Cambridge Housing Authority

MTW Deregulation Demonstration Program

Annual Report

Fiscal Year 2005

May 2005

CHA
CAMBRIDGE HOUSING AUTHORITY

Report

Cambridge Housing Authority

MTW FISCAL YEAR 2005 ANNUAL REPORT

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Executive Summary

The Cambridge Housing Authority (CHA) is one of thirty-two public housing agencies nationwide chosen for participation in the Department of Housing and Urban Development's (HUD) Moving To Work Demonstration Deregulation program (MTW). MTW was approved by Congress in Section 204(a) of the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (P. L. 104-134) and allows unprecedented fiscal and regulatory flexibility in hopes of increased efficiency while also asking local housing authorities to provide economic incentives and opportunities to residents to encourage work. For participating Housing Authorities (HAs), the fiscal and regulatory flexibility allowed through the demonstration represents an opportunity to address local housing market challenges with locally-based solutions. For CHA, the fungibility of capital, voucher, and operating funds allowed under MTW has proven essential to necessary modernization and extraordinary maintenance and has been a key component of CHA's efforts to maintain housing quality.

MTW's stated purpose is to allow participating HAs the "opportunity to design and test innovative housing and self-sufficiency strategies for low-income families" by giving them "expansive new authority to use HUD assistance flexibly and to design demonstration programs outside the restrictions of the United States Housing Act of 1937. . . ." HUD's goal for the demonstration is threefold:

1.) to reduce cost and achieve greater cost effectiveness in Federal expenditures;
2.) to give incentives to families with children where the head of the household is working; is seeking work; or is preparing for work by participating in job training, educational programs, or programs to assist people to obtain employment and become economically self-sufficient; and,
3.) to increase housing choices for low-income families.

CHA and MTW

The term of CHA's MTW Agreement was originally five years; it has since been extended for two additional years; under current terms CHA's participation will end March 31, 2006. Because of its strong success with the Demonstration, CHA has requested further extension of its MTW Agreement. The Agreement outlines CHA's objectives of gaining greater regulatory and administrative flexibility to better serve local affordable housing needs and to help the resident community achieve self-sufficiency. Fundamental goals and objectives, while complementary to HUD's, focus on the following:

- preserving the current public and leased housing inventory;
- securing additional permanently affordable housing in Cambridge;
- helping tenants on welfare move to work and aid working tenants to move to "better" work; and
- addressing local housing needs more efficiently, in locally-determined ways.

Under the demonstration, CHA must meet certain additional participation requirements. These take the form of assurances that CHA will:

- provide that at least 75% of the families assisted during MTW will be very low-income (households below 50% of Area Median Income)*;
- establish a reasonable rent policy to encourage work and self-sufficiency;
- continue to assist the same number of families, as well as a comparable mix (by family size) as it would have served absent the demonstration; and
- meet all housing quality standards.

A number of CHA's initiatives, proposed in its initial application for participation in the Demonstration, have since been codified in the form of the Quality Housing and Work Responsibility Act (QHWRA) legislation, which was signed into law on October 21, 1998. Many other CHA initiatives, however, still require inclusion in the agreement to allow the suspension of applicable regulations. In addition, there are requirements in QHWRA not applicable to CHA, most notably the process and content of the QHWRA-required Annual Plan.

Under MTW, CHA develops an Annual Plan describing the activities planned for each fiscal year. CHA's fiscal year begins on April 1 and ends on March 31. A public hearing is required before the Board of Commissioners can adopt the plan and submit it to HUD. In all but the first year of MTW (or as allowed by HUD), the Agreement states that the Annual Plan should be submitted to HUD for review no later than 60 days prior to the start of CHA's fiscal year, or by January 31st.

Additionally, CHA provides an Annual Report that summarizes the activities of the fiscal year and discusses its efforts in relation to the goals and policies as set forth in the Annual Plan. The Annual MTW Report takes the place of all other HUD performance measures and is required to be submitted to HUD within 60 days after the completion of CHA's fiscal year, or by May 31st (or as allowed by HUD).

FY 2005, CHA's sixth year of MTW participation, has been one of ongoing implementation and authority-wide institutionalization of changes initiated during its previous five years under the Demonstration. This FY 2005 Annual MTW Report details progress on the goals outlined in the FY 2005 Annual MTW Plan.

* Area Median Income (AMI) for a family of four is $82,600; at 80% of AMI, that family would be earning $66,150; at 50% of AMI, earning $41,350; and at 30% of AMI, earning $24,800.

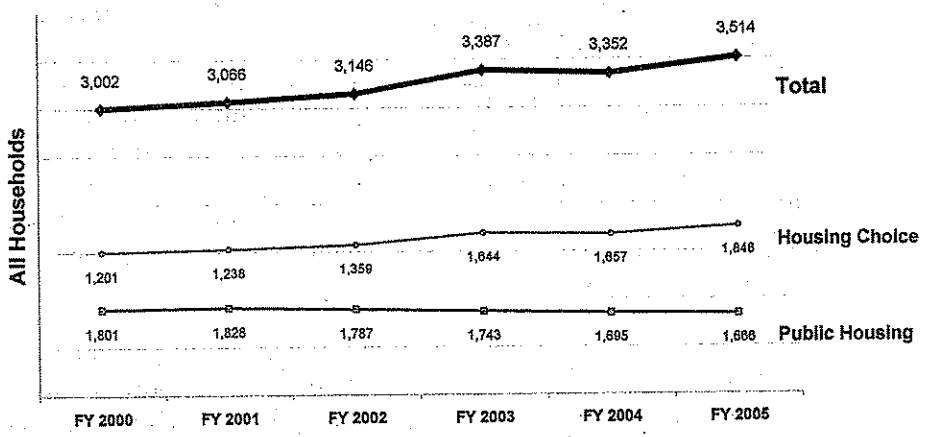
INVENTORY • ALL

CHA currently manages 1,857 federally-assisted and 663 state-assisted conventional public housing units. The HOPE VI revitalization of John F. Kennedy (JFK) Apartments converted ownership of 83 units to an alternate form (John F. Kennedy Limited Liability Corporation), including conversion of some public housing units to housing choice voucher project-based assistance and the addition of scattered-site units. Federal leased housing subsidies number 2,528, and state leased housing subsidies total 163. Of the total in-place leased housing subsidies, 2,012 are part of the MTW Deregulation Demonstration, and the remaining 516 are in programs outside MTW (see Inventory table, *right*).

Public Housing Inventory	Units	Percentage of Program
Federally-Assisted Units (MTW)	1,857	74%
State-Assisted Units	663	26%
Total	2,520	100%
Leased Housing Inventory	**Units**	**Percentage of Program**
Federal MTW Units	2,012	75%
MTW Project-Based Units	436	
Federal Non-MTW Units	516	19%
State Units	163	6%
Total	2,691	100%
Affiliates (*listed separately but most are represented in the MTW PBA count*)	214	

HOUSEHOLDS SERVED • ALL

As required by MTW, CHA continues to serve no less than substantially the same number (and mix) of households as it would otherwise serve, absent the Demonstration (see "All Households," *right*). Further, CHA will not, as a result of MTW, decrease the number (or composition) of families receiving such assistance. Over the six years of participation to date, CHA has increased the total number of households served. Approximately 1,700 households in conventional public housing developments and about 1,850 households in the housing choice voucher programs are served by CHA today, representing an increase of about five percent over the previous fiscal year. These data underscore the need for (and apparent shortage of) affordable housing options in Cambridge, as well as the impact of MTW upon CHA's effectiveness in addressing that need.



PUBLIC HOUSING

Capital Improvements and Extraordinary Maintenance Efforts: In each prior MTW year, modernization and extraordinary maintenance were strongly emphasized. In FY 2005 the preservation and continued viability and quality of the in-place stock continued to be part of CHA's fundamental mission. As part of the MTW budget planning and implementation process, CHA took advantage of fungibility in prior years by using resources from the capital, operating and voucher funds. In FY 2005, CHA continued to apply fungibility, using the capital and operating budgets to fund needed improvements at its properties. By the end of FY 2005, nearly $9.1 million was expended in capital improvements and extraordinary maintenance. This is indicative of the large-scale projects CHA has undertaken and reflects the comprehensive approach used to address the rehabilitation needs of CHA housing stock. Unfortunately, while CHA had hoped to maintain current levels of capital spending over the next few years, the reductions in the percentage of funds available through the operating and voucher programs have resulted in significant cutbacks in CHA's capital improvement plans. In mid-year 2005, CHA deferred nearly $4 million in extraordinary maintenance to help offset the proration in the FY 2005 and FY 2006 operating and voucher budget funding formulas. CHA currently projects that in FY 2006 and FY 2007 capital expenditures will drop to FY 2000 levels of approximately $4.5 million; CHA will not maintain, as was originally planned, the expenditure levels achieved during the last three fiscal years.

Millers River Self-ESCo/Energy Performance Contracting: At the Millers River Apartments, a 302-unit elderly high-rise, the 30-year-old electrical heating system will be replaced with state-of-the-art gas-fired condensing boilers; a new domestic hot water service and a new heat distribution system will be installed; and the make-up air system for corridor ventilation will be replaced. CHA is authorized under MTW to function as its own ESCo and retain the significant savings realized through self-management, construction oversight and the reduction in ongoing energy maintenance costs associated with the project. The $2.5 million project is being funded in part by a $1.7 million tax-exempt municipal lease that CHA secured for 12 years at a very favorable 4.29% rate. The debt service on this lease will be fully covered with savings achieved by the project. CHA obtained approximately $60,000 in additional funding through a unique arrangement to sell CO_2 gas emission reduction credits resulting from the project. Work to implement the energy savings project began in June, 2004 and is proceeding on schedule.

Occupancy: CHA continues to serve more program participants in its MTW-related programs than it would absent the demonstration. In elderly housing, CHA is currently holding units off-line for modernization in order to address the significant needs of the elderly developments for new kitchens and baths, as well as exterior building work. Rent policies and income diversification continued to be successful elements of CHA's MTW program. Despite these and other positive growth signs, CHA's achievements are measured against the context of a highly competitive residential market and continued demand for alternative options: the total number of applicants on

CHA's waiting lists—including conventional family and elderly housing—rose over the past year, underscoring the significant and persistent need for affordable housing in Cambridge.

Public Housing Management: CHA continued its strong performance on the following indicators:

Inspections: CHA inspected 100% of its conventional public housing inventory, excluding units off-line for modernization.

Work Orders: Work order response time averaged less than five days.

Rent Collections: Rent collections were at 98% of the total of CHA's issued rent statements.

Occupancy: Adjusted for units in modernization, CHA's combined adjusted occupancy percentage for its conventional public housing inventory was 99%.

Security: CHA continued its security program's enforcement and prevention strategies. Although activities were reduced in scope and hampered by tightened funding due to the reduction of financial resources, efforts to control crime and to keep CHA developments as safe as possible continued. In FY 2005 approximately $21,700 was spent on 85 Cambridge Police Department security patrols in addition to $78,000 on security stipends for residents.

Public Housing Management Practices: In anticipation of the new HUD Operating Fund rule, CHA continued its evaluation and comprehensive refinement of its property-based budget system, including practices for managers as well as the creation of a management fee and indirect cost pool policies and procedures. CHA will be in compliance with proposed HUD regulations for asset-based budgets.

CHA Resident Survey: In March and April of 2005 CHA conducted its Public Housing Resident Satisfaction Survey in place of the HUD-required Resident Satisfaction Survey, to gauge resident opinions on a range of management, maintenance, safety, social service and other factors. Results were strong: 87% of residents surveyed were satisfied with the overall conditions of their units; 89% were satisfied with maintenance; 88% were satisfied with the way they were treated by CHA office staff; and 93% of residents felt safe in their units.

LOCAL LEASED HOUSING

CHA continued to operate its Local Leased Housing Program in conformance with the approved MTW Agreement. Program utilization of MTW units grew to 2,012. This level reflects previously-committed Project-Based Assistance (PBA) units coming on-line as well as those applicants obtaining "emergency status."

Project-Based Leased Housing: CHA continued to implement its modified Project-Based Local Leased Housing Program initiative during much of FY 2005. This competitive process allowed qualified owners to apply for project-based units throughout the year subject to funding availability. By utilizing the project-based program, developers and owners were able to assist families directly from CHA's waiting list. During the reporting period CHA was able to increase the number of project-based units from 230 to 436. The high utilization rate and low attrition rate in the tenant voucher program forced CHA to cease accepting new funding applications during FY 2005. Efforts to re-assess the feasibility of resuming this important program are expected to continue in FY 2006, and CHA plans to work with the community to review and revise its Project-Based Assistance Request for Proposals (RFP).

Preservation of State MRVP and AHVP Programs: CHA continued to implement changes to the Massachusetts Rental Voucher Program (MRVP), including the Alternative Housing Voucher Program (AHVP), as described in the FY 2005 Annual Plan. In FY 2005 (and consistent with previous years), CHA used $110,000 in federal funding to augment the state subsidy, making state program rent levels equivalent to Federal Leased Housing FMRs.

Leased Housing Program Management: CHA continued to operate its Local Leased Housing Program in conformance with its approved MTW Agreement and met or exceeded its objectives relating to the following indicators:

Leased Housing Inspections: CHA inspected 100% of its inventory and ensured that all units met Housing Quality Standards.

Waiting List: As reported in the FY 2005 Annual Plan, CHA found it necessary to close the Leased Housing waiting list in FY 2004 based on the limited availability of program resources and over-utilization. The list remained closed through FY 2005, except for those applicants who met the emergency criteria.

Ensuring Rent Reasonableness: Rent reasonableness determinations were made at initial occupancy and prior to granting rent increases for 100% of all leased units.

MTW Changes: Using MTW authority, CHA continued to provide vacancy and damage claims options for landlords.

Deconcentration: CHA's program participants lease units throughout the City of Cambridge. During FY 2005 housing choice vouchers were used in all of the City's Census tracts, and a number of Local Leased Housing Program initiatives were focused on maintaining this diversity of placement. Through its deconcentration policy CHA monitored the number of apartments leased by Census tract to ensure that balanced housing patterns were sustained. No negative-impact areas were identified.

AFFILIATE HOUSING

Since the inception of MTW in April 1999, the development activity of CHA and its non-profit affiliates has totaled $70,710,717, for the acquisition or construction of 316 units. (As an indication of the local market, the City of Cambridge Community Development Department notes that the most recent available,2002, median sale price for a single-family home is $610,000 and $348,500 for a condominium.) Moreover, CHA has used $9.4 million of its MTW resources to leverage over $61.3 million in public and private financing sources. For every dollar provided by CHA, its affiliate entities have leveraged six-and-a-half dollars of funding. The information below reports CHA's progress on the specific development programs and activities laid out in the FY 2005 Annual Plan.

Ongoing Partnerships with Regional and Local Institutions: CHA depends on the firm commitments and financial leverage provided by strong relationships with local lending partners, academic institutions, and State and local agencies. Among the continuing, productive relationships that were maintained through FY 2005 include those with the Cambridge Affordable Housing Trust (CAHT) and the City of Cambridge; the Harvard Housing Innovations Program; the East Cambridge Savings Bank, Cambridge Trust Company and Cambridge Savings Bank; and the Massachusetts Housing Partnership.

Condominium Acquisition Program: CHA and its non-profit affiliate, the Cambridge Affordable Housing Corporation (CAHC), continued the Condominium Acquisition Program (CAP) through FY 2005, as part of the ongoing effort to secure additional affordable housing units in an extremely tight housing market. In FY 2005, CAHC acquired an additional 2BR unit, bringing the total acquisition count to twelve units purchased under CAP.

CHA Affiliate Entity	Units
Cambridge Affordable Housing Corporation	66
Essex Street Management, Inc.	14
Lancaster Street, LLC	65
J.F.K., LLC	69
Total	**214**

Affiliate Asset Management: As CHA's stock of assisted housing expands, the issues surrounding scattered-site management become more complex. Following an assessment of internal management and financial systems in the previous fiscal year, CHA changed its property management procedures and implemented an asset management approach for the 214 units of privately-held housing. An Asset Management Department was established, and an Asset Manager was hired.

NEVILLE MANOR REDEVELOPMENT

This large-scale, adaptive re-use project, which became fully and independently operational in FY 2005, embodies CHA's catalytic efforts in addressing the needs of Cambridge elders. Through the regulatory flexibility allowed through MTW, CHA acted as the developer of this

71-unit, low- to moderate-income assisted-living facility, which was combined with a 112-bed skilled nursing facility. The project's significance is highlighted by its timing; it came on-line as the City was experiencing a city-wide loss of more than 50% of its skilled nursing home beds over the last four years.

RESIDENT PROGRAMS

Resident Programs and Economic Development: Funded by outside grants CHA's resident programs met its annual goals, with the CHA/Cambridge Employment Program (CEP) serving 192 residents in FY 2005 and the Work Force Program serving 136 youth between the ages of 13 and 19. In addition, 84 adult speakers of other languages enrolled in the Gateways Adult Literacy Program; 372 residents attended the Community Computer Center, 20 high school graduates participated in the Bridge to College Program, and 145 young adults attended post-secondary education through the First Generation to College retention program.

Program	FY 2005 Annual Plan Goal(s)	Number Served*
CHA/Cambridge Employment Program	Serve 50; Place 22 in Jobs	Served 192; Placed 25 in Jobs‡
Computer Centers (for 6-month period)	Serve 150	Served 295
Gateways ESL	Serve 70	Served 84
Bridge-to-College	Serve 12; 65% Accepted to Job Training or College	20 Served; 67% matriculation rate **
Bunker Hill Community College	Offers between 12-15 courses each semester	14 courses offered Spring Semester, 2003; 11 courses offered Fall Semester, 2004
Work Force	Serve 120 Youth; 75% High School Seniors Matriculation	136 served through March, 2005; 86% Matriculation Rate

* *Most of these programs are funded through an EDSS grant, the reporting period for which runs from July through December, and from January through June. Numbers are tracked according to this time period and not CHA's fiscal year.*

** *This 2002 matriculation rate is derived from a survey of CHA residents enrolled in the program. Projections Adjusted downward due to a deteriorating labor market.*

Elderly Innovations: CHA continued its efforts to take the lead in providing affordable housing and support services to the city's aging population. These include the continuation or initiation of 24-hour health care and social services provision; on-site staff for supportive living and coordination of services; daily meal service; and office space and education services, such as English for Speakers of Other Languages (ESOL). CHA applies grant funding to secure staffing and provide these and other services at its existing elderly developments.

FINANCIAL MANAGEMENT

The MTW Agreement established a funding framework covering the Federal Public Housing, Federal Leased Housing, and Capital Fund Programs, enabling CHA to significantly increase and improve housing opportunities for Cambridge residents in more efficient ways than had it not participated in the program, as well as provide more comprehensive budget reporting information to site management. In FY 2005 CHA began enhancement of its existing property-based budget process. CHA created a Block Grant Fund to manage the fungibility allowed under MTW. The flexibility and fungibility allowed under MTW have allowed CHA to weather the recent funding cuts—including the prorations in both the operating subsidy and voucher program. Sources were down 13 percent less than budgeted and uses were ten percent under budget. Independent and state audits carried out during FY 2005 were concluded with clean results for CHA.

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MTW Local Solutions for Local Challenges

Over the course of its first five years as part of the MTW Demonstration, CHA instituted a wide range of innovative initiatives in rent policies, occupancy, management practices, and development activities. The past fiscal year reflected the continuing implementation and authority-wide institutionalization of these changes. Efforts to improve agency performance and internal controls, as well as to assess and evaluate MTW efforts to date, also continued. Housing development and rehabilitation for the elderly, support services and programs, and the provision of a continuum of care for seniors were also emphasized.

For CHA, MTW incorporates all but a very few of its federally-assisted programs. The first MTW Annual Plan, submitted to HUD in October, 1999, contained a wide range of specific regulatory changes, which were permitted in accordance with CHA's MTW Agreement. The Plan submitted in January of 2005 continued those changes and included additional regulatory changes and waivers.

CHA's central goal under MTW is to implement and operate a comprehensive, locally-developed affordable housing program that addresses the realities of the Cambridge housing market. The priority of MTW is to accurately identify local needs and shape the program so that it is both responsive and relevant to the housing supply, quality and range of low-income residents in the City of Cambridge. CHA's program does this in five major ways:

1. Preservation of existing affordable housing resources through:
   a) Capital improvements and extraordinary maintenance to the current public housing stock;
   b) Changes to the Leased Housing Program to make it more competitive in a tight housing market;
   c) Project-basing as many leased housing units as possible; and,
2. Increased choice for low-income residents -- in terms of housing type, location and program options -- through rent policies, project-based vouchers, development choice, changes to waiting list preferences, eligibility and income diversification.
3. Development of new, permanently affordable units.
4. Ongoing tenant service programs in employment and training to help residents move to better work.
5. Administrative and other internal changes implemented as part of MTW to increase efficiency and performance.

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CHA Housing Inventory

CHA has gradually increased the City's affordable housing stock over the course of the Demonstration. Currently, CHA has few plans for adding new units, but remains open to development opportunities, if financially feasible. The table below shows the distribution of units for the fiscal year, including start-year estimates and end-year final counts. Tables 3–1a and 3–1b in Appendix Three of this Report further detail CHA's inventory information, by number of bedrooms and type of housing by program.

FEDERAL PROGRAM	Total Units, Start FY 05	Total Units, Planned, Close FY 05	Total Units, Actual, Close FY 05
Public Housing Total	**1,857**	**1,857**	**1,857**
Elderly/Special Needs	759	759	759
Family	1,095	1,095	1,095
Non-Dwelling	3	3	3
John F. Kennedy Apts.	**83**	**83**	**83**
PH units	44	44	44
PBA units	25	25	25
Off-Site Condos	14	14	14
Other Federally-Assisted	**2**	**0**	**1**
Homeowners'	2	0	1
MTW Leased Housing Total *	**1,640**	**1,610**	**2,012 ***
Tenant-Based	1,410	1,360	1,576
*PBA ***	230	250	436 **
Non-MTW Leased Housing Total	**886**	**884**	**516**
Putnam Square Apartment	96	96	0
Tenant-Based	612	612	382
Mod-Rehab/Shelter+Care	178	176	134
Federally-Assisted Subtotal	**4,468**	**4,434**	**4,469**

STATE PROGRAM	Total Units, Start FY 05	Total Units, Planned, Close FY 05	Total Units, Actual, Close FY 05
Public Housing Total	**663**	**663**	**663**
Elderly/Special Needs	334	334	334
Family	325	325	325
Non-Dwelling	4	4	4
Leased Housing Total	**163**	**160**	**163**
MRVP Tenant-Based	25	25	25
MRVP Project-Based	110	110	110
AHVP	28	25	28
Other State-Assisted	**126**	**126**	**126**
Roosevelt Towers Mid-Rise	77	77	77
Aberdeen/Hammond/Woodbridge	16	16	16
Putnam School	33	33	33
State-Assisted Subtotal	**952**	**949**	**952**

Total Units	**5,420**	**5,383**	**5,421**

* *Several increments expired and were transferred into the MTW increment for FY 2006.*

* *CHA Affiliate units total 214 units at the close of FY 2005; most of these are represented in the MTW PBA count)*

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Public Housing

The core function of CHA is the provision of high-quality affordable housing for its residents. The continued viability of CHA's housing stock is the cornerstone of its mission. Successful maintenance of quality housing relies upon an aggressive program of needs assessment and capital construction to rehabilitate aging buildings and upgrade existing systems. CHA's proactive approach toward the rehabilitation of its properties is made possible by MTW. The fungibility of capital, voucher, and operating funds is essential to necessary modernization and extraordinary maintenance and has been a key component of CHA's efforts to maintain housing quality. In addition, MTW fungibility has made a number of development opportunities possible, as detailed in this section and under "Affiliate Housing."

This section provides a description of CHA's capital and extraordinary maintenance, modernization of elderly developments, the Millers River Self-ESCo Initiative, occupancy demographics, waiting list characteristics, development choice, the elderly allocation plan's impact, and program management analysis, including results from a recent resident satisfaction survey.

Capital and Extraordinary Maintenance Efforts

Nearly $9.1 million dollars was expended in capital improvements and extraordinary maintenance in FY 2005. This is indicative of the large-scale projects CHA has undertaken and the comprehensive approach used to address rehabilitation needs of its housing stock. CHA also received Replacement Housing Factor (RHF) funding for the second year as part of its Capital Fund allocation and planning requirements under MTW. CHA will continue to seek RHF funding in the future and looks forward to using it to leverage additional funding for the development of additional housing.

The following chart details capital expenditures from FY 2000 through FY 2005. As shown in the graphic, capital spending increased significantly since FY 2000 from $4 million annually to nearly $9.1 million dollars in FY 2005. CHA expects expenditures to return to FY 2000 levels, given the funding cutbacks in both the public housing and Housing Choice Voucher programs.

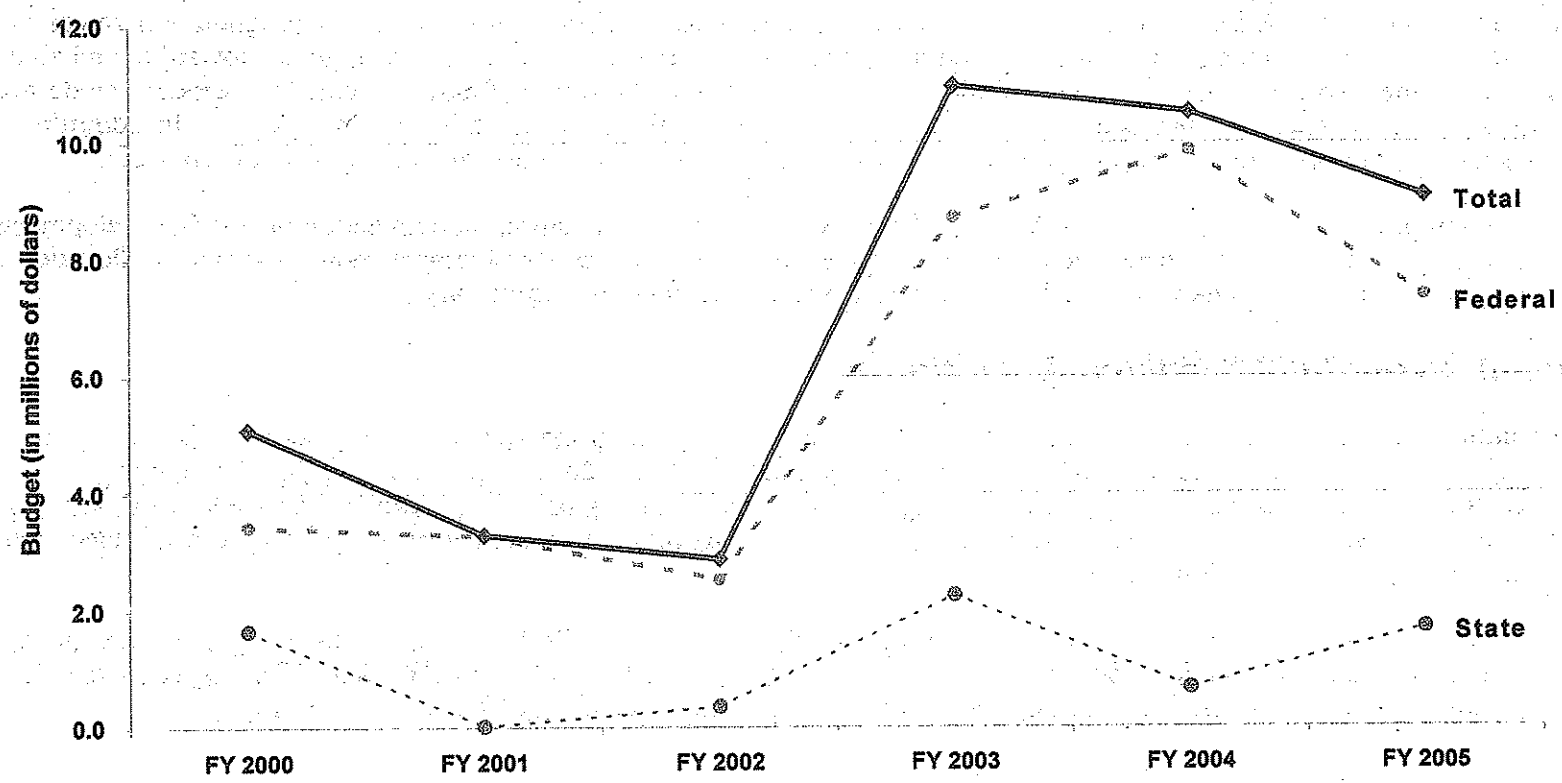


Table 1-1 (in Appendix One) compares planned capital expenditures and associated schedules at the start of FY 2005 with expenditures and schedules at the end of FY 2005 and includes a brief explanation of changes. CHA has deferred approximately $4 million of capital expenditures in FY 2005 due to expected funding reductions.

CHA continues to use house doctor contracts for A/E and electrical engineering services for selective modernization work. In general, such contracts result in an efficient design process, and can move needed modernization work from design to construction in an expedited fashion.

Over the past year, a number of significant capital improvements and extraordinary maintenance projects have been completed. These include:

- Kitchen and bathroom upgrades in three elderly developments and two family developments;
- The HOPE VI Revitalization of John F. Kennedy Apartments;
- Window and lintel replacement at Putnam Gardens;
- A construction contract award, to convert the electric baseboard heating system to a gas-fired, hydronic one at Millers River Apartments;
- A construction contract award, to modernize elevators at Jefferson Park; and
- A construction contract award, to install an emergency generator at Truman Apartments.

In addition, the following developments have undergone construction or modernization during the past year:

Burns Apartments

Work on the exterior envelope at Burns Apartments began in September, 2003 and includes new window installation and enclosures to 29 balconies. Work was substantially complete in December, 2004, four months ahead of schedule. By enclosing the balconies, new living space was captured, allowing the conversion of small, unattractive studios into more spacious one-BR units. Additionally, through consultation with the Cambridge Fire Department, work included a redesign and upgrade to all fire protection systems.

Total Cost: $5.1 million *FY 2005 Expenditures:* $3.8 million

226 Norfolk Street

The redesign and renovation of this three-unit building was substantially complete in December, 2004. The building's original three-BR units were significantly undersized, and the scope of the renovation provided for unit conversion to 2-BRs with expanded living areas and dining rooms. An under-utilized, unheated porch area was demolished and replaced with fully insulated living space, further adding to the unit size. Kitchens, baths and building systems were upgraded.

Total Cost: $500,000 *FY 2005 Expenditures:* $381,000

Truman Apartments
Installation of an emergency generator and construction of its housing unit begin in Fall, 2004. After an extended lead-time, the new emergency generator arrived on site in Spring, 2005, and installation work is nearly complete.

Total Cost: $250,000 *FY 2005 Expenditures:* $75,000

Jefferson Park
Modernization of the two elevators in this mid-rise building began in Fall, 2004 and is nearing completion.

Total Cost: $200,000 *FY 2005 Expenditures:* $21,000

The following developments have completed planning work and are currently in the predevelopment phase and scheduled for further renovations:

River Howard Apartments
The comprehensive modernization of this 32-unit family development with structural issues is ongoing. Construction documents are approximately 50% complete, and bidding of the project is expected by late Summer, 2005. Project bidding was delayed as the project was redesigned and re-phased to reduce costs. The project has also required an extensive resident-review process given the disruptive nature of the work and relocation needs.

Estimated Cost: $2.8 million *Estimated FY 2006 Expenditures:* $1.2 million

Jefferson Park
In addition to the ongoing elevator work, CHA is also planning implementation of the last phase of site improvements and improvements to stoop enclosures. Complicating this project is the deteriorated condition of the structural decks that form the entry to duplex apartments and the "roof" of the enclosure area. Cost-effective options for dealing with this problem have been field-tested, and construction documents have been completed. Due to budget constraints, the schedule currently estimates project bidding to begin in Fall, 2005.

Estimated Cost: $2 million *Estimated FY 2006 Expenditures:* $200,000

Fairmont, Jackson, and Valentine Streets

Plans to replace the stairs at Fairmont, Jackson, and Valentine Streets are 75% complete, and the project will be bid in late Summer, 2005. The project was initially delayed when the original architectural firm was replaced based on performance issues. Project costs have increased due to the complexity of the work and the general increase in construction costs.

Estimated Cost: $175,000 *Estimated FY 2006 Expenditures:* $175,000

Washington Elms

CHA had hoped to upgrade the fire alarm system as part of selective electrical modernization at this and other developments. Construction documents are nearly complete, but negotiations with the Cambridge Fire Department over the scope of the plan improvements have stalled. The Fire Department has requested a significant expansion in the scope of the planned work, above what is required or prudent to complete. Plans to replace the roofs are being revised to provide for a more economical project as two successive bids have been over budget. CHA currently anticipates redesign and re-bidding of the roof work to be completed by late Summer, 2005. Window replacement plans are currently on hold due to funding constraints.

Estimated Cost: $2.6 million *Estimated FY 2006 Expenditures:* $944,000

Millers River

Plans to install a third elevator at this 302-unit development are ongoing. Construction documents are approximately 50% complete, and the project is anticipated to reach the bidding phase in late Summer, 2005.

Estimated Cost: $1.5 million *Estimated FY 2006 Expenditures:* $1 million

Burns and Johnson Apartments

Since these two elderly/disabled developments were occupied in the mid-1970s, the elevator systems have undergone limited work, mostly for ADA and fire code compliance, and with minimal upgrades. CHA has issued a Request for Proposals seeking an elevator consultant to identify and plan for significant upgrades to the existing mechanical equipment (controllers, selectors, and door hardware). CHA hopes to hire a consultant by June, 2005, and to begin bidding the project in Fall, 2005.

Estimated Cost: $500,000 *Estimated FY 2006 Expenditures:* $500,000

Modernization of Elderly Public Housing Developments

Millers River and LB Johnson Apartments

CHA faces pressing needs at these developments, and during FY 2005 the CHA began an intensive planning process to explore long-term options for these sites. Both buildings have experienced severe water infiltration problems and unacceptable energy loss. Additionally, there is difficulty marketing many of the studio units because of their size. Modernization design work at both developments includes selective kitchen and bath replacement and balcony enclosures. The units created by this project are being reconfigured as one-BR units to replace existing cramped studios and to present a more attractive unit for elderly and disabled residents. Preliminary design work is underway, and financing options are being explored.

Since the demand for CHA's elderly units is below historical levels, the next few years provides an opportunity for comprehensive renovation of these two large elderly buildings and may ease the necessary relocation process for residents.

CHA is investigating various alternative financing options, including Low-Income Housing Tax Credits, conversion of all or part of the buildings to Housing Choice Voucher units, capital loans secured by annual funding from the Capital Fund Program, and Grant Anticipation Revenue Vehicles (GARVEE bonds). This blending of financing options will enable CHA to improve both Millers River and L.B. Johnson for full occupancy.

Millers River Self-ESCo/Energy Performance Contracting

Energy performance contracts use a stream of utility savings to pay for financing in order to make capital improvements that then reduce energy costs. HUD approved the bulk of these projects in the past only when PHAs entered into agreements with Energy Savings Companies (ESCos). Under the terms of its MTW Agreement, CHA is allowed to function as its own ESCo and retain significant savings in terms of management of construction oversight and ongoing energy maintenance costs associated with qualifying projects.

Functioning as its own ESCo, CHA directly procured the services of an engineer specializing in state-of-the-art boiler system design and a financial advisor. The financial advisor assisted CHA in arranging financing for the Millers River project from a third-party investor. CHA found that serving as its own ESCo has been more cost-effective than using the services of an outside ESCo and has been able to retain greater control over all phases of the project.

CHA is currently completing its first self-ESCo energy performance project at Millers River. The work includes replacing a 30-year-old electrical heating system with state-of-the-art gas-fired condensing boilers; installing new domestic hot water service and a new heat distribution system; and replacing the make-up air system for corridor ventilation. Toilets will be replaced with low-flow models. Work to implement the energy savings project began in June, 2004, and remains on schedule. The $2.5 million project is funded in part by a $1.7 million tax-exempt municipal lease that CHA secured for 12 years at a very favorable 4.29% rate, as well as funds from the Capital Fund Program (CFP). The debt service on this lease will be fully covered with the project's energy savings.

In addition to the tax-exempt municipal lease and CFP funding, CHA obtained additional funding totaling approximately $60,000 through a unique arrangement to sell CO_2 emission reductions resulting from the project. The Mirant Corporation purchased the CO_2 emissions reductions to offset increases associated with the expansion of its generating plant located in Cambridge. CHA also expects to receive additional project funding through rebate programs offered by local utilities.

Public Housing - Occupancy

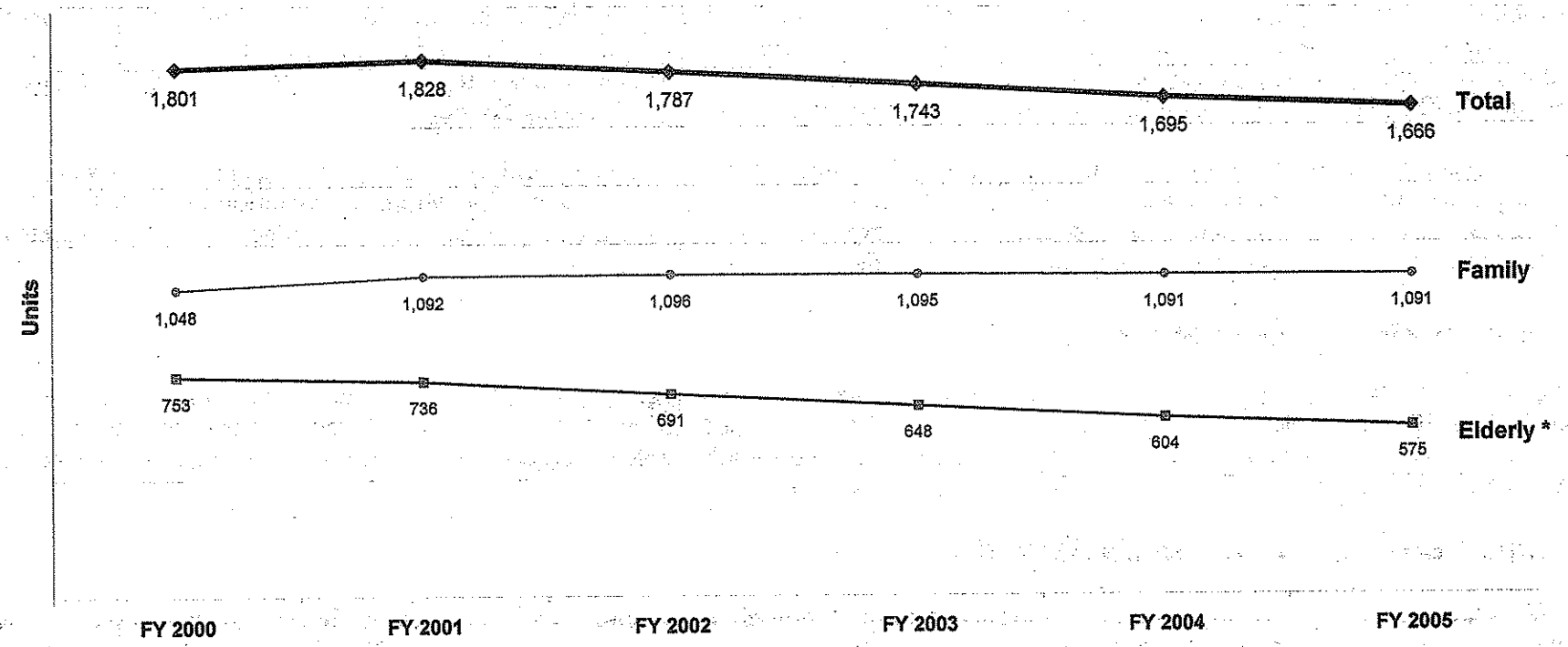
Through its Federal and State programs, including conventional public housing developments and local leased housing programs, CHA serves over 10,000 people, or approximately ten percent of the total population of the City of Cambridge. Although this is a high percentage compared to many cities of comparable size, the demand for affordable housing in Cambridge remains strong, as evidenced by the over 17,000 applicants on CHA's public housing and voucher waiting lists.

Public Housing - Households Served

CHA continued to serve essentially the same number and mix of households it would have served absent the MTW demonstration. The following text and graphic data describe changes in the number of households served between FY 2000 and FY 2005, by bedroom size, income, and race/ethnicity. More detailed tabular data illustrating these changes can be found in Appendix Three. CHA has not, as a result of MTW, decreased the number or mix of families (by family size) receiving housing assistance.

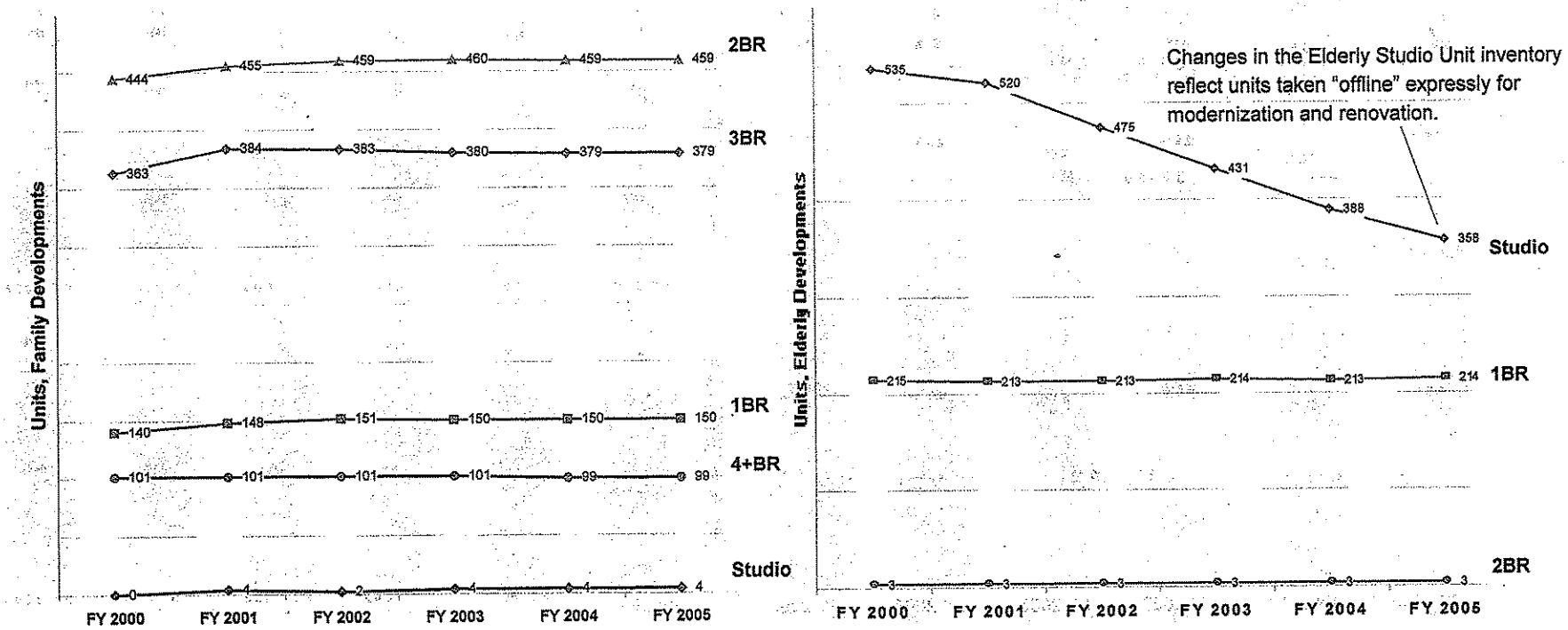
Tables 3–1 through 3–3 of Appendix Three detail the annual changes in the number of conventional housing residents based upon bedroom size, income, and race/ethnicity. Slightly more than 1,660 households currently reside in conventional housing, as part of the MTW Demonstration. As shown in the following graphs, CHA has observed a slight decrease in the number of households served in conventional housing from FY 2000 to FY 2005. These changes are due to the large numbers of elderly studio units at the L.B.J. and Millers River development sites currently offline for modernization.

Conventional Public Housing: Change in Households Served, FY 2000 to FY 2005 *



* *Selected units from J.F. Kennedy Apartments (83) and Huron Towers (127) have been excluded from the 2000 tallies, to clarify year-to-year comparisons. In addition there are over 150 elderly units offline in connection with modernization work.*

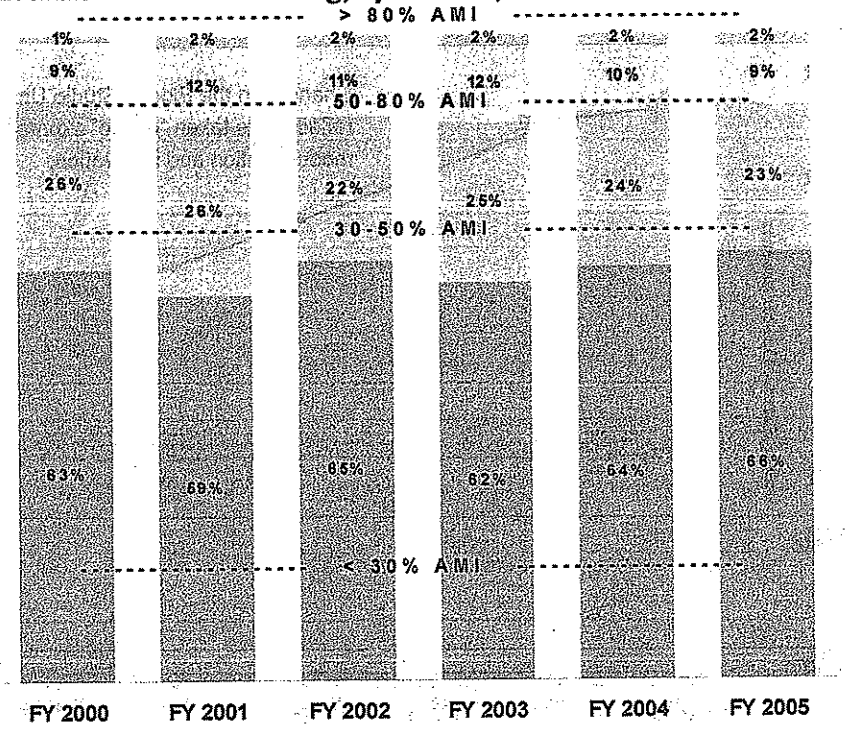
Households Served
Conventional Public Housing, by Development Type and Unit Size, FY 2000 to FY 2005 *

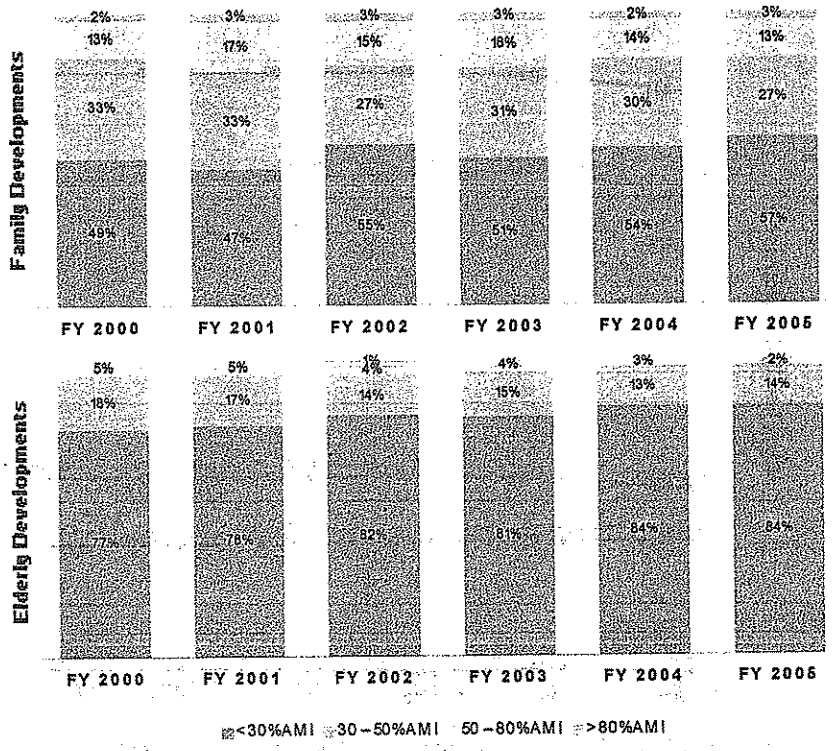


* *Selected units from J.F. Kennedy Apartments (83) and Huron Towers (127) have been excluded from the 2000 tallies, to clarify year-to-year comparisons.*

As demonstrated by the graphs below (see Tables 3–2 and 3–4 through 3–7 in Appendix Three for more detail), CHA continues to serve essentially the same mix of households, according to income categories. Families earning less than 50% of Area Median Income (AMI) comprise 89% of the conventional housing population. (Appendix Five more fully examines income diversification within CHA developments.)

Households Served
Conventional Public Housing, by Income, FY 2000 – FY 2005 *



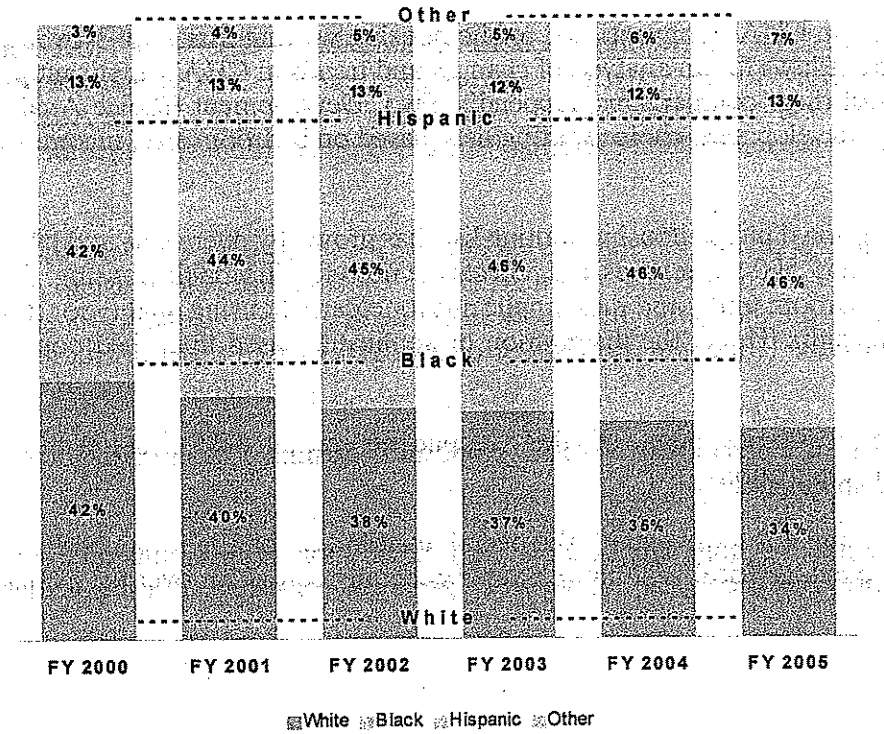


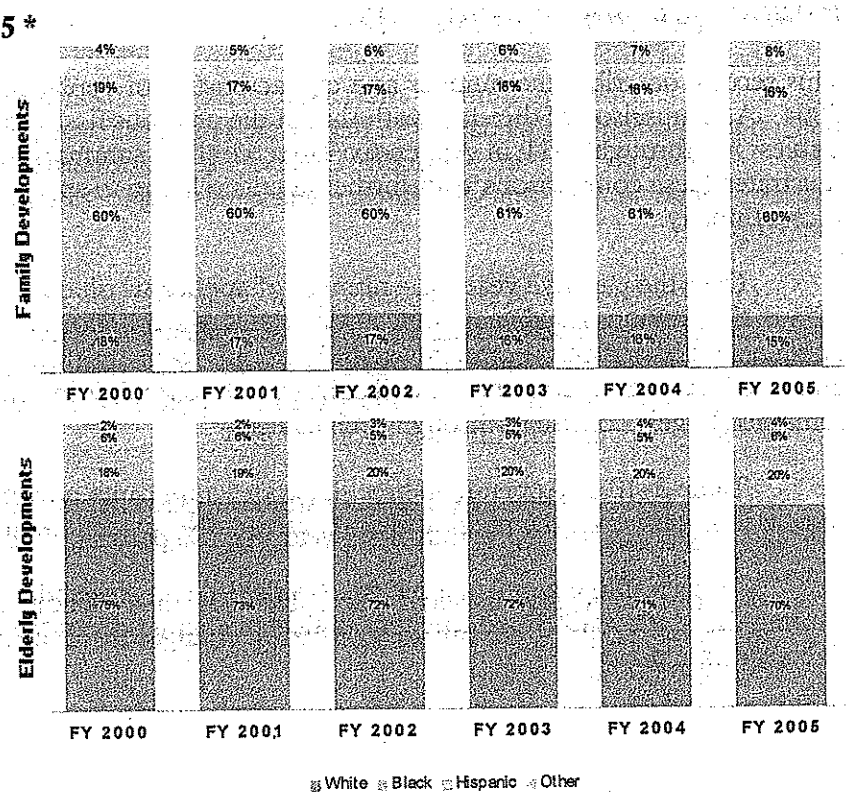
* *These data include only those units eligible for inclusion in the MTW Demonstration, as described above.*

The following graphs illustrate a continuing, slight decline in white households and a corresponding rise in minority households served by CHA in conventional housing developments. Table 3–3 in Appendix Three provides greater detail regarding the percentages of specific races/ethnicities in these developments. Minority households increased by 1% over the previous fiscal year and currently account for 66% of all conventional housing households. This change—and the corresponding decline in white households served by CHA—is

consistent with broader demographic changes in the City of Cambridge. Data from the 2000 U.S. Census indicate that the white population in Cambridge decreased by 7.2% from 1990 to 2000, to 68% City-wide, even as the total population increased by 5%.

Households Served
Conventional Public Housing, by Race/Ethnicity, FY 2000 – FY 2005 *





* *Excludes J.F. Kennedy Apartments, CHA's Hope VI program.*

Increases or decreases in households representing different income groups, races/ethnicities, or family size were nominal during the past fiscal year, and reflect CHA's normal turnover of units. CHA therefore continues to serve essentially the same number and mix of families (by family size, race/ethnicity and income) receiving housing assistance.

Public Housing Waiting Lists

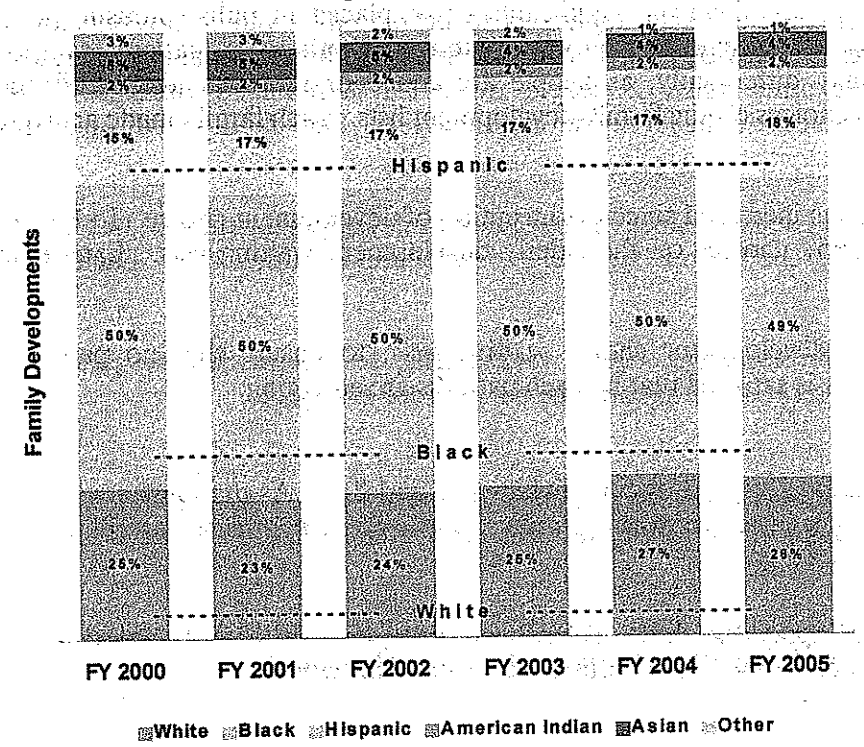
This section describes the number and characteristics of applicants on CHA's conventional public housing waiting lists as of November, 2004. A comparison of this data with that of the previous fiscal year allows for an analysis of changes and trends in CHA's applicant pool. Tables 3–9 through 3–11 in Appendix Three contain summaries of these comparisons; Appendix Two, Development Choice Analysis, illustrates these comparisons with further details relating to specific development-choice waiting lists, based on bedroom size, income, and race/ethnicity.

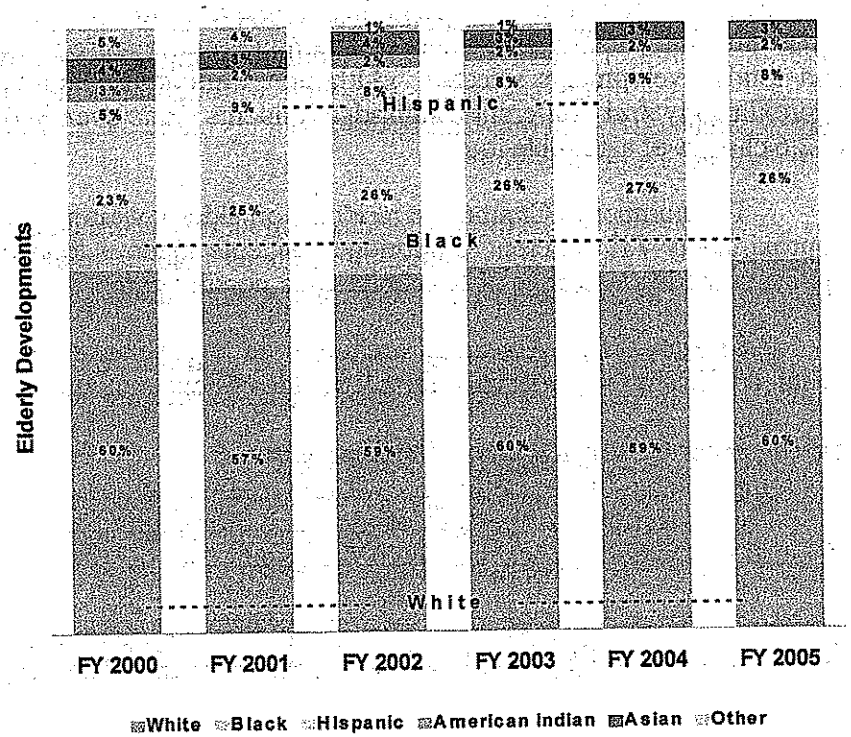
Over the past five years, the number of applicants on conventional public housing waiting lists has grown by over 40%, and by over 10% in the previous fiscal year alone; today the applicant pool exceeds 9,500 households and reflects the need for affordable housing. Most applicants for family developments qualify for one-, two-, or three-bedroom units, and most applicants for elderly housing qualify for studio and one-bedroom apartments. As illustrated in Table 3–9 in Appendix Three, the distribution of applicants based upon bedroom size remained largely consistent through each category.

Table 3–10 in Appendix Three illustrates applicants' incomes, as a percentage of AMI. Applicants earning 30% or below of AMI increased slightly over the previous fiscal year, to 66% percent of all applications.

As seen in the graphs below (see Table 3–11 in Appendix Three for more detail), the overall distribution of applicants on Federal waiting lists, by racial/ethnic category, reflected changes from the previous fiscal year but remained generally consistent over the available five-year time period.

Waiting List Applicants
Conventional Public Housing, by Race/Ethnicity, FY 2000 – FY 2005 *





Development Choice

In the first year of MTW, the Leasing and Occupancy Department (L&O), in conjunction with the Operations Department, began implementing a new public housing unit assignment system based on development choice. Under this system, the central waiting list was replaced with 15 family development lists, ten elderly development lists and four "First Available" lists (federal family, state family, federal elderly, and state elderly). Full conversion to development choice was completed in April, 2000.

Impact of Development Choice on Waiting Lists

Unless otherwise noted (and following the format of previous Annual Reports), this Report's development choice analysis addresses waiting list demographics of Cambridge residents only, as they remain the likely applicants to be placed in public housing for the foreseeable future. Demand for CHA's family housing increased over the previous fiscal year, in terms of both individual applicant totals and total developments selected. Although waiting list tallies may differ daily, as people are added or removed, during FY 2005 approximately 2,211 different Cambridge residents made over 5,700 choices on the family development lists. Each family made an average of 2.6 choices of a possible four.

The number of Cambridge residents on elderly waiting lists has increased since the inception of development choice. In FY 2005, approximately 731 different Cambridge residents made a total of 957 choices on the elderly development waiting lists. Each elderly applicant made an average of 1.3 choices of a possible three.

CHA's MTW Agreement requires an examination of its development choice waiting lists, to ensure that no patterns of racial/ethnic clustering occur in family or elderly developments. CHA is satisfied that no such patterns are emerging.

Development Choice at Family Developments

A summary table by race/ethnicity within family development waiting lists is shown in Tables 2–1 and 2–2. As demonstrated in these tables, approximately 75 percent of applicants for family public housing are minority families, and over half of these are black. The proportion of white applicants remained constant over the previous fiscal year.

This summary is complemented by a comprehensive assessment in Appendix Two. Tables 2–1 through 2–13 of that section provide detailed analyses of the demographics of waiting lists and of developments based upon households' race/ethnicity.

Waiting List Applicants

Family Development Applicants (Development Choice Waiting Lists), by Race/Ethnicity, FY 2000 – FY 2005 *

		Number of Applicants												
Development	Units	FY 2000		FY 2001		FY 2002		FY 2003		FY 2004		FY 2005		Chg %
Corcoran Park	**153**	**254**		**324**		**345**		**323**		**274**		**314**		
White		43	17%	62	19%	72	21%	68	21%	63	23%	79	25%	+8%
Minority		211	83%	262	81%	273	79%	255	79%	211	77%	235	75%	-8%
Jackson Gardens	**46**	**268**		**329**		**348**		**282**		**238**		**310**		
White		35	13%	43	13%	45	13%	42	15%	55	23%	74	24%	+11%
Minority		233	87%	286	87%	303	87%	240	85%	183	77%	236	76%	-11%
Jefferson Park	**175**	**322**		**413**		**440**		**409**		**362**		**418**		
White		45	14%	62	15%	70	16%	70	17%	69	19%	79	19%	+5%
Minority		277	86%	351	85%	370	84%	339	83%	293	81%	339	81%	-5%
Lincoln Way	**60**	**107**		**134**		**138**		**98**		**89**		**104**		
White		15	14%	24	18%	23	17%	19	19%	20	22%	24	23%	+9%
Minority		92	86%	110	82%	115	83%	79	81%	69	78%	80	77%	-9%
Newtowne Court	**268**	**542**		**644**		**661**		**590**		**494**		**557**		
White		76	14%	103	16%	106	16%	106	18%	109	22%	111	20%	+6%
Minority		466	86%	541	84%	555	84%	484	82%	385	78%	446	80%	-6%
Putnam Gardens	**122**	**370**		**448**		**462**		**406**		**392**		**423**		
White		59	16%	85	19%	92	20%	97	24%	100	25%	110	26%	+10%
Minority		311	83%	363	81%	370	79%	309	79%	292	77%	313	75%	-10%
River Howard	**32**	**239**		**273**		**297**		**288**		**275**		**294**		
White		36	15%	52	19%	62	21%	58	20%	61	22%	68	23%	+8%
Minority		203	85%	221	81%	235	79%	230	80%	214	78%	226	77%	-8%

		Number of Applicants												
Development	Units	FY 2000		FY 2001		FY 2002		FY 2003		FY 2004		FY 2005		Chg %
Roosevelt Towers	**124**	**623**		**729**		**753**		**658**		**591**		**659**		
White		125	20%	153	21%	166	22%	158	24%	154	26%	158	24%	+4%
Minority		498	80%	576	79%	587	78%	500	76%	437	74%	501	76%	-4%
Washington Elms	**175**	**493**		**568**		**565**		**532**		**468**		**512**		
White		69	14%	85	15%	96	17%	90	17%	89	19%	92	18%	+4%
Minority		424	86%	483	85%	469	83%	442	83%	379	81%	420	82%	-8%
Willow Street **	**15**	**136**		**153**		**158**		**148**		**159**		**181**		
White		34	25%	47	31%	51	32%	47	32%	56	35%	63	35%	+10%
Minority		102	75%	106	69%	107	68%	101	68%	103	65%	118	65%	-10%
Woodrow Wilson	**69**	**218**		**265**		**289**		**289**		**286**		**322**		
White		44	20%	72	27%	78	27%	87	30%	94	33%	103	32%	+12%
Minority		174	79%	193	73%	211	73%	202	70%	192	67%	219	68%	-12%
Scattered Sites ***	**34**	**304**		**355**		**383**		**383**		**389**		**510**		
White		43	14%	60	17%	65	17%	65	17%	82	21%	122	24%	+10%
Minority		261	86%	295	83%	318	83%	318	81%	307	79%	388	76%	-10%
Federal 1st Available	**-**	**488**		**939**		**1,071**		**1,108**		**980**		**1,157**		
White		88	18%	197	21%	236	22%	288	26%	304	31%	359	31%	+13%
Minority		400	82%	742	79%	835	78%	820	74%	676	69%	798	69%	-13%
Total of Choices	**-**	**4,364**		**5,577**		**5,910**		**5,514**		**4,997**		**5,761**		
White		698	16%	1,060	19%	1,182	20%	1,213	22%	1,249	25%	1,440	25%	+9%
Minority		3,666	84%	4,517	81%	4,728	80%	4,301	78%	3,748	75%	4,321	75%	-9%

* *A resident is defined as a person who currently resides or has a job in the City of Cambridge.*

** *This is a state development with a development choice waiting list. It is included in this table because many applicants for federal developments also select state developments as one or more of their development choice preferences.*

*** *Scattered Sites include Fairmont, Garfield, Jackson Street, and Valentine Street.*

Development Choice Waiting Lists by Race/Ethnicity
Information on the racial demographics of Cambridge residents on family and elderly waiting lists can be found in Appendix Two. As demonstrated in Tables 2–1, 2–2, and 2–3, the race characteristics measured for the reporting period are in line with data from previous years. With regard to race/ethnicity, each family and elderly development list represents the general population of waiting list applicants, and there are no trends reflecting disparate choices among minority and white applicants.

Demographic Distribution by Development and Race

Tables 2–5 through 2–12 in Appendix Two demonstrate that the overall racial/ethnic composition of CHA family and elderly developments has not undergone any marked changes over the five years during which development choice has been in place, and there are no apparent trends of racial/ethnic clustering. Because of the low turnover rates at CHA developments, years may pass before a full assessment of the development choice policy is feasible; however, CHA will continue to monitor racial demographics at its developments.

During FY 2005 there were only two developments with a change in percentage exceeding five percent. The first was Corcoran Park, where the decrease in white households and the corresponding increase in black households moved this development closer to the overall white/minority breakdown of CHA's family housing developments. The second was the HomeOwners Turnkey 3 Program, which has historically reflected very low numbers of available units in comparison to other developments (at the close of FY 2005, there was one remaining unit available).

Demographic Distribution of Disabled Applicants by Development

On an annual basis, CHA monitors the disability-related tenant composition at its developments to identify changes that may have occurred since the implementation of CHA's Elderly Allocation Program. This program, approved by HUD in 1997 and extended for two years in 2005, sets a ceiling of 13% non-elderly disabled residents in Elderly/disabled buildings. (The 13% threshold conforms to the regulations governing CHA's state public housing program.) As indicated in Appendix Two, Table 2–13, young disabled tenants represent 11% of households at family developments and 16% of households at elderly developments. The development-based choices of this population show no patterns of potentially troubling clustering and are in fact very similar to the choice mix for both elderly and family applicants. The decrease in young disabled persons in Elderly/Disabled housing noted this year may reflect the limits placed on elderly developments by the HUD-approved Elderly Allocation Plan.

Independent Testers

As part of the development choice system, CHA uses independent testers to assure that no patterns of discrimination exist. This testing is performed on a bi-annual basis, through the Fair Housing Center of Greater Boston. The previous round of testing results were presented in the FY 2004 Annual Report, and the next round of results will be presented in the FY 2006 Annual Report. In their test, the FHCB found no such patterns.

Elderly Allocation Plan

CHA maintained its HUD-approved Elderly Allocation Program, as a placement mechanism allowing young/disabled residents to live in leased housing units rather than elderly developments. The program's goal of maintaining a balance of tenant composition is achieved by establishing a threshold of 13% disabled residents at existing elderly sites. CHA also provides applicants with access to 200 mainstream vouchers and placed more than 90 additional applicants with disabilities through the use of these vouchers. CHA's Elderly Allocation Plan, which also allows for more efficient distribution of services to elderly residents, was extended through April 9, 2006.

MTW Public Housing Rent Policy

Over the course of MTW, CHA has implemented six income exclusions. Three of these benefit young adults and/or secondary wage earners and were adopted because prior regulations discouraged tenants from working or reporting income. The first exclusion disallows all income earned by household members ages 18-20; the second disallows 25% of earned income for household members ages 21-25; and the third disallows 15% of earned income for household members age 26 and older. To qualify for the last two exclusions, the head of household must have declared income. The fourth wage exclusion exempts 25% of income for elderly households in elderly housing. CHA also expanded the welfare-to-work exclusion; created an exclusion modeled after the Welfare-to-Work exclusion called Disability-to-Work; expanded the tuition and childcare deductions; and implemented policies regarding minimum and ceiling rents. Overall, CHA rent policies have resulted in reduced rent charged to tenants.

CHA Income Exclusions

Exclusion Type	Amount Excluded	Resident Age Groups	Number of Qualifying Households
Secondary Wage Earner	100% Earned Income	18-20	3
Secondary Wage Earner	25% Earned Income	21-25	69
Secondary Wage Earner	15% Earned Income	26+	235
Subtotal, Family Wage-Earners			**307**
Elderly Household	25% Earned Income	62+	32
Total, All CHA Households			**339**

Currently there are 172 families paying ceiling rent. This is down from 198 households in FY 2004 and likely reflects both the increase in ceiling rent amounts and the slowing economy. Only two policies could result in an increase in overall rent charged: minimum rents and the transfer surcharge. Currently, there are 35 tenants paying the minimum rent. This represents an increase of 3% over the previous year. The transfer surcharge requires that multiple transfers to larger apartments take place before the surcharge is applied. Thus far, no tenants have been assessed the surcharge. Although some of the MTW exclusions impact CHA's revenues, CHA is confident that such policies will encourage residents to engage in educational activities and to work, which should in turn increase their incomes. Appendix Four details the results of all of the MTW rent policies.

While the cumulative effect of CHA's rent policies under MTW has been to benefit its tenants, CHA continues to explore ways to improve its services and become more efficient. In FY 2005, CHA began assessment of a new rent simplification policy, which would dramatically streamline the rent process.

Income Diversification

Income diversification is a MTW effort to increase the percentage of working families in CHA's developments in order to add economic diversity to the community, reduce concentrated poverty, address the pressing need in Cambridge for affordable housing for families between 50% and 80% of AMI and, ideally, reduce CHA's dependence on federal subsidies. CHA has targeted 75 percent of family units for availability to very low-income households (below 50% of AMI), and 25% of family units for availability to low-income households (between 50 to 80% of AMI).

In FY 2005, CHA maintained its modified income diversification policy, applying revised local preferences for applicants with incomes 40 percent and higher of the AMI. The original policy dictated a one-for-one placement feed from the two income target categories. In FY 2005 CHA continued its revised placement policy (established in response to concern from community advocates) of one household from the 40-80% AMI category for every two households from the very-low income category. The preference threshold was set at 40% of AMI and not 50% of AMI for two reasons: 1.) There are not many families on the waitlist between 50-80% AMI; and 2.) It seems that families between 40-50% AMI have a good likelihood of moving into the 50-80% category. Area Median Income levels are shown in Appendix Five, Table 5-1.

A complete income diversification analysis (covering changes at individual development sites since the inception of the placement preference) can be found in Appendix Five. Briefly summarized, the policy's impact upon the demographics of CHA conventional housing developments can be read as follows:

- the number of families below 30% AMI increased by 7%;
- the number of families between 30-50% AMI decreased by 6%;
- the number of families between 50%-80% AMI decreased by 2%;
- and the number of households above 80% AMI increased by 1%.

As measured by AMI, income diversification has remained static since FY 2000, even though average household income has increased by approximately $3,000 and AMI has grown faster than tenants' incomes.

Deconcentration

CHA is meeting HUD's deconcentration mandate through the MTW income diversification program. The table below shows deconcentration percentages according to current HUD guidelines (85 to 115% of household income) that would apply to CHA, absent MTW. CHA is in compliance with deconcentration, with only one exception—Roosevelt Towers is over 115%. Roosevelt Towers is the development at which income diversification was first deployed in a full-scale lease-up effort to diversify income at the one-for-one placement ratio. This effort was a success and raised the average income of tenants, as is reflected below.

Deconcentration for CHA Federal Family Housing

Development	Households	Income	Average AMI%	Development % of Average 2003	Development % of Average 2004	Development % of Average 2005	Change %
Corcoran Park	151	$23,457	30%	103%	104%	108%	5%
Jefferson Park	175	$23,941	32%	96%	98%	103%	7%
Newtowne Court	268	$20,380	29%	97%	91%	88%	-9%
Putnam Gardens	121	$21,264	30%	86%	89%	92%	6%
River Howard	29	$20,402	29%	86%	93%	88%	2%
Roosevelt Towers	123	$28,846	37%	117%	123%	125%	8%
Scattered Sites*	44	$20,053	49%	97%	94%	87%	-10%
Washington Elms	174	$24,949	33%	106%	106%	108%	2%
Total	**1,075**	**$23,161**	**32%**	**100%**	**100%**	**100%**	**0%**

**Includes Fairmont, Garfield, Jackson Street, Valentine, and the Scattered Site program.*

CHA Resident Satisfaction Survey

As part of the MTW Agreement, CHA was allowed to replace the Real Estate Assessment Center (REAC) survey with one better suited to gauge resident opinions on a range of management, maintenance, safety, social service, and other factors. In April, 2005 CHA engaged an independent firm, Edgemere Consulting Corporation, to develop and administer the survey. The survey was administered by telephone in March, 2005. A statistically valid sample was drawn from CHA's existing resident population. Trained multi-lingual surveyors called 1,020 residents, of whom 243 completed the survey. Depending on the individual language needs of respondents, bilingual interviewers

administered the survey. A copy of the survey results and relevant background materials are included in Appendix Seven. Overall, the survey reflected a high level of resident satisfaction with CHA operations. Key survey results include the following:

- About 85% of residents surveyed expressed satisfaction with the conditions of their CHA apartments and safety and security of their neighborhoods while 80% of residents surveyed expressed satisfaction with the quality and conditions of the outside grounds including playgrounds, sitting areas and parking lots.
- About 85% of residents surveyed indicated they had contacted CHA for maintenance or repair service within the past year. Within this group, satisfaction was very high: 86% expressed satisfaction with the quality of repair work and 83% expressed satisfaction with the amount of time it took to complete the work. CHA staff is particularly proud to report that 93% of residents were satisfied with the way CHA maintenance staff performing the repair work treated them.
- Residents also expressed a high level of satisfaction overall with CHA management operations. 88% of residents who had visited their CHA Housing Management office within the past year expressed satisfaction with the availability of information on their rent and lease responsibilities and 87% expressed satisfaction with the accuracy of the information. 88% of these residents expressed satisfaction with the way they were treated by CHA office staff.
- Residents also expressed their sense of safety in this survey. 93% of residents surveyed felt safe in their units, and 83% of residents felt safe on the outside grounds of their development.

Program Management Indicators

Continuing initiatives include a number of changes not directly related to the regulatory relief provided by MTW but which are parts of the overall MTW framework. The Demonstration's emphasis on deregulation requires CHA to reevaluate all areas of its operations, performance evaluation, and accountability. Institutionally these include vacancy rates, rent collections, work order abatement, and inspection success rates.

Occupancy / Vacancy Rate
Overall, CHA is pleased to report that its low vacancy levels were maintained through FY 2005. As shown in the summary table below (and in greater detail in Table 6–4 in Appendix Six), CHA's combined adjusted (for modernization work) occupancy percentage for its conventional public housing inventory is 99 percent.

FY 2005 Budgeted			FY 2005 Actual			Difference Budgeted vs. Actual	
Gross %	Adjusted %	Adjusted Vacancy Rate	Gross %	Adjusted %	Adjusted Vacancy Rate	Gross %	Adjusted %
90%	98%	2%	89.0%	98.9%	1%	1%	1%

Rent Collection
In FY 2005, rent collections were over 98 percent. Detailed information is found in Table 6–5 of Appendix Six.

Work Orders
The agency continued its high level of performance in FY 2005. CHA abates emergency work orders within 24 hours. Non-emergency work orders averaged 4.7 days. Work order response time by development is detailed in Table 6–3 of Appendix Six.

Inspections
CHA inspected 100 percent of its conventional public housing inventory in FY 2005, excluding units off-line for modernization. Annual inspections help CHA monitor capital improvement and maintenance needs and are an important element in maintaining the overall physical condition of the properties. This is detailed in Appendix Six, Table 6–2.

Safety and Security

CHA's safety and security program emphasizes both enforcement and prevention strategies in its ongoing effort to control crime and keep its developments as safe as possible. The last Resident Satisfaction Survey (RSS), conducted in April, 2005, reflected high levels (83-93%) of residents' overall feelings and perceptions of safety. Based on the survey, CHA continues to provide a safe environment at its family and elderly developments. In FY 2005, 85 security patrols were carried out at CHA developments at a total cost of over $21,000.

Lease enforcement efforts, on-site managerial control and strong resident involvement continued through CHA's full-time Tenant Liaison position and were supported by CHA Tenant Councils. By re-aligning security responsibilities within the Operations Department, CHA sought to strengthen the connection between its institutional safety approach and specific site-based outcomes. One major component of this work is the coordination of domestic violence educational programs with local groups for CHA residents. Raised awareness and continuing efforts regarding this issue have improved CHA's ties with other community support groups in these areas.

Enforcement

CHA works closely with residents and the City of Cambridge Police Department (CPD) to target patrols toward those properties most in need of protective services. Having adopted a "one strike and you're out" drug/criminal policy, CHA, in cooperation with the City, tracks all arrests made on its properties and uses that information to direct police patrols. Monthly meetings between CHA security and management staff and CPD uniformed and undercover staff routinely target trouble areas and plan appropriate corrective action. Quarterly assessment meetings involving residents, management, program staff and providers give overall guidance to our enforcement efforts.

Prevention

Most prevention programs remain focused on youth. The national award-winning Work Force program continues to serve about 135 students from family developments, ages 13-19 each year. The Recreational Activities Program (RAP) is a program of sports, arts and crafts, cooking and other activities for elementary school-age children and young teens through a contract with the Boys and Girls Club of Cambridge.

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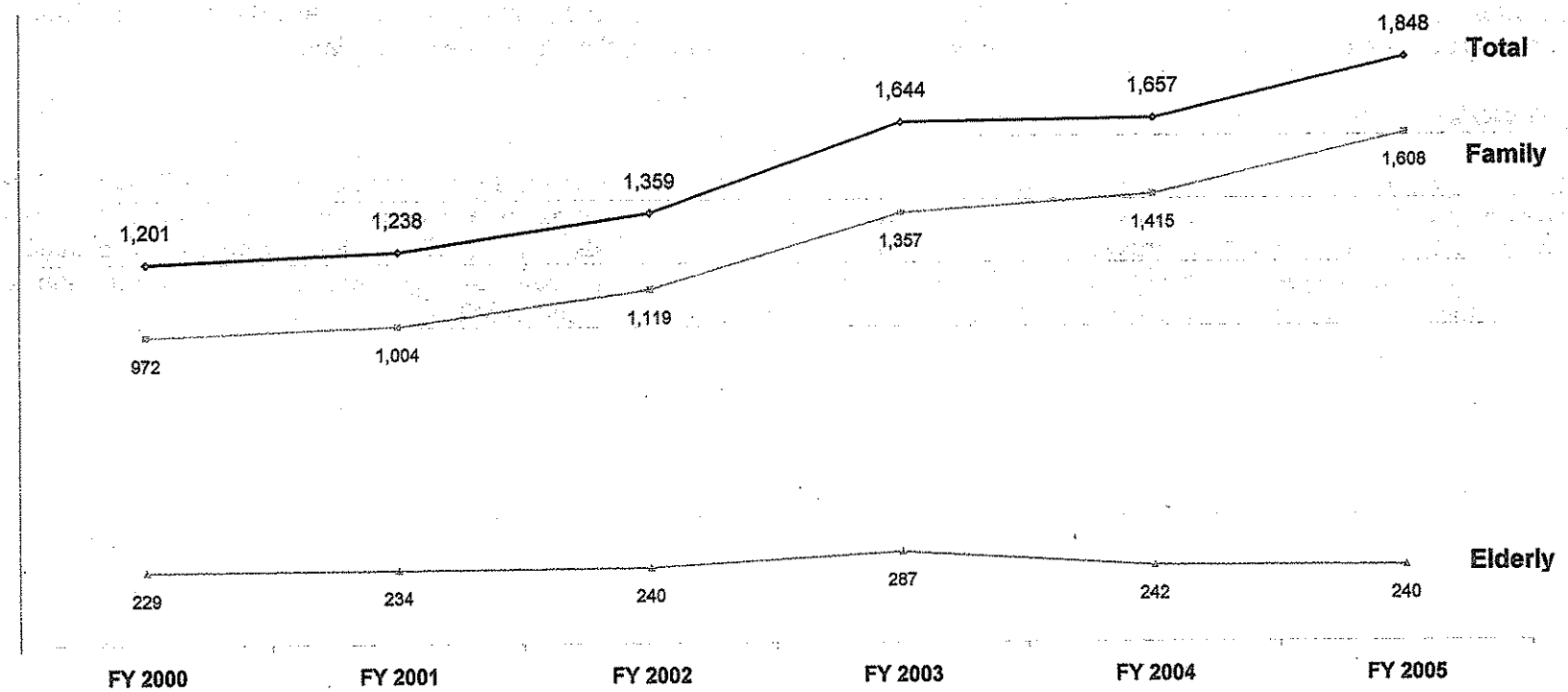
Local Leased Housing Program

CHA continued to operate a Local Leased Housing Program in conformance with its MTW Agreement. Over the past year, CHA met or exceeded its major objectives for the Local Leased Housing Program as set forth in the FY 2005 Annual Plan.

Households Served – Leased Housing

Tables 3–1 through 3–3 in Appendix Three of this Report include detailed information on the changes between FY 2000 and FY 2005 in Leased Housing households served, by bedroom size, income, and race/ethnicity, and based on actual occupancy. Over 1,800 households participate in the Leased Housing Program, using certificates or vouchers included in the MTW Demonstration. The majority of households lease one-, two-, or three-bedroom units, rather than studios or four-bedroom (or larger) apartments. Since the start of the Demonstration, CHA has been able to serve more households than had it not participated in MTW.

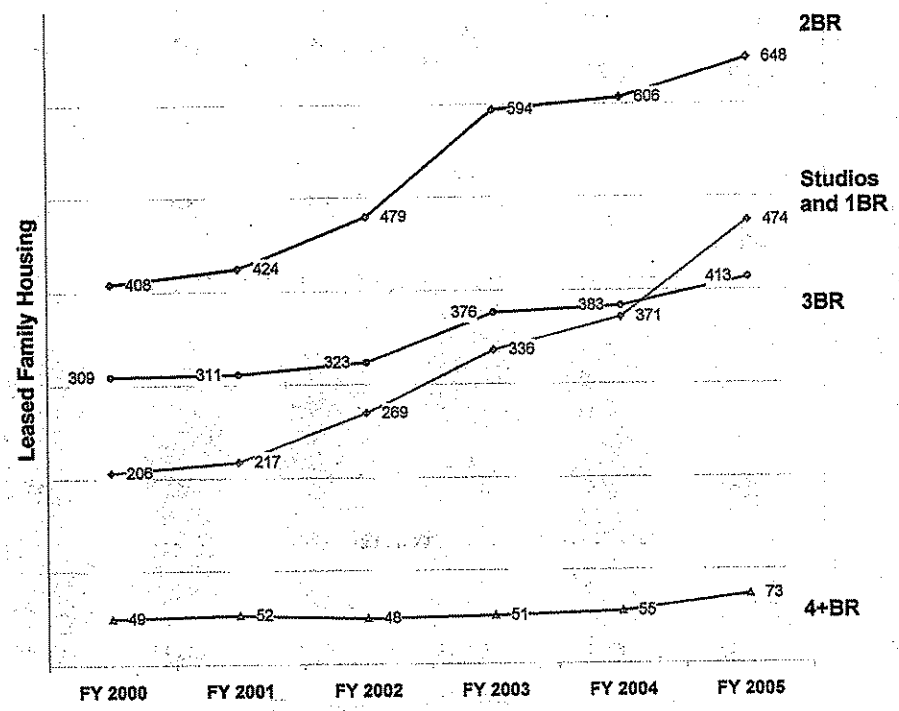
Households Served
Housing Choice Voucher Programs, FY 2000 to FY 2005 *

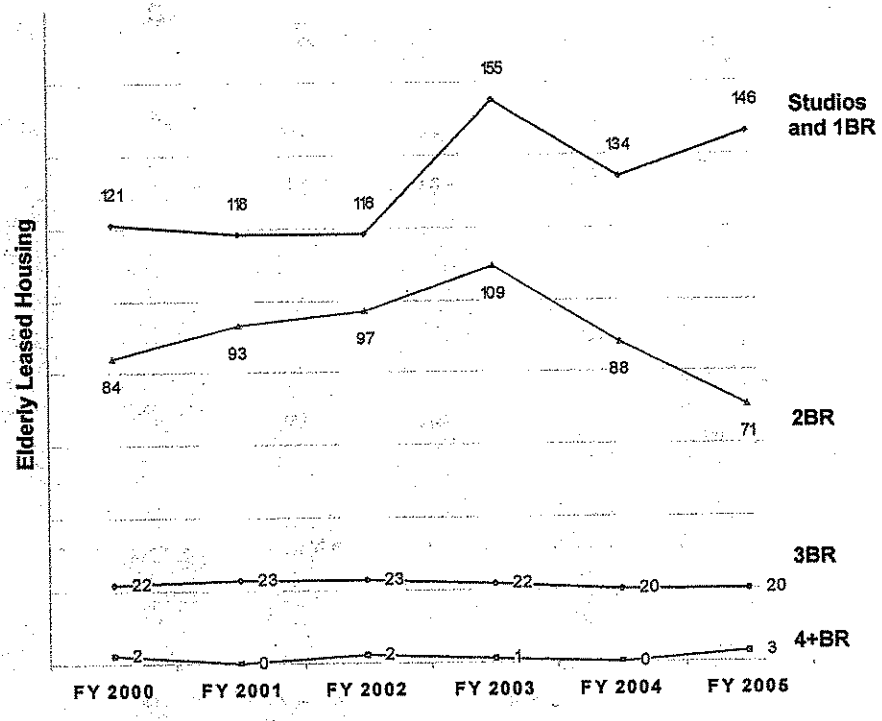


* *Selected units from J.F. Kennedy Apartments and Huron Towers have been excluded from the 2000 tallies to clarify year-to-year comparisons.*

* *In FY 2005 CHA increased the number of its Project-Based Leased Housing inventory to 436, up from 230 in the previous reporting period.*

Households Served
Housing Choice Voucher Programs, by Development Type and Unit Size, FY 2000 to FY 2005 *

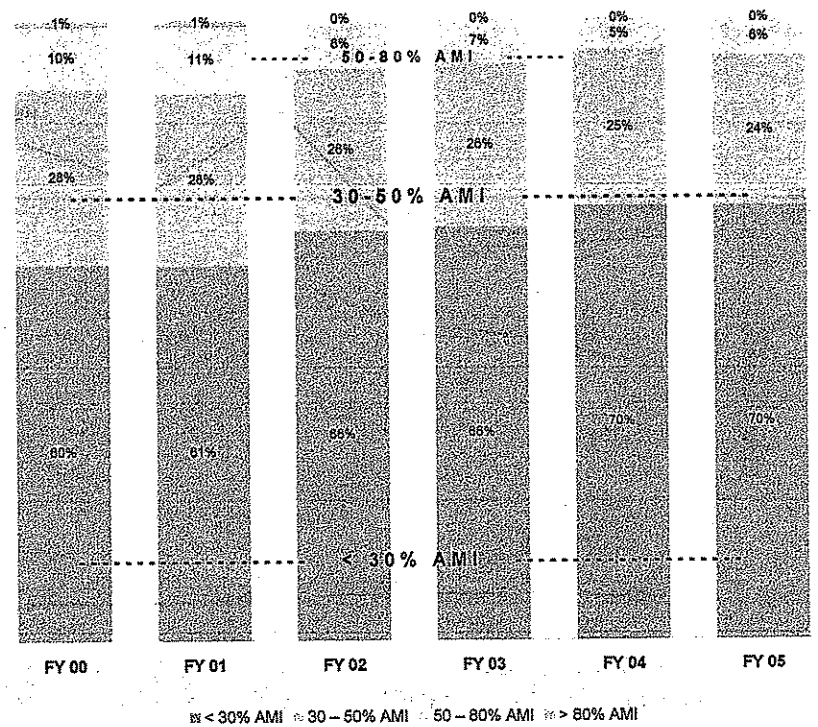


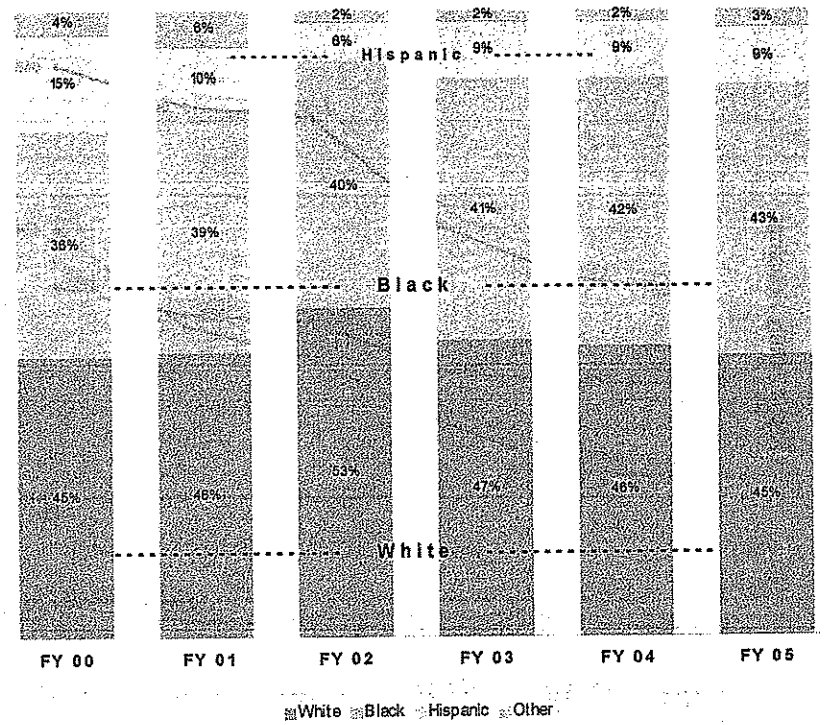


* *Selected units from J.F. Kennedy Apartments and Huron Towers have been excluded from the 2000 tallies to clarify year-to-year comparisons.*

As illustrated in the graph below left—and consistent with similar trends in conventional public housing—each Leased Housing income group remained largely the same over the past fiscal year. Households earning below 30 percent of AMI now represent slightly more than two-thirds of Leased Housing families, while families earning 50 percent of AMI or higher represent slightly more than five percent.

Households Served
Housing Choice Voucher Programs, by Income *and* Race/Ethnicity, FY 2000 – FY 2005 *





* *These data include only those units eligible for inclusion in the MTW Demonstration, as described above.*

The graph above, right depicts changes in leased housing households by race/ethnicity. Households comprised of racial minorities increased by approximately two percent over the past fiscal year. This information is presented in greater detail in Tables 3–3 and 3–11 in Appendix Three.

Project-Based Leased Housing

CHA has used MTW to substantially modify its Project-Based Local Leased Housing Program. CHA's Project-Based Assistance (PBA) strategy is centered on a simplified, competitive process allowing qualified owners to apply for project-based units throughout the year (subject to the levels of demand relative to supply) and features the following basic elements:

- Leasing of existing units without a minimum rehabilitation expenditure threshold, consistent with HUD's revised regulations;
- Subject to annual appropriations, implementation of leases for up to ten-years;
- To assist in leveraging additional funding sources, provision of predevelopment commitment letters to qualified owners;
- Elimination of restrictions on the percentage of units that can be leased in an individual building or project, provided such leasing activity will not negatively impact the neighborhood and is consistent with the agency's overall affordable housing goals; and
- Simplification of program paperwork and qualification requirements.

The hold on CHA's acceptance of new PBA applications processing begun in FY 2004 continues through FY 2005. Despite continued reassessment of utilization levels and attrition rates, CHA is unable to free up enough subsidies to adequately service projects for all applications submitted. This action is intended to be a short-term policy, and CHA continues to meet its commitments to owners already participating in the PBA program, as well as move forward with plans to revise its PBA RFP with community input.

Leased Housing Waiting List

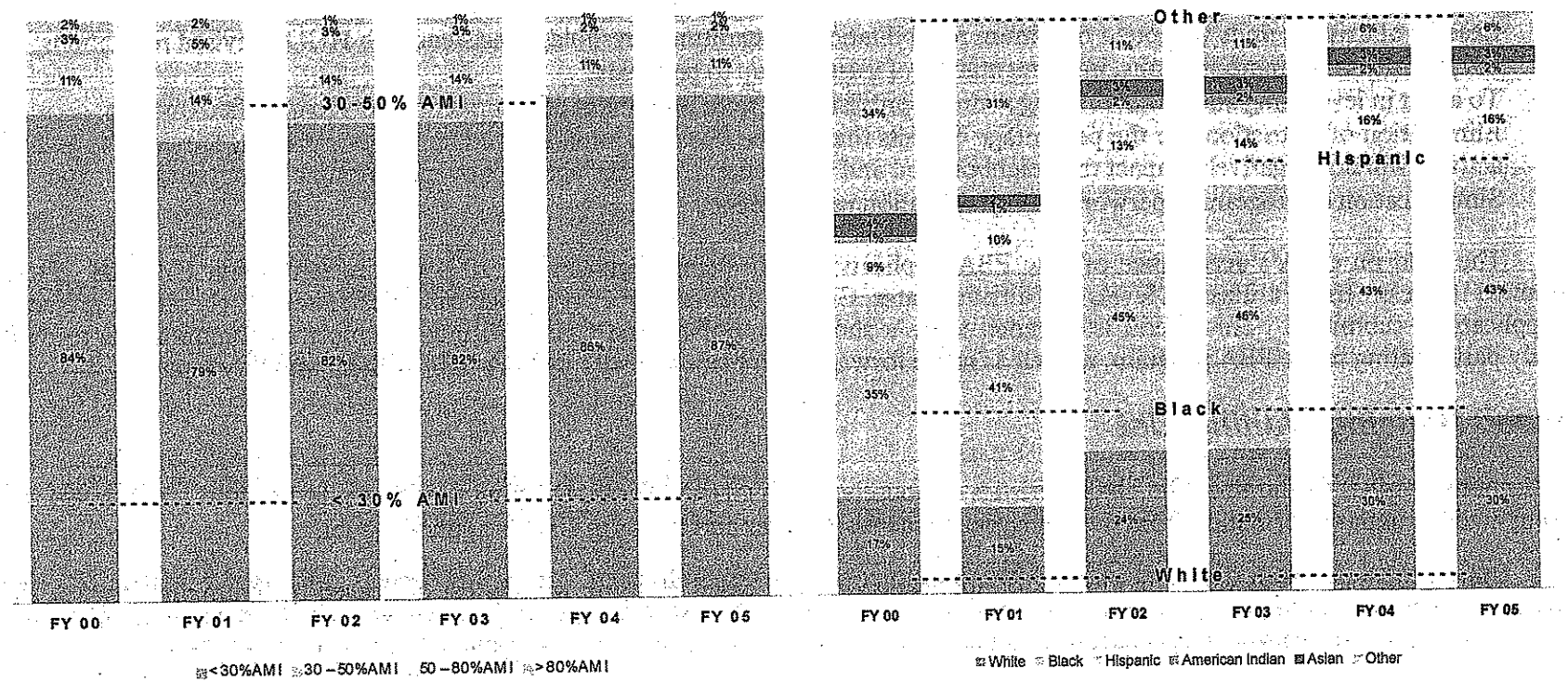
This section describes the number and characteristics of households on CHA's Leased Housing waiting list in FY 2005. This information is compared to similar information from previous years to assess changes and trends in CHA's applicant pool.

During the past fiscal year, the number of applicants on the Leased Housing waiting list decreased by approximately 8%. This decrease is due to the closure of the waiting list at the start of FY 2004. Not surprisingly, and consistent with corresponding distributions from previous years, the waiting list primarily contains family applicants, since most elderly applicants apply for public housing.

The graph below, left (and Table 3–10 in Appendix Three) depicts the distribution of Leased Housing applicants, by ranges of income. Household percentages in each of the AMI categories remained largely consistent with distributions observed in the previous fiscal year.

The graph below, right (and Table 3–11 in Appendix Three, in greater detail) shows that the distribution of Leased Housing applicants in each racial/ethnic category remained largely consistent with distributions of the previous fiscal year.

Waiting List Applicants (Federal Waiting List)
Housing Choice Voucher Programs, by Income *and* Race/Ethnicity, FY 2000 – FY 2005 *



** The Housing Choice Voucher Waiting list contains partially entered statistics for many non-residents. Many were not coded for race and ethnicity and are listed as "Other."*

Waiting List Closure

CHA found it necessary to close the Leased Housing waiting list on April 30, 2003. The original intent was to continue allowing access to the list for certain applicants who qualified for ranking preferences. However, after closing the list, updating the numbers, and closely analyzing trends of utilization and attrition, this was determined to be impossible. The list remained closed to all applicants in FY 2005, with the exception of those who met the emergency status criteria as outlined in CHA's Administrative Plan.

Leased Housing - Rent and Occupancy Policies

In FY 2005, CHA continued to make local MTW determinations regarding the following components of both the Tenant-based and Project-based Programs:

- FMRs, rent reasonableness, and rent adjustment factors;
- Percentage of program to be project-based;
- Vacancy and damage payments to owners;
- Payments to owners for the period of time a unit remains vacant during Leased Housing processing and inspection before lease-up;
- Property eligibility criteria;
- Lease length, certificate expiration and re-issuance terms;
- Waiting list and tenant selection procedures; and
- Content of the housing assistance payment contracts and contractual rental agreements.

A more detailed statement of rental and occupancy policies can be found in Appendix Four.

Ensuring Rent Reasonableness

Rent reasonableness determinations were made at initial occupancy and prior to granting rent increases for 100% of all leased units.

Expanding Housing Opportunities
Program utilization of MTW units was planned at 1,610 units. However, CHA has 2,012 units under lease. This increase came despite efforts to decrease over-utilization in light of proposed funding cuts and mostly reflects previously committed Project-Based Assistance units (PBAs) coming on-line as well as those applicants obtaining "emergency status." Table 6–1 in Appendix Six provides additional information on unit inventory breakdowns.

Deconcentration
CHA's program participants lease units throughout Cambridge. During FY 2005 housing choice vouchers were used in all of the City's Census tracts, and a number of Local Leased Housing Program initiatives are focused on maintaining this diversity of placement. Through its deconcentration policy CHA monitored the number of apartments leased by Census tract to ensure that balanced housing patterns were sustained. No negative-impact areas were identified. Additional information and analysis can be found in Appendix Five.

Leased Housing Inspections
The Leased Housing inspection process begins after a program participant completes a Request for Lease Approval. This inspection covers Housing Quality Standards (HQS) compliance, lead compliance, and State Safety & Sanitary Codes compliance. A CHA Leased Housing Inspector and an inspector from the City Inspectional Services conduct separate inspections. All units must receive and pass the initial inspections; otherwise the lease is not signed, and the unit is ineligible for the Leased Housing Program.

CHA inspects 100 percent of its Leased Housing units annually. Since FY 1998, 100 percent of units were HQS-compliant upon completion of the inspection process (if any unit fails an initial HQS inspection, corrections are made and the unit is re-inspected, completing the inspection process). As demonstrated in the table below, CHA maintained this standard during FY 2005:

Inspections, FY 2005, Budgeted vs. Actual - Leased Housing

	Budgeted FY 2005		Actual FY 2005	
Type of Inspection	Inspected	Passing HQS	Inspected	Passing HQS
Annual HQS Inspections	100%	100%	100%	100%

Local Leased Housing Marketing Effort

CHA continued its ongoing efforts to market the Local Leased Housing Program to new property owners and to encourage existing owners to remain with the program. These efforts included publication of a landlord newsletter; launch of a Web site containing useful information and documents to help owners and tenants navigate the lease-up process; periodic meetings with property owners, owner associations, local realtors, and others involved with the local real estate market; and continuation of the landlord liaison position to provide rapid response and feedback to landlord concerns such as those related to rent increases, code enforcement, and tenant issues. The major thrust of these efforts places less emphasis on growth, instead focusing on retention and improving the quality of units in the program.

Preservation of State MRVP Program

CHA received state approvals to implement changes to the state Massachusetts Rental Voucher Program (MRVP) described in the FY 2003 and FY 2004 Annual Plans. CHA uses federal resources to augment the state subsidy program, thus making state program rent levels the same as the federal Leased Housing FMRs. CHA is currently subsidizing 11 families of the remaining 29 families participating in the MRVP program. These 11 units would have been lost had it not been for approximately $110,000 of MTW funds. CHA also sought state approval to subsidize the Assisted Housing Voucher Program (AHVP) program, as with the MRVP program. However, AHVP-type FMRs were recently increased, making the voucher more attractive to owners of rental property and CHA concluded that subsidizing AVHP vouchers was not necessary at this time.

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Affiliate Housing

MTW fungibility allows CHA to pursue affordable housing development activities as follows:

1) CHA manages a single fund budget that gives full flexibility in making funds available as grants or loans for acquisition, rehabilitation, and new development.
2) Modifications were implemented to the Leased Housing program that made project-based subsidies easier to secure by nonprofit organizations.
3) These strategies are often combined, enabling CHA (through its nonprofits) to leverage private and public financing that together with CHA funding, made development projects feasible.

Since the inception of MTW in April 1999, the development activity of CHA and its non-profit affiliates has totaled $70,710,717, for the acquisition or construction of 316 units. Moreover, CHA has used $9.4 million of its MTW resources to leverage over $61.3 million in public and private financing sources. For every dollar provided by CHA, its affiliate entities have leveraged six-and-a-half dollars of funding. The information below reports CHA's progress on the specific development programs and activities laid out in the FY 2005 Annual Plan.

Creating Partnerships

- **Partnering with City and its Affordable Housing Trust**
  The Cambridge Affordable Housing Trust (CAHT) and the City of Cambridge committed critical funding sources to CHA and its affiliated organizations in order to expand the supply of affordable housing options in Cambridge. Since 1999, CHA and its nonprofit affiliates have received funding commitments for both acquisition and/or new construction in Cambridge from City sources totaling $6.3 million. The efficacy of these efforts is evident throughout the City and most often noticed in neighborhoods where few affordable housing options otherwise exist. In 2005 CHA had an additional request of $800,000 for Lancaster Street pending with the Trust.

- **Partnering with Harvard University through the Harvard Housing Innovations Fund**
  Funds from the Harvard Housing Innovations Program are currently being used in four development projects: 217 Western Avenue, 6 Ashton Place, 8-10 Lancaster Street, and 195 Prospect Street. The four funding packages, totaling $2.25 million, are

structured as 20-year loans at 2% with interest only payments due for the first ten years and the remaining principal and interest due over the final ten years.

- **Partnering with Massachusetts Housing Partnership**
  CHA has been partnering with Massachusetts Housing Partnership (MHP) to support the Cambridge Affordable Housing Corporation (CAHC) Condominium Acquisition Program (CAP). Under the MHP's Scattered Site Credit Line Program, a second mortgage credit facility in the amount of up to $600,000 was committed in July 2003 to be utilized to finance acquisitions of 15 scattered–site condo units in Cambridge. CAHC has successfully acquired 12 units under the CAP program that are rented to low-income families through the Housing Choice Voucher program. With limited land for new development and the thriving condo market, the CAP program has proven to be an effective approach to ensure supply of affordable housing in the Cambridge.

- **Partnering with Local Lenders – East Cambridge Savings Bank, Cambridge Trust Company, and Cambridge Savings Bank**
  CHA has established close partnerships with local lenders in its housing development and redevelopment activities. CHA has worked closely with East Cambridge Savings Bank, Cambridge Trust Company and Cambridge Savings Bank in providing permanent and/or construction financing for affiliate properties, including, but not limited to, 8-10 Lancaster Street, 191 Prospect Street, 217 Western Avenue, 6 Ashton Place, and the scattered-site condos. These local lenders are community-based institutions dedicated to servings the needs of local population, community growth and economic development.

Multi-Family Acquisition Program

Through its multi-family acquisition program and using either one of its non-profit affiliates or a limited liability corporation, CHA has sought to acquire buildings, a number of units within a larger building, or buildable sites. Funding sources for such projects have included funds from CHA through the budget flexibility permitted through MTW, as well as conventional debt financing from private banks; grants from the Commonwealth of Massachusetts, the Federal Home Loan Bank, Lead Safe Cambridge and the Cambridge Affordable Housing Trust Fund; low-interest and/or deferred loans from the Massachusetts Housing Partnership; tax-exempt bonds; and low-income housing tax credits and historic rehabilitation tax credits.

Plans for FY 2005 for CHA's multi-family acquisition program included the continued implementation of several ongoing development efforts through CHA's identity of interest affiliate organizations. These efforts, initiated in earlier MTW years, require multi-

year development efforts to complete the needed rehabilitation or conversion to an affordable housing resource. Numerous major milestones in these efforts were achieved in FY 2005 and are summarized below.

- **217 Western Avenue, *6 units***
  In FY 2005, construction was completed and the building reached its full occupancy. The two one-bedroom and four two-bedroom units are leased to low-income residents through CHA's PBA program.

  Financing for 217 Western Avenue includes construction financing from the Cambridge Trust Company, permanent financing from the Massachusetts Housing Partnership Funds, loans from the Harvard 20/20/2000 program, the Cambridge Affordable Housing Trust, and CHA, and grants from the Massachusetts Department of Housing and Community Development and Federal Home Loan Bank of Boston.

- **6 Ashton Place, *6 units***
  In FY 2005, construction was completed on this six-unit Victorian building in expensive Mid-Cambridge, where affordable housing opportunities are limited, and units were leased to low-income residents through CHA's Housing Choice Voucher program.

  Financing for 6 Ashton Place includes construction financing from the Cambridge Trust Company, permanent financing from the Massachusetts Housing Partnership Funds, loans from the Harvard 20/20/2000 program, and Cambridge Affordable Housing Trust, and CHA, and grants from the Massachusetts Department of Housing and Community Development and Lead-Safe Cambridge.

- **8-10 Lancaster Street, *65 units***
  The flexibility of MTW, coupled with substantial funding from CAHT, Harvard University, and mortgage funding provided by a local bank, allowed CHA to take advantage of a major opportunity to purchase this 65-unit building. Since the acquisition, CHA has worked to secure the funds needed to complete renovations of this $24 million affordable housing development effort, including obtaining $7.2 million equity through the low-income housing tax credit program. In FY 2005, construction on the first phase was completed and construction work on the second phase began. This final phase of construction is proceeding on schedule, and will be completed by December 2005.

- **195 Prospect Street, *20 units***
  In FY 2005 195 Prospect Street reached full occupancy. 195 Prospect Street is a 20-unit apartment building that CAHC purchased in May 2003 to preserve it as a resource for households of limited income. With financial assistance from the City of Cambridge and CHA, including funds from Harvard and the CAHT, CAHC quickly assembled bridge funding to purchase the building. This was only possible because of the flexibility allowed under MTW. CAHC has successfully transitioned the building to one that is fully affordable, thereby avoiding its conversion to market rate condominium units as well as displacement of households of limited resources. CAHC is presently pursuing permanent financing for the project.

CHA and its affiliates, while unsuccessful in identifying new development opportunities during FY 2005, will continue to pursue such efforts, albeit on a more modest scale, from vacant lots to multi-family buildings, and/or groups of units within larger buildings owned by different entities.

Condominium Acquisition Program

In an effort to secure additional affordable housing units in an extremely tight housing market, CHA and CAHC created the Condominium Acquisition Program (CAP). The purpose of CAP is to acquire scattered-site condominium units, thereby providing additional affordable housing units throughout Cambridge without the complexity of purchasing and rehabbing entire buildings or undertaking a new construction project. CAHC recapitalized the program, for a third time, in July 2003 to support an acquisition goal of 15 units over a development period of 24 months. Funding sources include the Cambridge Affordable Trust Fund, MHP and CHA in addition to conventional mortgages provided by East Cambridge Savings Bank. Approximately 18 months into the new program, CAHC has acquired five 1-BRs, six 2-BRs and one 3-BR unit, for a total of twelve units purchased under CAP.

CHA and City of Cambridge have pursued the State Department of Housing and Community Development (DHCD) for additional funding in order for CAHC to complete the acquisition of fifteen units under its current CAP program. In July 2004, CAHC received a funding commitment letter from DHCD under its Housing Stabilization Fund Program (HSF) in the amount of $699,000. As of March 31, 2005, CAHC has successfully closed on $600,000 of the HSF funds at $50,000 per unit, for the twelve units currently acquired under the program. The application of this funding has in turn replenished CHA and Cambridge Affordable Housing Trust lines of credit for the program and will allow CAHC to proceed with its remaining acquisitions.

In addition, in FY 2005, CAHC completed the purchase of one 1-BR and one 2-BR unit at 169 Monsignor O'Brien Highway (a/k/a The Glass Factory Condominium), with funding provided by CAHT and CHA. These acquisitions helped to secure two affordable units as the building was being converted to high-end condominiums.

The lack of available sites for new development, the lack of multi-family properties for acquisition, and the high rate of condo conversion in Cambridge all make CAP one of the City's most viable and effective options for securing additional affordable housing.

Neville Manor Redevelopment

The redevelopment of Neville Manor Nursing Home has been an integral part of CHA's continuing effort to address the needs of Cambridge elders. CHA assembled Neville Community Partners (NCP), a joint-venture development team, to build an assisted-living facility and offer a continuum of care for Cambridge elders. That continuum of care is being met through the adaptive reuse of the old nursing home building as an affordable assisted-living complex accessible to low- and moderate-income elders, and construction of a new skilled nursing facility on the Neville Manor site. Once the conversion of the old skilled nursing facility to a mixed-income assisted-living facility was completed, efforts to begin construction of Neville Center at Fresh Pond, a new 112-bed skilled nursing facility on an adjacent part of the Neville site intensified.

This component of the redevelopment was particularly important as it occurred at a time when the City of Cambridge had lost over 50 percent of its skilled nursing home beds in the last four years. Funding for the facility, provided by a HUD-insured loan through tax-exempt bonds, was secured in January, 2003. Construction commenced immediately upon financing, and was completed in May, 2004. Residents moved into the Neville Center at Fresh Pond beginning May 19, 2004, and the facility has been fully operational since that time.

Homeownership

In the FY 2005 Plan, CHA indicated its desire to seek ways to expand homeownership opportunities for the low-income residents of Cambridge, albeit on a modest scale. The plan noted that a homeownership program could be a contributory resource in efforts to retain affordable housing, and a particularly important form of housing tenure for low-income families. Although CHA has long sought to enact a Housing Choice Voucher homeownership program, several setbacks have delayed planning and implementation of a pilot program, including the absence of available vouchers and the continued escalation of Cambridge real estate costs. Efforts will continue in FY 2006.

HOPE VI Revitalization of John F. Kennedy Apartments

CHA has completed a major development/redevelopment effort in the area of elderly housing. Specifically, CHA successfully utilized a $5 million HOPE VI grant provided by the U.S. Department of Housing and Urban Development to secure more than $15 million in additional funding, including the use of tax-exempt bonds and associated tax credits issued by the Massachusetts Housing Finance Agency, equity funding from the Massachusetts Housing Investment Corporation, as well as funding from the City of Cambridge, the Federal Home Loan Bank of Boston, and the Commonwealth of Massachusetts to revitalize John F. Kennedy Apartments. These funds were used to completely renovate the 40-year-old, federally-assisted elderly/disabled public housing development, to provide 44 independent public housing units and 25 assisted living units for low-income elderly and disabled households. While construction was substantially completed in December 2003, significant work continued in FY 2005, including completion of punch list work, close out of the construction contract, and lease-up of the entire building.

Assisted Living Program at Kennedy Apartments

CHA established the 25-unit affordable assisted living program at Kennedy in response to the needs of a growing frail elderly resident community. Participants in the program, which is supported by project-based voucher subsidies, live in their own fully equipped one-bedroom apartment, and receive services based upon their individual needs. Residents in the assisted living program receive a coordinated service program including on-site access to 24-hour personal care, healthcare, housekeeping, and meals. Funding for the supportive service plan is currently provided by the Program of All-Inclusive Care for the Elderly (PACE), administered by the Cambridge Health Alliance, project-based voucher receipts, and a small resident contribution. In the future, we anticipate utilizing the Commonwealth of Massachusetts' Group Adult Foster Care Medicaid waiver program in lieu of some PACE funding to provide an alternative funding option to low-income residents who meet the income guidelines, but prefer to maintain their current medical relationships.

Asset Management

CHA has developed a portfolio of scattered-site units and larger, multi-family rental developments that it actively manages. These are largely owned by its identity of interest non-profits, CAHC, Essex Street Management, Inc. (ESMI), Lancaster LLC, and J.F.K. LLC. The management of these units, CHA's ongoing responsibilities in its role as developer, oversight of third-party agreements with Neville Place and Neville Center, and CHA's intent to participate as an active member in any unit's existing condominium association, prompted the Operations department to evaluate its affiliate management practices. In FY 2005, based on options provided by an outside consultant, CHA established an Asset Management Department and hired an Asset Manager for the management and asset management of its non-public housing portfolio, the "affiliates."

Following up on the consultant's findings, CHA began ongoing review of these specific areas:

- Assessment and strategizing restructuring of approach to management of CHA affiliate properties;
- Development and implementation of asset management function that will regularly review and monitor the financial viability of all CHA affiliate properties;
- Research and adoption of appropriate software to enable managers to run reports, manage accurate rent collection, assign work orders, and prepare annual budgets on affiliate properties; and
- Reviewing of management agreements with Affiliates to provide a standard set of services and track costs.

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Resident Programs

In FY 2005, CHA continued to implement a broad range of supportive services and economic development programs, with the Family Self-Sufficiency Program (FSS) folded into a larger group of programs focused on addressing the needs of youth, adults and seniors and/or specific CHA developments. In developing and delivering resident services programs, CHA both maintained partnerships with local service organizations and sought out new ones. We continue to find that such partnerships minimize costs, attain leverage with CHA's limited funds, avoid duplication of services and maximize positive impacts.

Reinvention of the Family Self-Sufficiency Program

CHA restructured and integrated its FSS initiative into its ROSS-funded Economic Development and Supportive Services Program in order to leverage the internal programs and linkages, while forging partnerships with the community organizations best able to provide the many customized sub-services crucial to FSS program participants. Key features of the re-engineered program include utilization of the Case Manager position to provide many different functions: teaching, coaching, tutoring, and case-management. This enabled CHA to use limited resources to provide residents with the long-term, education-oriented support that has proven effective in facilitating successful transitions to "better work." CHA also eliminated the FSS escrow feature in order to free up more family income and added a post-secondary education/training component for adults in order to ease access to the vocational training needed for economic advancement. While enormously successful in assisting residents to access training, this component has been eliminated due to HUD funding cuts.

Family Services

CHA's youth programs have been designed to meet specific needs within each segment of the youth population, from infants and toddlers through the start of young adulthood at college. The following is a list of programs offered. Since CHA does not directly administer or fund many of these programs, detailed service statistics are not always available.

- The WIC (Women, Infants & Children) Nutrition Program was hosted at one CHA development to enhance the wellness of the youngest residents and their primary caregivers.
- One After-School Daycare Center located in Roosevelt Towers continued to operate and receive funding from the Cambridge Economic Opportunity Council (CEOC). These centers accept toddlers and assist families with childcare through school age.

- CHA provided space to the Headstart Program, a proven formative and educational program, housing five classrooms in family developments throughout the city.
- A City-funded youth recreation and educational program is provided at Corcoran Park through the West Cambridge Youth Center.
- A contract with the Boys and Girls Clubs provides after-school programming and summer camp at Washington Elms/Newtowne Court (Windsor Street Community Building), for elementary and high school age children, as well as recreational and social programming for teens.
- In collaboration with the Cambridge Health Alliance, CHA houses on-site outpatient healthcare services at two centrally-located health clinics: Windsor Street, serving the area around including Washington Elms and Newtowne Court, and Jefferson Park, serving both public housing residents and the broader North Cambridge community.

Education, Employment and Training Services

CHA continued to operate its award-winning Work Force Program, which served 136 youth ages 13 - 19 over the past twelve months. The program continued to offer its First-Generation-to-College Program, providing a variety of academic supports, life and study skills training, college tours, assistance with admissions and financial aid applications, and an in-house scholarship program and follow-up post-matriculation supports. Last year, 86% of the high school seniors participating in the program went on to college. The Work Force has recently launched a new Literacy Initiative, funded in part by the Cambridge Public Schools that supports student's academic objectives. The program has been developed with the school district in response to a perceptible and troubling decline in students' reading and writing skills in recent years, particularly among minority and low-income students. A second major impetus was the statewide shift toward "educational accountability," culminating in the introduction of the MCAS (Massachusetts Comprehensive Assessment System tests) that all students must pass to graduate.

CHA/Cambridge Employment Program

Operated in partnership with the Cambridge Office of Workforce Development, this program provided vocational case management, counseling, jobs preparation, career skills development, job placement and follow-up assistance to 192 adult CHA residents, an increase over last year. This program placed 25 residents in jobs, 23 in occupational training and ten in college (the number declined with the elimination of the Individual Training Accounts discussed below).

Individual Training Accounts (ITAs)
Two years ago using HUD-awarded ROSS Funds, CHA created ITAs to assist residents to enroll in vocationally-oriented training from private vendors, community colleges, and four-year colleges. In total, 59 individuals used these ITAs to enroll in a total of 78 classes. Of those, 91% successfully completed their classes. As noted above, however, this successful component has been at least temporarily shut down by a reduction in CHA's Resident Opportunities and Self-Sufficiency (ROSS) funding from HUD.

Gateways Adult Literacy
This CHA program served 84 adult speakers of other languages seeking English proficiency (ESOL) and language-enhanced computer literacy.

Bridge to College Program
Operated in partnership with the Cambridge Community Learning Center, Bridge to College provided classroom instruction and individual counseling to 20 high school graduates and GED-holders who were not academically ready for community college courses.

Community Computer Centers
Two fully equipped computer centers, located at family developments which bracket the city, served a total of 372 residents, providing introductory and intermediate computer instruction for adults, an academic resource for teens enrolled in The Work Force and a training resource for Headstart teachers. A successful and well-attended new six-week literacy skills program for children ages 4–7 and their parents was conducted twice this academic year in partnership with several community-based organizations. Both computer centers are in operation every morning, afternoon and evening, Monday through Friday and on Saturday mornings.

Neighborhood Community College
Cambridge-based community college courses in Computer Technology, Allied Health Careers, Child Development and other fields (offered in conjunction with Bunker Hill Community College) provided fourteen semester-long courses leading to vocational certificates as well as the more generalized Associate's Degree. CHA will continue to strengthen its relationship with the College in offering this popular program, in order to enhance its course offerings and to implement a system to track usage of the College's services by CHA residents.

First Generation to College Retention Program
This program, (operated by CHA's Work Force component) provided support for the completion of post-secondary education to 145 teenage participants (and their parents) who matriculated, but were at risk of failing to complete college.

Program	FY 2005 Annual Plan Goal(s)	Number Served *
CHA/Cambridge Employment Program	Serve 50; Place 22 in Jobs	Served 192; Placed 25 in Jobs‡
Computer Centers (for 6-month period)	Serve 150	Served 295
Gateways ESL	Serve 70	Served 84
Bridge-to-College	Serve 12; 65% Accepted to Job Training or College	20 Served; 67% matriculation rate **
Bunker Hill Community College	Offers between 12-15 courses each semester	14 courses offered Spring Semester, 2003; 11 courses offered Fall Semester, 2004
Work Force	Serve 120 Youth; 75% High School Seniors Matriculation	136 served through March, 2005; 86% Matriculation Rate

** Most of these programs are funded through ROSS and Neighborhood Networks grants, the reporting periods for which run from July through December, and from January through June. Numbers are tracked according to these time periods and not CHA's fiscal year.*

*** This 2002 matriculation rate is derived from a survey of CHA residents enrolled in the program. Projections Adjusted downward due to a deteriorating labor market.*

Elderly Innovations

CHA continues its efforts to take the lead in providing affordable housing options and support services to Cambridge's aging population.

Service Coordinators
CHA funds 3.5 FTE service coordinators. Additional funding is provided through the HUD Multi-Family Service Coordinator Program and the State's Mixed Populations grant for other positions. CHA's Service Coordinators for its elderly complexes partner and network with qualified, local service agencies and programs, such as Cambridge Health Alliance, Geriatric Services, Protective Services and Somerville Cambridge Elder Services. These agencies offer a variety of medical and mental health services that allow elderly residents to maintain their independence. Currently, the six CHA service coordinators provide case management, outreach and referral services to nearly seven hundred elderly and disabled public housing residents.

Elder Service Plan and Putnam School Apartments
In collaboration with the Elder Service Plan, an affiliate of the Cambridge Health Alliance, CHA has developed an innovative program housed on the fourth floor of Putnam School Apartments that provides around-the-clock health care and social services to nine nursing home eligible residents in a congregate setting. The program allows these nine residents, who would otherwise be placed in an institutional setting, to live in a home-like environment with their own private bedrooms and comfortable shared living space. Besides medical care, the residents receive homemaking and personal care services. They are able to attend an adult day health program at the nearby ESP Center or participate in social activities arranged by the activities director on site. Currently, eight residents occupy the nine units. One unit is available for frail elders requiring transitional care so that they may return to their own homes or apartments.

Supportive Living Program
CHA offers a supportive living program at one of its elderly developments. This program allows elders to age in place through support provided to them as needed by around-the-clock services and staffing. An on-site Supportive Living Coordinator assesses home care eligibility and service needs and plans structured social activities. Services such as medication reminders, personal care, homemaking, laundry, and Lifeline response are available as needed.

Hot Meals
Daily hot meal service is offered in most of the larger CHA elderly developments.

North Cambridge Senior Center
In collaboration with the City of Cambridge Department of Human Services, CHA provides office space at the Russell Apartments, a fifty-one-unit senior complex located in North Cambridge that houses the North Cambridge Senior Center. The center provides activities to the residents of Russell and other public housing developments as well as to seniors living in the nearby North Cambridge neighborhood.

English as a Second Language
CHA, in collaboration with the City of Cambridge's Community Learning Center, offers ESOL classes in three large elderly housing complexes to elderly and disabled residents with minimal English skills. Participants come from diverse backgrounds including Haiti, Cape Verde, Brazil, El Salvador, China, Somalia, and the Dominican Republic. Course curricula have been developed to focus on "Everyday English," real-life situations involving housing, transportation, and health. The teaching model emphasizes vocabulary development, personal stories, and sample dialogues. Classes are intended to help residents communicate more effectively with local agencies and organizations to address basic needs and to gain access to services more easily, from maintenance requests to social services. With improved knowledge of English, residents are encouraged to participate in building activities, social hours, bus trips, etc., which lessen isolation and increase their opportunities for socialization with other building residents.

Financial Management

The programs under the MTW agreement include Federal Public Housing, Federal Housing Choice Vouchers, and the Capital Fund Program. These programs are funded according to the MTW agreement. CHA also administers other federal programs not covered by the MTW agreement. These include 315-Turnkey III program, which does not receive any subsidy from HUD; a non-MTW Housing Choice Voucher leased housing program; and five different moderate-rehab leased-housing programs. The competitive grant programs administered by CHA in FY 2005 include a mix of several ROSS grants, Shelter plus Care grant, and Service Coordinator grants. Construction on a previously awarded HOPE VI program was completed and has moved into operations.

The financial operations for FY 2005 in this Annual Report include the following:

- Sources and Uses of Funds by Programs from FY 2001 – FY 2005, including budget to actuals for the past two years;
- Detailed Sources and Uses, FY 2005 Budgeted vs. Actual for Public Housing;
- Detailed Sources and Uses, FY 2005 Budgeted vs. Actual MTW Housing Choice Voucher;
- Fungible Block Grant Fund Established FY 2005;
- Estimated Operating Reserve position as of March 31, 2005.

Sources and Uses by Program, FY 2001 – FY 2005

	FY 2001	FY 2002	FY 2003	FY 2004	FY 2004	FY 2005	FY 2005
Sources	Actual	Actual	Actual	Budget	Actual	Budget	Actual
Public Housing Program	13,084,667	13,817,092	15,408,722	14,844,538	14,950,508	15,843,379	14,921,583
Leased Housing Program	19,939,316	21,255,111	27,460,805	30,929,967	30,034,628	34,901,837	31,264,297
Moving to Work	15,739,999	16,641,150	18,367,066	19,373,286	21,748,600	21,701,757	24,519,534
Non Moving to Work	4,199,317	4,613,961	9,093,739	11,556,681	8,286,028	13,200,080	6,744,763
Other Federal Programs	1,155,122	1,174,495	1,162,555	1,133,979	635,454	23,111	17,928
*10c (3-09)**	1,096,965	1,120,392	1,120,965	1,107,126	607,489*	-	-
315- Turnkey III	58,157	54,103	41,590	26,853	27,965	23,111	17,928
Modernization	2,367,207	2,724,921	3,544,063	4,488,733	4,641,193	11,917,000	7,810,434
Development	1,910,900	-	4,458,086	-	133,016	-	159,914
Grants	1,594,657	986,403	1,180,140	954,500	1,167,248	950,000	1,033,273
Total Sources	**$40,051,869**	**$39,958,022**	**$53,214,371**	**$52,351,717**	**$51,562,047**	**63,635,327**	**55,207,429**
Uses							
Public Housing Program	12,574,462	13,834,968	15,830,643	18,705,624	17,172,255	19,001,686	18,291,392
Leased Housing Program	18,158,304	22,429,539	25,662,089	32,638,216	30,923,692	35,036,580	33,074,010
Moving to Work	11,170,464	12,706,328	15,406,806	20,082,138	21,788,280	21,412,344	24,760,239
Leased / Dev Activities	2,846,913	5,180,916	1,136,818	1,000,000	907,141	800,000	1,524,665
Non Moving to Work	4,140,927	4,542,295	9,118,465	11,556,078	8,228,271	12,824,236	6,789,106
Other Federal Programs	1,160,409	1,214,675	1,229,619	1,221,876	643,879	9,553	10,312
*10c (3-09)**	1,096,352	1,180,230	1,198,440	1,199,088	616,488	-	-
315- Turnkey III	64,057	34,445	31,179	22,788	27,391	9,553	10,312
Modernization	2,367,207	2,724,921	3,544,063	4,488,733	4,641,193	11,917,000	7,810,434
Development	1,910,900	-	4,458,086	-	133,016	-	159,914
Grants	1,594,657	986,403	1,188,549	954,500	1,131,084	950,000	1,033,273
Total Uses	**$37,765,939**	**$41,190,506**	**$51,913,049**	**$58,008,949**	**$54,645,119**	**$66,914,819**	**$60,379,334**
Surplus / (Deficit)	**$2,285,930**	**($1,232,484)**	**$1,301,322**	**($5,657,232)**	**($3,083,072)**	**($3,279,492)**	**($5,171,906)****

**The 10c (3-09) program was converted into vouchers six months into FY2004.*
***Included in this number is the creation of the Block Grant Fund*

Analysis of FY 2005 Programs

In FY 2005, CHA had sources of over $55.2 million in the above programs; this represents 87% of the sources that were expected. The biggest difference is the $4.1 million in the modernization program that was not drawn down due to expenditures varying from budget estimates. For example, the Daniel F. Burns Apartments were finished ahead of schedule keeping $1.3 million in FY 2004, while a $1.7 million job at Washington Elms did not receive any bids within our budget—despite being bid twice—so the project is being redesigned with the expectation of new bids this Summer. More detail can be found in Appendix One: Capital Improvement Information.

Subsidy decreases also negatively impacted the sources. Both the public housing program and the voucher programs received pro-rations (meaning CHA received less than 100% of the funding required to operate the program). The combined voucher programs show $3.6 million less than budgeted, however after the submission of the FY 2005 Annual Plan of 3.6 million HUD and CHA completed a budget revision that also impacted the sources budget. The voucher program story is difficult because both the budget revision and the transfer of over 200 vouchers out of the non-MTW increments to the MTW voucher program occurred over this time period. Thus, the MTW voucher program shows a "surplus" of subsidy over budget, however the net effect is a large reduction in total available sources.

Another important fact when looking at this year's numbers is that CHA created a separate account to fund MTW fungible activities. Known internally as the "Block Grant Fund" this fund allows for better reporting and results in a better decision-making process. By creating this account, CHA is better able to manage the fungibility afforded under the MTW agreement. Historically, in order for CHA to use the fungibility, a mid-year accounting assessment was necessary to determine the Authority's position relative to the various programs. This had to be done before one could determine the availability of funds for transfer from one program to another. With the creation of the Block Grant Fund, one can review the balance of the fund at any time and compare that to the list of programs and projects vying for the funds. The impact in FY 2005 is that the first deposits into the account are shown as uses. This increases the bottom line deficit for all programs by almost $4 million. More detail is provided later in this section.

Detailed Sources and Uses, FY 2005 Budgeted vs. Actual for Public Housing

Sources	Budgeted	Actual	$ Variance	%
Operating Receipts	8,030,328	8,347,808	317,480	4%
Subsidy	6,813,051	6,573,775	(239,276)	-4%
Transfer (from Leased Housing)	1,000,000	-	(1,000,000)	-100%
Total Sources	**$15,843,379**	**14,921,583**	**(921,796)**	**-6%**
Uses				
Administrative Expenses	2,672,721	2,474,093	(198,628)	-7%
Tenant Services	20,900	108,561	87,661	419%
Maintenance Labor	2,554,789	2,644,517	89,728	4%
Materials/Supplies, Contract Costs	1,510,477	1,698,021	187,544	12%
Protective Services	178,207	175,313	(2,894)	-2%
General Expenses	2,443,143	2,652,859	209,716	9%
Utilities	3,980,487	4,136,942	156,455	4%
Capital / EM / MTW Transfers	5,640,962	4,401,087	(1,239,875)	-22%
Total Uses	**$19,001,686**	**18,291,392**	**(710,294)**	**-4%**
Surplus / (Deficit)	**($3,158,307)**	**(3,369,809)**	**211,502**	

Analysis of FY 2005 Operations – MTW Public Housing

Operating receipts were slightly higher than budgeted by $317,480 (4 percent). Of this amount, $27,989 represents fraud recovery, an increase of interest from investments, ($33,193 over budget) and an increase in other income (prior year adjustment and miscellaneous receipts).

Based on HUD's proration of 96% subsidy funding decreased by $239,276 (4 percent). Although listed in the FY 2005 Plan, CHA decided not to transfer one million dollars into the public housing program to fund the extraordinary maintenance initiatives and instead, deferred much of that work in light of the deeper FY 2006 operating subsidy proration and the proration in the voucher program. CHA also created a separate Block Grant fund, which is now the designated account for MTW fungible activities. The account is described in further detail at the end of this section.

The Tenant Services expense line showed a variance of $87,661 over budget. Most of this overage was due to the inclusion of a service coordinator grant that is now being paid for through the operating budget instead of a ROSS grant.

CHA set an ambitious goal for the Extraordinary Maintenance/Non-routine work items. This goal was not fully achieved. CHA deferred many capital items in light of the anticipated reduction in operating and voucher subsidies. FY 2005 spending for extraordinary maintenance ($812,222) was below the average of the last five years, however FY 2005 overall capital spending ($9.1 million) was more than double the FY 2000 capital spending ($4 million).

Detailed Sources and Uses, FY 2005 Budgeted vs. Actual MTW Housing Choice Voucher

Sources	Budgeted	Actual	$ Variance	%
Operating Receipts	126,500	159,666	33,166	26%
Subsidy	21,575,257	24,359,868	2,784,611	13%
Total Sources	**$21,701,757**	**24,519,534**	**2,817,777**	**13%**
Uses				
Administrative Expenses	1,762,344	2,063,004	300,660	17%
Housing Assistance Payment (Rent to Owners)	18,650,000	22,115,876	3,465,876	19%
Development Activities / MTW transfers	800,000	1,524,665	724,665	91%
Capital Improvements / Prior year adjustment	1,000,000	581,359	(418,641)	-42%
Total Uses	**$22,212,344**	**26,284,904**	**4,072,560**	**18%**
Surplus / (Deficit)	**($510,587)**	**(1,765,370)**	**(1,254,783)**	

Analysis of FY 2005 Operations – MTW Leased Program

Sources were higher than originally budgeted by $2,784,611 (13 percent). The majority of this increase was due to transfer of over 200 units and their associated funding into the MTW increment and out of the Non-MTW voucher program. This also explains the 19 percent increase in payments to landlords and the associated increase in administrative expenses which were allocated on a per unit basis. The voucher program received a proration of subsidy for the last three months of the fiscal year which will also affect FY 2006 budgets as well.

Creation of the Block Grant Fund

The creation of the Block Grant fund is an important mechanism in the ongoing administration of the MTW program. Historically, fungibility was limited due to the accounting process needed before an informed decision could take place. It also was generally reserved for much larger financial decisions. The Block Grant Fund allows transfers to take place for projects and activities of any size. It will also better account for MTW activities that could not have taken place without the fungibility allowed under MTW. To create the Block Grant Fund deposits into the account must be made from other available sources. The Public Housing and Housing Choice Voucher programs contributed $3,500,000 that came from accumulated reserves, but must be shown as a use. CHA also transferred a number of loan obligations from Affiliates to the Block Grant Fund. In FY 2005, $641,395 of these were repaid. As noted in the FY 2006 MTW Plan there are currently over $5 million dollars in proposed projects (for example there are over $4 million of deferred capital and extraordinary maintenance items) that would require Block Grant funding -- clearly CHA will not be able to fund all current proposed projects.

Block Grant Fund Created FY 2005

Beginning of Year	$0
Transfer from PH/HCV	$3,500,000
Repaid loans	$641,395
CAHC Reimbursement	$349,308
Interest Income	$141,924
Block Grant Uses / loans in FY 2005	($694,982)
End of Year	**$3,937,645**

Details of Obligations Due the Block Grant Fund

Loans related to Neville	$1,157,351
Loans to KMI	$750,000
Present Value of JFK Loans	$953,106
Loans to CAHC	$2,726,069
Total	**$5,586,526**

Estimated and Actual Operating Reserves

	FY 2001		FY 2002		FY 2003		FY 2004		FY 2005	
	Budgeted	Actual	Budgeted	Actual	Budgeted	Actual	Budgeted	Actual	Budgeted	Actual
Beginning of Year	$13,306,803	$15,530,862	$15,168,600	$16,266,749	$17,160,066	$17,284,416	$19,192,823	$19,262,853	$16,091,100	$10,440,587
Increase/Decrease	($1,938,866)	$735,890	($4,406,659)	($1,187,689)	($6,802,383)	$1,401,521	($5,569,938)	($2,913,568)	($3,309,492)	($1,234,261)
End of Year	$11,367,937	$16,266,752	$10,761,941	$15,079,060	$10,357,683	$18,685,937	$13,622,885	$16,349,285	$12,781,608	$9,206,327
Retired Bridge Loans							$1,024,672	$484,821	$1,389,876	
Restricted Funds		($2,909,195)		($2,467,680)		($8,964,981)	($11,504,034)	($11,106,833)	($10,904,526)	
Block Grant Fund										($3,937,645)
Available Reserves	$11,367,937	$13,357,557	$10,761,941	$12,611,380	$10,357,683	$9,720,956	$3,143,523	$5,727,273	$3,266,958	$5,268,682

Analysis of FY 2005 MTW Reserve Level

When compared to FYE 2004, federal reserve levels in FY 2005 decreased by $458,591. The analysis of the reserve position is impacted by the creation of the Block Grant Fund. For instance both the Retired Bridge Loans and Restricted Funds line items are no longer applicable. In this year's chart we have also shown creation of the Block Grant Fund. The reserve level showed an increase of $2,001,724 over the budgeted level of $3,266,958. This increase was primarily due to the deferred extraordinary maintenance projects related to the public housing program.

Cambridge Housing Authority

MTW Deregulation Demonstration Program

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CHA
CAMBRIDGE HOUSING AUTHORITY

Appendices

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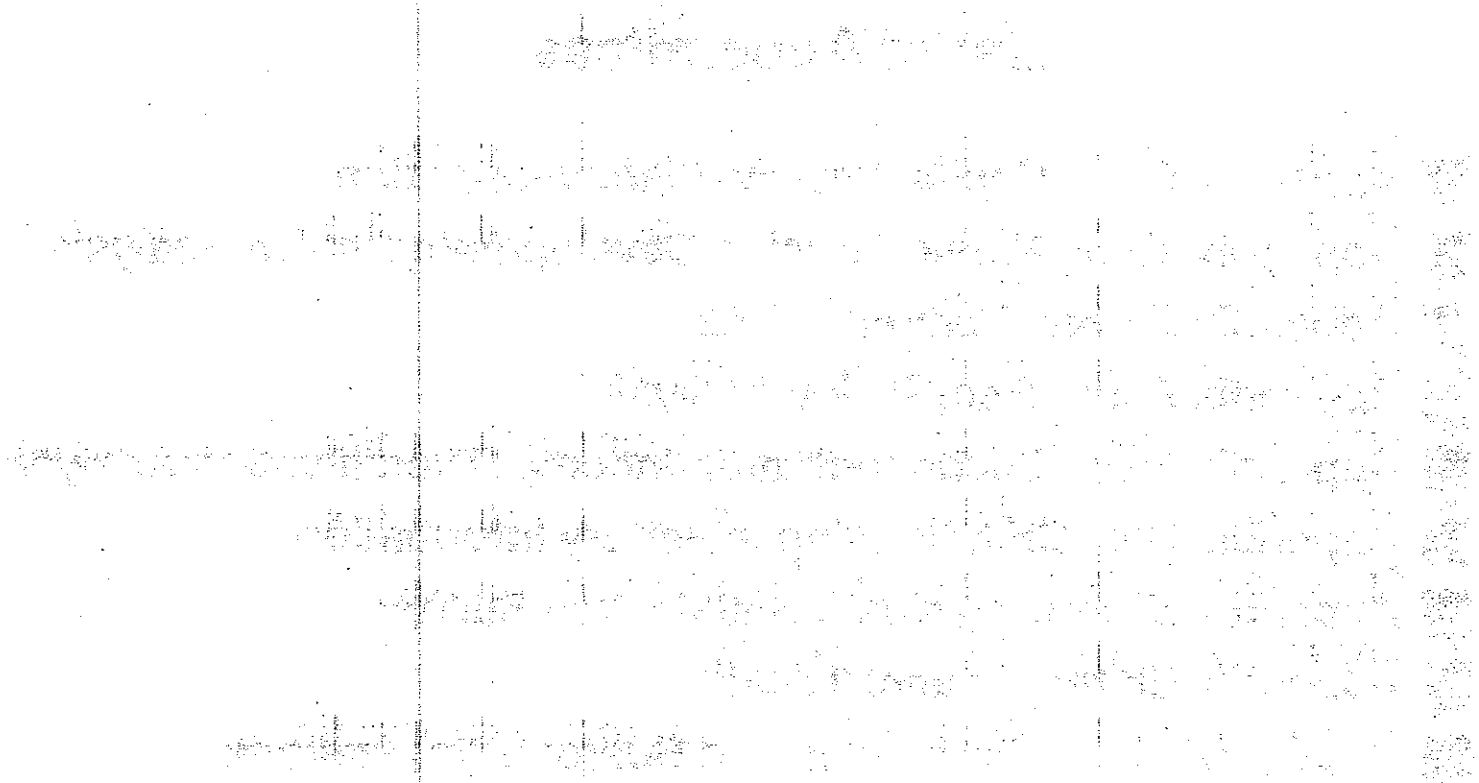

Appendix One: Capital Improvement Information

Appendix One: Capital Improvement Information

Table 1–1 Construction Cost Report, FY 2005

Property	Scope of Work	Total Construction Cost		Completion Date		FY 2005 Expenditures		Notes
		As of FY 2005 Plan	Revised/ Actual	As of FY 2005 Plan	Revised	Anticipated	Actual	
Washington Elms	Roof and Windows	$1,762,000	$1,762,000	October, 2005	August, 2006 (Roofing) April, 2007 (Windows)	$1,762,000	$0	Original bids were over-budget, resulting in a re-bid in November, 2004, which also resulted in a bid over-budget. Project is being reworked for a more economical design, with new bids expected in Summer, 2005. The windows portion has been deferred due to funding constraints.
Washington Elms and Jefferson Park	Kitchen and Floor Modernization	$1,292,000	$1,543,330	September, 2004	September, 2004	$1,292,000	$1,088,346	Work completed in September, 2004. Final payment made February, 2005. Total cost of the work was $1,543,330 with $454,984 funded in FY 2004 and the balance funded in FY 2005.
Washington Elms	Fire Protection	$175,000	$175,000	December, 2004	June, 2006	$175,000	$0	Project was delayed as original electrical engineering firm had to be replaced. Cambridge Fire Department requested substantial changes to project scope, above what is required or prudent. CHA placed the project on hold until June, 2006.
Daniel. F. Burns Apartments	Window/Balconies/ Building Envelope	$5,165,000		March, 2005	Substantially Complete	$5,165,000	$3,859,752	Work was substantially complete in December, 2004, four months ahead of schedule. Final payment is pending resolution of punch list work and close-out. Total cost of the work is $5,085,245, funded with $812,715 from FY 2004, $412,778 projected from FY 2006, with the balance from FY 2005.
Millers River Apartments	New Elevator	$550,000		March, 2007	March, 2009	$550,000	$0	Funding for elevator installation has been identified and the construction contract will be bid in Summer/Fall, 2005.

Property	Scope of Work	Total Construction Cost		Completion Date		FY 2005 Expenditures		Notes
		As of FY 2005 Plan	Revised/ Actual	As of FY 2005 Plan	Revised	Anticipated	Actual	
Lyndon B. Johnson Apartments	Kitchen/Bathroom/ Balconies	$750,000		March, 2007	March, 2009	$750,000	$0	Work proceeding on schematic design report. Funding issue still being resolved, but CHA anticipates proceeding with a Phase 1 project later this year. Resident relocation is scheduled to begin in Summer, 2005.
UDIC: Jackson, Fairmont, and Valentine Streets	Stairs and Balconies Modernization	$175,000	$350,000	December, 2004	June, 2006	$175,000	$0	Project was delayed as original architectural firm had to be replaced. A new firm was hired and construction documents are approximately 75% complete. The project will be bid in Summer, 2005. Total construction costs have increased to reflect current costs and design.
River Howard	Windows/Doors/ Structural/Comp Mod	$1,600,000	$3,500,000	March, 2007	December, 2007	$1,600,000	$0	Currently at 50% construction documents phase, and expected to bid in Fall, 2005. Project bidding was delayed as project was redesigned and re-phased to reduce cost. Project has required an extensive resident process given disruptive nature of work and relocation needs.
226 Norfolk	Comp Mod	$525,000	$500,000	December, 2004	Completed	$525,000	$381,109	Substantially completed in December, 2004. Final payment pending punch-list/close-out. Total project cost is currently $443,189.
Truman Apartments	Emergency Generator	$250,000		November, 2004	July, 2005	$250,000	$75,184	Work is nearly complete. Long lead-time associated with obtaining emergency generator unit delayed completion.
Millers River Apartments	Energy Upgrade/Heating	$617,000	$756,213	October, 2006	No Change	$617,000	$756,213	Work is underway, and approximately 35% complete. Total project cost is currently $2,477,775.
Jefferson Park	Stoop Enclosure/Site Improvements – Buildings 11/13	$1,200,000		June, 2005	November, 2006	$900,000	$0	Construction documents complete, but bidding delayed due to funding constraints.

Property	Scope of Work	Total Construction Cost		Completion Date		FY 2005 Expenditures		Notes
		As of FY 2005 Plan	Revised/ Actual	As of FY 2005 Plan	Revised	Anticipated	Actual	
Jefferson Park	Elevator Modernization	$120,000	$200,000	December, 2004	July, 2005	$120,000	$21,577	Work is nearly complete. Long lead-time associated with ordering elevator parts delayed completion.
Putnam Gardens	Window Replacement and Masonry	$0	$186,079	na	Completed	$0	$186,079	Represents final payment processed in FY 2005 for work completed in February, 2004.
John F. Kennedy Apartments	HOPE VI Revitalization	$0	$1,018,691	na	Completed	$0	$1,018,691	Construction completed in December, 2003, on schedule. Amounts paid in FY 2005 represents progress/final payments for work completed in FY 2004.
TOTAL FY 2005		$14,181,000	$9,991,313			$13,881,000	$7,386,951	

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Appendix Two: Public Housing Development Choice Analysis Households Served and Waiting Lists

Appendix Two: Public Housing Development Choice Analysis Households Served and Waiting Lists

Board approval of the MTW Annual Plan on September 22, 1999 allowed CHA to implement a unit assignment system based upon development choice. Under this system, applicants for family housing may choose to be placed on a waiting list for several developments, including "first available," rather than being placed on one overall waitlist for all developments.

The MTW Agreement provides that CHA's development choice program must be consistent with the site-based waiting list guidance provided in the February 18, 1999 Interim Rule regarding PHA Plans. The Final Rule published following Board approval of the Annual Plan amended the Interim Rule by specifying that a PHA must use independent tests or other means satisfactory to HUD once every three years, instead of bi-annually, to assure that the site-based waiting lists are not being implemented in a discriminatory manner. CHA's agreement with HUD, however, specifies that testing will occur bi-annually.

CHA reported on the independent testing in its FY 2002 Report and on the Fair Housing Center of Greater Boston testing in its FY 2004 Report. The most recent tests were conducted between May and April of 2004. Ten matched pairs of white and African-American testers were sent to CHA to inquire about housing options. The testing evidence was used to ascertain whether applicants are given equal information and treatment by CHA staff. The testing conducted at CHA showed no evidence of discrimination based on race.

As part of implementation, CHA may not discriminate against applicants based on their race, ethnicity, disability or other factors that would affect its ability to further fair housing. CHA must annually assess changes in racial, ethnic, or disability-related tenant composition at each development that may have occurred during the implementation of development choice. This appendix provides that assessment and finds no unfair housing patterns developing in terms of racial, ethnic, or other clustering related to disabilities on the development choice wait lists.

CHA'S Leasing and Occupancy Department, in conjunction with the Operations Department, implemented the unit assignment system based upon development choice in the first year of MTW. Under the system, applicants for public housing are processed centrally at CHA's Prospect Street office; however, applicants are able to state a preference among CHA developments. The central waiting list was replaced with 15 family development lists, ten elderly development lists and four "First Available" lists (Family federal & state, and Elderly federal & state).

Development choice has received a very positive response from both current residents and applicants. During FY 2000, all resident applicants were mailed a packet containing information about all developments. Applicants were then asked to return their choices (up to four for family developments and three for elderly developments) ranked in order of preference, from among CHA's developments. Several rounds of follow-up—for a variety of reasons, including no response, too many choices, choices in developments which had no appropriate sized apartments, *etc.*—preceded the data entry of all of these choices. All new resident applicants are also asked to use the same development choice system to select preferences from among developments. CHA's development choice has resulted in development lists that closely match the old central list in terms of race, ethnicity and income.

Impact of Development Choice on Waiting Lists

The demand for CHA's family housing increased during FY 2005 from FY 2004, in terms of both number of applicants and number of developments chosen by those applicants. Though numbers of persons on waiting lists may differ daily, as people are added or removed, during FY 2005 approximately 2,211 different Cambridge residents made over 5,700 choices on the family development lists. Each family had an average of 2.6 choices out of a possible four, meaning that most families used three choices, while a few families used one, two, or all of their four choices.

The number of Cambridge residents on elderly waiting lists has increased since the inception of development choice. In FY 2005, approximately 731 different Cambridge residents with a total of 957 choices on the elderly development waiting lists. Each elderly applicant had an average of 1.3 choices out of a possible three.

The MTW Agreement requires that CHA examine the development choice waiting lists to ensure that no pattern of racial/ethnic clustering, either white-to-minority or within minorities is occurring in family or elderly developments. As demonstrated below, CHA is satisfied that no such patterns are emerging. An examination of both family and elderly development choice wait lists by race/ethnicity and within racial/ethnic categories follows.

Development Choice at Family Developments

A summary table by race/ethnicity within family development waiting lists is shown in Tables 2–1 and 2–2. As demonstrated in these tables, approximately 75 percent of applicants for family public housing are minority families, over half of whom are black. The proportion of white applicants remained constant over the past year, at 25%.

As shown in Table 2–1, the family development wait lists represent the general population of applicants with regard to race.

Table 2–1: **DEVELOPMENT CHOICE WAITING LISTS**
Family Applicant Households (Cambridge Resident Waiting Lists), by Race/Ethnicity, FY 2000 – FY 2005 *

								White							Total Minority						
Development	Total Dev. Units	Total FY 2000	Total FY 2001	Total FY 2002	Total FY 2003	Total FY 2004	Total FY 2005	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	Chg %	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	Chg %
Corcoran Park	153	254	324	345	323	274	314	17%	19%	21%	21%	23%	25%	8%	83%	81%	79%	79%	77%	75%	-8%
Jackson Gardens **	46	268	329	348	282	238	310	13%	13%	13%	15%	23%	24%	11%	87%	87%	87%	85%	77%	76%	-11%
Jefferson Park	175	322	413	440	409	362	418	14%	15%	16%	17%	19%	19%	5%	86%	85%	84%	83%	81%	81%	-5%
Lincoln Way **	60	107	134	138	98	89	104	14%	18%	17%	19%	22%	23%	9%	86%	82%	83%	81%	78%	77%	-9%
Newtowne Court	268	542	644	661	590	494	557	14%	16%	16%	18%	22%	20%	6%	86%	84%	84%	82%	78%	80%	-6%
Putnam Gardens	122	370	448	462	406	392	423	16%	19%	20%	24%	25%	26%	10%	84%	81%	80%	76%	75%	74%	-10%
River Howard	32	239	276	297	288	275	294	15%	19%	21%	20%	22%	23%	8%	85%	81%	79%	80%	78%	77%	-8%
Roosevelt Towers	124	623	729	753	658	591	659	20%	21%	22%	24%	26%	24%	4%	80%	79%	78%	76%	74%	76%	-4%
Washington Elms	175	493	568	565	532	468	512	14%	15%	17%	17%	19%	18%	4%	86%	85%	83%	83%	81%	82%	-4%
Willow Street **	15	136	153	158	148	159	181	25%	31%	32%	32%	35%	35%	10%	75%	69%	68%	68%	65%	65%	-10%
Woodrow Wilson	69	218	265	289	289	286	322	20%	27%	27%	30%	33%	32%	12%	79%	73%	73%	70%	67%	68%	-11%
Scattered Sites ***	34	304	355	383	383	389	510	14%	17%	17%	17%	21%	24%	10%	86%	83%	83%	81%	79%	76%	-10%
Federal 1st Available	---	488	939	1,071	1,108	980	1,157	18%	21%	22%	26%	31%	31%	13%	82%	79%	78%	74%	69%	69%	-13%
Total of Choices		4,364	5,577	5,910	5,514	4,997	5,761	16%	19%	20%	22%	25%	25%	9%	84%	81%	80%	78%	75%	75%	-9%
Total Cambridge Residents		1,418	2,073	2,179	2,112	1,906	2,211														

** A resident is defined as a person who currently resides or has a job in the City of Cambridge.*

*** This is a state development with a development choice waiting list. It is included in this table because many applicants for federal developments also select state developments as one or more of their development choice preferences.*

**** Scattered Sites include Fairmont, Garfield, Jackson Street, and Valentine Street.*

The overall percentage of minority and white households, derived from "Total of Choices," as represented in Table 2–1, generally mirrors the breakdown at the individual family developments, demonstrating that in the six years in which CHA has operated Development Choice, no racial segregation or clustering of whites and minorities has been apparent.

A second concern over Development Choice, for both HUD and CHA, is that by allowing applicants to choose where they live, patterns of racial segregation within racial/ethnic categories may be either initiated or reinforced. As shown in Table 2–2, the development wait lists represent the general population of wait list applicants with regard to race. This is shown as "Total of Choices," in Table 2–2.

Table 2–2: DEVELOPMENT CHOICE WAITING LISTS
Family Applicant Households (Cambridge Resident Waiting Lists), by Race/Ethnic Category, FY 2000 – FY 2005 *

	American Indian							Asian							Black							Hispanic						
	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	Chg %	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	Chg %	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	Chg %	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	Chg %
Corcoran Park	2%	2%	2%	3%	2%	2%	0%	6%	5%	5%	5%	3%	3%	-3%	62%	61%	59%	58%	58%	58%	-4%	14%	13%	12%	13%	13%	13%	-1%
Jackson Gardens **	0%	3%	3%	3%	2%	1%	1%	10%	9%	9%	8%	6%	7%	-3%	57%	55%	54%	54%	55%	57%	0%	20%	20%	20%	20%	13%	13%	-7%
Jefferson Park	2%	3%	2%	2%	2%	2%	0%	12%	10%	11%	8%	7%	7%	-5%	62%	61%	60%	62%	60%	63%	1%	9%	10%	10%	11%	12%	10%	1%
Lincoln Way **	1%	1%	1%	1%	0%	0%	-1%	6%	6%	7%	4%	3%	2%	-4%	66%	60%	61%	68%	67%	65%	-1%	13%	15%	14%	7%	7%	10%	-3%
Newtowne Court	2%	2%	2%	2%	1%	1%	-1%	12%	8%	9%	7%	6%	6%	-6%	58%	58%	57%	58%	55%	58%	0%	15%	16%	16%	15%	16%	15%	0%
Putnam Gardens	3%	3%	3%	2%	2%	1%	-2%	6%	6%	7%	7%	5%	5%	-1%	62%	58%	55%	54%	54%	56%	-6%	13%	14%	14%	14%	14%	12%	-1%
River Howard	3%	3%	3%	3%	3%	2%	-1%	9%	9%	8%	8%	7%	6%	-3%	56%	52%	51%	52%	51%	53%	-3%	18%	17%	17%	17%	17%	16%	-2%
Roosevelt Towers	1%	1%	1%	1%	1%	1%	0%	7%	7%	6%	5%	5%	4%	-3%	55%	53%	53%	53%	51%	55%	0%	16%	18%	18%	18%	18%	16%	0%
Washington Elms	2%	2%	2%	2%	2%	1%	-1%	11%	9%	9%	8%	7%	6%	-5%	56%	56%	55%	56%	55%	60%	4%	16%	17%	16%	16%	17%	15%	-1%
Willow Street **	5%	5%	4%	5%	3%	2%	-3%	10%	7%	8%	7%	6%	7%	-3%	43%	40%	39%	39%	40%	41%	-2%	18%	18%	17%	16%	17%	14%	-4%
Woodrow Wilson **	4%	4%	3%	2%	2%	2%	-2%	7%	6%	7%	6%	5%	6%	-1%	50%	47%	48%	46%	44%	47%	-3%	18%	16%	15%	16%	16%	13%	-5%
Scattered Sites ***	0%	2%	2%	2%	1%	1%	1%	9%	7%	6%	7%	4%	4%	-5%	61%	60%	62%	61%	57%	58%	-3%	15%	13%	14%	14%	17%	12%	-3%
Federal 1st Available	3%	3%	2%	2%	2%	2%	-1%	10%	6%	6%	6%	5%	5%	-5%	52%	54%	53%	52%	48%	49%	-3%	17%	16%	16%	14%	15%	14%	-3%
Total of Choices	2%	3%	2%	2%	2%	1%	-1%	9%	7%	8%	6%	5%	5%	-4%	57%	56%	55%	54%	53%	55%	-2%	15%	16%	16%	15%	15%	13%	-2%

* *A resident is defined as a person who currently resides or has a job in the City of Cambridge.*

** *This is a state development with a development choice waiting list. It is included in this table because many applicants for federal developments also select state developments as one or more of their development choice preferences.*

****Scattered Sites include Fairmont, Garfield, Jackson Street, and Valentine Street.*

Development Choice at Elderly Developments

The racial/ethnic breakdown for Elderly waiting lists is shown in Tables 2–3 and 2–4. Table 2–3 represents the breakdown between white and minority applicants, while Table 2–4 shows the breakdown within each racial minority category. As shown in Table 2–3, 43% of all persons on elderly/disabled waiting lists are minority, with minorities remaining the same over the past four years of the demonstration. Over the past year the waiting list grew from 695 to 731, over twice the original waiting list in FY 2000. As with family applicants, there were no apparent trends reflecting disparate choices among minority and white applicants.

Table 2–3: DEVELOPMENT CHOICE WAITING LISTS
Elderly Applicant Households (Cambridge Resident Waiting Lists), by Race/Ethnicity, FY 2000 – FY 2005 *

							White							Total Minority						
Development	Total FY 2000	Total FY 2001	Total FY 2002	Total FY 2003	Total FY 2004	Total FY 2005	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	Chg %	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	Chg %
Daniel F. Burns Apartments	42	37	35	36	44	42	57%	68%	63%	67%	66%	60%	3%	43%	32%	37%	33%	34%	40%	-3%
Federal 1st Available	106	126	133	202	222	177	50%	52%	47%	55%	56%	52%	2%	50%	48%	53%	45%	44%	48%	-2%
H.S. Truman Apartments	33	31	36	32	41	41	70%	68%	67%	66%	63%	68%	-2%	30%	32%	33%	34%	37%	32%	2%
L.B. Johnson 60	39	32	39	38	39	48	49%	56%	56%	61%	64%	60%	11%	51%	44%	44%	39%	36%	40%	-9%
Linnaean Street **	37	43	51	49	67	63	73%	72%	65%	71%	70%	70%	-3%	27%	28%	35%	29%	30%	30%	3%
Manning Apartments **	98	104	123	127	153	165	49%	52%	45%	47%	47%	49%	0%	51%	54%	55%	53%	53%	51%	0%
Millers River 32	69	67	76	71	85	89	58%	58%	63%	61%	59%	60%	2%	42%	39%	37%	39%	41%	40%	-2%
Putnam School**	41	54	63	54	72	71	51%	61%	52%	46%	49%	51%	0%	49%	71%	48%	54%	51%	49%	0%
Putnam Square	80	87	90	84	109	118	59%	65%	60%	61%	59%	53%	-6%	41%	44%	40%	39%	41%	47%	6%
Russell **	70	96	111	98	124	116	54%	81%	52%	52%	56%	55%	1%	46%	56%	48%	48%	44%	45%	-1%
Weaver Apartments	21	20	20	24	28	27	62%	52%	55%	50%	46%	48%	-14%	38%	43%	45%	50%	54%	52%	14%
Total of Choices	636	697	777	815	984	957	56%	57%	54%	56%	56%	57%	1%	44%	43%	46%	44%	44%	43%	-1%
Total Cambridge Residents	295	222	518	608	695	731														

* *A resident is defined as a person who currently resides or has a job in the City of Cambridge.*

** *This is a state development with a development choice waiting list. It is included in this table because many applicants for federal developments also select state developments as one or more of their development choice preferences.*

The overall percentage of minority and white elderly/disabled households, represented in Table 2–3, "Total Number of Choices," generally mirrors the breakdown at the individual Elderly/Disabled developments. This demonstrates that in the six years during which CHA has operated Development Choice, no racial segregation or clustering of whites and minorities is appearing.

HUD's and CHA's concerns that allowing applicants to choose where they live may reinforce or initiate patterns of racial segregation within racial/ethnic categories also apply to the elderly/disabled developments. As shown in Table 2–4, the development wait lists represent the general population of wait list applicants with regard to race. This is shown as "Total of Choices" in Table 2–4 and generally mirrors the breakdown at the individual developments waiting lists.

Table 2–4: DEVELOPMENT CHOICE WAITING LISTS
Elderly Applicant Households (Cambridge Resident Waiting Lists), by Race/Ethnic Category, FY 2000 – FY 2005 *

Federal Elderly Development	American Indian							Asian							Black							Hispanic						
	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	Chg %	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	Chg %	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	Chg %	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	Chg %
Daniel F. Burns	7%	8%	6%	6%	0%	0%	-7%	12%	5%	6%	6%	2%	5%	-7%	19%	14%	20%	14%	23%	29%	12%	5%	5%	6%	8%	9%	7%	2%
Federal 1st Available	7%	5%	5%	4%	4%	2%	-5%	6%	5%	5%	2%	2%	3%	-3%	31%	30%	36%	31%	31%	36%	5%	7%	8%	8%	7%	7%	7%	0%
H.S. Truman	9%	10%	8%	9%	2%	2%	-7%	3%	3%	3%	3%	2%	5%	2%	18%	19%	22%	19%	20%	17%	-1%	0%	0%	0%	3%	12%	7%	7%
L.B. Johnson	3%	0%	0%	0%	0%	0%	-3%	3%	0%	0%	0%	0%	0%	-3%	33%	34%	36%	37%	31%	33%	0%	13%	9%	8%	3%	5%	6%	-7%
Linnaean Street **	11%	5%	2%	0%	0%	2%	-9%	0%	2%	2%	2%	1%	3%	3%	14%	16%	25%	18%	21%	18%	4%	3%	5%	6%	8%	7%	8%	5%
Manning **	2%	1%	1%	2%	1%	1%	-1%	6%	7%	7%	4%	3%	6%	0%	34%	36%	37%	37%	37%	35%	-1%	9%	10%	11%	10%	12%	10%	1%
Millers River	3%	4%	3%	3%	1%	0%	-3%	3%	3%	4%	1%	1%	2%	-1%	30%	29%	28%	31%	31%	29%	-1%	6%	3%	3%	4%	8%	9%	3%
Putnam School **	7%	7%	3%	2%	1%	1%	-6%	5%	5%	6%	4%	1%	1%	-4%	22%	39%	25%	31%	29%	31%	9%	15%	20%	13%	17%	19%	16%	1%
Putnam Square **	8%	8%	3%	2%	1%	1%	-7%	9%	9%	7%	8%	6%	8%	-1%	19%	23%	23%	21%	22%	28%	9%	6%	5%	7%	7%	13%	11%	5%
Russell **	6%	3%	2%	2%	1%	2%	-4%	3%	4%	5%	4%	4%	5%	2%	30%	34%	32%	32%	31%	30%	0%	7%	14%	10%	10%	8%	8%	1%
Weaver Apartments	0%	0%	0%	0%	0%	0%	0%	0%	0%	5%	4%	4%	4%	4%	29%	33%	35%	33%	36%	37%	8%	10%	10%	5%	13%	14%	11%	1%
Total of Choices	6%	4%	3%	3%	2%	1%	-5%	5%	4%	5%	3%	3%	4%	-1%	27%	27%	30%	29%	29%	29%	2%	7%	8%	8%	8%	10%	9%	2%

* *A resident is defined as a person who currently resides or has a job in the City of Cambridge.*

** *This is a state development with a development choice waiting list. It is included in this table because many applicants for federal developments also select state developments as one or more of their development choice preferences.*

As Table 2–4 demonstrates, CHA is pleased to report that development choice wait lists reflect not only the overall percentage of minority applicants in the waiting list population, but also the waiting list population as broken down by race/ethnicity.

Impact of Development Choice on CHA Resident Demographic Profile

CHA developments have very low turnover rates, so years may pass before a full assessment can be made of the impact of development choice on placements in individual developments. However, in analyzing the demographics over the six years since its implementation, racial/ethnic clustering is not apparent. Development choice has been implemented in a fair and equitable manner and has promoted housing choice with no adverse effect on the racial/ethnic distribution at CHA developments.

At the end of FY 2005, CHA Federal developments housed a total of 1,666 households. As Tables 2–5 through 2–12 demonstrate, the overall racial/ethnic composition of CHA family and elderly developments did not undergo any marked changes over the five years during which development choice took place. CHA will continue to closely monitor the racial demographics at individual developments. However, given the low turnover of units and the resulting low number of placements, the full impact of development choice may not be realized for years. While there were only 71 new placements in Federal family developments last year, providing little data from which to draw statistically valid conclusions, no patterns of racial/ethnic clustering are evident. Of these 71 placements, 11% were white and 89% were minority households.

Table 2–5 shows the racial/ethnic breakdown at family developments. The overall percentages of minority and white households have changed by only three percentage points from FY 2000 to FY 2005, suggesting that development choice has not significantly impacted the racial demographics at CHA developments. There were only two developments where the change in percentage was larger than five percent. The first was Corcoran Park, where the decrease in white households and the corresponding increase in black households moved this development closer to the overall white/minority breakdown of CHA's family housing developments. The second was the HomeOwners Turnkey 3 Program. In prior years CHA included the HomeOwners Turnkey 3 Program in its annual reporting. However, this program has historically reflected very low numbers of available units in comparison to other developments. This extremely small data set (at the close of FY 2005, there was one remaining unit available) consistently produces correspondingly large changes in percentage as a result of any increase or decrease. This year CHA has removed the HomeOwners data from the reporting tables included here.

Table 2–5: DEVELOPMENT CHOICE HOUSEHOLDS SERVED
Family Developments, by Race/Ethnicity, FY 2000 – FY 2005

	White													Total Minority												
Family Development	FY 2000		FY 20 01		FY 2002		FY 2003		FY 2004		FY 2005		Chg %	FY 2000		FY 2001		FY 2002		FY 2003		FY 2004		FY 2005		Chg %
Corcoran Park	35	35%	43	30%	39	26%	37	25%	36	24%	36	24%	-11%	64	65%	102	70%	113	74%	114	75%	115	76%	116	76%	11%
Jefferson Park	34	20%	32	18%	29	16%	31	17%	31	17%	26	15%	-5%	140	80%	146	82%	147	84%	147	83%	148	83%	150	85%	5%
Newtowne Court	30	11%	31	12%	31	12%	29	11%	27	10%	29	11%	0%	237	89%	234	88%	235	88%	238	89%	239	90%	239	89%	0%
Putnam Gardens	25	20%	23	19%	24	20%	25	21%	21	17%	19	16%	-4%	97	80%	97	81%	97	80%	96	79%	100	83%	103	84%	4%
River Howard	8	25%	8	25%	8	25%	8	25%	8	25%	8	28%	3%	24	75%	24	75%	24	75%	24	75%	24	75%	21	72%	-3%
Roosevelt Towers	12	10%	12	10%	13	10%	13	10%	14	11%	16	13%	3%	110	90%	111	90%	111	90%	111	90%	110	89%	108	87%	-3%
Scattered Sites *	10	21%	8	18%	8	17%	8	17%	8	19%	8	18%	-3%	37	79%	37	82%	39	83%	38	83%	35	81%	36	82%	3%
Washington Elms	32	19%	31	18%	28	16%	25	15%	27	16%	27	15%	-4%	138	81%	144	82%	143	84%	146	85%	144	84%	148	85%	4%
Family Total	186	18%	188	17%	180	17%	176	16%	172	16%	169	16%	-2%	847	82%	895	83%	909	83%	914	84%	915	84%	921	84%	2%

* *Scattered Sites include Fairmont, Garfield, Jackson Street, and Valentine Street.*

As illustrated in Table 2–6, black families account for the majority of residents at all CHA developments. The most notable change in percentage occurs at Corcoran Park. The ten-percentage-point increase in black households there brings the representation of black families at Corcoran Park in line with the overall breakdown.

Table 2–6: DEVELOPMENT CHOICE HOUSEHOLDS SERVED
Family Developments, by Racial Minority, FY 2000 – FY 2005

	Black												
Family Development	**FY 2000**		**FY 2001**		**FY 2002**		**FY 2003**		**FY 2004**		**FY 2005**		**Chg %**
Corcoran Park	51	52%	85	59%	93	61%	93	62%	93	62%	94	62%	10%
Jefferson Park	115	66%	117	66%	117	66%	116	65%	117	65%	116	66%	0%
Newtowne Court	155	58%	149	56%	152	57%	158	59%	161	61%	158	59%	1%
Putnam Gardens	78	64%	75	63%	76	63%	75	62%	77	64%	81	66%	2%
River Howard	16	50%	16	50%	15	47%	15	47%	15	47%	13	45%	-5%
Roosevelt Towers	77	63%	78	63%	77	62%	77	62%	73	59%	72	58%	-5%
Scattered Sites *	25	54%	27	60%	28	60%	27	59%	23	53%	24	55%	1%
Washington Elms	102	60%	106	61%	102	60%	104	61%	99	58%	98	56%	-4%
Family Total	619	60%	653	60%	660	61%	665	61%	658	61%	656	60%	0%

* *Scattered Sites include Fairmont, Garfield, Jackson Street, and Valentine Street.*

Table 2–7 shows that Hispanics make up approximately 16% of the population in CHA developments. The percentage decreases shown at various developments bring those sites closer to the overall representation of Hispanic households at CHA housing. Overall the Hispanic representation has decreased by two percentage points. This may be due in part to re-classification as "other" minority categories. However, CHA will continue to monitor these changes.

Table 2–7: **DEVELOPMENT CHOICE HOUSEHOLDS SERVED**
Family Developments, by Racial Minority, FY 2000 – FY 2005

	Hispanic												
Family Development	**FY 2000**		**FY 2001**		**FY 2002**		**FY 2003**		**FY 2004**		**FY 2005**		**Chg %**
Corcoran Park	10	10%	13	9%	17	11%	15	10%	16	11%	16	11%	1%
Jefferson Park	22	13%	19	11%	16	9%	15	8%	14	8%	15	9%	-4%
Newtowne Court	67	25%	68	26%	66	25%	61	23%	59	22%	60	22%	-3%
Putnam Gardens	15	12%	14	12%	12	10%	12	10%	11	9%	9	7%	-5%
River Howard	8	25%	8	25%	8	25%	8	25%	8	25%	7	24%	-1%
Roosevelt Towers	29	24%	24	20%	23	19%	22	18%	23	19%	20	16%	-8%
Scattered Sites *	9	23%	8	18%	8	17%	8	17%	7	16%	7	16%	-7%
Washington Elms	31	18%	33	19%	37	22%	38	22%	38	22%	41	23%	5%
Family Total	191	18%	187	17%	187	17%	179	16%	176	16%	175	16%	-2%

* *Scattered Sites include Fairmont, Garfield, Jackson Street, and Valentine Street.*

Table 2–8 shows that other minorities, including Asian and American Indian, represent approximately 8% of the resident population at family developments.

Table 2–8: **DEVELOPMENT CHOICE HOUSEHOLDS SERVED**
Family Developments, by Racial Minority, FY 2000 – FY 2005

	Other												
Family Development	**FY 2000**		**FY 2001**		**FY 2002**		**FY 2003**		**FY 2004**		**FY 2005**		**Chg %**
Corcoran Park	3	3%	4	3%	3	2%	6	4%	6	4%	6	4%	1%
Jefferson Park	3	2%	10	6%	14	8%	16	9%	17	9%	19	11%	9%
Newtowne Court	15	6%	17	6%	17	6%	19	7%	19	7%	21	8%	2%
Putnam Gardens	4	3%	8	7%	9	7%	9	7%	12	10%	13	11%	8%
River Howard	0	0%	0	0%	1	3%	1	3%	1	3%	1	3%	3%
Roosevelt Towers	4	3%	9	7%	11	9%	12	10%	14	11%	16	13%	10%
Scattered Sites *	3	8%	2	4%	3	6%	3	7%	5	12%	5	11%	3%
Washington Elms	5	3%	5	3%	4	2%	4	2%	7	4%	9	5%	2%
Family Total	37	4%	55	5%	62	6%	70	6%	81	7%	90	8%	4%

* *Scattered Sites include Fairmont, Garfield, Jackson Street, and Valentine Street.*

The overall percentage of minority households characterized as "Other" generally mirrors the breakdown at the individual developments. This demonstrates that, in the six years in which CHA has operated Development Choice, no racial segregation or clustering of whites and minorities is apparent.

The changes in percentage points that appear the largest are due to either: 1) an extremely small number of units, so that the movement of one household in or out has an extremely large effect on the overall percentage representation of that household's racial/ethnic category, or 2) a change that brings the particular racial/ethnic category at a particular site closer to the representation of that group to the overall number in all CHA housing.

Again, as with family housing, both HUD and CHA are concerned that allowing applicants to choose where they live may reinforce or initiate patterns of racial segregation within racial/ethnic categories in the designated elderly/disabled developments. CHA will continue to monitor these changes to ensure that development choice does not impact fair housing efforts.

Table 2–9: **DEVELOPMENT CHOICE HOUSEHOLDS SERVED**
Elderly Developments, by Race/Ethnicity, FY 2000 – FY 2005

	White													Total Minority												
Elderly Development	**FY 2000**		**FY 2001**		**FY 2002**		**FY 2003**		**FY 2004**		**FY 2005**		**Chg %**	**FY 2000**		**FY 2001**		**FY 2002**		**FY 2003**		**FY 2004**		**FY 2005**		**Chg %**
Daniel F. Burns	160	81%	151	77%	148	77%	144	76%	127	74%	123	72%	-9%	38	19%	46	23%	44	23%	45	24%	44	26%	47	28%	9%
H.S. Truman Apts.	51	80%	47	75%	31	70%	32	73%	40	73%	44	75%	-5%	13	20%	16	25%	13	30%	12	27%	15	27%	15	25%	5%
Lyndon B. Johnson	101	57%	91	55%	82	54%	75	53%	67	52%	59	51%	-6%	77	43%	75	45%	71	46%	66	47%	61	48%	56	49%	6%
Millers River	243	82%	237	82%	223	81%	202	80%	183	79%	166	79%	-3%	55	18%	53	18%	54	19%	52	20%	48	21%	45	21%	3%
Robert S. Weaver	13	65%	13	65%	12	60%	12	60%	11	58%	12	60%	-5%	7	35%	7	35%	8	40%	8	40%	8	42%	8	40%	5%
Elderly Total	568	75%	539	73%	516	72%	465	72%	428	71%	404	70%	-5%	190	25%	197	27%	202	28%	183	28%	176	29%	171	30%	5%

Though the percentage of minority families at CHA elderly/disabled developments is lower than that at family developments, Table 2–9 indicates that minority representation at elderly/disabled developments since the inception of development choice has increased by 5%.

Tables 2–10 through Table 2–12 show the percentage of specific racial/ethnic groups at CHA elderly/disabled developments. As in family developments, black families represent the largest minority group (20 percent) at elderly/disabled developments, while other minorities comprise approximately 10 percent of the elderly/disabled population.

Table 2–10: DEVELOPMENT CHOICE HOUSEHOLDS SERVED
Elderly Developments, by Racial Minority, FY 2000 – FY 2005

	Black												
Elderly Development	**FY 2000**		**FY 2001**		**FY 2002**		**FY 2003**		**FY 2004**		**FY 2005**		**Chg %**
Daniel F. Burns Apartments	28	14%	36	18%	36	19%	36	19%	34	20%	35	21%	7%
H.S. Truman Apartments	8	13%	9	14%	6	14%	4	9%	8	15%	8	14%	1%
Lyndon B. Johnson Apartments	54	30%	51	31%	49	32%	46	33%	41	32%	36	31%	1%
Millers River Apartments	39	13%	37	13%	38	14%	35	14%	31	13%	29	14%	1%
Robert S. Weaver Apartments	6	30%	6	30%	6	30%	6	30%	7	37%	7	35%	5%
Elderly Total	135	18%	139	19%	145	20%	127	20%	121	20%	115	20%	2%

Table 2–11: DEVELOPMENT CHOICE HOUSEHOLDS SERVED
Elderly Developments, by Racial Minority, FY 2000 – FY 2005

	Hispanic												
Elderly Development	**FY 2000**		**FY 2001**		**FY 2002**		**FY 2003**		**FY 2004**		**FY 2005**		**Chg %**
Daniel F. Burns Apartments	7	4%	6	3%	3	2%	4	2%	4	2%	7	4%	0%
H.S. Truman Apartments	4	6%	6	10%	5	11%	5	11%	4	7%	4	7%	1%
Lyndon B. Johnson Apartments	19	11%	20	12%	14	9%	13	9%	13	10%	13	11%	0%
Millers River Apartments	13	4%	13	4%	12	4%	12	5%	12	5%	11	5%	1%
Robert S. Weaver Apartments	0	0%	0	0%	1	5%	1	5%	0	0%	0	0%	0%
Elderly Total	43	6%	45	6%	36	5%	35	5%	33	5%	35	6%	0%

Table 2–12: DEVELOPMENT CHOICE HOUSEHOLDS SERVED
Elderly Developments, by Racial Minority, FY 2000 – FY 2005

	Other												
Elderly Development	FY 2000		FY 2001		FY 2002		FY 2003		FY 2004		FY 2005		Chg %
Daniel F. Burns Apartments	3	2%	4	2%	5	3%	5	3%	6	4%	5	3%	1%
H.S. Truman Apartments	1	2%	1	2%	2	5%	3	7%	3	5%	3	5%	3%
Lyndon B. Johnson Apartments	4	2%	4	2%	8	5%	7	5%	7	5%	7	6%	4%
Millers River Apartments	3	1%	3	1%	4	1%	5	2%	5	2%	5	2%	1%
Robert S. Weaver Apartments	1	5%	1	5%	1	5%	1	5%	1	5%	1	5%	0%
Elderly Total	12	2%	13	2%	21	3%	21	3%	22	4%	21	4%	2%

From the six years of data represented above, no patterns of racial/ethnic clustering are emerging.

Demographic Distribution by Development – Young Disabled Residents

CHA has designated certain developments as Elderly/Disabled through its Allocated Housing Plan, approved by HUD in 1997 and extended in February, 2002. On an annual basis, CHA monitors the disability-related tenant composition at each development to identify any changes that may have occurred during the implementation of development choice.

Table 2–13: DEVELOPMENT CHOICE, DESIGNATED HOUSING – HOUSEHOLDS SERVED
Young Disabled Tenant Composition, by Development Site, FY 2000 – FY 2005

	FY 2001		FY 2002		FY 2003		FY 2004		FY 2005		Chg %
	#	% of Dev. Site	#	% of Dev. Site	#	% of Dev. Site	#	% of Dev. Site	#	% of Dev. Site	
Washington Elms	30	17%	30	17%	26	15%	26	15%	23	13%	-4%
Corcoran Park	8	5%	8	5%	8	5%	8	5%	6	4%	-1%
Putnam Gardens	15	13%	14	12%	14	12%	14	9%	7	6%	-7%
Newtowne Court	39	15%	38	14%	36	13%	38	14%	45	17%	2%
River Howard	3	9%	3	9%	3	9%	3	10%	2	9%	0%
Jefferson Park	19	11%	20	11%	19	11%	18	10%	19	11%	0%
Scattered Sites	1	2%	3	6%	1	3%	1	2%	2	4%	2%
Roosevelt Towers	7	6%	8	6%	7	6%	7	6%	10	8%	2%
HomeOwners	1	13%	1	17%	1	20%	1	33%	0	0%	-13%
Subtotal, Family Developments	**123**	**11%**	**125**	**11%**	**115**	**11%**	**116**	**10%**	**114**	**11%**	**0%**
H.S. Truman	13	21%	8	19%	9	20%	9	15%	7	12%	-9%
Daniel F. Burns	31	16%	29	15%	23	13%	17	10%	17	9%	-7%
Millers River	65	23%	69	25%	56	22%	48	22%	39	20%	-3%
L.B. Johnson	44	27%	44	29%	34	25%	34	27%	25	23%	-4%
Robert S. Weaver	2	10%	2	10%	2	10%	3	15%	2	10%	0%
Subtotal, Elderly Developments	**155**	**21%**	**152**	**22%**	**124**	**19%**	**111**	**19%**	**90**	**16%**	**-5%**
Total Households, All Developments	**278**	**16%**	**277**	**16%**	**239**	**14%**	**227**	**13%**	**204**	**12%**	**-4%**

As indicated in Table 2–13, disabled residents represent at least 10% of the population throughout FY 2001 to FY 2005 at family developments. The young disabled population has decreased by 5% from FY 2001 to FY 2005 in elderly/disabled developments. Up to this point, the development-based choices of this population show no patterns of potentially troubling clustering.

CHA Performance on Development Choice Requirements

Consistent with the MTW Agreement, the CHA Board of Commissioners must certify that CHA is in accordance with the following criteria in order for Development Choice to continue:

- *CHA must regularly transmit occupancy data to HUD's Multifamily Tenant Characteristics System (MTCS).*

  HUD instructed CHA not to submit to MTCS until an MTW 50058 form is developed. HUD sent a draft form to CHA in January, 2001 and has no further notifications.

- *CHA provided full disclosure to each applicant of any option available in the selection of which developments to reside, including information about each site (estimated wait, location, occupancy, number and size of accessible units, amenities, transportation and resident services).*

  CHA is disclosing all required information.

- *CHA certifies that the adoption of development choice would not violate any court order or settlement agreement or be inconsistent with a pending complaint brought by HUD.*

  CHA is not under any court order or settlement agreements.

- *CHA certifies that the adoption of development choice is consistent with affirmatively furthering fair housing, and includes such measures as reasonable marketing activities.*

  Development choice is consistent with affirmatively furthering fair housing, and includes such measures as reasonable marketing activities.

- *As part of the MTW Annual Plan and Report, CHA shall assess changes in racial, ethnic, or disability-related tenant composition at each development that may have occurred during the implementation of development choice, based on confirmed MTCS data.*

  In this Report, CHA assesses changes in racial, ethnic, and disability-related tenant composition. However, this assessment is not based on confirmed MTCS data because, as described above, HUD has not supplied an MTW 50058 form.

- *At least bi-annually,* CHA will use independent testers or other means satisfactory to HUD (and described in that year's plan), to assure that development choice is not being implemented in a discriminatory manner, and that no pattern of discrimination exists, providing the results to HUD.*

* At the time of CHA's MTW Agreement, the interim PHA Plan rule in effect stated that testing must be bi-annual. The final PHA Plan rule that replaced it noted that independent testing be completed once every three years.

CHA uses independent testers to assure that development choice is not being implemented in a discriminatory manner and the independent testers found no pattern of discrimination. CHA provided the results of its last round of testing to HUD in the Annual Report for FY 2004.

- *CHA will take any steps necessary to remedy any problems surfacing as a result of the biannual review.*

  CHA agrees to take any steps necessary to remedy any problems surfacing as a result of its bi-annual review.

As part of its development choice implementation, and at intervals of at least every three years according to the Final Rule for PHA Plans dated October 21, 1999, CHA will use independent testers or other means satisfactory to HUD (and described in that year's Annual Plan), to assure that development choice is not being implemented in a discriminatory manner, and that no pattern of discrimination exists. Results of all such testing programs will be provided to HUD. In compliance with this provision, CHA engaged the Fair Housing Center of Boston (FHCB) to conduct the most recent round of testing, in April and May of 2004. As reported in the Annual Report of FY 2004, FHCB confirmed that no patterns of discrimination emerged from CHA's application process. To maintain continued compliance with this provision, the next round of testing will be conducted at CHA in 2005, and results will be included in the Annual Report of FY 2006.

Appendix Three: Demographics, All Programs Households Served and Waiting Lists

CHA
CAMBRIDGE HOUSING AUTHORITY

Appendix Three: Demographics, All Programs Households Served

Table 3–1a: **Households Served**
Conventional and Housing Choice Voucher Programs, by Bedroom Size, FY 2000 – FY 2005 *

Program	Total Units							Studio							1BR						
	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	% chg	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	% chg	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	% chg
Public Housing																					
Family	1,048	1,092	1,096	1,095	1,091	1,091	4%	0	4	2	4	4	4	---	140	148	151	150	150	150	7%
Elderly *	753	736	691	648	604	575	-24%	535	520	475	431	388	358	-33%	215	213	213	214	213	214	-0.5%
PH Subtotal	1,801	1,828	1,787	1,743	1,695	1,666	-7%	535	524	477	435	392	362	-32%	355	361	364	364	363	364	3%
Housing Choice *																					
Family	972	1,004	1,119	1,357	1,415	1,608	65%	35	36	41	44	47	67	91%	171	181	228	292	324	407	138%
Elderly	229	234	240	287	242	240	5%	18	16	16	28	20	19	6%	103	102	102	127	114	127	23%
H.C.V. Subtotal	1,201	1,238	1,359	1,644	1,657	1,848	54%	53	52	57	72	67	86	62%	274	283	330	419	438	534	95%
Total	3,002	3,066	3,146	3,387	3,352	3,514	17%	588	576	534	507	459	448	-24%	629	644	694	783	801	898	43%

** 83 J.F. Kennedy and 127 Huron Towers units are excluded from the 2000 numbers to clarify year-to-year comparisons.*

Table 3–1b: **Households Served**
Conventional and Housing Choice Voucher Programs, by Bedroom Size, FY 2000 – FY 2005 *

	2BR							3BR							4+BR						
Program	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	% chg	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	% chg	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	% chg
Public Housing																					
Family	444	455	459	460	459	459	3%	363	384	383	380	379	379	4%	101	101	101	101	99	99	-2%
Elderly *	3	3	3	3	3	3	0%	0	0	0	0	0	0	0%	0	0	0	0	0	0	0%
PH Subtotal	447	458	462	463	462	462	3%	363	384	383	380	379	379	4%	101	101	101	101	99	99	-2%
Housing Choice *																					
Family	408	424	479	594	606	648	59%	309	311	323	376	383	413	35%	49	52	48	51	55	73	49%
Elderly	84	93	97	109	88	71	-15%	22	23	23	22	20	20	-9%	2	0	2	1	0	3	50%
H.C.V. Subtotal	492	517	576	703	694	719	46%	331	334	346	398	403	433	31%	51	52	50	52	55	76	49%
Total	939	975	1,038	1,166	1,156	1,181	26%	694	718	729	778	782	812	17%	152	153	151	153	154	175	15%

* *83 J.F. Kennedy and 127 Huron Towers units are excluded from the 2000 numbers to clarify year-to-year comparisons.*

Table 3–2: **Households Served**
Conventional and Housing Choice Voucher Programs, by Income, FY 2000 – FY 2005 *

	< 30% AMI							30 – 50% AMI							50 – 80% AMI							> 80% AMI						
Program	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	Chg %	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	Chg %	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	Chg %	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	Chg %
Public Housing																												
Family	49%	47%	55%	51%	54%	57%	8%	33%	33%	27%	31%	30%	27%	-6%	13%	17%	15%	16%	14%	13%	0%	2%	3%	3%	3%	2%	3%	1%
Elderly *	77%	78%	82%	81%	84%	84%	7%	18%	17%	14%	15%	13%	14%	-4%	5%	5%	4%	4%	3%	2%	-3%	0%	0%	1%	0%	0%	0%	0%
PH Subtotal	63%	59%	65%	62%	64%	66%	3%	26%	26%	22%	25%	24%	23%	-3%	9%	12%	11%	12%	10%	9%	0%	1%	2%	2%	2%	2%	2%	1%
Housing Choice *																												
H.C.V. Subtotal	60%	61%	66%	66%	70%	70%	10%	28%	28%	26%	26%	25%	24%	-4%	10%	11%	8%	7%	5%	6%	-4%	1%	1%	0%	0%	0%	0%	-1%
Total	60%	60%	66%	64%	67%	68%	8%	28%	27%	24%	26%	24%	23%	-5%	12%	12%	9%	9%	8%	7%	-5%	1%	1%	1%	1%	1%	1%	0%

* *This includes only MTW units eligible for inclusion in the Demonstration, as described in Table 3 – 1 above.*

Table 3–3: **Households Served**
Conventional and Housing Choice Voucher Programs, by Race/Ethnicity, FY 2000 – FY 2005

	White							Black							Hispanic							Other						
Program	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	Chg %	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	Chg %	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	Chg %	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	Chg %
Public Housing																												
Family	18%	17%	17%	16%	16%	15%	-3%	60%	60%	60%	61%	61%	60%	0%	19%	17%	17%	16%	16%	16%	-3%	4%	5%	6%	6%	7%	8%	4%
Elderly *	75%	73%	72%	72%	71%	70%	-5%	18%	19%	20%	20%	20%	20%	2%	6%	6%	5%	5%	5%	6%	0%	2%	2%	3%	3%	4%	4%	2%
PH Subtotal	42%	40%	38%	37%	35%	34%	-8%	42%	44%	45%	46%	46%	46%	4%	13%	13%	13%	12%	12%	13%	0%	3%	4%	5%	5%	6%	7%	4%
Housing Choice *																												
H.C.V. Subtotal	45%	46%	53%	47%	46%	45%	0%	36%	39%	40%	41%	42%	43%	7%	15%	10%	6%	9%	9%	9%	-6%	4%	6%	2%	2%	2%	3%	-1%
Total	43%	42%	44%	42%	41%	40%	-3%	40%	42%	43%	43%	44%	45%	5%	14%	12%	10%	10%	11%	11%	-3%	3%	4%	3%	3%	4%	4%	0%

* *Excludes Kennedy Apts. CHA's Hope VI program.*

Table 3–4: **Households Served**
Conventional Public Housing, Family Developments, by Income, FY 2000 – FY 2005

	< 30% AMI													30 – 50% AMI												
Family Development	FY 2000		FY 2001		FY 2002		FY 2003		FY 2004		FY 2005		Chg %	FY 2000		FY 2001		FY 2002		FY 2003		FY 2004		FY 2005		Chg %
Washington Elms	97	56%	84	48%	98	56%	85	50%	86	50%	93	53%	-3%	52	30%	59	34%	50	29%	59	35%	62	36%	53	30%	0%
Corcoran Park	47	46%	69	48%	78	52%	70	46%	74	49%	81	53%	7%	30	29%	40	28%	40	27%	45	30%	47	31%	46	30%	1%
Putnam Gardens	68	56%	66	55%	82	68%	72	60%	71	59%	74	61%	5%	38	31%	38	32%	25	21%	34	28%	35	29%	32	26%	-5%
Newtowne Court	124	46%	118	44%	147	56%	134	50%	155	59%	171	64%	18%	93	35%	89	33%	73	28%	80	30%	78	29%	61	23%	-12%
River Howard	17	53%	16	50%	21	68%	21	66%	20	63%	18	62%	9%	12	38%	12	38%	9	29%	9	28%	7	22%	8	28%	-10%
Jefferson Park	96	55%	96	54%	106	60%	109	61%	106	59%	103	59%	4%	54	31%	57	32%	49	28%	47	26%	45	25%	42	24%	-7%
Scattered Sites *	23	49%	18	41%	21	45%	17	37%	22	51%	26	59%	10%	15	32%	14	32%	16	34%	18	39%	13	30%	14	32%	0%
Roosevelt Towers	44	35%	45	37%	48	39%	43	35%	49	40%	53	43%	8%	52	42%	45	37%	38	31%	41	33%	42	34%	42	34%	-8%
Family Total	516	50%	512	47%	601	55%	551	51%	583	54%	619	57%	7%	346	33%	354	33%	301	28%	333	31%	329	30%	298	27%	-6%

* *Scattered Sites include Fairmont, Garfield, Jackson Street, and Valentine Street.*

Table 3–5: **Households Served**
Conventional Public Housing, Family Developments, by Income, FY 2000 – FY 2005

	50 – 80% AMI													> 80% AMI												
Family Development	FY 2000		FY 2001		FY 2002		FY 2003		FY 2004		FY 2005		Chg %	FY 2000		FY 2001		FY 2002		FY 2003		FY 2004		FY 2005		Chg %
Washington Elms	19	11%	22	13%	20	11%	22	13%	19	11%	24	14%	3%	5	3%	10	6%	7	4%	5	3%	5	3%	5	3%	0%
Corcoran Park	24	24%	36	25%	30	20%	32	21%	26	17%	22	15%	-9%	1	1%	0	0%	3	2%	4	3%	4	3%	3	2%	1%
Putnam Gardens	14	12%	15	13%	11	9%	14	12%	15	12%	14	12%	0%	1	1%	1	1%	3	3%	1	1%	0	0%	2	2%	1%
Newtowne Court	47	18%	51	19%	41	16%	48	18%	25	9%	31	12%	-6%	3	1%	8	3%	4	2%	5	2%	7	3%	5	2%	1%
River Howard	2	6%	3	9%	0	0%	1	3%	4	13%	3	10%	4%	1	3%	1	3%	1	3%	1	3%	1	3%	0	0%	-3%
Jefferson Park	22	13%	20	11%	19	11%	16	9%	23	13%	23	13%	0%	4	2%	5	3%	3	2%	6	3%	5	3%	8	5%	3%
Scattered Sites *	6	13%	10	23%	9	19%	8	17%	7	16%	3	7%	-6%	3	6%	2	5%	1	2%	3	7%	1	2%	1	2%	-4%
Roosevelt Towers	24	19%	30	24%	31	25%	34	27%	29	23%	24	19%	0%	4	3%	3	2%	6	5%	6	5%	4	3%	5	4%	1%
Family Total	158	15%	187	17%	161	15%	175	16%	148	14%	145	13%	-2%	22	2%	30	3%	28	3%	31	3%	27	3%	29	3%	1%

* *Households earning over 80% of AMI earned below 80% of AMI when they were admitted to CHA developments.*

Table 3–6: **Households Served**
Conventional Public Housing, Elderly Developments, by Income, FY 2000 – FY 2005

	< 30% AMI													30 – 50% AMI												
Elderly Development	FY 2000		FY 2001		FY 2002		FY 2003		FY 2004		FY 2005		Chg %	FY 2000		FY 2001		FY 2002		FY 2003		FY 2004		FY 2005		Chg %
H.S. Truman Apts.	41	64%	45	71%	31	72%	34	77%	43	78%	51	86%	18%	21	33%	16	25%	10	23%	8	18%	12	22%	8	14%	19%
Daniel F. Burns	133	69%	136	69%	136	70%	129	68%	123	72%	126	74%	5%	41	21%	41	21%	47	24%	49	26%	39	23%	38	22%	1%
Millers River	239	79%	238	82%	239	86%	217	85%	205	89%	185	88%	9%	50	17%	43	15%	29	10%	27	11%	17	7%	21	10%	-7%
Lyndon B. Johnson	145	81%	136	82%	139	90%	124	88%	116	91%	103	90%	9%	27	15%	24	14%	11	7%	16	11%	11	9%	11	10%	-5%
Robert W. Weaver	18	90%	18	90%	19	95%	19	95%	18	95%	19	95%	5%	1	5%	1	5%	0	0%	0	0%	1	5%	1	5%	0%
Elderly Total	576	76%	573	78%	564	82%	523	81%	505	84%	484	84%	8%	140	19%	125	17%	97	14%	100	15%	80	13%	79	14%	-5%

Table 3–7: **Households Served**
Conventional Public Housing, Elderly Developments, by Income, FY 2000 – FY 2005

	50 – 80% AMI													> 80% AMI												
Elderly Development	FY 2000		FY 2001		FY 2002		FY 2003		FY 2004		FY 2005		Chg %	FY 2000		FY 2001		FY 2002		FY 2003		FY 2004		FY 2005		Chg %
H.S. Truman Apts.	2	3%	2	3%	2	5%	2	5%	0	0%	0	0%	-3%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0%
Daniel F. Burns	18	9%	20	10%	11	6%	11	6%	8	5%	6	4%	-5%	1	1%	0	0%	0	0%	0	0%	0	0%	0	0%	0%
Millers River	12	4%	9	3%	9	3%	8	3%	7	3%	4	2%	-2%	0	0%	0	0%	2	1%	2	1%	1	0%	1	1%	1%
Lyndon B. Johnson	6	3%	6	4%	3	2%	1	1%	1	1%	1	1%	-2%	0	0%	0	0%	2	1%	0	0%	0	0%	0	0%	0%
Robert W. Weaver	1	5%	1	5%	1	5%	1	5%	0	0%	0	0%	-5%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0%
Elderly Total	39	5%	38	5%	26	4%	23	4%	16	3%	11	2%	-3%	1	0%	0	0%	4	60%	2	0%	1	0%	1	0%	0%

** Households earning over 80% of AMI earned below 80% of AMI when they were admitted to CHA developments.*

Table 3–8: FY 2005 Area Median Income (AMI) for Boston Metropolitan Area, including Cambridge

Household Size	30% AMI	40% AMI	Very Low-Income	Low-Income	100% AMI
1	17,350	23,125	28,950	46,300	57,813
2	19,850	26,421	33,100	52,950	66,054
3	22,350	29,744	37,200	59,550	74,360
4	24,800	33,040	41,350	66,150	82,600
5	26,800	35,677	44,650	71,450	89,192
6	28,800	38,314	47,950	76,750	95,784
7	30,750	40,951	51,250	82,050	102,377
8	32,750	43,614	54,600	87,350	109,035

Demographics, All Programs
Waiting Lists

Table 3–9a: **Waiting Lists**
Conventional Public Housing Applicant Households (Resident and Non-Resident), by Bedroom Size, FY 2000 – FY 2005

	Total Units						
Program	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	% chg
Family	5,652	5,304	6,135	6,441	6,773	7,721	37%
Elderly	1,116	1,069	1,376	1,601	1,932	1,870	68%
Total	6,768	6,373	7,511	8,042	8,705	9,591	42%

Table 3–9b: **Waiting Lists**
Conventional Public Housing Applicant Households (Resident and Non-Resident), by Bedroom Size, FY 2000 – FY 2005

	Studio							1BR							2BR						
Program	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	% chg	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	% chg	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	% chg
Family	0	0	17	57	66	63	---	1,894	1,709	2,088	2,367	2,807	3,302	74%	2,128	1,989	2,280	2,401	2,288	2,566	21%
Elderly	733	724	956	1,158	1,444	1,410	92%	324	267	323	342	368	344	6%	70	72	90	91	109	105	50%
Total	733	724	973	1,215	1,510	1,473	101%	2,218	1,976	2,411	2,709	3,175	3,646	64%	2,198	2,061	2,370	2,492	2,397	2,671	22%

Table 3–9c: **Waiting Lists**
Conventional Public Housing Applicant Households (Resident and Non-Resident), by Bedroom Size, FY 2000 – FY 2005

	3BR							4+BR						
Program	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	% chg	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	% chg
Family	1,363	1,339	1,498	1,364	1,355	1,494	10%	285	267	252	252	257	296	4%
Elderly	5	6	7	8	6	6	20%	0	0	0	2	5	5	---
Total	1,368	1,345	1,505	1,372	1,361	1,500	10%	285	267	252	254	262	301	6%

Table 3–10a: **Waiting Lists**
Public Housing Applicant Households (Resident and Non-Resident), by Area Median Income (AMI), FY 2000 – FY 2005

	Total Applicants							< 30% AMI							30 – 50% AMI						
Program	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	% chg	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	% chg	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	% chg
Public Housing																					
Family	5,652	5,304	6,135	6,404	6,741	7,692	36%	72%	72%	78%	79%	83%	84%	12%	17%	18%	16%	16%	12%	12%	-5%
Elderly	1,115	1,040	1,376	1,564	1,803	1,869	68%	74%	79%	85%	87%	90%	90%	16%	14%	12%	10%	9%	7%	7%	-7%
PH Subtotal	6,767	6,344	7,511	7,968	8,544	9,561	41%	73%	73%	79%	80%	85%	85%	12%	17%	17%	15%	14%	11%	11%	-6%
Housing Choice																					
Family	3,521	2,540	4,404	4,635	8,119	7,582	115%	84%	79%	82%	82%	86%	87%	3%	11%	15%	14%	14%	12%	11%	-4%
Elderly/Disabled	254	190	548	590	830	777	206%	80%	83%	82%	82%	89%			13%	12%	10%	13%	8%		
H.C.V. Subtotal	3,775	2,730	4,952	5,225	8,949	8,359	121%	84%	79%	82%	82%	86%	87%	3%	11%	14%	14%	14%	11%	11%	-3%
CHA Total	10,542	9,074	12,463	13,193	17,493	17,920	70%	77%	75%	81%	81%	85%	86%	9%	15%	16%	14%	14%	11%	11%	-4%

Table 3–10b: **Waiting Lists**
Public Housing Applicant Households (Resident and Non-Resident), by Area Median Income (AMI), FY 2000 – FY 2005

	50 – 80% AMI							> 80% AMI						
Program	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	% chg	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	% chg
Public Housing														
Family	7%	7%	5%	4%	3%	3%	-4%	3%	3%	2%	2%	1%	1%	-2%
Elderly	7%	6%	3%	3%	2%	2%	-5%	4%	3%	2%	2%	1%	1%	-3%
PH Subtotal	7%	7%	4%	4%	3%	3%	-4%	3%	3%	2%	2%	1%	1%	-2%
Housing Choice														
Family	3%	5%	3%	3%	2%	2%	-1%	2%	2%	1%	1%	1%	1%	-1%
Elderly/Disabled	4%	3%	4%	4%	2%			3%	3%	3%	3%	1%		
H.C.V. Subtotal	3%	5%	3%	3%	2%	2%	-1%	2%	2%	1%	1%	1%	1%	-1%
CHA Total	6%	6%	4%	4%	2%	2%	-4%	3%	3%	1%	1%	1%	1%	-2%

* *While CHA does not admit persons earning in excess of 80% of AMI at the time that such income is verified for admissions purposes, persons of all incomes may submit an application for CHA housing. A small percentage of applicants on the waiting list therefore self-certify that they earn over 80% of AMI.*

Table 3–11a: **Waiting Lists**
Conventional and Housing Choice Voucher Program Applicants, by Race/Ethnicity, FY 2000 – FY 2005

	American Indian							Asian							Black						
Program	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	Chg %	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	Chg %	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	Chg %
Family	2%	2%	2%	2%	2%	2%	0%	5%	5%	5%	4%	4%	4%	-1%	50%	50%	50%	50%	50%	49%	-1%
Elderly	3%	2%	2%	2%	2%	2%	-1%	4%	3%	4%	3%	3%	3%	-1%	23%	25%	26%	26%	27%	26%	3%
Housing Choice	1%	1%	2%	2%	2%	2%	1%	4%	2%	3%	3%	3%	3%	-1%	35%	41%	45%	46%	43%	43%	8%
Total	2%	2%	2%	2%	2%	2%	0%	4%	4%	4%	4%	4%	4%	0%	42%	45%	46%	46%	44%	44%	2%

Table 3–11b: **Waiting Lists**
Conventional and Housing Choice Voucher Program Applicants, by Race/Ethnicity, FY 2000 – FY 2005

	Hispanic							White							Other						
Program	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	Chg %	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	Chg %	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	Chg %
Family	15%	17%	17%	17%	17%	18%	3%	25%	23%	24%	25%	27%	26%	1%	3%	3%	2%	2%	1%	1%	-2%
Elderly	5%	9%	8%	8%	6%	8%	3%	60%	57%	59%	60%	59%	60%	0%	5%	4%	1%	1%	0%	0%	-5%
Housing Choice *	9%	10%	13%	14%	16%	16%	7%	17%	15%	24%	25%	30%	30%	13%	34%	31%	11%	11%	6%	6%	-28%
Total	12%	14%	15%	15%	16%	16%	4%	26%	24%	28%	29%	32%	32%	6%	15%	11%	6%	5%	3%	4%	-11%

** The Housing Choice Voucher Waiting list contains partially entered statistics for many non-residents. Many were not coded for race and ethnicity and are listed as other.*

Table 3–11c: **Waiting Lists**
Conventional and Housing Choice Voucher Program Applicants, by Race/Ethnicity, FY 2000 – FY 2005

Housing Type	Total FY 2000	Total FY 2001	Total FY 2002	Total FY 2003	Total FY 2004	Total FY 2005	% Change
Family	5,652	5,314	6,135	6,404	8,649	7,692	36%
Elderly	1,116	1,043	1,376	1,564	2,498	1,869	67%
Housing Choice Voucher	3,774	2,737	4,952	5,225	8,949	8,359	121%
Total	10,542	9,094	12,463	13,193	20,096	17,920	70%

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Appendix Four: Rent Policy Analysis

Appendix Four: Rent Policy Analysis

CHA's MTW Agreement requires an impact analysis of its policies on current CHA residents and households on the waiting list, including an analysis of the severity of rent burdens. In FY 2005, CHA rent policies resulted in reduced rent charged to tenants. Only two policies could result in an increase in overall rent charged—minimum rents and the transfer surcharge. The new minimum rents charged may exceed 30% of a tenant's income. Currently 35 total tenants (fewer than three percent) pay the minimum rent, from 34 in the previous year. CHA's transfer surcharge policy requires that multiple transfers to larger apartments take place before the surcharge is applied; this means a family would move from a two-bedroom to a three-bedroom, then into a four-bedroom in order to be assessed a monthly surcharge. No tenants are currently being charged the transfer surcharge. CHA does not anticipate that the surcharge will ever apply to more than one or two percent of all residents. CHA has adopted a hardship policy under which the Executive Director (or his designee) evaluates, on a case-by-case basis, whether rent policies represent a hardship and a temporary exemption is appropriate.

CHA has implemented six income exclusions. Three of the Board-approved earned income exclusions benefit families with young adults and/or secondary wage earners. These were adopted because current regulations appeared to discourage tenants from working, or to not report earned income. The first exclusion exempts all income earned by household members of ages 18-20. The second exclusion exempts 25% of earned income for household members of ages 21-25. The third exclusion exempts 15% of earned income for secondary wage earners 26 or older. To qualify for the last two exclusions, the head of household must have declared income. CHA also created a 25% wage exclusion for elderly households in elderly housing. In addition, CHA expanded the welfare-to-work exclusion. Under MTW, CHA created a new exclusion modeled after the welfare-to-work exclusion, called disability-to-work. CHA expanded both the tuition deduction and the childcare deduction. Finally, CHA implemented new policies regarding minimum and ceiling rents.

IMPACT ON CHA

Earned Income Exclusions. While overall claims of the secondary income exclusion have more than doubled since it became effective in 1997 (expressed as the number of tenants claiming the exemption), FY 2005 claims were up just 5% from the previous fiscal year, and overall participation levels have been generally stable since FY 2002. Over the previous fiscal year, participation for the 18-20 year-old group declined by half, to three people; participation in the 21-25 year-old group decreased, also by three people, to 69; and participation in the 26-and-over group increased by 22, to 235. The 69 tenants in the 21-25 group had an average individual income of $12,867; the cost to the agency was $36,690. This was lower than the expected cost of $66,587, because 26 of these tenants belonged to families paying the ceiling rent. The 235 participants in the 26-and-over group had an average wage income of $19,147; the adjusted cost to CHA after subtracting the 98 residents in ceiling rent families was $96,111.

The total cost to the agency after adjusting for ceiling rent was $145,042, an increase over the previous year. The additional wages reported amounted to $2,685,432 with additional rent after exclusions of $521,731.

Currently, 32 elders are eligible for the elderly rent exclusion. Their average wage increased from last year by 19% to $11,588. The cost to CHA was $32,218. The additional rent to the agency was $79,027 because these elders pursued employment.

Welfare and Disability to Work. These exclusions were implemented for two reasons: as incentive for affected households to seek employment and to provide them with a period of reduced rent, allowing them to see the benefits of employment and increased income. Participation in these exclusions has been limited to just a few tenants since MTW was implemented. There may be an opportunity cost to CHA, in lost revenue based on the additional wages; however, if the resident remains employed, long-term revenue should exceed initial cost.

Expansion of Tuition and Childcare Deduction. CHA expanded the criteria for both of these deductions. The tuition deduction had originally applied only to household members and was rarely utilized; management reported that the number of participants in a given year was fewer than ten tenants. This remained the case when the deduction was expanded to cover heads-of-households. Currently, three tenants utilize the exclusion.

The childcare deduction was expanded for children ages 13-14, in approved day-care or agency-based after-school programs or camps based on requests from the resident advisory committee. Several families took advantage of this deduction in the past year.

Maintenance Fee. A one-time $100 maintenance fee, charged for moving to a larger apartment, was implemented prior to the current fiscal year. In FY 2005 CHA collected $400 in maintenance fees.

Transfer Surcharge. A monthly surcharge for a second transfer to a larger apartment was also implemented. No family to date has met the eligibility requirement for this surcharge.

Minimum Rents. There are currently 35 households who are on minimum rent, representing an increase of 3% over the previous fiscal year. CHA collects approximately $20,000 in minimum rents.

Ceiling rent. In FY 2001, CHA instituted time limits that would take effect over the next five to ten years; the "clock" started for the 188 tenants who were then on the ceiling rent. Currently there are 172 families paying ceiling rent, down from 198 in FY 2004; this change may be a reflection of both the increase in ceiling rent amounts and the slower economy. If CHA did not have a ceiling rent policy in place and continued to charge 30% of income while families remained as CHA residents, CHA would receive additional monthly rent returns of up to $66,000.

IMPACT ON RESIDENTS

Earned Income Exclusions. There are currently three participants in the 18-20 year-old exclusion category, with 100% of their income excluded. The 21-25 year-old category decreased by 4% to 69 tenants with an average individual income of $12,867. On average these residents had $3,217 of their income excluded. The 26-and-over category increased slightly to 235 participants. Their average wage was $19,147. The average exclusion for this category was $2,872. The impact on residents is positive. There were 183 residents who received an exclusion of earned income. In addition, 32 elders had income excluded. Their average wage was $11,588; on average they received exclusions of $3,356.

Welfare and Disability to Work. Participation in these exclusions has been limited to just a few tenants since implementation under MTW. The reason for such limited participation is the limited number of tenants in position to take advantage of this exclusion. CHA continues to take steps to inform participants of available exclusions. To date, there has been little impact on residents. This exclusion has the high potential value for residents, providing a chance to set their finances on firm ground before their rent would increase.

Expansion of Tuition and Childcare Deductions. Only three tenants are taking advantage of any tuition deduction. This deduction offers residents the option to pursue higher education. The childcare deduction was expanded for children ages 13-14 in approved day-care or agency-based after-school programs or camps. Several families are taking advantage of this deduction.

Maintenance Fee. The maintenance fee has been applied to defray some of the costs associated when residents transfer to larger apartments. Four residents were charged this fee in FY 2005 (residents are given the option of paying in installments). CHA has not received any negative feedback from residents receiving transfers who were charged the fee.

Transfer Surcharge. No residents have been charged the multiple transfer surcharge.

Minimum Rent. There are thirty-five households paying the minimum rent. CHA may, given good reason and on a case-by-case basis, grant temporary exemptions to families unable to pay the minimum rent. Management has not reported any negative feedback from the families whose rents have changed.

Ceiling Rent. Tenants on ceiling rent benefit substantially from this rent policy. The average household on ceiling rent earns an income of $53,437, pays $922 in rent and receives a $386 discount per month, for a total of $4,632 per year.

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Appendix Five: Deconcentration and Income Diversification Analysis

Appendix Five: Deconcentration and Income Diversification Analysis

To diversify the incomes of households in its family developments, CHA is leasing family public housing units to low-income and very low-income families. The purpose of income diversification is to increase the percentage of low-income working families in CHA's developments, addressing the pressing local need for affordable housing for families between 50% and 80% of Area Median Income (AMI), and potentially reducing CHA's dependence on federal subsidies. Additionally, CHA meets HUD's deconcentration mandate through the income diversification program. In order to achieve income diversification, CHA established a target ratio for the percentage of its family units occupied by very low income and low-income households and a placement preference used to achieve the target ratio. This appendix describes the income target ratio and the income preference policy and shows CHA's progress toward meeting the income target ratio.

Target Income Ratio

The target income ratio for CHA family developments allows for 75% of units to house very low-income families and 25% of family units to house low-income families. Very low-income families have incomes below 50% of Average Median Income (AMI), and low-income families are households with incomes between 50-80% of AMI.

The following table shows the AMIs as defined by HUD.

Table 5–1: Area Median Income (AMI)

	Percentage of Area Median Income				
Household Size	30% AMI	40% AMI	Very Low-Income	Low-Income	100% AMI
1	17,350	23,125	28,950	46,300	57,813
2	19,840	26,421	33,100	52,950	66,054
3	22,350	29,744	37,200	59,550	74,360
4	24,800	33,040	41,350	66,150	82,600
5	26,800	35,677	44,650	71,450	89,192
6	28,800	38,314	47,950	76,750	95,784
7	30,750	40,951	51,250	82,050	102,377
8	32,750	43,614	54,600	87,350	109,035

CHA recognizes the heavy financial burden that renting a market-rate unit places on families between 50-80% of AMI. In Cambridge, a low-income family of four earns between $41,350-$66,150. A family of four looking for a two-bedroom apartment could

expect to pay a market rent of at least $1,725[1] per month, or $20,700 annually. Therefore, the annual rent of a market-rate apartment would be 50% of the income for a family at 50% of AMI, the lower end of the placement preference, or 31% for a family at 80% of AMI. For a three-bedroom apartment, which most families would desire if they have two children of different sexes or older children, the rental payments would total $2,300 monthly and $27,600 annually, or 67% of the income for a family at 50% of AMI and 42% for a family at 80% of AMI.

These figures are calculated on gross income. Net income represents a reduction of 25-30% in a household's income, which further increases the rent burden. Therefore, even at 80% of AMI, which is the upper end of the income preference ratio, CHA policy still serves families in need of affordable housing in Cambridge. The average income of the 145 families in CHA federal family housing between 50-80% of AMI is $44,795, meaning an average family would be paying 46% of their gross income for a two-bedroom apartment, or 61% of their gross income for a three-bedroom apartment if they were renting in the private market. This local preference policy serves families of limited means who would otherwise have difficulty affording housing in the Cambridge market.

Placement Preference

To achieve the target income ratio, CHA followed the originally proposed placement preference ratio of one low-income unit to one very low-income unit. This means that as family units became available, every other unit would go to a family at 40-80% of AMI. In response to concerns expressed by community advocates, CHA changed the policy from a one-to-one placement preference to a one-to-two placement preference. Now every third unit can go to a family between 40-80% of AMI. CHA uses 40% and not 50% because experience shows that families between 40-50 percent have a better chance of moving into the 50-80% category allowing CHA to ultimately achieve income diversification over time.

Impact of Placement Preference

The purpose of the placement preference is to achieve the 75/25 percent ratio of very low-income to low-income. Before CHA adopted this policy, the ratio was 83/18 percent. The following tables show the overall change in the percentage of incomes and the breakdown at individual developments. The tables demonstrate that CHA was moving toward achieving its goal. However, progress has slowed or reversed, for at least two reasons. First, in federal family housing, there are approximately 45 placements per year. During an average year this means fifteen placements using the local preference. Through new placements alone, it would be approximately ten years before CHA reached the 75/25 percent target ratio in all of its developments. Second, the AMIs, set by HUD, are increasing faster than tenant incomes. Therefore, even though CHA may be placing households above 50% of AMI at a point in time, when the AMIs are recalculated, that household may slip below 50%. This is demonstrated in Table 5-3.

[1] 2003 City of Cambridge, Housing market Information, p. 4, June 20, 2003.

Tables 5–2 and 5–3 show the change in households served by development since the inception of the placement preference. The number of families below 30% of AMI increased by 7% and the number of families between 30-50% AMI decreased by 6%. The number of families between 50-80% decreased by 2%, and the number of households above 80% increased by 1 percentage point.

Table 5–2: Change in Conventional Housing Families Served by Income – Family Developments, FY 2000 – FY 2005

Family Development	Area Median Income (AMI)																								
	0 – 30%													30 – 50%											
	FY 2000		FY 2001		FY 2002		FY 2003		FY 2004		FY 2005		% chg	FY 2000		FY 2001		FY 2002		FY 2003		FY 2004		FY 2005		% chg
Washington Elms	97	56%	84	48%	98	56%	85	50%	86	50%	93	50%	6%	52	30%	59	34%	50	29%	59	35%	62	36%	53	30%	0%
Corcoran Park	47	46%	69	48%	78	52%	70	46%	74	49%	81	53%	7%	30	29%	40	28%	40	27%	45	30%	47	31%	46	30%	1%
Putnam Gardens	68	56%	66	55%	82	68%	72	60%	71	59%	74	61%	5%	38	31%	38	32%	25	21%	34	28%	35	29%	32	26%	-5%
Newtowne Court	124	46%	118	44%	147	56%	134	50%	155	59%	171	64%	20%	93	35%	89	33%	73	28%	80	30%	78	29%	61	23%	-12%
River Howard	17	53%	16	50%	21	68%	21	66%	20	63%	18	62%	9%	12	38%	12	38%	9	29%	9	28%	7	22%	8	28%	-10%
Jefferson Park	96	55%	96	54%	106	60%	109	61%	106	59%	103	59%	4%	54	31%	57	32%	49	28%	47	26%	45	25%	42	24%	-7%
Scattered Sites	23	49%	18	41%	21	45%	17	37%	22	51%	26	59%	10%	15	32%	14	32%	16	34%	18	39%	13	30%	14	32%	0%
Roosevelt Towers	44	35%	45	37%	48	39%	43	35%	49	40%	53	43%	8%	52	42%	45	37%	38	31%	41	33%	42	34%	42	34%	-8%
Total	516	50%	512	47%	601	55%	551	51%	583	54%	619	57%	7%	346	33%	354	33%	301	28%	333	31%	329	30%	298	27%	-6%

Table 5–3: Change in Conventional Housing Families Served by Income – Family Developments, FY 2000 – FY 2004

Family Development	Area Median Income (AMI)																								
	50 – 80%													> 80% *											
	FY 2000		FY 2001		FY 2002		FY 2003		FY 2004		FY 2005		% chg	FY 2000		FY 2001		FY 2002		FY 2003		FY 2004		FY 2005		% chg
Washington Elms	19	11%	22	13%	20	11%	22	13%	19	11%	24	14%	3%	5	3%	10	6%	7	4%	5	3%	5	3%	5	3%	0%
Corcoran Park	24	24%	36	25%	30	20%	32	21%	26	17%	22	15%	-9%	1	1%	0	0%	3	2%	4	3%	4	3%	3	2%	1%
Putnam Gardens	14	12%	15	13%	11	9%	14	12%	15	12%	14	12%	0%	1	1%	1	1%	3	3%	1	1%	0	0%	2	2%	1%
Newtowne Court	47	18%	51	19%	41	16%	48	18%	25	9%	31	12%	-6%	3	1%	8	3%	4	2%	5	2%	7	3%	5	2%	1%
River Howard	2	6%	3	9%	0	0%	1	3%	4	13%	3	10%	4%	1	3%	1	3%	1	3%	1	3%	1	3%	0	0%	-3%
Jefferson Park	22	13%	20	11%	19	11%	16	9%	23	13%	23	13%	0%	4	2%	5	3%	3	2%	6	3%	5	3%	8	5%	3%
Scattered Sites	6	13%	10	23%	9	19%	8	17%	7	16%	3	7%	-6%	3	6%	2	5%	1	2%	3	7%	1	2%	1	2%	-4%
Roosevelt Towers	24	19%	30	24%	31	25%	34	27%	29	23%	24	19%	0%	4	3%	3	2%	6	5%	6	5%	4	3%	5	4%	1%
Total	158	15%	187	17%	161	15%	175	16%	148	14%	145	13%	-2%	22	2%	30	3%	28	3%	31	3%	27	3%	29	3%	1%

** Households earning over 80% of AMI earned below 80% of AMI when they were admitted to CHA developments.*

The following tables demonstrate that by serving both low-income families and very low-income families and diversifying family housing, CHA is still serving people in need.

Table 5–4 shows that while incomes increased, there was not necessarily a corresponding increase in AMI. This will also play a role in the slow increase in reaching the 75/25 ratio. The large percentage change at Roosevelt Towers Low-Rise is due to several internal transfers that skewed the data. The other large changes all occur at developments with very few units where the change in one family's income makes a dramatic percentage change.

Table 5–4: Changes in Income and AMI by Development (as of March, 2005)

Development	AMI (Average % of, by Development)						Average Income ($, per Development)					
	2001	2002	2003	2004	2005	% chg	2001	2002	2003	2004	2005	% chg
Corcoran Park	35%	35%	35%	32%	32%	-3%	20,754	22,109	23,156	23,647	24,212	17%
Fairmont	33%	30%	30%	24%	22%	-11%	18,498	18,335	19,094	16,049	15,129	-18%
Garfield	35%	33%	37%	34%	31%	-4%	21,099	21,007	24,847	24,982	23,503	11%
Jackson Street	39%	34%	29%	27%	28%	-11%	20,588	19,648	17,733	17,201	19,074	-7%
Jefferson Park	33%	32%	32%	30%	32%	-1%	19,735	20,835	21,686	22,307	24,073	22%
Newtowne Court	35%	33%	33%	29%	29%	-6%	20,329	20,729	21,780	20,824	21,455	6%
Putnam Gardens	30%	29%	30%	28%	30%	0%	17,470	17,490	19,493	20,209	21,949	26%
River Howard	34%	31%	29%	30%	29%	-5%	20,449	20,303	19,286	21,252	21,133	3%
Roosevelt Towers Low-Rise	38%	42%	39%	38%	37%	-1%	22,820	27,190	26,378	28,025	27,827	22%
Scattered	52%	51%	51%	43%	49%	-3%	28,710	29,363	31,600	28,764	32,569	13%
Valentine	37%	35%	16%	30%	19%	-18%	21,655	21,493	9,954	19,492	13,082	-40%
Washington Elms	35%	34%	35%	32%	33%	-2%	21,427	22,267	23,963	24,087	24,947	16%
Totals	**34.6%**	**34.0%**	**33.7%**	**31.2%**	**31.7%**	**-2.9%**	**20,529**	**21,621**	**22,549**	**22,767**	**23,638**	**15%**

Table 5–5 shows the deconcentration percentages according to current HUD guidelines that would apply if CHA were not in MTW. However, as seen below, CHA is in compliance with deconcentration as only one development (Roosevelt Towers) is over 115% or under 85%. Roosevelt Towers is the development at which income diversification was first deployed in a full-scale effort to diversify income. This effort was a success and raised the average income of tenants, as is reflected below. Table 5–5 also shows the change from over the last four years.

Table 5–5: Deconcentration for CHA Federal Family Housing (as of November, 2004)

Development	Households 2005	Income 2005	AMI % 2005	Development % of Average 2002	Development % of Average 2003	Development % of Average 2004	Development % of Average 2005	Change % 2005 – 2002
Corcoran Park	151	23,457	32	102%	103%	104%	108%	6%
Jefferson Park	175	23,941	32	96%	96%	98%	103%	7%
Newtowne Court	268	20,380	29	96%	97%	91%	88%	-8%
Putnam Gardens	121	21,264	30	81%	86%	89%	92%	11%
River Howard	29	20,402	29	94%	86%	93%	88%	-6%
Roosevelt Towers Low-Rise	123	28,846	37	126%	117%	123%	125%	-1%
Scattered *	44	20,053	49	104%	97%	94%	87%	17%
Washington Elms	174	24,949	33	103%	103%	106%	108%	5%
Total	**1,075**	**23,161**	**32**	**100%**	**100%**	**100%**	**100%**	**0%**

** Scattered Sites include Fairmont, Garfield, Jackson Street, and Valentine Street.*

Appendix Six: CHA Housing Inventory Information

Appendix Six: CHA Housing Inventory Information

Table 6–1: Actual Number of Units in Inventory, 4/1/2005

FEDERAL PROGRAM	Total Units, Start FY 2005	Total Units, Planned, Close FY 2005	Total Units, Actual, Close FY 2005
Public Housing Total	**1,857**	**1,857**	**1,857**
Elderly/Special Needs	759	759	759
Family	1,095	1,095	1,095
Non-Dwelling	3	3	3
John F. Kennedy Apts.	**83**	**83**	**83**
PH units	44	44	44
PBA units	25	25	25
Off-Site Condos	14	14	14
Other Federally-Assisted	**2**	**0**	**1**
Homeowners'	2	0	1
MTW Leased Housing Total	**1,640**	**1,610**	**2,012** *
Tenant-Based	1,410	1,360	1,576
PBA	230	250	436
Non-MTW Leased Housing Total	**886**	**884**	**516**
Putnam Square Apartment **	96	96	0
Tenant-Based **	612	612	382
Mod-Rehab/Shelter+Care **	178	176	134
Federally-Assisted Subtotal	**4,468**	**4,434**	**4,469**

STATE PROGRAM	Total Units, Start FY 2005	Total Units, Planned, Close FY 2005	Total Units, Actual, Close FY 2005
Public Housing Total	**663**	**663**	**663**
Elderly/Special Needs	334	334	334
Family	325	325	325
Non-Dwelling	4	4	4
Leased Housing Total	**163**	**160**	**163**
MRVP Tenant-Based	25	25	25
MRVP Project-Based	110	110	110
AHVP	28	25	28
Other State-Assisted	**126**	**126**	**126**
Roosevelt Towers Mid-Rise	77	77	77
Aberdeen/Hammond/Woodbridge	16	16	16
Putnam School	33	33	33
State-Assisted Subtotal	**952**	**949**	**952**
Total Units	**5,420**	**5,383**	**5,421**

* *CHA Affiliate units total 214 units at the close of FY 2005; most of these are represented in the MTW PBA count.*

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* *Several increments expired and were transferred into the MTW increment for FY 2006.*

** *CHA is funded for 1968 in FY 2006 and is currently over-utilized; by year-end CHA will be at 100% utilization.*

Table 6–2: Inspections, FY 2005, Budgeted vs. Actual - Conventional Public Housing

Property	FY 2005 Budgeted		FY 2005 Actual	
	% Inspected	% Passing UPCS	% Inspected	% Passing UPCS
Washington Elms	100%	100%	100%	100%
Corcoran Park	100%	100%	100%	100%
Putnam Gardens	100%	100%	100%	100%
Newtowne Court	100%	100%	100%	100%
Jackson Street	100%	100%	100%	100%
Fairmont Street	100%	100%	100%	100%
Valentine Street	100%	100%	100%	100%
River Howard	100%	100%	100%	100%
Jefferson Park	100%	100%	100%	100%
Scattered Sites	100%	100%	100%	100%
Garfield Street	100%	100%	100%	100%
Roosevelt Towers	100%	100%	100%	100%
Truman Apartments	100%	100%	100%	100%
Burns Apartments	100%	100%	100%	100%
Millers River	100%	100%	100%	100%
L.B. Johnson	100%	100%	100%	100%
Weaver	100%	100%	100%	100%
Total	**100%**	**100%**	**100%**	**100%**

* *Excludes JF Kennedy, CHA's HOPE VI development.*

Table 6–3: Conventional Housing Work Orders, FY 2005, Budgeted vs. Actual

Property	FY 2005 Budgeted		FY 2005 Actual	
	Emergency	Non-Emergency	Emergency	Non-Emergency
	% Completed Under 24 hrs	Average Days to Complete	% Completed Under 24 hrs	Average Days to Complete
Washington Elms	100%	< 7	100%	9.15
Corcoran Park	100%	< 7	100%	2.56
Putnam Gardens	100%	< 7	100%	1.82
Newtowne Court	100%	< 7	100%	13.57
River Howard	100%	< 7	100%	4.36
Jefferson Park	100%	< 7	100%	7.7
Roosevelt Towers	100%	< 10	100%	2.56
Scattered Sites	100%	< 10	100%	6.63
Truman Apartments	100%	< 7	100%	1.14
Burns Apartments	100%	< 7	100%	1.91
Millers River	100%	< 7	100%	0.91
L.B. Johnson	100%	< 7	100%	4.56
Weaver	100%	< 7	100%	3.62
Average			**100%**	**4.7**

* *Excludes JF Kennedy, CHA's HOPE VI development.*

Table 6–4: Conventional Public Housing Occupancy Levels, FY 2005, Budgeted vs. Actual *

Property	FY 2005 Budgeted			FY 2005 Actual			Difference Budgeted vs. Actual	
	Gross %	Adjusted %	Adjusted Vacancy Rate	Gross %	Adjusted %	Adjusted Vacancy Rate	Gross %	Adjusted %
Washington Elms	99.0%	99.0%	1%	99.4%	99.4%	1%	0%	0%
Corcoran Park	99.0%	99.0%	1%	99.4%	99.4%	1%	0%	0%
Putnam Gardens	98.0%	98.0%	2%	99.2%	99.2%	1%	1%	1%
Newtowne Court	98.0%	98.0%	2%	99.6%	99.6%	0%	2%	2%
Jackson Street	99.0%	99.0%	1%	100.0%	100.0%	0%	1%	1%
Fairmont Street	100.0%	100.0%	0%	100.0%	100.0%	0%	0%	0%
Valentine Street	100.0%	100.0%	0%	100.0%	100.0%	0%	0%	0%
River Howard**	100.0%	100.0%	0%	90.6%	100.0%	0%	-9%	0%
Jefferson Park	100.0%	100.0%	0%	97.2%	97.2%	3%	-3%	-3%
Scattered Sites**	100.0%	100.0%	0%	76.9%	100.0%	0%	-23%	0%
Garfield Street	100.0%	100.0%	0%	100.0%	100.0%	0%	0%	0%
Roosevelt Towers	99.0%	99.0%	1%	99.2%	99.2%	1%	0%	0%
Truman Apartments**	95.0%	98.0%	2%	89.4%	100.0%	0%	-6%	2%
Burns Apartments**	85.0%	98.0%	2%	87.4%	100.0%	0%	-3%	2%
Millers River**	80.0%	99.0%	1%	69.4%	99.5%	1%	-11%	1%
L.B. Johnson**	75.0%	99.0%	1%	63.9%	94.3%	6%	-11%	-5%
Weaver	95.0%	100.0%	0%	100.0%	100.0%	0%	5%	0%
Total	**90.0%**	**98.0%**	**2%**	**89.0%**	**98.9%**	**1%**	**-1%**	**1%**

* *Excludes HomeOwners and JF Kennedy, CHA's HOPE VI development.*

** *Adjusted by modernization activities.*

Table 6–5: Rent Collection Levels, FY 2000 to FY 2005

Property	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Washington Elms	90.1%	98.0%	97.9%	98.4%	98.4%	97.5%
Corcoran Park	95.0%	99.0%	99.4%	99.4%	99.4%	98.8%
Putnam Gardens	95.4%	99.1%	98.6%	97.7%	97.9%	96.6%
Newtowne Court	95.8%	99.2%	99.1%	99.3%	99.3%	98.4%
Jackson Street	100.0%	99.2%	97.7%	97.8%	99.3%	94.7%
Fairmont Street	97.0%	100.0%	100.0%	98.7%	99.3%	94.7%
Valentine Street	98.5%	100.0%	100.0%	100.0%	99.3%	94.7%
River Howard	100.0%	100.0%	98.7%	98.7%	99.5%	98.6%
Jefferson Park	94.7%	99.0%	98.9%	99.1%	98.5%	98.2%
Scattered Sites	100.0%	100.0%	100.0%	99.6%	100.0%	96.4%
Garfield Street	73.5%	95.1%	100.0%	100.0%	100.0%	99.3%
Roosevelt Towers	93.4%	98.7%	98.7%	99.7%	99.1%	98.1%
Truman Apartments	92.2%	98.5%	99.8%	99.7%	99.1%	99.2%
Burns Apartments	97.2%	99.4%	99.7%	99.9%	99.9%	99.6%
Millers River	96.7%	99.3%	99.4%	100.0%	99.8%	99.7%
L. B. Johnson	94.4%	99.0%	98.1%	100.0%	99.6%	99.1%
Weaver	99.8%	100.0%	99.6%	100.0%	100.0%	99.5%
Total	**95.0%**	**99.0%**	**98.6%**	**99.3%**	**99.1%**	**98.3%**

Table 6–6: Inspections, FY 2005, Budgeted vs. Actual - Leased Housing

	Budgeted FY 2005		Actual FY 2005	
Type of Inspection	**Inspected**	**Passing HQS**	**Inspected**	**Passing HQS**
Annual HQS Inspections	100%	100%	100%	100%

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Appendix Seven: Resident Satisfaction Survey

Cambridge Housing Authority

Annual Report FY 2005

CHA
CAMBRIDGE HOUSING AUTHORITY

CHA PUBLIC HOUSING RESIDENT SATISFACTION SURVEY
Summary of Results
April 2005

Technical comment: N refers to the number of valid, completed responses. Percentages are based on the total number of completed responses except for the percentages of the "no response" values, which are based on all 243 respondents.

DEVELOPMENT AND NEIGHBORHOOD SATISFACTION

1. Overall, how satisfied are you with:

	Very Satisfied	Somewhat Satisfied	Somewhat Dissatisfied	Very Dissatisfied	Does Not Apply	Don't Know	No Response
The quality and conditions of your apartment? N=242	52% (126)	35% (85)	7% (18)	5% (12)	<.5% (1)	0% (0)	<.5% (1)
The quality and conditions of the outside grounds including playgrounds, sitting areas and parking lots? N=243	51% (125)	29% (70)	9% (21)	8% (20)	2% (5)	1% (2)	0% (0)
The safety and security of your neighborhood? N=243	48% (117)	33% (79)	9% (22)	7% (18)	<.5% (1)	2% (6)	0% (0)
CHA's maintenance services? N=242	59% (143)	29% (69)	10% (23)	1% (3)	<.5% (1)	1% (3)	<.5% (1)
The quality and availability of social services in your CHA development? N=243	47% (114)	15% (37)	5% (12)	3% (8)	15% (36)	15% (36)	0% (0)

SATISFACTION WITH MAINTENANCE AND REPAIRS

2. Over the past year, how many times have you called CHA for maintenance or repairs?
N=243

15% (37)	None
63% (152)	1-3 times
21% (50)	More than 3 times
<.5% (1)	Don't know
1% (3)	Can't remember

3. Based on your experience over the past year requesting maintenance or repairs from CHA, how satisfied were you with:

	Very Satisfied	Somewhat Satisfied	Somewhat Dissatisfied	Very Dissatisfied	Does Not Apply	Don't Know
The process of requesting repairs N=214	60% (129)	29% (61)	6% (13)	5% (10)	<.5% (1)	0% (0)
The quality of the repair work N=213	61% (130)	25% (54)	6% (13)	7% (14)	<.5% (1)	<.5% (1)
The amount of time it took to complete the repairs N=214	65% (139)	18% (38)	7% (14)	7% (15)	1% (3)	2% (5)
The way you were treated by the person doing the repairs N=214	84% (180)	9% (20)	1% (2)	1% (3)	2% (5)	2% (4)

SATISFACTION WITH MANAGEMENT SERVICES

4. Over the past year, how many times have you called or visited your CHA Housing Management Office?
N=242

21% (51)	None
57% (138)	1-3 Times
19% (45)	More than 3 times
1% (2)	Don't know
2% (6)	Can't remember
<.5% (1)	No Response

5. Based on your experience over the past year with your CHA Housing Management Office, how satisfied were you with:
N=201

	Very Satisfied	Somewhat Satisfied	Somewhat Dissatisfied	Very Dissatisfied	Does Not Apply	Don't Know
The availability of information on your rent or lease responsibilities	64% (129)	24% (48)	7% (14)	3% (6)	1% (3)	<.5% (1)
The accuracy of the information that was provided to you	63% (127)	24% (48)	5% (11)	4% (8)	2% (4)	1% (3)
The way you were treated by the office staff	71% (142)	17% (34)	4% (9)	6% (12)	1% (3)	<.5% (1)

SAFETY

6. How safe do you feel?

	Very Safe	Safe	Unsafe	Very Unsafe	Does Not Apply	No Response
In your unit/home N=243	63% (153)	30% (72)	6% (14)	1% (3)	<.5% (1)	0% (0)
In the hallway and lobby of your building N=242	50% (122)	26% (64)	7% (16)	1% (2)	16% (38)	<.5% (1)
On the outside grounds of your development N=242	50% (121)	33% (80)	12% (28)	3% (8)	2% (5)	<.5% (1)

7. Do you think any of the following contribute to crime in your development?
N=243

	Responses
Bad Lighting	22% (54)
Broken Locks	10% (25)
Location of development	13% (31)

	Responses
Police do not respond	11% (26)
Residents don't care	28% (68)
Residents are loud	19% (46)
There are many vacant units	5% (13)
Uninvited non-residents on property	26% (62)
Trespass Issues	23% (57)

PROPERTY APPEARANCE & IMPROVEMENT PRIORITIES

8. How often, if at all, are any of the following a problem in your development?

	Never	Sometimes	Most of the Time	Always	No Response
Abandoned Cars N=241	89% (214)	9% (21)	<.5% (1)	2% (5)	1% (2)
Broken Glass N=242	83% (202)	14% (34)	1% (2)	2% (4)	<.5% (1)
Graffiti N=242	88% (214)	11% (27)	<.5% (1)	0% (0)	<.5% (1)
Rodents and/or insects N=242	65% (157)	23% (56)	5% (12)	7% (17)	<.5% (1)
Trash/litter N=242	58% (141)	21% (51)	13% (32)	7% (18)	<.5% (1)
Vacant Units N=239	92% (219)	6% (14)	<.5% (1)	2% (5)	2% (4)

9. CHA would like to know your opinions about where to spend the limited improvement funds that may be available in the future. For each of the following items, please indicate whether you believe each item is a "Priority", "Not a Priority" or you have "No Opinion."

	Priority	Not A Priority	No Opinion	No Response
Renovate or upgrade kitchens N=238	42% (99)	54% (128)	5% (11)	2% (5)
Renovate or upgrade bathrooms N=242	38% (92)	58% (140)	4% (10)	<.5% (1)
Create larger apartments with more interior space N=242	41% (99)	52% (127)	7% (16)	<.5% (1)
Install dishwashers in apartments N=242	26% (64)	67% (162)	7% (16)	<.5% (1)
Install washer and dryer hook ups in apartments N=242	27% (65)	60% (145)	13% (32)	<.5% (1)
Install wiring to allow internet access N=241	20% (48)	62% (150)	18% (43)	1% (2)
Improve the outside grounds and landscaping N=242	31% (76)	64% (156)	4% (10)	<.5% (1)
Improve security through more police patrols N=241	49% (117)	44% (106)	7% (18)	1% (2)
Provide more social service programs for youth N=241	46% (110)	42% (101)	12% (30)	1% (2)
Provide more social service programs for seniors N=242	48% (115)	42% (102)	10% (25)	<.5% (1)
Provide more social service programs for adults N=240	45% (108)	47% (112)	8% (20)	1% (3)

9A. Which one of these do you consider to be your #1 Priority?

Maintenance

- ❑ **Renovate or upgrade kitchens** (25 respondents)
- ❑ **Renovate or upgrade bathrooms** (17 respondents)

- **Renovate kitchens and bathrooms** (7 respondents)
- **Washer and dryer hook ups** (7 respondents)
- **Improve the outside grounds and landscaping** (4 respondents)
- **Windows** (3 respondents)
- **Exterminate cockroaches** (1 respondent)

Social Services/Programs

- **Social services/programs for youth** (21 respondents)
- **Social service programs for seniors** (6 respondents)
- **Social service programs for adults** (2 respondents)

Amenities

- **Improve security through more police patrols** (42 respondents)
- **Create larger apartments with more interior space** (29 respondents)
- **Install dishwashers in apartments** (6 respondents)
- **Install wiring to allow internet access** (2 respondents)
- **Extra elevator** (1 respondent)
- **New carpet and new paint** (1 respondent)
- **Paint** (1 respondent)
- **Hallway refurbishing** (1 respondent)
- **Renovate the bedroom** (1 respondent)
- **Storage** (1 respondent)

Multiple Responses

- **Internet and dishwasher** (1 respondent)
- **Social service programs for adults; outside meeting area; bench and patio in back of building** (1 respondent)
- **Security and new cabinets** (1 respondent)

9B. Are there any other items that you believe are a "Priority"?

Maintenance

- **Upgrade kitchens** (7 respondents), including " cabinets need to be replaced", "need new counter in kitchen", " need new kitchen floor"
- **Windows** (6 respondents), including "replace windows" (3), "clean the windows once a year", "safety window guards for kids", "rain comes in through windows"
- **Washer and dryers** (6 respondents), including "put side by side washer and dryer in hall, not piggy back unit"
- **Plumbing** (4 respondents), including "pipes to be covered", "water pressure and temperature", "fixing the leaks"
- **Trash** (4 respondents), including "more trash pickup", "more trash receptacles", "close trash receptacles, smells bad", "animal infestation of trash"
- **Basements** (4 respondents), including "basements are leaking and moldy", "flooding in basement"
- **Doors** (4 respondents), including "need new door locks", "screen doors", "put better security for sliding glass doors", "replace the sliding glass door tracks"
- **Renovate bathrooms** (3 respondents), including "bathroom exhaust system is poor", "bathrooms needed on each level for children and seniors"
- **Improve heat** (3 respondents), including "venting system clogged"
- **Stairway repairs** (1 respondent), including "broken stairs need to be repaired"
- **Exterminate cockroaches and rats** (1 respondent)
- **Winter maintenance** (1 respondent), including "need to salt walkways in winter"
- **Electrical problems** (1 respondent), "electrical sockets are loose"
- **Low rent** (1 respondent)

Social Services/Programs

- **Youth programs** (3 respondents), including "cut down on youth drinking"
- **More activities** (1 respondent)

Amenities

- **Create larger apartments** (5 respondents)
- **Additional Storage** (5 respondents)
- **Cable TV** (3 respondents), including "allow dish antennae"

- **Security** (2 respondents), including "safety is a concern, more police presence"
- **Parking** (2 respondents), including "need more parking, enforce the rules"
- **Lighting** (2 respondents), including "additional lighting in the parking lot", "increase lighting in the parking area and sides of building"
- **Flooring** (2 respondents), including "clean or change floors", "replace flooring"
- **Carpeting** (2 respondents), "take up carpeting with dust and mold", "shampoo carpets"
- **Dishwashers** (2 respondents)
- **Hallways** (2 respondents)
- **Fewer police patrols are needed** (1 respondent)
- **Playground** (1 respondent)
- **Inside painting** (1 respondent)
- **Elevators** (1 respondent)

RESIDENT COUNCIL

10. In the past year, have you participated in any meetings or activities sponsored by your development's Resident Council?
N=240

49% (118)	Yes
51% (122)	No
1% (3)	No Response

11. Do you have any comments or suggestions you would like to make to CHA about your apartment or development?
This is an open-ended question and does not allow for a summary of responses.

REASONABLE ACCOMODATIONS

12. Do you or any member of your household need accommodations due to physical or psychiatric conditions in order to enjoy equal access to CHA programs?

N=240

10% (24)	Yes
90% (216)	No
1% (3)	No Response

12A. If "yes", please answer the following questions:

	YES	NO
Did you experience any difficulties related to this condition(s) during the admission process? N=24	17% (4)	83% (20)
After admission, have you experienced any difficulties related to this condition(s) when dealing with CHA Staff or maintenance personnel? N=24	21% (5)	79% (19)
Due to the nature of this condition(s), have you experienced any difficulties related to the use of your apartment, your building, or other CHA facilities? N=24	29% (7)	71% (17)
Have you ever requested a change to your apartment to improve the physical access and/or communications, which was neglected or unreasonably denied by CHA? N=24	33% (8)	67% (16)
Have you ever requested that CHA change a policy or procedure to accommodate this condition(s)? N=23	26% (6)	74% (17)

12B. If you responded "yes" to any of the above questions relating to this condition (s), please explain:

- **Would like an elevator**
- **Commission for the blind helped the resident**
- **Needed to request accommodations through the doctor; overcharged rent due to deduction for disability**
- **Would like a second door in the apartment**
- **More apartment accommodations are needed for people with disabilities**
- **Resident needs help with cooking and moving**

- CHA accommodated the request
- Request was denied
- Would like seating downstairs for disabled
- CHA is doing the best they can
- Ventilation, air quality is terrible
- This place is terrible, the resident is not helped

Appendix Eight: FY 2004 Financial Audit

Cambridge Housing Authority

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March 31, 2004

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Cambridge Housing Authority:

We have audited the basic financial statements of the Cambridge Housing Authority as of and for the year ended March 31, 2004. These basic financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit 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 audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic 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 audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Cambridge Housing Authority as of March 31, 2004, and the results of it's operations and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in note 1 to the basic financial statements, the Authority adopted the provisions of Governmental Accounting Standards Board Statement No. 34, basic Financial Statements and Managements Discussion and Analysis for State and Local Governments as of April 1, 2003. This results in a change in the format and content of the basic financial statements.

In accordance with Government Auditing Standards, we have also issued our report dated November 1, 2004 on our consideration of the Cambridge Housing Authority's internal control over financial reporting and our tests on it's compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. 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 the results of our audit.

The Management's Discussion and Analysis contained on pages 3 through 16 is not a required part of the basic financial statements but is supplementary information required by the Government Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the Cambridge Housing Authority taken as a whole. The Schedule of Expenditures of Federal Awards contained on page 45 is not a required part of the basic financial statements and is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. The Financial Data Schedule contained on pages 53 through 69 is also not a required part of the basic financial statements and is presented for the purposes of additional analysis as required by the U.S. Department of Housing and Urban Development. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

November 1, 2004
Toms River, New Jersey

CAMBRIDGE HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED MARCH 31, 2004

As of March 31, 2004, Cambridge Housing Authority (CHA) together with its component units owned and managed a portfolio of 46 properties containing 1,652 units of family housing and 1,142 units of elderly/disabled housing for a total of 2,794 units. CHA serves approximately 5,400 residents per year in these units.

The public housing units consist of; 1,865 (67%) Federal, 798 (28%) State and 131 (5%) owned by 3 non-profit affiliates.

The CHA's component unit entities are;

- Essex Street Management Inc.- a fully owned 501 (c) (3) corporation,
- Cambridge Affordable Housing Corporation (CAHC)-a fully owned 501 (c) (3) corporation
- Lancaster Street LLC fully owned by CAHC.
- Kennedy Management, Inc. the developer for JFK LLC (HOPE VI) project

CHA also administers approximately 2,630 units of Leased housing of which 160 (6%) are funded under the State Leased housing program (MRVP/ AHVP). As of March 31, 2004 the Federal leased housing programs consist of 1,816 units Moving-To-Work Housing Choice vouchers, 500 units of Non-Moving-To-Work Housing Vouchers and 156 units in 5 Mod Rehab programs.

Cambridge Housing is currently participating in HUD's Moving To Work (MTW) Deregulation Demonstration program. Fiscal year 2004 is CHA's fifth year of participation in the 7-year demonstration program. (This audit will be provided to HUD as part of CHA's next MTW annual report).

TRANSACTIONS WITH AFFILIATES

CHA serves as the managing agent and provides management services for the three non-profit affiliates with housing units. The managing agent is treated as one of the programs under CHA's umbrella and is therefore allocated its own share of the agency's overhead. The managing agent program earns fees for property management services from the affiliates. Please refer to the aforementioned component units separately issued financial statements.

OTHER RELATED PARTIES

CHA earns developer's fees from unconsolidated real estate entities in which it serves as the developer. The entities in this category are: Neville Assisted Living Limited Partnership, JFK LLC-the HOPE VI project and the Neville Communities Home Inc.-nursing home project. The Neville organizations and JFK LLC were developed in partnership with CHA but are not considered component units and therefore not included in the basic financial statements. Developer's fees are also earned in the acquisition of units for the related parties and affiliates.

The Basic Financial Statements of Cambridge Housing Authority were prepared in conformity with Generally Accepted Accounting Principles (GAAP) and accordingly reflects the financial information on Federal, (HUD) State (MA) and the four CHA's non-profit affiliates of the agency.

CAMBRIDGE HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED MARCH 31, 2004

Selected Financial Highlights

In addition to the following highlights, a more descriptive account of the financial operations is provided on subsequent pages of this report.

- The assets of the Authority exceeded its liabilities as of March 31, 2004 by $136,330,423.
- Total operating revenues for the year ended March 31,2004 were $58,474,495 (Exhibit C)
- Housing and Urban Development (HUD) capital grants for the year ended March 31,2004 were $3,910,528; State capital grant was $283,177.
- Available (above minimum) Operating Reserves as of March 31, 2004 were $6,375,666 after deduction for operations. The reserve breakdown by programs are as follow:

Federal LIPH	$3,596,209
M-T-W Vouchers	$1,545,935
Non M-T-W Vouchers	$49,368
Homeowners Program	$9,258
Combined (5) MOD REHABS	$159,617
Total Federal Programs	**$5,360,387**
State LIPH	$261,974
State/NC-Roos. Towers	$274,481
State/NC-Putnam	$300,458
State Special Needs	$134,140
State Leased Housing Program	$18,857
Total State Programs	**$989,910**
Affiliate – ESSEX Street	$21,042
Affiliate – CAHC	$4,327
Total Affiliate	**$25,369**

Operational Issues

CHA ended the fiscal year with a lease-up rate of 107% of the awarded level in the MTW voucher program. It will be difficult to sustain this level given post audit period changes in the funding of Housing Choice Vouchers and the demand for Project Based vouchers and alternate uses under MTW.

State funding for capital expenditure and operations continues to pose a problem. The state does not fund operations at a level sufficient to sustain reasonable activities associated with day-to-day management and maintenance. Furthermore the state provides inadequate capital funds especially in view of the age of the properties and authority's estimates of need.

CAMBRIDGE HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED MARCH 31, 2004

The Basic Financial Statements in the annual report include the following:

- Statement of Net Assets - reports the Authority's current financial resources including capital assets and debt obligations.
- Statement of Revenues, Expenses and Changes in Net Assets - reports the operating and non-operating revenues, the operating and non-operating expenses and the capital contributions.
- Statement of Cash Flows - reports the cash flows from operating, investing, capital and non-capital activities.

The analysis included in the discussion below provide detailed financial information concerning the activities of Fiscal year 2004

Analysis of Statement of Net Assets

The data presented in **Exhibit A** compares the Balance Sheet data for FY 2004 and FY 2003.
Total Cash & Investment for FYE 2004 was $19,757,927 and at FYE 2003 the amount was $23,609,219 representing a net decrease of $3,851,292. This decrease was accounted for by a number of factors:

- $1.3MM in Extra-ordinary maintenance expenditure
- $2.6MM in capital expenditures.
- $1MM was contributed by the MTW Voucher program towards acquisition of new units in the Affiliate-CAHC. The ability to make these contributions was due in part to the flexibility afforded CAHC as a block grant authority under the MTW agreement.
- $2MM was expended from MTW Voucher program in housing assistance payments to meet the increased lease-up effort.

These expenditures were funded from existing reserves.

Net Fixed Assets increased 9% from $124,447,771 in FYE 2003 to $136,691,027 in FYE 2004 representing an increase of $12,243,256. This increase is due to capital outlays for construction-in-progress and new acquisitions made by the affiliates. Increased capital assets complimented the decrease in Cash and investment mentioned above. Cambridge Affordable Housing Corporation acquired a total of 30 units in fiscal year 2004, while major re-habilitation was in progress for an additional 12 units of public housing. Lancaster LLC spent $2.1MM on major rehabilitation costs. The increase in capital costs of $20.4MM was reduced to $12MM by accumulated depreciation.

Total Liabilities at FYE 2004 was $36,397,490 versus $19,344,713 at FYE 2003 indicating an increase of $17,052,777. This increase was due to the loans and mortgages obtained to support the acquisitions and development activities mentioned earlier. The current liabilities of approximately $19MM includes a balloon payment of $3MM with a maturity date of November 2004 on one of the CAHC properties—195 Prospect Street. (Subsequently the bank has granted CAHC an 18-month extension on this loan.)

CAMBRIDGE HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED MARCH 31, 2004

Analysis of Statement of Activities

The Sources of Revenue by program for Cambridge Housing in FY 2004 are illustrated in **Exhibit B** and the corresponding chart. The changes in the operating statement are illustrated in **Exhibit C.**

Total revenues consist of Non-Operating Revenues and Operating Revenues.
Non-Operating Revenues are comprised of Capital grants and Investment Income. For FY 2004 and FY 2003 Non-Operating Revenues were $4,713,165 and $10,161,791 respectively indicating a net decrease of $5,448,626. The decrease was accounted for as follows:

- $2.9MM was due to a decrease in expenditure on HOPE VI $5MM grant, since the construction work under HOPE VI was nearly complete and funded in FY 2003.
- $1.6MM was due to a reduction in State modernization funding in FY 2004 which corresponded with a decrease in expenditures.
- A development grant of $625K for State-assisted Woodbridge project was funded and expended in FY 2003.
- The $290K decrease in investment income was a result of lower cash reserves and a decrease in prevailing interest rates.

Operating revenues (Exhibit C) consist of Rental income, operating subsidy on State and Federal LIPH, Leased housing subsidy, non-dwelling income and acquisition grants from fungible programs and local agencies. For FY 2004 and FY 2003 total Operating revenues were $58,474,495 and $53,488,953 respectively indicating a net increase of $4,985,542. Some items which show a major increase are as follows:

- An increase of $2.5MM was due to the Leased Housing MTW Fund which allowed for annual (increase) adjustment by the Annual Adjustment factor.
- There was a $3.8MM increase in other revenues arising from various funding obtained by the affiliate-CAHC for the acquisition of properties.
- The above increases were partially offset by fiscal year reduction in revenues from these other programs:
- State leased housing program experienced a reduction of approximately $315K.
- State LIPH subsidy experienced a reduction of approximately $334K.
- The Federal 10-C program-2 Mt Auburn ran for only 6 months after which the program was folded into the Non-MTW Voucher program. This resulted in a decrease of $368K.
- Revenues available to cover capital administrative costs also experienced a reduction due to lower MOD/DEV/HOPE VI work items in both State and Federal programs.

Total Operating Expenses consist of Administrative expenses including Payroll costs, Tenant services, Contract Services, Maintenance & Repairs, Insurance, Taxes, management fees by affiliates to the managing agent, Utilities and Housing Assistance payments to landlords.
Operating expenses increased by 10% from $54,367,229 in FY 2003 to $60,648,187 FY 2004. The bulk ($4.9MM) of this increase was due to the increased landlord payment to compliment the increased lease-up effort relative to the previous year. This increased lease-up did not result from additional funding awards but from management's decision to support a higher level of voucher leasing.

Total Other Expenses for FY 2004 was $2,791,154 and for FY 2003 the figure was $3,423,065 indicating a reduction of $631,911 or 18%. The Authority experienced a lower level of expenditure on extraordinary maintenance relative to the previous year.
A 53% decrease in Interest Expense was due to an affiliated entity-Lancaster Street LLC which is in the development stage, undergoing significant construction, resulting in the capitalization of its debt service. The capitalization of interest costs offset the increase in interest expense that was the result of newly acquired debt from acquisitions.

FY 2004 Operating Loss of $2,173,692 adjusted for depreciation results in operating income of $6,637,874. The major components of this income are:

- An income of $4,833,854 in Affiliates due to the various acquisition grants.
- A deficit of $5,161 in combined leased housing programs.
- An income of $1,795,295 in combined LIPH programs.

Trend Analysis in major programs.

Trend Analysis is presented by discussing the three-year (FY 2004-FY 2002) activities for the LIPH-both federal and state and Leased housing programs.
Changes in revenues and expenses over the 3-year period ending March 31, 2004 for the two Public housing programs are illustrated in **Exhibits C-1.**
In the Federal program, the trend shows Revenues in FY 2003 being higher than that of FY 2002 & 2004. There were some non-recurring transactions that led to increased cash inflow in FY 2003. These include multi-year adjustments for utilities, and higher income received for developer's fees. Higher investment income in FY 2003 was a function of the economy and a greater amount of investments.
The trend in revenues in state program reflects a relatively level amount; the slight increase in the FY 2003 revenue was a result of higher subsidy for utility costs in that year.

The trend in operating expenses reflects the increased cost of operations over the 3-year period.
Changes in revenues and expenses over the 3-year period for Federal leased housing programs are illustrated in **Exhibits C-2.**
Federal Leased housing program revenues and expenses show a steady increase over the last three years. The rate of increase was more significant in fiscal year 2003 when CHA embarked on an aggressive lease-up effort coupled with the award of 67 additional units in the Non-MTW Voucher program. The increased lease-up effort continued to FY 2004 but at a much slower pace since CHA was then operating at close to the maximum level authorized. The MTW agreement on the Leased housing program called for an AAF adjusted increase in the funding level on an annual basis. The increased expenses over the three year period compliment the increased revenues.

Overview of Budgets

Cambridge Housing Authority adopts a consolidated budget for salaries and some administrative expenses. These are allocated to the various programs based on a defined Cost Allocation plan. Budgets for some specific programs and direct charges are based on the guidelines of the specific programs.
For Budgetary highlights, the Federal Public housing program and the State Public Housing program are hereby analyzed. This is followed by analysis of the federal leased housing program which represents 94% of all leased housing units.

Analysis of Low Income Public Housing Programs
Federal
Exhibit D shows the budget versus Actual data for FY 2004 for the federal LIPH.
Other revenues exceeded budget by $520,021 or 76%. This was due to a number of non-recurring or one-time adjustments that were not accounted for in the budget. These include receipt of $159,751 in developer's fee from Neville Communities Home Inc., $53,720 in developer's overhead from Cambridge Affordable Housing Corp., $145,299 prior year adjustment for old contract retentions and $58,240 from the sale of Carbon dioxide emission reduction credits. Investment income yielded $61,000 more than budgeted and fraud recovery produced an additional $35,000.

Operating Expenditures were in line with budget in most lines. The slight increase in the general expenses line was due to the subsidy released to JFK- the Tax credit/ Hope VI development. This item was not budgeted for originally.
The year ended with a net cash decrease of $2,221,745 as opposed to a budgeted deficit of $4,151,914. Management set-up a very ambitious plan for extraordinary and capital expenditure for the fiscal year. It was difficult to meet a very high level of expenditure given the fiscal year timetable beset on the CHA. Whereas a great deal of work was accomplished, some capital and extraordinary items were pushed forward to the following year, resulting in a significant discrepancy between budgeted and actual cash spent on capital programs.

Analysis of Federal Leased Housing Budgets

The Leased housing program consists of Moving-To-Work Vouchers, Non-MTW Vouchers, 5 Mod Rehabilitation programs and the state MRVP/AHVP program. The federal voucher programs earned approximately $75 per unit month in administrative fees while the state program earned $25 per unit month in administrative fees. The federal programs consist of 94% of all leased housing programs.

Exhibit E shows the comparative data for the federal leased housing program. The variance of $3.3MM between budget and actual subsidy was from the Non-MTW Voucher program. The original budget was based on and funded for 612 units, however over 205 units were later transferred to the Moving to Work program. Clarification and the processing of the unit transfer were not effected early enough to allow for a budget revision to be processed on the voucher program. CHA has recognized the excess subsidy due HUD and is carried as liability due HUD on the financial statement.

Housing Assistance payments were under budget by about $3.3MM. CHA has a sizeable pool of "expiring use" vouchers. The contract rent on these vouchers was budgeted at 120% of FMR. On turnover, these units revert to regular vouchers. Efforts are being made to re-issue them at contract rent amounts that are less than 120% of FMR. This accounts for some of the variance between the budgeted HAP and the actual HAP for the fiscal year.

Under the MTW program, CHA has fungiblity provision of its various funding sources. This explains management's decision to use some leased housing subsidy for capital outlays which consists of contributions to Affiliates for property acquisitions.

Summary

In conclusion, FY 2004 was another year where CHA worked hard to uphold its mission of managing and developing safe & good quality, affordable housing for low-income individuals.

There are challenges in increasing the number of available units as well as performing the required maintenance and upkeep of the existing buildings. Using the vehicle of its Affiliates, CHA has been able to acquire some additional units of affordable housing. While there is a need for more units, this trend may not continue at the same pace as resources become limited.

CHA has been able to maintain good quality in its federal LIPH stock by tapping into its reserves and utilizing its annual capital grant award. Reserves are no longer accumulating at previous rates; on the contrary, the trend is to diminish reserves in rebuilding the inventory and by acquiring additional units. In addition the current capital funds have already been allocated to capital improvements that are currently underway.

The State developments present a much different and troubling scenario. The physical condition of these program's properties is deteriorating as maintenance items are deferred due to insufficient operating funding. Capital Improvement grants are not based on formula like the federal program, but on the judgment of state officials who have a very limited budget to address such needs. CHA has repeatedly used the flexibility afforded by MTW to address some of the most pressing needs in the state portfolio, but the agency cannot do this indefinitely. CHA continues to explore alternative non-MTW, non-federal LIPH resources with state officials.

Providing affordable housing under the leased housing program is affected by the changes in the HUD funding mechanism and the appropriations. Factors are at play that are beyond CHA's control.
In light of the above, CHA will continue to focus on the things it can control and optimize its existing resources in keeping its mission on track.

CAMBRIDGE HOUSING AUTHORITY AND AFFILIATES
MANAGEMENT DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING MARCH 31, 2004

EXHIBIT A

Analysis of Entity Wide Statement of Net Assets

	FY 2004	FY 2003	VARIANCE	%
Unrestricted Cash & Investment	$16,983,306	$23,609,219	-$6,625,913	-39.01%
Other Assets *	$12,001,844	$12,176,299	-$174,455	-1.45%
Capital Assets	$136,691,027	$124,447,771	$12,243,256	8.96%
Total Assets	**$165,676,177**	**$160,233,289**	**$5,442,888**	**3.29%**
Current Liabilities	$12,168,884	$7,931,433	$4,237,451	34.82%
Long-Term Liabilities	$17,176,870	$15,867,502	$1,309,368	7.62%
Total Liabilities	**$29,345,754**	**$23,798,935**	**$5,546,819**	**18.90%**
Total Net Assets	**$136,330,423**	**$136,434,354**	**-$103,931**	**-0.08%**
Liabilities and Net Assets	**$165,676,177**	**$160,233,289**	**$5,442,888**	**3.29%**

Note:

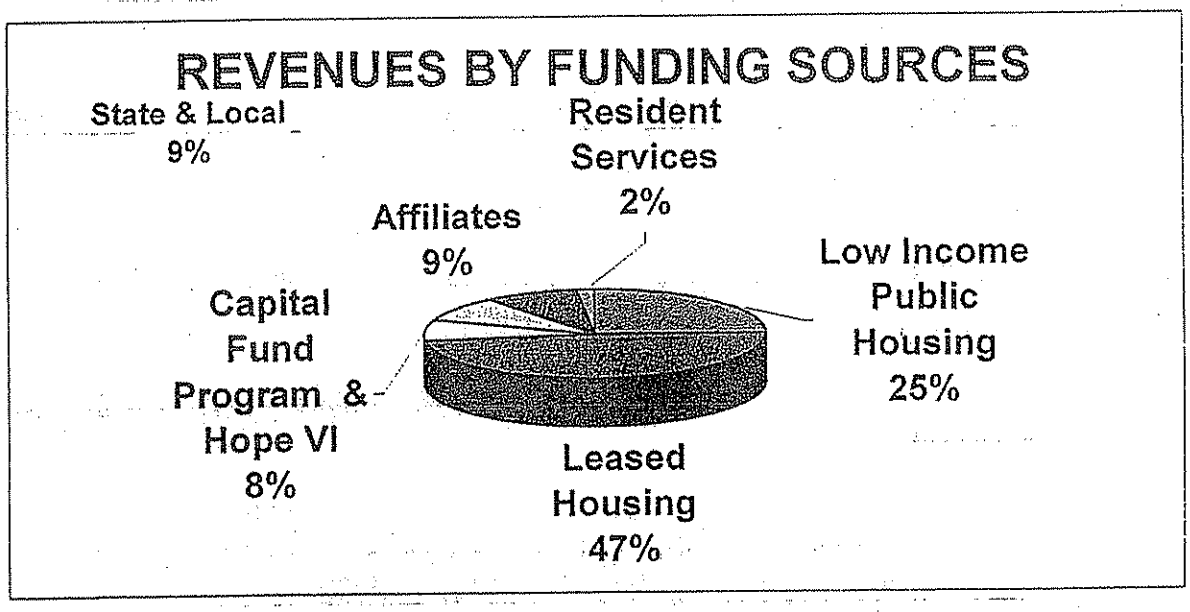
* Other Assets include Restricted Cash & Investment, various Accounts receivables, Inventory Prepaid Accounts, Notes & Mortgages receivable from affiliates.

** The total Asset (shown on page 19 of annual Report) of $172,727,913 less Interprogram receivable/payable of $7,051,737 equals $165,676,176

CAMBRIDGE HOUSING AUTHORITYAND AFFILIATES
MANAGEMENT DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING MARCH 31, 2004

EXHIBIT B

		REVENUES
Low Income Public Housing (Federal subsidy, Rent & Other income)		$15,826,771
Leased Housing		$30,289,628
Moving-To-Work Vouchers	22,003,600	
Non-MTW Vouchers	7,081,917	
Mod. Rehabilitation	1,204,111	
Capital Fund Program & Hope VI (Non-Operating)		$4,774,208
State & Local		5,684,765
Low Income Public Housing	3,574,307	
State Leased Housing Program	771,016	
Sub. Rehabilitation New construction	1,041,425	
Capital Grant (Non-operating)	298,017	
Affiliates	5,625,538	5,625,538
Resident Services		$975,284
Service Coordinator	54,999	
ROSS	730,433	
Shelter Plus Care	189,852	
Total Revenues		$63,176,194



CAMBRIDGE HOUSING AUTHORITY
MANAGEMENT DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING MARCH 31, 2004

EXHIBIT C

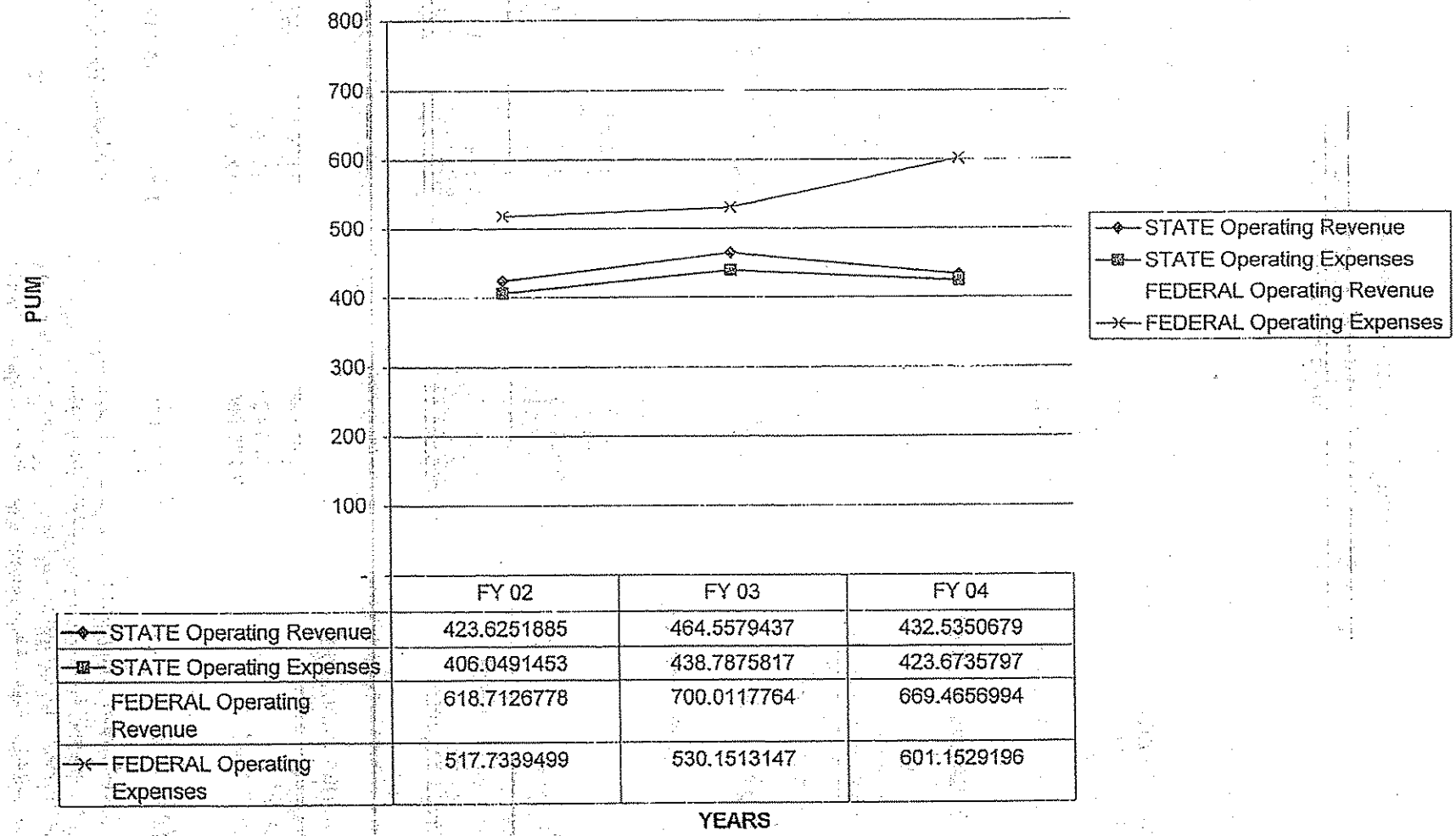
Analysis of Entity Wide Statement of Activities

	FY 2004	FY 2003	VARIANCE	%
NON-OPERATING REVENUE:				
Capital Grants-Federal	3,910,528	6,840,992	(2,930,464)	-74.94%
Capital Grants-State	283,177	2,474,198	(2,191,021)	-773.73%
Other Income	507,996	846,601	(338,605)	-66.66%
Total Non-Operating Revenue	**4,701,701**	**10,161,791**	**(5,460,090)**	-116.13%
OPERATING REVENUE:				
Tenant Rental Revenue	11,706,911	11,500,293	206,618	1.76%
Public Housing Subsidy-Federal	6,391,767	6,684,042	(292,275)	-4.57%
Public Housing Subsidy-State	970,020	1,304,176	(334,156)	-34.45%
Leased Housing Subsidy-Federal	29,598,227	27,102,328	2,495,899	8.43%
Leased Housing Subsidy-State	770,218	1,084,906	(314,688)	-40.86%
Other Governmental funding *	3,052,814	3,695,847	(643,033)	-21.06%
Other Revenue **	5,984,538	2,117,361	3,867,177	64.62%
Total Operating Revenue	**58,474,495**	**53,488,953**	4,985,542	8.53%
OPERATING EXPENSES:				
Administrative	7,999,556	7,852,918	146,638	1.83%
Tenant Services	604,999	510,682	94,317	15.59%
Utilities	5,703,014	5,241,595	461,419	8.09%
Maintenance	6,699,290	6,253,379	445,911	6.66%
Protective services	307,998	144,295	163,703	53.15%
General Expenses	1,118,260	1,201,949	(83,689)	-7.48%
Housing Assistance Payments	29,403,504	24,539,016	4,864,488	16.54%
Depreciation Expense	8,811,566	8,623,395	188,171	2.14%
Total Operating Expenses	**60,648,187**	**54,367,229**	6,280,958	10.36%
Excess Operating Revenue over Operating Exp	(2,173,692)	(878,276)	(1,295,416)	59.60%
OTHER EXPENSES				
Extraordinary Maintenance	2,451,288	2,920,532	(469,244)	-19.14%
Interest Expense	328,402	502,533	(174,131)	-53.02%
Total Other Expenses	**2,779,690**	**3,423,065**	(643,375)	-23.15%
Change in Net Assets	**(251,681)**	**5,860,450**	**(6,112,131)**	

* Other Governmental funding consists of Resident Services grants, New Construction subsidy, 10-C subsidy and revenues for capital administrative costs

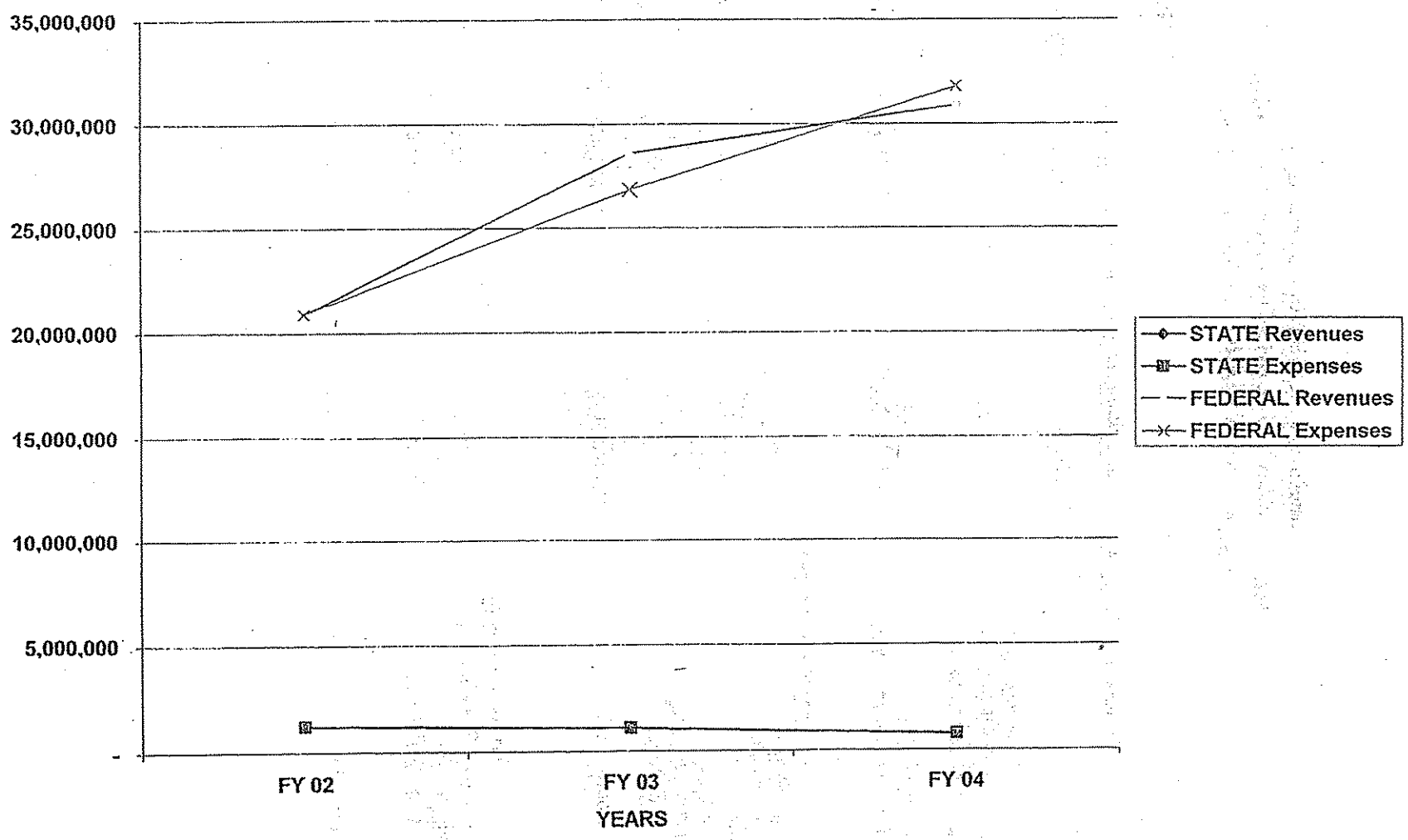
** Other Revenue consists of Affiliate acquisition grants($4.4MM), Developer's Fee($213K) management fees earned($66K) and receipts under miscellaneous programs

LOW INCOME PUBLIC HOUSING (STATE & FEDERAL)
CHANGES IN INCOME & EXPENSES EXHIBIT C-1



	FY 02	FY 03	FY 04
STATE Operating Revenue	423.6251885	464.5579437	432.5350679
STATE Operating Expenses	406.0491453	438.7875817	423.6735797
FEDERAL Operating Revenue	618.7126778	700.0117764	669.4656994
FEDERAL Operating Expenses	517.7339499	530.1513147	601.1529196

LEASED HOUSING PROGRAMS (STATE & FEDERAL)
CHANGES IN INCOME & EXPENSES EXHIBIT C-2



CAMBRIDGE HOUSING AUTHORITY
MANAGEMENT DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING MARCH 31, 2004

EXHIBIT D

Comparison Budget vs Actual--(Federal) Low Income Public Housing

	Actual	Budget	VARIANCE	%
OPERATING REVENUE:				
Tenant Rental Revenue	7,874,103	7,827,969	46,134	0.59%
Public Housing Subsidy	6,391,767	6,391,767	-	0.00%
Other Revenue	684,638	164,617	520,021	75.96%
Total Operating Revenue	**14,950,508**	**14,384,353**	566,155	3.79%
OPERATING EXPENSES:				
Administrative	3,366,298	3,380,093	(13,795)	-0.41%
Tenant Services	31,264	32,950	(1,686)	-5.39%
Utilities	4,261,325	4,224,516	36,809	0.86%
Maintenance	4,637,325	4,735,755	(98,430)	-2.12%
Protective services	307,998	223,912	84,086	27.30%
General Expenses	820,736	696,212	124,524	15.17%
Total Operating Expenses	**13,424,946**	**13,293,437**	131,509	0.98%
OTHER EXPENSES				
Extraordinary Maintenance	950,422	1,500,000	(549,578)	-57.82%
Capital Outlays	2,796,885	3,742,830	(945,945)	-33.82%
Total Other Expenses	**3,747,307**	**5,242,830**	(1,495,523)	-39.91%
NET INCREASE (DECREASE) IN CASH	**(2,221,745)**	**(4,151,914)**	1,930,169	-86.88%

CAMBRIDGE HOUSING AUTHORITY
MANAGEMENT DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING MARCH 31, 2004

EXHIBIT E

Comparison Budget vs Actual--(Federal) Leased Housing Program

	Actual	PUC	Budget	VARIANCE	%
OPERATING REVENUE:					
Leased Hous.Subsidy-MTW	21,368,001	1,079	21,368,001	-	0.00%
Leased Hous. Subsidy-Non-MTW	7,033,285	994	10,264,685	(3,231,400)	-45.94%
Leased Hous. Subsidy-Mod Rehabs	1,196,976	617	1,266,385	(69,409)	-5.80%
Other Revenue	691,402		688,706	2,696	0.39%
Total Operating Revenue	**30,289,664**		**33,587,777**	(3,298,113)	-10.89%
OPERATING EXPENSES:					
Administrative	2,103,623		2,305,585	(201,962)	-9.60%
Housing Assistance Payments	27,912,929		31,216,919	(3,303,990)	-11.84%
Total Operating Expenses	**30,016,552**		**33,522,504**	(3,505,952)	-11.68%
OTHER EXPENSES					
MTW Capital Outlays	1,162,141		1,000,000	162,141	13.95%
Total Other Expenses	**1,162,141**		**1,000,000**	162,141	13.95%
NET INCREASE (DECREASE) IN CASH	(889,029)		(934,727)	45,698	-5.14%

BASIC FINANCIAL STATEMENTS

Cambridge Housing Authority
Statement of Net Assets - All Enterprise Funds
March 31, 2004

	Business Activities	Public Housing	Voucher	Totals
ASSETS				
Current Assets:				
Cash and cash equivalents	$ 2,130,607	5,653,467	5,823,994	13,608,068
Accounts receivable - HUD	-	610,418	116,486	726,904
Account receivable - tenants	-	45,329	-	45,329
Accounts receivable - other	242,530	985,065	342,019	1,569,614
Accrued interest receivable	-	17,475	74,460	91,935
Investments	50,000	4,099,859	2,000,000	6,149,859
Prepaid expenses	52,356	392,905	19,185	464,446
Inventories	-	64,281	-	64,281
Notes receivable - current portion	-	-	226,050	226,050
Interprogram receivable	66,663	1,900,768	5,084,306	7,051,737
Total current assets	$ 2,542,156	13,769,567	13,686,500	29,998,223
Restricted assets:				
Cash - family self sufficiency / homeowners	-	747,528	138,636	886,164
Other restricted cash	70,397	-	-	70,397
Total restricted assets	70,397	747,528	138,636	956,561
Capital assets:				
Land	1,771,864	9,501,441	-	11,273,305
Buildings	23,316,372	192,108,663	-	215,425,035
Furniture and equipment	410,937	5,255,095	24,743	5,690,775
Construction in progress	4,819,603	10,845,040	-	15,664,643
Accumulated depreciation	(1,296,451)	(110,055,145)	(11,135)	(111,362,731)
Total fixed assets (net)	29,022,325	107,655,094	13,608	136,691,027
Notes receivable, excluding current portion	-	-	5,082,102	5,082,102
Total assets	$ 31,634,878	122,172,189	18,920,846	172,727,913
LIABILITIES AND NET ASSETS				
Current liabilities:				
Accounts payable	$ 370,116	1,191,048	62,587	1,623,751
Accounts payable - HUD	-	-	3,330,675	3,330,675
Accounts payable - other PHA projects	-	-	5,631	5,631
Accrued wages and payroll taxes	-	27,709	-	27,709
Accrued compensated absences	-	644,314	341,715	986,029
Tenant security deposits	37,337	185,860	-	223,197
Current portion of long -term debt	3,707,744	186,345	-	3,894,089
Deferred revenues	3,947	292,244	189,185	485,376
Interprogram payable	1,418,234	1,079,710	4,553,793	7,051,737
Other current liabilities	182,502	1,271,288	138,636	1,592,426
Total current liabilities	5,719,880	4,878,518	8,622,222	19,220,620
Long -term debt, excluding current portion	14,252,466	2,394,096	-	16,646,562
Other liabilities	229,845	300,463	-	530,308
Total long-term liabilities	14,482,311	2,694,559	-	17,176,870
Total liabilities	20,202,191	7,573,077	8,622,222	36,397,490
Net assets:				
Invested in capital assets, (net)	11,062,115	105,074,653	13,608	116,150,376
Temporarily restricted	713,799	372,324	-	1,086,123
Unrestricted	(343,227)	9,152,135	10,285,016	19,093,924
Total net assets	11,432,687	114,599,112	10,298,624	136,330,423
Total liabilities and net assets	$ 31,634,878	122,172,189	18,920,846	172,727,913

See accompanying notes to financial statements.

Cambridge Housing Authority
Statement of Revenues, Expenses, and Changes
in Net Assets - All Enterprise Funds
For the Year Ended March 31, 2004

	Business Activities	Public Housing	Voucher	Totals
Operating revenues:				
Tenant revenue	$ 830,362	10,711,103	165,446	11,706,911
HUD grants	-	8,214,134	30,142,438	38,356,572
Other government grants	-	1,569,373	857,100	2,426,473
Other revenues	4,794,309	782,381	407,849	5,984,539
Total operating revenue	5,624,671	21,276,991	31,572,833	58,474,495
Operating expenses:				
Administrative	300,833	5,525,422	2,173,301	7,999,556
Tenant services	34,109	570,890	-	604,999
Utilities	46,809	5,656,040	165	5,703,014
Ordinary maintenance and operations	219,207	6,479,126	957	6,699,290
Protective services	-	307,998	-	307,998
General expenses	189,859	928,334	67	1,118,260
Housing assistance payments	-	-	29,403,504	29,403,504
Depreciation	327,012	8,479,392	5,162	8,811,566
Total operating expenses	1,117,829	27,947,202	31,583,156	60,648,187
Operating income (loss)	4,506,842	(6,670,211)	(10,323)	(2,173,692)
Non-operating revenues (expenses):				
Capital grants	-	4,193,705	-	4,193,705
Investment income	22,822	163,166	285,152	471,140
Gain on sale of fixed assets	-	36,856	-	36,856
Interest expense	(328,402)	-	-	(328,402)
Extraordinary maintenance	-	(1,289,147)	-	(1,289,147)
Moving-to-Work project expenditures	-	-	(1,162,141)	(1,162,141)
Net non-operating revenues (expenses)	(305,580)	3,104,580	(876,989)	1,922,011
Change in net assets	4,201,262	(3,565,631)	(887,312)	(251,681)
Total net assets, beginning of year as restated	7,231,425	118,164,743	11,185,936	136,582,104
Total net assets, end of year	$ 11,432,687	114,599,112	10,298,624	136,330,423

See accompanying notes to financial statements.

Cambridge Housing Authority
Statement of Cash Flows - All Enterprise Funds
For the Year Ended March 31, 2004

	Business Activities	Public Housing	Voucher	Totals
Cash Flows from Operating Activities:				
Cash received from tenants and grantors	$ 5,401,866	20,934,841	32,066,241	58,402,948
Cash paid to suppliers and employees	(395,671)	(23,731,835)	(30,191,058)	(54,318,564)
Net cash flows provided (used) by operating activities	5,006,195	(2,796,994)	1,875,183	4,084,384
Cash Flows from Capital and Related Financing Activities:				
Proceeds from the issuance of debt	9,596,070	-	-	9,596,070
Purchases of capital assets	(13,647,512)	(7,407,308)	-	(21,054,820)
Interest paid on capital debt	(328,402)	-	-	(328,402)
Extraordinary maintenance	-	(1,300,611)	(1,162,141)	(2,462,752)
Capital grant contributions	-	4,193,705	-	4,193,705
Casualty gains	-	11,464	-	11,464
Gain on disposition of property	-	36,856	-	36,856
Principal paid on capital debt	(904,258)	(131,664)	-	(1,035,922)
Net cash flows used in capital and related financing activities	(5,284,102)	(4,597,558)	(1,162,141)	(11,043,801)
Cash Flows from Investing Activities:				
Redemption of investments	651,769	3,157,544	2,310,000	6,119,313
Interprogram loans	(72,616)	3,677,616	(3,605,000)	-
Advances on notes receivables	-	-	(394,550)	(394,550)
Withdraws from / (deposits) to restricted accounts	(40,655)	348,609	(11,259)	296,695
Interest and dividends	22,822	199,588	254,269	476,679
Net cash flows provided (used) by investing activities	561,320	7,383,357	(1,446,540)	6,498,137
Net increase (decrease) in cash	283,413	(11,195)	(733,498)	(461,280)
Cash at beginning of year	1,847,194	5,664,662	6,557,492	14,069,348
Cash at end of year	$ 2,130,607	5,653,467	5,823,994	13,608,068

See accompanying notes to financial statements.

Cambridge Housing Authority
Statement of Cash Flows- All Enterprise Funds (continued)
For the Year Ended December 31, 2004

	Business Activities	Public Housing	Voucher	Totals
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	$ 4,506,842	(6,670,211)	(10,323)	(2,173,692)
Items which did not use cash:				
Depreciation	327,012	8,479,392	5,162	8,811,566
Working capital changes which provided (used) cash:				
Accounts receivable - HUD	-	(26,690)	(88,348)	(115,038)
Accounts receivable - tenants	-	(20,743)	-	(20,743)
Accounts receivable - other	(182,697)	(272,913)	422,375	(33,235)
Deferred revenue	(47,217)	(16,214)	159,381	95,950
Prepaid expenses	(24,119)	(28,683)	(4,139)	(56,941)
Accounts payable - HUD	-	-	1,491,900	1,491,900
Inventory	-	(3,331)	-	(3,331)
Accounts payable	362,656	(4,349,175)	(45,161)	(4,031,680)
Accrued expenses	147,685	(71,696)	(32,519)	43,470
Other liabilities	(110,323)	64,602	-	(45,721)
Tenant security deposits	7,109	10,719	-	17,828
Other current liabilities	19,247	107,949	(23,145)	104,051
Net cash provided (used) by operating activities	$ 5,006,195	(2,796,994)	1,875,183	4,084,384

See accompanying notes to financial statements.

Cambridge Housing Authority

Notes to Financial Statements

For the Year Ended March 31, 2004

1. Introduction

The Cambridge Housing Authority (the "Authority") was established for the purpose of engaging in the development, acquisition and administrative activities of the low-income housing program and other programs with similar objectives. The United States Department of Housing and Urban Development (HUD) has direct responsibility for administering the low-income housing program under the United States Housing Act of 1937, as amended. HUD is authorized to enter into contracts with local housing authorities to make grants to assist the local housing authorities in financing the acquisition, construction and/or leasing of housing units and to make annual contributions (subsidies) to the local housing authorities for the purpose of maintaining the low-rent character of the local housing program.

The Authority's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) (when applicable) that do not conflict with or contradict GASB pronouncements.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments. Certain of the significant changes in the Statement include the following:

For the first time the financial statements include:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the Authority's overall financial position and results of operations.
- A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements). The Authority has elected to implement the general provisions of the Statement in the current year.

Reporting Entity

As required by accounting principles generally accepted in the United States of America, the general purpose financial statements of the reporting entity include those of the Cambridge Housing Authority and any component units. Component units are separate legal entities for which elected officials of a primary government are financially accountable for the entity or the nature and significance of the relationship between the entity and a primary government are such that to exclude the entity from the financial reporting entity would render the general purpose financial statements misleading or incomplete. Based upon the application of these criteria, this report includes all programs and activities operated by the Authority. Lancaster Street, LLC, Essex Street Management, Inc., Cambridge Affordable Housing Corporation and Kennedy Management, Inc. are required to be included in the reporting entity under these criteria in the current fiscal year. Furthermore, the Authority is not included in any other reporting entity on the basis of such criteria. A summary of each program administered by the Authority included in the financial statements is provided to assist the reader in interpreting the general purpose financial statements. These programs constitute all programs subsidized by HUD and operated by the Authority.

2. Summary of Significant Accounting Policies

a. Basis of Accounting

The accounts of the Authority are organized on the basis of funds, each of which is considered a separate accounting entity. The Authority has created a number of funds within each enterprise fund. Each fund is accounted for by a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenses. The individual funds account for the governmental resources allocated to them for the purpose of carrying on specific programs in accordance with laws, regulations, or other restrictions, including those imposed by HUD. The funds of the Authority are all considered Proprietary Fund Types. The Authority's proprietary funds are Enterprise Funds used to account for activities that are operated in a manner similar to those found in the private sector. The funds included in this category are as follows:

Public Housing Enterprise Fund - This Fund accounts for all activities and projects of the Public Housing Program (described previously) including Low Income Public Housing, Comprehensive Grant, Capital Fund and various state and local low-rent related programs. The Authority either sets up separate funds within the Public Housing Enterprise Fund for each program or assigns a particular set of general ledger accounts in order to account for income and expenses of each program separately. All sub-accounts or funds are combined to produce the financial statements of the Public Housing Enterprise Fund.

Voucher Fund - This fund accounts for all of the activities of the Section 8 programs. Currently the Authority maintains a Section 8 Housing Choice Voucher Program, Moving-to-Work Program, Section 8 Shelter Plus Care Program, State Leased Housing Program and a Moderate Rehabilitation Program.

Business Activities Fund - This fund accounts predominately for the financial activities of the Authority's component units which consist principally of low-income housing and housing management services rendered primarily by the Authority to the component units.

All proprietary funds are accounted for using the accrual basis of accounting. In applying the provisions of Governmental Accounting Standards Board (GASB) Statement No. 20, Accounting and Financial Reporting for Proprietary Funds, the Authority applies all GASB pronouncements and all Financial Accounting Standards Board pronouncements, Accounting Principle Board Opinions, and Accounting Research Bulletins issued which do not conflict with or contradict GASB Pronouncements. Since the Authority is a special purpose government engaged only in business type activities, the basic financial statements consist only of enterprise funds.

There are no fiduciary funds nor component units that are fiduciary in nature included in these financial statements.

The Authority considers available unrestricted operating grants collected within one year after year-end to be "available" and recognizes them as revenues of the current year.

2. Summary of Significant Accounting Policies (continued)

b. Description of programs

Low-Rent Housing Program

This program provides low-rent housing to qualified residents of Cambridge, Massachusetts. All units are owned and operated by the Authority and were purchased with financing arranged or provided through HUD and the state of Massachusetts. The operations of the program are funded by HUD through an Annual Contribution Contract.

Section 8 Programs

The Section 8 Programs include: the Housing Choice Voucher Program and Moderate Rehabilitation Program. These programs were authorized by Section 8 of the National Housing Act and provide housing assistance payments to private, not-for-profit or public landlords to subsidize rentals for low-income persons.

The Authority earns a fee for administering the annual contributions from HUD. This fund accounts for the revenues and expenses associated with providing administrative services.

The Section 8 Moderate Rehabilitation Program provides for the rehabilitation of housing units, which then must be rented to low-income individuals for a contracted period of time. Both for profit and not-for-profit developers may participate in this program. Under this program, developers must obtain their own rehabilitation financing and then HUD subsidizes rents once the units are occupied in such amounts sufficient to cover the developers debt service payments on the financing.

Moving to Work Program

The Authority has completed its fifth year of participation in the Department of Housing and Urban Development's Moving to Work Deregulation Program (MTW) at March 31, 2004.

MTW was approved by Congress in Section 204(a) of the Omnibus Consolidated Recessions and Appropriations Act of 1996 (Public Law 104-34), and allows unprecedented fiscal and regulatory flexibility in hopes of increased efficiency while requesting that the Authority provide economic incentives and opportunities to residents to encourage work. The MTW Demonstration program encompasses a 7-year term that concludes March 31, 2006.

The MTW program is comprehensive in nature, encompassing the major federally assisted programs. The purpose of the MTW program is to allow the Authority the opportunity to design and test innovative housing and self-sufficiency strategies for low-income families. As required by the MTW program, the Authority must develop an annual MTW plan to describe the activities for the upcoming year. This annual plan is concurrent with the Authority's fiscal year.

Comprehensive Grant Program / Capital Fund Program

The purpose of the Comprehensive Grant Program / Capital Fund Program is to provide another source of funding to cover the cost of physical and management improvements and rehabilitation on existing low-income housing. Funding for this program is provided by grants from HUD.

2. Summary of Significant Accounting Policies (continued)

b. Description of programs (continued)

Hope VI Program

This program is intended to foster innovative and comprehensive approaches to the problems of severely distressed public housing developments and their residents, including new ways for the Authority and HUD to work together in collaboration with its residents. The program is to address the condition of people in public housing developments, with an emphasis on community and supportive services that have the broadest possible effect in meeting the social and economic needs of the residents and the surrounding community.

Technical Assistance Grant

HUD is authorized under Section 6(j) of the Housing Act to provide support and technical assistance to Public Housing Agencies (PHAs). This technical assistance and support can be provided directly through HUD, be used to support supplemental programs and resources through the affected PHA or to hire independent technical assistance through the PHA in accordance with a cooperation grant agreement providing funds and a work plan for the use of such funds.

Resident Opportunity and Supportive Services Programs

The Authority provides a wide range of resident services for the family, elderly and disabled as well as initiative programs to encourage home ownership and self sufficiency. These programs are funded by HUD.

c. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and reported amounts of revenues and expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

d. Cash and cash equivalents

Cash equivalents consist principally of Demand Deposits and Certificates of Deposit. They are stated at cost, which approximates market value. All funds on deposit are federal treasury accounts or are fully collateralized in accordance with requirements of the U.S. Department of Housing and Urban development and mature in three months or less.

e. Fixed Assets

Book Value:

All purchased fixed assets are valued at cost when historical records are available. When no historical records are available, fixed assets are valued at estimated historical cost.

Donated fixed assets are recorded at their fair value at the time they are received.

All normal expenditures of preparing an asset for use are capitalized.

2. Summary of Significant Accounting Policies (continued)

e. Fixed Assets (continued)

Depreciation:

The cost of buildings and equipment is depreciated over the estimated useful lives of the related assets on a composite basis using the straight-line method.

Depreciation commences on modernization and development additions in the year following completion which is not materially different from when the asset is placed in service.

The useful lives of buildings and equipment for purposes of computing depreciation are as follows:

Buildings	40 years
Building modernizations	15 years
Appliances	7 years
Computers & Software	3 years
Equipment	5 years

Maintenance and Repairs Expenditures:

Maintenance and repairs expenditures are charged to operations when incurred. Betterments in excess of $5,000 are generally capitalized. When buildings and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in operations.

Impairment of Long-Lived Assets:

Under the provisions of the statement, long-lived assets are to be reviewed for impairment. If the sum of the expected future cash flows is less than the carrying value amount of the asset, an impairment loss should be recognized. No impairment loss is required to be recorded in the current year.

f. Income Taxes

No provision for income taxes is recorded as the Authority is a non-profit, tax-exempt entity under the Internal Revenue Code.

g. Annual Contribution Contracts

Annual Contribution contracts provide that HUD shall have the authority to audit and examine the records of public housing authorities. Accordingly, final determination of the Authority's financing and contribution status for the Annual Contribution Contracts is the responsibility of HUD based upon financial reports submitted by the Authority.

h. Budgets and Budgetary Accounting

The Authority is required by contractual agreements to adopt annual, appropriated operating budgets for all its Enterprise Funds receiving federal expenditure awards. All budgets are prepared on a HUD and state regulatory basis, which is materially consistent with accounting principles generally accepted in the United States of America.

2. Summary of Significant Accounting Policies (continued)

h. Budgets and Budgetary Accounting (continued)

The Section 8 Program prepares annual budgets for each of the Housing Program Types using HUD form 52673 - Estimate of Total Required Contributions. The budgets are adopted by the Board of Commissioners via a budget resolution.

i. Investments

Investments, if any, are recorded at lower of cost or market. Investment instruments consist only of items specifically approved for public housing agencies by the U.S. Department of Housing and Urban Development. It is the Authority's policy that all funds on deposit are collateralized in accordance with HUD requirements.

j. Inventories

Inventories are valued at cost using the average cost method. If inventory falls below cost due to damage, deterioration or obsolescence, the Authority establishes an allowance for obsolete inventory. Management has determined this allowance to be immaterial as of March 31, 2004 and accordingly, no allowance has been established. The Authority relies upon its periodic (annual) inventory for financial reporting purposes. In accordance with consumption methods, inventory is expensed when items are actually placed in service.

k. Prepaid Items

Payments made to vendors for goods or services that will benefit periods beyond the fiscal year end are recorded as prepaid items.

l. Fair Value of Financial Instruments

The carrying amount of the Authority's financial instruments at March 31, 2004 including cash, investments, accounts receivable and accounts payable closely approximates fair value.

m. Inter-program Receivables and Payables

Inter-program receivables/payables are current, and are the result of the use of the Public Housing Program as the common paymaster for shared costs of the Authority. Cash settlements are made periodically, and all inter-program balances net to zero.

n. Equity Classifications

Equity is classified as net assets and displayed in three components:

Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net assets – All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

2. Summary of Significant Accounting Policies (continued)

o. Risk Management

Significant losses are covered by commercial insurance for all major programs. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage except for deductibles, for the current year or the three prior years.

3. Deposits and Investments

The U.S. Department of HUD requires housing authorities to invest excess funds in obligations of the United States, Certificates of Deposit or any other federally insured investment.

The U.S. Department of HUD also requires that deposits be fully collateralized at all times. Acceptable collateralization includes FDIC/FSLIC insurance and the market value of securities purchased and pledged to the political subdivision. Pursuant to HUD restrictions, obligations of the United States are allowed as security deposits. Obligations furnished as security must be held by the Authority or with an unaffiliated bank or trust company for the account of the Authority.

It is the Authority's policy to maintain collateralization in accordance with state and HUD requirements.

Deposits: The three credit risk categories are:

- Insured or collateralized with securities held by the entity or by its agent (correspondent bank or Federal Reserve bank) in the entity's name.
- Collateralized with securities held by the pledging financial institution trust department or agent in the entity's name.
- Uncollateralized or collateralized with securities held by the pledging financial institution or by its trust department or agent but not in the entity's name.

At year end, the carrying amount of the Authority's cash and cash equivalents (including restricted cash) was $14,564,629. All funds are covered by the federal depository insurance or by collateral held by the Authority's agent in the Authority's name. The Authority is authorized by HUD to invest in time deposits, certificates of deposits and obligations of the U.S. Treasury.

At March 31, 2004 all funds were time deposits which are reflected in cash and cash equivalents.

Investments consist of certificates of deposit and funds held in various brokerage accounts.

Investments: The three credit risk categories consist of:

- Insured or registered, or securities held by the government or its agent in the government's name.
- Uninsured and unregistered, with securities held by the counter-party's trust department or agent in the government's name.
- Uninsured and unregistered, with securities held by the counter-party, or by its trust department or agent but not in the government's name.

At March 31, 2004, the Authority's investment balances were all category 1 and amounted to $6,149,859.

4. Accounts Receivable

Accounts receivable - HUD
Accounts receivable - HUD represent amounts due to the Authority for operating grants receivable and amounted to $726,904. The Authority considers these amounts fully collectable and accordingly, have made no allowance for doubtful accounts.

Accounts receivable - tenants
Accounts receivable - tenants are shown net of an allowance for doubtful accounts of $45,329 for the year ended March 31, 2004.

Accounts receivable - other
Accounts receivable - other represent amounts due the Authority for state and other operating grants receivable and amounted to $1,569,614 for the year ended March 31, 2004. The Authority considers these amounts fully collectable and accordingly, have made no allowance.

5. Notes Receivable

A note receivable from John F. Kennedy Apartments, L.L.C. in the original amount of $748,800 dated March 26, 2002 to be used to fund a construction escrow. The note is non-interest bearing and is due March 26, 2042. The note has a mandatory payment rider which requires the funds remaining in the construction escrow to be paid back to the Authority against this note payable at the earlier of February 13, 2005 or the construction loan maturity date. The note does not require any monthly payments. The note is recognized at its net present value.	$ 703,099
A note receivable from John F. Kennedy Apartments, L.L.C. in the original amount of $2,100,000 dated February 13, 2002 to be used for the rehabilitation of all units and common areas within JFK Apartments. The note is non-interest bearing and is due February 13, 2042. The note does not require any monthly payments. The note is recognized at its net present value.	191,837
A note receivable from Neville Assisted Living Limited Partnership in the original amount of $376,988 dated February 1, 2002 to be used for operating expenses. The note bears interest at 1% below the long-term Applicable Federal Rate (as defined in the Internal Revenue Code, as amended). The note is due upon the receipt of proceeds from the sale of all or substantially all of the assets of the Partnership.	376,988
A note receivable from Neville Communities, Inc. in the original amount of $650,000 dated January 16, 2003 to be used for capital items. The note bears interest at 5.48% and is due May 1, 2044.	650,000
A mortgage note receivable from Cambridge Affordable Housing Corporation in the original amount of $1,392,062. The note is due in monthly installments of $7,273, including interest at an annual rate of 4.77%. The note is collateralized by real property with a net book value of approximately $5,933,900. The maturity date of the note receivable is March 31, 2006.	1,369,673

5. Notes Receivable (continued)

A mortgage note receivable from Cambridge Affordable Housing Corporation in the original amount of $913,845. The note is due in monthly installments of $4,778, including interest at an annual rate of 4.77%. The note is collateralized by real property with a net book value of approximately $1,811,953. The maturity date of the note receivable is March 31, 2006.	899,794
A mortgage note receivable from Cambridge Affordable Housing Corporation in the original amount of $936,155. The note is due in monthly installments of $4,895, including interest at an annual rate of 4.77%. The note is collateralized by real property with a net book value of approximately $1,344,175. The maturity date of the note receivable is March 31, 2006.	921,761
A mortgage note receivable from Cambridge Affordable Housing Corporation in the original amount of $200,000. The note is non-interest bearing and is collateralized by real property with a net book value of $1,652,000. The maturity date of the note is June 5, 2053. The note was paid back in full in April 2004.	195,000
	5,308,152
Less: current portion	226,050
Note Receivable, excluding current portion	$ 5,082,102

6. Long-Term Debt

Lancaster Street, L.L.C. has a mortgage note payable to a bank in the original amount of $9,000,000, collateralized by real property of the Company. Through July 12, 2006, interest only payments are due at the current LIBOR rate plus 2.50%, with a minimum interest rate of 4.00% (7.00% at March 31, 2004).	$ 5,416,549
Lancaster Street, L.L.C. has a second mortgage note payable to Cambridge Affordable Housing Trust in the original amount of $1,500,000, collateralized by real property of the Company. Through August 2010, interest only payments, at an annual rate of 2.00% are required monthly for accrued interest on the outstanding principal. Commencing August 2010, the note will be payable in equal monthly installments, including principal and interest in amounts sufficient to amortize the loan in full by the maturity date in April 2020.	1,477,193
Essex Street Management, Inc. has a first mortgage note payable to East Cambridge Savings Bank in the original amount of $41,592, collateralized by real property of the Corporation located at 1643 Cambridge Street with a net book value of approximately $175,000. Payments of principal plus interest totaling $237 are due in monthly installments. Interest accrues in this note payable at the rate of 6.875%. All unpaid principal and interest are due November 28, 2031.	40,542

6. Long-Term Debt (continued)

Essex Street Management, Inc. has a second mortgage note payable to East Cambridge Savings Bank in the original amount of $46,875, collateralized by real property of the Corporation located at 1643 Cambridge Street with a net book value of approximately $175,000. Payments of principal plus interest totaling $151 are due in monthly installments. Interest accrues on this note payable at a rate of 1%. All unpaid principal and interest are due November 28, 2021.	43,826
Essex Street Management, Inc. has a first mortgage note payable to East Cambridge Savings Bank in the original amount of $42,241, collateralized by real property of the Corporation located at 22 Concord Avenue with a net book value of approximately $211,000. Payments of principal plus interest totaling $277 are due in monthly installments. Interest accrues on this note payable at the rate of 6.875%. All unpaid principal and interest are due November 28, 2021.	41,192
Essex Street Management, Inc. has a second mortgage note payable to East Cambridge Savings Bank in the original amount of $46,875, collateralized by real property of the Corporation located at 22 Concord Avenue with a net book value of approximately $175,000. Payments of principal plus interest totaling $151 are due in a monthly installments. Interest accrues on this note payable at the rate of 1%. All unpaid principal and interest are due November 28, 2021.	43,826
Essex Street Management, Inc. has a first mortgage note payable to East Cambridge Savings Bank in the original amount of $36,103, collateralized by real property of the Corporation located at 35 Lee Street with a net book value of approximately $206,000. Payments of principal plus interest totaling $237 are due in monthly installments. Interest accrues on this note payable at the rate 6.875%. All unpaid principal and interest are due November 28, 2031.	35,190
Essex Street Management, Inc. has a second mortgage note payable to East Cambridge Savings Bank in the original amount of $46,875, collateralized by real property of the Corporation located at 35 Lee Street with a net book value of approximately $206,000. Payments of principal plus interest totaling $151 are due in monthly installments. Interest accrues on this note payable at the rate of 1%. All unpaid principal and interest are due November 28, 2021.	43,826
Essex Street Management, Inc. has a first mortgage note payable to East Cambridge Savings Bank in the original amount of $44,592, collateralized by real property of the Corporation located at 1697 Cambridge Street with a net book value of approximately $214,000. Payments of principal plus interest totaling $293 are due in monthly installments. Interest accrues on this note payable at the rate of 6.875%. All unpaid principal and interest are due November 28, 2031.	43,501

6. Long-Term Debt (continued)

Essex Street Management, Inc. has a second mortgage note payable to East Cambridge Savings Bank in the original amount of $46,875, collateralized by real property of the Corporation located at 1967 Cambridge Street with a net book value of approximately $214,000. Payments of principal plus interest totaling $151 are due in monthly installments. Interest accrues on this note payable at the rate of 1%. All unpaid principal and interest are due November 28, 2021.	43,826
Essex Street Management, Inc. has a first mortgage note payable to East Cambridge Savings Bank in the original amount of $43,203, collateralized by real property of the Corporation located at 3 Crawford Street with a net book value of approximately $213,000. Payments of principal plus interest totaling $284 are due in monthly installments. Interest accrues on this note payable at the rate of 6.875%. All unpaid principal and interest are due November 28, 2031.	42,115
Essex Street Management, Inc. has a second mortgage note payable to East Cambridge Savings Bank in the original amount of $46,875, collateralized by real property of the Corporation located at 3 Crawford Street with a net book value of approximately $213,000. Payments of principal plus interest totaling $151 are due in monthly installments. Interest accrues on this note payable at the rate of 1%. All unpaid principal and interest are due November 28, 2021.	43,826
Essex Street Management, Inc. has a first mortgage note payable to East Cambridge Savings Bank in the original amount of $53,108, collateralized by real property of the Corporation located at 395 Broadway with a net book value of approximately $193,000. Payments of principal plus interest totaling $349 are due in monthly installments. Interest accrues on this note payable at the rate of 6.875%. All unpaid principal and interest are due November 28, 2031.	51,779
Essex Street Management, Inc. has a second mortgage note payable to East Cambridge Savings Bank in the original amount of $46,875, collateralized by real property of the Corporation located at 395 Broadway with a net book value of approximately $193,000. Payments of principal plus interest totaling $151 are due in monthly installments. Interest accrues on this note payable at the rate of 1%. All unpaid principal and interest are due November 28, 2021.	43,826
Essex Street Management, Inc. has a first mortgage note payable to East Cambridge Savings Bank in the original amount of $55,451, collateralized by real property of the Corporation located at 285 Harvard Street with a net book value of approximately $193,000. Payments of principal plus interest totaling $364 are due in monthly installments. Interest accrues on this note payable at the rate of 6.875%. All unpaid principal and interest are due November 28, 2031.	54,069

6. Long-Term Debt (continued)

Essex Street Management, Inc. has a second mortgage note payable to East Cambridge Savings Bank in the original amount of $46,875, collateralized by real property of the Corporation located at 285 Harvard Street with a net book value of approximately $193,000. Payments of principal plus interest totaling $151 are due in monthly installments. Interest accrues on this note payable at the rate of 1%. All unpaid principal and interest are due November 28, 2021.	43,826
Essex Street Management, Inc. has a first mortgage note payable to East Cambridge Savings Bank in the original amount of $53,197, collateralized by real property of the Corporation located at 863 Massachusetts Avenue #52 with a net book value of approximately $222,000. Payments of principal plus interest totaling $349 are due in monthly installments. Interest accrues on this note payable at the rate of 6.875%. All unpaid principal and interest are due November 28, 2031.	51,887
Essex Street Management, Inc. has a second mortgage note payable to East Cambridge Savings Bank in the original amount of $46,875, collateralized by real property of the Corporation located at 863 Massachusetts Avenue #52 with a net book value of approximately $222,000. Payments of principal plus interest totaling $151 are due in monthly installments. Interest accrues on this note payable at the rate of 1%. All unpaid principal and interest are due November 28, 2021.	43,826
Essex Street Management, Inc. has a first mortgage note payable to East Cambridge Savings Bank in the original amount of $74,300, collateralized by real property of the Corporation located at 863 Massachusetts Avenue #45 with a net book value of approximately $194,000. Payments of principal plus interest totaling $445 are due in monthly installments. Interest accrues on this note payable at the rate of 6.000%. All unpaid principal and interest are due March 20, 2032.	72,419
Essex Street Management, Inc. has a first mortgage note payable to East Cambridge Savings Bank in the original amount of $111,963, collateralized by real property of the Corporation located at 1 Crawford Street #3 with a net book value of approximately $210,000. Payments of principal plus interest totaling $671 are due in monthly installments. Interest accrues on this note payable at the rate of 6.000%. All unpaid principal and interest are due March 22, 2033.	110,588
Essex Street Management, Inc. has a first mortgage note payable to East Cambridge Savings Bank in the original amount of $96,754, collateralized by real property of the Corporation located at 599 Cambridge Street #202 with a net book value of approximately $233,000. Payments of principal plus interest totaling $580 are due in monthly installments. Interest accrues on this note payable at the rate of 6.000%. All unpaid principal and interest are due March 22, 2033.	95,566

6. Long-Term Debt (continued)

Essex Street Management, Inc. has a first mortgage note payable to East Cambridge Savings Bank in the original amount of $104,791, collateralized by real property of the Corporation located at 14 Ware Street #14B with a net book value of approximately $241,000. Payments of principal plus interest totaling $628 are due in monthly installments. Interest accrues on this note payable at the rate of 6.000%. All unpaid principal and interest are due March 22, 2033.	103,504
Essex Street Management, Inc. has a first mortgage note payable to East Cambridge Savings Bank in the original amount of $102,622, collateralized by real property of the Corporation located at 14 Max Street #14A with a net book value of approximately $214,000. Payments of principal plus interest totaling $615 are due in monthly installments. Interest accrues on this note payable at the rate of 6.000%. All unpaid principal and interest are due March 22, 2033.	101,362
Essex Street Management, Inc. has a first mortgage note payable to East Cambridge Savings Bank in the original amount of $112,069, collateralized by real property of the Corporation located at 20-22 Concord Avenue #1 with a net book value of approximately $252,000. Payments of principal plus interest totaling $672 are due in monthly installments. Interest accrues on this note payable at the rate of 6.000%. All unpaid principal and interest are due March 22, 2033.	110,692
Essex Street Management, Inc. has a promissory note payable to the Community Economic Development Assistance Corporation in the original amount of $441,376, collateralized by real property of the Corporation located at 599 Cambridge Street #202C, 20 Concord Avenue #1, 1 Crawford Street #'s 1-3, 863 Massachusetts Avenue #45, 197 Otis Street #14A, 14 Max Avenue #'s 9-14 and 14 Ware Street #14B. Payments are due annually on May 15 of each year in amounts equal to the amount by which gross cash receipts for the fiscal year just ended 105% of cash expenditures, as determined by the lender. Simple interest accrues at the rate of 5.000% on amounts outstanding as of March 31, 2023. All unpaid principal and interest are due April 1, 2033.	441,376
Essex Street Management, Inc. has a promissory note payable to the Community Economic Development Assistance Corporation in the original amount of $543,552, collateralized by real property of the Corporation located at 395 Broadway #R1B, 1643 Cambridge Street #45, 1697 Cambridge Street #18, 22 Concord Avenue #6, 3 Crawford Street, 285 Harvard Street #309, 35 Lee Street #15, and 863 Mass Avenue #52. Payments are due annually on May 15 of each year in amounts equal to the amount by which gross cash receipts for the fiscal year just ended 105% of cash expenditures, as determined by the lender. Simple interest accrues at the rate of 5.000% on amounts outstanding as of March 31, 2023. All unpaid principal and interest are due April 1, 2033.	543,552

6. Long-Term Debt (continued)

Cambridge Affordable Housing Corporation has a first mortgage note payable to Massachusetts Housing Partnership Fund Board in the original amount of $49,659, collateralized by real property of the Corporation located at 2595 Massachusetts Avenue, with a net book value of approximately $122,800. Payments of principal plus interest totaling $385 are due in monthly installments. Interest accrues on this note payable at a rate of 8.59% and the note matures in June 2020.	48,138
Cambridge Affordable Housing Corporation had a first mortgage note payable to the Massachusetts Housing Partnership Fund Board in the original amount of $55,500, collaterized by real property of the Corporation located at 285 Harvard Street, with a net book value of approximately $170,300. The note is payable in monthly installments of $426, including interest at an annual rate of 8.48%. All unpaid principal and interest are due April 2020.	53,672
Cambridge Affordable Housing Corporation has a first mortgage note payable to the Cambridge Trust Company in the original amount of $60,000, collateralized by real property of the Corporation located at 199 Prospect Street #7, with a net book value of approximately $64,400. Currently, the note is due in monthly installments of $400, including interest at an annual rate of 7.00%. Every three years the interest rate is updated to 1% below the Prime Rate published in the Wall Street Journal thirty days prior to the Adjustment Date. At no time shall the interest rate exceed 14.25%. The amount of each monthly installment due and payable after an adjustment date will be changed so that the principal will be fully paid by December 2026.	54,433
Cambridge Affordable Housing Corporation has a first mortgage note payable to the Cambridge Trust Company in the original amount of $64,000, collateralized by real property of the Corporation located at 199 Prospect Street #8, with a net book value of approximately $67,000. Currently, the note is due in monthly installments of $427, including interest at an annual rate of 7.00%. Every three years the interest rate is updated to 1% below the Prime Rate published in the Wall Street Journal thirty days prior to the Adjustment Date. At no time shall the interest rate exceed 14.25%. The amount of each monthly installment due and payable after an Adjustment Date will be changed so that the principal will be fully paid by December 2026.	58,062
Cambridge Affordable Housing Corporation has a first mortgage note payable to the Massachusetts Housing Partnership in the original amount $49,300, collateralized by real property of the Corporation located at 35 Homer Avenue, with a net book value of approximately $122,600. The note is due in monthly installments of $393, including interest at an annual rate of 9.04%. A balloon payment of $31,344 is due in March 2020.	47,764

6. Long-Term Debt (continued)

Cambridge Affordable Housing Corporation has a first mortgage note payable to Massachusetts Housing Partnership in the original amount of $59,000, collateralized by real property of the Corporation located at 40 Clifton Street, with a net book value of approximately $118,000. The note is due in monthly installments of $483, including interest at an annual rate of 9.80%. A balloon payment of $38,145 is due in April 2020.	57,635
Cambridge Affordable Housing Corporation has a first mortgage note payable with the Cambridge Trust Company in the original amount $80,000, collateralized by real property of the Corporation located at 97 Brookline Street, with a net book value of approximately $159,800. The note is due in monthly installments of $560, including interest at an annual rate of 7.50% through January 2030.	76,535
Cambridge Affordable Housing Corporation has a first mortgage note payable with the Cambridge Trust Company in the original amount $100,000, collateralized by real property of the Corporation located at 175 Richdale Avenue, with a net book value of approximately $65,200. The note is due in monthly installments of $403, including interest at an annual rate of 7.50% through May 2028.	53,926
Cambridge Affordable Housing Corporation has a first mortgage note payable to East Cambridge Savings Bank in the original amount of $160,575, collateralized by real property of the Corporation located at 30 Union Street #3, with a net book value of approximately $260,500. The note is due in monthly installments of $1,069, including interest at an annual rate of 7.00% through July 2032.	157,768
Cambridge Affordable Housing Corporation has a first mortgage note payable to the Cambridge Trust Company in the original amount of $135,600, collateralized by real property of the Corporation located at 2 Crawford Street #1, with a net book value of approximately $201,100. The note is due in monthly installments of $565, interest only, at an annual rate of 5.00% through December 2004.	135,600
Cambridge Affordable Housing Corporation has a first mortgage note payable to East Cambridge Savings Bank in the original amount of $98,574, collateralized by real property of the Corporation located at 860 Massachusetts Avenue, Unit #856-5, with a net book value of approximately $265,000. The note is due in monthly installments of $591, including interest at an annual rate of 6.00% through June 2033.	97,570
Cambridge Affordable Housing Corporation has a first mortgage note payable to East Cambridge Savings Bank in the original amount of $98,574, collateralized by real property of the Corporation located at 860 Massachusetts Avenue, Unit #848-7, with a net book value of approximately $266,800. The note is due in monthly installments of $591, including interest at an annual rate of 6.00% through May 2033.	97,673

6. Long-Term Debt (continued)

Cambridge Affordable Housing Corporation has a first mortgage note payable to East Cambridge Savings Bank in the original amount of $3,192,765, collateralized by real property of the Corporation located at Prospect Street 191-197, 203, with a net book value of approximately $5,933,900. The note is due in monthly installments of $14,634, interest only, at an annual rate of 5.50%. A balloon payment of $3,192,765 is due on November 19, 2004.	3,192,765
Cambridge Affordable Housing Corporation has a second mortgage note payable to Cambridge Housing Authority in the original amount of $1,391,062, collateralized by real property of the Corporation located at Prospect Street 191-197, 203, with a net book value of approximately $5,933,900. The note is due in monthly installments of $7,273, including interest at an annual rate of 4.77%. The maturity date of the payable is March 31, 2006.	1,369,673
Cambridge Affordable Housing Corporation has a third mortgage note payable to the City of Cambridge Community Development Department in the original amount of $450,000, collateralized by real property of the Corporation located at Prospect Street 191-197, 203, with a net book value of approximately $5,933,900. The note is due in monthly installments of various amounts, including interest at an annual rate of 2.00% through July 2021.	450,000
Cambridge Affordable Housing Corporation has a first mortgage note payable to East Cambridge Savings Bank in the original amount of $98,574, collateralized by real property of the Corporation located at 860 Massachusetts Avenue, Unit #854-2, with a net book value of approximately $266,600. The note is due in monthly installments of $591, including interest at an annual rate of 6.00% through June 2033.	97,673
Cambridge Affordable Housing Corporation has a first mortgage note payable to East Cambridge Savings Bank in the original amount of $98,574, collateralized by real property of the Corporation located at 860 Massachusetts Avenue, Unit #850-6, with a net book value of approximately $267,500. The note is due in monthly installments of $591, including interest at an annual rate of 6.00% through June 2033.	97,673
Cambridge Affordable Housing Corporation has a first mortgage note payable to East Cambridge Savings Bank in the original amount of $98,574, collateralized by real property of the Corporation located at 860 Massachusetts Avenue, Unit #856-6, with a net book value of approximately $267,400. The note is due in monthly installments of $591, including interest at an annual rate of 6.00% through June 2033.	97,673

6. Long-Term Debt (continued)

Cambridge Affordable Housing Corporation has a first mortgage note payable to East Cambridge Savings Bank in the original amount of $116,671, collateralized by real property of the Corporation located at 860 Massachusetts Avenue, Unit #852-2, with a net book value of approximately $314,000. The note is due in monthly installments of $700, including interest at an annual rate of 6.0% through December 2034.	116,438
Cambridge Affordable Housing Corporation has a first mortgage note payable to East Cambridge Savings Bank in the original amount of $191,104, collateralized by real property of the Corporation located at 6 Porter Road, Unit 1R, with a net book value of approximately $349,400. The note is due in monthly installments of $1,130, including interest at an annual rate of 5.875% through November 2033.	190,319
Cambridge Affordable Housing Corporation has a first mortgage note payable to East Cambridge Savings Bank in the original amount of $139,727, collateralized by real property of the Corporation located at 287 Harvard Street, Unit #27, with a net book value of approximately $337,200. The note is due in monthly installments of $827, including interest at an annual rate of 5.875% through November 2033.	139,193
Cambridge Affordable Housing Corporation has a first mortgage note payable to East Cambridge Savings Bank in the original amount of $138,760, collateralized by real property of the Corporation located at 287 Harvard Street, Unit #50, with a net book value of approximately $360,200. The note is due in monthly installments of $821, including interest at an annual rate of 5.875% through November 2033.	138,190
Cambridge Affordable Housing Corporation has a first mortgage note payable to East Cambridge Savings Bank in the original amount of $126,857, collateralized by real property of the Corporation located at 47 Homer Street, Unit #62, with a net book value of approximately $229,200. The note is due in monthly installments of $751, including interest at an annual rate of 5.875% through December 2033.	126,598
Cambridge Affordable Housing Corporation has a mortgage note payable to the Authority in the original amount of $913,845, collateralized by real property of the Corporation located at 6 Ashton Place, with a net book value of approximately $1,811,953. The note is due in monthly installments of $4,778, including interest at an annual rate of 4.77%. The maturity date of the note payable is March 31, 2006.	899,794
Cambridge Affordable Housing Corporation has a mortgage note payable to the Authority in the original amount of $936,155, collateralized by real property of the Corporation located at 217 Western Avenue, with a net book value of approximately $1,344,175. The note is due in monthly installments of $4,895, including interest at an annual rate of 4.77%. The maturity date of the note payable is March 31, 2006.	921,761

6. Long-Term Debt (continued)

The Authority has a note payable to Marquette National Bank of Bridgeview, Illinois in the original amount of $1,382,983. The note is due in monthly installments of $14,541, including interest at an annual rate of 4.95%. The maturity date of the note payable is May 13, 2009. The note is collateralized by property owned by the Authority.	794,073
The Authority has a note payable to Citicorp Real Estate, Inc. of Mt. Laurel, New Jersey in the original amount of $1,786,368. Initially the note requires eight (8) quarterly payments of interest only of $19,227 beginning February 15, 2003, followed by monthly installments of $18,333 including principal and interest at an annual rate of 4.29%. The maturity date of the note payable is November 15, 2014. The note is collateralized by property owned by the Authority.	1,786,368
Total	20,540,651
Less: current portion of long-term debt	3,894,089
Long-term debt, excluding current portion	$16,646,562

Maturities over the next several years are as follows:

March 31, 2005	3,894,089
2006	404,452
2007	426,256
2008	449,743
2009	474,911
Thereafter	14,891,200

7. Compensated Absences

Included in compensated absences are vacation leave benefits accrued by employees. The Authority uses the vesting method for the recording of compensated absences whereas benefits are accrued as of the balance sheet date for which payment is probable.

Compensated absences are those absences for which employees will be paid, such as vacation leave. A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the Authority and its employees, is accrued as employees earn the rights and benefits.

8. Pension Plan

The Authority participates in the Commonwealth of Massachusetts State Retirement program through the Cambridge Retirement System. The plan benefits depend on amounts contributed to the system during employment, and employee's years of service and their age upon retirement. Employees participate from the date of employment. Newly hired employees contribute 9.0% of their base salary plus 2.0% of their base salary over $30,000. Employees with longer tenure contribute less depending on their date of hire. Employees are vested after 10 years of continuous service.

The Authority's total payroll for the year ended March 31, 2004 was approximately $7,629,000 and the Authority's contribution to the plan was $912,552.

9. Deferred Revenues

Deferred revenues consist primarily of tenant rents paid in advance and program revenue deferrals. At March 31, 2004 deferred revenues were $485,376.

10. Other Current Liabilities

Other current liabilities consist primarily of retainage payable on construction in progress at several of the Authority's developments.

11. Related Party Transactions

Neville Manor

The Authority is involved in a joint venture effort to redevelop the Michael J. Neville Manor Nursing Home. The Authority has a minority board interest in Neville Communities, Inc. (NCI) a 501(c)(3) entity. NCI was created exclusively for charitable purposes, to assist in the development of projects (primarily the Michael J. Neville Manor Nursing Home and Neville Place Assisted Living); undertakings and other activities that will assist in providing affordable housing and medical services alternatives for elderly individuals of low and moderate income. NCI performs these services consistent with standards for operation as a charitable activity under the Internal Revenue Code.

12. Contingencies

The Authority is subject to examinations made by Federal and State authorities who determine compliance with terms, conditions, laws and regulations governing other grants given to the Authority in the current and prior years. Results of these examinations could affect funding levels.

13. Leasing Activities

The Authority is the lessor of dwelling units mainly to low-income residents. The rents under the leases are determined generally by the resident's income as adjusted for eligible deductions regulated by HUD and the State regulatory agency. Leases may be cancelled by the lessee at any time. The Authority may cancel the lease only for cause.

Revenues associated with these leases are recorded in the financial statements and schedules as "Rental Revenue". Rental Revenue per dwelling unit generally remains consistent from year to year, but is affected by general economic conditions which impact personal income and local job availability.

14. Operating Leases

The Authority leases its central office space located in Cambridge, Massachusetts. The lease is accounted for as operating leases in the accompanying financial statements and is subject to an annual escalation clause based on certain operating costs and real estate taxes of the landlord. The lease expires on August 31, 2006. It is anticipated that future leases which expire will be replaced with similar leases and the future minimum fair market rentals will not be less than $360,000 per year.

15. Economic Dependency

The Authority is economically dependent on annual grants from HUD and the Department of Housing and Community Development of Massachusetts. The programs operate at a loss prior to receiving the grants.

16. Restricted Net Assets

The Authority has entered into numerous agreements with the City of Cambridge and the Massachusetts Housing Partnership Fund Board to fund the purchase of numerous properties. Pursuant to these agreements, if the Authority fails to maintain the properties as affordable housing through the grant maturity dates, the funds would be owed back to the grantors. The restrictions expire in various periods beginning in December, 2050 through November, 2052.

17. Prior Period Adjustment

Beginning equity was increased by $147,750 to correct an error in reporting fixed assets and certain receivables.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Commissioners
Cambridge Housing Authority:

We have audited the financial statements of Cambridge Housing Authority (the "Authority") as of and for the year ended March 31, 2004, and have issued our report thereon dated November 1, 2004. We conducted our audit 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended solely for the information of the audit committee, management and the U.S. Department of Housing and Urban Development, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

November 1, 2004
Toms River, New Jersey

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Commissioners
Cambridge Housing Authority:

Compliance

We have audited the compliance of Cambridge Housing Authority (the "Authority"), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of it's major federal programs for the year ended March 31, 2004. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Authority's compliance with those requirements.

In our opinion, the Authority, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended March 31, 2004.

Internal Control Over Compliance

The management of the Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information of the audit committee, management and the U.S. Department of Housing and Urban Development, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

November 1, 2004
Toms River, New Jersey

Cambridge Housing Authority

Schedule of Expenditures of Federal Awards

For the Year Ended March 31, 2004

Federal Grantor/Program Title	Federal CFDA Number	Grant Expenditures
U.S. Department of Housing and Urban Development:		
Low Rent Public Housing	14.850	6,391,767
Lower Income Housing Assistance Program Section 8 Moderate Rehabilitation	14.856	1,196,940
Public Housing Capital Fund	14.872	4,641,192
Housing Choice Vouchers / Moving-to-Work	14.871	28,401,286
Community Development Block Grant - Technical Assistance Program	14.227	159,643
Revitalization of Severely Distressed Public Housing	14.866	133,017
Multifamily Housing Service Coordinators	14.191	54,724
Shelter Plus Care	14.238	102,937
Other Federal Grants - 309 MTA		441,275
Resident Opportunity and Support Services	14.870	730,433
		$ 42,253,214

Cambridge Housing Authority

Notes to Schedule of Federal Awards

March 31, 2004

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Cambridge Housing Authority and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

2. Non-cash Federal Assistance

The Authority did not receive any non-cash Federal assistance for the year ended March 31, 2004.

3. Loan Guarantees

At March 31, 2004, the Authority is the guarantor of loans outstanding, please refer to footnote 6 in the accompanying notes to financial statements.

Cambridge Housing Authority

Schedule of Findings and Questioned Costs

March 31, 2004

I. Summary of Auditor's Results

Financial Statement Section

1.	Type of auditor's report issued:	Unqualified
2.	Internal control over financial reporting	
	a. Material Weakness(es) identified?	No
	b. Were reportable conditions identified not considered to be material weaknesses?	No
3.	Noncompliance material to the financial statements?	No

Federal Awards Section

1.	Dollar threshold used to determine Type A Programs:	$ 1,267,500
2.	Dollar threshold used to determine Type B Programs:	$ 126,700
3.	Auditee qualified as low-risk Auditee?	Yes
4.	Type of auditor's report on compliance for major programs:	Unqualified
5.	Internal Control over compliance:	
	a. Material weakness(es) identified?	No
	b. Were reportable conditions identified not considered to be material weaknesses?	No
	c. Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section .510(a))	No

6. Identification of major programs:

CFDA Number	Name of Federal Program
14.850	Low Rent Public Housing
14.871	Section 8 Housing Choice Vouchers / Move-to-Work
14.872	Public Housing Capital Fund
14.870	Resident Opportunity and Supportive Services

Cambridge Housing Authority

Schedule of Findings and Questioned Costs

March 31, 2004

II. Financial Statement Findings

None.

III. Federal Award Findings and Questioned Costs

None.

IV. Summary of Prior Audit Findings

None.

SUPPLEMENTARY INFORMATION

Cambridge Housing Authority

Statement and Reconciliation of Capital Fund Program Costs and Advances

For the Year Ended March 31, 2004

	P501-00	P501-01	P501-02	P501-03	R501-03	R502-03	Totals
Budget	$ 3,860,159	4,016,719	3,860,159	3,077,922	98,148	632,982	15,546,089
Advances:							
Cumulative through 4/1/2003	$ 796,279	-	-	-	-	-	796,279
Current year	3,132,112	1,431,931	-	-	-	-	4,564,043
Cumulative through 3/31/2004	3,928,391	1,431,931	-	-	-	-	5,360,322
Costs:							
Cumulative through 4/1/2003	1,101,854	-	-	-	-	-	1,101,854
Current year	2,826,537	1,814,655	-	-	-	-	4,641,192
Cumulative through 3/31/2004	3,928,391	1,814,655	-	-	-	-	5,743,046
Excess / (Deficiency)	$ -	(382,724)	-	-	-	-	(382,724)
Summary							
Soft Costs:							
Cumulative through 4/1/2003	$ 580,575	-	-	-	-	-	580,575
Current year	347,871	515,810	-	-	-	-	863,681
Cumulative through 3/31/2004	928,446	515,810	-	-	-	-	1,444,256
Hard Costs:							
Cumulative through 4/1/2003	521,279	-	-	-	-	-	521,279
Current year	2,478,666	1,298,845	-	-	-	-	3,777,511
Cumulative through 3/31/2004	2,999,945	1,298,845	-	-	-	-	4,298,790
Cumulative	$ 3,928,391	1,814,655	-	-	-	-	5,743,046

Cambridge Housing Authority

Statement and Reconciliation of Actual ROSS Costs and Advances

For the Year Ended March 31. 2004

	P0001	P0063	P0068	P0053	P0001	P0161	P0021	Totals
Budget	$ 500,000	200,335	196,407	100,000	500,000	204,341	500,000	2,201,083
Advances:								
Cumulative through 4/1/2003	$ 32,652	36,898	187,907	–	150,947	4,971	–	413,375
Current year	163,500	46,258	8,500	–	270,033	52,071	10,488	550,850
Cumulative through 3/31/2004	196,152	83,156	196,407	–	420,980	57,042	10,488	964,225
Costs:								
Cumulative through 4/1/2003	36,686	39,212	187,907	–	150,947	40,607	–	455,359
Current year	236,977	154,208	8,500	–	271,644	48,616	10,488	730,433
Cumulative through 3/31/2004	273,663	193,420	196,407	–	422,591	89,223	10,488	1,185,792
Excess / (Deficiency)	$ (77,511)	(110,264)	–	–	(1,611)	(32,181)	–	(221,567)
Summary								
Soft Costs:								
Cumulative through 4/1/2003	$ 28,307	39,211	187,907	–	150,947	40,607	–	446,979
Current year	236,977	154,208	8,500	–	271,644	48,616	10,488	730,433
Cumulative through 3/31/2004	265,284	193,419	196,407	–	422,591	89,223	10,488	1,177,412
Hard Costs:								
Cumulative through 4/1/2003	8,379	–	–	–	–	–	–	8,379
Current year	–	–	–	–	–	–	–	–
Cumulative through 3/31/2004	8,379	–	–	–	–	–	–	8,379
Cumulative	$ 273,663	193,419	196,407	–	422,591	89,223	10,488	1,185,791

Cambridge Housing Authority

Statement and Reconciliation of Actual Hope VI Costs and Advances

For the Year Ended March 31, 2004

	1998
Budget	$ 5,000,000
Advances:	
Cumulative through 4/1/2003	$ 4,620,770
Current year	133,016
Cumulative through 3/31/2004	4,753,786
Costs:	
Cumulative through 4/1/2003	4,620,770
Current year	133,016
Cumulative through 3/31/2004	4,753,786
Excess / (Deficiency)	$ -

Summary

Soft Costs:	
Cumulative through 4/1/2003	$ -
Prior period adjustment	-
Current year	-
Cumulative through 3/31/2004	-
Hard Costs:	
Cumulative through 4/1/2003	4,620,770
Prior period adjustment	-
Current year	133,016
Cumulative through 3/31/2004	4,753,786
Cumulative	$ 4,753,786

CAMBRIDGE HOUSING AUTHORITY

Financial Data Schedule (FDS) - Public Housing Enterprise Fund

March 31, 2004

Line Item #	Account Description	Low Rent 14.850	Comprehensive Grant Program - 00 14.859	Comprehensive Grant Program - 01 14.859	MROP Development	Resident Opportunity and Supportive Services	State/ Local--Low Rent	State Development(HIF)	MTW TECH ASST GRANT	State/ Modernization
	ASSETS:									
	CURRENT ASSETS:									
	Cash:									
111	Cash - unrestricted	3,537,329	-	-	-	66,358	208,923	13	-	43,654
112	Cash - restricted - modernization and development	7,935	-	-	-	-	-	-	-	-
113	Cash - other restricted	10,926	-	-	-	-	-	-	-	-
114	Cash - tenant security deposits	135,447	-	-	-	-	43,845	-	-	-
100	Total cash	3,691,637	-	-	-	66,358	252,768	13	-	43,654
	Accounts and notes receivables:									
121	Accounts receivable - PHA projects	-	-	-	-	-	-	-	-	-
122	Accounts receivable - HUD other projects	382,725	-	-	-	221,567	-	-	-	-
124	Accounts receivable - other government	-	-	-	-	-	764,890	-	-	-
125	Accounts receivable - miscellaneous	72,916	-	-	-	-	9,974	-	-	-
126	Accounts receivable- tenants - dwelling rents	69,001	-	-	-	-	26,926	-	-	-
126.1	Allowance for doubtful accounts - dwelling rents	(51,911)	-	-	-	-	-	-	-	-
126.2	Allowance for doubtful accounts - other	-	-	-	-	-	-	-	-	-
127	Notes and mortgages receivable- current	-	-	-	-	-	-	-	-	-
128	Fraud recovery	-	-	-	-	-	-	-	-	-
128.1	Allowance for doubtful accounts - fraud	-	-	-	-	-	-	-	-	-
129	Accrued interest receivable	17,475	-	-	-	-	-	-	-	-
120	Total receivables, net of allowances for doubtful accounts	490,206	-	-	-	221,567	801,790	-	-	-
	Current investments									
131	Investments - unrestricted	2,311,435	-	-	-	-	10,000	-	-	-
132	Investments - restricted	1,778,424	-	-	-	-	-	-	-	-
142	Prepaid expenses and other assets	360,556	-	-	-	-	32,349	-	-	-
143	Inventories	133	-	-	-	-	-	-	-	-
143.1	Allowance for obsolete inventories	-	-	-	-	-	-	-	-	-
144	Interprogram - due from	849,368	-	-	-	-	-	-	-	-
146	Amounts to be provided	-	-	-	-	-	-	-	-	-
150	TOTAL CURRENT ASSETS	9,481,759	-	-	-	287,925	1,096,907	13	-	43,654
	NONCURRENT ASSETS:									
	Fixed assets:									
161	Land	6,677,544	-	-	-	-	2,023,850	-	-	-
162	Buildings	131,263,007	2,999,945	-	10,534,960	-	35,294,425	-	-	8,530,391
163	Furniture, equipment & machinery - dwellings	1,467,888	-	-	-	-	450,442	-	-	-
164	Furniture, equipment & machinery - administration	2,794,872	-	-	-	8,379	332,700	-	-	-
165	Leasehold improvements	-	-	-	-	-	-	-	-	-
166	Accumulated depreciation	(78,492,606)	(33,333)	-	(1,601,345)	(7,213)	(22,077,525)	-	-	(6,373,688)
167	Construction in progress	1,381,266	-	1,298,845	-	-	-	-	-	3,009,552
160	Total fixed assets, net of accumulated depreciation	65,091,971	2,966,612	1,298,845	8,933,615	1,166	16,023,892	-	-	5,166,155
	Other non-current assets:									
171	Notes and mortgages receivable - non-current	-	-	-	-	-	-	-	-	-
172	Notes and mortgages receivable-non-current - past due	-	-	-	-	-	-	-	-	-
174	Other assets	-	-	-	-	-	-	-	-	-
175	Undistributed debits	-	-	-	-	-	-	-	-	-
176	Investment in joint ventures	-	-	-	-	-	-	-	-	-
180	TOTAL NONCURRENT ASSETS	65,091,971	2,966,612	1,298,845	8,933,615	1,166	16,023,892	-	-	5,166,155
190	TOTAL ASSETS	74,573,730	2,966,612	1,298,845	8,933,615	289,091	17,120,799	13	-	5,209,809

CAMBRIDGE HOUSING AUTHORITY

Financial Data Schedule (FDS) - Public Housing Enterprise Fund

March 31, 2004

Line Item #	Account Description	Low Rent 14.850	Comprehensive Grant Program - 00 14.859	Comprehensive Grant Program - 01 14.859	MROP Development	Resident Opportunity and Supportive Services	State/ Local--Low Rent	State Development(HIF)	MTW TECH ASST GRANT	State/ Modernization
	LIABILITIES AND EQUITY:									
	Liabilities:									
	Current Liabilities:									
311	Bank overdraft	-	-	-	-	-	-	-	-	-
312	Accounts payable ≤ 90 days	65,323	-	-	-	-	56,459	-	-	-
313	Accounts payable > 90 days past due	-	-	-	-	-	-	-	-	-
321	Accrued wage/payroll taxes payable	-	-	-	-	-	27,709	-	-	-
322	Accrued compensated absences	534,226	-	-	-	-	90,038	-	-	-
324	Accrued contingency liability	-	-	-	-	-	-	-	-	-
325	Accrued interest payable	-	-	-	-	-	-	-	-	-
331	Accounts payable - HUD PHA programs	-	-	-	-	-	-	-	-	-
332	Accounts payable - PHA projects	-	-	-	-	-	-	-	-	-
333	Accounts payable - other government	-	-	-	-	-	-	-	-	-
341	Tenant security deposits	135,478	-	-	-	-	43,844	-	-	-
342	Deferred revenue	153,843	-	-	-	-	49,232	-	-	-
343	Current portion of L-T debt - capital projects	186,345	-	-	-	-	-	-	-	-
344	Current portion of L-T debt - operating borrowings	-	-	-	-	-	-	-	-	-
345	Other current liabilities	-	-	-	-	-	-	-	-	-
346	Accrued liabilities - other	1,083,706	-	-	-	-	184,606	-	-	-
347	Interprogram - due to	-	-	-	-	285,030	114,900	-	-	472,506
310	TOTAL CURRENT LIABILITIES	2,158,921	-	-	-	285,030	566,788	-	-	472,506
	NONCURRENT LIABILITIES:									
351	Long-term debt, net of current - capital projects	2,394,096	-	-	-	-	-	-	-	-
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-	-	-	43,848
353	Non-current liabilities- other	204,204	-	-	-	-	-	-	-	-
354	Accrued compensated absences	-	-	-	-	-	-	-	-	-
350	TOTAL NONCURRENT LIABILITIES	2,598,300	-	-	-	-	-	-	-	43,848
300	TOTAL LIABILITIES	4,757,221	-	-	-	285,030	566,788	-	-	516,354
	EQUITY:									
501	Investment in general fixed assets	-	-	-	-	-	-	-	-	-
	Contributed Capital:									
502	Project notes (HUD)	-	-	-	-	-	-	-	-	-
503	Long-term debt - HUD guaranteed	-	-	-	-	-	-	-	-	-
504	Net HUD PHA contributions	-	-	-	-	-	-	-	-	-
505	Other HUD contributions	-	-	-	-	-	-	-	-	-
507	Other contributions	-	-	-	-	-	-	-	-	-
508	Total contributed capital	-	-	-	-	-	-	-	-	-
	Reserved fund balance:									
508.1	Investment in Capital Assets, Net of Related Debt	62,511,530	2,966,612	1,298,845	8,933,615	1,166	16,023,892	-	-	5,166,155
509	Reserved for operating activities	-	-	-	-	-	-	-	-	-
510	Reserved for capital activities	-	-	-	-	-	-	-	-	-
511	Total reserved fund balance	-	-	-	-	-	63,802	-	-	-
511	Restricted Net Assets	-	-	-	-	-	-	-	-	-
512	Undesignated fund balance/retained earnings	7,304,979	-	-	-	2,895	466,317	13	-	(472,700)
512.1	Unrestricted Net Assets									
513	TOTAL EQUITY	69,816,509	2,966,612	1,298,845	8,933,615	4,061	16,554,011	13	-	4,693,455
600	TOTAL LIABILITIES AND EQUITY	74,573,730	2,966,612	1,298,845	8,933,615	289,091	17,120,799	13	-	5,209,809
	Proof of concept	-	-	-	-	-	-	-	-	-

CAMBRIDGE HOUSING AUTHORITY

Financial Data Schedule (FDS) - Public Housing Enterprise Fund

March 31, 2004

Line Item #	Account Description	Fiduciary Fund--Payroll	Fiduciary Fund--Revolving	Hope VI	State/ Aberdeen-Hammond-Woodbridge	Miscellaneous Grants	SCPH	Section 8 New Construction Substantial Rehabilitation	Section 8 New Construction Substantial Rehabilitation	Other Federal-315 HomeOwners	TOTAL
	ASSETS:										
	CURRENT ASSETS:										
	Cash:										
111	Cash - unrestricted	85,375	667,162	-	102,077	143,316	11,397	264,191	320,134	9,773	5,459,702
112	Cash - restricted - modernization and development	-	-	-	-	-	-	-	-	-	7,935
113	Cash - other restricted	-	16,602	-	-	-	-	-	-	720,000	747,528
114	Cash - tenant security deposits	-	-	-	-	-	-	3,739	2,599	200	185,830
100	Total cash	85,375	683,764	-	102,077	143,316	11,397	267,930	322,733	729,973	6,400,995
	Accounts and notes receivables:										
121	Accounts receivable - PHA projects	-	-	-	-	-	-	-	-	-	-
122	Accounts receivable - HUD other projects	-	-	-	-	-	6,126	-	-	-	610,418
124	Accounts receivable - other government	-	-	-	-	-	-	33,131	70,036	-	868,057
125	Accounts receivable - miscellaneous	9,867	7,859	-	-	-	-	-	-	16,392	117,008
126	Accounts receivable- tenants - dwelling rents	-	-	-	-	-	-	141	1,148	24	97,240
126.1	Allowance for doubtful accounts - dwelling rents	-	-	-	-	-	-	-	-	-	(51,911)
126.2	Allowance for doubtful accounts - other	-	-	-	-	-	-	-	-	-	-
127	Notes and mortgages receivable- current	-	-	-	-	-	-	-	-	-	-
128	Fraud recovery	-	-	-	-	-	-	-	-	-	-
128.1	Allowance for doubtful accounts - fraud	-	-	-	-	-	-	-	-	-	17,475
129	Accrued interest receivable	-	-	-	-	-	-	-	-	-	1,658,287
120	Total receivables, net of allowances for doubtful accounts	9,867	7,859	-	-	-	6,126	33,272	71,184	16,416	
	Current investments										
131	Investments - unrestricted	-	-	-	-	-	-	-	-	-	2,321,435
132	Investments - restricted	-	-	-	-	-	-	-	-	-	1,778,424
142	Prepaid expenses and other assets	-	-	-	-	-	-	-	-	-	-
143	Inventories	-	64,148	-	-	-	-	-	-	-	392,905
143.1	Allowance for obsolete inventories	-	-	-	-	-	-	-	-	-	64,281
144	Interprogram - due from	-	406,720	-	64,604	-	-	92,437	-	487,639	1,900,768
146	Amounts to be provided	-	-	-	-	-	-	-	-	-	-
150	TOTAL CURRENT ASSETS	95,242	1,162,491	-	166,681	143,316	17,523	393,639	393,917	1,234,028	14,517,095
	NONCURRENT ASSETS:										
	Fixed assets:										
161	Land	-	-	-	783,472	-	-	-	-	16,575	9,501,441
162	Buildings	-	-	-	2,157,267	-	-	1,277,250	-	51,518	192,108,663
163	Furniture, equipment & machinery - dwellings	-	-	-	30,298	-	-	26,200	-	-	1,974,828
164	Furniture, equipment & machinery - administration	-	-	-	2,693	-	-	56,274	85,349	-	3,280,267
165	Leasehold improvements	-	-	-	-	-	-	-	-	-	-
166	Accumulated depreciation	-	-	-	(617,269)	-	-	(745,682)	(60,759)	(45,725)	(110,055,145)
167	Construction in progress	-	-	4,753,787	-	-	-	25,845	375,745	-	10,845,040
160	Total fixed assets, net of accumulated depreciation	-	-	4,753,787	2,356,461	-	-	639,887	400,335	22,368	107,655,094
	Other non-current assets:										
171	Notes and mortgages receivable - non-current	-	-	-	-	-	-	-	-	-	-
172	Notes and mortgages receivable-non-current - past due	-	-	-	-	-	-	-	-	-	-
174	Other assets	-	-	-	-	-	-	-	-	-	-
175	Undistributed debits	-	-	-	-	-	-	-	-	-	-
176	Investment in joint ventures	-	-	-	-	-	-	-	-	-	-
180	TOTAL NONCURRENT ASSETS	-	-	4,753,787	2,356,461	-	-	639,887	400,335	22,368	107,655,094
190	TOTAL ASSETS	95,242	1,162,491	4,753,787	2,523,142	143,316	17,523	1,033,526	794,252	1,256,396	122,172,189

CAMBRIDGE HOUSING AUTHORITY

Financial Data Schedule (FDS) - Public Housing Enterprise Fund

March 31, 2004

Line Item #	Account Description	Fiduciary Fund--Payroll	Fiduciary Fund--Revolving	Hope VI	State/ Aberdeen-Hammond-Woodbridge	Miscellaneous Grants	SCPH	Section 8 New Construction Substantial Rehabilitation	Section 8 New Construction Substantial Rehabilitation	Other Federal-315 HomeOwners	TOTAL
	LIABILITIES AND EQUITY:										
	Liabilities:										
	Current Liabilities:										
311	Bank overdraft	-	-	-	-	-	-	-	-	-	-
312	Accounts payable ≤ 90 days	-	1,069,266	-	-	-	-	-	-	-	1,191,048
313	Accounts payable > 90 days past due	-	-	-	-	-	-	-	-	-	-
321	Accrued wage/payroll taxes payable	-	-	-	-	-	-	-	-	-	27,709
322	Accrued compensated absences	-	-	-	1,495	-	-	3,740	13,805	1,010	644,314
324	Accrued contingency liability	-	-	-	-	-	-	-	-	-	-
325	Accrued interest payable	-	-	-	-	-	-	-	-	-	-
331	Accounts payable - HUD PHA programs	-	-	-	-	-	-	-	-	-	-
332	Accounts payable - PHA projects	-	-	-	-	-	-	-	-	-	-
333	Accounts payable - other government	-	-	-	-	-	-	-	-	-	-
341	Tenant security deposits	-	-	-	-	-	-	3,739	2,599	200	185,860
342	Deferred revenue	-	77,131	-	-	-	-	2,734	8,682	622	292,244
343	Current portion of L-T debt - capital projects	-	-	-	-	-	-	-	-	-	186,345
344	Current portion of L-T debt - operating borrowings	-	-	-	-	-	-	-	-	-	-
345	Other current liabilities	-	-	-	-	-	-	-	-	-	-
346	Accrued liabilities - other	(40,437)	-	-	649	-	-	4,173	35,522	3,069	1,271,288
347	Interprogram - due to	135,679	-	-	-	37,015	14,252	-	20,328	-	1,079,710
310	TOTAL CURRENT LIABILITIES	95,242	1,146,397	-	2,144	37,015	14,252	14,386	80,936	4,901	4,878,518
	NONCURRENT LIABILITIES:										
351	Long-term debt, net of current - capital projects	-	-	-	-	-	-	-	-	-	2,394,096
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-	-	-	-	-
353	Non-current liabilities- other	-	-	-	-	-	-	-	-	52,411	300,463
354	Accrued compensated absences	-	-	-	-	-	-	-	-	-	-
350	TOTAL NONCURRENT LIABILITIES	-	-	-	-	-	-	-	-	52,411	2,694,559
300	TOTAL LIABILITIES	95,242	1,146,397	-	2,144	37,015	14,252	14,386	80,936	57,312	7,573,077
	EQUITY:										
501	Investment in general fixed assets	-	-	-	-	-	-	-	-	-	-
	Contributed Capital:										
502	Project notes (HUD)	-	-	-	-	-	-	-	-	-	-
503	Long-term debt - HUD guaranteed	-	-	-	-	-	-	-	-	-	-
504	Net HUD PHA contributions	-	-	-	-	-	-	-	-	-	-
505	Other HUD contributions	-	-	-	-	-	-	-	-	-	-
507	Other contributions	-	-	-	-	-	-	-	-	-	-
508	Total contributed capital	-	-	-	-	-	-	-	-	-	-
	Reserved fund balance:	-	-								
508.1	Investment in Capital Assets, Net of Related Debt			4,753,787	2,356,461			639,887	400,335	22,368	105,074,653
509	Reserved for operating activities	-	-	-	-	-	-	-	-	-	-
510	Reserved for capital activities	-	-	-	-	-	-	-	-	-	-
511	Total reserved fund balance	-	-	-	-	-	-	-	-	-	-
511	Restricted Net Assets	-	16,094		16,748			62,295		213,385	372,324
512	Undesignated fund balance/retained earnings	-	-	-	-	-		-		-	-
512.1	Unrestricted Net Assets	-	-	-	147,789	106,301	3,271	316,958	312,981	963,331	9,152,135
513	TOTAL EQUITY	-	16,094	4,753,787	2,520,998	106,301	3,271	1,019,140	713,316	1,199,084	114,599,112
600	TOTAL LIABILITIES AND EQUITY	95,242	1,162,491	4,753,787	2,523,142	143,316	17,523	1,033,526	794,252	1,256,396	122,172,189
	Proof of concept	-	-	-	-	-	-	-	-	-	-

CAMBRIDGE HOUSING AUTHORITY

Financial Data Schedule (FDS) - Voucher Enterprise Fund

March 31, 2004

Line Item #	Account Description	Section 8 Housing Choice Voucher	Section 8 MR	Section 8 MR	M-T-W Program	Section 8 Shelter Plus Care	Section 8 Other Federal - 309 MTA	Section 8 Fiduciary Fund	TOTAL
	ASSETS:								
	CURRENT ASSETS:								
	Cash:								
111	Cash - unrestricted	-	76,168	244,709	4,406,358	25,588		1,071,171	5,823,994
112	Cash - restricted - modernization and development	-	-	-	-	-	-	-	-
113	Cash - other restricted	-	-	-	138,636	-	-	-	138,636
114	Cash - tenant security deposits	-	-	-	-	-	-	-	-
100	Total cash	-	76,168	244,709	4,544,994	25,588	-	1,071,171	5,962,630
	Accounts and notes receivables:								
121	Accounts receivable - PHA projects	-	-	-	-	-	-	-	-
122	Accounts receivable - HUD other projects	-	-	108,228	-	8,258	-	-	116,486
124	Accounts receivable - other government	-	1,306	-	-	29,959	-	-	31,265
125	Accounts receivable - miscellaneous	-	-	-	290,368	20,386	-	-	310,754
126	Accounts receivable- tenants - dwelling rents	-	-	-	-	-	-	-	-
126	Allowance for doubtful accounts - dwelling rents	-	-	-	-	-	-	-	-
126	Allowance for doubtful accounts - other	-	-	-	-	-	-	-	-
127	Notes and mortgages receivable- current	-	-	-	5,308,152	-	-	-	5,308,152
128	Fraud recovery	-	-	-	-	-	-	-	-
128	Allowance for doubtful accounts - fraud	-	-	-	-	-	-	-	-
129	Accrued interest receivable	-	-	-	74,460	-	-	-	74,460
120	Total receivables, net of allowances for doubtful accounts	-	1,306	108,228	5,672,980	58,603	-	-	5,841,117
	Current investments								
131	Investments - unrestricted	-	-	-	2,000,000	-	-	-	2,000,000
132	Investments - restricted	-	-	-	-	-	-	-	-
142	Prepaid expenses and other assets	-	-	-	19,185	-	-	-	19,185
143	Inventories	-	-	-	-	-	-	-	-
143	Allowance for obsolete inventories	-	-	-	-	-	-	-	-
144	Interprogram - due from	3,280,768	-	-	1,803,538	-	-	-	5,084,306
146	Amounts to be provided	-	-	-	-	-	-	-	-
150	TOTAL CURRENT ASSETS	3,280,768	77,474	352,937	14,040,697	84,191	-	1,071,171	18,907,238
	NONCURRENT ASSETS:								
	Fixed assets:								
161	Land	-	-	-	-	-	-	-	-
162	Buildings	-	-	-	-	-	-	-	-
163	Furniture, equipment & machinery - dwellings	-	-	-	-	-	-	-	-
164	Furniture, equipment & machinery - administration	-	-	-	24,743	-	-	-	24,743
165	Leasehold improvements	-	-	-	-	-	-	-	-
166	Accumulated depreciation	-	-	-	(11,135)	-	-	-	(11,135)
167	Construction in progress	-	-	-	-	-	-	-	-
160	Total fixed assets, net of accumulated depreciation	-	-	-	13,608	-	-	-	13,608
	Other non-current assets:								
171	Notes and mortgages receivable - non-current	-	-	-	-	-	-	-	-
172	Notes and mortgages receivable-non-current - past due	-	-	-	-	-	-	-	-
174	Other assets	-	-	-	-	-	-	-	-
175	Undistributed debits	-	-	-	-	-	-	-	-
176	Investment in joint ventures	-	-	-	-	-	-	-	-
180	TOTAL NONCURRENT ASSETS	-	-	-	13,608	-	-	-	13,608
190	TOTAL ASSETS	3,280,768	77,474	352,937	14,054,305	84,191	-	1,071,171	18,920,846

CAMBRIDGE HOUSING AUTHORITY

Financial Data Schedule (FDS) - Voucher Enterprise Fund

March 31, 2004

Line Item #	Account Description	Section 8 Housing Choice Voucher	Section 8 MR	Section 8 MR	M-T-W Program	Section 8 Shelter Plus Care	Section 8 Other Federal - 309 MTA	Section 8 Fiduciary Fund	TOTAL
	LIABILITIES AND EQUITY:								
	Liabilities:								
	Current Liabilities:								
311	Bank overdraft	-	-	-	-	-	-	-	-
312	Accounts payable ≤ 90 days	-	7,495	7,791	47,301	-	-	-	62,587
313	Accounts payable > 90 days past due	-	-	-	-	-	-	-	-
321	Accrued wage/payroll taxes payable	-	-	-	-	-	-	-	-
322	Accrued compensated absences	-	-	19,069	322,646	-	-	-	341,715
324	Accrued contingency liability	-	-	-	-	-	-	-	-
325	Accrued interest payable	-	-	-	-	-	-	-	-
331	Accounts payable - HUD PHA programs	3,231,400	-	99,275	-	-	-	-	3,330,675
332	Accounts payable - PHA projects	-	5,631	-	-	-	-	-	5,631
333	Accounts payable - other government	-	-	-	-	-	-	-	-
341	Tenant security deposits	-	-	-	-	-	-	-	-
342	Deferred revenue	-	-	-	189,185	-	-	-	189,185
343	Current portion of L-T debt - capital projects	-	-	-	-	-	-	-	-
344	Current portion of L-T debt - operating borrowings	-	-	-	-	-	-	-	-
345	Other current liabilities	-	-	-	138,636	-	-	-	138,636
346	Accrued liabilities - other	-	-	-	-	-	-	-	-
347	Interprogram - due to	-	45,491	67,186	3,280,768	89,177	-	1,071,171	4,553,793
310	TOTAL CURRENT LIABILITIES	3,231,400	58,617	193,321	3,978,536	89,177	-	1,071,171	8,622,222
	NONCURRENT LIABILITIES:								
351	Long-term debt, net of current - capital projects	-	-	-	-	-	-	-	-
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-	-	-
353	Non-current liabilities- other	-	-	-	-	-	-	-	-
354	Accrued compensated absences	-	-	-	-	-	-	-	-
350	TOTAL NONCURRENT LIABILITIES	-	-	-	-	-	-	-	-
300	TOTAL LIABILITIES	3,231,400	58,617	193,321	3,978,536	89,177	-	1,071,171	8,622,222
	EQUITY:								
501	Investment in general fixed assets	-	-	-	-	-	-	-	-
	Contributed Capital:								-
502	Project notes (HUD)	-	-	-	-	-	-	-	-
503	Long-term debt - HUD guaranteed	-	-	-	-	-	-	-	-
504	Net HUD PHA contributions	-	-	-	-	-	-	-	-
505	Other HUD contributions	-	-	-	-	-	-	-	-
507	Other contributions	-	-	-	-	-	-	-	-
508	Total contributed capital	-	-	-	-	-	-	-	-
	Reserved fund balance:								
508	Investment in Capital Assets, Net of Related Debt	-	-	-	13,608	-	-	-	13,608
509	Reserved for operating activities	-	-	-	-	-	-	-	-
510	Reserved for capital activities	-	-	-	-	-	-	-	-
511	Total reserved fund balance	-	-	-	-	-	-	-	-
512	Unrestricted Net Assets	49,368	18,857	159,616	10,062,161	(4,986)	-	-	10,285,016
513	TOTAL EQUITY	49,368	18,857	159,616	10,075,769	(4,986)	-	-	10,298,624
600	TOTAL LIABILITIES AND EQUITY	3,280,768	77,474	352,937	14,054,305	84,191	-	1,071,171	18,920,846
	Proof of concept	-	-	-	-	-	-	-	-

CAMBRIDGE HOUSING AUTHORITY

Financial Data Schedule (FDS) - Business Activities Fund

March 31, 2004

Line Item #	Account Description	266 Ridge	Daycare	CAHC	Lancaster Street, L.L.C.	Essex Street Management, Inc.	Kennedy Management, Inc.	Component Units-Wforce	Management Activities	TOTAL
	ASSETS:									
	CURRENT ASSETS:									
	Cash:									
111	Cash - unrestricted	36,721	101,643	953,201	25,333	26,293	100,622	72,422	11,973	1,328,208
112	Cash - restricted - modernization and development	-	-	-	-		764,632	-	-	764,632
113	Cash - other restricted	-	-	44,733	-	25,664	-	-	-	70,397
114	Cash - tenant security deposits	-	-	14,053	22,314	1,400	-	-	-	37,767
100	Total cash	36,721	101,643	1,011,987	47,647	53,357	865,254	72,422	11,973	2,201,004
	Accounts and notes receivables:									
121	Accounts receivable - PHA projects	-	-	-	-	-	-	-	-	-
122	Accounts receivable - HUD other projects	-	-	-	-	-	-	-	-	-
124	Accounts receivable - other government	-	-	-	-	-	-	-	-	-
125	Accounts receivable - miscellaneous	-	-	-	-	-	225,000	13,879	3,651	242,530
126	Accounts receivable- tenants - dwelling rents	-	-	-	-	-	-	-	-	-
126.1	Allowance for doubtful accounts - dwelling rents	-	-	-	-	-	-	-	-	-
126.2	Allowance for doubtful accounts - other	-	-	-	-	-	-	-	-	-
127	Notes and mortgages receivable- current	-	-	-	-	-	-	-	-	-
128	Fraud recovery	-	-	-	-	-	-	-	-	-
128.1	Allowance for doubtful accounts - fraud	-	-	-	-	-	-	-	-	-
129	Accrued interest receivable	-	-	-	-	-	-	-	-	-
120	Total receivables, net of allowances for doubtful accounts	-	-	-	-	-	225,000	13,879	3,651	242,530
	Current investments									
131	Investments - unrestricted	-	-	50,000	-	-	-	-	-	50,000
132	Investments - restricted	-	-	-	-	-	-	-	-	-
										-
142	Prepaid expenses and other assets	-	-	12,550	39,806	-	-	-	-	52,356
143	Inventories	-	-	-	-	-	-	-	-	-
143.1	Allowance for obsolete inventories	-	-	-	-	-	-	-	-	-
144	Interprogram - due from	-	-	-	-	-	-	66,663	-	66,663
146	Amounts to be provided	-	-	-	-	-	-	-	-	-
150	TOTAL CURRENT ASSETS	36,721	101,643	1,074,537	87,453	53,357	1,090,254	152,964	15,624	2,612,553
	NONCURRENT ASSETS:									
	Fixed assets:									
161	Land	-	-	705,944	1,065,920	-	-	-	-	1,771,864
162	Buildings	-	-	10,764,488	9,379,691	3,172,193	-	-	-	23,316,372
163	Furniture, equipment & machinery - dwellings	-	-	171,044	216,425	23,468	-	-	-	410,937
164	Furniture, equipment & machinery - administration	-	-	-	-	-	-	-	-	-
165	Leasehold improvements	-	-	-	-	-	-	-	-	-
166	Accumulated depreciation	-	-	(279,671)	(822,720)	(194,060)	-	-	-	(1,296,451)
167	Construction in progress	-	-	2,300,183	2,519,420	-	-	-	-	4,819,603
160	Total fixed assets, net of accumulated depreciation	-	-	13,661,988	12,358,736	3,001,601	-	-	-	29,022,325
	Other non-current assets:									
171	Notes and mortgages receivable - non-current	-	-	-	-	-	-	-	-	-
172	Notes and mortgages receivable-non-current - past due	-	-	-	-	-	-	-	-	-
174	Other assets	-	-	-	-	-	-	-	-	-
175	Undistributed debits	-	-	-	-	-	-	-	-	-
176	Investment in joint ventures	-	-	-	-	-	-	-	-	-
180	TOTAL NONCURRENT ASSETS	-	-	13,661,988	12,358,736	3,001,601	-	-	-	29,022,325
190	TOTAL ASSETS	36,721	101,643	14,736,525	12,446,189	3,054,958	1,090,254	152,964	15,624	31,634,878

CAMBRIDGE HOUSING AUTHORITY

Financial Data Schedule (FDS) - Business Activities Fund

March 31, 2004

Line Item #	Account Description	266 Ridge	Daycare	CAHC	Lancaster Street, L.L.C.	Essex Street Management, inc.	Kennedy Management, Inc.	Component Units-Wforce	Management Activities	TOTAL
	LIABILITIES AND EQUITY:									
	Liabilities:									
	Current Liabilities:									
311	Bank overdraft	-	-	-	-	-	-	-	-	-
312	Accounts payable ≤ 90 days	-	-	-	188,468	-	181,648	-	-	370,116
313	Accounts payable > 90 days past due	-	-	-	-	-	-	-	-	-
321	Accrued wage/payroll taxes payable	-	-	-	-	-	-	-	-	-
322	Accrued compensated absences	-	-	-	-	-	-	-	-	-
324	Accrued contingency liability	-	-	-	-	-	-	-	-	-
325	Accrued interest payable	-	-	-	-	-	-	-	-	-
331	Accounts payable - HUD PHA programs	-	-	-	-	-	-	-	-	-
332	Accounts payable - PHA projects	-	-	-	-	-	-	-	-	-
333	Accounts payable - other government	-	-	-	-	-	-	-	-	-
341	Tenant security deposits	-	-	14,053	21,884	1,400	-	-	-	37,337
342	Deferred revenue	-	-	3,947	-	-	-	-	-	3,947
343	Current portion of L-T debt - capital projects	-	-	3,683,007	-	24,737	-	-	-	3,707,744
344	Current portion of L-T debt - operating borrowings	-	-	-	-	-	-	-	-	-
345	Other current liabilities	-	-	-	430	-	34,387	-	-	34,817
346	Accrued liabilities - other	-	-	116,867	28,158	2,660	-	-	-	147,685
347	Interprogram - due to	-	-	236,929	491,512	2,589	750,000	-	(62,796)	1,418,234
310	TOTAL CURRENT LIABILITIES	-	-	4,054,803	730,452	31,386	966,035	-	(62,796)	5,719,880
	NONCURRENT LIABILITIES:									
351	Long-term debt, net of current - capital projects	-	-	5,093,519	6,893,742	2,265,205	-	-	-	14,252,466
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-	-	-	-
353	Non-current liabilities- other	-	-	-	169,781	-	-	60,064	-	229,845
354	Accrued compensated absences	-	-	-	-	-	-	-	-	-
350	TOTAL NONCURRENT LIABILITIES	-	-	5,093,519	7,063,523	2,265,205	-	60,064	-	14,482,311
300	TOTAL LIABILITIES	-	-	9,148,322	7,793,975	2,296,591	966,035	60,064	(62,796)	20,202,191
	EQUITY:									
501	Investment in general fixed assets	-	-	-	-	-	-	-	-	-
	Contributed Capital:									
502	Project notes (HUD)	-	-	-	-	-	-	-	-	-
503	Long-term debt - HUD guaranteed	-	-	-	-	-	-	-	-	-
504	Net HUD PHA contributions	-	-	-	-	-	-	-	-	-
505	Other HUD contributions	-	-	-	-	-	-	-	-	-
507	Other contributions	-	-	-	-	-	-	-	-	-
508	Total contributed capital	-	-	-	-	-	-	-	-	-
	Reserved fund balance:									
508.1	Investment in Capital Assets, Net of Related Debt	-	-	4,885,462	5,464,994	711,659			-	11,062,115
509	Reserved for operating activities	-	-	-	-	-	-	-	-	-
510	Reserved for capital activities	-	-	-	-	-	-	-	-	-
511	Total reserved fund balance	-	-	-	-	-	-	-	-	-
511	Restricted net assets			-		681,969	-	31,830		713,799
512.1	Unrestricted Net Assets	36,721	101,643	702,741	(812,780)	(635,261)	124,219	61,070	78,420	(343,227)
513	TOTAL EQUITY	36,721	101,643	5,588,203	4,652,214	758,367	124,219	92,900	78,420	11,432,687
600	TOTAL LIABILITIES AND EQUITY	36,721	101,643	14,736,525	12,446,189	3,054,958	1,090,254	152,964	15,624	31,634,878
	Proof of concept	-	-	-	-	-	-	-	-	-

CAMBRIDGE HOUSING AUTHORITY

Financial Data Schedule (FDS) - Public Housing Enterprise Fund

March 31, 2004

Line Item #	Account Description	Low Rent 14.850	Comprehensive Grant Program - 97 14.859	Comprehensive Grant Program - 98 14.859	Comprehensive Grant Program - 99 14.859	Comprehensive Grant Program - 00 14.859	Comprehensive Grant Program - 01 14.859	MROP Development
	REVENUES:							
703	Net tenant rental revenue	7,993,238						
704	Tenant revenue - other	8,365						
705	Total tenant revenue	7,874,103						
706	HUD PHA grants	6,391,367				347,871	315,810	
707	Capital grants	-				2,478,666	1,299,845	
708	Other governmental grants							
711	Investment income - unrestricted	146,440						
712	Mortgage interest income	-						
714	Fraud recovery	35,071						
715	Other revenue	503,327						
716	Gain or loss on sale of fixed assets	-						
720	Investment income - restricted	-						
700	TOTAL REVENUE	14,950,508				2,826,537	1,614,655	
	EXPENSES:							
	Administrative							
911	Administrative salaries	1,810,757				39,671	245,606	
912	Auditing fees	14,919				-		
913	Outside management fees	-				-		
914	Compensated absences	-						
915	Employee benefit contributions - administrative	635,223				14,600	107,164	
916	Other operating - administrative	923,399				303,600	160,040	
	Tenant services							
921	Tenant services - salaries	400						
922	Relocation costs	-						
923	Employee benefit contributions - tenant services	39,864						
924	Tenant services - other	-						
	Utilities							
931	Water	1,610,995						
932	Electricity	1,313,317						
933	Gas	1,227,198						
934	Fuel							
935	Labor							
937	Employee benefit contributions - utilities							
938	Other utilities expense	70,820						
	Ordinary maintenance & operation							
941	Ordinary maintenance and operations - labor	2,347,450						
942	Ordinary maintenance and operations - materials & other	576,437						
943	Ordinary maintenance and operations - contract costs	921,228						
945	Employee benefit contributions - ordinary maintenance	756,211						
	Protective services							
951	Protective services - labor	181,400						
952	Protective services - other contract costs	64,966						
953	Protective services - other							
955	Employee benefit contributions - protective services	61,632						
	General expenses							
961	Insurance premiums	293,627						
962	Other general expense	118,261						
963	Payments in lieu of taxes	397,596						
964	Bad debt - tenant rents	14,252						
965	Bad debt - mortgages							
966	Bad debt - other							
967	Interest expense							
968	Severance expense							
969	TOTAL OPERATING EXPENSES	13,424,947				347,871	315,810	
970	EXCESS OPERATING REVENUE OVER OPERATING EXPENSES	1,525,561				2,478,666	1,299,845	

CAMBRIDGE HOUSING AUTHORITY

Financial Data Schedule (FDS) - Public Housing Enterprise Fund

March 31, 2004

Line Item #	Account Description	Low Rent 14.850	Comprehensive Grant Program - 97 14.859	Comprehensive Grant Program - 98 14.859	Comprehensive Grant Program - 99 14.859	Comprehensive Grant Program - 00 14.859	Comprehensive Grant Program - 01 14.859	MRGP Development
971	Extraordinary maintenance	961,856						
972	Casualty losses - non capitalized	(11,464)						
973	Housing assistance payments							
974	Depreciation expense	5,447,802				33,333		
975	Fraud losses							
976	Capital outlays- governmental funds							
977	Debt principal payment- governmental funds							
978	Overhead costs expense							
900	TOTAL EXPENSES	19,818,171				381,204	515,810	
	OTHER FINANCING SOURCES (USES)							
1001	Operating transfers in							
1002	Operating transfers out							
1003	Operating transfers from/to primary government							
1004	Operating transfers from/to component unit							
1005	Proceeds from notes, loans and bonds							
1006	Proceeds from property sales							
1010	TOTAL OTHER FINANCING SOURCES (USES)							
1000	EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(4,847,663)				2,445,333	1,298,845	
MEMO ACCOUNT INFORMATION:								
1101	Capital contributions							
1102	Debt principal payments - enterprise funds							
1103	Beginning equity	58,952,566	1,893,741	2,650,905	2,704,057	521,279		8,482,953
1104	Prior period adjustments and equity transfers	15,731,606	(1,893,741)	(2,650,905)	(2,704,057)			(8,482,953)
1105	Changes in compensated absence liability (in the GLTDAG)							
1106	Changes in contingent liability balance (in the GLTDAG)							
1107	Changes in unrecognized pension transition liability (in the GLTDAG)							
1108	Changes in special termination benefits liability (in the GLTDAG)							
1109	Changes in allowance for doubtful accounts - dwelling rents							
1110	Changes in allowance for doubtful accounts - other							
1112	Depreciation "add back"							
1113	Maximum annual contributions commitment (per ACC)							
1114	Prorate maximum annual contribution applicable to a period of less than twelve months							
1115	Contingency reserve, ACC program reserve							
1116	TOTAL OTHER FINANCING SOURCES (USES)							
1120	Unit months available							
1121	Number of unit months leased							
	Equity Roll Forward Test							
	Calculation from R/E Statement	69,816,509				2,966,612	1,298,845	
	DB Line 513	69,816,509				2,966,612	1,298,845	

CAMBRIDGE HOUSING AUTHORITY

Financial Data Schedule (FDS)- Public Housing Enterprise Fund

March 31, 2004

Line Item #	Account Description	MROP Development	Resident Opportunity and Supportive Services	Hope VI	State/ Aberdeen-Hammond-Woodridge	State/ Local-Low Rent	State Development(HIF)	MTW TECH ASST GRANT	State Modernization
	REVENUE:								
703	Net tenant rental revenue				38,000	2,333,440			
704	Tenant revenue - other								
705	Total tenant revenue				38,000	2,333,440			
706	HUD PHA grants		730,433					139,643	13,886
707	Capital grants			133,017					283,177
708	Other government grants					970,920			
711	Investment income - unrestricted				1,046	6,276			934
712	Mortgage interest income								
714	Fraud recovery					5,166			
715	Other revenue					183,069			
716	Gain or loss on sale of fixed assets								
720	Investment income - restricted								
700	TOTAL REVENUE		730,433	133,017	39,046	3,520,391		139,643	298,017
	EXPENSES:								
	Administrative								
911	Administrative salaries		204,153		1,710	753,968			5,000
912	Auditing fees				3	1,472			
913	Outside management fees								
914	Compensated absences								
915	Employee benefit contributions- administrative		88,312		418	129,310			
916	Other operating - administrative				322	309,335			
	Tenant services								
921	Tenant services - salaries								
922	Relocation costs								8,886
923	Employee benefit contributions - tenant services								
924	Tenant services - other		377,968			47,946			
	Utilities								
931	Water					391,792			
932	Electricity				2	400,324			
933	Gas					268,060			
934	Fuel								
935	Labor								
937	Employee benefit contributions - utilities								
938	Other utilities expense								
	Ordinary maintenance & operations								
941	Ordinary maintenance and operations - labor				1,690	536,171			
942	Ordinary maintenance and operations - materials & other				5	144,652			
943	Ordinary maintenance and operations - contract costs				920	457,037		139,643	
945	Employee benefit contributions - ordinary maintenance				603	210,424			
	Protective services								
951	Protective services - labor								
952	Protective services - other contract costs								
953	Protective services - other								
955	Employee benefit contributions - protective services								
	General expenses								
961	Insurance premiums				1,323	53,894			
963	Other general expenses				6,010				
965	Payments in lieu of taxes				2,627	16,990			
964	Bad debt - tenant rents					4,846			
965	Bad debt - mortgages								
966	Bad debt - other								
967	Interest expense								
968	Severance expense								
969	TOTAL OPERATING EXPENSES		730,433		17,433	3,454,740		139,643	13,885
970	EXCESS OPERATING REVENUE OVER OPERATING EXPENSES			133,017	19,613	65,651			284,131

CAMBRIDGE HOUSING AUTHORITY

Financial Data Schedule (FDS) - Public Housing Enterprise Fund

March 31, 2004

Line Item #	Account Description	MROP Development	Resident Opportunity and Supportive Services	Hope VI	State/ Aberdeen-Hammond-Woodbridge	State/ Local-Low Rent	State Development(HIF)	MTW TECH ASST GRANT	State Modernization
971	Extraordinary maintenance				8,850	101,244			
972	Casualty losses - non capitalized								
973	Housing assistance payments								
974	Depreciation expense	532,223	148		54,276	1,801,822			568,495
975	Fraud losses								
976	Capital outlays- governmental funds								
977	Debt principal payment- governmental funds								
978	Dwellings units rent expense								
900	TOTAL EXPENSES	532,223	730,581		80,559	5,357,806		159,643	582,381
	OTHER FINANCING SOURCES (USES)								
1001	Operating transfers in								
1002	Operating transfers out								
1003	Operating transfers from/to primary government								
1004	Operating transfers from/to component unit								
1005	Proceeds from notes, loans and bonds								
1006	Proceeds from property sales								
1010	TOTAL OTHER FINANCING SOURCES (USES)								
1000	EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(532,223)	(148)	133,017	(43,513)	(1,837,415)			(284,564)
MEMO ACCOUNT INFORMATION:									
1101	Capital contributions								
1102	Debt principal payments - enterprise funds								
1103	Beginning equity	9,465,838	4,209	4,620,770	2,564,511	18,391,426	13		4,977,819
1104	Prior period adjustments and equity transfers								
1105	Changes in compensated absence liability (in the GLTDAG)								
1106	Changes in contingent liability balance (in the GLTDAG)								
1107	Changes in unrecognized pension transition liability (in the GLTDAG)								
1108	Changes in special term/severance benefits liability (in the GLTDAG)								
1109	Changes in allowance for doubtful accounts - dwelling rents								
1110	Changes in allowance for doubtful accounts - other								
1112	Depreciation "add back"								
1113	Maximum annual contributions commitment (per ACC)								
1114	Prorata maximum annual contributions applicable to a period of less than twelve months								
1115	Contingency reserve, ACC program reserve								
1116	TOTAL OTHER FINANCING SOURCES (USES)								
1120	Unit months available								
1121	Number of unit months leased								
	Equity Roll Forward Test								
	Calculation from B/E Statement	8,933,615	4,061	4,753,787	2,520,998	16,554,011	13		4,693,455
	B/S Line 513	8,933,615	4,061	4,753,787	2,520,998	16,554,011	13		4,693,455

CAMBRIDGE HOUSING AUTHORITY

Financial Data Schedule (FDS) - Public Housing Enterprise Fund

March 31, 2004

Line Item #	Account Description	Fiduciary Fund-Payroll	Fiduciary Fund-Revolving	SCFH	Miscellaneous Grants	Section 8 New Construction Substantial Rehabilitation	Section 8 New Construction Substantial Rehabilitation	Other Federal-315 HomeOwners	TOTAL
	REVENUE:								
703	Net tenant rental revenue					108,434		27,408	10,393,040
704	Tenant revenue - other						307,078		318,063
705	Total tenant revenue					108,434	307,078	27,408	10,711,103
706	HUD PHA grants			54,724					8,214,124
707	Capital grants								4,193,705
708	Other government grants					184,336	414,817		1,369,323
711	Investment income - unrestricted		193	275	1,094	2,939	1,615	337	161,349
712	Mortgage interest income								
714	Fraud recovery						4,356		44,993
715	Other revenue				36,163	1,243	13,762		757,388
716	Gain or loss on sale of fixed assets							36,856	36,856
720	Investment income - restricted							1,777	1,777
700	TOTAL REVENUE		193	54,999	37,257	297,374	744,248	66,598	23,670,718
	EXPENSES:								
	Administrative								
911	Administrative salaries					19,322	62,093	1,562	2,795,842
912	Auditing fees					113	311	28	16,846
913	Outside management fees								
914	Compensated absences								
915	Employee benefit contributions- administrative					7,140	23,615	314	984,291
916	Other operating- administrative					3,945	19,915	1,247	1,724,843
	Tenant services								
921	Tenant services - salaries								400
922	Relocation costs								8,886
923	Employee benefit contributions- tenant services								30,864
924	Tenant services - other			54,724	37,013	4,631	8,410		330,740
	Utilities								
931	Water					2,391	63,720		2,141,368
932	Electricity					12,469	32,013	25	1,754,741
933	Gas					16,935	73,038		3,689,353
934	Fuel								
935	Labor								
937	Employee benefit contributions - utilities								
938	Other utilities expense								70,820
	Ordinary maintenance & operation								
941	Ordinary maintenance and operations - labor					19,266	92,971	177	3,010,674
942	Ordinary maintenance and operations - materials & other					4,891	28,947	263	759,195
943	Ordinary maintenance and operations - contract costs					18,925	70,512	18,254	1,646,359
945	Employee benefit contributions- ordinary maintenance					7,156	36,118	254	1,035,366
	Protective services								
951	Protective services - labor								184,400
952	Protective services- other contract costs								64,966
953	Protective services - other								
955	Employee benefit contributions- protective services								64,032
	General expenses								
961	Insurance premiums						8,795	1,404	358,949
962	Other general expenses					2,853			129,124
963	Payments in lieu of taxes					699	2,772	3,009	423,933
964	Bad debt - tenant rents						284		16,309
965	Bad debt- mortgages								
966	Bad debt - other								
967	Interest expense								
968	Severance expense								
969	TOTAL OPERATING EXPENSES			54,724	37,013	127,502	356,417	27,390	19,467,811
970	EXCESS OPERATING REVENUE OVER OPERATING EXPENSES		193	275	244	169,872	2,478,666	39,208	6,202,907

CAMBRIDGE HOUSING AUTHORITY

Financial Data Schedule (FDS) - Public Housing Enterprise Fund

March 31, 2004

Line Item #	Account Description	Fiduciary Fund-Payroll	Fiduciary Fund-Revolving	SCPH	Miscellaneous Grants	Section 8 New Construction Substantial Rehabilitation	Section 8 New Construction Substantial Rehabilitation	Other Federal-513 HomeOwners	TOTAL
971	Extraordinary maintenance					65,394	162,016		1,300,610
972	Casualty losses - non capitalized								(11,464)
973	Housing assistance payments								
974	Depreciation expense					36,852	8,133	1,288	8,479,302
975	Fraud losses								
976	Capital outlays - governmental funds								
977	Debt principal payment- governmental funds								
978	Dwelling rents rent expense								
900	TOTAL EXPENSES			51,724	37,015	330,548	726,696	24,678	39,216,349
	OTHER FINANCING SOURCES (USES)								
1001	Operating transfers in								
1002	Operating transfers out								
1003	Operating transfers from/to primary government								
1004	Operating transfers from/to component unit								
1005	Proceeds from notes, loans and bonds								
1006	Proceeds from property sales								
1010	TOTAL OTHER FINANCING SOURCES (USES)								
1000	EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES		193	275	244	66,226	37,642	37,920	(3,565,631)
MEMO ACCOUNT INFORMATION:									
1101	Capital contributions								
1102	Debt principal payments - enterprise funds								
1103	Beginning equity		15,901	2,996	106,057	952,914	695,674	1,161,164	118,164,743
1104	Prior period adjustments and equity transfers								
1105	Changes in compensated absence liability (in the GLTDAG)								
1106	Changes in contingent liability balance for the GLTDAG)								
1107	Changes in unrecognized pension transition liability in the GLTDAG)								
1108	Changes in special term/severance benefits liability (in the GLTDAG)								
1109	Changes in allowance for doubtful accounts - dwelling rents								
1110	Changes in allowance for doubtful accounts - other								
1112	Depreciation "add back"								
1113	Maximum annual contributions commitment (per ACC)								
1114	Prior year unused annual contributions applicable to a period of less than twelve months								
1115	Contingency reserve, ACC reserve reserve								
1116	TOTAL OTHER FINANCING SOURCES (USES)								
1120	Unit months available								
1121	Number of unit months leased								
	Equity Roll Forward Test								
	Calculation from B/E Statement		16,094	3,271	106,301	1,019,140	733,316	1,199,084	114,599,112
	B/S Line 513		16,094	3,271	106,301	1,019,140	733,316	1,199,084	114,599,112

CAMBRIDGE HOUSING AUTHORITY

Financial Data Schedule (FDS) - Voucher Enterprise Fund

March 31, 2004

Line Item #	Account Description	Section 8 Housing Choice Voucher	Section 8 MR	Section 8 MR	M-T-W Program	Section 8 Shelter Plus Care	Section 8 Other Federal - 309 MTA	Section 8 Fiduciary Fund	TOTAL
	REVENUE:								
703	Net tenant rental revenue								
704	Tenant revenue - other					-	165,446	-	165,446
705	Total tenant revenue						165,446		165,446
706	HUD PHA grants	7,033,285		1,196,940	21,368,091	101,937	441,275		30,142,438
707	Capital grants								
708	Other government grants		770,218			86,881			857,100
711	Investment income - unrestricted	38,317	798	4,476	240,760	33	708		285,152
712	Mortgage interest income								
714	Fraud recovery								
715	Other revenue	10,315		2,695	394,839				407,849
716	Gain or loss on sale of fixed assets								
720	Investment income - restricted								
700	TOTAL REVENUE	7,081,917	771,016	1,204,111	22,003,690	189,852	607,489		31,857,985
	EXPENSES:								
	Administrative								
911	Administrative salaries	259,720	12,719	54,469	635,806	4,722	12,946		980,442
912	Auditing fees	4,576	340	340	5,561		481		11,468
913	Outside management fees								
914	Compensated absences								
915	Employee benefit contributions- administrative	108,420	5,519	22,974	271,626	2,042	2,935		413,566
916	Other operating- administrative	168,640	18,049	26,430	544,781		9,925		767,825
	Tenant services								
921	Tenant services - salaries								
922	Relocation costs								
923	Employee benefit contributions- tenant services								
924	Tenant services - other								
	Utilities								
931	Water								
932	Electricity						165		165
933	Gas								
934	Fuel								
935	Labor								
937	Employee benefit contributions- utilities								
938	Other utilities expense								
	Ordinary maintenance & operation								
941	Ordinary maintenance and operations - labor								
942	Ordinary maintenance and operations - materials & other						444		444
943	Ordinary maintenance and operations - contract costs						513		513
945	Employee benefit contributions- ordinary maintenance								
	Protective services								
951	Protective services - labor								
952	Protective services- other contract costs								
953	Protective services - other								
955	Employee benefit contributions- protective services								
	General expenses								
961	Insurance premiums						67		67
962	Other general expenses								
963	Payments in lieu of taxes								
964	Bad debt - tenant rents								
965	Bad debt- mortgages								
966	Bad debt - other								
967	Interest expense								
968	Severance expense								
969	TOTAL OPERATING EXPENSES	541,406	36,627	104,183	1,457,834	6,764	27,476		2,174,490
970	EXCESS OPERATING REVENUE OVER OPERATING EXPENSES		734,389	1,099,928	20,545,766	183,088	580,013		29,683,495

CAMBRIDGE HOUSING AUTHORITY

Financial Data Schedule (FDS) - Voucher Enterprise Fund

March 31, 2004

Line Item #	Account Description	Section 8 Housing Choice Voucher	Section 8 MR	Section 8 MR	M-TW Program	Section 8 Shelter Plus Care	Section 8 Other Federal - 309 MTA	Section 8 Fiduciary Fund	TOTAL
971	Extraordinary maintenance			255,000	907,141			-	1,162,141
972	Casualty losses - non capitalized								
973	Housing assistance payments	6,538,984	722,043	1,043,499	20,330,446	179,520	589,012		29,403,504
974	Depreciation expense	-			5,162				5,162
975	Fraud losses	-							
976	Capital outlays - governmental funds	-							
977	Debt principal payment - governmental funds	-							
978	Dwelling units rent expense	-						-	
900	TOTAL EXPENSES	7,050,390	758,670	1,403,882	22,700,583	186,264	616,458		32,745,297
	OTHER FINANCING SOURCES (USES)								
1001	Operating transfers in	-	-	-	-		-	-	-
1002	Operating transfers out	-	-	-	-	-	-	-	-
1003	Operating transfers from/to primary government	-	-	-	-		-		
1004	Operating transfers from/to component unit	-	-	-			-		
1005	Proceeds from notes, loans and bonds	-		-	-	-	-		
1006	Proceeds from property sales	-	-	-	-	-	-		
1010	TOTAL OTHER FINANCING SOURCES (USES)			-					
1000	EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	1,527	12,346	(198,771)	(696,983)	3,568	(8,999)		(887,312)
MESIQ ACCOUNT INFORMATION:									
1101	Capital contributions		-						
1102	Debt principal payments - enterprise funds								
1103	Beginning equity	47,841	6,511	358,387	10,772,752	(8,554)	8,999	-	11,185,936
1104	Prior period adjustments and equity transfers								-
1105	Changes in compensated absence liability (in the GLTDAG)								-
1106	Changes in contingent liability balance (in the GLTDAG)			-	-	-	-	-	-
1107	Changes in unrecognized pension transition liability in the GLTDAG)								-
1108	Changes in special termi/severance benefits liability (in the GLTDAG)								
1109	Changes in allowance for doubtful accounts - dwelling rents			-	-	-	-	-	
1110	Changes in allowance for doubtful accounts - other	-				-	-	-	
1112	Depreciation "add back"	-		-			-	-	
1113	Maximum annual contributions commitment (per ACC)	-		-	-		-	-	
1114	Prorate maximum annual contributions applicable to a period of less than twelve months	-	-	-	-	-	-		
1115	Contingency reserve, ACC program reserve	-		-	-				
1116	TOTAL OTHER FINANCING SOURCES (USES)	-		-	-	-			-
1120	Unit months available	-		-	-	-			-
1121	Number of unit months leased		-	-					
	Equity Roll Forward Test								
	Calculation from I/E Statement	49,368	18,857	159,616	10,075,769	(4,986)		-	10,298,624
	B/S Line 515	49,368	18,857	159,616	10,075,769	(4,986)			10,298,624

CAMBRIDGE HOUSING AUTHORITY

Financial Data Schedule (FDS) - Business Activities Fund

March 31, 2004

Line Item #	Account Description	266 Ridge	Daycare	CAHC	Lancaster Street, L.L.C.	Essex Street Management	Management Activities	Kennedy Management, Inc.	Component Units-Wforce	TOTAL
	REVENUE:									
703	Net tenant rental revenue	-	-	213,821	417,500	199,041	-	-	-	830,362
704	Tenant revenue - other	-	-	-	-	-	-	-	-	-
705	Total tenant revenue	-	-	213,821	417,500	199,041	-	-	-	830,362
706	HUD PHA grants	-	-	-	-	-	-	-	-	-
707	Capital grants	-	-	-	-	-	-	-	-	-
708	Other government grants	-	-	-	-	-	-	-	-	-
711	Investment income - unrestricted	427	1,143	6,210	8,563	526	-	5,085	868	22,822
712	Mortgage interest income	-	-	-	-	-	-	-	-	-
714	Fraud recovery	-	-	-	-	-	-	-	-	-
715	Other revenue	2,547	12,270	4,171,567	606	162,785	66,249	225,000	153,285	4,794,309
716	Gain or loss on sale of fixed assets	-	-	-	-	-	-	-	-	-
720	Investment income - restricted	-	-	-	-	-	-	-	-	-
										-
700	TOTAL REVENUE	2,974	13,413	4,391,598	426,669	362,352	66,249	230,085	154,153	5,647,493
	EXPENSES:									
										-
	Administrative									-
										-
911	Administrative salaries	-	-	-	-	-	7,397	6,950	21,540	35,887
912	Auditing fees	-	-	3,500	2,700	2,400	-	-	-	8,600
913	Outside management fees	-	-	8,561	19,200	13,077	-	-	-	40,838
914	Compensated absences	-	-	-	-	-	-	-	-	-
915	Employee benefit contributions- administrative	-	-	-	-	-	2,553	-	-	2,553
916	Other operating- administrative	-	-	3,286	9,211	6,063	(10,205)	177,592	27,007	212,954
										-
	Tenant services									-
										-
921	Tenant services - salaries	-	-	-	-	-	-	-	-	-
922	Relocation costs	-	-	-	-	-	-	-	-	-
923	Employee benefit contributions- tenant services	-	-	-	-	-	-	-	-	-
924	Tenant services - other	-	-	-	-	-	-	-	34,109	34,109
										-
	Utilities									-
										-
931	Water	-	-	-	8,477	-	-	-	-	8,477
932	Electricity	-	-	1,269	4,852	-	-	-	-	6,121
933	Gas	-	-	-	31,794	417	-	-	-	32,211
934	Fuel	-	-	-	-	-	-	-	-	-
935	Labor	-	-	-	-	-	-	-	-	-
937	Employee benefit contributions- utilities	-	-	-	-	-	-	-	-	-
938	Other utilities expense	-	-	-	-	-	-	-	-	-
										-
	Ordinary maintenance & operation									-
										-
941	Ordinary maintenance and operations - labor	-	-	-	42,986	-	-	-	-	42,986
942	Ordinary maintenance and operations - materials & other	-	146	1,470	3,055	-	-	-	13,525	18,196
943	Ordinary maintenance and operations - contract costs	-	1,892	58,482	34,615	46,650	-	-	7,628	149,267
945	Employee benefit contributions- ordinary maintenance	-	-	-	8,759	-	-	-	-	8,759
										-
	Protective services									-
										-
951	Protective services - labor	-	-	-	-	-	-	-	-	-
952	Protective services- other contract costs	-	-	-	-	-	-	-	-	-
953	Protective services - other	-	-	-	-	-	-	-	-	-
955	Employee benefit contributions- protective services	-	-	-	-	-	-	-	-	-

CAMBRIDGE HOUSING AUTHORITY

Financial Data Schedule (FDS) - Business Activities Fund

March 31, 2004

Line Item #	Account Description	266 Ridge	Daycare	CAHC	Lancaster Street, L.L.C.	Essex Street Management	Management Activities	Kennedy Management, Inc.	Component Units-Wforce	TOTAL
	General expenses									
961	Insurance premiums	-	-	19,184	49,547	6,716	317	3,651	-	79,415
962	Other general expenses	-	-	-	-	-	30	-	-	30
963	Payments in lieu of taxes	-	-	24,608	66,749	19,057	-	-	-	110,414
964	Bad debt - tenant rents	-	-	-	-	-	-	-	-	-
965	Bad debt- mortgages	-	-	-	-	-	-	-	-	-
966	Bad debt - other	-	-	-	-	-	-	-	-	-
967	Interest expense	-	-	90,601	168,397	64,319	-	5,085	-	328,402
968	Severance expense	-	-	-	-	-	-		-	-
969	TOTAL OPERATING EXPENSES	-	2,038	210,961	450,342	158,699	92	193,278	103,809	1,119,219
970	EXCESS OPERATING REVENUE OVER OPERATING EXPENSES	2,974	11,375	4,180,637	(23,673)	203,653	66,157	36,807	50,344	4,528,274
971	Extraordinary maintenance	-	-	-	-	-	-		-	-
972	Casualty losses - non capitalized	-	-	-	-	-	-		-	-
973	Housing assistance payments	-	-	-	-	-	-		-	-
974	Depreciation expense	-	-	111,222	128,193	87,597	-		-	327,012
975	Fraud losses	-	-	-	-	-	-		-	-
976	Capital outlays- governmental funds	-	-	-	-	-	-		-	-
977	Debt principal payment- governmental funds	-	-	-	-	-	-		-	-
978	Dwelling units rent expense	-	-	-	-	-	-		-	-
900	TOTAL EXPENSES	-	2,038	322,183	578,535	246,296	92	193,278	103,809	1,446,231
	OTHER FINANCING SOURCES (USES)									
1001	Operating transfers in	-	-	-	-	-	-		-	-
1002	Operating transfers out	-	-	-	-	-	-		-	-
1003	Operating transfers from/to primary government	-	-	-	-	-	-		-	-
1004	Operating transfers from/to component unit	-	-	-	-	-	-		-	-
1005	Proceeds from notes, loans and bonds	-	-	-	-	-	-		-	-
1006	Proceeds from property sales	-	-	-	-	-	-		-	-
1010	TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-	-	-
1000	EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	2,974	11,375	4,069,415	(151,866)	116,056	66,157	36,807	50,344	4,201,262
MEMO ACCOUNT INFORMATION:										
1101	Capital contributions	-	-	-	-	-	-	-	-	-
1102	Debt principal payments - enterprise funds	-	-	-	-	-	-	-	-	-
1103	Beginning equity	33,747	90,268	1,371,038	4,804,080	642,311	12,263	87,412	42,556	7,083,675
1104	Prior period adjustments and equity transfers	-	-	147,750	-	-	-	-	-	147,750
1105	Changes in compensated absence liability (in the GLTDAG)	-	-	-	-	-	-	-	-	-
1106	Changes in contingent liability balance (in the GLTDAG)	-	-	-	-	-	-	-	-	-
1107	Changes in unrecognized pension transition liability in the GLTDAG)	-	-	-	-	-	-	-	-	-
1108	Changes in special term/severance benefits liability (in the GLTDAG)	-	-	-	-	-	-	-	-	-
1109	Changes in allowance for doubtful accounts - dwelling rents	-	-	-	-	-	-	-	-	-

CAMBRIDGE HOUSING AUTHORITY

Financial Data Schedule (FDS) - Business Activities Fund

March 31, 2004

Line Item #	Account Description	266 Ridge	Daycare	CAHC	Lancaster Street, L.L.C.	Essex Street Management	Management Activities	Kennedy Management, Inc.	Component Units-Wforce	TOTAL
1110	Changes in allowance for doubtful accounts - other	-	-	-	-	-	-	-	-	-
1112	Depreciation "add back"	-	-	-	-	-	-	-	-	-
1113	Maximum annual contributions commitment (per ACC)	-	-	-	-	-	-	-	-	-
1114	Prorata maximum annual contributions applicable to a	-	-	-	-					-
	period of less than twelve months	-	-	-	-	-	-	-	-	-
1115	Contingency reserve, ACC program reserve	-	-	-	-	-	-	-	-	-
1116	TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-	-	-
1120	Unit months available	-	-	-	-	-	-	-		-
1121	Number of unit months leased	-	-	-	-	-	-	-		-
	Equity Roll Forward Test									
	Calculation from R/E Statement	36,721	101,643	5,588,203	4,652,214	758,367	78,420	124,219	92,900	11,432,687
	B/S Line 513	36,721	101,643	5,588,203	4,652,214	758,367	78,420	124,219	92,900	11,432,687
		-	-	-	-	-	-	-		-

Appendix Nine: Certificates and Board Authorizations

CHA
CAMBRIDGE HOUSING AUTHORITY

EXTRACT OF THE MINUTES OF THE REGULAR MEETING OF THE
BOARD OF COMMISSIONERS OF THE
CAMBRIDGE HOUSING AUTHORITY
WEDNESDAYJUNE 8, 2005 5:30 P.M.

MEMBERS PRESENT: JACQUELINE F. ADAMS, ASSISTANT TREASURER
GERARD J. CLARK, VICE-CHAIRPERSON
WARREN R. MCMANUS, TREASURER,
JAMES G. STOCKARD, JR., CHAIRPERSON

ALSO PRESENT: GREGORY RUSS, EXECUTIVE DIRECTOR
TORY GUNSOLLEY, EXECUTIVE DEPARTMENT
SHIRLEY SANFORD, RECORDING SECRETARY

APPROVAL OF MTW FY 2005 ANNUAL REPORT

MOTION: Mr. Clark moved that the Board of Commissioners of the Cambridge Housing Authority:

a) Approve the Moving To Work Deregulation Demonstration Program FY 2005 Annual Report,
b) Approve the Rent Policy Analysis found in Appendix Five of same document,
c) Authorize any technical corrections and changes to the document, and
d) Authorize the submission of the final Report to the US Department of Housing and Urban Development,

pursuant to the June 3, 2005 memorandum from Tory Gunsolley to Gregory Russ, Executive Director.

Mr. McManus seconded the motion, which upon being put to vote, was passed unanimously.

Gregory Russ, Executive Director

Attest
Seal

MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF THE CAMBRIDGE HOUSING AUTHORITY WEDNESDAY, JANUARY 28, 2004 5:30 P.M.

MEMBERS PRESENT: WARREN R. MCMANUS, CHAIRPERSON
JOYCE L. SMITH, VICE-CHAIRPERSON
JAMES G. STOCKARD, JR., TREASURER
GERARD J. CLARK, ASSISTANT TREASURER
JACQUELINE F. ADAMS, MEMBER

ALSO PRESENT: DANIEL J. WUENSCHEL, EXECUTIVE DIRECTOR
CHRIS HARPER FAHEY, EXECUTIVE DEPARTMENT
CLIVE GODWIN, PERSONNEL DEPARTMENT
KEUN YOUNG HONG, RECORDING SECRETARY

FY 2005 MOVING TO WORK ANNUAL PLAN

MOTION: Mr. Clark moved that the Executive Director is authorized to submit to the US Department of Housing and Urban Development (HUD) the MTW (Moving To Work) Deregulation Demonstration Program Annual Plan for FY 2005 and all related or required certifications and HUD forms, of which this document is a part, and all necessary documentation and submission for the receipt of operating, Section 8/Housing Choice Voucher and Capital Fund Program funds, and make the following certifications and agreements with HUD in connection with the submission of the Plan and implementation thereof:

1. The PHA held a FY 2005 MTW Public Hearing on January 15, 2004.

2. The PHA will carry out the Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990.

3. In relation to Development Choice:
   - The CHA regularly submits required data to HUD's MTCS in an accurate, complete and timely manner (as specified in PIH Notice 99-2) [1];
   - The system of site-based waiting lists provides for full disclosure to each applicant in the selection of the development in which to reside, including basic information about available sites; and an estimate of the period of time the applicant would likely have to wait to be admitted to units of different sizes and types at each site;
   - Adoption of site-based waiting list would not violate any court order or settlement agreement or be inconsistent with a pending complaint brought by HUD;

- The PHA provides for review of its site-based waiting list policy to determine if it is consistent with civil rights laws and certifications, as specified in 24 CFR Part 903.7.

4. In relation to rent policies, the CHA certifies that:

[1] Not currently required due to lack of approved MTCS MTW form; CHA under instruction not to submit

- The PHA Board approves of this policy and has approved the required analysis of the impact of such policies specified in Article I, Section I of the MTW Agreement and
- The PHA is in compliance with all provisions of that section.

5. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.

6. The PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.

7. The PHA will comply with the requirements of Section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low- or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135.

8. The PHA will submit with the Plan a certification with regard to a drug free workplace required by CFR Part 24, Subpart F.

9. The PHA has submitted with the Plan a certification with regard to compliance with restrictions on lobbying required by 24 CFR Part 87, together with disclosure forms if required by this Part, and with restrictions on payments to influence Federal Transactions, in accordance with the Byrd Amendment and implementing regulations at 49 CFR Part 24.

10. The PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.

11. The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).

12. The PHA will provide HUD or the responsible entity any documentation that the Department needs to carry out its review under the National Environmental Policy Act and other related authorities. In accordance with 24 CFR Part 58.

13. With respect to public housing the PHA will comply with Davis-Bacon or HUD determined wage rate requirements under section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.

States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.

14. The PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.

15. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act and 24 CFR Part 35.

16. The PHA will comply with the policies, guidelines, and requirements of OMB Circular No. A-87 (Cost Principles for State, Local and Indian Tribal Governments) and 24 CFR Part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments).

17. The PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and the MTW Agreement executed by the PHA and HUD and will utilize funds made available under the Capital Fund, Operating Fund and Section 8 tenant-based assistance only for activities that are allowable under applicable regulations as modified by the MTW Agreement and included in its Plan, and pursuant to the Memorandum from Chris Harper-Fahey and Tory Gunsolley to Daniel J. Wuenschel dated January 14, 2004.

Daniel J. Wuenschel, Secretary

Attest
Seal