

CHARLES CITY HOUSING & REDEVELOPMENT AUTHORITY

**AGENDA**

June 20, 2019, 7:00 a.m.

at

501 Cedar Terrace South, Charles City, IA 50616

- I. Roll Call – Call Meeting to Order
- II. Public Comments
- III. Amend-Approve Minutes of May 16, 2019 ..... 1-3
- IV. Approval of Bills for June 2019 ..... 4
- V. Communications ..... 5-9
  - 1. Capital Fund Program Update
  - 2. Rehab Update
  - 3. HUD Visit
  - 4. HUD Proposed Changes to ACC
  - 5. HUD Lawsuit Update
  - 6. Section 8 Funding/Utilization
  - 7. Monthly Rental Status Update
  - 8. End of Participation Tracker
- VI. Old Business
- VII. New Business
  - 1. Review Financial Reports..... 10-13
  - 2. Consider Approval of Resolution 06-19, Writing Off Accounts Receivables..... 14-15
  - 3. Consider Approval of Resolution 07-19, Removal of Assets from Depreciation... 16-17
  - 4. Review and discuss the new "Over Income Rule"..... 18-19
- VIII. Director's Report
- IX. Move to Adjourn

Next regular meeting scheduled for Thursday, July 18, 2019, 7:00 a.m., CCHRA Office

MINUTES  
CHARLES CITY HOUSING AND REDEVELOPMENT AUTHORITY  
May 16, 2019 7:00 a.m.

Members Present: Linda Klemesrud, Carol Tyler, and Eric Miller. Absent: Jeremy Heyer, and Beth Diers. Others Present: Heidi Nielsen, staff

Call to Order. Co-Chairperson Miller called the meeting to order at 7:05 a.m.

Public Comments. None.

Amend-Approve Minutes of April 18, 2019. Tyler moved, Klemesrud seconded the motion to approve the minutes of April 18, 2019 as presented. Ayes: 3, Nays: 0. Motion carried.

Approval of Bills. The bills were reviewed. Nielsen explained the non-routine bills including insurance, annual software support, security cameras, start-up fees for new fee accountant, and tenant water bill to cover excess water consumption due to a broken pipe. Klemesrud inquired about the payment to Linderman Heating for sight glass maintenance. Klemesrud moved, Tyler seconded the motion to approve the revised bill listing totaling \$130,289.54 Ayes:3, Nays: 0. Motion carried.

Communications. Items under Communications which were reviewed included information on issues with the flooring, review of status of rehab grant, funding and utilization updates and current occupancy.

Old Business. None.

New Business.

Review Operating Reports. Reports were reviewed and there were no questions.

Review Revisions and Approve Resolution 03-19 Approving Public Housing Budget Revisions for FYE 06/2019. Nielsen listed the revisions which were approved by the City Council including increases to the sundry account to cover higher than anticipated software expenses and maintenance account due to an increase in turnover. There were also additional expenses to purchase an extra set of tools for the second pickup. The board was informed that when the May 31 financial reports were received, they will be reviewed to ensure that the total expenses do not go over budgeted amount. Tyler motioned to approve Resolution 03-19 Approving Budget Revisions, it and was seconded by Klemesrud. Ayes: Miller, Klemesrud, and Tyler. Nays: 0. Motion carried on roll call vote.

Review Revisions and Approve Resolution 04-19 Approving Public Housing Budget for FYE 06/2020. Nielsen explained that the budget is the same budget approved by the City. It was sent to the fee accountant so they could prepare the budget according to HUD standards. Upon further review there was an error found on page six. Under the breakdown listing there were some membership fees listed for a different agency. Tyler motioned to approve Resolution 09-19 Approving Public Housing Budget as revised, it and was seconded by Klemesrud. Ayes: Miller, Klemesrud, and Tyler. Nays: 0. Motion carried on roll call vote.

Approve Roof Repairs at NCT. Nielsen stated that repairs were necessary to part of the roof on the 109-112 building because of some water damage. Nielsen explained that there was only one bid because of the local contractor's schedules. The request was made to approve the work with Joey Brennan. The bid for the work was in line with the cost estimate for the project. Tyler made a

motion to approve the repairs with Brennan. Klemesrud seconded the motion. Ayes: 3. Nays: 0. Motion carried.

Approve Renewal of Contract for Audit Services. Nielsen explained to the board that the contract with the existing auditor was up. Nielsen stated that the contract allowed for one three-year extension and they were willing to do the work for the same fee each year as the old contract or \$7,100 per year. Nielsen requested approval of the extension and said that they were easy to work with and responded quickly to any questions. Tyler motioned to extend the contract for an additional three years. The motion was seconded by Klemesrud. Ayes: 3. Nays: 0. Motion carried

Approve Resolution 05-19 to Update Procurement Policy. Nielsen explained that there were some changes made to increase the levels which define micro purchases and small purchases or simplified acquisition thresholds. These were implemented to simplify the procurement process. Nielsen also told the board that an additional proposed change includes the exemption of state bidding requirements. Nielsen explained that City Attorney, Brad Sloter, contacted the Des Moines Housing Agency for their interpretation of the State Code and their interpretation of the code excludes PHA's. Due to this Nielsen requested approval of the revised policy as written. Tyler motioned to approve Resolution 05-19 Approving Updates to the Procurement Policy, it and was seconded by Klemesrud. Ayes: Miller, Klemesrud, and Tyler. Nays: 0. Motion carried on roll call vote.

Review Engineering Proposals for Parking Lot/Sidewalk Project and Make Recommendation for Approval. Nielsen explained the tentative scope of the project which includes repairs to existing sidewalks and parking lots in addition to expansion of the parking at North Cedar Terrace. Nielsen told the Board that there were three proposals received from engineering firms for the Design/Procurement Phase and two of them were very similar including the cost. Nielsen stated that while the project timeline, cost, and experience of both firms was similar, the approach of SEH appeared more flexible than Veenstra and Kimm. The Board was informed that John Fallis reviewed the proposals and felt that Veenstra and Kimm could be much higher in the end due to the constraints they placed on the deliverables. Klemesrud motioned to accept the proposal from SEH which was seconded by Tyler. Ayes: 3. Nays: 0. Motion carried.

Review Bids for Electrical Update Project at SCT. Nielsen stated that although two to three bids were expected, there was only one bid submitted from Stanton Electric. The base bid was \$317,926 with an alternate of \$66,036. Nielsen said that the cost estimates were \$326,600 with the alternate of \$71,500 and since the bids were so close to the estimates, the recommendation was to accept the bid from Stanton Electric. They were also able to accommodate the timeline and get the project done by August 2019. Nielsen explained that one of the issues with the other contractors was that they did not have the required bid bond. This was because electricians generally work under general contractors as subcontractors and as subs they don't submit bid bonds, and the other issue was overall lack of time. The Board was also told that the maintenance staff were familiar with Stanton Electric's work and felt that they would do a good job. Tyler moved to approve the bid from Stanton Electric, and Klemesrud seconded the motion. Ayes: 3. Nays: 0. Motion carried.

Approve Repairs to NCT Garage. Nielsen requested approval of the bid from Joseph Brennan for the structural repairs to the NCT garage roof. The Board was told that the cost estimate prepared as part of the Capital Improvement Study of \$7,015 was in line with the estimate from Brennan for \$7,450, and he provided two options one with a center support post and one without the post. Nielsen explained that even though slightly more expensive, the garage was used to store the skid loader in the winter and the post would be in the way. Tyler made a motion to approve the bid from Joseph Brennan for \$7,450. Klemesrud seconded the motion. Ayes: 3, Nays: 0. Motion carried.

Directors Report  
Nothing to report

Being no further business, Klemesrud moved, Tyler seconded the motion to adjourn. Ayes: 3.  
Nays: 0. Meeting Adjourned at 7:52 a.m.

Charles City Housing and Redevelopment Authority

\_\_\_\_\_  
Jeremy Heyer, Chairperson

ATTEST:

\_\_\_\_\_  
Heidi Nielsen, Director

**Charles City Housing  
Monthly Bill Listing  
June 2019**

<b>Customer</b>	<b>Description</b>	<b>Amount</b>
Arnold Motor Supply	mainteance item	9.23
Arnold Motor Supply	mainteance item	9.56
Business Card	staff training travel, back up service	392.20
Catherine Marie Ott	office cleaning	600.00
CenturyLink	phone bill	156.76
CenturyLink	shared line phone bill	12.95
Charles City Electronics	computer support items	133.96
Charles City Press	legal notice ad	12.15
Cintas	rug service	82.83
City of Charles City	water/sewer/urp/S8 inspections	3,201.73
City of Charles City	community police officer wages/accounting fees	39,000.00
Don's Repair	mainteance item	41.98
HAPS	June 1 HAPs	48,829.90
Heidi Nielsen	travel reimbursement from PHADA conference	
Hockenson Plumbing	plumbing maintenance	1,070.69
Iowa Department of Transportation	fuel	20.63
Iowa Department of Transportation	fuel	216.05
Iowa Surveillance Team	security cameras	2,409.99
Jendro Sanitation	trash service	790.00
John Deere Financial	Theisen's purchases	70.43
Koch Office Group	copy costs	9.90
Kwik Trip, Inc.	fuel	87.46
Larson Printing Co.	envelopes	186.00
LEAF	copier lease	232.18
Lessin Supply Co.	mainteance item	67.78
Linderman Heating & Air, LLC	heating & cooling repairs, side glass job SCT	14,228.29
Mediacom	internet for security cameras	136.90
Mehmen's Painting	painted 2 units @ Morningside	320.00
Mid American Energy	electric/gas/URP	5,664.15
Mike's C& O Tire	mainteance item	22.93
Nan McKay	Admin udpate service	199.00
Noah, Smith & Schuknecht, P.L.C.	legal fees	192.00
Otto's Oasis	flowers for outside of office, landscaping job	869.50
Pitney Bowes	meter lease	54.09
Schueth Ace Hardware	mainteance items	850.89
Sherwin Williams	paint	372.30
Shred-it	shredding service	45.00
Skott & Anderson Architets	architech fees for project	2,843.17
Stacy Cleveland	travel reimbursement from NAHRO	221.62
Staples Advantage	paper, envelopes	191.23
Strauss Locks	updated locks for all apartments	16,847.58
Superior Lumber	maintenance items	614.96
T-J Service	maintenance repairs	624.93
Trent Parker	computer support	
True Green	lawn treatment	3,423.50
US Cellular	cell phone bill	137.98
		<b>145,504.38</b>

REQUESTED ACTION: None - for your information only.

1. Capital Fund/Maintenance Update. As a follow-up to the flooring issue discussed last month, we still have not been able to address the flooring issues with the two occupied units. Between grounds maintenance, seasonal preventative maintenance, upcoming capital improvement projects, preparation for the HUD visit, and a large number of apartment turnovers, there just has not been enough time to tackle the job. It will remain a priority going into the summer.

The new locks will be installed by the end of June. So far, the process has gone well, and the residents have seemed to be able to adjust to the changes.

The preconstruction meeting for the Transformer Project has been held and we are still able to hold to an August substantial completion date.

2. Rehab Update. As we expected, we only had one contractor submit bids for the first two projects and IEDA has signed off on the single-source procurement. We are under contract for both of the projects with Kellogg Construction and work is scheduled to begin by the end of July 2019. We have the specifications and cost estimates finished for the second two homes and should be able to send the information to the State for historical clearance by the end of the month.
3. HUD Visit. We have been notified by the Des Moines HUD Field Office that they intend to visit Charles City on June 21<sup>st</sup> to tour our properties. They explained that it is sort of like a fact-finding mission. HUD is interested in seeing first-hand the condition of the small rural properties in Iowa. They said that our field office director in Kansas City recommended that they tour our properties because we are a well-run agency.
4. HUD Proposed Changes to ACC. HUD has been very busy proposing program changes. The most far-reaching change substantially changes our relationship with HUD and how we do business is to the Annual Contributions Contract (ACC). The ACC is our agreement with HUD which states our mission and our agreement not to encumber or dispose of the properties, controls the protection of deposited funds, directs us to prepare an operating budget, provides for compliance with civil rights requirements, directs compliance with employer requirements, directs us to maintain complete and accurate books of accounts for the preparation of financial statements, states HUD claim to program reserves in cases of disposition of property, defines required notices, default and remedies, and rights and obligations of HUD, defines applicable conflicts of interest, and provides that any amendment to the ACC must be mutual and in writing. The current contract that we are operating under is from 1995. It is believed that the changes that HUD is proposing are due to the successful litigation and award of damages against HUD due to the offset of operation funds in 2012. The last sentence of the ACC reads "That none of the provisions of this ACC may be modified or amended so as to impair in any way HUD's obligation to pay any annual contributions that have been pledged as security for any obligations of the HA." It is for this reason the lawsuit was successful and damages were awarded. In 2018, HUD decided to arbitrarily change the ACC without mutual agreement between parties and tied the agreement to access of our funds. They stated that when the 2018 Capital funds are drawn down, in effect the HA agrees to the terms and conditions in the revised ACC. It was then that the advocacy groups like PHADA and NAHRO stepped in and were able to successfully argue that HUD did not have the authority to make these changes and the new ACC was put on hold. A copy of the "White Paper" prepared by PHADA is attached. It outlines the changes between the existing ACC and the new ACC. But essentially, it allows HUD to confiscate our assets without authorization and eliminates HUD accountability.

5. HUD Lawsuit Update. The Court has granted the motion for a summary judgment in our case. Currently, they are determining damages to be included in the Court's final judgment. There is an unresolved issue concerning damages with one of the plaintiffs. If that is not resolved soon, they will be requesting a final judgement and award of damages for the other plaintiffs. The lead Government attorney on the case is recommending that the Government file an appeal after the final judgment. However, just because they are making the recommendation, it is up to the Justice Department to decide to appeal or not.
6. Section 8 Funding/Utilization. HUD has transitioned about \$30,000 of our HAP reserves back into the HUD held account. See attachment for utilization.
7. Monthly Rental Status Update.

Month of May 2019	Total Leased 5/1/19	New Leases	Removed Or Moved	Total Leased 6/1/19	Total on Waiting List	Offered Assistance	Removed
Terraces 132 Units	128	1	0	129	N-23	N-0	N-2
					S-25	S-3	S-2
Morningside 16 Units	16	0	2	14	6	5	3
Section 8 197 Units	135	6	4	137			

Declined Assistance (9) Over Income ( ) Denied ( ) Insufficient Address ( )  
 Did not attend Briefing/Information Not Returned (6) Criminal Background Check ( )  
 Voucher Expired (1) Purged ( )  
 Terminations: PH ( ) S8 ( )

8. End of Participation Tracker. See attachment



# Setting the Record Straight on the Annual Contributions Contract

## HUD's Explanation to HAs and Congress is Misleading

Since 1937, HUD has contracted with Housing Authorities (HAs) to develop and manage public housing apartment complexes. The Annual Contributions Contract (ACC) is the document that governs HUD's relationship with HAs. Recently, HUD has been meeting with Congressional staff to discuss its proposed new ACC. In response to HAs' and the industry association's expressions of concern, staff of the Offices of General Counsel and Public and Indian Housing have asserted that the new ACC did not contain substantive changes from the existing ACC.



- PHADA disagrees with HUD's characterization for many reasons.
- First, if the new ACC is substantively the same as the old ACC, why is HUD attempting to implement it? Clearly, the new ACC includes provisions that serve the Department's interests and damage HAs' interests.
  - Second, HUD previously misinformed the public and Congress about

its ACC changes. In its September 2017 notice, for example, the Department announced that it was simply "adding requirements applicable to mixed-finance public housing development, and *making minor clarifications and updates* [emphasis added]...." HUD repeated this claim in a May 2018 email letter to HAs. These misleading characterizations are among a few reasons why HUD pulled back its original proposal, only to reissue it in late 2018.

- It has been clear from the beginning of debates about this proposed new ACC that HUD's primary motivation for proposing these changes was its loss in the United States Court of Federal Claims in suits contesting the Department's illegitimate funding distribution method used in 2012.

The new ACC eliminates any HUD accountability for future illegitimate actions. Instead of trying to settle scores because of its losses, the Department could simply abide by terms of the existing ACC in good faith.

## There Are Many Substantive Changes Made by HUD's New ACC. The Most Important Include:

THE NEW ACC PROVIDES THAT:	THE EXISTING ACC PROVIDES THAT:
HUD may unilaterally change HAs' funding. "Grant funding may also be <b>terminated, recaptured, withheld, suspended, reduced</b> or such other actions taken in accordance with HUD Requirements [emphasis added]."	HUD must abide by its Operating Fund formula regulation and prorate any appropriations shortfall.
HUD takes control of local non-federal funds.	The Operating Fund regulation permits the defederalization of reasonable fees charged by HAs to operate public housing.
HUD may unilaterally change terms of the ACC.	Parties may only change terms of the ACC by mutual agreement: "...by <b>mutual agreement</b> of the parties to this ACC, this contract may be amended <b>in writing</b> ..." [emphasis added]."
HUD considers the new ACC to be a "grant agreement" rather than a contract.	The statute requires HUD to enter into <b>contracts</b> that have been enforced by several federal courts.
HAs could be bound by the new ACC when they draw down Capital Fund resources.	The existing ACC requires execution <b>by both parties</b> .
HUD may impose novel requirements through notices, forms, and by other means.	HAs must comply with requirements published as regulations, not those published through other vehicles.
HUD must approve <i>any</i> HA release of information, even information that is already public, or if federal or state freedom of information or sunshine laws require the release.	HAs comply with federal and state privacy acts, freedom of information acts and sunshine acts without HUD interference.

- PHADA urges Congress to force HUD to cease its ill-considered efforts to defy Congress's instructions in the U.S. Housing Act of 1937, and force HUD to continue to execute contracts with HAs for the operation and oversight of the public housing inventory and the public housing program. PHADA also urges Congress to forestall HUD's efforts to extend its authority over the operations of HAs and confiscate HAs' assets without authorization.

HA leaders must communicate their concerns with the proposed new ACC to their congressional delegations. Those delegations have been exposed to HUD's claim that the new proposed ACC represents innocuous changes to the existing relationship. They must understand that HUD has not been forthright with them, and they must understand the importance of maintaining the government's existing contractual relationship, however deeply flawed it may be. ■

# HCV HAP Spending Projection

1	A	B	C	D	E	F	G	H	I	J	K	L	M
2	HUD Held												
3	NRA												
4	PHA Name	Funds on Hand at PHA at End of Prior Month (HAP related, not administrative funds) beginning with 12/31/16 NRA	Number of Units Leased on the First of the Month	Plus: HUD Actual or Planned HAP Related Disbursements	Minus: HAP Expenses: Actuals from VMS and/or PHA projected	Disbursements minus Expenditures	VMS Reported Fraud Recovery and/or FSS Forfeitures	Estimated End of Month Balance (NRA): HAP funds on hand (includes Fraud Recovery and/or FSS forfeitures)		Beginning monthly HUD Held Balance starting 12/31/16	Plus: ALL Obligated HAP BA (including BA for prior period Tenant Protection vouchers)	Minus: HUD Actual or Planned HAP Related Disbursements	End of Month Balance HUD Held Undisbursed BA/Reserves (obligated HAP BA minus disbursements)
5	PHA# IA002	D		E	F	E-F	H	D+G+H		K	L	M	(K+L)-M
6													
7	CY 2019												
8	January	\$3,385	173	\$68,442	\$64,233	\$824	\$345	\$1,169		\$29,135	\$55,764	\$68,442	\$16,457
9	February	\$1,169	168	\$68,442	\$61,830	\$7,781	\$357	\$8,138		\$16,457	\$55,764	\$68,442	\$3,779
10	March	\$8,138	165	\$62,441	\$61,235	\$9,344	\$363	\$9,697		\$3,779	\$65,809	\$62,441	\$7,147
11	April	\$9,697	160	\$58,663	\$57,221	\$11,139	\$210	\$11,349		\$7,147	\$70,046	\$58,663	\$18,530
12	May	\$11,349	158	\$72,169	\$69,677	\$23,841	\$259	\$24,100		\$18,530	\$59,261	\$72,169	\$5,622
13	June	\$24,100	158	\$65,518	\$60,908	\$28,710	\$691	\$29,401		\$5,622	\$67,878	\$65,518	\$7,982
14	July	\$29,401	152	\$65,518	\$59,541	\$35,378	\$310	\$35,688		\$7,982	\$60,739	\$65,518	\$3,203
15	August	\$35,688	161	\$59,712	\$60,484	\$34,916	\$47	\$34,963		\$3,203	\$56,612	\$59,712	\$1,103
16	September	\$34,963	151	\$59,712	\$62,823	\$31,852	\$187	\$32,039		\$1,103	\$56,612	\$59,712	\$-2,997
17	October	\$32,039	150	\$59,712	\$57,614	\$34,137	\$35	\$34,172		\$-2,997	\$60,888	\$59,712	\$-1,821
18	November	\$34,172	143	\$34,770	\$54,634	\$14,308	\$48	\$14,356		\$-1,821	\$60,929	\$34,770	\$24,338
19	December	\$14,356	142	\$60,437	\$50,566	\$24,227	\$30	\$24,257		\$24,338	\$121,795	\$60,437	\$85,696
20	Total			\$735,536	\$710,766	\$2,872		\$2,872		\$792,097	\$735,536		
21													
22	CY 2019												
23	January	\$24,257	140	\$63,602	\$49,861	\$37,998	\$40	\$38,038		\$85,696	\$60,216	\$63,602	\$82,310
24	February	\$38,038	141	\$63,602	\$50,694	\$50,946	\$849	\$51,795		\$82,310	\$60,216	\$63,602	\$78,924
25	March	\$51,795	137	\$68,766	\$48,418	\$62,143	\$273	\$62,416		\$78,924	\$60,216	\$68,766	\$80,374
26	April	\$62,416	135	\$68,766	\$47,332	\$73,850	\$63	\$73,913		\$80,374	\$60,216	\$68,766	\$81,824
27	May	\$73,913	135	\$51,577	\$47,461	\$78,029	\$648	\$78,677		\$81,824	\$60,216	\$51,577	\$90,463
28	June	\$78,677	137	\$27,472	\$48,436	\$57,713		\$57,713		\$90,463	\$60,216	\$27,472	\$123,207
29	July	\$57,713		\$0	\$57,713	\$57,713		\$57,713		\$123,207	\$60,216	\$0	\$183,423
30	August	\$57,713		\$0	\$57,713	\$57,713		\$57,713		\$183,423	\$60,216	\$0	\$243,639
31	September	\$57,713		\$0	\$57,713	\$57,713		\$57,713		\$243,639	\$60,216	\$0	\$303,855
32	October	\$57,713		\$0	\$57,713	\$57,713		\$57,713		\$303,855	\$60,216	\$0	\$364,071
33	November	\$57,713		\$0	\$57,713	\$57,713		\$57,713		\$364,071	\$60,216	\$0	\$424,287
34	December	\$57,713		\$0	\$57,713	\$57,713		\$57,713		\$424,287	\$60,216	\$0	\$484,503
35	Total			\$323,785	\$292,202	\$1,873		\$1,873		\$722,592	\$323,785		

END OF PARTICIPATION  
TRACKER  
2018-2019

	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	TOTALS
LEFT IN GOOD STANDING			3	1			1		1		2		8
ZERO HAP						1		2	1	1		2	6
MUTUAL RESCISION	1				1								3
ANNUAL RE-EXAM SEARCHING	1					1						1	2
PORT-OUT ABSORBED	1			3	5	3	1	3					16
PORT-OUT SEARCHING	1	2		1	1		2		1	1	1	1	10
DECEASED													0
MOVED IN VIOLATION			2							2			4
EVICTED	1												1
UNAUTHORIZED LIVE-IN		1	1			1			1				4
VIOLATION OF FAMILY OBLIGATION													0
GAVE UP ASSISTANCE BEFORE 1 YEAR													0
FAILURE TO RENEW						1	1	1					3
FAILURE TO REPAY				1									1
FAILURE TO PROVIDE INFO													0
FAILURE TO FOLLOW THROUGH													0
FRAUD													0
UNREPORTED INCOME-2ND TIME	1						1		1				3
UTILITIES DISCONNECTED													0
CRIMINAL CONVICTION													0
VOUCHER EXPIRED											2		2
VOUCHER REVOKED													0
LEASED W/NEW LANDLORD	2				1		1	1	1	1	1		7
<b>TOTALS</b>	<b>8</b>	<b>3</b>	<b>7</b>	<b>5</b>	<b>8</b>	<b>6</b>	<b>5</b>	<b>9</b>	<b>5</b>	<b>4</b>	<b>6</b>	<b>4</b>	<b>70</b>
<b>PUBLIC HOUSING</b>													
LEFT IN GOOD STANDING	2	1	1	2	1	4	1	1	1	2	2	2	20
DECEASED				1					1	1			3
MOVED IN VIOLATION				2									3
TERMINATED FOR LEASE VIOLATIONS				1									1
EVICTED			1										2
UNAUTHORIZED LIVE-IN					1								0
FAILURE TO RENEW													0
FAILURE TO REPAY													0
FAILURE TO PROVIDE INFO													0
FAILURE TO FOLLOW THROUGH													0
CRIMINAL CONVICTION													0
OTHER (moved to new unit)						1							1
UTILITIES DISCONNECTED													0
<b>TOTALS</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>6</b>	<b>2</b>	<b>5</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>30</b>

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**MEETING DATE:** 6/20/19

**RE:** Review Operating Reports

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**REQUESTED ACTION:** Review monthly operating reports.

**Comments:** The May 2019 operating reports are attached for your review. These include the revisions included in the budget amendment approved in May.

**REVENUE & EXPENSE REPORT**  
**CALENDAR 5/2019, FISCAL 11/2019**

PCT OF FISCAL YTD 91.6%

ACCOUNT NUMBER	ACCOUNT TITLE	TOTAL BUDGET	MTD BALANCE	YTD BALANCE	PER CENT EXPENDED	UNEXPENDED
173-532-4300	INTEREST-PUBLIC HOUSING	70,000.00	6,380.33	67,902.93	97.00	2,097.07
173-532-4504	FRAUD-PUBLIC HOUSING	4,000.00	1,295.00	4,017.99	100.45	17.99-
173-532-4506	DWELLING RENT-PUBLIC HOUSING	500,000.00	45,544.00	480,049.00	96.01	19,951.00
173-532-4507	EXCESS UTILITY-PUBLIC HOUSING	.00	.00	.00	.00	.00
173-532-4508	CONTRIB-OTHER-PUBLIC HOUSING	12,000.00	.00	7,981.27	66.51	4,018.73
173-532-4710	REIMBURSED EXP-PUBLIC HOUSING	5,000.00	2,445.00	7,174.50	143.49	2,174.50-
173-532-4781	OPER SUBSIDY-PUBLIC HOUSING	220,000.00	13,911.00	171,642.00	78.02	48,358.00
	<b>PUBLIC HOUSING TOTAL</b>	<b>811,000.00</b>	<b>69,575.33</b>	<b>738,767.69</b>	<b>91.09</b>	<b>72,232.31</b>
173-910-4830	TRANSFER IN - PUBLIC HOUSING	.00	.00	.00	.00	.00
	<b>TRANSFERS IN/OUT TOTAL</b>	<b>.00</b>	<b>.00</b>	<b>.00</b>	<b>.00</b>	<b>.00</b>
173-532-6010	SALARY - PUBLIC HOUSING	91,033.00	10,629.87	88,386.68	97.09	2,646.32
173-532-6040	OVERTIME SALARY-PUBLIC HOUSING	2,000.00	.00	.00	.00	2,000.00
173-532-6070	LABOR/MAINT-PUBLIC HOUSING	.00	.00	.00	.00	.00
173-532-6110	FICA - PUBLIC HOUSING	7,117.00	708.49	5,715.43	80.31	1,401.57
173-532-6130	IPERS - PUBLIC HOUSING	8,782.00	1,003.47	8,307.69	94.60	474.31
173-532-6150	HEALTH INS - PUBLIC HOUSING	44,350.00	3,699.82	40,673.91	91.71	3,676.09
173-532-6151	LIFE INS - PUBLIC HOUSING	350.00	27.93	307.21	87.77	42.79
173-532-6160	WORK COMP - PUBLIC HOUSING	4,400.00	2,167.20	2,572.80	58.47	1,827.20
173-532-6170	UNEMPLOYMENT - PUBLIC HOUSING	55.00	.00	155.64	282.98	100.64-
173-532-6198	EMP BEN MAINT-PUBLIC HOUSING	.00	.00	.00	.00	.00
173-532-6199	EMPLOYEE BEN-PUBLIC HOUSING	.00	.00	.00	.00	.00
173-532-6230	STAFF TRAINING-PUBLIC HOUSING	5,000.00	.00	1,676.83	33.54	3,323.17
173-532-6370	GAS - PUBLIC HOUSING	40,000.00	2,477.26	28,301.09	70.75	11,698.91
173-532-6371	UTILITIES - PUBLIC HOUSING	50,000.00	4,993.01	54,521.26	109.04	4,521.26-
173-532-6374	WATER - PUBLIC HOUSING	19,000.00	1,425.78	14,992.94	78.91	4,007.06
173-532-6379	OTH UTIL-PUBLIC HOUSING -SEWER	25,000.00	2,348.66	22,093.17	88.37	2,906.83
173-532-6401	ACCOUNTING FEES-PUBLIC HOUSING	3,000.00	1,457.50	3,587.50	119.58	587.50-
173-532-6408	TORT LIABILITY - PUBLIC HOUSING	35,000.00	30,684.00	37,405.05	106.87	2,405.05-
173-532-6411	LEGAL FEES - PUBLIC HOUSING	4,000.00	.00	2,071.43	51.79	1,928.57
173-532-6415	COPIER LEASE - PUBLIC HOUSING	3,500.00	232.18	2,212.02	63.20	1,287.98
173-532-6420	CONTRACT SERVICES - PUBLIC HOUSING	46,000.00	11,942.41	50,968.95	110.80	4,968.95-
173-532-6441	TENANT SERVICES-PUBLIC HOUSING	2,000.00	.00	309.85	15.49	1,690.15
173-532-6442	PILOT-PUBLIC HOUSING	40,000.00	.00	38,344.91	95.86	1,655.09
173-532-6490	OTHER PROFESSIONAL SERV	21,000.00	.00	.00	.00	21,000.00
173-532-6516	REFUNDS-PUBLIC HOUSING	1,000.00	.00	.00	.00	1,000.00
173-532-6518	SUNDRY-OFF EXP-PUBLIC HOUSING	45,000.00	5,160.21	38,513.20	85.58	6,486.80
173-532-6599	MAINT MATERIALS-PUBLIC HOUSING	85,000.00	8,335.13	82,682.87	97.27	2,317.13
173-532-6725	CAP OUTLAY-EQUI-PUBLIC HOUSING	45,000.00	.00	41,344.56	91.88	3,655.44
173-532-6750	CAP IMPR BLDG-PUBLIC HOUSING	60,000.00	.00	14,165.02	23.61	45,834.98
	<b>PUBLIC HOUSING TOTAL</b>	<b>687,587.00</b>	<b>87,292.92</b>	<b>579,310.01</b>	<b>84.25</b>	<b>108,276.99</b>
173-536-6010	SALARY - PH MAINT	85,000.00	9,192.99	77,404.95	91.06	7,595.05
173-536-6040	OVERTIME SALARY - PH MAINT	5,000.00	14.15	1,985.99	39.72	3,014.01

**REVENUE & EXPENSE REPORT**  
**CALENDAR 5/2019, FISCAL 11/2019**

PCT OF FISCAL YTD 91.6%

ACCOUNT NUMBER	ACCOUNT TITLE	TOTAL BUDGET	MTD BALANCE	YTD BALANCE	PER CENT EXPENDED	UNEXPENDED
173-536-6110	FICA - PH MAINT	6,885.00	689.09	5,910.68	85.85	974.32
173-536-6130	IPERS - PH MAINT	8,496.00	872.14	7,344.57	86.45	1,151.43
173-536-6150	HEALTH INS - PH MAINT	9,457.00	778.10	8,559.10	90.51	897.90
173-536-6151	LIFE INS - PH MAINT	176.00	14.70	161.70	91.88	14.30
173-536-6160	WORK COMP - PH MAINT	2,800.00	3,250.80	3,859.20	137.83	1,059.20-
173-536-6170	UNEMPLOYMENT - PH MAINT	70.00	.00	198.46	283.51	128.46-
173-536-6181	UNIFORM ALLOWANCE - PH MAINT	900.00	.00	900.00	100.00	.00
173-536-6412	HEALTH SERVICES- PH MAINT	.00	.00	.00	.00	.00
	PUBLIC HOUSING MAINTENANC TOTA	118,784.00	14,811.97	106,324.65	89.51	12,459.35
173-910-6910	TRANSFER OUT - PUBLIC HOUSING	.00	.00	.00	.00	.00
	TRANSFERS IN/OUT TOTAL	.00	.00	.00	.00	.00
	PUBLIC HOUSING TOTAL	4,629.00	32,529.56-	53,133.03	1,147.83	48,504.03-

**REVENUE & EXPENSE REPORT**  
**CALENDAR 5/2019, FISCAL 11/2019**

**PCT OF FISCAL YTD 91.6%**

ACCOUNT NUMBER	ACCOUNT TITLE	TOTAL BUDGET	MTD BALANCE	YTD BALANCE	PER CENT EXPENDED	UNEXPENDED
174-533-4300	INTEREST - SECTION 8	2,000.00	567.14	4,736.89	236.84	2,736.89-
174-533-4440	STATE GRANT-SEC 8	.00	.00	.00	.00	.00
174-533-4504	FRAUD-SEC 8	5,000.00	2,090.00	5,849.00	116.98	849.00-
174-533-4505	HUD CONTRIB-SEC 8	750,000.00	51,577.00	636,174.00	84.82	113,826.00
174-533-4509	ADMIN FEE/HTH-SEC 8	110,000.00	8,285.00	91,567.00	83.24	18,433.00
174-533-4710	REIMBURSED EXP-SEC 8	1,000.00	.00	6.00	.60	994.00
174-533-4715	REFUNDS-SEC 8	1,000.00	.00	.00	.00	1,000.00
	SECTION 8 VOUCHER TOTAL	869,000.00	62,519.14	738,332.89	84.96	130,667.11
174-910-4830	TRANSFER IN - SECTION 8 VOUCH	.00	.00	.00	.00	.00
	TRANSFERS IN/OUT TOTAL	.00	.00	.00	.00	.00
174-533-6010	SALARY - SEC 8	39,017.00	4,375.56	32,064.96	82.18	6,952.04
174-533-6040	OVERTIME SALARY - SECTION 8	1,000.00	.00	.00	.00	1,000.00
174-533-6110	FICA - SECTION 8	3,061.00	290.83	2,075.27	67.80	985.73
174-533-6130	IPERS -SECTION 8	3,778.00	413.04	3,021.27	79.97	756.73
174-533-6150	HEALTH INS - SECTION 8	19,007.00	1,585.64	17,431.65	91.71	1,575.35
174-533-6151	LIFE INS - SECTION 8	175.00	11.97	131.69	75.25	43.31
174-533-6160	WORK COMP - SECTION 8	2,238.00	.00	.00	.00	2,238.00
174-533-6170	UNEMPLOYMENT - SECTION 8	75.00	.00	103.74	138.32	28.74-
174-533-6199	EMPLOYEE BEN-SEC 8	.00	.00	.00	.00	.00
174-533-6230	STAFF TRAINING - SECTION 8	2,000.00	.00	89.73	4.49	1,910.27
174-533-6380	UTILITY ALLOT - SECTION 8	15,000.00	829.00	8,653.00	57.69	6,347.00
174-533-6401	ACCOUNTING FEES - SECTION 8	4,000.00	1,080.00	3,250.00	81.25	750.00
174-533-6411	LEGAL-SEC 8	1,000.00	.00	.00	.00	1,000.00
174-533-6420	CONTRACT SERVICES - SECTION 8	10,000.00	5,115.00	9,862.75	98.63	137.25
174-533-6423	SPECIAL SERVICE - SECTION 8	300.00	.00	.00	.00	300.00
174-533-6440	ENHANCED VOUCHER	17,000.00	1,411.00	15,780.00	92.82	1,220.00
174-533-6443	HOME OWNERSHIP VOUCHER	6,000.00	420.00	4,050.00	67.50	1,950.00
174-533-6444	PORTABILITY VOUCHER	200,000.00	8,832.73	155,483.36	77.74	44,516.64
174-533-6445	HC VOUCHER PAY-SEC 8	550,000.00	36,244.00	407,545.00	74.10	142,455.00
174-533-6490	OTHER PROF SERVICES-SECTION 8	10,000.00	.00	.00	.00	10,000.00
174-533-6516	REFUND INTEREST-SEC 8	500.00	.00	.00	.00	500.00
174-533-6518	SUNDRY-OFF EXP-SEC 8	7,500.00	.00	5,873.84	78.32	1,626.16
	SECTION 8 VOUCHER TOTAL	891,651.00	60,608.77	665,416.26	74.63	226,234.74
174-910-6910	TRANSFER OUT - SECTION 8 VOUCH	.00	.00	.00	.00	.00
	TRANSFERS IN/OUT TOTAL	.00	.00	.00	.00	.00
	SECTION 8 VOUCHER TOTAL	22,651.00-	1,910.37	72,916.63	321.91-	95,567.63-

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**MEETING DATE:** 6/20/19    **RE:** Approve Resolution No 06-19 Writing Off Accounts Receivables

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**REQUESTED ACTION:** Approve Resolution No. 06-19 to remove uncollectible accounts from the records.

**Comments:** Every year we review our outstanding accounts receivable accounts and determine which ones appear to be uncollectible. It is recommended that the "uncollectible" accounts should be written off the books to reflect a better financial position. It is important to note that even though accounts are written off, effort is made to continue to collect the debt. Also, if an account is written off and the person reapplies for assistance, they are not eligible until the debt is paid in full or we can no longer collect due to the statute of limitations. Anyone who owes us money is entered into a nationwide database that all housing agencies can check. We are also continuing to utilize the Iowa Offset Program to recover debts owed from state tax refunds.

Charles City Housing and Redevelopment Authority

**RESOLUTION NO. 06-19**

**RESOLUTION APPROVING THE REMOVAL OF UNCOLLECTIBLE ACCOUNTS FOR THE CHARLES CITY HOUSING AND REDEVELOPMENT AUTHORITY AS REQUIRED BY DHUD FOR FYE 06/30/19**

WHEREAS, the Charles City Housing and Redevelopment Authority makes efforts to collect on accounts as a result of damage claims, unreported income and other actions that result in payment made on behalf of program participants or other debts claimed due to the Housing Authority, and

WHEREAS, a listing of uncollectible past due accounts has been prepared totaling \$11,369.82 , and

NOW, THEREFORE, BE IT RESOLVED, by the Charles City Housing and Redevelopment Authority Board of Commissioners that the following accounts be written off, however, all collection efforts will continue where possible:

Public Housing

Bouska	Morningside, damages	\$ 72.70
Climer	SCT, damages	\$ 200.00
Fairholm	Morningside, damages	\$ 1.81
Lumly	Morningside, rent & damages	\$ 191.29
Meek	Morningside, rent	\$ 367.46
Woodworth	NCT, rent	\$ 115.44
Sullivan	Morningside, rent & damages	\$ 578.12
		\$ 1,526.82

Section 8

Foster	Section 8, unreported income	\$ 270.00
Banks	Section 8, unreported income	\$ 1,874.00
Corcoran	Section 8, unreported income	\$ 730.00
Fuehrer	Section 8, unreported income	\$ 530.00
Johnson	Section 8, unreported income	\$ 1,640.00
Krieger	Section 8, unreported income	\$ 1,560.00
Peterson	Section 8, unreported income	\$ 1,387.00
Moses	Section 8, unreported income	\$ 1,852.00
		\$ 9,843.00

Total \$ 11,369.82

June 20, 2019

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Jeremy Heyer, Chairperson

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Heidi Nielsen, Director

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**MEETING DATE:** 6/20/19

**RE:** Consider Approval of Resolution No. 07-19  
Removal of Assets from Depreciation Report

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**REQUESTED ACTION:** Consider approval of Resolution No. 07-19 Removal of Assets from Depreciation Report

**Comments:** As required by HUD, at least annually we must review and update the inventory list of depreciable items. Removal of items requires a board resolution. The only items disposed of or sold this year to be removed from the depreciation schedule were the program software system, the Dodge Pickup and plow. All items were fully depreciated.

Charles City Housing and Redevelopment Authority

**RESOLUTION NO. 07-19**

**RESOLUTION APPROVING THE REMOVAL OF ASSETS FROM THE DEPRECIATION REPORT FOR THE CHARLES CITY HOUSING AND REDEVELOPMENT AUTHORITY FOR FYE 6/30/19**

WHEREAS, the Charles City Housing and Redevelopment Authority provides housing for low income families through various programs which are funded primarily through agreements with the Department of Housing and Urban Development; and

WHEREAS, HUD requirements necessitate the review of the Depreciation Report on an annual basis to make certain it accurately reflects the inventory of the Authority and indicates removal of assets that are no longer in service, have been disposed of or traded in;

NOW, THEREFORE, BE IT RESOLVED, by the Charles City Housing and Redevelopment Authority Board of Commissioners that review of the Depreciation Report indicates that the following assets shall be removed from the general ledger as listed below:

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GENERAL LEDGER NUMBER 140009: NONDEWLLING EQUIPMENT

REMOVED:      85 – Pick-up  
                    86 – Snowplow  
                    97 – HAPPY Software

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June 20, 2019

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Jeremy Heyer, Chairperson

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Heidi Nielsen, Director

**REQUESTED ACTION:** Review and Discuss implications of the newly mandated "Over Income Rule".

**Comments:** The Housing Opportunity Through Modernization Act of 2016 (HOTMA) was signed into law on July 29, 2016. Section 103 of HOTMA amends section 16(a) of the United States Housing Act of 1937 and establishes an income limitation for continued occupancy in public housing. The law requires that after a family's income has exceeded 120 percent of the area median income (AMI) for two consecutive years, or a two year grace period, a PHA must terminate the family's tenancy within 6 months of the second income determination or charge the family a monthly rent equal to the applicable fair market rent or the amount of monthly subsidy for the unit, which include the amounts from the operating subsidy and capital fund. As a small agency, we fall under an exception to the rule. The exception applies to the vacancy rate of the agency. If an agency with under 250 units and have no waiting list and no families applying to the list, it is exempt from the requirement.

We were to have our Admissions and Continues Occupancy Policy (ACOP) updated no later than March 24, 2019 to reflect the new law. However, HUD just issued the guidance on May 3, 2019. In addition, they must still provide additional guidance on setting rents for the over-income families that the PHA has allowed to remain in public housing. They must also develop guidance on how to address the families whose income falls between the current income limit of 80 percent of AMI and the 120 percent of AMI, which is the "over income limit".

Once the ACOP is updated we must identify any households with income in excess of the "over-income limits". At that time, we may choose to notify them of their status, but we are not required to. We must track these households for the next year and if they remain at the "over-income limit" going into year two, we must send the required notification. The notification must inform the household that if their income remains above the "over-income limit" for an additional 12 months, their lease will be terminated, or they will be required to pay a rent equivalent to the local Fair Market Rent (FMRs). The local FMR's would set the rents at considerably higher rates than our flat rent. The following table outlines the difference between our current flat rents and the FMR per unit size.

Unit Size	Flat Rents	FMR
1	410	534
2	505	644
3	719	901

The over-income limits are to be calculated using the current local Income limits for Floyd County at 50% AMI and multiplying them by 2.4. The table below shows where they would be set for the current year.

<i>Household Size</i>	<i>Very Low Income</i>	<i>Over-Income Limit</i>
1	\$24,300	58,320
2	\$27,800	66,720
3	\$31,250	75,000
4	\$34,700	83,280
5	\$37,500	90,000
6	\$40,300	96,720
7	\$43,050	103,320

What we need to decide is whether to require over income residents to move after two years or charge them the higher rent. Right now, we only have one residents who income exceeds 80% of the AMI, which is the upper limit for program eligibility. However, their income is under the "over-income limit" set by HUD.

This matter is also being discussed at the Resident Advisory Board Meeting on June 26, 2019. We will take official action on this at the July Board Meeting.