

**Updates to the Sustainability Plan reported in the 1/31/2026 update to HUD**

Sustainability Plan Item	Description	Update
GOV-05 (a) (2)	Board Training	<p>(A)(2) See original MRA report "HACM Organizational Structure Review Findings Report 8 22 2025" and "HACM Org Chart Suggested Version 8 22 2025." This was the MRA original report. This probably should have been attached to the Sept 30 Sustainability Report--not sure why it was not. This report was shared with the Board of Commissioners in January 2026 (see attached Board agenda for Jan 2026) and will be part of an ongoing discussion to implement any organizational changes to clarify lines of authority.</p>
GOV-07(B)	Organizational Structure Review	<p>B) GOV-07 – Asset Management Plan – 9 30 2025 will be presented at the 10/8 HACM board meeting, a summary template will be included in the Director’s Report quarterly for the board moving forward. Update given in Jan 2026 (see Board agenda for January 2026)</p>
FIN-02 (B) and (C)	Financial/Accounting Policies and Procedures	<p>Items (B) and (C) ---HACM originally requested an extension from HUD for this deadline until 12/31/2025 as the CFO and Accounting Team had to focus on the financial audits of HACM and the LLCs.</p> <p>The current CFO left HACM in early December 2025. HACM has hired BDO, a financial consulting firm with significant PHA experience, to assist with financial oversight due to the current lack of a CFO while we recruit for a new CFO. See the attachment "Accounting Services BDO-CVR".</p> <p>Unfortunately, this means that HACM would need to request a second extension to July 2026 updating changes to the "Accounting &amp; Financial Accounting and Procedures Manual" as it was not completed before the CFO's departure . This consulting firm will have the expertise to perform also perform an independent review of HACM's policies and procedures to propose changes to improve HACM's financial controls and performance. This review will also include steps for quality control review of financial reports.</p>

**Updates to the Sustainability Plan reported in the 1/31/2026 update to HUD**

Sustainability Plan Item	Description	Update
<p>FIN-05 <b>and</b> GOV-05(C)</p>	<p>Cost Allocation Plan</p>	<p>UPDATE--The basics of HACM's overall cost allocation plan are described on pages 36 to 40 of the current standard policies, which is attached as "Attachment FIN-05 Accounting &amp; Financial Policies and Procedures Manual" . We submit this for HUD's review of our current Cost Allocation Plan. This section includes allowability of costs, direct costs, and the allocation of indirect or joint costs that must be allocated to benefiting funding sources. Various cost pools and basis of allocation are described in the manual, including but not limited to rent collection, public housing intake, public safety, and resident services. Additionally, pages 24 to 31 discusses the billing on a fee for service basis of certain maintenance services that are provided as a centralized maintenance rather than by property.</p> <p>While HACM has done an initial review of these existing policies and practices, we believe that HACM will also benefit from an outside consultant reviewing HACM's current cost allocation system for improvements, best practices, or gaps. HACM has hired BDO, a financial consulting firm with significant PHA experience, to assist HACM both with the current absence of a CFO at HACM as well as additional items---we will include our Cost Allocation Plan in the firm's scope of work. . See the attachment "Accounting Services BDO-CVR". Any revisions will be sent to HUD for review. For a final version incorporating revisions from a financial consulting firm, therefore, we would request an extension to July 2026.</p>