Housing Compliance (Georgia HAP), a Georgia not-for-profit 501(c)(4) corporation that performs contract administration services for HUD's project-based Section 8 and FHA-insured portfolio in the states of Georgia and Illinois. Georgia HAP subcontracts with its members and pays incentive fees and makes distributions for work performed. Fees earned by AHA from performing such contract administration services are included in AHA's financial statements.

On an annual basis, AHA submits its Comprehensive Operating and Capital Budget to the Board of Commissioners for approval. Throughout the fiscal year, the Board-approved budget is used as a management tool to plan, control and evaluate proprietary fund spending for each major project.

## **AHA's Mission, Vision and Guiding Principles**

Under Ms. Glover's leadership, AHA chartered a new course and embarked on an important and ambitious mission: to transform its delivery of affordable housing by ending the practice of concentrating low-income families and by abandoning the traditional 100 percent public housing model through implementation of a comprehensive and strategic revitalization program (Revitalization Program). Under AHA's Revitalization Program, public-housing-assisted households were relocated to housing of their choice, primarily to private housing (using Housing Choice Vouchers to close the gap for the cost of rent and utilities). After relocation, distressed and obsolete housing projects were demolished and the sites remediated and prepared for development. Through partnerships with excellent private-sector developers, market-rate-quality, mixed-use, mixed-income communities are developed using public and private resources. AHA's Revitalization Program is designed to intentionally deconcentrate poverty and create communities of choice, where Atlanta's families from every socio-economic status can live, learn, work and play as they pursue their version of the American dream.

In response to the deteriorating conditions in AHA's remaining distressed and obsolete public housing projects, the escalating rates of crime in these projects and the need to facilitate the assisted households in moving from such detrimental conditions, AHA designed and began implementing in FY 2007 a program called the "Quality of Life Initiative" (QLI). As of June 30, 2010, AHA successfully completed the relocation of all affected public-housing-assisted households and by December 31, 2010, AHA had completed the demolition of these 12 properties. With the completion of the relocation and demolition phases of QLI, AHA no longer owned or operated any large-family public-housing projects, thereby ending the era of warehousing low-income households in distressed and obsolete developments in isolated and depressed areas.

AHA continues to own 11 elderly high-rise buildings and two small-family public-housing-assisted developments, all of which are well-located in economically integrated neighborhoods. As a result of the above-described strategic initiatives, during FY 2011 and FY 2012, AHA has been able to focus its investments on the remaining AHA-owned residential properties to improve the physical plant and quality of life for its residents.

Moreover, as a result of these strategic initiatives — the Revitalization Program and QLI — AHA's operations are more stable and its financial position is sound.

### **AHA's Vision**

#### ***"Healthy Mixed-Income Communities, Healthy Self-Sufficient Families"***

AHA's strategies and initiatives for facilitating housing opportunities for low-income families in the City of Atlanta are governed by five guiding principles:

1. End the practice of concentrating low-income families in distressed and isolated neighborhoods.
2. Develop communities through public/private partnerships, leveraging private-sector know-how and using public and private sources of funding and private-sector real estate market principles.
3. Create mixed-use, mixed-income communities with the goal of creating market-rate communities with a seamlessly integrated, affordable residential component.

4. Create healthy mixed-use, mixed-income (children-centered) communities using a holistic and comprehensive approach to ensure long-term marketability and sustainability, and to support excellent outcomes for families, especially children, with emphasis on excellent, high-performing neighborhood schools and excellent quality-of-life amenities, such as first-class retail and green space.
5. Residents should be supported with adequate resources to assist them to achieve their life goals, focusing on self-sufficiency and educational advancement of the children. Expectations and standards for personal responsibility should be benchmarked for success.

Since 1994, AHA has been able to successfully deconcentrate poverty through implementation of its Revitalization Program. The Revitalization Program calls for AHA, in partnership with great private-sector developers, to leverage its public housing development funds, its land and its operating subsidies to facilitate for income-eligible households the availability of quality affordable housing opportunities in mixed-use, mixed-income communities. To date, AHA has sponsored the creation of 16 master-planned, mixed-use, mixed-income communities, leveraging more than \$300 million in HOPE VI, other public housing development funds and MTW Funds, resulting in a total financial investment and economic impact of more than \$3 billion.

### **Moving to Work (MTW) Status**

Having moved from “troubled agency” status in 1994 to “high performer” status in 1999 and sustained that status thereafter, AHA applied for and received the MTW designation in 2001. After protracted negotiations with HUD, AHA executed its MTW Agreement with HUD on September 23, 2003, effective as of July 1, 2003. AHA negotiated and executed with HUD an extension of this agreement effective November 13, 2008, as amended on January 16, 2009, which extended the MTW Agreement until June 30, 2018, with rights to further ten-year extensions, subject to HUD’s approval and meeting certain agreed-upon conditions. AHA’s MTW Agreement provides substantial statutory and regulatory relief under the U.S. Housing Act of 1937, as amended. AHA’s program design for implementing its MTW Agreement is reflected in AHA’s multi-year Business Plan, which was prepared leveraging the statutory and regulatory relief under its MTW Agreement and the guiding principles, the lessons learned and best practices from AHA’s Revitalization Program. Under its MTW Agreement, AHA has the statutory and regulatory flexibility to implement local solutions to address local challenges in providing affordable housing opportunities to income-eligible households in Atlanta.

Consistent with the five guiding principles, AHA’s Business Plan sets forth **three primary goals**:

- **Quality Living Environments** — Provide quality affordable housing in healthy mixed-income communities with access to excellent quality-of-life amenities.
- **Self-Sufficiency** — (a) Facilitate opportunities for families and individuals to build economic capacity and stability which reduce their dependency on subsidy, ultimately becoming financially independent; (b) facilitate and support initiatives and strategies to support great educational outcomes for children; and (c) facilitate and support initiatives that enable the elderly and persons with disabilities to live independently with enhanced opportunities for aging well.
- **Economic Viability** — Maximize AHA’s financial soundness and viability to ensure sustainability.

## **FY 2012 Priority Activities**

AHA's enterprise-wide activities continued to be aligned around the **eight major priorities** of AHA's FY 2012 MTW Annual Implementation Plan which are highlighted as follows:

- 1. Advance the Master Plans for AHA-sponsored master-planned mixed-use, mixed-income communities.**
  - Creating mixed-income communities
  - Fostering quality community schools
  - Green space and neighborhood improvements
  - Energy-efficient housing
  - HOPE VI grant closeouts
  - Leveraging public-private partnerships
  - Choice Neighborhoods Planning Grant
  - Comprehensive homeownership programs
- 2. Evolve AHA's asset management business model.**
  - Improving long-term financial stability of real estate
  - Supportive Housing for Homeless, Mental Health and Special Needs Populations
  - Reducing homelessness in Atlanta
- 3. Re-engineer the administration of the Housing Choice Voucher Program.**
  - Piloting program re-design ideas
  - Serving vulnerable families
  - Real estate-centric business approach
- 4. Improve the quality of life at AHA-Owned Residential Communities by greening the properties and increasing efficiencies.**
  - Capital improvements and upgrades to units
  - Saving energy and managing costs
  - Building harmony and respect in communities
  - Bridging the "digital divide"
  - Growing urban community gardens
- 5. Advance the human development strategy through strategic partnerships.**
  - Supporting financial independence and resiliency
  - Connecting to service providers
  - Encouraging educational advancement
  - Funding the Atlanta Community Scholars Awards (ACSA)
  - Aging Well Program
- 6. Implement the integrated Enterprise Resource Planning (ERP) solution.**
  - Launching first phase of new ERP solution
  - Improving processes
  - Reducing reporting errors

**7. Streamline AHA's operations and strengthen AHA's financial position through new sources of funding and revenue, and by managing costs.**

- Increasing operational efficiency
- Funding and revenue activities

**8. Leverage AHA's human resources.**

- New Performance Management and rewards process
- Technology links human resources and payroll processes

**During FY 2012, AHA achieved the following:**

- 21,035 households served by AHA.
- 69 percent of households were either work compliant or deferred under AHA's work/program requirement. Deferred families were supported in a tough economy through their engagement in training and education leading to jobs and self-sufficiency. A culture of work, resiliency and self-reliance has been embraced by our customers.
- 234 new affordable rental units (including low income housing tax credit units) and 24 new market-rate rentals were completed in AHA-sponsored mixed-use, mixed-income communities on the sites of former public housing projects.
- 33 low-income, first-time home-buyers received down payment assistance from AHA.
- 9,277 households (6,878 of whom live in the City of Atlanta) received assistance through the Housing Choice Voucher Program.
- 126 units were added to the affordable housing inventory by private developers utilizing AHA's Project Based Rental Assistance (PBRA) Program.
- 87 units under PBRA Agreements with private owners were added to provide housing for vulnerable groups such as homeless persons, veterans, and persons with mental or developmental disabilities, all with wrap-around supportive services. Our commitment to the Regional Commission on Homelessness and the United Way was sustained by providing permanent supportive housing for a total of 546 formerly homeless households.
- \$0.9 million of the remaining balance of the \$26.6 million Federal American Recovery and Reinvestment Act (ARRA) stimulus grant awarded by HUD in 2009 was expended for the common areas and exteriors of the 13 AHA-Owned (public housing-assisted) Residential Communities. AHA also expended an additional \$1.8 million in MTW funds for repairs and upgrades to selected units.
- 62 percent of residents of AHA-Owned Residential Communities are crossing the digital divide using the new computer rooms and services as a part of AHA's Aging Wellness Initiative.
- 46 students were awarded over \$100,000 in scholarships through AHA's Atlanta Community Scholars Award.

These and other successes are highlighted in AHA's FY 2012 MTW Annual Report.

## **Transforming the Business of Helping People**

We take our responsibility of service to the community and the families we serve very seriously. Our MTW Agreement has allowed us to be innovative and engage our partners and stakeholders in local problem-solving. This innovation extends to the back-office operations and the way we do business.

In FY 2010, AHA began a multi-year, comprehensive business transformation to better serve our families and to position AHA as a best-in-class diversified real estate company with a public mission and purpose. In partnership with Boston Consulting Group (BCG), an international strategy and business consulting firm, AHA assessed our business model, strategy and operations from five dimensions: process, policy and procedure, people, technology, and data.

During FY 2012, we continued to re-engineer our business and implement the Business Transformation Initiative.

In our first major success, AHA implemented the first phase of the Yardi Enterprise Resource Planning (ERP) Solution — on-time and as budgeted — and immediately reduced manual paper invoice approval processes. By the end of FY 2013, we expect to substantially complete the implementation of the ERP Solution and begin realizing other long-term efficiencies.

## **Economic Conditions**

Like every other major metropolitan area in the United States, metropolitan-Atlanta has been adversely impacted by the global economic recession. Many local and national economists have stated that metropolitan-Atlanta and Georgia remain attractive places to live, work and invest because the fundamentals are quite strong. Metropolitan-Atlanta enjoys the benefits of moderate weather, an educated workforce, a concentration of excellent colleges and universities, and the Hartsfield Jackson International Airport. Such economists have stated that, given these fundamentals, Atlanta's economic recovery will be better than that of the nation. Job loss data suggests, however, that Atlanta in the near term has been hit slightly harder by the recession than the nation. Net job growth in metropolitan-Atlanta began in late 2010 and continued through 2011 and 2012, but at a sluggish pace. All indications suggest full recovery will take several more years.

AHA has been similarly impacted as follows:

- AHA-sponsored development activities, in partnership with private developers, rely on private investment and the conditions in the real estate and financial markets. AHA expects that our development activities will pick up as those markets improve and credit becomes more available.
- Recently, the multi-family rental market has begun to recover nationally and in the City of Atlanta. This growth is primarily in response to a very soft market for the production and sale of single-family homes.
- The downturn in the Atlanta real estate market has created both opportunities and challenges. AHA has been able to purchase real estate at more reasonable prices to advance revitalization activities. In this environment, real estate owners throughout the City of Atlanta have been willing to participate in the PBRA initiative, thereby guaranteeing a stream of income for a percentage of their units in a soft market. This has opened new markets in Atlanta for this initiative. Households using tenant-based Housing

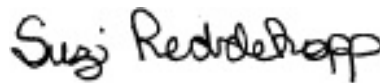
Choice Vouchers have had a broader array of choices to use their vouchers, tempered by the heightened risk of foreclosure. With the recent recovery in the multi-family rental market, AHA will need to develop new incentives and approaches in order to facilitate continued access to Class A and B properties to tenant-based voucher holders.

- AHA-assisted households have been impacted by the downturn in the employment market which will result in higher aggregate subsidy payments from AHA until the employment market recovers.
- In preparing our budget for FY 2013 in the context of the reality of the staggering Federal deficit, AHA has been more conservative in making assumptions and projections concerning revenue. AHA believes that as a result of: a) the statutory and regulatory relief provided under its MTW Agreement; b) the operational and financial efficiencies resulting from combining its low-income operating funds, Housing Choice Voucher funds and certain capital funds into a single fund and preparing a multi-year Business Plan; and c) the elimination of the obsolete, distressed and socially dysfunctional public housing projects through the thoughtful implementation of its comprehensive Revitalization Program and QLI, it is well-positioned to come through this economic downturn. Even in a down economy, these strategic steps have enabled AHA to provide income-eligible households with substantially better housing opportunities in amenity-rich communities and neighborhoods.

We wish to express our appreciation to all of the individuals who contributed to the preparation of this Report.

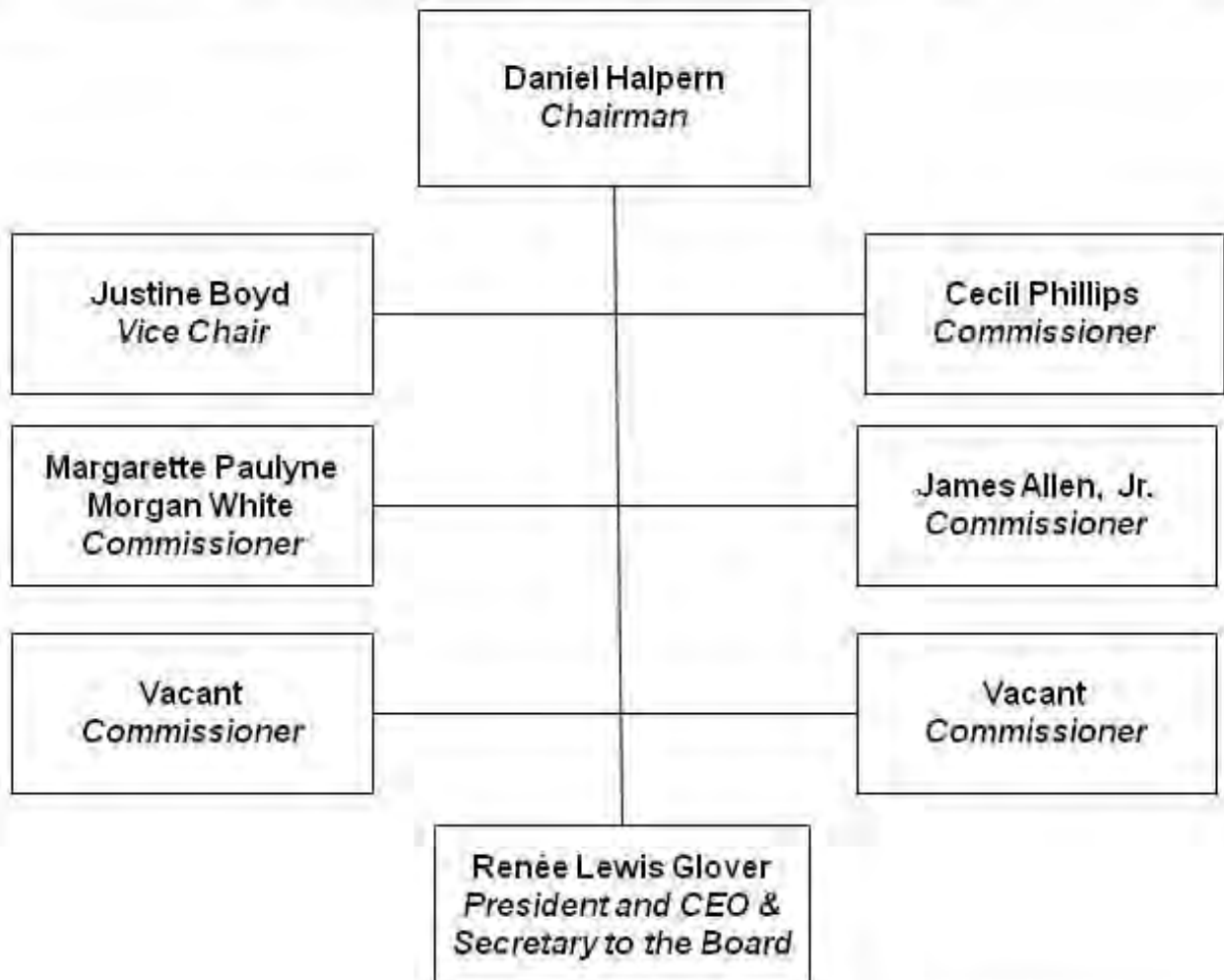


Renée Lewis Glover  
President and Chief Executive Officer



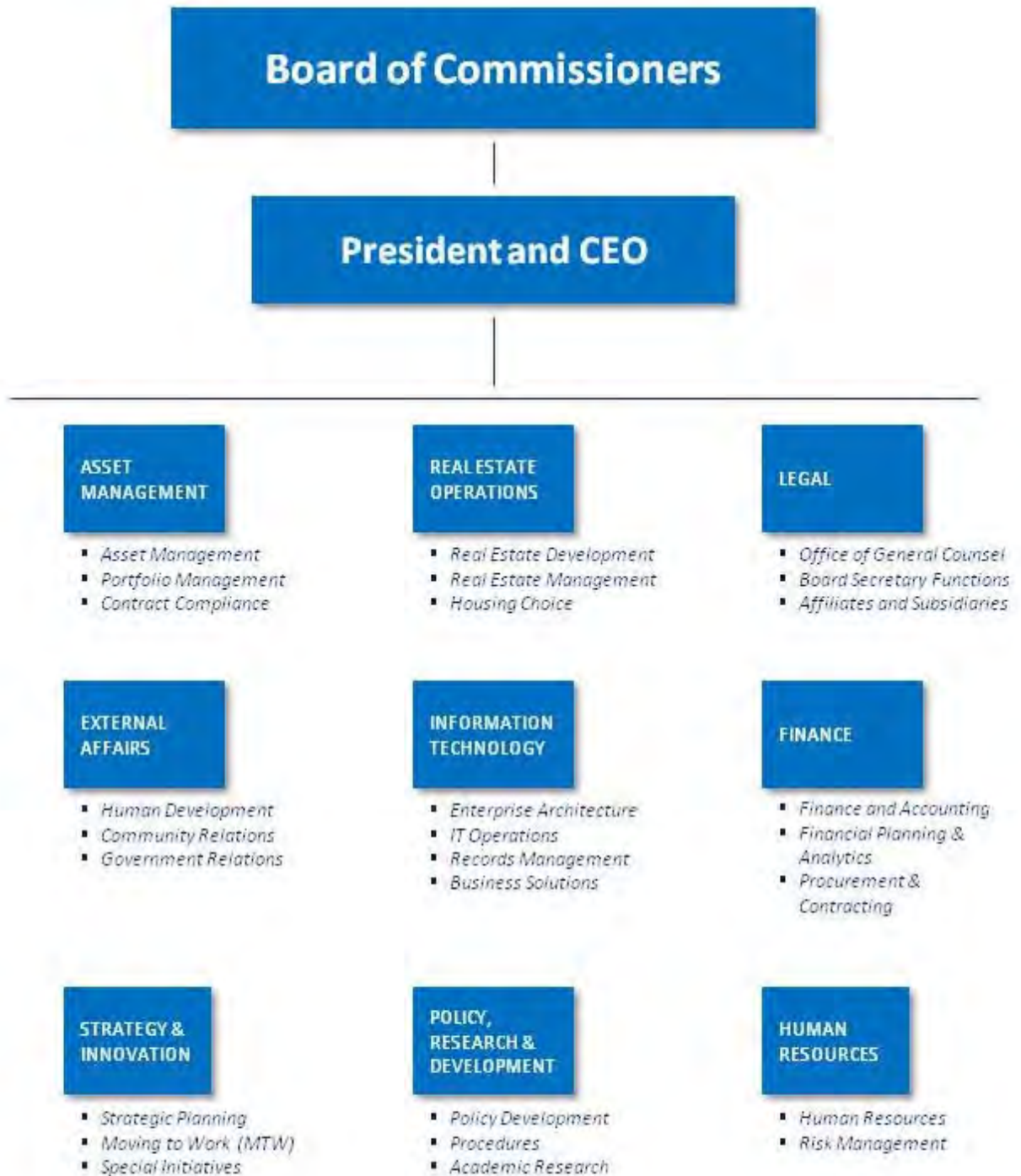
Suzi Reddekopp  
Chief Financial Officer

## AHA's Board of Commissioners



As of June 30, 2012

# AHA's Organizational Structure



As of June 30, 2012

## **FINANCIAL SECTION**

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*Certified Public Accountants*

## Independent Auditors' Report

Board of Commissioners  
The Housing Authority of the City of Atlanta, Georgia

We have audited the accompanying financial statements of The **Housing Authority of the City of Atlanta, Georgia** (hereinafter referred to as the "**Atlanta Housing Authority**") as of and for the fiscal years ended June 30, 2012 and 2011, as listed in the table of contents. These financial statements are the responsibility of the **Atlanta Housing Authority**'s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the **Atlanta Housing Authority**, as of June 30, 2012 and 2011 and the changes in financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2012 on our consideration of the **Atlanta Housing Authority**'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering and assessing the results of our audits.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 15 through 38 and the Schedule of Pension Funding Progress on page 72 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audits were conducted for the purpose of forming an opinion on the financial statements of the **Atlanta Housing Authority** taken as a whole. The Financial Data Schedules and notes thereto, the Schedule of HUD-Funded Grants, and Program Cost Certification Schedules listed as "Other Supplementary Information" in the table of contents are required by the United States Department of Housing and Urban Development and are presented for purposes of additional analysis and are not a required part of the financial statements of the **Atlanta Housing Authority**. The Financial Data Schedules, the Schedule of HUD-Funded Grants, and Program Cost Certification Schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. This information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the financial statements taken as a whole.

Our audits were conducted for the purpose of forming an opinion on the financial statements of the **Atlanta Housing Authority** taken as a whole. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. These sections have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.



Atlanta, Georgia  
November 27, 2012

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

*The management of The Housing Authority of the City of Atlanta, Georgia (AHA) is providing this Management's Discussion and Analysis as an analytical overview of AHA's financial performance for the fiscal years ended June 30, 2012 (FY 2012) and June 30, 2011 (FY 2011). This document should be read in conjunction with the Letter of Transmittal, AHA's Financial Statements and accompanying Notes.*

### **Moving to Work (MTW) Demonstration Program**

AHA is an MTW agency under HUD's MTW Demonstration Program which provides certain "high-performing" agencies with substantial statutory and regulatory relief under the U.S. Housing Act of 1937, as amended (1937 Act), as reflected in an agreement between the selected agency and HUD. AHA negotiated and entered into its MTW Agreement with HUD on September 25, 2003 which was effective from July 1, 2003 through June 30, 2010. In response to HUD's decision to introduce a standard form of agreement and expand the MTW Demonstration Program, AHA successfully negotiated and executed an Amended and Restated MTW Agreement on November 13, 2008. On January 16, 2009, AHA and HUD executed a further amendment to the Amended and Restated MTW Agreement. AHA's MTW Agreement, as amended and restated, is referred to as the "MTW Agreement."

AHA's MTW Agreement incorporates its legacy authorizations from its initial MTW Agreement and clarifies AHA's ability to use MTW-eligible funds outside of Section 8 and Section 9 of the 1937 Act. AHA's MTW Agreement was extended until June 30, 2018, and may be automatically extended for additional 10-year periods, subject to HUD approval and AHA meeting certain agreed-upon conditions. AHA developed its base Business Plan in FY 2004, which lays out AHA's strategic goals and objectives during the term of its MTW Agreement. AHA's Business Plan and its subsequent annual MTW Implementation Plans on a cumulative basis outline AHA's priority projects, activities and initiatives to be implemented during each fiscal year.

### **Significance of MTW**

AHA's MTW Agreement has enabled it to strengthen its financial position and to face the headwinds resulting from Federal budget deficits and the Congressional Appropriations process. Under its auspices, AHA has been able to operate as an innovator and problem solver, to be a nimble, efficient and effective real estate enterprise, and to serve more low-income families in the City of Atlanta. The MTW Agreement has removed regulatory and statutory barriers, and has enabled AHA to align its policies, business processes and practices with the goal of leveraging private-sector investment and incenting participation by private real estate developers and owners, as well as investors in long-term public/private partnerships, utilizing private-sector real estate business principles in achieving AHA's goals and objectives. Through these public/private partnerships, AHA is able to do more with less, realize better operating efficiencies and effectiveness, and achieve dramatically better outcomes for AHA-assisted families and AHA's real estate investments. The relief provided AHA under the MTW Agreement is essential to AHA's continued success and long-term financial viability.

The Housing Authority of the City of Atlanta, Georgia  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **MTW Single Fund**

Under its MTW Agreement, AHA has combined its Public Housing Operating Subsidy, MTW Housing Choice Voucher Funds and Capital Fund Program Grant awards into an MTW Single Fund which may be used for MTW-eligible activities as authorized under the MTW Agreement and set forth in AHA's Business Plan and annual MTW Implementation Plans. Although the programmatic restrictions for each of these funding sources have been waived under AHA's MTW Agreement, the various funds that make up AHA's MTW Single Fund have different expiration dates, obligation and expenditure dates, and drawdown conditions, the most recent of which is HUD's new approach to disbursing the Housing Choice Voucher Funds.

At the beginning of calendar year 2012, HUD made a major change in its approach in disbursing Housing Choice Voucher Funds to public housing authorities (PHAs). HUD now disburses such funds based on a PHA's historical housing assistance payment spend rate and projected need, rather than in 12 equal installments of the full annual authorization. As an MTW agency, HUD also allows AHA to include expenditures of MTW funds for MTW-eligible activities under its HUD-approved MTW Annual Implementation Plans for the purposes of HUD's spend rate and needs analyses. PHAs may request additional disbursements up to their annual authorization, but must expend all funds drawn or face further disbursement reductions in the future. In response to all of these factors, AHA adopted a cash management strategy designed to meet such requirements while preventing the forfeiture of funds as a result of expenditure deadlines. This new cash management strategy required AHA to manage its draws of all three funding sources in FY 2012 to respond to HUD's new Housing Choice Voucher Funds disbursement methodology. At the end of the year, AHA deferred drawing \$14.5 million in Housing Choice Voucher Funds which, under the prior HUD methodology, would have been drawn in FY 2012. This deferral had a temporary negative impact on AHA's cash balances and, therefore, Net Assets as of June 30, 2012 as compared to June 30, 2011.



### **FY 2012 Overview**

AHA's financial position remained strong with net assets of \$433.2 million at June 30, 2012. An overview of AHA's operations, including initiatives and activities pursued by AHA during the year, are summarized below and are further described in the **FY 2012 Financial Highlights** beginning on page 21.

The Housing Authority of the City of Atlanta, Georgia  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FY 2012 Overview — continued**

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During FY 2012, over 95% of AHA's funding came from HUD in the form of Housing Choice Voucher Funds, Public Housing Operating Subsidy and Capital Fund grants. As stated previously, at the beginning of calendar year 2012, HUD made a major change in its approach in disbursing Housing Choice Voucher Funds to public housing authorities. In response, AHA adopted a new cash management strategy designed to prevent the potential forfeiture of funds.

AHA also received revenue from rents paid by residents of the 13 AHA-Owned Residential Communities; fees earned in connection with development activities under its Revitalization Program; participation with the individual Owner Entities in net cash flows from mixed-income, mixed-finance rental communities (in the form of interest payments on AHA's subordinated debt or ground lease payments, depending on the deal structure); profit participation from the sale of single family homes at the sites of the master-planned, mixed-use, mixed-income communities; and fees earned as a subcontractor and member of Georgia HAP Administrators, Inc. *dba* National Housing Compliance (Georgia HAP).

Nearly 19 years ago, AHA chartered a new course and embarked on an important and ambitious mission: to end the practice of concentrating low-income families in poverty and abandon the traditional 100% public housing model. AHA has accomplished this goal through the implementation of its comprehensive and strategic mixed-use, mixed-income revitalization program (Revitalization Program) using the seed funding and regulatory flexibility under the HOPE VI Demonstration program (Hope VI). Starting in 1994, AHA and The Integral Partnership of Atlanta (TIPA), its procured program manager and private-sector development partner for the revitalization of Techwood/Clark Howell Homes created the first mixed-use, mixed-income community (with public-housing-assisted units as a component) in the United States. The financial, regulatory and development model used to develop Centennial Place was adopted and has been used by HUD since 1995 as the national blueprint for mixed-income, mixed-finance rental communities. Leveraging the learning and best practices from its early success in creating Centennial Place, AHA successfully competed for and received six additional HOPE VI revitalization grants, one public housing development grant and four HOPE VI demolition grants totaling approximately \$200 million. To date, AHA and its private-sector development partners have created 16 mixed-use, mixed-income communities leveraging AHA-owned land and approximately \$300 million in HOPE VI and other public housing development grants into approximately \$3 billion in public and private investment and economic impact. During FY 2012, the financial close-outs for the remaining three HOPE VI grants were successfully submitted to HUD. Although the programmatic grant requirements have been met, AHA and its development partners are leveraging the value created in the newly revitalized communities to implement additional mixed-use residential and commercial development as described in the various Master Plans primarily using private sources of funds. Consistent with this strategy, during FY 2012, AHA and its private-sector development partners continued to use MTW and other sources of funds as seed capital to advance the community-building strategies as outlined in the Master Plans. Significant FY 2012 activities by Master Plan are addressed on page 23.

In collaboration with HUD, AHA and TIPA continued their efforts to evolve the reformulation demonstration program for the four rental phases at Centennial Place. This demonstration program is designed to improve the long-term financial sustainability and market competitiveness of Centennial Place. The demonstration program proposes the conversion of the Section 9 public-housing-assisted

The Housing Authority of the City of Atlanta, Georgia  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FY 2012 Overview — continued**

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units (ACC units) into Section 8 project-based rental assisted units under AHA's Project Based Rental Assistance (PBRA) Agreement. As proposed, the conversion will allow the Owner Entities of the four rental phases at Centennial Place to raise private debt and equity using the net operating income generated by each such phase (including the AHA-assisted units) to pay for much-needed capital improvements. AHA intends to use the protocols and learning from this demonstration program to facilitate similar improvements at other AHA-sponsored master-planned communities as they age.

Working with its private-sector development partners, AHA also continued to advance first-time home ownership through its Builders/Owners Agreement Initiative by entering into agreements with single-family homebuilders and owners to provide down payment assistance to qualified families to purchase homes from those Builders/Owners at considerably discounted prices throughout the City of Atlanta.



AHA continues to facilitate quality affordable housing opportunities for low-income families through the tenant-based Housing Choice Voucher Program (HCVP), AHA's Project Based Rental Assistance (PBRA) Program, AHA-sponsored mixed-use, mixed-income communities and AHA-Owned Residential Communities.

Almost half of the families served by AHA during FY 2012 received housing assistance through HCVP. Through attrition, the number of families served continued to decrease during FY 2012 under this program as AHA strategically reprogrammed a portion of these funds to support additional housing opportunities under AHA's PBRA Program.

AHA continues to expand and enhance its PBRA Program. Under this program, through a competitive process, AHA leverages private-sector development activity by entering into long-term subsidy agreements, renewable for up to 15 years, with private-sector developers and owners with respect to an agreed-upon percentage of units in multi-family rental developments so that the units are affordable to low-income families. The PBRA Program has proven to be an effective and efficient method for increasing the supply of quality affordable units in mixed-income rental communities for income-eligible families throughout the City of Atlanta.

The Housing Authority of the City of Atlanta, Georgia  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FY 2012 Overview — continued**

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AHA also leveraged its PBRA Program to partner with mission-oriented for-profit, not-for-profit and faith-based developers/owners to create supportive housing opportunities for at-risk populations combined with wrap-around supportive services and case management. These Supportive Housing communities help address the critical shortage of service-enriched affordable housing for homeless persons and persons with mental, developmental and physical disabilities. Through a competitive process, AHA selects and enters into a two-year renewable PBRA subsidy agreement with for-profit, not-for-profit and/or faith-based developers/owners with respect to an agreed-upon percentage of units in a supportive service-enriched rental development so that the units are affordable to persons who are homeless or who have special needs.

AHA continued to provide operating subsidy to Owner Entities of mixed-income, mixed-finance rental communities, in accordance with regulatory and operating agreements with them, to cover the operating costs of AHA-assisted units in mixed-income rental communities not covered by tenant rents.

AHA continued to fund operating expenses not covered by tenant rents including human development services to support residents, most of whom are seniors, at the AHA-Owned Residential Communities. In addition, a second Energy Performance Contract (EPC) was consummated which combined an EPC bank loan with MTW funds to enhance vibrant “aging well” environments through capital improvements utilizing energy conservation and efficiency solutions at these communities. The EPC structure provides for the loan to be repaid through future energy savings resulting from these improvements. The terms of the loan agreement provided that all proceeds would be fully drawn at signing and placed in an escrow account. The undrawn balance at June 30, 2012 is reflected in Current Assets on AHA’s Balance Sheet.

In order to improve efficiencies and enhance service levels to the families we serve, AHA continued its business transformation by substantially completing the engagement which began in 2010 with the Boston Consulting Group (BCG), a global professional business consulting firm. During FY 2012, AHA continued the implementation, with the support of BCG, of recommendations and strategies made by BCG and agreed to by AHA, including: (i) aligning AHA’s organization structure, culture, human resources, information technology and other systems in order to sustain and elevate its national reputation as a thought leader and innovator in affordable housing; (ii) advancing business process improvements in which AHA redesigned processes, operating policies and procedures to provide a road map to a “best in class” organization; and (iii) the implementation of a new integrated Enterprise Resource Planning (ERP) solution which was approved by the Board in January 2011. The first phase of the ERP solution went “live” on July 2, 2012. The remaining phases are projected to be substantially complete by the close of FY 2013.

In June 2012, AHA’s Board approved the \$3.2 million payoff of the mortgage on its headquarters building at 230 John Wesley Dobbs Avenue. This early payoff was made as a part of AHA’s cash management strategy and to ensure that AHA met its performance benchmark under its MTW Agreement for expending greater than 98% of its FY 2012 MTW Housing Choice Voucher Funds annual budget allocation on MTW-eligible activities.

The Housing Authority of the City of Atlanta, Georgia  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Creating Model Communities**

By leveraging AHA's public housing development funds and land with private-sector know-how and branding, private funds and other resources over the past 19 years, AHA, in partnership with excellent private-sector developers, has facilitated and expanded the availability of quality affordable housing opportunities in amenity-rich, mixed-use, mixed-income communities. In doing so, AHA has made a significant impact on de-concentrating poverty in the City of Atlanta. AHA and its private-sector partners have leveraged well over \$300 million in HOPE VI and other public housing development funds, producing more than \$3 billion in new financial investments and economic impact in once-distressed and economically disinvested neighborhoods throughout the City of Atlanta. As described in the Letter of Transmittal, the FY 2012 strategy was again this year closely aligned around major priorities and several ongoing enterprise initiatives, which continue AHA's evolution as an effective, high-performing, diversified real estate company, with a public mission and purpose.



The Housing Authority of the City of Atlanta, Georgia  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FY 2012 FINANCIAL HIGHLIGHTS**

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Net Assets were **\$433.2 million** and **\$435.8 million** respectively at June 30, 2012 and June 30, 2011, reflecting a **\$2.6 million** decrease between years (less than a one-percent change).

The FY 2012 Financial Highlights, as well as year-over-year analysis, follow.

**AHA-Owned Residential Communities**

- Continued to serve households in two family communities and advance the strategic goal of independent living and improving the quality of life for seniors “aging well” at the 11 senior high-rises as follows:
  - Funded \$11.9 million in operating expenses not covered by tenant rents including human development services, to support 1,943 households, most of whom are seniors.
  - Implemented energy conservation and efficiency solutions at the communities using \$6.7 million in draws from a \$9.1 million EPC bank loan, supplemented by \$1.8 million in MTW funds.
  - Spent the remaining balance of approximately \$0.9 million of the Federal stimulus American Recovery and Reinvestment Act (ARRA) grant awarded by HUD in 2009 for renovations at the communities and completion of the demolition of the remaining Quality Living Initiative (QLI) projects, fully expending the \$26.6 million award. The ARRA grant was a one-time special award as part of the Administration’s response to the dire economic conditions in 2008.

**Cheshire Bridge Road Highrise**



**Peachtree Road Highrise**



The Housing Authority of the City of Atlanta, Georgia  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Housing Choice Voucher Program (HCVP)**

- Supported 9,277 households at the end of FY 2012 under the tenant-based Housing Choice Voucher Program, including participants who moved outside AHA's service area and participants who moved into AHA's service area from other public housing agencies.
- Other significant HCVP accomplishments during FY 2012 include:
  - Awarded, for the first time, 25 HUD Veterans Affairs Supportive Housing (HUD-VASH) vouchers, a cooperative program between HUD and the Veterans Administration to support homeless veterans.
  - Increased the number of households served who ported into the City of Atlanta by 85, bringing the total to 170. In September 2010, AHA began to invoice other public housing authorities for administering their vouchers (rather than absorbing their vouchers), collecting more than \$1.3 million in reimbursements and administrative fees during FY 2012.
  - Continued to realize savings through the rent reasonableness initiative implemented under the auspices of AHA's MTW Agreement in FY 2011.
  - Continued to promote homeownership through the Housing Choice mortgage assistance program, serving 83 families at the end of FY 2012.
  - While the families served under HCVP decreased by a net of 634 during FY 2012, AHA strategically reprogrammed a portion of the savings to support additional housing opportunities under the PBRA Program.
  - Provided a total of \$94.9 million in housing assistance payments to 9,107 households under the tenant-based HCVP.

**Project Based Rental Assistance (PBRA) Program**

- Increased the number of households served by a net of 126 in PBRA mixed-income developments under PBRA agreements with private property owners, bringing the total to 2,417.
- Increased the number of households served by a net of 104 at AHA-sponsored master-planned communities under PBRA agreements with Owner Entities, bringing the total to 1,327.
- Increased the number of participants by 87 in AHA-assisted supportive housing environments under PBRA agreements, bringing the total served to 546 under AHA's Supportive Housing Program.
- Provided a total of \$31.6 million in PBRA payments supporting a total of 4,290 units under AHA's PBRA Program.

The Housing Authority of the City of Atlanta, Georgia  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Operating Subsidy Provided to Owner Entities of Master-Planned Communities**

- Increased the number of public-housing-assisted units for families residing in AHA-sponsored Mixed-Income, Mixed-Finance (MIMF) Communities by 47, bringing households served to 2,471.
- Provided \$14.1 million in operating subsidy to Owner Entities, in accordance with regulatory and operating agreements with them, to cover the operating costs of AHA-assisted units in mixed-income communities not covered by tenant rents.

**Revitalization Activities**

AHA and its private-sector development partners continue to advance the Master Plans of the mixed-use, mixed income communities, with significant accomplishments during FY 2012 as follows:

**Auburn Pointe — Grady Homes Revitalization**

- Construction and lease-up were completed by the Owner Entity on Phase VII, a 102-unit independent senior community consisting of 91 PBRA/Low-Income Housing Tax Credits (LIHTC) and 11 market-rate units.
- AHA made a significant contribution toward the revitalization of city-owned Selena S. Butler Park, located adjacent to Auburn Pointe. The improvements were completed through collaborative efforts by AHA, its development partner, the City of Atlanta and a number of other organizations.

**Capitol Gateway — Capitol Homes Revitalization**

- Acquired land to expand mixed-use residential development.
- Under the Livable Communities Initiative, the Atlanta Regional Commission, the City of Atlanta and AHA funded streetscape improvements along Memorial Drive; the work will be completed by AHA's development partner in FY 2013.

**Centennial Place — Techwood/Clark Howell Revitalization**

- Continued to advance AHA's proposal for reformulation of the public housing operating subsidy into project-based rental assistance utilizing AHA's PBRA Agreement.

**CollegeTown at West End — Harris Homes Revitalization**

- Provided down payment assistance in the form of subordinated loans to 13 home buyers utilizing Builders/Owners agreements for homes already constructed within three miles of the former Harris Homes site.

**Mechanicsville — McDaniel Glenn Revitalization**

- Construction and lease-up were completed by the Owner Entity on Phase VI, a 156-unit multi-family rental community, consisting of 47 public housing-assisted/LIHTC, 32 PBRA/LIHTC, 53 LIHTC, and 24 market-rate units leased-up in FY 2012. This is the first designated Leadership in Energy and Environmental Design (LEED) Silver Project in AHA's master-planned, mixed-income, mixed-finance community portfolio.

The Housing Authority of the City of Atlanta, Georgia  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Revitalization Activities (Mechanicsville) — continued**

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- Provided down payment assistance in the form of subordinated loans to 14 home buyers utilizing Builders/Owners agreements for homes already constructed within three miles of the former McDaniel Glenn site.

**The Villages at Carver — Carver Homes Revitalization**

- Acquired sites in the Pryor Road corridor to advance retail development. Advanced environmental remediation related to these acquisitions.

**West Highlands at Heman E. Perry Boulevard — Perry Homes Revitalization**

- Completed off-site public improvements to support the construction of 54 single-family homes.
- AHA's development partner continued to construct single-family homes and sold 17 homes during the year. Of the 17 sold, AHA provided down payment assistance in the form of subordinated loans to six home buyers. AHA participates in the net profit from the sale of these homes.



**Scholars Landing — University Homes Revitalization**

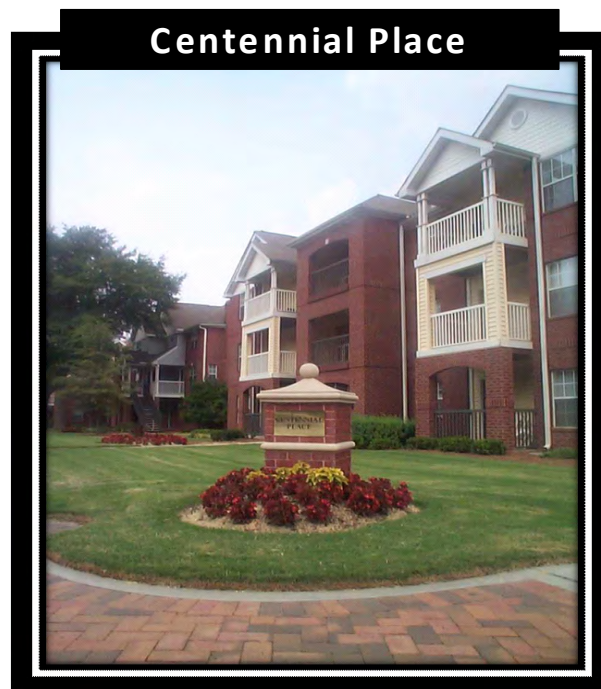
- AHA's development partner received an award of 9% Low-Income Housing Tax Credits for Phase VIII, an independent senior community consisting of 100 PBRA/LIHTC units. The closing for vertical construction occurred in December 2011 and construction commenced with an anticipated completion date of April 2013.
- Site remediation and public improvement work began for Phase VIII in FY 2012 and will be completed in FY 2013.

The Housing Authority of the City of Atlanta, Georgia  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Revitalization Activities (Scholars Landing) — continued**

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- As part of the revitalization of University Homes, AHA was awarded a \$250,000 Choice Neighborhood Planning Grant in FY 2011. Most of the community outreach and conceptual planning work was performed during FY 2012, which included developing a Choice Neighborhood Transformation framework. The development of the conceptual framework is a collaborative effort among AHA, AHA's development partner, the Atlanta University Center colleges and universities, the City of Atlanta, Atlanta Public Schools, the metropolitan YMCA, a master-planning consulting firm and representatives from the surrounding communities.



The Housing Authority of the City of Atlanta, Georgia  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FINANCIAL ANALYSIS**

**CONDENSED STATEMENTS OF REVENUE, EXPENSE  
AND CHANGES IN NET ASSETS**

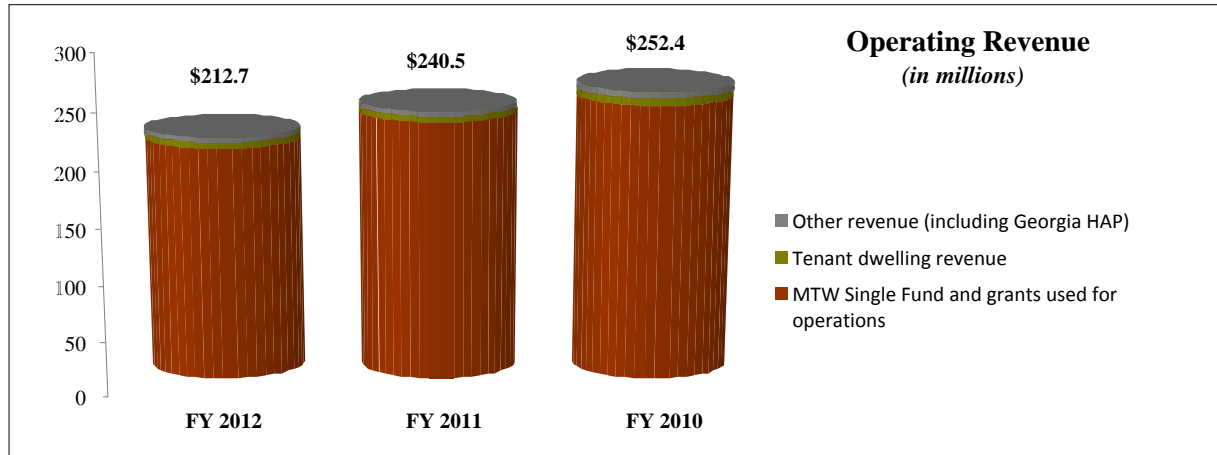
Years ended June 30,

(in millions)

				2012 vs. 2011 Increase/ (Decrease)	2011 vs. 2010 Increase/ (Decrease)
	2012	2011	2010		
<b>Operating revenue:</b>					
MTW Single Fund and grants used for operations	\$203.3	\$231.0	\$240.8	(\$27.7)	(\$9.8)
Tenant dwelling revenue	5.4	5.4	5.7	0.0	(0.3)
Other revenue (including Georgia HAP)	4.0	4.1	5.9	(0.1)	(1.8)
<b>Total operating revenue</b>	<b>\$212.7</b>	<b>\$240.5</b>	<b>\$252.4</b>	<b>(\$27.8)</b>	<b>(\$11.9)</b>
<b>Operating expense:</b>					
Housing assistance payments (HAP)	\$140.6	\$147.4	\$147.3	(\$6.8)	\$0.1
Utilities, maintenance and protective services	13.8	13.0	13.1	0.8	(0.1)
Resident and participant services	3.9	3.6	1.0	0.3	2.6
General and administrative, including direct operating division expense and Georgia HAP	49.1	48.9	48.7	0.2	0.2
Depreciation and amortization	7.7	7.5	8.1	0.2	(0.6)
<b>Total operating expense</b>	<b>\$215.1</b>	<b>\$220.4</b>	<b>\$218.2</b>	<b>(\$5.3)</b>	<b>\$2.2</b>
<b>Net operating (loss) income</b>	<b>(\$2.4)</b>	<b>\$20.1</b>	<b>\$34.2</b>	<b>(\$22.5)</b>	<b>(\$14.1)</b>
<b>Non-operating revenue:</b>					
Capital grant revenue	\$3.3	\$38.3	\$24.2	(\$35.0)	\$14.1
Interest and investment income	1.1	0.4	1.3	0.7	(0.9)
Gain on sale of land	0.0	0.1	0.0	(0.1)	0.1
<b>Total non-operating revenue</b>	<b>\$4.4</b>	<b>\$38.8</b>	<b>\$25.5</b>	<b>(\$34.4)</b>	<b>\$13.3</b>
<b>Non-operating expense:</b>					
Demolition and remediation expense	\$0.6	\$7.4	\$14.8	(\$6.8)	(\$7.4)
Other revitalization expense	2.4	1.2	4.1	1.2	(2.9)
Relocation-related expense	0.1	2.6	7.0	(2.5)	(4.4)
Valuation allowance expense	0.8	1.9	1.0	(1.1)	0.9
Interest expense	0.7	0.1	0.2	0.6	(0.1)
<b>Total non-operating expense</b>	<b>\$4.6</b>	<b>\$13.2</b>	<b>\$27.1</b>	<b>(\$8.6)</b>	<b>(\$13.9)</b>
<b>Net non-operating (expense) revenue</b>	<b>(\$0.2)</b>	<b>\$25.6</b>	<b>(\$1.6)</b>	<b>(\$25.8)</b>	<b>\$27.2</b>
<b>Change in net assets</b>	<b>(\$2.6)</b>	<b>\$45.7</b>	<b>\$32.6</b>	<b>(\$48.3)</b>	<b>\$13.1</b>
<b>Net Assets — beginning of year</b>	<b>\$435.8</b>	<b>\$390.1</b>	<b>\$357.5</b>	<b>\$45.7</b>	<b>\$32.6</b>
<b>Net Assets — end of year</b>	<b>\$433.2</b>	<b>\$435.8</b>	<b>\$390.1</b>	<b>(\$2.6)</b>	<b>\$45.7</b>

The Housing Authority of the City of Atlanta, Georgia  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**OPERATING REVENUE**



**FY 2012 vs. FY 2011**

*Total operating revenue* decreased by **\$27.8 million**, primarily due to *MTW Single Fund and grants used for operations* realizing a combined decrease of **\$27.7 million**, addressed separately as follows:

- MTW Single Fund used for operations decreased \$20.8 million due to the following:
  - Public Housing Operating Subsidy, which is based on occupied units, decreased by \$5.8 million due to the elimination of QLI properties, as well as a decrease in funding levels by HUD (proration).
  - Housing Choice Voucher revenue decreased due to AHA's implementation of a cash management strategy in response to HUD's new Housing Choice cash disbursement methodology. In order to accommodate HUD's new guidance and limitations, AHA reduced its draw of funds during the last two months of FY 2012, resulting in a year-over-year decrease of \$9.0 million in MTW Housing Choice funds. These funds were drawn in early FY 2013.
  - Capital Fund Program (CFP) revenue decreased \$6.0 million as these funds were not drawn in FY 2012, but remain available for future years subject to expenditure deadlines.
- Grants used for operations decreased \$6.9 million primarily due to the following:
  - ARRA grant used for operations decreased \$4.6 million as AHA drew \$4.8 million against the grant for non-capitalized expenditures in FY 2011 versus \$0.2 million in FY 2012.
  - Development and HOPE VI grants used for operations decreased \$2.3 million as AHA drew \$5.7 million against the grants for non-capitalized expenditures in FY 2011 versus \$3.4 million in FY 2012.

The Housing Authority of the City of Atlanta, Georgia  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

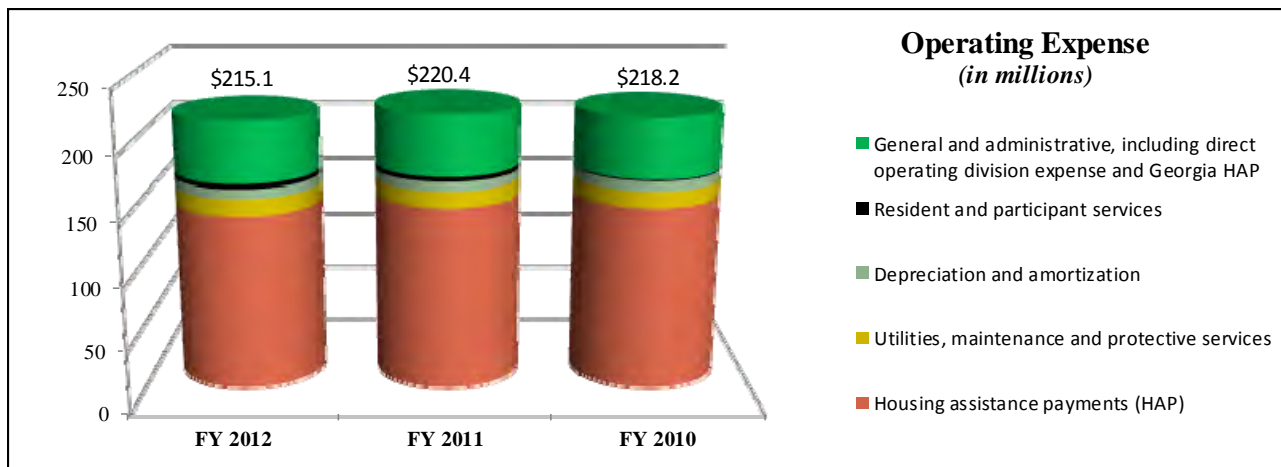
**Operating Revenue — continued**

**FY 2011 vs. FY 2010**

**Total operating revenue** decreased by **\$11.9 million**, primarily due to the following:

- **MTW Single Fund and grants used for operations** decreased **\$9.8 million** primarily due to decreases in the MTW Single Fund as well as Development and HOPE VI grants used for operations of \$8.5 million and \$4.5 million respectively, offset by an increase in ARRA grant revenue of \$3.2 million.
- **Tenant dwelling revenue** decreased **\$0.3 million** as a result of the demolition of QLI properties.
- **Other revenue** decreased **\$1.8 million** primarily due to a decrease in developer and transaction fees earned, resulting from substantially fewer development transaction closings during the year.

**OPERATING EXPENSE**



**FY 2012 vs. FY 2011**

**Total operating expense** decreased by **\$5.3 million**; with significant changes between years addressed below:

- **General and administrative (including direct operating division expense and Georgia HAP)** remained relatively consistent between years with a \$1.7 million increase in salaries and related benefits primarily resulting from a \$1.3 million accrual for agency-wide bonuses under the Pay for Performance Program. In addition, AHA made a \$1.5 million contribution to its Defined Benefit Pension Plan. These increases were offset by decreases in professional services of \$2.7 million and Georgia HAP expenses of \$0.5 million. The decrease in Georgia HAP expenses was due to a modification of Georgia HAP's contract with HUD that occurred during FY 2012.
- **Utilities, maintenance and protective services** increased **\$0.8 million** primarily as a result of an increase in deferred maintenance projects at the AHA-Owned Residential Communities.

The Housing Authority of the City of Atlanta, Georgia  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Operating Expense — continued**

- **Housing Assistance Payments (HAP)** consist of payments to landlords under the Housing Choice Voucher Program, PBRA paid to private-sector owners and Owner Entities under the PBRA Program, and operating subsidy paid to Owner Entities of the mixed-income, mixed-finance Residential Communities. HAP decreased by a net of **\$6.8 million** between years as presented below:

(in millions)					
				FY 2012 vs. FY 2011	FY 2011 vs. FY 2010
<b>Housing Assistance Payments by Program</b>	<u>FY 2012</u>	<u>FY 2011</u>	<u>FY 2010</u>	<u>Incr (Decr)</u>	<u>Incr (Decr)</u>
Tenant-Based Housing Choice Vouchers	\$94.9	\$104.7	\$107.2	(\$9.8)	(\$2.5)
Project Based Rental Assistance (PBRA)	31.6	29.2	27.0	\$2.4	\$2.2
MIMF Operating Subsidy	<u>14.1</u>	<u>13.5</u>	<u>13.1</u>	<u>\$0.6</u>	<u>\$0.4</u>
<b>Total Housing Assistance Payments</b>	<u>\$140.6</u>	<u>\$147.4</u>	<u>\$147.3</u>	<u>(\$6.8)</u>	<u>\$0.1</u>

- **Tenant-Based Housing Choice Voucher** payments decreased **\$9.8 million** primarily due to a reduced number of families being served under this Program due to attrition during FY 2012 and a full year's impact of attrition which occurred during FY 2011, absorption of vouchers by various public housing authorities and the reduction in the average monthly cost per voucher as a result of AHA's rent reasonableness initiative. Through attrition, the number of families served continued to decrease during FY 2012 under this Program as AHA strategically reprogrammed a portion of these funds to support additional housing opportunities under the PBRA Program.
- **Project Based Rental Assistance (PBRA)** paid to Owner Entities of AHA-sponsored master-planned communities, private-sector owners of mixed-income developments and owners of supportive housing increased **\$2.4 million** between years. The increase was primarily due to an increase of 317 PBRA units coming on-line during FY 2012 (see detail by category on page 22) and full year funding for units coming on-line during FY 2011.
- **Mixed-Income, Mixed-Finance (MIMF) Operating Subsidy** for public-housing-assisted units in MIMF Residential Communities increased **\$0.6 million**. This increase was primarily due to a combination of slightly higher operating expense at the communities and an increase of 47 units in additional Phases of MIMF Residential Communities coming on-line during FY 2012.

**FY 2011 vs. FY 2010**

**Total operating expense** increased by **\$2.2 million** primarily due to the following:

- **General and administrative (including direct operating division expense and Georgia HAP)** increased **\$0.2 million** between years.
- **Resident and participant services** increased **\$2.6 million** primarily due to an increase in case management related to QLI relocations.
- **Depreciation and amortization** decreased **\$0.6 million**.

The Housing Authority of the City of Atlanta, Georgia  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**NON-OPERATING REVENUE**

**FY 2012 vs. FY 2011**

*Total non-operating revenue* decreased by **\$34.4 million**, primarily due to the following:

HUD capital grants are funded through a reimbursement drawdown process; therefore, a decrease in requests for funding of reimbursable expenditures creates a corresponding decrease in grant funding.

- *Capital grant revenue* used for modernization and revitalization activities had a combined decrease of **\$35.0 million** and is addressed separately as follows:
  - Capital grant revenue (including ARRA) used for modernization of the AHA-owned communities decreased \$20.4 million between years primarily due to AHA's draw-down of \$16.6 million from the ARRA grant used for construction activities in FY 2011 versus \$0.7 million in FY 2012. In addition, as part of its cash management strategy, AHA deferred the use of \$3.7 million of Capital Fund Program funds for modernization, opting to use other MTW funds.
  - Capital grant revenue drawn for revitalization decreased \$14.6 million due to reduced acquisition, construction loan and public improvement activity funded by grants during FY 2012.
- *Interest and investment income* increased by **\$0.7 million** primarily due to the income recognized from adding the interest on related-party construction loans to the permanent loan balance upon conversion, as well an increase in the receipt of related-party-development interest payments.

**FY 2011 vs. FY 2010**

*Total non-operating revenue* increased by **\$13.3 million**, primarily due to the following:

- *Capital grant revenue* increased **\$14.1 million** primarily due to draws relating to renovation projects at AHA-Owned Residential Communities and revitalization activities.
- *Interest and investment income* decreased by **\$0.9 million** primarily due to the timing of related-party-development construction loan interest amortization between years.

**NON-OPERATING EXPENSE**

**FY 2012 vs. FY 2011**

*Total non-operating expense* decreased by **\$8.6 million**, primarily due to the following:

- *Demolition and remediation expense* decreased by **\$6.8 million** due to completion of QLI related demolition during FY 2011.
- *Relocation-related expense* decreased by **\$2.5 million** due to completion of QLI relocation during FY 2011 and reductions of associated human development services activity during FY 2012.

The Housing Authority of the City of Atlanta, Georgia  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Non-Operating Expense — continued**

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- **Valuation allowance expense** decreased by **\$1.1 million**. During FY 2011, AHA made **\$1.1 million** in one-time unsecured loans to Owner Entities of the AHA master-planned communities for improvements to meet Uniform Federal Accessibility Standards (UFAS) and these loans were fully reserved at closing. No UFAS loans were made during FY 2012. Adjustments to other allowances offset for the year.
- **Other revitalization expense** increased by **\$1.2 million primarily** due to a **\$0.8 million** contribution toward revitalization of city-owned Selena S. Butler Park located adjacent to Auburn Pointe, as well as increased AHA-funded public improvement activity at the master-planned communities.
- **Interest expense** increased **\$0.6 million** primarily due to interest on the EPC bank loan that closed in FY 2012, as well as the prepayment penalty on the payoff of the loan in June 2012 of the AHA headquarters building (offset by interest savings over the life of the loan).

**FY 2011 vs. FY 2010**

**Total non-operating expense** decreased by **\$13.9 million**, primarily due to the following:

- **Demolition and remediation expense** decreased by **\$7.4 million** due to reduced demolition activity.
- **Other revitalization expense** decreased by **\$2.9 million** due to reduced public improvement activity at the master-planned communities.
- **Relocation-related expense** decreased by **\$4.4 million** due to reduced QLI relocation and related human development services activity.
- **Valuation allowance expense** increased by **\$0.9 million** due to establishing reserves for unsecured loans.

The Housing Authority of the City of Atlanta, Georgia  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**TOTAL ASSETS**

**CONDENSED STATEMENTS OF NET ASSETS**

As of June 30,

(in millions)

				2012 vs. 2011 Increase/ (Decrease)	2011 vs. 2010 Increase/ (Decrease)
	2012	2011	2010		
<b>ASSETS:</b>					
Current assets	\$110.4	\$121.3	\$121.2	(\$10.9)	\$0.1
Related development loans, receivables and investments in partnerships, net of allowance	167.9	166.0	150.3	1.9	15.7
Capital assets, net of accumulated depreciation	151.1	143.1	120.7	8.0	22.4
Other non-current assets	34.4	34.0	29.7	0.4	4.3
<b>Total assets</b>	<b>\$463.8</b>	<b>\$464.4</b>	<b>\$421.9</b>	<b>(\$0.6)</b>	<b>\$42.5</b>
<b>LIABILITIES:</b>					
Current liabilities	\$20.0	\$24.4	\$27.0	(\$4.4)	(\$2.6)
Long-term debt, net of current portion	9.3	2.9	3.2	6.4	(0.3)
Other non-current liabilities	1.3	1.3	1.6	0.0	(0.3)
<b>Total liabilities</b>	<b>\$30.6</b>	<b>\$28.6</b>	<b>\$31.8</b>	<b>\$2.0</b>	<b>(\$3.2)</b>
<b>NET ASSETS:</b>					
Invested in capital assets, net of related debt	\$141.8	\$139.9	\$117.1	\$1.9	\$22.8
Restricted-expendable net assets	214.9	217.8	206.8	(2.9)	11.0
Unrestricted net assets	76.5	78.1	66.2	(1.6)	11.9
<b>Total net assets</b>	<b>\$433.2</b>	<b>\$435.8</b>	<b>\$390.1</b>	<b>(\$2.6)</b>	<b>\$45.7</b>
<b>Total liabilities and net assets</b>	<b>\$463.8</b>	<b>\$464.4</b>	<b>\$421.9</b>	<b>(\$0.6)</b>	<b>\$42.5</b>

**June 30, 2012 vs. June 30, 2011**

**Total assets** remained consistent between years reflecting balances of **\$463.8** and **\$464.4 million** respectively at June 30, 2012 and June 30, 2011. The changes between categories are addressed below:

- **Current assets** decreased by **\$10.9 million** primarily due to decreases of \$17.1 million in Receivables from HUD due to timing between years and \$0.4 million in Development fees receivable. These decreases were substantially offset by increases of \$2.4 million in Investments reflecting the unspent balance of the EPC bank loan; \$1.6 million in Prepaid expenses primarily due to the processing of the July FY 2013 subsidy payments in June FY 2012; \$0.8 million Public improvement advances; and a \$1.5 million net increase in Cash.
- **Non-current assets** increased **\$10.3 million** primarily due to an **\$8.0 million** increase in Capital assets, net of accumulated depreciation, resulting from renovation construction projects designed to improve the quality of life at senior high-rises; site improvements and land acquisitions related to revitalization activities; a **\$1.9 million** increase in Related development and other loan activity primarily associated with construction activity at various master-planned, mixed-income communities and an increase in Other non-current assets of **\$0.4 million** primarily due to an approximate \$0.4 million increase in the Perry Bolton Tax Allocation District (TAD) receivable.

The Housing Authority of the City of Atlanta, Georgia  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Assets — continued**

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**June 30, 2011 vs. June 30, 2010**

*Total assets* increased by **\$42.5 million**, primarily due to the following:

- *Related development loans, receivables and investments in partnerships, net of allowance* increased by **\$15.7 million**, primarily due to loan activity associated with construction activity at various master-planned, mixed-income communities and mixed-income communities with PBRA units.
- *Capital assets, net of accumulated depreciation* increased by **\$22.4 million** resulting primarily from renovation construction projects at the AHA-Owned Residential Communities; and site improvements and land acquisitions related to revitalization activities.
- *Other non-current assets* increased by **\$4.3 million**, primarily due to increases in the public improvement receivable to be funded from the proceeds of the issuance of the Perry Bolton Tax Allocation District (TAD) bonds.

**TOTAL LIABILITIES**

**June 30, 2012 vs. June 30, 2011**

*Total liabilities* increased by **\$2.0 million**, primarily due to the following:

- *Current liabilities* decreased by **\$4.4 million**, due primarily to a decrease of \$4.8 million in Accrued liabilities associated with reduced construction activity at various master-planned, mixed-income communities; \$0.7 million in accounts payable and other current liabilities and \$0.3 million in the current portion of long-term debt. This decrease was partially offset by an accrual of \$1.3 million for agency-wide bonuses earned under the Pay for Performance Program which were accrued in FY 2012 but paid in FY 2013.
- *Non-current liabilities* increased by **\$6.4 million** primarily due to the addition of the \$9.3 million EPC bank loan offset by the payoff of the \$3.2 million balance on the AHA headquarters building mortgage (including current portion of \$0.3 million).

**June 30, 2011 vs. June 30, 2010**

*Total liabilities* decreased by **\$3.2 million**, primarily due to the following:

- *Current liabilities* decreased by **\$2.6 million**, comprised of the offsetting changes which follow:
  - Accounts payable decreased by \$5.0 million primarily resulting from an overfunding of \$2.7 million by HUD for Operating Subsidy for FY 2010. In addition, there was a lower balance in Accounts Payable of \$1.9 million at year-end versus FY 2010, offset by an increase in accrued liabilities, resulting in a net difference of \$0.5 million between years.

The Housing Authority of the City of Atlanta, Georgia  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Liabilities — continued**

- Accrued liabilities, other current liabilities and current portion of long-term debt increased by \$2.4 million, offset by a decrease of \$1.9 million in Accounts payable as addressed above.
- *Non-current liabilities*, which includes the current portion of long-term debt and other non-current liabilities, decreased by **\$0.6 million** between years.

**TOTAL NET ASSETS (EQUITY)**

<b>TOTAL NET ASSETS (EQUITY)</b>					
As of June 30,					
(in millions)					
	2012	2011	2010	2012 vs. 2011 Increase/ (Decrease)	2011 vs. 2010 Increase/ (Decrease)
Invested in capital assets, net of related debt	\$141.8	\$139.9	\$117.1	\$1.9	\$22.8
Restricted—expendable net assets:					
HUD-funded programs	39.1	44.2	50.8	(5.1)	(6.6)
Related development and other loans	166.4	164.4	147.1	2.0	17.3
Related development operating reserves	9.4	9.2	8.9	0.2	0.3
Unrestricted net assets	76.5	78.1	66.2	(1.6)	11.9
<b>Total net assets</b>	<b>\$433.2</b>	<b>\$435.8</b>	<b>\$390.1</b>	<b>(\$2.6)</b>	<b>\$45.7</b>

**June 30, 2012 vs. June 30, 2011**

*Total net assets* remained relatively constant between the years:

- *Invested in capital assets, net of related debt* includes land, buildings, improvements and equipment less the related debt. The majority of these assets have restricted-use covenants tied to AHA's ownership and cannot be used to liquidate liabilities. AHA generally uses these assets to provide affordable housing to qualified income-eligible families. The **\$1.9 million** reflects a net increase of \$8.0 million in Capital assets net of depreciation, offset by a net increase of \$6.1 million in related debt.
- *Restricted-expendable net assets*, subject to both internal and external constraints, are calculated at the carrying value of restricted assets less related liabilities. Restricted—expendable net assets include restrictions for HUD-funded programs, related development and other loans, and related development operating reserves made in conjunction with the AHA-sponsored mixed-income development transactions. These assets cannot be used, pledged or mortgaged to a third party or seized, foreclosed upon or sold in the case of a default, ahead of any HUD lien or interest without HUD approval.

The Housing Authority of the City of Atlanta, Georgia  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Net Assets (Equity) — continued**

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Changes in *Restricted-expendable net assets* include:

- **HUD-funded programs** represent assets accumulated over previous years within the MTW Single Fund that can be used as working capital to implement strategies as prescribed under AHA's MTW Agreement. These assets decreased by **\$5.1 million** primarily as a result of AHA's new cash management strategy.
- **Related development and other loans** represent predevelopment, construction and permanent loans related to the development of mixed-income, mixed-finance communities and to certain other communities owned by private property owners with which AHA has entered into long-term PBRA agreements for an agreed percentage of the rental units. These assets increased by **\$2.0 million** due to increased loan advances (net of allowances) offset by payments received. AHA's related development and other loans receivable are not considered available to satisfy AHA's obligations due to their long-term, contingent nature.
- **Related development operating reserves** represent funds held in AHA escrow accounts for the sole purpose of covering operating subsidy shortfalls (under certain specified conditions) for the AHA-assisted units in the mixed-income, mixed-finance rental communities owned by various Owner Entities. These funds remained relatively consistent between years.
- **Unrestricted net assets** are not as restricted as the foregoing category but remain subject to varying degrees of restrictions. HUD approval is required, with some limited exceptions, to use or deploy these assets outside of the ordinary course of AHA's business. AHA's eligible business activities are set forth in its HUD-approved Business Plan, as amended from time to time, by its MTW Annual Implementation Plans. In all cases, AHA's assets are subject to the limitations of AHA's charter and the Housing Authorities Laws of the State of Georgia. Unrestricted net assets decreased by **\$1.6 million** during FY 2012.

**June 30, 2011 vs. June 30, 2010**

**Total net assets** increased by **\$45.7 million** primarily due to renovations at the AHA-Owned Residential Communities, land acquisitions, AHA-funded site-improvements, development loans to related parties and net income earned by Georgia HAP Administrators *dba* National Housing Compliance.



The Housing Authority of the City of Atlanta, Georgia  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

## **ECONOMIC FACTORS**

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### **Future HUD Funding — Subsidies and Multi-year Grant Awards**

Funding for AHA's Fiscal Year 2013 (FY 2013) is extremely uncertain at this time since subsidies and other resources from HUD for the last six months of the fiscal year will be funded by HUD Federal Fiscal Year 2013 (FFY 2013) appropriations which have not yet been acted on by Congress.

On September 28, 2012 Congress passed Public Law (PL) 112-75, a Continuing Appropriations Act which authorizes FY 2013 funding for the federal government through March 27, 2013, essentially at FY 2012 levels. Prior to March 28, 2013, Congress must either pass a FY 2013 budget or enact another Continuing Appropriations Act to extend funding beyond that date in order to keep the government running. As of the date of this report, Congress has not authorized funding for HUD programs from which AHA will be funded from April to June 2013, the last three months of AHA's FY 2013.

PL 112-75 presents a challenge to HUD in that the FFY 2013 Congressional funding levels for Housing Choice and for the Public Housing Operating Fund were depressed in 2012 as Congress and HUD required public housing authorities (PHAs) to use cash reserves that PHAs had accumulated during previous years to make up the shortfall in federal funding. Since the reserves have already been used for that purpose, the PHAs need a funding level in 2013 equal to their 2012 HUD funding plus what they used of their local reserves in order to have sufficient resources to support operations at the 2012 level. Since PL 112-75 does not provide sufficient funding through March 27, 2013, to provide this level of funding, HUD is currently proposing "forward funding" during the first few months of calendar year 2013, which is basically betting that full funding will eventually be approved by Congress and the President. This is a risky situation for all involved.

Congress must also deal with the implication of the sequestration called for by the Budget Control Act of 2011. This act required that a special joint committee of Congress, nicknamed the "Super Committee," identify \$1.5 trillion in deficit reduction. The Super Committee failed to develop the requisite plan which, in turn, triggered automatic sequestration which will result in across-the-board spending cuts in virtually all federal programs beginning January 1, 2013. Estimates are that, if sequestration does occur, it will result in an 8.2% reduction in HUD funding and would reduce AHA's funding by more than \$18 million with half of such reduction occurring in FY 2013.

AHA currently has sufficient cash balances and reserves to maintain current operations during FY 2013 in the event of sequestration, but would have to adjust its plans for future years if funding reductions continue.

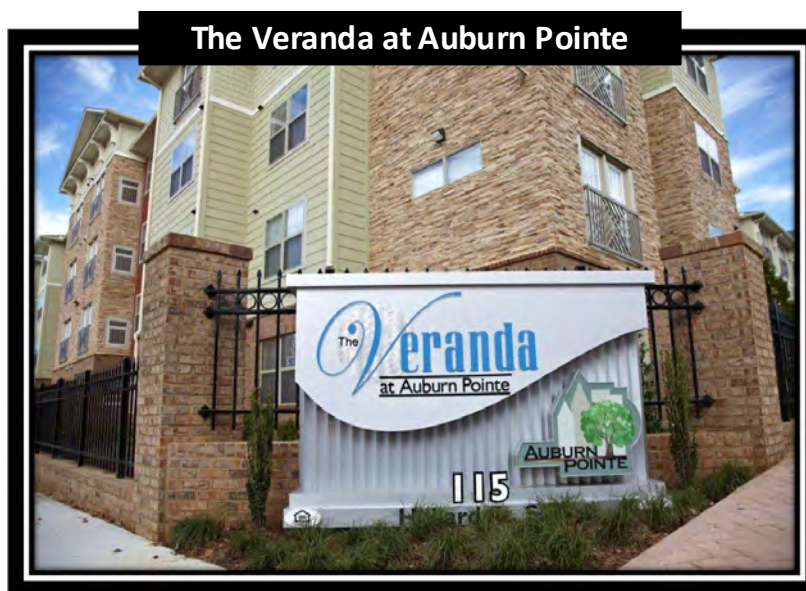
In the event that sequestration does not occur, currently proposed FFY 2013 appropriation legislation would fund the HUD programs which support AHA's activities at substantially the same levels as in FFY 2012. Therefore, actual HUD funding levels are expected to fall somewhere between a reduction of more than \$18 million to no reduction.

The Housing Authority of the City of Atlanta, Georgia  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **Local Market Issues**

Current local market conditions directly affect AHA's families and will impact FY 2013 expenses. While some economists see improving economic conditions, others are less optimistic. Atlanta's unemployment rate has improved and has dropped to below 9 percent, but still exceeds the national average of 7.8 percent, resulting in many AHA-assisted families continuing to face company downsizing and layoffs. Changes in family income have direct impacts on AHA expenditures. A drop in household income results in an increase in the amount AHA would pay for housing assistance payments for Housing Choice Vouchers, PBRA-assisted units and AHA-assisted units in mixed-income communities, since households contribute 30 percent of their adjusted income toward rent and utilities. An increase in household income would have the opposite effect over time. Because the AHA-Owned Communities primarily house elderly and disabled individuals on fixed incomes, these properties would experience minimal impact.

The mortgage foreclosure rate in the Atlanta metropolitan area has fallen, but continues to remain high — the sixth highest rate in the nation. This has had an adverse effect on AHA's Housing Choice Voucher holders as tenants are sometimes forced to relocate from homes undergoing foreclosure. AHA's due diligence process and the provisions of the "Protecting Tenants at Foreclosure Act of 2009" mitigate the exposure relating to such foreclosures, but they still pose hardships to affected households when required to move and create additional AHA program expense associated with processing moves and changes in unit ownership.



### **Recent Accounting Pronouncements**

The Governmental Accounting Standards Board (GASB) has released new pronouncements which will be implemented by the Authority starting in fiscal year 2013 through 2014: GASB 61, "*The Financial Reporting Entity: Omnibus*;" GASB 63, "*Financial Reporting of Deferred Outflows, Deferred Inflows and Net Position*;" GASB 65, "*Items Previously Reported as Assets and Liabilities*;" and GASB 68, "*Accounting and Financial Reporting for Pensions*." See Note V to the Financial Statements.

The Housing Authority of the City of Atlanta, Georgia  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**CONTACTING AHA'S FINANCIAL MANAGEMENT**

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This financial report is designed to provide a general overview of AHA's financial position and to demonstrate AHA's accountability for the assets it manages to interested persons, including citizens of our local jurisdiction, creditors and other interested parties. If you have questions about this report or wish to request additional financial information, contact the Chief Financial Officer at The Housing Authority of the City of Atlanta, Georgia, 230 John Wesley Dobbs Ave., N.E., Atlanta, Georgia 30303, telephone number 404-817-7374.

## **FINANCIAL STATEMENTS**

**STATEMENTS OF NET ASSETS**

June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash		
Unrestricted	\$ 60,527,870	\$ 56,647,160
Restricted	<u>40,815,144</u>	<u>43,174,173</u>
Total cash	101,343,014	99,821,333
Investments, restricted	2,395,868	-
Receivables, net of allowance of \$353,112 and \$2,978 in 2012 and 2011, respectively	4,350,989	20,764,287
Prepaid expense	<u>2,311,642</u>	<u>729,056</u>
 Total current assets	 110,401,513	 121,314,676
<b>NON-CURRENT ASSETS</b>		
Investments, restricted	9,359,926	9,228,069
Related development and other loans, investments in partnerships, and development receivables, net of allowances of \$34,224,537 and \$34,618,793 in 2012 and 2011, respectively	167,930,497	166,027,043
Capital assets, net of accumulated depreciation of \$117,179,696 and \$109,459,256 in 2012 and 2011, respectively	151,092,159	143,135,216
Other assets, net of accumulated amortization and allowance of \$4,278,414 and \$3,739,648 in 2012 and 2011, respectively	<u>25,065,563</u>	<u>24,664,504</u>
 Total non-current assets	 <u>353,448,145</u>	 <u>343,054,832</u>
 <b>TOTAL ASSETS</b>	 <u><u>\$ 463,849,658</u></u>	 <u><u>\$ 464,369,508</u></u>

*The accompanying notes are an integral part of these statements.*

	<u>2012</u>	<u>2011</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 1,102,938	\$ 1,386,807
Accrued liabilities	11,158,326	14,502,525
Other current liabilities	7,713,304	8,165,157
Current portion of long-term debt	<u>-</u>	<u>331,315</u>
Total current liabilities	19,974,568	24,385,804
<b>NON-CURRENT LIABILITIES</b>		
Long-term debt, net of current portion	9,293,862	2,905,388
Other non-current liabilities	<u>1,341,235</u>	<u>1,270,244</u>
Total non-current liabilities	<u>10,635,097</u>	<u>4,175,632</u>
<b>TOTAL LIABILITIES</b>	30,609,665	28,561,436
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	141,798,296	139,898,513
Restricted—expendable:		
HUD-funded programs	39,146,870	44,107,316
Related development and other loans	166,388,111	164,438,300
Related development operating reserves	9,359,926	9,228,069
Unrestricted	<u>76,546,790</u>	<u>78,135,874</u>
Total net assets	<u>433,239,993</u>	<u>435,808,072</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 463,849,658</u></u>	<u><u>\$ 464,369,508</u></u>

*The accompanying notes are an integral part of these statements.*

The Housing Authority of the City of Atlanta, Georgia

**STATEMENTS OF REVENUE, EXPENSE AND  
CHANGES IN NET ASSETS**

Years Ended June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Operating revenue:		
MTW Single Fund used for operations	\$ 199,577,064	\$ 220,387,902
ARRA grant used for operations	235,428	4,816,316
Tenant dwelling revenue	5,435,556	5,415,284
Development and HOPE VI grants used for operations	3,458,489	5,744,912
Fees earned from Georgia HAP	1,302,261	1,793,158
Other operating revenue	<u>2,715,078</u>	<u>2,304,135</u>
Total operating revenue	212,723,876	240,461,707
Operating expense:		
Housing assistance payments	140,636,447	147,352,440
Administrative including direct operating division expense	47,043,935	46,291,482
Utilities, maintenance and protective services	13,809,507	13,020,689
Resident and participant services	3,901,350	3,652,211
General expense	1,768,081	1,818,099
Expense related to Georgia HAP	245,938	758,881
Depreciation and amortization	<u>7,724,701</u>	<u>7,478,954</u>
Total operating expense	<u>215,129,959</u>	<u>220,372,756</u>
Net operating income	(2,406,083)	20,088,951
Non-operating revenue:		
Capital grant revenue — modernization of AHA-Owned Communities	1,703,838	22,090,892
Capital grant revenue — revitalization related	1,572,218	16,255,535
Interest and investment income	1,153,962	428,162
Gain on sale of fixed asset	<u>7,570</u>	<u>84,118</u>
Total non-operating revenue	4,437,588	38,858,707
Non-operating expense:		
Demolition and remediation expense	551,003	7,463,416
Other revitalization expense	2,432,976	1,204,574
Relocation-related expense	56,789	2,579,158
Valuation allowance expense	845,009	1,874,749
Interest expense	<u>713,807</u>	<u>151,992</u>
Total non-operating expense	<u>4,599,584</u>	<u>13,273,889</u>
Change in net assets	(2,568,079)	45,673,769
Net assets — beginning of year	<u>435,808,072</u>	<u>390,134,303</u>
Net assets — end of year	<u>\$ 433,239,993</u>	<u>\$ 435,808,072</u>

*The accompanying notes are an integral part of these statements.*

The Housing Authority of the City of Atlanta, Georgia

**STATEMENTS OF CASH FLOWS**

Years Ended June 30, 2012 and 2011

	2012	2011
Increase (Decrease) in Cash		
Cash flows from operating activities		
HUD funds used for non-capitalized expense	\$ 209,773,891	226,840,121
Receipts from residents	5,356,434	5,416,099
Payments to landlords	(140,636,447)	(147,352,440)
Payments to suppliers	(42,461,886)	(46,837,642)
Payments for employees	(25,632,008)	(22,969,726)
Other receipts	<u>350,169</u>	<u>7,361,090</u>
Net cash provided by operating activities	6,750,153	22,457,502
Cash flows from non-capital financing activities		
Net advances related to public improvements	<u>(818,533)</u>	<u>(359,344)</u>
Net cash used by non-capital financing activities	(818,533)	(359,344)
Cash flows from capital and related financing activities		
Capital grant revenues	13,285,718	38,665,009
Acquisition and modernization of capital assets	(15,677,650)	(29,929,419)
Proceeds from disposition of fixed assets	7,570	105,900
Demolition and remediation expense	(551,003)	(7,463,416)
Other revitalization expense	(2,432,975)	(1,226,359)
Related development loans, investment in partnerships, and development-related receivables	(3,149,516)	(21,499,070)
Interest income on notes receivable	994,492	421,394
Proceeds received from capital debt	9,293,862	-
Payments under capital debt	<u>(3,812,175)</u>	<u>(474,305)</u>
Net cash used by capital and related financing activities	(2,041,677)	(21,400,266)
Cash flows from investing activities		
Purchases of investments, restricted	(2,527,732)	(449,843)
Sales of investments, restricted	-	157,361
Interest income on investments, restricted	<u>159,470</u>	<u>6,768</u>
Net cash used by investing activities	<u>(2,368,262)</u>	<u>(285,714)</u>
Net increase in cash	1,521,681	412,178
Cash — beginning of the year	<u>99,821,333</u>	<u>99,409,155</u>
Cash — end of the year	<u><u>\$ 101,343,014</u></u>	<u><u>99,821,333</u></u>

*The accompanying notes are an integral part of these statements.*

The Housing Authority of the City of Atlanta, Georgia

**STATEMENTS OF CASH FLOWS** — continued

Years Ended June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Reconciliation of net operating income to net cash provided by operating activities		
Net operating (loss) income	\$ (2,406,083)	\$ 20,088,951
Adjustments to reconcile net operating income to net cash provided by operating activities		
Depreciation and amortization expense	7,724,701	7,478,954
Provision for operating bad debts	84,881	13,125
Relocation-related expense	(56,789)	(2,579,158)
Changes in assets and liabilities		
Decrease (Increase) in receivables	6,586,816	(3,642,044)
(Increase) in prepaid expenses	(1,582,586)	(372,096)
(Decrease) Increase in accounts payable and accrued liabilities	(3,219,925)	2,089,365
(Decrease) in deferred revenue and public improvements	(451,853)	(351,230)
Increase (Decrease) in other non-current liabilities	70,991	(268,365)
	<u>9,156,236</u>	<u>2,368,551</u>
Net cash provided by operating activities	<u>\$ 6,750,153</u>	<u>\$ 22,457,502</u>

*The accompanying notes are an integral part of these statements.*

## **NOTES TO THE FINANCIAL STATEMENTS**

The Housing Authority of the City of Atlanta  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2012 and 2011

**NOTE A — ORGANIZATION AND NATURE OF OPERATIONS**

*1. Organization*

The Housing Authority of the City of Atlanta, Georgia (“AHA” or “the Authority”) is a public body corporate and politic created under the Housing Authorities Laws of the State of Georgia, and is a diversified real estate company, with a public mission and purpose. The primary purpose of AHA is to facilitate affordable housing opportunities for low-income, elderly and disabled persons in the City of Atlanta (City). AHA has broad corporate powers including, but not limited to, the power to acquire, manage, own, operate, develop and renovate housing; invest and lend money; create for-profit and not-for-profit entities; administer Housing Choice Vouchers; issue bonds for affordable housing purposes; and acquire, own and develop commercial land, retail and market-rate properties that benefit affordable housing.

The governing body of AHA is its Board of Commissioners (Board) which is comprised of seven members appointed by the Mayor of the City of Atlanta. Two resident members serve one-year terms and five members serve five-year staggered terms. The Board appoints the President and Chief Executive Officer to operate the business of AHA. The Board provides strategic guidance and oversight of AHA’s operations; AHA is not considered a component unit of the City and is not included in the City’s financial statements.

*2. Moving to Work (MTW) Agreement*

MTW is a demonstration program established in 1996 by Congress and administered by the U.S. Department of Housing and Urban Development (HUD), authorizing certain “high-performing” public housing agencies, pursuant to an agreement with HUD, the flexibility to design and test various approaches and initiatives for facilitating and providing quality affordable housing opportunities and related services and amenities in their localities. AHA received its MTW designation in 2001 and executed its MTW Agreement with HUD on September 23, 2003, the initial period of which was effective from July 1, 2003 through June 30, 2010. In response to HUD’s decision to expand and extend the demonstration period until June 30, 2018, AHA and HUD negotiated and executed an Amended and Restated MTW Agreement, effective as of November 13, 2008, and further amended by that certain Second Amendment to the MTW Agreement, effective as of January 16, 2009. AHA’s MTW Agreement, as amended and restated is herein referred to as the “MTW Agreement.” The MTW Agreement may be extended beyond June 30, 2018, for additional 10-year periods subject to HUD’s approval and AHA meeting certain agreed-upon conditions.

The MTW Agreement provides substantial statutory and regulatory relief under the 1937 Act, and reaffirms, extends and expands the statutory and regulatory relief provided under AHA’s original MTW Agreement. The MTW Agreement forms the statutory and regulatory framework for AHA to carry out its work during the term of the MTW Agreement, as it may be extended, as set forth in AHA’s Business Plan, and as amended from time to time. In 2004, AHA submitted to HUD its base Business Plan, using this new statutory and regulatory framework (herein referred to as the “Business Plan”). AHA’s Business Plan and its subsequent Annual MTW Implementation Plans on a cumulative basis outline AHA’s priority projects, activities and initiatives to accomplish during each fiscal year.

The Housing Authority of the City of Atlanta  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2012 and 2011

**NOTE A — ORGANIZATION AND NATURE OF OPERATIONS — continued**

Pursuant to the authority in AHA's MTW Agreement, AHA has combined its low-income operating funds, Housing Choice Voucher funds and certain capital funds into a single fund (herein referred to as the "MTW Single Fund" or "MTW Funds") which may be expended on MTW-eligible activities as set forth in its Business Plan. AHA receives funding, subject to HUD proration, for all MTW-eligible Housing Choice Vouchers. Under AHA's MTW Agreement, MTW Housing Choice Voucher funding is based on the number of HUD-authorized MTW vouchers and is not subject to annual reconciliation or funding reduction based on the actual number of Housing Choice Vouchers utilized. HUD monitors AHA's work for consistency and compliance with its MTW Agreement, Business Plan and AHA's Annual MTW Implementation Plans.

*3. Affiliate Entities/Component Units*

To manage its business and financial affairs more effectively, AHA has created affiliate entities to support its various ventures. While AHA, the parent entity, manages federal programs, the affiliate entities support the various functions necessary to meet AHA's mission of providing quality affordable housing and related services and amenities.

Certain of these affiliate entities are considered component units in accordance with generally accepted accounting principles. Because of the nature and significance of their operational or financial relationships with AHA, the component units are included in AHA's reporting entity. These blended component units, although legally separate entities are, in substance, part of AHA's operations.

These blended component units do not issue separate financial statements. Financial information for each of the following blended component units is presented in Note B in Other Supplementary Information.

- Atlanta Affordable Housing for the Future, Inc. (AAHFI) is a Georgia 501(c)(3) not-for-profit corporation created at the direction of the AHA Board in order to facilitate the revitalization of AHA-Owned distressed public housing projects. AAHFI participates in the revitalization of AHA-sponsored communities by holding limited partnership interests in either the related development project partnership (Owner Entity) or an interest in the general partner of the related development project partnership of the various public/private partnerships that own the mixed-income, mixed-finance rental communities.
- Special Housing and Homeownership, Inc. (SHHI) is a Georgia 501(c)(3) not-for-profit corporation created at the direction of the AHA Board in order to develop, maintain and implement programs to assist income-eligible individuals in achieving the goal of homeownership.

The Housing Authority of the City of Atlanta  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2012 and 2011

**NOTE A — ORGANIZATION AND NATURE OF OPERATIONS — continued**

- 230 John Wesley Dobbs Boulevard Ventures, Inc. (JWD) is a Georgia 501(c)(3) not-for-profit corporation created at the direction of the AHA Board in order to lessen the burdens of government by acquiring and holding title to real property and improvements, and by providing such real property and improvements to government agencies and tax-exempt organizations at cost.
- Renaissance Affordable Housing, Inc. (RAH) is a Georgia 501(c)(3) not-for-profit corporation created at the direction of the AHA Board in order for AHA to participate in the acquisition and development of certain properties to support the overall revitalization program at or near AHA communities or other appropriate locations in metropolitan Atlanta.
- Westside Affordable Housing, Inc. (WAH) is a Georgia 501(c)(3) not-for-profit corporation and was created at the direction of the AHA Board in order for AHA to participate in the acquisition and development of certain properties to support the overall revitalization program at or near AHA communities or other appropriate locations in metropolitan Atlanta.
- Atlanta Housing Investment Company, Inc. (AHICI) is a for-profit corporation created at the direction of the AHA Board in order to assist AHA in its revitalization efforts at or near AHA communities or other appropriate locations in metropolitan Atlanta. AHICI participates in the revitalization of AHA-sponsored communities by holding partnership and financial interests in various transactions.
- Strategic Resource Development Corporation, Inc. (SRDC) is a Georgia 501(c)(3) not-for-profit corporation created at the direction of the AHA Board to solicit and accept charitable donations to fund AHA initiatives.
- Atlanta Housing Development Corporation (AHDC) is a Georgia not-for-profit organization, organized solely to serve as an “instrumentality” of AHA for the purpose of issuing tax-exempt bonds for construction, acquisition and rehabilitation of low-income housing pursuant to Section 11(b) of the Housing Act of 1937, as amended (42 U.S.C. Section 1437i). This entity had no activity in recent years

AHA has one affiliate, Atlanta Housing Opportunity, Inc. (AHOI) that is not a component unit. It is, however, considered a related entity. AHOI is a Georgia not-for-profit corporation created at the direction of the AHA Board in order to facilitate the Housing Opportunity Bond Program established by the City of Atlanta. The activities of the nonprofit corporation are limited to participation in the Housing Opportunity Bond Program. Since the City of Atlanta is financially accountable and responsible for the debt of AHOI, the financial activity of AHOI is not included in AHA’s financial statements but is included in the City’s financial statements (see further disclosure in Note T).

The Housing Authority of the City of Atlanta  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2012 and 2011

**NOTE B — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

*1. Basis of Presentation and Accounting*

The financial statements represent the combined results of AHA and its blended component units, and have been prepared in accordance with generally accepted accounting principles (GAAP) of the United States of America as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. AHA and its blended component units maintain their accounts substantially in accordance with the chart of accounts prescribed by HUD and are organized utilizing the fund accounting model. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts.

AHA accounts for its operations in a single enterprise fund. Enterprise funds account for those operations financed and operated in a manner similar to private business or where AHA has decided that determination of revenue earned, costs incurred and net revenue over expense is necessary for management accountability.

Enterprise funds are proprietary funds used to account for business activities of special purpose governments for which a housing authority qualifies under GASB No. 34, *“Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments.”* Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included in the Statements of Net Assets. The Statements of Revenue, Expense and Changes in Net Assets presents increases (revenue) and decreases (expense) in total net assets. Under the accrual basis of accounting, revenue is recognized in the period in which it is earned while expense is recognized in the period in which the liability is incurred.

AHA has adopted GASB No. 62, *“Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.”* This guidance incorporates the FASB, Accounting Principles Board Opinions (APB) and Accounting Research Bulletin (ARB) pronouncements issued on or before November 30, 1989, which do not conflict with or contradict GASB pronouncements. GASB No. 62 supersedes GASB No. 20 that permitted enterprise funds and business type activities to apply those FASB statements and interpretations that did not conflict with or contradict GASB pronouncements. GASB No. 62 updated previous guidance to recognize the effects of the governmental environment and needs of governmental users. As AHA had previously not elected to follow the post-1989 FASB, APB and ARB pronouncements, GASB No. 62 did not have a material effect on the financial statements of AHA.

The Housing Authority of the City of Atlanta  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2012 and 2011

**NOTE B — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — continued**

*2. Inter-company and Inter-fund Receivables and Payables*

Inter-company and inter-fund receivables and payables are the result of the use of a central fund as the common paymaster for shared costs of AHA. All inter-company and inter-fund balances net to zero in combination and, hence, are eliminated for financial statement presentation. All programs aggregate into one single enterprise fund.

*3. Fair Value of Financial Instruments*

The carrying amount of AHA's financial instruments at June 30, 2012 and 2011, which include cash, investments, accounts receivable, accounts payable and other current liabilities approximates fair value due to the relatively short maturity of these instruments.

Investments of HUD funds are made in financial instruments that are consistent with HUD regulations. AHA requires uninsured funds on deposit be collateralized in accordance with HUD requirements and in AHA's name, if held by a third party.

*4. Inventories*

AHA maintains no inventory. All supplies are expensed when purchased. Supplies on hand are nominal.

*5. Prepaid Expense*

Payments made to vendors for goods or services that will benefit periods beyond the fiscal year end are recorded as prepaid expense. Prepaid expense at June 30, 2012 and 2011 consisted primarily of prepaid insurance premiums and service contracts. In addition, FY 2012 also included the July FY 2012 operating subsidy payments to Owner Entities of the master-planned communities which were paid in June FY 2012.

*6. Restricted Assets*

Certain assets may be classified as restricted assets on the Statements of Net Assets because their use is restricted by time or specific purpose. AHA's practice is to expend restricted assets prior to utilizing unrestricted assets if allowable for the intended purpose.

The Housing Authority of the City of Atlanta  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2012 and 2011

**NOTE B — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — continued**

*7. Related Development and Other Loans Receivables and Valuation Allowance*

*Related-Party Development Loans* — AHA makes subordinated loans to the private-sector owners in conjunction with financing arrangements related to the development of the AHA-sponsored mixed-income, mixed-finance rental communities. These subordinated loans are fully obligated to the Owner Entities at the financial closing and represent AHA's share of the development budget for AHA-assisted Annual Contribution Contract (ACC) units. Such loans are typically funded on a drawdown reimbursement basis using primarily HOPE VI grants, public-housing-development funds or Replacement Housing Factor funds (RHF). The loans are amortized over periods up to 55 years at interest rates ranging from zero percent to 7.99 percent, as agreed to by AHA and individual Owner Entities, and approved by HUD. The respective loan agreements provide that these loans will be repaid by the Owner Entity to AHA from net cash flow, net project proceeds and/or condemnation proceeds for such phases; to the extent such amounts are available. For most of these development projects, AHA owns the land and enters into a long-term ground lease with the Owner Entity. At the end of the ground lease, the land and improvements revert to AHA.

*Other Loans* — AHA made loans to the Owner Entities of mixed-income, mixed-finance rental communities in order to meet federal statutory requirements (UFAS compliance). These loans are fully reserved.

AHA provides gap financing to facilitate the construction of properties with up to a 15 year renewable PBRA agreement with the private owners.

*Valuation Allowance* — Management evaluates the loans for collectability and records a valuation allowance for loans it determines may not be fully collectible. AHA adjusts the valuation allowance when appropriate.

*8. Other Allowances*

AHA establishes an allowance for all unpaid balances from tenants for accounts receivable older than 60 days.

AHA fully reserves loans made upon funding through the homeownership mortgage down payment assistance program.

*9. Capital Assets*

Capital assets include land, land improvements, buildings, equipment and modernization in process for improvements to land and buildings. Capital assets are defined by AHA as assets with an initial cost of more than \$2,500 and an estimated useful life of greater than one year.

Such assets are recorded at cost or fair value at the time of purchase or donation, respectively. Improvements and other capital activities are recorded as modernization in process until they are completed and placed in service.

The Housing Authority of the City of Atlanta  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2012 and 2011

**NOTE B — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — continued**

The costs of normal and extraordinary maintenance and repairs that do not add value to the asset or extend the useful life of the asset are expensed as incurred to operations. Generally, demolition costs, land preparation, soil remediation and other site improvement costs that do not add value are expensed as non-operating items.

Depreciation is calculated using the straight-line method assuming the following useful lives:

Buildings	20–40 years
Building improvements	10–30 years
Building equipment	10–15 years
Land improvements	15 years
Equipment	5–10 years

Long-lived assets are reviewed annually for impairment under the provisions and in accordance with GASB No. 42, *“Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries.”*

AHA owns several paintings of historical significance which are being preserved for future educational and exhibition purposes. These works of art, commissioned in the 1940s at minimal cost, have an appraised value in excess of \$800,000 but have not been recorded on AHA’s books pursuant to the guidance of GASB No. 34.

*10. Income and Property Taxes*

Income received or generated by AHA is not generally subject to federal income tax, pursuant to Section 115 of the Internal Revenue Service Code (IRC). Although exempt from state and local property taxes, AHA makes payments in lieu of taxes (PILOT), pursuant to an agreement with the City of Atlanta and DeKalb and Fulton counties.

*11. Accrued Compensated Absences*

A liability for compensated absences (vacation) is accrued as employees earn the right to receive the benefit. The current portion represents the amount estimated to be taken in the ensuing year.

*12. Fee and Interest Income Recognition on Related Development and Other Loans*

In connection with its Revitalization Program, AHA earns developer and other fees in its role as sponsor and co-developer. Developer and other fees are recorded as earned. Collection of developer fees are generally tied to equity payments from the tax credit investor.

Interest on the related development loans is subordinated and contingent on cash flows from the property. Recognition of interest income does not occur until payments are received or are reasonably expected to be received.

The Housing Authority of the City of Atlanta  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE B — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — continued**

*13. Revenue and Expense*

Proprietary funds distinguish operating revenue and expense from non-operating items. Operating revenue and expense generally result from providing services or producing and delivering goods in connection with a proprietary fund's principal ongoing operations. AHA defines its operating revenue as income derived from operating funds received from HUD, tenant dwelling revenue, fees earned in conjunction with development activities under its Revitalization Program and other operating revenue. When grant funds are used for operations, AHA recognizes operating revenue at the time such costs are incurred, pursuant to a draw-down process on a reimbursement basis. Operating expense for proprietary funds includes the cost of providing services, administrative expense and depreciation on capital assets.

When AHA completes capital improvements to be paid with grants, AHA's right to be reimbursed by HUD is perfected, and AHA records the asset and corresponding capital grant revenue as the work progresses. The unexpended portions of the grants held by HUD for AHA's account remain available for AHA's use, subject to the terms of the grant agreements and other agreements with HUD. The unexpended portions of the grants held by HUD are not reflected in AHA's financial statements.

Non-operating revenue includes interest and investment income, reimbursements for capitalized expenditures under capital grants received from HUD for modernization, revitalization and other development activities, and gain from the sale of land. Non-operating expense includes interest, demolition and remediation, relocation, capital asset write-off and adjustments to valuation allowances.

*14. Self-insurance and Litigation Losses*

AHA recognizes estimated losses related to self-insured workers' compensation claims and litigation claims in the period in which the occasion giving rise to the loss occurred when the loss is probable and reasonably estimable (see further disclosure in Note N).

*15. Use of Estimates*

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that may affect the reported amounts. Accounting estimates for such items as depreciation, valuation of related development and other loans, other operating receivables, operating expense accruals and contingent liabilities are all reflected in AHA's financial statements and disclosed in the notes thereto.

The Housing Authority of the City of Atlanta  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE B — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — continued**

*16. Budgets*

Annually, AHA submits a Comprehensive Operating and Capital Budget (Budget) to the Board for approval. Throughout the fiscal year, the Budget is used as a management tool to plan, control and evaluate spending for each major program. Budgets are not required for financial statement presentation.

*17. Risk Management*

AHA is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. AHA carries commercial insurance and certain reserves deemed sufficient to meet current requirements.

*18. Change in Presentation*

Certain reclassifications have been made to the prior year's financial statements to conform to the current year's presentation. These reclassifications had no effect on total net assets.

**NOTE C — CASH AND INVESTMENTS**

Cash and investments are stated at cost, which approximates fair value, and consist primarily of cash in checking accounts and/or money market accounts and other investments. All funds on deposit are FDIC insured or are fully collateralized in accordance with guidance recommended by HUD. HUD requires housing authorities to invest excess HUD funds in obligations of the United States, certificates of deposit or any other federally insured investments. All investments held by AHA are in short-term U.S. Treasuries or money market accounts.

At June 30, 2012 and 2011, cash and investments consisted of deposits with financial institutions either fully insured by FDIC insurance, up to \$250,000 per institution, or collateralized by securities held by a third party in AHA's name and in government securities.

Cash and investments are classified as "Unrestricted" and "Restricted" for financial presentation purposes based on HUD guidance:

- *Cash — Unrestricted* includes cash available for program purposes including current operations. Because the funds are not tied to a certain program or property, they are classified as unrestricted. They remain subject, however, to varying degrees of restrictions. For example, HUD approval is required, with some limited exceptions, to use or deploy these funds strategically outside of the ordinary course of AHA's business under the MTW Agreement. In all cases, AHA's assets are subject to the limitations of AHA's charter and the Housing Authorities Laws of the State of Georgia.

The Housing Authority of the City of Atlanta  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE C — CASH AND INVESTMENTS — continued**

- *Cash — Restricted* includes cash to be expended for specific purposes based on the source of the money. AHA's restricted cash generally includes: proceeds from the sale of property acquired with grant or development funds; program income from specific grants; income generated from development activities; partnership operating reserves; and public improvement funds.
- *Investments — Restricted (current)* includes the unspent balance of an Energy Performance Contract bank loan, held in escrow, at June 30, 2012.
- *Investments — Restricted (non-current)* includes authority reserves that are held by escrow agents for the benefit of investors and Owner Entities of the mixed-income, mixed-finance rental communities. These reserves are restricted in accordance with agreements entered into in conjunction with the development of these properties. These reserves, while invested in short-term instruments, cannot be readily liquidated due to such restrictions.

Cash and investments at June 30, 2012 consisted of the following:

	<u>Fair value</u>	<u>Collateral held by third party</u>	<u>U.S.-backed securities and treasury obligations</u>
Unrestricted cash			
MTW cash	\$ 41,644,667		
MTW program income	6,196,361		
Georgia HAP	7,742,331		
Other	<u>4,944,511</u>		
	60,527,870		
Restricted cash			
Development-related program income	25,606,870		
Public Improvement funds	7,408,471		
Proceeds from disposition activity	3,701,896		
Perry program income	1,506,117		
Harris program income	1,734,551		
Other	<u>857,239</u>		
	<u>40,815,144</u>		
Total cash	101,343,014	\$ 122,958,259	\$ -
Investments, restricted (current)	2,395,868	-	-
Investments, restricted (non-current)	<u>9,359,926</u>	<u>-</u>	<u>9,359,926</u>
Total in banks	<u>\$ 113,098,808</u>	<u>\$ 122,958,259</u>	<u>\$ 9,359,926</u>

The Housing Authority of the City of Atlanta  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2012 and 2011

**NOTE C — CASH AND INVESTMENTS — continued**

Cash and investments at June 30, 2011 consisted of the following:

	<u>Fair value</u>	<u>Collateral held by third party</u>	<u>U.S.-backed securities and treasury obligations</u>
Unrestricted cash			
MTW cash	\$ 39,114,595		
MTW program income	7,947,901		
Georgia HAP	7,439,495		
Other	<u>2,145,169</u>		
	56,647,160		
Restricted cash			
Development-related program income	23,032,625		
Public Improvement funds	7,877,537		
Proceeds from disposition activity	6,115,576		
Perry program income	2,159,045		
Harris program income	2,056,657		
Other	<u>1,932,733</u>		
	<u>43,174,173</u>		
Total cash	99,821,333	\$ 117,408,996	\$ -
Investments, restricted (non-current)	<u>9,228,069</u>	<u>-</u>	<u>9,228,069</u>
Total in banks	<u>\$ 109,049,402</u>	<u>\$ 117,408,996</u>	<u>\$ 9,228,069</u>

**NOTE D — RECEIVABLES**

Current receivables at June 30, 2012 and 2011 consisted of the following:

	<u>2012</u>	<u>2011</u>
HUD receivables	\$ 1,063,977	\$ 18,127,021
Predevelopment loans	297,937	183,580
Development and other fees receivable	937,934	1,369,639
Tenant dwelling rents (net of allowance of \$3,112 and \$2,978 in 2012 and 2011, respectively)	4,660	7,951
Other receivables (net of allowance of \$350,000 and \$0 in 2012 and 2011, respectively)	715,055	563,203
Public improvement advances	<u>1,331,426</u>	<u>512,893</u>
	<u>\$ 4,350,989</u>	<u>\$ 20,764,287</u>

The Housing Authority of the City of Atlanta  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2012 and 2011

**NOTE E — RELATED DEVELOPMENT LOANS, INVESTMENT IN PARTNERSHIPS AND RECEIVABLES**

GAAP defines related parties as those parties that can significantly influence the management or operating policies of the transacting parties or that have an ownership interest in one of the transacting parties. The related development and other loans, investment in partnerships, development receivables and predevelopment loans at June 30, 2012 and 2011 consisted of the following:

	<u>2012</u>	<u>2011</u>
Development loans (net of allowance of \$29,913,175 and \$29,994,113 in 2012 and 2011, respectively)	\$ 158,486,256	\$ 156,813,749
Other loans (net of allowance of \$3,090,930 and \$3,231,693 in 2012 and 2011, respectively)	8,009,944	7,530,554
Investment in Partnerships (net of allowance of \$414,493 in 2012 and 2011)	-	-
Development and other fees receivable (net of allowance of \$805,939 and \$978,494 in 2012 and 2011, respectively)	1,425,830	1,357,830
Predevelopment loans	<u>8,467</u>	<u>324,910</u>
	<u>\$ 167,930,497</u>	<u>\$ 166,027,043</u>

**Development loans**

AHA enters into subordinated development (construction and permanent) loans with the Owner Entities of the mixed-income, mixed-finance rental communities in conjunction with financing arrangements related to the development projects, as described in Note B.7. During FY 2012, the subordinated construction loans to Owner Entities increased by a net of \$2,006,062.

**Other loans**

AHA may provide gap financing to facilitate the construction of properties with up to a 15-year renewable PBRA agreement with the private owners. During FY 2012, loan draws of \$305,869 were advanced under such loans.

AHA and HUD were parties to a Voluntary Compliance Agreement (VCA). With respect to the mixed-income, mixed-finance rental communities, the VCA required AHA to ensure that the site, common areas and at least five percent of AHA-assisted units met UFAS and other federal statutory requirements. AHA (or its affiliate) made loans, grants or capital contributions to the Owner Entities of the mixed-income, mixed-finance rental communities to achieve Uniform Federal Accessibility Standards (UFAS) compliance with the VCA. AHA completed its obligations under the VCA on March 24, 2011. These unsecured loans are fully reserved.

The Housing Authority of the City of Atlanta  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2012 and 2011

**NOTE E — RELATED DEVELOPMENT LOANS, INVESTMENT IN PARTNERSHIPS AND RECEIVABLES — continued**

**Development and other fees receivable**

AHA earns development and other fees associated with the construction and revitalization activities at the mixed-income, mixed-finance rental communities and from certain properties with Project Based Rental Assistance (PBRA) agreements. See further disclosure in Note B.12.

**Predevelopment loans**

AHA makes predevelopment loans to its development partners (typically an affiliate of the Owner Entity) prior to the financial closing to facilitate development of the site, including the purchase of building materials, permits and architectural/design services. Predevelopment loans are repaid upon closing the financial instruments that support the construction of the project, including AHA's subordinated construction loan. Loans expected to be paid within one year are classified as current.

**Related-party development income and (expense)**

Related-party development income and expense for the years ended June 30, 2012 and 2011 consisted of the following:

	2012	2011
<b>Type of income/(expense):</b>		
Interest Income	\$ 724,640	\$ 160,417
Developer and other fee income	\$ 1,701,818	\$ 1,198,689
Housing assistance payments to Owner Entities of the mixed-income communities	\$ (14,086,311)	\$ (13,489,960)
Housing assistance payments to private owners/ Owner Entities where AHA has a PBRA agreement and has advanced a loan	\$ (11,169,518)	\$ (11,555,824)

Owner Entity financial statements are audited by independent accounting firms hired by each respective Owner Entity. See further disclosure in Note B.12 and in the Other Supplementary Information.

The Housing Authority of the City of Atlanta  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE F — OTHER RELATED-PARTY TRANSACTIONS**

***Georgia HAP Administrators, Inc. dba National Housing Compliance (Georgia HAP)***

Georgia HAP Administrators, Inc. *dba* National Housing Compliance (Georgia HAP) was formed in August 1999 as a 501(c)(4) nonprofit corporation pursuant to the laws of the State of Georgia for the purpose of administering Housing Assistance Payments Contracts between HUD and private owners of multi-family housing with project-based rental assistance. Georgia HAP, headquartered in Atlanta, Georgia, is comprised of 11 member organizations, including AHA (Members). Georgia HAP earns fees for contract administration services as HUD's Performance Based Contract Administrator (PBCA) for the states of Illinois and Georgia. Georgia HAP makes periodic distributions to Members in the form of revenue in excess of expenses and also pays base administrative fees and incentive fees for subcontract work performed by Members in their respective areas of operation. As a Member, AHA earned unrestricted fees of \$1,322,690 and \$1,813,846 in FY 2012 and FY 2011, respectively, from Georgia HAP activities in Georgia and Illinois.

During FY 2012, an amendment was made to Georgia HAP's contract with HUD which suspended the PBCA requirement to perform management and occupancy reviews (MORs) of HUD-assisted properties in Georgia HAP's PBCA portfolios. Consequently, Georgia HAP advised its Members under their respective subcontract agreements to stop performing MORs. As a result of this action, AHA ceased MOR activities, which, therefore, eliminated the need for compliance staff that performed MORs and reduced the associated salary expense incurred under this activity.

The Housing Authority of the City of Atlanta  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE G — CAPITAL ASSETS**

Changes in capital assets for the year ended June 30, 2012:

	Balance at June 30, 2011	Additions and reclasses	Deletions and reclasses	Balance at June 30, 2012
Land*	\$ 52,444,233	\$ 4,989,201	\$ (16,378)	\$ 57,417,056
Land improvements	18,818,902	4,774,101	-	23,593,003
Buildings and improvements	137,298,051	15,326,683	(9,062,667)	143,562,067
Equipment	18,496,733	12,087,177	-	30,583,910
Modernization in process*	<u>25,536,553</u>	<u>11,220,172</u>	<u>(23,640,906)</u>	<u>13,115,819</u>
	252,594,472	48,397,334	(32,719,951)	268,271,855
Less accumulated depreciation				
Land improvements	(9,060,935)	(1,286,165)	-	(10,347,100)
Buildings and improvements	(85,971,804)	(4,002,712)	-	(89,974,516)
Equipment	<u>(14,426,517)</u>	<u>(2,431,563)</u>	<u>-</u>	<u>(16,858,080)</u>
	<u>(109,459,256)</u>	<u>(7,720,440)</u>	<u>-</u>	<u>(117,179,696)</u>
Total capital assets, net	<u>\$ 143,135,216</u>	<u>\$ 40,676,894</u>	<u>\$ (32,719,951)</u>	<u>\$ 151,092,159</u>

\* *Non-depreciable assets*

Changes in capital assets for the year ended June 30, 2011:

	Balance at June 30, 2010	Additions and reclasses	Deletions and reclasses	Balance at June 30, 2011
Land*	\$ 47,819,408	\$ 4,650,253	\$ (25,428)	\$ 52,444,233
Land improvements	18,616,180	202,722	-	18,818,902
Buildings and improvements	135,467,591	1,830,460	-	137,298,051
Equipment	15,684,247	2,812,486	-	18,496,733
Modernization in process*	<u>5,077,624</u>	<u>22,625,461</u>	<u>(2,166,532)</u>	<u>25,536,553</u>
	222,665,050	32,121,382	(2,191,960)	252,594,472
Less accumulated depreciation				
Land improvements	(7,884,982)	(1,175,953)	-	(9,060,935)
Buildings and improvements	(81,824,364)	(4,147,440)	-	(85,971,804)
Equipment	<u>(12,274,948)</u>	<u>(2,151,566)</u>	<u>-</u>	<u>(14,426,517)</u>
	<u>(101,984,294)</u>	<u>(7,474,959)</u>	<u>-</u>	<u>(109,459,256)</u>
Total capital assets, net	<u>\$ 120,680,756</u>	<u>\$ 24,646,423</u>	<u>\$ (2,191,960)</u>	<u>\$ 143,135,216</u>

\* *Non-depreciable assets*

The Housing Authority of the City of Atlanta  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE H — OTHER NON-CURRENT ASSETS**

Other non-current assets at June 30, 2012 and 2011 consisted of the following:

	<u>2012</u>	<u>2011</u>
Public improvement funds due from the City of Atlanta and related entities	\$ 25,047,719	\$ 24,640,405
Homeownership down payment assistance notes (net of allowance of \$4,200,367 and \$3,665,595 in 2012 and 2011)	-	-
Loan costs (net of accumulated loan amortization of \$31,287 and \$27,293 in 2012 and 2011, respectively)	8,654	12,649
Other (net of allowance for doubtful accounts of \$46,760 in 2012 and 2011)	<u>9,190</u>	<u>11,450</u>
	<u>\$ 25,065,563</u>	<u>\$ 24,664,504</u>

**NOTE I — ACCOUNTS PAYABLE**

Accounts payable at June 30, 2012 and 2011 consisted of the following:

	<u>2012</u>	<u>2011</u>
Accounts payable, trade	\$ 582,229	\$ 1,179,504
HUD payable	309,170	-
Other	<u>211,539</u>	<u>207,303</u>
	<u>\$ 1,102,938</u>	<u>\$ 1,386,807</u>

The Housing Authority of the City of Atlanta  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE J — ACCRUED LIABILITIES**

Accrued liabilities at June 30, 2012 and 2011 consisted of the following:

	<u>2012</u>	<u>2011</u>
Accrued expense	\$ 6,781,443	\$ 10,065,842
Contract retention	1,284,466	2,737,033
Compensated absences	709,138	705,188
Wages payable	2,020,390	752,513
Contingencies and uncertainties (Note N)	158,611	200,000
Workers' compensation claims (Note N)	50,000	30,000
Interest payable	<u>154,278</u>	<u>11,949</u>
	<u><u>\$ 11,158,326</u></u>	<u><u>\$ 14,502,525</u></u>

Compensated absences at June 30, 2012 consisted of the following:

	<u>Balance at June 30, 2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2012</u>	<u>Non- current</u>	<u>Current</u>
Compensated absences	<u>\$ 1,206,455</u>	<u>\$ 856,635</u>	<u>\$ (709,138)</u>	<u>\$ 1,353,952</u>	<u>\$ 644,814</u>	<u>\$ 709,138</u>

Compensated absences at June 30, 2011 consisted of the following:

	<u>Balance at June 30, 2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2011</u>	<u>Non- current</u>	<u>Current</u>
Compensated absences	<u>\$ 1,323,453</u>	<u>\$ 578,858</u>	<u>\$ (695,856)</u>	<u>\$ 1,206,455</u>	<u>\$ 501,267</u>	<u>\$ 705,188</u>

The Housing Authority of the City of Atlanta  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2012 and 2011

**NOTE K — OTHER CURRENT LIABILITIES**

Other current liabilities at June 30, 2012 and 2011 consisted of the following:

	<u>2012</u>	<u>2011</u>
Public improvement funds received from the City of Atlanta and related entities	\$ 6,985,389	\$ 7,443,506
Other	<u>727,915</u>	<u>721,651</u>
	<u>\$ 7,713,304</u>	<u>\$ 8,165,157</u>

**NOTE L — LONG-TERM DEBT**

Long-term debt at June 30, 2012 consisted of the following:

	<u>Balance at July 1, 2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2012</u>	<u>Non-current</u>	<u>Current</u>
J.W. Dobbs Note Payable	\$ 3,236,703	-	\$ (3,236,703)	-	-	-
EPC Bank Loan Payable	<u>-</u>	<u>9,293,862</u>	<u>-</u>	<u>9,293,862</u>	<u>9,293,862</u>	<u>-</u>
	<u>\$ 3,236,703</u>	<u>\$ 9,293,862</u>	<u>\$ (3,236,703)</u>	<u>\$ 9,293,862</u>	<u>\$ 9,293,862</u>	<u>\$ -</u>

Long-term debt at June 30, 2011 consisted of the following:

	<u>Balance at July 1, 2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2011</u>	<u>Non-current</u>	<u>Current</u>
J.W. Dobbs Note Payable	<u>\$ 3,553,851</u>	<u>\$ -</u>	<u>\$ (317,148)</u>	<u>\$ 3,236,703</u>	<u>\$ 2,905,388</u>	<u>\$ 331,315</u>

Interest expense related to long-term debt was \$713,807 and \$151,992 for the years ended June 30, 2012 and 2011, respectively.

**J.W. Dobbs note payable**

The J.W. Dobbs capital lease agreements and note payable were refinanced and combined effective September 1, 2004 in the amount of \$5,125,000 requiring monthly debt service payments of \$39,193, based on a fixed interest rate of 4.43 percent. A final balloon payment was due September 1, 2014. The note was collateralized by the land and building located at 230 J.W. Dobbs Avenue, which had a net book value of \$12,104,646 and \$12,710,550 at June 30, 2012 and 2011, respectively.

The Housing Authority of the City of Atlanta  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE L — LONG-TERM DEBT — continued**

On June 29, 2012, AHA prepaid the full amount outstanding of \$3,148,942 including the prepayment premium owed under the Amended and Restated Facilities Lease and Option Agreement by and between AHA and 230 John Wesley Dobbs Boulevard Ventures, Inc. and facilitated the release of the AHA headquarters property from the Amended and Restated Deed to Secure Debt held by Bank of America, N.A. The titles to the land and the building at 230 John Wesley Dobbs Avenue and the two parcels of land at the intersection of John Wesley Dobbs Avenue and Bell Street used for parking were transferred to AHA.

**EPC bank loan payable**

In FY 2012 an Energy Performance Contract (EPC) was consummated which combined an EPC bank loan in the amount of \$9,104,935 with \$2,034,237 of MTW funds for capital improvements utilizing energy conservation and efficiency solutions at the AHA-Owned Residential Communities. During FY 2012, \$188,927 of accrued interest was capitalized into the loan, bringing the outstanding principal balance to \$9,293,862 at June 30, 2012. The EPC structure provides for the loan to be repaid through future energy savings resulting from such improvements. The terms of the loan agreement provided that all proceeds would be fully drawn at closing and placed in an escrow account. The unused balance at June 30, 2012 is \$2,395,868 and is reflected in the Current Asset section of the Statements of Net Assets as an Investment (restricted).

**Aggregate long-term debt by year**

Aggregate long-term debt service payments scheduled for the next five fiscal years and thereafter are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ -	\$ 304,698	\$ 304,698
2014	305,259	627,119	932,378
2015	198,878	447,632	646,510
2016	223,177	437,728	660,905
2017	254,266	426,614	680,880
Thereafter	<u>8,312,282</u>	<u>3,790,123</u>	<u>12,102,405</u>
	<u>\$ 9,293,862</u>	<u>\$ 6,033,914</u>	<u>\$ 15,327,776</u>

During FY 2013, additional accrued interest in the amount of \$158,136 will be capitalized into the outstanding principal balance per the terms of the loan agreement.

The Housing Authority of the City of Atlanta  
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**NOTE M — OTHER NON-CURRENT LIABILITIES**

Other non-current liabilities at June 30, 2012 and 2011 consisted of the following:

	<u>2012</u>	<u>2011</u>
Resident security deposits	\$ 336,661	\$ 334,193
Deferred rooftop satellite lease revenue	359,760	427,215
Compensated absences (Note J)	644,814	501,267
Other	<u>-</u>	<u>7,569</u>
	<u>\$1,341,235</u>	<u>\$ 1,270,244</u>

**NOTE N — INSURANCE AND CLAIMS**

AHA is exposed to various risks of loss related to: torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters.

**Self-insurance plan — workers' compensation**

AHA is self-insured for workers' compensation claims and has purchased excess insurance for its workers' compensation self-insurance plan, which limits its liability to \$400,000 per accident. AHA has a system in place to identify incidents which might give rise to workers' compensation claims. It uses this information to compute an estimate of loss due to claims asserted and incidents that have been incurred but not reported. Periodically AHA obtains an actuarial study to assist them with their estimates. The last study completed was as of June 30, 2010. Settled claims have not exceeded the self-insured retention in any part of the past five years. AHA has recorded estimated liabilities of \$50,000 and \$30,000 as of June 30, 2012 and 2011, respectively.

**Litigation and claims**

AHA is party to legal actions arising in the ordinary course of business. One such claim was settled subsequent to year-end which was entirely covered by insurance, and accordingly no liability related to this claim has been accrued. In addition, certain other actions are in various stages of the litigation process and their ultimate outcome cannot be determined currently. Accordingly, potential liabilities in excess of insurance coverage may not be reflected in the accompanying financial statements. While it is the opinion of outside and in-house legal counsel that the ultimate outcome of such litigation would be impossible to predict, the financial statements include estimated liabilities in the amount of \$158,611 and \$200,000 as of June 30, 2012 and 2011, respectively.

The Housing Authority of the City of Atlanta  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE O — CONTINGENCIES AND UNCERTAINTIES**

**Easements, liens and other contractual obligations**

Generally, real property owned by AHA under the public housing program or purchased using public housing development funds is subject to a HUD declaration of trust and most have various customary easements (e.g., utility rights-of-way). From time to time, mechanics' liens or other such liens may be recorded against AHA-Owned property. Notwithstanding any such liens, under Georgia law, all real property of AHA is exempt from levy and sale by virtue of execution, other judicial process or judgment. Additionally, real property owned by AHA affiliate entities and leasehold interests in AHA real property (ground leased to Owner Entities in connection with mixed-income rental communities) may be subject to mortgage liens and other contractual obligations.

**Valuation of related development loans**

The multi-family rental housing market is affected by a number of factors such as mortgage interest rates, supply and demand, changes in neighborhood demographics and growth of the metropolitan Atlanta area. Because related development loans to Owner Entities of the mixed-income, mixed-finance multi-family rental communities are subordinated and payable from net cash flows, local market conditions could impact the value of those receivables as reflected on AHA's books. AHA's strategy is to monitor the performance of the properties and local market conditions, and conduct a valuation study every two years by an expert third-party financial consultant. A valuation study based on a representative sample of such related development loans was performed as of June 30, 2012 and it was determined that no increase in valuation reserve was indicated (see further disclosure by Owner Entity in Other Supplementary Information).

**NOTE P — DEFINED BENEFIT PENSION PLAN**

**Plan description**

AHA's Retirement Plan (the Plan) is a single-employer, non-contributory defined benefit pension plan under a group annuity contract with Massachusetts Mutual Life Insurance Company, an insurance carrier, which maintains custody of Plan assets, administers the Plan and invests all funds through a General Investment account and a separate Money Market account. AHA is not required to provide a separate audited GAAP-basis pension plan report. Assets of the Plan represent less than one percent of the insurance carrier's total assets. None of the Plan's investments are the property of AHA. The Plan provides retirement, disability and death benefits to the participants and their beneficiaries.

The Housing Authority of the City of Atlanta  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2012 and 2011

**NOTE P — DEFINED BENEFIT PENSION PLAN — continued**

The AHA Board froze the Plan as of December 31, 2007. No employees hired or rehired on or after January 1, 2008, may be added to or accrue additional benefits under the Plan. The Board also froze benefit accruals under the Plan for all current participants, except certain vested employees whose age plus years of service equaled 60 at December 31, 2007 and who elected to continue accruals under the Plan (grandfathered employees). In FY 2009, AHA offered and made lump sum cash payments to those plan participants who are no longer employed with AHA, had vested in a retirement benefit but who had not retired nor been certificated by the Plan administrator. In August 2009, \$6,306,469 was paid from the Plan to the 304 participants who elected to take the lump sum. AHA is no longer liable to fund future retirement benefits for those participants who elected to take their retirement benefit under the lump sum option.

The plan document received a favorable determination letter from the IRS on June 3, 2011.

**Funding policy**

AHA's funding policy is to contribute an amount equal to or greater than the minimum required contribution. The Actuarial Standard of Practice recommends the use of best-estimate range for each assumption, based on past experience, future expectations and application of professional judgment. The recommended contributions were computed as part of the actuarial valuations performed as of January 1, 2012, 2011 and 2010. Beginning June 1996, AHA's contributions were determined under the Projected Unit Credit Actuarial Cost method (pay-related benefit formula). See the multi-year pension trend information presented in the Schedule of Pension Funding Progress immediately following the Notes to the Financial Statements, which presents information about the actuarial value of plan assets relative to the actuarial accrued liability for benefits.

**Annual pension costs and annual required contribution**

For the fiscal year ended June 30, 2012, AHA funded pension payments of \$1,500,000. There were no AHA funded pension payments for the years ended June 30, 2011 and 2010, respectively. Such payments were greater than or equal to AHA's annual required contributions for the respective years.

For the year ended June 30, 2012, AHA's annual pension cost was as follows:

Annual required contribution	\$ 223,441
Amortization of unfunded actuarial accrued liability	312,741
Interest	<u>25,581</u>
Annual pension costs	561,763
Contributions made	<u>(1,500,000)</u>
(Decrease) in net pension obligation (NPO)	(938,237)
NPO at beginning of year	<u>-</u>
 (Overfunded) Unfunded NPO at end of year	 <u><u>\$ (938,237)</u></u>

The Housing Authority of the City of Atlanta  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2012 and 2011

**NOTE P — DEFINED BENEFIT PENSION PLAN — continued**

Three-year trend information is as follows

	<u>January 1, 2012</u>		<u>January 1, 2011</u>		<u>January 1, 2010</u>
Market value of assets	39,048,208		\$40,673,163		\$42,249,247
Actuarial accrued liability (AAL)	42,610,612	*	40,720,186	*	42,121,920
(Unfunded) Overfunded AAL	(3,562,404)	*	(47,023)	*	127,327
Funded ratio	91.64%		99.88%		100.30%
Annual pension cost (APC)	561,763		-		-
Actual contributions during fiscal year	1,500,000		-		-
Percentage of APC contributed	267.02%		n/a		n/a
(Overfunded) Unfunded net pension obligations after employer contributions	(938,237)		-		-

\* Based on level equivalent discount rates of 4.9%, 5.5%, and 5.25% for 2012, 2011 and 2010, respectively.

Significant actuarial assumptions used to compute the annual contribution requirement as of the January 1, 2012 valuation date are as follows: 1) the valuation uses the Projected Unit Credit Actuarial Cost method; 2) the Plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on an open basis. The remaining amortization period at January 1, 2012 is 15 years; 3) the Actuarial Value of plan assets is equal to the market value at the date of valuation; 4) the assumed average investment rate of return is 5.5 percent for participants without certificates and 4.25 percent for participants with certificates, for a level equivalent rate of 4.9 percent compounded annually; 5) mortality rates, used to calculate the actuarial accrued liability (AAL) were based upon the RP 2000 tables; and 6) projected salary increases are 4 percent per year.

Significant changes in assumptions used in the current year compared to the prior year were as follows: the assumed investment rate of return in the prior year was 5.5 percent for all participants.

**NOTE Q — DEFERRED COMPENSATION AND DEFINED CONTRIBUTION PLANS**

AHA offers its employees a deferred compensation plan created in accordance with IRC Section 457 (the 457 Plan). The 457 Plan is available to all full-time eligible employees and permits participants to defer a portion of their salary until future years. Effective February 1, 2008, all eligible employees had the option to participate in the 457 Plan with a deferral rate of two percent. Employees may change their deferral rates at any time. Employee contributions of \$770,030 and \$687,608 were made in the Plan years 2011 and 2010, respectively.

The Housing Authority of the City of Atlanta  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2012 and 2011

**NOTE Q — DEFERRED COMPENSATION AND DEFINED CONTRIBUTION PLANS— continued**

In conjunction with changes made to the Defined Benefit Plan, effective February 1, 2008, AHA's Board also approved the creation of the new Defined Contribution Plan under IRC Section 401(a) (the 401(a) Plan), for all eligible employees. The 401(a) Plan provides an employer-matching contribution on amounts that employees defer into the 457 Plan, equal to 100 percent of the first two percent deferred by the participant. Additional matching contributions are made based on the participant's years of service with AHA. In addition, further contributions can be made at the discretion of management. The employer contribution to the 401(a) Plan was \$590,231 and \$508,538 during FY 2012 and FY 2011, respectively. Amounts from these plans are available to participants at the time of termination, retirement, death or emergency. As required by federal regulations, the funds are held in trust for the exclusive benefit of participants and their beneficiaries.

Both of the plans are administered by Wells Fargo. AHA has no ownership of the plans. Accordingly, the plans' assets are not reported in AHA's financial statements. AHA may amend, modify or terminate the plans, upon approval of such amendment, modification or termination by the Retirement Fiduciary Committee, the Executive Director or Board of Commissioners of AHA.

**NOTE R — POST-EMPLOYMENT BENEFITS**

AHA offered early retirement programs in FY 1995 and FY 2004. AHA employees who elected early retirement under prescribed "open windows" in these years were permitted to continue their medical benefits until age 65 at 50 percent of the premium cost. AHA records these expenditures on a pay-as-you-go basis. Annual costs were \$30,172 and \$18,906 for FY 2012 and FY 2011, respectively. As of June 30, 2012, four employees were receiving these benefits; three from FY 1995 and one from FY 2004.

**NOTE S — LEASES**

AHA is party to lease agreements as lessor whereby it receives revenue for tenant dwellings leased in AHA-Owned public-housing-assisted residential properties. These leases are for a one-year period (which may or may not be renewed depending upon tenant eligibility and desire) and are considered operating leases for accounting purposes.

AHA is the ground lessor to Owner Entities of most of the mixed-income communities, as discussed further in Note B.7. Revenue derived from these leases is nominal.

The Housing Authority of the City of Atlanta  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2012 and 2011

**NOTE S — LEASES — continued**

The cost and accumulated depreciation of AHA-Owned assets used in leasing activities were as follows, for the years ended June 30, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Land	\$ 52,366,543	\$ 50,330,299
Buildings and equipment	156,075,944	145,097,555
Accumulated Depreciation	<u>(100,009,773)</u>	<u>(93,979,229)</u>
Net	<u>\$108,432,714</u>	<u>\$101,448,625</u>

AHA is party to operating lease agreements as lessee for office equipment used in the normal course of business. Estimated fiscal year disbursements over the remaining lives of these lease agreements are as follows:

<u>Year ending December 31,</u>	<u>Amount</u>
2013	\$ 163,837
2014	73,193
2015	<u>15,256</u>
	<u>\$ 252,286</u>

Lease expense was \$280,703 and \$239,931 for the years ended June 30, 2012 and 2011, respectively.

**NOTE T — CONDUIT DEBT**

The following bonds, issued by AHA as conduit issuer, do not represent a debt or pledge of the full faith and credit of AHA and, accordingly, have not been reported in the accompanying financial statements. AHA has no responsibility for this conduit debt beyond any resources provided by the related loans.

The Housing Authority of the City of Atlanta  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2012 and 2011

**NOTE T — CONDUIT DEBT — continued**

**Taxable mortgage revenue refunding bonds**

Taxable mortgage revenue refunding bonds were issued by AHA, as the conduit issuer, on September 25, 1995, related to the properties shown below. The mortgage payable balances are as follows:

<u>Property</u>	<u>December 31, 2011</u>	<u>December 31, 2010</u>
Oakland City	\$ 2,193,501	\$ 2,193,501
Bedford Pines	1,094,360	1,157,111
Bedford Towers	2,096,394	2,647,215
Grant Park	2,727,797	2,793,335
Capital Towers	1,277,794	1,281,692
Capital Avenue	<u>1,417,156</u>	<u>1,445,370</u>
	<u>\$ 10,807,002</u>	<u>\$ 11,518,224</u>

**Taxable revenue bonds (Housing Opportunity Program)**

Atlanta Housing Opportunity, Inc. (AHOI) is a Georgia not-for-profit corporation created at the direction of the AHA Board for the sole purpose of facilitating the Housing Opportunity Program for the City of Atlanta. AHOI has no other programs or purpose (see further disclosure in Note A.3).

The Urban Residential Finance Authority of the City of Atlanta, Georgia (URFA) is authorized to issue Housing Opportunity Bonds (conduit debt) and loan the proceeds to AHOI, up to a maximum principal amount not to exceed \$75 million. URFA issued the first bond series of \$35 million Series 2007 A bonds and loaned the proceeds to AHOI in FY 2007. The City of Atlanta has the absolute and unconditional obligation to make the debt payments. In addition to the debt payments, the City pays the administrative and corporate governance costs of AHOI. URFA serves as the program administrator for the Housing Opportunity Program. The City's program oversight role includes establishing the program, directing the activities, and establishing or revising the budget for the Housing Opportunity Program. As such, AHOI is considered a component unit of the City of Atlanta.

The Housing Authority of the City of Atlanta  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2012 and 2011

**NOTE T — CONDUIT DEBT — continued**

**Multi-family housing revenue bonds**

In order to provide a portion of the funds for the construction of three AHA-sponsored mixed-income, mixed-finance communities, multi-family housing revenue bonds were issued by AHA, as the conduit issuer, on May 1, 1999, July 1, 1999, and December 7, 2006, respectively. The mortgage payable balances are as follows:

<u>Related development project</u>	<u>December 31, 2011</u>	<u>December 31, 2010</u>
John Hope Community Partnership II, L.P.	\$ 10,924,916	\$ 11,121,100
Carver Redevelopment Partnership V, L.P.	3,425,000	3,425,000
East Lake Redevelopment II, L.P.	<u>10,640,000</u>	<u>11,140,000</u>
	<u>\$ 24,989,916</u>	<u>\$ 25,686,100</u>

**NOTE U — NET ASSETS**

Net assets (Assets less Liabilities) are comprised of three components: 1) capital assets, net of related debt; 2) restricted–expendable net assets; and 3) unrestricted net assets.

Capital assets, net of related debt represents the net book value of capital assets, net of outstanding debt used to acquire those assets.

Restricted–expendable net assets, subject to both internal and external constraints, are calculated at the carrying value of restricted assets less related liabilities. These net assets are restricted by time and/or purpose. Restricted–expendable net assets include restrictions for HUD-funded programs, related development and other loans, and related development operating reserves made in conjunction with the AHA-sponsored mixed-income, mixed-finance development transactions. These assets cannot be used, pledged or mortgaged to a third party or seized, foreclosed upon or sold in the case of a default, ahead of any HUD lien or interest without HUD approval. In addition, the related development and other loans are not available to satisfy AHA’s obligations due to the long-term, contingent nature of the underlying notes (see further disclosure in Note E, Note O and Other Supplementary Information).

Unrestricted net assets are not as restricted as in the foregoing category but remain subject to varying degrees of limitations. HUD approval is required, with some limited exceptions, to use or deploy these assets strategically outside of the ordinary course of AHA’s business. AHA’s eligible business activities are set forth in its HUD-approved Business Plan, as amended from time to time, by its MTW Annual Implementation Plans. In all cases, AHA’s assets are subject to the limitations of AHA’s charter and the Housing Authorities Laws of the State of Georgia.

The Housing Authority of the City of Atlanta  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2012 and 2011

**NOTE V — RECENT ACCOUNTING PRONOUNCEMENTS**

The Governmental Accounting Standards Board (GASB) has released new pronouncements which will be implemented by the Authority starting in fiscal year 2013 through 2014: GASB 61, *“The Financial Reporting Entity: Omnibus;”* GASB 63, *“Financial Reporting of Deferred Outflows, Deferred Inflows and Net Position;”* GASB 65, *“Items Previously Reported as Assets and Liabilities;”* and GASB 68, *“Accounting and Financial Reporting for Pensions.”*

GASB 61 may change the classification and/or presentation of certain related parties and component units in the Authority’s reporting entity. This pronouncement is expected to have a material impact on the financial statements.

GASB 63 introduces the concept of deferred outflows, deferred inflows and net position in governmental reporting. GASB 65 prescribes which transaction types that were previously reported as assets and liabilities will now be classified as deferred inflows and outflows. In addition, it requires the write off of deferred debt issuance costs as they are now deemed not to be an asset. The presentation of the statement of activities of the Authority will be modified to present the effects of any of the resulting changes and to reflect the term net position. Management is in the process of evaluating the impact that these pronouncements will have on the financial statements.

GASB 68 will bring public pension accounting more in line with the private sector rules. As part of the change, the discount rate for public defined benefit pension plans will be more in line with the discount rate and investment rate of return for private defined benefit plans and a liability will be recorded to the extent the Authority’s pension is unfunded. This pronouncement is expected to have a material impact on the financial statements.

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## **REQUIRED SUPPLEMENTARY INFORMATION**

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### SCHEDULE OF PENSION FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	(Underfunded) Overfunded AAL	Funded Ratio	Covered Payroll	(Underfunded) Overfunded AAL as a % of Covered Payroll
January 1, 2003	\$32,258,280	\$29,594,674	\$2,663,606	109.00%	\$14,592,516	18.25%
January 1, 2004	\$33,491,848	\$30,407,288	\$3,084,560	110.14%	\$15,699,710	19.65%
January 1, 2005	\$34,586,113	\$34,195,565	\$390,548	101.14%	\$14,243,999	2.74%
January 1, 2006	\$36,301,044	\$43,272,475	(\$6,971,431)	83.89%	\$13,150,498	-53.01%
January 1, 2007	\$39,878,195	\$44,672,523	(\$4,794,328)	89.27%	\$11,253,960	-42.60%
January 1, 2008	\$38,728,718	\$45,673,452	(\$6,944,734)	84.79%	\$13,822,948	-50.24%
January 1, 2009	\$49,447,193	\$46,407,109	\$3,040,084	106.55%	\$13,877,719	21.91%
January 1, 2010	\$42,249,247	\$42,121,920	\$127,327	100.30%	\$12,695,948	1.00%
January 1, 2011	\$40,673,163	\$40,720,186	(\$47,023)	99.88%	\$10,983,388	-0.43%
January 1, 2012	\$39,048,208	\$42,610,612 *	(\$3,562,404)	91.64%	\$9,401,000	-37.89%

\* The increase in AAL in 2012 is due primarily to changes in actuarial assumptions as described in Note P.

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## **OTHER SUPPLEMENTARY INFORMATION**

The Housing Authority of the City of Atlanta, Georgia

**FINANCIAL DATA SCHEDULE OF  
BALANCE SHEET ACCOUNTS**

As of June 30, 2012

ASSETS	Project Total	Moving to Work Demonstration Program	Housing Choice Vouchers	Mainstream Vouchers	Revitalization of Severely Distressed Public Housing	Choice Neighborhoods Planning Grant	Component Units
<b>CURRENT ASSETS</b>							
Cash							
Unrestricted	\$ 3,000,051	\$ 38,644,617	\$ -	\$ -	\$ -	\$ -	\$ 2,644,965
Restricted	<u>336,661</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,000</u>
Total Cash	3,336,712	38,644,617	-	-	-	-	2,659,965
Receivables, net of allowance	1,361,073	312,328	23,111	153,927	-	9,428	-
Investments - Restricted	2,395,868	-	-	-	-	-	-
Prepaid expenses and other assets	1,884,343	36,862	-	-	-	-	4,976
Interprogram --- due from	<u>40,607,082</u>	<u>18,659,998</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>91,421</u>
Total current assets	49,585,078	57,653,806	23,111	153,927	-	9,428	2,756,362
<b>NON-CURRENT ASSETS</b>							
Capital Assets, net of accumulated depreciation	108,432,715	352,401	-	-	157,899	-	42,248,789
Notes, Loans and Mortgages Receivable -							
Non-Current	-	8,468	-	-	-	-	108,000
Other Assets	<u>-</u>	<u>9,190</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,220</u>
Total non-current assets	<u>108,432,715</u>	<u>370,059</u>	<u>-</u>	<u>-</u>	<u>157,899</u>	<u>-</u>	<u>42,412,009</u>
<b>Total ASSETS</b>	<u>\$ 158,017,793</u>	<u>\$ 58,023,864</u>	<u>\$ 23,111</u>	<u>\$ 153,927</u>	<u>\$ 157,899</u>	<u>\$ 9,428</u>	<u>\$ 45,168,370</u>
<b>LIABILITIES AND NET ASSETS</b>							
<b>CURRENT LIABILITIES</b>							
Accounts payable	\$ 52,880	\$ 78,947	\$ -	\$ -	\$ 56,665	\$ -	\$ 18,731
Accrued liabilities	5,129,314	36,481	-	-	34,809	9,439	88,543
Other current liabilities	1,055,001	301,734	-	-	-	-	3,031
Interprogram -- due to	<u>34,901,628</u>	<u>22,614,550</u>	<u>23,111</u>	<u>153,927</u>	<u>1,220,283</u>	<u>-</u>	<u>(3,031)</u>
Total current liabilities	41,138,823	23,031,711	23,111	153,927	1,311,757	9,439	107,274
<b>NON-CURRENT LIABILITIES</b>							
Long-term debt, net of current portion	9,293,862	-	-	-	-	-	1,263,000
Other non-current liabilities	<u>946,553</u>	<u>111,421</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total non-current liabilities	<u>10,240,416</u>	<u>111,421</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,263,000</u>
Total LIABILITIES	<u>51,379,239</u>	<u>23,143,132</u>	<u>23,111</u>	<u>153,927</u>	<u>1,311,757</u>	<u>9,439</u>	<u>1,370,274</u>
<b>NET ASSETS</b>							
Invested In capital assets, net of related debt	99,138,852	352,401	-	-	157,899	-	40,985,789
Restricted Net Assets	7,512,355	31,634,426	-	-	-	-	-
Unrestricted Net Assets	<u>(12,653)</u>	<u>2,893,905</u>	<u>-</u>	<u>-</u>	<u>(1,311,758)</u>	<u>(11)</u>	<u>2,812,307</u>
Total NET ASSETS	<u>106,638,554</u>	<u>34,880,732</u>	<u>-</u>	<u>-</u>	<u>(1,153,858)</u>	<u>(11)</u>	<u>43,798,096</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 158,017,793</u>	<u>\$ 58,023,864</u>	<u>\$ 23,111</u>	<u>\$ 153,927</u>	<u>\$ 157,899</u>	<u>\$ 9,428</u>	<u>\$ 45,168,371</u>

Other Federal Program	State/Local	Business Activities	MTW Demonstration Program for Low Rent	MTW Demonstration Program for Capital Fund	MTW Demonstration Program for HCV program	Competitive Capital Fund Stimulus Grant	Central Office Cost Center	Total Pre-Eliminations	Eliminations	Total Post-Eliminations
\$ -	\$ 7,096	\$ 13,938,692	\$ -	\$ -	\$ -	\$ -	\$ 2,292,450	\$ 60,527,870	\$ -	\$ 60,527,870
-	7,408,471	32,549,434	-	-	-	-	505,578	40,815,144	-	40,815,144
-	7,415,567	46,488,126	-	-	-	-	2,798,028	101,343,014	-	101,343,014
-	1,329,394	1,071,251	-	-	-	-	90,478	4,350,989	-	4,350,989
-	-	-	-	-	-	-	-	2,395,868	-	2,395,868
-	-	-	-	-	-	-	972,255	2,898,435	(586,793)	2,311,642
-	708	1,306,980	-	-	-	-	364,204	61,030,394	(61,030,394)	-
-	8,745,668	48,866,356	-	-	-	-	4,224,965	172,018,700	(61,617,187)	110,401,513
-	-	36,109	-	-	-	-	922,226	152,150,139	(1,057,980)	151,092,159
-	-	167,778,926	-	-	-	-	-	167,895,393	(1,263,000)	166,632,393
-	25,047,719	10,611,463	-	-	-	-	-	35,723,593	-	35,723,593
-	25,047,719	178,426,498	-	-	-	-	922,226	355,769,125	(2,320,980)	353,448,145
\$ -	\$ 33,793,388	\$ 227,292,855	\$ -	\$ -	\$ -	\$ -	\$ 5,147,191	\$ 527,787,825	\$ (63,938,167)	\$ 463,849,658
\$ -	\$ -	\$ 744	\$ -	\$ -	\$ -	\$ -	\$ 374,262	\$ 582,229	\$ -	\$ 582,229
10,873	80,531	8,059	-	-	-	-	2,437,813	7,835,863	-	7,835,863
-	7,343,890	656,936	-	-	-	-	2,532,544	11,893,136	-	11,893,136
-	668,694	1,451,232	-	-	-	-	-	61,030,394	(61,030,394)	-
10,873	8,093,115	2,116,972	-	-	-	-	5,344,619	81,341,622	(61,030,394)	20,311,228
-	-	-	-	-	-	-	-	10,556,862	(1,263,000)	9,293,862
-	-	3,572	-	-	-	-	529,821	1,591,367	(586,793)	1,004,574
-	-	3,572	-	-	-	-	529,821	12,148,230	(1,849,793)	10,298,437
10,873	8,093,115	2,120,544	-	-	-	-	5,874,440	93,489,852	(62,880,187)	30,609,665
-	-	36,109	-	-	-	-	922,226	141,593,276	205,020	141,798,296
-	-	177,011,126	-	-	-	-	-	216,157,907	(1,263,000)	214,894,907
(10,873)	25,700,272	48,125,076	-	-	-	-	(1,649,475)	76,546,790	-	76,546,790
(10,873)	25,700,272	225,172,311	-	-	-	-	(727,249)	434,297,973	(1,057,980)	433,239,993
\$ -	\$ 33,793,388	\$ 227,292,855	\$ -	\$ -	\$ -	\$ -	\$ 5,147,191	\$ 527,787,825	\$ (63,938,167)	\$ 463,849,658

The Housing Authority of the City of Atlanta, Georgia

**FINANCIAL DATA SCHEDULE OF PROGRAM REVENUE, EXPENSES  
AND CHANGES IN NET ASSET ACCOUNTS**

As of June 30, 2012

	Project Total	Moving to Work Demonstration Program	Housing Choice Vouchers	Mainstream Vouchers	Revitalization of Severely Distressed Public Housing	Choice Neighborhoods Planning Grant	Component Units
Tenant Revenue	\$ 5,435,556	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
HUD PHA Operating Grants	1,748,692	-	6,975,461	776,523	1,512,906	181,891	15,000
Capital Grants	1,446,850	-	-	-	125,368	-	-
Other Fees	-	-	-	-	-	-	-
Interest and Investment Income	-	-	-	-	-	-	-
Other Revenue	359,602	231,119	427,164	44,964	-	-	1,912,136
Gain or Loss on Sale of Capital Assets	7,570	-	-	-	-	-	-
<b>Total REVENUE</b>	<b>\$ 8,998,271</b>	<b>\$ 231,119</b>	<b>\$ 7,402,625</b>	<b>\$ 821,487</b>	<b>\$ 1,638,274</b>	<b>\$ 181,891</b>	<b>\$ 1,927,136</b>
Administrative	7,408,869	41,012,729	427,164	44,964	1,871	181,891	319,142
Tenant Services	1,539,179	178,374	-	-	-	-	-
Utilities, maintenance and protective services	12,364,646	-	-	-	(2,947)	-	1,158,862
General expenses	14,754,551	2,049,876	-	-	-	-	47,564
Interest expense	343,206	-	-	-	-	-	370,602
Extraordinary Maintenance	1,175,497	-	-	-	1,536,913	-	-
Housing Assistance Payments	-	118,706,014	7,067,599	776,523	-	-	-
Depreciation Expense	6,030,811	316,182	-	-	-	-	1,124,850
<b>Total EXPENSES</b>	<b>\$ 43,616,758</b>	<b>\$ 162,263,176</b>	<b>\$ 7,494,763</b>	<b>\$ 821,487</b>	<b>\$ 1,535,837</b>	<b>\$ 181,891</b>	<b>\$ 3,021,021</b>
Operating Transfer In	\$ 427,313	\$ 192,844,722	\$ 69,902	\$ -	\$ 9,094,196	\$ -	\$ -
Operating transfer Out	(427,313)	(377,916)	-	-	(5,399,797)	-	-
Operating Transfers from/to Component Unit	(330)	(3,148,942)	-	-	(1,361,622)	-	5,082,759
Transfers between Program and Project - In	15,079,265	-	-	-	-	-	-
Transfers between Project and Program - Out	-	(13,434,320)	-	-	(816,421)	-	-
Total Other financing Sources (Uses)	15,078,935	175,883,544	69,902	-	1,516,356	-	5,082,759
Change in net assets	(19,539,552)	13,851,487	(22,237)	-	1,618,793	-	3,988,874
Net assets -- beginning of year	105,753,846	40,260,186	22,237	-	8,099,672	-	39,809,223
Prior Period Adjustments, Equity Transfers and Correction of Errors	20,424,259	(19,230,940)	-	-	(10,872,324)	(11)	-
Net assets -- end of year	<b>\$ 106,638,554</b>	<b>\$ 34,880,732</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1,153,858)</b>	<b>\$ (11)</b>	<b>\$ 43,798,096</b>

Other Federal Program	State/Local	Business Activities	MTW Demonstration Program for Low Rent	MTW Demonstration Program for Capital Fund	MTW Demonstration Program for HCV program	Competitive Capital Fund Stimulus Grant	Central Office Cost Center	Total Pre-Eliminations	Eliminations	Total Post-Eliminations
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,435,556	\$ -	\$ 5,435,556
-	-	-	17,933,751	328,519	173,562,810	235,428	-	203,270,981	-	203,270,981
-	-	-	-	1,019,641	-	684,197	-	3,276,057	-	3,276,057
-	-	-	-	-	-	-	34,788,022	34,788,022	(34,788,022)	-
-	-	884,110	-	-	-	-	-	884,110	-	884,110
-	18	3,159,529	-	-	-	-	41,403	6,175,934	(1,888,744)	4,287,190
-	-	-	-	-	-	-	-	7,570	-	7,570
\$ -	\$ 18	\$ 4,043,638	\$ 17,933,751	\$ 1,348,161	\$ 173,562,810	\$ 919,625	\$ 34,829,425	\$ 253,838,230	\$ (36,676,766)	\$ 217,161,464
38,906	-	487,800	-	-	-	-	34,028,987	83,952,324	(36,676,766)	47,275,557
-	-	289,794	-	-	-	-	466,306	2,473,654	-	2,473,654
-	-	42,050	-	-	-	-	228,722	13,791,333	-	13,791,333
-	-	555,009	-	-	-	-	809,374	18,216,374	-	18,216,374
-	-	-	-	-	-	-	-	713,807	-	713,807
-	-	36,142	-	-	-	235,428	-	2,983,979	-	2,983,979
-	-	-	-	-	-	-	-	126,550,137	-	126,550,137
-	-	-	-	-	-	-	252,858	7,724,701	-	7,724,701
\$ 38,906	\$ -	\$ 1,410,795	\$ -	\$ -	\$ -	\$ 235,428	\$ 35,786,246	\$ 256,406,309	\$ (36,676,766)	\$ 219,729,543
\$ -	\$ 2,310,563	\$ 3,524,018	\$ -	\$ -	\$ -	\$ -	\$ 75,057	\$ 208,345,771	\$ -	\$ 208,345,771
-	-	(9,238,985)	(17,933,751)	(1,348,161)	(173,562,810)	-	(57,038)	(208,345,771)	-	(208,345,771)
-	-	(571,865)	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	15,079,265	-	15,079,265
-	(126,308)	-	-	-	-	(684,197)	(18,019)	(15,079,265)	-	(15,079,265)
-	2,184,255	(6,286,832)	(17,933,751)	(1,348,161)	(173,562,810)	(684,197)	-	-	-	-
(38,906)	2,184,273	(3,653,988)	-	-	-	-	(956,821)	(2,568,079)	-	(2,568,079)
-	9,958,867	228,940,366	-	-	-	2,965,225	1,056,429	436,866,052	(1,057,980)	435,808,072
28,033	13,557,132	(114,067)	-	-	-	(2,965,225)	(826,856)	-	-	-
\$ (10,873)	\$ 25,700,272	\$ 225,172,311	\$ -	\$ -	\$ -	\$ -	\$ (727,249)	\$ 434,297,973	\$ (1,057,980)	\$ 433,239,993

The Housing Authority of the City of Atlanta  
**NOTES TO FINANCIAL DATA SCHEDULES**  
June 30, 2012

**NOTE A — BASIS OF PRESENTATION**

The accompanying Schedule of Combining Program Revenue, Expense and Changes in Net Asset Accounts and Schedule of Combining Statement of Net Asset Accounts have been prepared using the basis of accounting required by HUD's Real Estate Assessment Center (REAC) and as modified in accordance with the provisions, policies and requirements contained in the MTW Agreement.

REAC requires certain items on the Schedule of Combining Balance Sheet Accounts to be classified entirely as short-term or long-term. However, these items are allocated between short and long-term in the financial statements prepared in accordance with GAAP. Also, REAC does not provide for presenting items on the Schedule of Combining Program Revenue, Expense and Changes in Net Asset Accounts as operating or non-operating. Accordingly, there are differences in classifications and presentation between these schedules and the financial statements. However, total assets, liabilities, net assets and changes in net assets reported in these schedules agree to the financial statements prepared in accordance with GAAP.

The Housing Authority of the City of Atlanta  
**NOTES TO FINANCIAL DATA SCHEDULES**  
June 30, 2012

**NOTE B — COMBINING SCHEDULE OF BLENDED COMPONENT UNITS**

AHA's blended component units are created at the direction of the AHA Board to assist the Authority with development and other acquisition activities in support of affordable housing. Under GASB 14 and 34, these blended component units are presented within the reporting entity of AHA and are identified within the Financial Data Schedule. See Note A.3 of the Notes to the Financial Statements for additional information on AHA's component units. Balances and activity for FY 2012 are as follows:

	Year ended June 30, 2012							Total Component Units
	JWD	AAHFI	SHHI	RAH	SRDC	WAH	AHICI	
<b>ASSETS</b>								
Current and non-current assets	\$ 742,248	\$ 181,154	\$1,097,075	\$ 155,899	\$ -	\$ 723,984	\$ 19,223	\$ 2,919,581
Capital assets, net	<u>12,930,485</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,318,304</u>	<u>-</u>	<u>42,248,789</u>
Total assets	<u>\$13,672,732</u>	<u>\$ 181,154</u>	<u>\$1,097,075</u>	<u>\$ 155,899</u>	<u>\$ -</u>	<u>\$30,042,288</u>	<u>\$ 19,223</u>	<u>\$ 45,168,370</u>
<b>LIABILITIES AND NET ASSETS</b>								
Current and non-current liabilities	\$ 98,650	\$ -	\$ -	\$ -	\$ -	\$ 8,624	\$ -	\$ 107,274
Long-term debt outstanding	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,263,000</u>	<u>-</u>	<u>1,263,000</u>
Total liabilities	<u>98,650</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,271,624</u>	<u>-</u>	<u>1,370,274</u>
Invested in capital assets, net of debt	12,930,485	-	-	-	-	28,055,304	-	40,985,789
Unrestricted	<u>643,598</u>	<u>181,154</u>	<u>1,097,075</u>	<u>155,899</u>	<u>-</u>	<u>715,359</u>	<u>19,223</u>	<u>2,812,307</u>
Total net assets	<u>13,574,082</u>	<u>181,154</u>	<u>1,097,075</u>	<u>155,899</u>	<u>-</u>	<u>28,770,664</u>	<u>19,223</u>	<u>43,798,096</u>
Total liabilities and net assets	<u>\$13,672,732</u>	<u>\$ 181,154</u>	<u>\$1,097,075</u>	<u>\$ 155,899</u>	<u>\$ -</u>	<u>\$30,042,288</u>	<u>\$ 19,223</u>	<u>\$ 45,168,370</u>
<b>REVENUE</b>								
Operating revenue	\$ 1,896,963	\$ 5,194	\$ -	\$ -	\$ 15,000	\$ 2,950	\$ -	\$ 1,920,107
Non-operating revenue	<u>1,675</u>	<u>463</u>	<u>2,816</u>	<u>400</u>	<u>-</u>	<u>1,626</u>	<u>49</u>	<u>7,029</u>
Total revenue	<u>1,898,638</u>	<u>5,657</u>	<u>2,816</u>	<u>400</u>	<u>15,000</u>	<u>4,576</u>	<u>49</u>	<u>1,927,136</u>
<b>EXPENSE</b>								
Operating and other expense	(2,893,830)	-	-	-	(15,000)	(112,170)	(20)	(3,021,021)
Operating transfers in/(out)	<u>3,148,942</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,933,816</u>	<u>-</u>	<u>5,082,758</u>
Change in net assets	<u>2,153,750</u>	<u>5,657</u>	<u>2,816</u>	<u>400</u>	<u>-</u>	<u>1,826,221</u>	<u>29</u>	<u>3,988,874</u>
Net assets — beginning of year	<u>11,420,333</u>	<u>175,497</u>	<u>1,094,259</u>	<u>155,499</u>	<u>-</u>	<u>26,944,442</u>	<u>19,193</u>	<u>39,809,223</u>
Net assets — end of year	<u>\$13,574,082</u>	<u>\$ 181,154</u>	<u>\$1,097,075</u>	<u>\$ 155,899</u>	<u>\$ -</u>	<u>\$28,770,664</u>	<u>\$ 19,223</u>	<u>\$ 43,798,096</u>

\*The following entity does not have any balances or activity: AHDC

The Housing Authority of the City of Atlanta, Georgia

**SCHEDULE OF RELATED-PARTY BALANCES**

As of June 30, 2012

Owner Entity	Development Loans	Other Loans	Investment In Partnerships	Valuation Allowance
<b>Predevelopment loans:</b>				
Harris Redevelopment, LLC	\$ -	\$ -	\$ -	\$ -
Grady Multifamily II, L.P.	-	-	-	-
Grady Senior Partnership III, L.P.	-	-	-	-
UH Senior Partnership I, LP	-	-	-	-
<b>Construction financing loans:</b>				
Adamsville Green, LP	-	1,990,879	-	-
Mechanicsville Apartments Phase 6, L.P.	5,170,000	-	-	-
<b>Permanent financing loans:</b>				
Campbell Stone, L.P.	-	1,500,000	-	-
Gates Park Crossing HFOP Apartments, L.P.	-	1,203,535	-	-
Gates Park Crossing HFS Apartments, L.P.	-	1,074,077	-	-
West End Phase III Redevelopment Partnership, L.P.	1,298,400	97,805	-	(365,795)
Columbia Village, L.P.	2,250,000	-	111,914	(2,361,914)
Columbia Senior Residences at Edgewood, L.P.	1,139,652	-	-	-
Carver Redevelopment Partnership II, L.P.	740,000	-	-	-
John Hope Community Partnership I, L.P.	4,620,000	-	-	-
John Hope Community Partnership II, L.P.	7,980,000	-	-	-
CCH John Eagan I Homes, L.P.	5,896,000	-	-	(5,896,000)
CCH John Eagan II Homes, L.P.	4,536,000	-	-	(4,536,000)
Mercy Housing Georgia VI, L.P.	5,600,000	111,296	-	-
Harris Redevelopment Partnership VI, L.P.	-	-	220,000	(220,000)
Capitol Gateway Partnership II, L.P.	3,946,821	-	-	-
Carver Redevelopment Partnership V, L.P.	6,240,000	-	-	-
Harris Redevelopment Partnership II, L.P.	-	97,544	-	-
Columbia Commons, L.P.	3,425,221	-	82,580	(707,801)
Grady Redevelopment Partnership I, L.P.	2,957,625	-	-	-
Grady Redevelopment Partnership II, L.P.	7,545,027	-	-	-
Columbia at Mechanicsville Apartments, L.P.	5,115,000	-	-	-
Columbia Senior Residences at Mechanicsville, L.P.	4,273,628	-	-	-
Mechanicsville Apartments Phase 3, L.P.	5,965,398	-	-	-
Mechanicsville Apartments Phase 4, L.P.	5,494,000	-	-	-
Harris Redevelopment Partnership Phase V, LP	9,196,000	-	-	(333,557)
Grady Senior Partnership II, LP	3,000,000	-	-	-
Carver Senior Building, L.P.	-	-	-	-
Kimberly Associates I, L.P.	2,605,000	152,484	-	(152,484)
Kimberly Associates II, L.P.	1,507,000	70,335	-	(70,335)
Kimberly Associates III, L.P.	1,305,000	22,080	-	(22,080)
Columbia Park Citi Residences, L.P.	4,828,164	117,687	-	(370,851)
Columbia Creste, L.P.	5,246,290	148,009	-	(494,299)
Columbia Estates, L.P.	4,566,413	168,791	-	(985,204)
Columbia Grove, L.P.	4,466,669	227,999	-	(390,772)
Carver Redevelopment Partnership I, L.P.	9,074,250	225,792	-	(1,472,042)
Carver Redevelopment Partnership III, L.P.	8,430,000	111,500	-	(111,091)
Harris Redevelopment Partnership I, L.P.	7,925,000	351,060	-	(115,047)
East Lake Redevelopment, L.P.	5,824,000	182,365	-	(6,006,365)
East Lake Redevelopment II, L.P.	11,903,505	297,548	-	(8,340,020)
Legacy Partnership I, L.P.	3,520,000	43,382	-	(13,508)
Legacy Partnership II, L.P.	3,445,000	116,560	-	(108,689)
Legacy Partnership III, L.P.	3,774,000	391,289	-	(326,349)
Legacy Partnership IV, L.P.	3,920,000	284,483	-	(251,653)
Capitol Gateway Partnership I, L.P.	10,084,861	181,236	-	(181,236)
Centennial Park North, LLC	-	108,000	-	-
<b>Other Loans:</b>				
178 Elm Street, LLC	-	-	-	-
940 Cunningham Place, LLC	-	1,693,137	-	-
Columbia Heritage Senior Residences, LP	-	-	-	-
Brock Built Homes, LLC	-	132,000	-	-
UH Senior Partnership I, L.P.	-	-	-	-
	<b>\$ 188,813,924</b>	<b>\$ 11,100,873</b>	<b>\$ 414,494</b>	<b>\$ (33,833,092)</b>

Developer Fees and Other Fees Current	Developer Fees and Other Fees Long-term	Developer Fees and Other Fees Allowance	Predevelopment Loans Current	Predevelopment Loans Long-term	Accrued Interest (Not Recorded)
\$ -	\$ -	\$ -	\$ -	\$ 8,468	\$ -
-	-	-	297,937	-	-
-	-	-	-	-	-
-	-	-	-	-	-
86,883	-	-	-	-	29,863
489,330	-	-	-	-	-
-	-	-	-	-	470,530
37,500	182,554	-	-	-	19,658
182,105	45,270	-	-	-	17,543
-	-	-	-	-	871,342
-	42,197	-	-	-	2,454,819
-	1,024	-	-	-	36,089
-	52,448	(17,802)	-	-	287,713
-	-	-	-	-	419,650
-	-	-	-	-	804,650
-	-	(89,223)	-	-	471,680
-	122,472	(274,091)	-	-	321,413
-	-	-	-	-	137,931
-	19,311	(19,311)	-	-	-
-	-	-	-	-	210,468
-	185,836	(58,716)	-	-	59,393
-	-	-	-	-	1,445
-	-	-	-	-	1,004,494
-	-	-	-	-	25,222
-	-	-	-	-	-
-	32,610	-	-	-	786,664
-	27,022	-	-	-	571,235
54,978	17,449	-	-	-	147,384
87,137	20,936	-	-	-	135,724
-	-	-	-	-	39,320
-	-	-	-	-	-
-	187,891	(178,891)	-	-	-
-	-	-	-	-	26,853
-	7,833	(7,833)	-	-	894,898
-	91,241	(91,241)	-	-	673,231
-	73,062	-	-	-	1,638,830
-	47,837	-	-	-	1,487,575
-	47,675	-	-	-	1,341,624
-	37,978	-	-	-	871,298
-	-	-	-	-	778,158
-	-	-	-	-	479,495
-	89,636	(68,831)	-	-	519,791
-	-	-	-	-	2,417
-	42,275	-	-	-	3,657
-	-	-	-	-	4,363,791
-	-	-	-	-	4,377,853
-	-	-	-	-	3,415,721
-	-	-	-	-	2,712,329
-	-	-	-	-	382,642
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	307,898	-	-	-	-
-	-	-	-	-	-
-	308,470	-	-	-	-
<u>\$ 937,933</u>	<u>\$ 1,990,925</u>	<u>\$ (805,939)</u>	<u>\$ 297,937</u>	<u>\$ 8,468</u>	<u>\$ 33,294,393</u>

The Housing Authority of the City of Atlanta, Georgia

**SCHEDULE OF RELATED-PARTY BALANCES**

As of June 30, 2011

Owner Entity	Development Loans	Other Loans	Investment In Partnerships	Valuation Allowance
<b>Predevelopment loans:</b>				
Harris Redevelopment, LLC	\$ -	\$ -	\$ -	\$ -
Grady Multifamily II, L.P.	-	-	-	-
Grady Redevelopment, LLC	-	-	-	-
Grady Senior Partnership III, L.P.	-	-	-	-
UH Senior Partnership I, LP	-	-	-	-
<b>Construction financing loans:</b>				
Adamsville Green	-	2,000,000	-	-
Grady Redevelopment Partnership II, L.P.	7,243,336	-	-	-
Harris Redevelopment Partnership Phase V, LP	9,196,000	-	-	(333,557)
Grady Senior Partnership II, LP	1,776,898	-	-	-
Mechanicsville Apartments Phase 6, L.P.	4,653,000	-	-	-
<b>Permanent financing loans:</b>				
Campbell Stone, L.P.	-	1,500,000	-	-
Gates Park Crossing HFOP Apartments, L.P.	-	756,531	-	-
Gates Park Crossing HFS Apartments, L.P.	-	854,023	-	-
West End Phase III Redevelopment Partnership, L.P.	1,298,400	97,805	-	(365,795)
Columbia Village, L.P.	2,250,000	-	111,914	(2,361,914)
Columbia Senior Residences at Edgewood, L.P.	1,139,652	-	-	-
Carver Redevelopment Partnership II, L.P.	740,000	-	-	-
John Hope Community Partnership I, L.P.	4,620,000	-	-	-
John Hope Community Partnership II, L.P.	7,980,000	-	-	-
CCH John Eagan I Homes, L.P.	5,896,000	-	-	(5,896,000)
CCH John Eagan II Homes, L.P.	4,536,000	-	-	(4,536,000)
Mercy Housing Georgia VI, L.P.	5,600,000	111,296	-	-
Harris Redevelopment Partnership VI, L.P.	-	-	220,000	(220,000)
Capitol Gateway Partnership II, L.P.	3,946,821	-	-	-
Carver Redevelopment Partnership V, L.P.	6,240,000	-	-	-
Harris Redevelopment Partnership II, L.P.	-	97,544	-	-
Columbia Commons, L.P.	3,425,221	-	82,580	(707,801)
Grady Redevelopment Partnership I, L.P.	2,993,354	-	-	-
Columbia at Mechanicsville Apartments, L.P.	5,115,000	-	-	-
Columbia Senior Residences at Mechanicsville, L.P.	4,273,628	-	-	-
Mechanicsville Apartments Phase 3, L.P.	5,965,400	-	-	-
Mechanicsville Apartments Phase 4, L.P.	5,494,000	-	-	-
Carver Senior Building, L.P.	-	-	-	-
Kimberly Associates I, L.P.	2,605,000	152,484	-	(152,484)
Kimberly Associates II, L.P.	1,507,000	70,335	-	(70,335)
Kimberly Associates III, L.P.	1,305,000	22,080	-	(22,080)
Columbia Park Citi Residences, L.P.	4,828,164	117,687	-	(934,100)
Columbia Creste, L.P.	5,246,290	148,009	-	(401,173)
Columbia Estates, L.P.	4,566,413	168,791	-	(515,081)
Columbia Grove, L.P.	4,466,669	227,999	-	(390,772)
Carver Redevelopment Partnership I, L.P.	9,074,250	225,792	-	(1,472,042)
Carver Redevelopment Partnership III, L.P.	8,430,000	111,500	-	(111,091)
Harris Redevelopment Partnership I, L.P.	7,925,000	351,060	-	(115,047)
East Lake Redevelopment, L.P.	5,824,000	182,365	-	(6,006,365)
East Lake Redevelopment II, L.P.	11,903,505	297,548	-	(8,340,020)
Legacy Partnership I, L.P.	3,520,000	45,407	-	(8,348)
Legacy Partnership II, L.P.	3,445,000	93,144	-	(66,594)
Legacy Partnership III, L.P.	3,774,000	365,721	-	(237,462)
Legacy Partnership IV, L.P.	3,920,000	274,047	-	(195,002)
Capitol Gateway Partnership I, L.P.	10,084,861	181,236	-	(181,236)
Centennial Park North, LLC	-	108,000	-	-
<b>Other:</b>				
178 Elm Street, LLC	-	571,865	-	-
940 Cunningham Place, LLC	-	1,629,978	-	-
Columbia Heritage	-	-	-	-
Brock Built Homes, LLC	-	-	-	-
The Integral Partnership of Atlanta	-	-	-	-
<b>Developer and other fees receivables — general allowance</b>	-	-	-	-
	<b>\$ 186,807,862</b>	<b>\$ 10,762,247</b>	<b>\$ 414,494</b>	<b>\$ (33,640,299)</b>

Developer Fees and Other Fees Current	Developer Fees and Other Fees Long-term	Developer Fees and Other Fees Allowance	Predevelopment Loans Current	Predevelopment Loans Long-term	Prepaid Interest (Deferred)	Accrued Interest (Not Recorded)
\$ -	\$ -	\$ -	\$ 8,468	\$ -	\$ -	\$ -
-	-	-	60,000	-	-	-
-	-	-	-	-	-	-
-	-	-	115,112	-	-	-
-	-	-	-	324,910	-	-
158,236	-	-	-	-	-	4,977
200,781	96,767	-	-	-	-	748
218,182	90,539	-	-	-	-	-
102,833	274,508	-	-	-	-	-
	386,497	-				
-	-	-	-	-	-	233,227
92,757	177,118	-	-	-	-	114,100
139,982	72,393	-	-	-	-	116,649
-	-	-	-	-	-	663,289
-	-	-	-	-	-	1,984,827
-	-	-	-	-	-	15,226
-	62,654	-	-	-	-	223,106
-	-	-	-	-	-	342,650
-	-	-	-	-	-	671,650
-	-	(42,658)	-	-	-	373,413
-	-	(151,619)	-	-	-	245,813
2,470	-	-	-	-	-	46,831
-	19,311	-	-	-	-	-
-	-	-	-	-	-	95,270
-	66,497	-	-	-	-	5,393
-	-	-	-	-	-	633
-	-	-	-	-	-	657,342
-	-	-	-	-	-	-
9,377	-	-	-	-	-	339,548
-	-	-	-	-	-	293,252
351,065	92,086	-	-	-	-	-
65,231	44,840	-	-	-	-	-
-	187,891	(192,976)	-	-	-	-
-	-	-	-	-	-	1,643,692
-	7,833	-	-	-	-	681,359
-	91,241	(91,241)	-	-	-	505,501
-	25,275	-	-	-	-	1,112,217
-	25,499	-	-	-	-	939,050
-	26,525	-	-	-	-	877,404
-	19,842	-	-	-	-	483,566
-	-	-	-	-	-	548,136
-	-	-	-	-	-	338,066
-	68,831	-	-	-	-	384,782
-	-	-	-	-	-	846
28,725	-	-	-	-	-	1,179
-	-	-	-	-	-	3,654,314
-	-	-	-	-	-	3,587,069
-	-	-	-	-	-	2,748,792
-	-	-	-	-	-	2,168,677
-	-	-	-	-	-	216,492
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	259,335	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	(500,000)	-	-	-	-
<u>\$ 1,369,639</u>	<u>\$ 2,095,482</u>	<u>\$ (978,494)</u>	<u>\$ 183,580</u>	<u>\$ 324,910</u>	<u>\$ -</u>	<u>\$ 26,319,086</u>

The Housing Authority of the City of Atlanta, Georgia

**SCHEDULE OF RELATED-PARTY TRANSACTIONS**

As of June 30, 2012

Owner Entity	Current Interest Income on Loans	Development Related Income	Housing Assistance Payments	
			Mixed-income Communities	PBRA <sup>1</sup>
<b>Construction financing loans:</b>				
Mercy Housing Georgia VI, L.P.	\$ -	\$ 15,029	\$ 441,264	\$ 950,384
Grady Redevelopment Partnership I, L.P.	25,111	12,234	187,161	706,031
Grady Redevelopment Partnership II, L.P.	-	(35,383)	284,321	-
Mechanicsville Apartments Phase 3, L.P.	-	53,982	375,372	268,585
Mechanicsville Apartments Phase 4, L.P.	-	57,785	354,390	352,657
Harris Redevelopment Partnership V, LP	-	10,438	293,296	-
Grady Senior Partnership II, LP	-	3,172	-	-
Mechanicsville Apartments Phase 6, L.P.	-	-	115,192	-
<b>Permanent financing loans:</b>				
Campbell Stone, L.P.	180,588	-	-	1,456,671
Gates Park Crossing HFOP Apartments, L.P.	171,481	15,000	-	1,025,338
Gates Park Crossing HFS Apartments, L.P.	-	15,000	-	-
West End Phase III Redevelopment Partnership, L.P.	-	-	137,946	-
Columbia Village, L.P.	42,197	-	132,078	-
Columbia Senior Residences @ Edgewood, L.P.	1,024	49,858	-	1,310,070
Kimberly Associates I, L.P.	-	120	433,386	186,375
Kimberly Associates II, L.P.	-	110	212,472	103,202
Kimberly Associates III, L.P.	-	100	194,862	92,527
Columbia Estates, L.P.	-	22,400	161,819	-
Columbia Creste, L.P.	-	21,313	376,596	-
Columbia Grove, L.P.	-	18,136	239,580	-
Carver Redevelopment Partnership I, L.P.	-	120	690,198	88,428
Carver Redevelopment Partnership II, L.P.	15,413	34,736	241,740	-
Carver Redevelopment Partnership III, L.P.	-	16,932	658,907	63,535
John Hope Community Partnership I, L.P.	-	-	387,198	-
John Hope Community Partnership II, L.P.	-	-	495,546	-
CCH John Eagan I Homes, L.P.	-	-	474,204	-
CCH John Eagan II Homes, L.P.	-	122,472	442,768	-
Harris Redevelopment Partnership I, L.P.	-	37,368	411,678	-
East Lake Redevelopment, L.P.	-	-	770,630	-
East Lake Redevelopment II, L.P.	-	13,550	1,282,447	-
Legacy Partnership I, L.P.	32,440	-	554,137	-
Legacy Partnership II, L.P.	7,373	-	397,779	-
Legacy Partnership III, L.P.	-	-	306,679	-
Legacy Partnership IV, L.P.	-	-	477,501	-
Capitol Gateway Partnership I, L.P.	-	23,693	447,268	137,840
Capitol Gateway Partnership II, L.P.	56,000	13,528	226,621	203,724
Carver Redevelopment Partnership V, L.P.	-	147,556	393,174	48,567
Harris Redevelopment Partnership II, L.P.	28,294	12,506	-	732,517
Centennial Park North, LLC	-	-	-	-
Columbia Commons, L.P.	-	-	254,106	22,550
Columbia Park Citi Residences, L.P.	-	13,208	390,828	-
Columbia at Mechanicsville Apartments, L.P.	-	32,610	417,630	369,472
Columbia Senior Residences at Mechanicsville, L.P.	103,361	39,843	239,340	662,291
Carver Senior Building, L.P.	-	9,732	-	741,308
Harris Redevelopment LLC	-	-	-	-
<b>Other:</b>				
Adamsville Green	39,818	-	-	569,003
Columbia Heritage Senior Residences, LP	21,541	61,378	-	1,078,443
Harris Redevelopment Partnership VI, LP	-	3,303	186,196	-
Brock Built, LLC (West Highlands Homeownership Lot Sales Profit participation)	-	10,539	-	-
Grady Redevelopment Partnership III, L.P.	-	288,106	-	-
UH Senior Partnership I, L.P.	-	408,470	-	-
Brock Built, LLC (Park Swap and PHR TAD Boundaries Lot Sales Profit participation)	-	142,874	-	-
Carnegie Library, L.P.	-	-	-	-
Grady Multifamily II LP	-	10,000	-	-
	<b>\$ 724,640</b>	<b>\$ 1,701,818</b>	<b>\$ 14,086,311</b>	<b>\$ 11,169,518</b>

<sup>1</sup> PBRA payments listed are not all inclusive. Related party only.

The Housing Authority of the City of Atlanta, Georgia

**SCHEDULE OF RELATED-PARTY TRANSACTIONS**

As of June 30, 2011

Owner Entity	Current Interest Income on Loans	Development Related Income	Housing Assistance Payments	
			Mixed-income Communities	PBRA <sup>1</sup>
<b>Construction financing loans:</b>				
Mercy Housing Georgia VI, L.P.	\$ 3,161	\$ 53,356	\$ 453,000	\$ 966,114
Carver Redevelopment Partnership V, L.P.	-	14,291	302,398	24,656
Grady Redevelopment Partnership I, L.P.	35,631	12,130	201,917	714,986
Grady Redevelopment Partnership II, L.P.	-	-	97,238	-
Mechanicsville Apartments Phase 3, L.P.	11,956	-	431,736	289,327
Mechanicsville Apartments Phase 4, L.P.	-	-	430,250	341,070
Harris Redevelopment Partnership V, LP	-	-	71,971	-
Grady Senior Partnership II, LP	-	-	-	-
Mechanicsville Apartments Phase 6, L.P.	-	897,097	-	-
<b>Permanent financing loans:</b>				
Campbell Stone, L.P.	-	-	-	1,432,898
Gates Park Crossing HFOP Apartments, L.P.	-	-	-	1,047,566
Gates Park Crossing HFS Apartments, L.P.	-	-	-	865,182
West End Phase III Redevelopment Partnership, L.P.	-	-	148,238	-
Columbia Village, L.P.	-	-	129,046	-
Columbia Senior Residences @ Edgewood, L.P.	36,563	-	-	1,327,768
Kimberly Associates I, L.P.	-	-	416,888	221,583
Kimberly Associates II, L.P.	-	-	192,610	143,742
Kimberly Associates III, L.P.	-	-	145,697	93,708
Columbia Estates, L.P.	-	-	324,741	-
Columbia Creste, L.P.	-	-	432,399	-
Columbia Grove, L.P.	-	-	341,697	-
Carver Redevelopment Partnership I, L.P.	-	-	683,057	49,654
Carver Redevelopment Partnership II, L.P.	-	6,553	123,498	-
Carver Redevelopment Partnership III, L.P.	-	18,852	670,800	44,896
John Hope Community Partnership I, L.P.	-	-	357,162	-
John Hope Community Partnership II, L.P.	-	-	533,562	-
CCH John Eagan I Homes, L.P.	-	-	510,816	-
CCH John Eagan II Homes, L.P.	-	-	657,546	-
Harris Redevelopment Partnership I, L.P.	-	18,121	430,803	-
East Lake Redevelopment, L.P.	-	-	613,668	-
East Lake Redevelopment II, L.P.	-	-	1,047,312	-
Legacy Partnership I, L.P.	-	-	376,122	-
Legacy Partnership II, L.P.	6,689	-	251,430	-
Legacy Partnership III, L.P.	10,317	-	246,036	-
Legacy Partnership IV, L.P.	-	-	326,244	-
Capitol Gateway Partnership I, L.P.	-	24,886	554,037	118,769
Capitol Gateway Partnership II, L.P.	-	14,554	382,449	183,788
Harris Redevelopment Partnership II, L.P.	-	9,282	-	667,426
Centennial Park North, LLC	-	-	-	-
Columbia Commons, L.P.	-	-	304,728	20,935
Columbia Park Citi Residences, L.P.	-	-	348,996	-
Columbia at Mechanicsville Apartments, L.P.	-	3,163	475,482	364,160
Columbia Senior Residences at Mechanicsville, L.P.	-	-	284,856	658,034
Carver Senior Building, L.P.	-	9,714	-	733,819
Harris Redevelopment LLC	-	-	-	-
<b>Other:</b>				
Adamsville Green	56,100	-	-	174,926
Columbia Heritage	-	-	-	1,070,817
Harris Redevelopment Partnership VI, LP	-	-	191,529	-
Brock Built, LLC (West Highlands Homeownership Lot Sales Profit participation)	-	60,857	-	-
Grady Redevelopment Partnership III, L.P.	-	-	-	-
UH Senior Partnership I, L.P.	-	10,000	-	-
Brock Built, LLC (Park Swap and PHR TAD Boundaries Lot Sales Profit participation)	-	32,205	-	-
Carnegie Library, L.P.	-	13,628	-	-
	<b>\$ 160,417</b>	<b>\$ 1,198,689</b>	<b>\$ 13,489,960</b>	<b>\$ 11,555,824</b>

<sup>1</sup> PBRA payments listed are not all inclusive. Related party only.

The Housing Authority of the City of Atlanta, Georgia

**SCHEDULE OF HUD-FUNDED GRANTS**

Year ended June 30, 2012

Program	Original Grant Award	Grant Drawdown			Expenditures			HUD Receivable/ (Payable)	Remaining Grant Award
	Authorized Amount	Cumulative as of June 30, 2011	For the year ended June 30, 2012	Cumulative as of June 30, 2012	Cumulative as of June 30, 2011	For the year ended June 30, 2012	Cumulative as of June 30, 2012	Balance as of June 30, 2012	Unexpended Balance as of June 30, 2012
<b>Capital Fund Recovery Grants:</b>									
3136 CFRG 2009 (ARRA)	\$ 26,579,168	\$ 22,694,318	\$ 3,884,850	\$ 26,579,168	\$ 25,659,543	\$ 919,625	\$ 26,579,168	\$ -	\$ -
<b>Capital Fund Program Grants:</b>									
3133 Capital Fund Program 2008	14,063,331	13,983,107	80,224	14,063,331	13,997,154	66,177	14,063,331	-	-
3137 Capital Fund Program 2009	12,535,836	9,104,143	1,525,207	10,629,350	9,732,611	898,625	10,631,236	1,886	1,906,486
3140 Capital Fund Program 2010	11,998,337	5,770,668	4,000,562	9,771,230	9,387,871	383,359	9,771,230	-	2,227,107
3143 Capital Fund Program 2011	9,426,542	-	-	-	-	-	-	-	9,426,542
3146 Capital Fund Program 2012	4,667,238	-	-	-	-	-	-	-	4,667,238
Total Capital Fund Program Grants	52,691,284	28,857,918	5,605,993	34,463,911	33,117,636	1,348,161	34,465,797	1,886	18,227,373
<b>HOPE VI Grants:</b>									
5102 HOPE VI - Harris Revitalization	35,000,000	34,566,659	433,341	35,000,000	35,000,000	-	35,000,000	-	-
5108 HOPE VI - Capitol Revitalization	35,000,000	29,225,308	5,774,692	35,000,000	34,161,726	838,274	35,000,000	-	-
5168 HOPE VI - Grady Homes Revitalization	20,000,000	17,534,287	2,465,713	20,000,000	19,200,000	800,000	20,000,000	-	-
5169 Choice Neighborhood Planning	250,000	-	172,463	172,463	-	181,891	181,891	9,428	77,537
Total HOPE VI Grants	90,250,000	81,326,254	8,846,209	90,172,463	88,361,726	1,820,165	90,181,891	9,428	77,537
<b>Replacement Housing Factor Grants:</b>									
3134 RHF 2008-1	1,461,675	808,462	458,188	1,266,650	1,042,730	260,877	1,303,607	36,957	195,025
3135 RHF 2008-2	5,472,872	4,390,063	695,444	5,085,507	4,738,486	37,904	4,776,390	(309,117)	387,365
3138 RHF 2008-2	3,112,679	986,780	932,269	1,919,049	1,002,301	1,137,545	2,139,846	220,797	1,193,630
3139 RHF 2008-2	4,838,507	1,999,544	755,287	2,754,831	2,163,597	1,479,994	3,643,591	888,760	2,083,676
3141 RHF 2010-1	2,347,162	-	1,914,346	1,914,346	1,586,916	327,430	1,914,346	-	432,816
3142 RHF 2010-2	3,958,066	-	1,544,495	1,544,495	1,344,871	200,174	1,545,045	550	2,413,571
3144 RHF 2011-1	2,534,662	-	-	-	-	-	-	-	2,534,662
3145 RHF 2011-2	2,136,846	-	-	-	-	-	-	-	2,136,846
3147 RHF 2012-1	6,618,738	-	-	-	-	-	-	-	6,618,738
3148 RHF 2012-2	1,429,204	-	-	-	-	-	-	-	1,429,204
Total Replacement Housing Factor Grants	33,910,411	8,184,849	6,300,029	14,484,878	11,878,901	3,443,924	15,322,825	837,947	19,425,533
<b>Total Grants</b>	<b>\$ 203,430,863</b>	<b>\$ 141,063,339</b>	<b>\$ 24,637,081</b>	<b>\$ 165,700,420</b>	<b>\$ 159,017,806</b>	<b>\$ 7,531,875</b>	<b>\$ 166,549,681</b>	<b>\$ 849,261</b>	<b>\$ 37,730,443</b>

**SCHEDULE OF CFP PROGRAM COMPLETION  
COSTS AND ADVANCES PROGRAM CERTIFICATION**

Contract completed during the year ending June 30, 2012

GRANT NAME	CFP Yr 9
PROJECT NUMBER	<u>GA06P006501-08</u>
GRANT AWARD EFFECTIVE DATE*	May 24, 2008
CONTRACT COMPLETION DATE	June 12, 2012
BUDGET	<u>\$ 14,063,331</u>
ADVANCES	\$ 14,063,331
COSTS	<u>14,063,331</u>
EXCESS/(DEFICIENCY) OF ADVANCES DUE TO/(FROM) HUD	<u>\$ -</u>
AMOUNT TO BE RECAPTURED BY HUD	<u>\$ -</u>

\*Represents the LOCCS effective date.

The actual CFP Cost Certificate is in agreement with AHA records.

All amounts due have been received and all liabilities have been paid and there are no undischarged liens (mechanics, laborers, contractors, or material-means) against the Project on file in any public office where the same should be filed in order to be valid. The time in which such liens could be filed has expired.

**SCHEDULE OF CFRG PROGRAM COMPLETION  
COSTS AND ADVANCES PROGRAM CERTIFICATION**

Contract completed during the year ending June 30, 2012

GRANT NAME	CFRG 2009
PROJECT NUMBER	<u>GA06S006501-09</u>
GRANT AWARD EFFECTIVE DATE*	March 18, 2009
CONTRACT COMPLETION DATE	March 17, 2012
BUDGET	<u>\$ 26,579,168</u>
ADVANCES	\$ 26,579,168
COSTS	<u>26,579,168</u>
EXCESS/(DEFICIENCY) OF ADVANCES DUE TO/(FROM) HUD	<u>\$ -</u>
AMOUNT TO BE RECAPTURED BY HUD	<u>\$ -</u>

\*Represents the LOCCS effective date.

The actual CFRG Cost Certificate is in agreement with AHA records.

All amounts due have been received and all liabilities have been paid and there are no undischarged liens (mechanics, laborers, contractors, or material-means) against the Project on file in any public office where the same should be filed in order to be valid. The time in which such liens could be filed has expired.

The Housing Authority of the City of Atlanta, Georgia

**SCHEDULE OF HOPE VI PROGRAM COMPLETION  
COSTS AND ADVANCES PROGRAM CERTIFICATION**

Contract completed during the year ending June 30, 2012

GRANT NAME	Grady Homes Revitalization
PROJECT NUMBER	<u>GA06URD006I105</u>
GRANT AWARD EFFECTIVE DATE*	October 27, 2005
CONTRACT COMPLETION DATE	June 30, 2012
BUDGET	<u>\$ 20,000,000</u>
ADVANCES	\$ 20,000,000
COSTS	<u>20,000,000</u>
EXCESS/(DEFICIENCY) OF ADVANCES DUE TO/(FROM) HUD	<u>\$ -</u>
AMOUNT TO BE RECAPTURED BY HUD	<u>\$ -</u>

\*Represents the LOCCS effective date.

The actual HOPE VI Cost Certificate is in agreement with AHA records.

All amounts due have been received and all liabilities have been paid and there are no undischarged liens (mechanics, laborers, contractors, or material-means) against the Project on file in any public office where the same should be filed in order to be valid. The time in which such liens could be filed has expired.

The Housing Authority of the City of Atlanta, Georgia

**SCHEDULE OF HOPE VI PROGRAM COMPLETION  
COSTS AND ADVANCES PROGRAM CERTIFICATION**

Contract completed during the year ending June 30, 2012

GRANT NAME	Harris Revitalization
PROJECT NUMBER	<u>GA06URD006I199</u>
GRANT AWARD EFFECTIVE DATE*	March 24, 2000
CONTRACT COMPLETION DATE	June 30, 2012
BUDGET	<u>\$ 35,000,000</u>
ADVANCES	\$ 35,000,000
COSTS	<u>35,000,000</u>
EXCESS/(DEFICIENCY) OF ADVANCES DUE TO/(FROM) HUD	<u>\$ -</u>
AMOUNT TO BE RECAPTURED BY HUD	<u>\$ -</u>

\*Represents the LOCCS effective date.

The actual HOPE VI Cost Certificate is in agreement with AHA records.

All amounts due have been received and all liabilities have been paid and there are no undischarged liens (mechanics, laborers, contractors, or material-means) against the Project on file in any public office where the same should be filed in order to be valid. The time in which such liens could be filed has expired.

The Housing Authority of the City of Atlanta, Georgia

**SCHEDULE OF HOPE VI PROGRAM COMPLETION  
COSTS AND ADVANCES PROGRAM CERTIFICATION**

Contract completed during the year ending June 30, 2012

GRANT NAME	Capitol Revitalization
PROJECT NUMBER	<u>GA06URD006I101</u>
GRANT AWARD EFFECTIVE DATE*	April 8, 2002
CONTRACT COMPLETION DATE	June 30, 2012
BUDGET	<u>\$ 35,000,000</u>
ADVANCES	\$ 35,000,000
COSTS	<u>35,000,000</u>
EXCESS/(DEFICIENCY) OF ADVANCES DUE TO/(FROM) HUD	<u>\$ -</u>
AMOUNT TO BE RECAPTURED BY HUD	<u>\$ -</u>

\*Represents the LOCCS effective date.

The actual HOPE VI Cost Certificate is in agreement with AHA records.

All amounts due have been received and all liabilities have been paid and there are no undischarged liens (mechanics, laborers, contractors, or material-means) against the Project on file in any public office where the same should be filed in order to be valid. The time in which such liens could be filed has expired.

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**STATISTICAL SECTION**  
(Unaudited)

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## **FINANCIAL TRENDS**

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The Housing Authority of the City of Atlanta, Georgia

STATEMENTS OF NET ASSETS — TEN YEAR COMPARISON (unaudited)

As of June 30,

	FISCAL YEAR									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>ASSETS</b>										
<b>CURRENT ASSETS</b>										
Cash	\$ 101,343,014	\$ 99,821,333	\$ 99,409,155	\$ 94,689,182	\$ 114,340,407	\$ 83,446,899	\$ 90,422,944	\$ 73,628,517	\$ 34,415,971	\$ 47,675,997
Receivables, net of allowance	4,350,989	20,764,287	21,391,452	17,462,336	22,107,440	32,506,086	21,957,997	11,541,838	34,979,655	16,022,578
Other current assets	4,707,510	729,056	356,960	383,408	14,801,659	15,302,879	14,151,035	382,948	464,657	165,679
Total current assets	110,401,513	121,314,676	121,157,567	112,534,926	151,249,506	131,255,864	126,531,976	85,553,303	69,860,283	63,864,254
<b>NON-CURRENT ASSETS</b>										
Related development and other loans, investments in partnerships, and development receivables, net of allowances	167,930,497	166,027,043	150,313,997	135,322,659	123,102,703	125,644,170	111,739,378	98,586,157	81,524,051	78,986,158
Capital assets, net of accumulated depreciation	151,092,159	143,135,216	120,680,756	119,322,667	130,334,865	144,758,303	151,499,170	164,713,591	188,410,049	196,666,662
Investments, restricted	9,359,926	9,228,069	8,949,472	13,395,241	13,668,312	12,860,328	7,626,315	11,140,359	10,100,501	9,604,853
Other assets, net of accumulated amortization and allowances	25,065,563	24,664,504	20,751,299	16,686,461	14,290,399	2,259,241	324,119	6,912,542	653,004	-
Total non-current assets	353,448,145	343,054,832	300,695,524	284,727,028	281,396,279	285,522,042	271,188,982	281,352,649	280,687,605	285,257,673
<b>TOTAL ASSETS</b>	<b>\$ 463,849,658</b>	<b>\$ 464,369,508</b>	<b>\$ 421,853,091</b>	<b>\$ 397,261,954</b>	<b>\$ 432,645,785</b>	<b>\$ 416,777,906</b>	<b>\$ 397,720,958</b>	<b>\$ 366,905,952</b>	<b>\$ 350,547,888</b>	<b>\$ 349,121,927</b>
<b>LIABILITIES AND NET ASSETS</b>										
<b>CURRENT LIABILITIES</b>										
Accounts payable	\$ 1,102,938	\$ 1,386,807	\$ 6,377,736	\$ 6,103,198	\$ 11,912,802	\$ 7,462,134	\$ 8,206,977	\$ 6,942,035	\$ 7,979,039	\$ 18,340,134
Accrued liabilities	11,158,326	14,502,525	11,822,369	15,721,265	13,486,057	6,876,858	14,118,003	12,348,108	3,563,098	1,930,873
Other current liabilities	7,713,304	8,165,157	8,426,223	11,878,466	21,710,135	13,250,720	15,097,902	10,813,878	11,164,675	9,346,400
Line of credit	-	-	-	-	10,906,077	10,906,077	-	-	-	-
Current portion of long-term debt	-	331,315	317,148	756,981	728,288	700,093	10,474,190	648,695	635,572	785,660
Total current liabilities	19,974,568	24,385,804	26,943,476	34,459,910	58,743,359	39,195,882	47,897,072	30,752,716	23,342,384	30,403,067
<b>NON-CURRENT LIABILITIES</b>										
Long-term debt, net of current portion	9,293,862	2,905,388	3,236,703	3,553,851	4,310,832	5,039,120	5,739,213	16,213,414	16,681,345	17,335,501
Other non-current liabilities	1,341,235	1,270,244	1,538,609	1,752,213	2,133,171	2,567,710	3,399,080	3,695,873	3,955,293	3,062,885
Total non-current liabilities	10,635,097	4,175,632	4,775,312	5,306,064	6,444,003	7,606,830	9,138,293	19,909,287	20,636,638	20,398,386
<b>TOTAL LIABILITIES</b>	<b>30,609,665</b>	<b>28,561,436</b>	<b>31,718,788</b>	<b>39,765,974</b>	<b>65,187,362</b>	<b>46,802,712</b>	<b>57,035,365</b>	<b>50,662,003</b>	<b>43,979,022</b>	<b>50,801,453</b>
<b>NET ASSETS</b>										
Invested in capital assets, net of related debt	141,798,296	139,898,513	117,126,905	115,011,835	125,295,746	139,019,090	145,109,703	147,851,482	171,093,132	178,545,501
Restricted-expendable	214,894,907	217,773,685	206,842,360	188,077,271	201,672,716	202,084,151	165,869,954	148,468,556	92,852,175	88,666,046
Unrestricted	76,546,790	78,135,874	66,165,038	54,406,874	40,489,961	28,871,953	29,705,936	19,923,911	42,623,559	31,108,927
Total net assets	433,239,993	435,808,072	390,134,303	357,495,980	367,458,423	369,975,194	340,685,593	316,243,949	306,568,866	298,320,474
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 463,849,658</b>	<b>\$ 464,369,508</b>	<b>\$ 421,853,091</b>	<b>\$ 397,261,954</b>	<b>\$ 432,645,785</b>	<b>\$ 416,777,906</b>	<b>\$ 397,720,958</b>	<b>\$ 366,905,952</b>	<b>\$ 350,547,888</b>	<b>\$ 349,121,927</b>

The Housing Authority of the City of Atlanta, Georgia

**OPERATING AND NON-OPERATING REVENUE AND EXPENSE — TEN YEAR COMPARISON (unaudited)**

For the years ended June 30,

	FISCAL YEAR									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Operating revenue:										
Operating subsidies	-	-	-	-	-	\$174,261,326	\$ 175,078,599	\$ 185,380,097	\$ 175,552,213	\$ 153,332,589
MTW Single Fund used for operations	\$199,577,064	\$220,387,902	\$228,895,356	\$205,294,340	\$214,576,452	-	-	-	-	-
ARRA grant	235,428	4,816,316	1,654,300	-	-	-	-	-	-	-
Tenant dwelling revenue	5,435,556	5,415,284	5,679,841	9,946,947	14,472,567	17,282,562	18,405,002	17,608,530	17,054,377	15,848,502
Development and HOPE VI grants	3,458,489	5,744,912	10,220,644	11,514,248	11,260,438	-	-	-	-	-
Fees earned from Georgia HAP Administrators, Inc.	1,302,261	1,793,158	1,823,883	1,827,643	1,833,476	-	-	-	-	-
Other operating revenue	2,715,078	2,304,135	4,144,092	2,290,441	3,786,412	6,561,773	6,437,735	6,187,147	3,319,634	4,244,383
Total operating revenue	212,723,876	240,461,707	252,418,116	230,873,619	245,929,345	198,105,661	199,921,336	209,175,774	195,926,224	173,425,474
Operating expense:										
Housing assistance payments	140,636,447	147,352,440	147,254,397	123,618,931	87,842,298	84,812,490	96,382,051	104,855,563	104,999,798	97,623,892
Administrative including direct operating division expense	47,043,935	46,291,482	44,104,887	51,193,471	46,151,465	36,427,974	34,113,054	36,436,848	34,507,988	32,762,674
Utilities, maintenance and protective services	13,809,507	13,020,689	13,076,756	27,294,444	35,317,437	-	-	-	-	-
Utilities	-	-	-	-	-	15,367,163	15,675,579	16,572,186	15,529,271	13,046,759
Resident services, including relocation	-	-	-	-	-	7,422,976	5,445,229	6,732,464	6,035,585	5,489,328
Resident and participant services	3,901,350	3,652,211	1,023,137	1,849,462	5,644,670	-	-	-	-	-
Ordinary maintenance and operation	-	-	-	-	-	14,662,047	14,947,511	14,271,361	12,755,308	11,263,215
Protective services	-	-	-	-	-	5,916,121	5,589,844	6,823,744	6,567,239	6,231,832
General expense	1,768,081	1,818,099	4,028,221	5,251,842	16,338,822	9,087,882	11,013,021	9,715,232	4,795,527	2,695,283
Expenses related to Georgia HAP Administrators, Inc.	245,938	758,881	582,641	614,700	383,438	-	-	-	-	-
Depreciation and amortization	7,724,701	7,478,954	8,152,155	7,435,239	11,611,915	13,841,139	13,906,235	15,750,949	13,314,185	12,828,224
Total operating expense	215,129,959	220,372,756	218,222,194	217,258,089	203,290,045	187,537,792	197,072,524	211,158,347	198,504,901	181,941,207
Net operating income	(2,406,083)	20,088,951	34,195,922	13,615,530	42,639,300	10,567,869	2,848,812	(1,982,573)	(2,578,677)	(8,515,733)
Non-operating revenue/(expense):										
Capital grant revenue — modernization of AHA-owned communities	1,703,838	22,090,892	3,362,297	4,948,674	8,993,544	-	-	-	-	-
Capital grant revenue — revitalization related	1,572,218	16,255,535	20,902,827	21,981,189	17,275,774	-	-	-	-	-
Multiyear grants used for capitalized expenditures	-	-	-	-	-	30,864,741	21,686,827	21,544,746	25,659,745	25,501,223
Interest and investment income	1,153,962	428,162	1,275,968	1,814,301	5,356,916	5,722,435	6,197,582	2,089,429	1,528,676	1,620,330
Gain on sale of fixed assets	7,570	84,118	-	-	2,473,956	421,431	1,179,361	2,441,081	-	-
Total non-operating revenue	4,437,588	38,858,707	25,541,092	28,744,164	34,100,190	37,008,607	29,063,770	26,075,256	27,188,421	27,121,553
Non-operating expense:										
Capital asset write-off	-	-	-	(23,779,910)	(28,089,033)	(5,721,395)	(632,200)	(11,880,879)	(3,095,441)	-
Demolition and remediation expense	(551,003)	(7,463,416)	(14,843,453)	(8,773,739)	(11,227,208)	-	-	-	-	-
Other revitalization expense	(2,432,976)	(1,204,574)	(4,126,847)	(4,098,581)	(5,862,316)	(4,030,000)	-	-	-	-
Relocation-related expense	(56,789)	(2,579,158)	(6,939,323)	(11,304,341)	(9,272,600)	-	-	-	-	-
Extraordinary sitework and maintenance	-	-	-	-	-	(5,008,566)	(5,937,887)	(1,794,960)	(5,799,792)	(6,231,432)
Grants to Owner Entities of mixed-income communities (UFAS)	-	-	(27,616)	(484,914)	-	-	-	-	-	-
Bad debt expense	-	-	-	-	(3,986,000)	-	-	-	-	-
Valuation allowance	(845,009)	(1,874,749)	(985,601)	(3,548,831)	(19,952,268)	(2,569,048)	-	-	(6,742,351)	-
Interest expense	(713,807)	(151,992)	(175,851)	(331,821)	(866,836)	(957,866)	(900,851)	(741,761)	(723,768)	(510,302)
Total non-operating expense	(4,599,584)	(13,273,889)	(27,098,691)	(52,322,137)	(79,256,261)	(18,286,875)	(7,470,938)	(14,417,600)	(16,361,352)	(6,741,734)
Change in net assets	(2,568,079)	45,673,769	32,638,323	(9,962,443)	(2,516,771)	29,289,601	24,441,644	9,675,083	8,248,392	11,864,086
Net assets — beginning of year	435,808,072	390,134,303	357,495,980	367,458,423	369,975,194	340,685,593	316,243,949	306,568,866	298,320,474	286,456,388
Net assets — end of year	\$ 433,239,993	\$ 435,808,072	\$ 390,134,303	\$ 357,495,980	\$ 367,458,423	\$ 369,975,194	\$ 340,685,593	\$ 316,243,949	\$ 306,568,866	\$ 298,320,474

## **OPERATING REVENUE CAPACITY**

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The Housing Authority of the City of Atlanta, Georgia

**OPERATING REVENUE** (unaudited)

For the years ended June 30,

Fiscal Year	MTW Single Fund, Development, HOPE VI and ARRA Grant Revenue		Tenant Dwelling Revenue		Other Revenue		Total Operating Revenue		Number of AHA Employees
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total	
2002	138,152,226	87.2%	16,247,613	10.3%	4,055,653	2.6%	158,455,492	100.0%	313
2003	153,332,589	88.4%	15,848,502	9.1%	4,244,383	2.4%	173,425,474	100.0%	337
2004	175,552,213	89.6%	17,054,377	8.7%	3,319,634	1.7%	195,926,224	100.0%	311
2005	185,380,097	88.6%	17,608,530	8.4%	6,187,147	3.0%	209,175,774	100.0%	224
2006	175,078,599	87.6%	18,405,002	9.2%	6,437,735	3.2%	199,921,336	100.0%	207
2007	174,261,326	88.0%	17,282,562	8.7%	6,561,773	3.3%	198,105,661	100.0%	233
2008	225,836,890	91.8%	14,472,567	5.9%	5,619,888	2.3%	245,929,345	100.0%	287
2009	216,808,588	93.9%	9,946,947	4.3%	4,118,084	1.8%	230,873,619	100.0%	318
2010	240,770,300	95.4%	5,679,841	2.3%	5,967,975	2.4%	252,418,116	100.0%	262
2011	230,949,130	96.0%	5,415,284	2.3%	4,097,293	1.7%	240,461,707	100.0%	250
2012	203,270,981	95.6%	5,435,556	2.6%	4,017,339	1.9%	212,723,876	100.0%	239

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## **DEBT CAPACITY**

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The Housing Authority of the City of Atlanta, Georgia

**LONG-TERM DEBT** (unaudited)

As of June 30,

Fiscal Year	Notes payable	Capital leases	Total long-term debt	Capital assets, net of accumulated depreciation	Ratio of total long-term debt to capital assets, net
2003	\$ 14,622,098	\$ 3,499,063	\$ 18,121,161	\$ 196,666,662	9.2%
2004	14,815,103	2,501,272	17,316,375	188,410,049	9.2%
2005	14,742,366	2,119,743	16,862,109	164,713,591	10.2%
2006	14,488,883	1,724,531	16,213,414	151,499,170	10.7%
2007	4,423,778	1,315,435	5,739,213	144,758,303	4.0%
2008	4,147,045	892,075	5,039,120	130,334,865	3.9%
2009	3,857,095	453,737	4,310,832	119,322,667	3.6%
2010	3,553,851	-	3,553,851	120,680,756	2.9%
2011	3,236,703	-	3,236,703	143,135,216	2.3%
2012	9,293,863	-	9,293,863	151,092,159	6.2%

Long-term debt includes both Current and Non-Current portions. AHA has no bond financing

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## **DEMOGRAPHIC AND ECONOMIC INFORMATION**

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## METRO ATLANTA KEY ECONOMIC INDICATORS

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Population<sup>1</sup></b>	4,247,981	4,432,950	4,555,490	4,673,146	4,802,300	4,947,012	5,119,641	5,267,527	5,385,586	5,475,213	5,268,860	5,359,205
<b>Labor Force<sup>2</sup></b>	2,377,183	2,422,668	2,449,804	2,452,018	2,497,640	2,592,385	2,659,234	2,728,272	2,753,399	2,689,285	2,658,656	2,686,993
<b>Employment<sup>2</sup></b>	2,304,515	2,335,175	2,330,487	2,334,092	2,379,513	2,456,221	2,535,341	2,604,115	2,582,627	2,424,779	2,388,182	2,427,996
<b>Unemployment Rate<sup>2</sup></b>	3.1%	3.6%	4.9%	4.8%	4.7%	5.3%	4.7%	4.6%	6.2%	9.7%	10.2%	9.6%
<b>Nonagricultural Employment<sup>2</sup></b>	2,292,200	2,303,900	2,261,200	2,238,700	2,269,000	2,338,700	2,405,700	2,455,400	2,429,400	2,293,800	2,274,000	2,302,900
<b>Annual Net Job Creation<sup>2</sup></b>	61,200	11,700	-42,700	-22,500	30,300	69,700	67,000	49,700	-26,000	-135,600	-19,800	28,900
<b>Annual Growth Rate</b>	2.7%	0.5%	-1.9%	-1.0%	1.4%	3.1%	2.9%	2.1%	-1.1%	-5.6%	-0.9%	1.3%
<b>Total Establishments<sup>3</sup></b>	113,998	121,961	129,092	131,989	135,729	138,630	142,347	144,554	148,933	146,351	145,038	not released
<b>Gross Domestic Product (billions)<sup>4</sup></b>	n/a	\$204.4	\$211.6	\$218.4	\$229.6	\$243.7	\$257.7	\$272.1	\$274.9	\$266.5	\$272.4	not released
<b>Total Personal Income (billions)<sup>4</sup></b>	\$144.6	\$150.6	\$153.2	\$157.6	\$166.2	\$179.1	\$192.5	\$204.0	\$209.6	\$203.1	\$208.1	not released
<b>Per Capita Personal Income<sup>4</sup></b>	\$33,790	\$34,324	\$34,246	\$34,585	\$35,802	\$37,683	\$39,160	\$40,410	\$40,678	\$38,894	\$39,360	not released
<b>Bank Deposits (billions)<sup>5</sup></b>	\$56.0	\$58.7	\$63.6	\$75.7	\$80.6	\$94.5	\$109.4	\$113.3	\$117.2	\$114.6	\$110.5	\$115.6
<b>Total Housing Units Authorized by Building Permits<sup>6</sup></b>	64,216	65,268	66,551	66,377	74,007	72,861	68,266	44,770	19,294	6,533	7,575	not released
<b>Single Family</b>	46,747	48,423	50,151	55,033	57,316	61,558	53,927	31,089	11,989	5,421	6,384	not released
<b>Multi-Family &amp; Apartments</b>	17,469	16,845	16,400	11,344	16,691	11,303	14,339	13,681	7,305	1,112	1,191	not released
<b>Commercial Real Estate Net Absorption (million SF)<sup>7</sup></b>												
<b>Office</b>	9.6	0.2	2.2	1.9	5.6	6.9	5.2	4.0	-1.4	-3.6	0.14	0.74
<b>Industrial</b>	17.8	5.1	-0.27	1.9	16.2	15.2	14.6	11.5	-1.9	-7.8	-2.7	9.2
<b>Retail</b>	5.3	5.5	9.8	6.7	7.0	6.7	10.5	7.5	4.4	-2.0	0.60	0.47
<b>Hartsfield-Jackson Atlanta International Airport<sup>8</sup></b>												
<b>Total Operations (takeoffs &amp; landings)</b>	915,454	890,494	889,966	911,727	965,204	980,386	976,447	994,346	978,083	970,235	950,119	923,996
<b>Total Passengers</b>	80,162,407	75,858,500	76,876,128	79,087,928	83,605,218	85,907,423	84,846,639	89,379,287	90,039,280	88,001,381	89,331,662	92,389,023
<b>International Passengers</b>	5,808,897	5,606,617	5,715,038	5,501,361	6,204,940	6,734,452	8,073,855	8,897,291	9,180,491	8,832,195	9,139,022	9,856,954
<b>Total Freight (metric tons)</b>	650,796	589,712	640,697	687,159	768,739	725,446	738,180	715,359	648,704	554,888	643,502	663,162

### Sources:

- 1: Population figures for 2000 and 2010 are decennial Census counts; 2001 - 2008 and 2011 are annual estimates by the Census Bureau between decennial Censuses.
- 2: Georgia Department of Labor; Bureau of Labor Statistics, not seasonally adjusted; data extracted 4/26/12.
- 3: A single physical location where business is conducted or where services or industrial operations are performed. Georgia Department of Labor, Workforce Information & Analysis, Employment & Wages Unit, 2011.
- 4: Bureau of Economic Analysis; GDP-revised September 13, 2011; Total Personal Income-August 9, 2011; Per Capita Income-September 30, 2011.
- 5: Federal Deposit Insurance Corporation (FDIC), June 30 annual data.
- 6: Census Bureau, Manufacturing & Construction Division.
- 7: CoStar Group, Year-End 2011.
- 8: Hartsfield-Jackson Atlanta International Airport.

updated 4/26/2012

## Appendix G: Resident Satisfaction Survey – AHA-Owned Residential Communities

### Demographics

#### 1. Please indicate your age group.

	Under 49	50 - 69	70+	"No Response"
Number of responses	92 / 7.6%	696 / 58.5%	338 / 28.4%	64 / 5.4%

#### 2. How many years have you lived in this community?

	Fewer than 5 years	5 to 9 years	10 to 15 years	More than 15 years	"No Response"
Number of responses	449 / 37.7%	298 / 25.0%	197 / 16.5%	139 / 11.7%	107 / 9.0%

### Overall Satisfaction

#### 3. Overall, how would you describe the quality of life in your community?

	Very Good	Good	Average	Poor	"No Response"
Number of responses	488 / 41.0%	483 / 40.6%	143 / 12.0%	27 / 2.3%	49 / 4.1%

#### 4. Would you recommend your community to a friend?

	Yes	No	"No Response"
Number of responses	1,003 / 84.3%	121 / 10.2%	66 / 5.5%

### Property Management

#### 5. Are the property management staff available when you need them?

	Yes	No	"No Response"
Number of responses	1,074 / 90.3%	76 / 6.4%	40 / 3.4%

#### 6. Are the staff in the rent office courteous and helpful?

	Yes	No	"No Response"
Number of responses	1,067 / 89.7%	57 / 4.8%	66 / 5.5%

### Property Maintenance

#### 7. Do maintenance workers complete work orders in one week or less?

	Yes	No	"Does Not Apply "	"No Response"
Number of responses	1,033 / 86.8%	102 / 8.6%	23 / 1.9%	32 / 2.7%

#### 8. Do maintenance workers complete emergency repairs in one day or less?

	Yes	No	"Does Not Apply "	"No Response"
Number of responses	959 / 80.6%	72 / 6.1%	106 / 8.9%	53 / 4.5%

#### 9. Are maintenance workers courteous and helpful?

	Yes	No	"Does Not Apply "	"No Response"
Number of responses	1,098 / 92.3%	43 / 3.6%	8 / 0.7%	41 / 3.4%

#### 10. When not under construction, are the building grounds clean and well maintained?

	Yes	No	"No Response"
Number of responses	1,082 / 90.9%	62 / 5.2%	46 / 3.9%

#### 11. Now that the new laundry equipment has been installed, when you go to the laundry room do the machines work?

	Most of the time	Some of the time	New equipment not installed	"No Response"
Number of responses	757 / 63.6%	289 / 24.3%	32 / 2.7%	112 / 9.4%

Note: The total number of surveys that were returned by residents was 1,190. The "No Response" category consists of individuals who returned the survey but did not respond to a particular question .

## 12. Please indicate how important the following categories are to your quality of life:

	Low	Medium	High	"No Response"
<b>Laundry</b>				
Number of responses	60 / 5.0%	287 / 24.1%	788 / 66.2%	55 / 4.6%
<b>Parking</b>				
Number of responses	258 / 21.7%	292 / 24.5%	485 / 40.8%	155 / 13.0%
<b>Pest Control</b>				
Number of responses	90 / 7.6%	243 / 20.4%	786 / 66.1%	71 / 6.0%
<b>Property Cleanliness</b>				
Number of responses	35 / 2.9%	187 / 15.7%	915 / 76.9%	53 / 4.5%
<b>Property Maintenance</b>				
Number of responses	30 / 2.5%	177 / 14.9%	922 / 77.5%	61 / 5.1%
<b>Community Safety</b>				
Number of responses	51 / 4.3%	179 / 15.0%	918 / 77.1%	42 / 3.5%
<b>Resident Services</b>				
Number of responses	62 / 5.2%	247 / 20.8%	831 / 69.8%	50 / 4.2%

## Resident Services

### 13. How often do you participate in programs and recreational activities?

	Several times per week	Once per week	Once per month	Less than once per month	Never	"No Response"
Number of responses	303 / 25.5%	214 / 18.0%	247 / 20.8%	236 / 19.8%	163 / 13.7%	27 / 2.3%

### 14. Are you aware of the resident services activities taking place in your building?

	Yes	No	"No Response"
Number of responses	1,037 / 87.1%	62 / 5.2%	91 / 7.6%

### 15. How satisfied are you with the CURRENT level of recreation and leisure activities offered at your community?

	Dissatisfied	Satisfied	Very Satisfied	"No Response"
Number of responses	79 / 6.6%	653 / 54.9%	392 / 32.9%	66 / 5.5%

### 16. Does your community promote interaction with friends, neighbors, and others?

	Yes	No	"No Response"
Number of responses	1,012 / 85.0%	100 / 8.4%	78 / 6.6%

### 17. Do you feel you can contact the resident services director in your community if you need assistance?

	Yes	No	"No Response"
Number of responses	1,052 / 88.4%	72 / 6.1%	66 / 5.5%

### 18. My resident services director tries to understand my needs.

	Yes	No	"No Response"
Number of responses	1,019 / 85.6%	77 / 6.5%	94 / 7.9%

### 19. My resident services director know what services are available that can help me live a healthy lifestyle in my community.

	Yes	No	"No Response"
Number of responses	965 / 81.1%	77 / 6.5%	148 / 12.4%

### 20. The programs, services and activities provided in my community have contributed to improving my overall quality of life.

	Strongly Disagree	Disagree	Agree	Strongly Agree	"No Response"
Number of responses	35 / 2.9%	87 / 7.3%	626 / 52.6%	335 / 28.2%	107 / 9.0%

## 21. What service(s) did your resident services director assist you with this past year?

### Physical Wellness

	Requested	Received	Not Selected
<b>Help obtain disability-related equipment or assistive technology</b>			
Number of responses	100 / 8.4%	242 / 20.3%	848 / 71.3%
<b>Personal attendant care</b>			
Number of responses	126 / 10.6%	246 / 20.7%	818 / 68.7%
<b>Physical exercise</b>			
Number of responses	112 / 9.4%	353 / 26.5%	725 / 64.4%
<b>Chronic disease management (high blood pressure, diabetes)</b>			
Number of responses	109 / 9.2%	315 / 26.5%	766 / 64.4%
<b>Nutrition and healthy eating</b>			
Number of responses	111 / 9.3%	387 / 32.5%	692 / 58.2%
<b>Disability services</b>			
Number of responses	115 / 9.7%	260 / 21.8%	815 / 68.5%

### Social Wellness

<b>Transportation services</b>			
Number of responses	116 / 9.7%	300 / 25.2%	774 / 65.0%
<b>Volunteer opportunities</b>			
Number of responses	106 / 8.9%	276 / 23.2%	808 / 67.9%
<b>Social and/or recreational activities</b>			
Number of responses	112 / 9.4%	405 / 34.0%	673 / 56.6%

### Environmental Issues

<b>Housekeeping</b>			
Number of responses	95 / 8.0%	302 / 25.4%	793 / 66.6%

### Emotional Wellness

<b>Referral to other services and programs that can help me</b>			
Number of responses	110 / 9.2%	295 / 24.8%	785 / 66.0%
<b>Participation in a support group</b>			
Number of responses	99 / 8.3%	265 / 22.3%	826 / 69.4%
<b>Mental health services</b>			
Number of responses	85 / 7.1%	193 / 16.2%	912 / 76.6%

### Intellectual Wellness

<b>Learning independent living skills, such as home management, personal financial management, etc.</b>			
Number of responses	91 / 7.6%	272 / 22.9%	827 / 69.5%
<b>Counseling on public or private benefits that I may be eligible for</b>			
Number of responses	115 / 9.7%	254 / 21.3%	821 / 69.0%

## Safety

	Yes	No	"No Response"
<b>22. Do you feel safe inside your apartment?</b>			
Number of responses	1071 / 90.0%	75 / 6.3%	44 / 2.7%
<b>23. Do you feel safe in your apartment community?</b>			
Number of responses	1,031 / 86.6%	98 / 8.2%	61 / 5.1%