



Chandler • Arizona

2019 Public Housing Authority Commission Minutes

Regular Meetings

February 14, 2019

March 11, 2019

April 8, 2019

May 6, 2019

June 24 2019

August 5, 2019

October 7, 2019 Work Session and Regular Meeting

November 4, 2019

These minutes are fully searchable within this year by using the “Find Feature”.



PUBLIC HOUSING AUTHORITY COMMISSION

Regular Meeting

Thursday, February 14, 2019

MINUTES OF THE PUBLIC HOUSING AUTHORITY COMMISSION (PHAC) OF THE CITY OF CHANDLER, ARIZONA, held in the Council Chambers, 88 E. Chicago St., on Thursday, February 14, 2019.

CHAIRMAN HARTKE CALLED THE MEETING TO ORDER at 5:00 p.m.

The following members answered roll call:

Kevin Hartke	Chairman
Vanessa Dearmon	Commissioner
Jeremy McClymonds	Commissioner
Terry Roe	Commissioner
René Lopez	Commissioner
Sam Huang	Commissioner
Matt Orlando	Commissioner
Mark Stewart	Commissioner

Also in attendance:	Marsha Reed	City Manager
	Joshua Wright	Assistant City Manager
	Debra Stapleton	Assistant City Manager
	Kelley Schwab	City Attorney
	Dana DeLong	Recording Secretary

DISCUSSION

1. Public Housing Authority Commission Housing and Urban Development Required Governance Training.

CHAIRMAN HARTKE asked Marsha Reed, City Manager, to present.

MARSHA REED stated the training was a requirement of HUD and invited Leah Powell and Amy Jacobson to continue the presentation.

LEAH POWELL, Neighborhood Resources Director, said the training had been on the books for a couple of years, but had been really stressed from HUD within the last year. This was mandated by HUD and when they audit the programs they will be looking to see if the training had been conducted. She said many of the PHACs are standalone and are not associated with local governments so the training may not pertain to the City's particular system.

AMY JACOBSON, Housing and Redevelopment Manager, presented the following PowerPoint, and gave information on each area.

- Contents
 - Board and Commissioner Roles and Responsibilities
 - GUD Systems: LOCCS and IMS/PIC
 - Financial Oversight and Capital Fund

- City of Chandler Board Report
- Board of Commissioners' Training
 - The Commission functions as the governing body that is responsible for the legal and financial wellbeing of the PHA and serves as the first line of accountability and performance for the PHA.
 - Lead the Way: PHA Governance and Financial Management Training
 - Fundamentals of oversight
 - Public Housing basics
 - Roles and Responsibilities
 - HUD encourages all Commissioners to take the Lead the Way training
- Governance: Lines of Responsibility
 - Commissioner
 - Select and hire PHA Director
 - Evaluate Director performance
 - Approve by-laws, resolutions, policies, and procedures
 - Approve the authority's budget
 - Set basic PHA policies and strategic plans
 - Govern PHA-oversight and monitoring of book business and operations
 - PHA Director
 - Manage day to day operations at PHA, monitor programs for fraud and abuse
 - Prepare operating budgets
 - Asset Management
 - Procurement
 - Advise Board of regulatory changes
 - Implement Board approved policies
 - Evaluate PHA staff performance, contracts, and audits
- Roles and Responsibilities
 - Local Governments
 - Creates PHA/Appoints Board members
 - Provides services through Cooperation Agreement
 - May provide funding or other support to PHA
 - Board/PHA
 - Board provides oversight of PHA operations
 - Owns and operates housing in accordance with laws
 - Builds, acquires, and maintains housing properties
 - Assists low income families
 - HUD
 - Provides funding
 - May provide training and technical assistance
 - Monitors PHA operations and governance
 - Initiates corrective actions
 - Residents
 - Participate on Resident Advisory Board, Resident Council, Governing Board
 - Maintain program obligations
- Fundamental Concepts of Oversight
 - The Board of Commissioners has the ultimate responsibility for the PHA's performance, is accountable to HUD for compliance, and to the community it serves.
 - The Board sets the operation norms, rules, and values of the PHA including governance, finance, ethics, and effective work performance.
 - The Board establishes polices and internal controls to safeguard assets and ensures financial integrity by reducing mismanagement, waste, fraud, and abuse.
 - Knowledge is power – all members should actively participate.
- Overview of Board Functions

- Types of Boards: Independent or Component until of local governments (city, county, or state agency)
- Legally and financially responsible governing body
- Power of the Board is vested in all members a body, not individuals
- Board functions include: leadership, Board proceedings, operational oversight, financial oversight, and compliance oversight
- Risk Management
 - Purpose
 - Reduce fraud, waste, and abuse
 - Standard for internal controls
 - Five Components of Risk Management
 - Controlling Environment
 - Performing Risk Assessments
 - Controlling activities
 - Providing information and communication
 - Monitoring of staff reports
- Recommended Board Reports
 - Monthly/Quarterly Financial Reports
 - Summary of income statements for admin and major programs
 - Latest ban reconciliation
 - Check vouchers issued
 - Tenant accounts receivable
 - Monthly/quarterly Contracting and Procurement Report
 - Obligation and Expenditure deadlines
 - Contract awards and progress
 - Monthly/Quarterly Asset Management Report
 - Occupancy
 - Modernization schedule and units off-line
 - Monthly Quarterly Compliance Report
 - Outstanding audit findings (financial audits, HUD, OIG)
 - Repayment agreements
- Statutes and Regulations
 - U.S. Housing Act of 1937 as amended
 - Amendments to the Act include the Section 8 Housing Choice Voucher Program
 - Quality Housing and Work Responsibility Act of 1998
 - Fair Housing Act and subsequent civil rights and disability law
 - Title 24 Code of Federal Regulations (CFR)
 - Annual appropriations law
 - State Laws and Local Ordinances
- Annual Contributions Contract (ACC)
 - A legal binding contract between HUD and the PHA
 - States PHA obligations and remedies for breaches of contract
 - Mechanism through which the PHA receives funding
 - Obligation under the ACC include, but are not limited to:
 - Cooperation agreements
 - Operating budgets
 - Depository Agreements and General Fund
 - Pooling of Funds
 - Books of account, records, and government access
 - Notices, defaults, remedies
 - Conflict of interest
 - ACC term extends each year funds are accepted

- Annual Contributions Contract (ACC)
 - Remedies under the ACC include, but are not limited to:
 - A reduction in the amount of the HUD payment for any funding increment
 - A reduction in the contract authority or budget authority for any funding increment
 - Other available remedies include:
 - Consolidation
 - Consortia/Joint Venture
 - Contracting of operational activities
 - Cooperative endeavor agreement
 - Limited Denial of Participation
 - Suspension of Debarment of Board or Staff
 - Receivership- taking possession and control of PHA by HUD
- PHA Policies and Procedures
 - Admissions and Continued Occupancy Policy (ACOP)
 - Describes the fair and nondiscriminatory policies for admission, occupancy, operations, and transfer policies for the Public Housing program
 - Section 8 Housing Choice Voucher Administrative Plan
 - Describes the policy for the administration of the Section 8 Housing Choice Voucher program (similar to ACOP)
 - PHA Plan (Annual and 5 year)
 - Serves as a comprehensive guide to a PHA's policies, programs, operations, and strategies for meeting local housing needs and goals
 - Capital Fund 5 year Action Plan (Decoupled)
 - Describes the capital improvements necessary to ensure long-term physical viability of the PHA's public housing developments.
- PHA Plan and CFP 5 year Action Plan
 - Resident and Public Consultation
 - Resident Advisory Board
 - Public comment period with public hearing
 - Board approval
 - Capital fund 5 year action plan
 - Fair Housing Certifications
 - Title VI Civil Rights Act of 1964
 - Fair Housing Act
 - Section 504 Rehabilitation Act of 1973
 - Title II of the Americans with Disabilities Act of 1990
 - Local Coordination
 - CEO for primary jurisdiction of PHA operation certifies Plan coordinated with the jurisdiction's Consolidated Plan
 - Compliance Requirements
 - Must comply with 24CFR903
 - HUD Approval
 - PHA submit to HUD at least 75 days prior to the PHA's fiscal year end
 - Significant amendments to the Plan must follow the same process
- PHA Program Performance – SEMAP
 - Section 8 Management Assessment System Indicators:
 - Waiting List
 - Reasonable Rent
 - Determination of Adjusted Income
 - Utility Allowance Schedule
 - HQS Quality Control
 - HQS Enforcement

- Expanding Housing Opportunities
- Payment Standards
- Timely Annual Reexaminations
- Correct Tenant Rent Calculations
- Pre-contract HQS
- Continuing HQS Inspections
- Lease-UP
- Family Self Sufficiency
- Deconcentration
- PHA Program Performance – PHAS
 - Public Housing Assessment System Sub-indicators:
 - Physical 40 points
 - Financial 25 Points
 - Management 25 Points
 - Capital Fund 10 Points
 - Total 100 Points

MS. JACOBSON talked about the Public Housing Assessment System Sub-indicates and said Chandler had received 93 points the prior year.

CHAIRMAN HARTKE inquired if anyone received 100 points.

MS. JACOBSEN stated, no.

COMMISSIONER ROE asked how the tenant could affect the score if at all.

MS. JACOBSEN stated the review mostly had to do with the safety of the unit. The City did inspections throughout the year separate from the PHAS to ensure they are in compliance.

COMMISSIONER HUANG wanted to clarify who conducted the evaluation.

MS. JACOBSEN stated HUD.

COMMISSIONER ORLANDO inquired how many people come out to do the evaluations.

MS. JACOBSEN stated here was at least one HUD inspector and additional audits are done internally.

- Knowledge is Power – Be Informed
 - Boards should know and review:
 - The PHAs Book of Business and operations
 - Agency's history, mission, and vision
 - Roles and responsibilities, bylaws, resolution, and minutes
 - Key housing authority management staff
 - Board and committee Meeting requirements – inclusion of voting Resident Commissioner
- Electronic Line of Credit Control System (eLOCCS)
 - eLOCCS is HUD's primary grant and subsidy disbursement system
 - eLOCCS allows PHAs and other HUD approved business partners to access, manage, view detail of, and initiate drawdown requests from HUD grant portfolios
- eLOCCS Requirements
 - Approving Official
 - Must recertify staff every 6 months
 - Should be a city official

- Read only rights
 - Secure Systems Coordinator
 - Responsible for assigning eLOCCS Secure Systems roles to Users or themselves
 - Must access eLOCCS every 90 days
 - eLOCCS User
 - Secure Systems ID eLOCCS authorization req'd
 - Must submit a HUD- 27054 eLOCCS Access authorization Form
 - Type of access is specified on the HUD- 27054
 - Must access eLOCCS every 90 days
- Inventory Management System (IMS) PIH Information Center (PIC)
 - IMS/PIC is responsible for maintaining and gather PHA inventory data, housing authority contracts, HUD Field Office Staff and IMS/PIC users
 - Housing inventory data stores the total number of developments and units managed by the housing authority
 - PIC data determines funding
 - VMS reporting
 - Form HUD – 50058 collects stores and generates reports on families who participate in Public Housing and or Section 8 rental subsidy programs
 - PIH Information – SEMAP and Risk Management
- Financial Oversight Topics
 - Board Financial Responsibilities
 - Internal Controls
 - Financial Info needed by Board
 - Low Rent Public Housing Program
 - Operating Subsidy
 - Housing Choice Voucher Program
 - Budgeting
 - Financial Red Flags
- How PHAs are Funded
 - Congress
 - Legislation Authorizes Programs
 - Federal Budget
 - HUD Budget
 - HUD allocates funds to PHAs
 - PHAs complete for program funding
- Board Members' Financial Oversight Responsibilities
 - Review, approve, and monitor financial documents
 - Ensure expenditures are in compliance with regulations
 - Safeguard the financial integrity of the PHA and prevent waste, fraud, mismanagement, and abuse
- PHA Internal Controls
 - The Board has an oversight and monitoring role with internal controls
 - Assignment of authority (i.e. contracting officer)
 - Identify, manage, and mitigate risk factors
 - Ensure separation of duties
 - Proper authorization of financial transactions and activities (bank accounts and credit card use)
 - Use of restricted funds
- Financial Board Reports
 - Clear, accurate, and legible financial reports
 - Budget variance report (revenues/expenses)
 - Occupancy Rates/ Rent collection
 - Large repair/ maintenance projects
 - Cash flow position

- Verification of Cash/Investments (e.g. bank statements)
- Expenditures requiring approval
- HUD Funded Housing Programs for PHAs
 - Low Rent public Housing (LRPH)- operating subsidy, capital fund grant program, modernization rehab/single room occupancy (MOD/SRO)
 - Section 8 Housing Choice Voucher Program (HCV)- Housing Assistance Payment (HAP), Administrative Fees, Homeownership Program (Optional for PHAs), Project Based Vouchers (PBV)
 - Resident Services Grant Programs – Family Self-Sufficiency (FSS), Resident Opportunities, and Self Sufficiency (ROSS)
 - Development Grants (i.e. Choice Neighborhoods)

COMMISSIONER ROE asked if they can pick and choose the programs they offer.

MS. JACOBSEN said they are currently under contact to administer the units they have in operation.

COMMISSIONER ROE inquired if other cities were offering all of the programs.

MS. JACOBSEN said, no because some housing authorities did not have public housing and may only have Section 8. It depended on the makeup of that jurisdiction if they offer both or one or the other.

Ms. Jacobsen was asked if the City of Tempe only did the Vouchers.

MS. JACOBSEN said, yes Tempe only does Section 8; as well as Scottsdale and Mesa. Others have public housing, but are transitioning into public- private partnerships.

COMMISSIONER ORLANDO inquired if seniors qualify under the program as well.

MS. JACOBSEN said that was correct. The City had four multifamily units, one senior property, and over 100 single family properties throughout the city.

- LRPB Operating Subsidy
 - Operating Subsidy is paid by HUD to Housing Authorities to cover the operating costs of public housing.
 - Operating subsidy is based on a statistical model, not market rents, HUD determines the amount of project operating expenses based on location, age of buildings, bedroom unit counts, poverty rate in area, etc.
 - Utilities costs are based on historical data, and is added to operating costs
 - Tenant rental revenue is based on historical data that is subtracted from the operating costs with the balance being the Operating Subsidy paid by HUD to the PHA.
 - Operating Subsidy Funding is subject to proration
- How RAD Benefits Public Housing
 - Problem: Public Housing's stock has physical needs that far exceeds Capital Fund Program funding.
 - Solution: RAD- Rental Assistance Demonstration
 - Provides for access to private debt and equity markets to finance repairs/rehabilitation
 - Stabilize funding
 - Streamline HUD programs
 - Enhance housing options for residents
- Benefits of Housing Choice Voucher Program
 - Allows families to choose where they want to live
 - Reduces concentration of assisted families in one area

- Provides market incentives to landlords to provide quality service and maintain buildings
- Removes rent collection and eviction burden from PHA's
- Families have flexibility to move from one jurisdiction to another within the United States (portability)
- Reduces HUD's Physical/Capital liabilities
- Key HCV Terms
 - HAP (Housing Assistance Payments): Pass-through payments made by HUD to the PHA to be used to pay rent on behalf of tenants to their landlords. Tenants pay 30% of their income toward rent and the HAP funding allows the PHA to pay the difference to the landlord.
 - PUC (Per Cost Unity): Total HAP costs divided number of units leased. The PUC will go up or down based on variances of gross rent, utility allowances, and average tenant payments
 - RNP- Restricted Net Position (NRA): HHAP reserves; unused HAP funds held by the PHA
 - HUD- Held Reserves (HHR): HAP reserves held by HUD, but available the PHA when needed.
 - Total Reserves: Total of RNP and HHR
 - UNP- Unrestricted Net Position: (UNA) Balance of HCV program operating reserves (non-HAP) which represent the accumulation of administrative fee revenue that has not yet been expended. Balance carries forward year to year.
- Capital Fund Program
 - Why the Capital Fund Program (CFP) is important
 - What is the 5 year Action Plan
 - Key Points on Capital Planning
- Strategies for Improving Your Asset Management projects
 - Establish an ongoing process for monitoring each AMP's building and infrastructure conditions
 - Develop a comprehensive plan for facility and infrastructure maintenance
 - Monitor on-going capital project information
 - Anticipate ongoing needs to maintain HUD housing quality standards for all AMPs
 - Be familiar with every property: only then are you prepared to make decisions on its behalf
- Preventing Financial Abuse and Overruns
 - Potential Red Flags
 - Ineligible or unsupported costs
 - Negative cash flow
 - Poor or improper procurement practices
 - Inadequate accounting records
 - Unusual expenses or payments
 - Excess travel expenses
 - Reported financial data not in agreement with books
 - Funding for unapproved activities
- Procurement Authority
 - Board of Commissioners
 - Provides general oversight of procurement activities
 - Not directly involved in vendor/contractor selection
 - PHA Director
 - Has full authority to procure and execute contracts on behalf of the PHA
 - May delegate authority to staff if approved by the Board of Commissioners per official resolution
 - Contracting Officer
 - If delegated, has full authority to procure and execute contracts on behalf of the PHA
 - HUD
 - Oversees and monitors procurement activities of PHAs
 - Approves sole contracts great than simplified acquisition threshold if required
- Procurement Authority

- When is HUD Approval Needed? For procurements that exceed \$150,000 and any one (or more) of the following is applicable:
 - Only one bid or offer is received
 - Awarded without competition
 - Specifies a “brand” name
 - Awarded to other than the apparent low bidder under an IFB
 - Contract modification which changes the Scope of Work or increases the contract amount by more than the \$150,000
- Common Mistakes
 - No cost estimate
 - Mixing procurement types
 - Negotiation with lowest bidder on a sealed bid contract
 - Breaking contracts/purchases down to circumvent regulations
 - Adding additional, non-related work to contracts after award
 - Contracts exceeding 5 years

COMMISSIONER ORLANDO inquired about the priority of housing.

MS. JACOBSEN said the housing authority could have preferences which the City does; if a family is displaced because of a natural disaster, if they live and work in Chandler, and chronically homeless. The families get on the wait list as they are called they are prioritized.

COMMISSIONER ORLANDO asked if it is for both public housing and Section 8.

MS. JACOBSEN stated that was correct.

- PHAC Board Report Quarter 1 and 2

COMMISSIONER LOPEZ asked if there was a requirement for the City to match subsidies.

MS. JACOBSEN said that the public housing units has enough federal dollars to fund. For Section 8 there was a proration which was less than 100% of the program so the City General Fund was needed.

COMMISSIONER STEWART noticed that Chandler was on the top ten raising rents in the U.S. and inquired how this would affect the program.

MS. JACOBSEN said under the housing choice voucher program they can only pay the fair market rents up to 110%. Currently a one bedroom was 913 dollars for a payment standard. If a family was issued a voucher, they go to the landlord and inquire if they accept Section 8 vouchers, and if they do they ask if they will rent at that payment standard. Usually if a market is hot the housing authority will call to help the tenant negotiate the rent down to the payment standard. The tenant pays 30% and they pay the difference up to the standard. It is hard to negotiate when the market is hot and the landlord can get more, but when the market goes down it can secure a revenue source and tenant so it is a give and take.

COMMISSIONER STEWART inquired if there was a contract with the tenant for so many years or is it annual.

MS. JACOBSEN said the tenant was governed by the lease that they had with their landlord. The housing authority had a HAP contract, housing assistance payment, which guaranteed the landlord that the Housing Authority will pay up to the contract rent that's in the lease. The Housing Authority had a contract with the landlord in the lease for that amount. The family was guaranteed by getting a Section 8 voucher.

COMMISSIONER LOPEZ wanted to clarify that if the tenant was unable to make the payment the landlord was still guaranteed the full amount.

MS. JACOBSEN stated that if the tenant could not pay the 30% the housing Authority would only pay the 70%, but the tenant was obligated to pay under the lease.

CHAIRMAN HARTKE inquired if the rent was raised but they wanted to live in the place the tenant could pay more to stay there and match the rising rate.

MS. JACOBSEN said they could go up to 40% of the household income so there was some discretion if the landlord did increase the rent.

COMMISSIONER STEWART asked if there was an appeal process with HUD that they could ask to raise the rate or is it standard across the U.S.

MS. JACOBSEN stated it is a standard across the U.S.

COMMISSIONER STEWART asked if there was pressure on those rents would more have to come from the general fund.

MS. JACOBSEN said no. They received updated fair market rents around April each year and could not exceed 110% of that amount.

COMMISSIONER LOPEZ inquired what they see trending as far as funding.

MS. JACOBSEN said year over year it had stayed stagnate, but in the past there was a dip in funding.

COMMISSIONER LOPEZ said there was talk of cutting some of the funding but confirmed it did not happen.

MS. JACOBSEN said that was correct.

COMMISSIONER LOPEZ inquired if there was a need to increase the program.

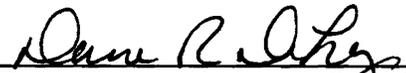
MS. JACOBSEN said there was a pipeline of families to move through the program, but there is a waitlist.

COMMISSIONER STEWART asked if they needed anything from the Council.

MS. JACOBSEN said they have heard from HUD that everything was continuing business as usual and they had been forward funded for three months in the event of a federal government shutdown.

ADJOURNMENT The meeting was adjourned at 5:42 p.m.

ATTEST:


Dana DeLong, Recording Secretary


Kevin Hartke, Chairman



Approved: March 14, 2019



PUBLIC HOUSING AUTHORITY COMMISSION
Regular Meeting
Thursday, March 11, 2019

MINUTES OF THE PUBLIC HOUSING AUTHORITY COMMISSION (PHAC) OF THE CITY OF CHANDLER, ARIZONA, held in the Council Chambers, 88 E. Chicago St., on Thursday, March 11, 2019.

CHAIRMAN HARTKE CALLED THE MEETING TO ORDER at 6:00 p.m.

The following members answered roll call:

Kevin Hartke	Chairman
*Vanessa Dearmon	Commissioner
Jeremy McClymonds	Commissioner
Terry Roe	Commissioner
René Lopez	Commissioner
Sam Huang	Commissioner
Matt Orlando	Commissioner
Mark Stewart	Commissioner

*Commissioner Dearmon was absent and excused.

Also in attendance:	Marsha Reed	City Manager
	Joshua Wright	Assistant City Manager
	Debra Stapleton	Assistant City Manager
	Kelley Schwab	City Attorney
	Dana DeLong	Recording Secretary

UNSCHEDULED PUBLIC APPEARANCES

None.

CONSENT AGENDA DISCUSSION

None.

CONSENT AGENDA – MOTION AND VOTE

COMMISSIONER LOPEZ MOVED TO APPROVE THE CONSENT AGENDA OF THE MARCH 11, 2019, PUBLIC HOUSING AUTHORITY COMMISSION MEETING; SECONDED BY COMMISSIONER HUANG.

MOTION CARRIED UNANIMOUSLY (7-0).

CONSENT AGENDA ITEMS

- 1a. MINUTES of the Public Housing Authority Commission Meeting of December 10, 2018. 1b. MINUTES of the Public Housing Authority Commission Special Meeting of February 14, 2019.
- 2. AGREEMENT NO. HR9-962-4000, with Devau Human Resources, for Temporary Staffing Services.
- 3. AGREEMENT NO. HO9-910-4041, with Capstone Roofing, LLC, for Public Housing Roof Replacements.

ADJOURNMENT

The meeting was adjourned at 6:02 p.m.

ATTEST:

Dana DeLong
Dana DeLong, Recording Secretary

Kevin Hartke
Kevin Hartke, Chairman

Approved: April 8, 2019





PUBLIC HOUSING AUTHORITY COMMISSION
Regular Meeting
Thursday, April 8, 2019

MINUTES OF THE PUBLIC HOUSING AUTHORITY COMMISSION (PHAC) OF THE CITY OF CHANDLER, ARIZONA, held in the Council Chambers, 88 E. Chicago St., on Thursday, April 8, 2019.

CHAIRMAN HARTKE CALLED THE MEETING TO ORDER at 6:00 p.m.

The following members answered roll call:

- Kevin Hartke Chairman
*Vanessa Dearmon Commissioner
Jeremy McClymonds Commissioner
Terry Roe Commissioner
René Lopez Commissioner
Sam Huang Commissioner
Matt Orlando Commissioner
Mark Stewart Commissioner

*Commissioner Dearmon was absent and excused.

- Also in attendance: Marsha Reed City Manager
Joshua Wright Assistant City Manager
Debra Stapleton Assistant City Manager
Kelley Schwab City Attorney
Dana DeLong Recording Secretary

UNSCHEDULED PUBLIC APPEARANCES

None.

CONSENT AGENDA DISCUSSION

None.

CONSENT AGENDA – MOTION AND VOTE

COMMISSIONER LOPEZ MOVED TO APPROVE THE CONSENT AGENDA OF THE APRIL 8, 2019, PUBLIC HOUSING AUTHORITY COMMISSION MEETING; SECONDED BY COMMISSIONER ORLANDO.

MOTION CARRIED UNANIMOUSLY (7-0).

CONSENT AGENDA ITEMS

- 1. MINUTES of the Public Housing Authority Commission Meeting of March 11, 2019
2. RESOLUTION NO. HO146, approving the submission of the City of Chandler Housing and Redevelopment annual and Five-Year plan and Capital fund for the Fiscal Year beginning July 1, 2019 and certifying to compliance with the related regulations.

3. AGREEMENT NO. HO6-910-3660, AMENDMENT NO. 4, with A&H Painting, Inc., for Public Housing Painting Services, in an amount not to exceed \$75,000, for period of May 1, 2019, through April 30, 2020.
4. AGREEMENT NO. HO9-670-4044, with Jovos, Inc., for Public Housing Tub and Shower Replacement in an amount not to exceed \$67,407.26.

ADJOURNMENT

The meeting was adjourned at 6:01 p.m.

ATTEST:



Dana DeLong, Recording Secretary



Kevin Hartke, Chairman

Approved: May 6, 2019





PUBLIC HOUSING AUTHORITY COMMISSION
Regular Meeting
Monday, May 6, 2019

MINUTES OF THE PUBLIC HOUSING AUTHORITY COMMISSION (PHAC) OF THE CITY OF CHANDLER, ARIZONA, held in the Council Chambers, 88 E. Chicago St., on Monday, May 6, 2019.

COMMISSIONER ROE CALLED THE MEETING TO ORDER at 6:00 p.m.

Chairman Hartke was attending the meeting telephonically and asked Commissioner Roe to lead the meeting.

The following members answered roll call:

Table listing members and their roles: *Kevin Hartke (Chairman), Vanessa Dearmon (Commissioner), Jeremy McClymonds (Commissioner), Terry Roe (Commissioner), René Lopez (Commissioner), Sam Huang (Commissioner), *Matt Orlando (Commissioner), Mark Stewart (Commissioner).

*Chairman Hartke and Commissioner Orlando attended telephonically.

Table listing attendees and their roles: Also in attendance: Marsha Reed (City Manager), Kelley Schwab (City Attorney), Dana DeLong (Recording Secretary).

UNSCHEDULED PUBLIC APPEARANCES

None.

CONSENT AGENDA – MOTION AND VOTE

COMMISSIONER LOPEZ MOVED TO APPROVE THE CONSENT AGENDA OF THE MAY 6, 2019, PUBLIC HOUSING AUTHORITY COMMISSION MEETING; SECONDED BY COMMISSIONER McCLYMONDS.

MOTION CARRIED UNANIMOUSLY (8-0).

CONSENT AGENDA ITEMS

- 1. MINUTES of the Public Housing Authority Commission Meeting of April 8, 2019
2. RESOLUTION NO. HO147, authorizing the Chandler Public Housing Authority to enter into the Elevated Blood Lead Level Data Agreement with the Maricopa County Department of Public Health.

ADJOURNMENT

The meeting was adjourned at 6:02 p.m.

ATTEST:

Dana R. DeLong
Dana DeLong, Recording Secretary

Kevin Hartke
Kevin Hartke, Chairman

Approved: June 24, 2019





PUBLIC HOUSING AUTHORITY COMMISSION
Regular Meeting
Monday, June 24, 2019

MINUTES OF THE PUBLIC HOUSING AUTHORITY COMMISSION (PHAC) OF THE CITY OF CHANDLER, ARIZONA, held in the Council Chambers, 88 E. Chicago St., on Monday, June 24, 2019.

CHAIRMAN HARTKE CALLED THE MEETING TO ORDER at 6:00 p.m.

The following members answered roll call:

Kevin Hartke	Chairman
Vanessa Dearmon	Commissioner
Jeremy McClymonds	Commissioner
Terry Roe	Commissioner
René Lopez	Commissioner
Sam Huang	Commissioner
Matt Orlando	Commissioner
Mark Stewart	Commissioner

Also in attendance:

Marsha Reed	City Manager
Kelley Schwab	City Attorney
Dana DeLong	Recording Secretary

UNSCHEDULED PUBLIC APPEARANCES

None.

CONSENT AGENDA – MOTION AND VOTE

COMMISSIONER LOPEZ MOVED TO APPROVE THE CONSENT AGENDA OF THE JUNE 24, 2019, PUBLIC HOUSING AUTHORITY COMMISSION MEETING; SECONDED BY COMMISSIONER ORLANDO.

MOTION CARRIED UNANIMOUSLY (8-0).

CONSENT AGENDA ITEMS

1. MINUTES of the Public Housing Authority Commission Meeting of May 6, 2019.
2. RESOLUTION NO. HO149, authorizing the approval of the write off of \$11,058.62 in Public Housing Tenant Accounts Receivable as uncollectible.

BACKGROUND FROM COMMISSION MEMO:

The Department of Housing and Urban Development (HUD) requires Public Housing Authorities to write off as uncollectible, the outstanding debt of former public housing residents that has not been collected within a reasonable time. The writing off of uncollectible tenant accounts receivables is a recommended accounting process.

As Resolution No. HO149 indicates, the Housing and Redevelopment Division is requesting the write off of \$11,058.62 in tenant accounts. These tenants have left the public housing program owing the City of Chandler varying amounts for back rent, maintenance, and miscellaneous charges. All of the accounts have had no activity for approximately six months after having been forwarded to a collection agency in hopes that the debts could be collected. To date, no payments have been received through the collection agency on these accounts. At this time, Housing staff is requesting that the accounts be written off as uncollectible.

The attachment indicates the balances that are designated for write off. In some cases, the level of labor and materials required to repair the units led to high maintenance charges.

Of the \$11,058.62 staff is requesting in write-offs, the amount is categorized as follows: \$4,282.85 for rent, \$6,565.77 for maintenance charges, and \$210.00 for late and miscellaneous charges. Please note that in the case of each of these accounts, the debt information has been entered into a nationwide HUD Housing Authority network. Each housing agency in the country belongs to this network and all new housing applicants are checked for debts owing as part of the program screening process. Should any of the parties on the list attempt to be housed on any federally subsidized housing program in the nation, their name and information will appear flagged and they should not be housed until the full debt is repaid to the housing agency who is owed the funds.

FINANCIAL IMPLICATIONS:

The total amount of uncollectible accounts for this write off is \$11,058.62. The current Public Housing budget includes a line item for the write off of uncollectible accounts. The amount of this year's write off is less than the amount written off in 2018, which was \$14,356.97. Over the past eleven years, the annual amount written off has ranged from \$6,000 to \$32,000. All costs associated with the write off of uncollectible tenant debt are funded by HUD.

ADJOURNMENT

The meeting was adjourned at 6:01 p.m.

ATTEST:



Dana DeLong, Recording Secretary



Kevin Hartke, Chairman

Approved: 8-5-, 2019





PUBLIC HOUSING AUTHORITY COMMISSION

Regular Meeting Minutes

Monday, August 5, 2019

MINUTES OF THE PUBLIC HOUSING AUTHORITY COMMISSION (PHAC) OF THE CITY OF CHANDLER, ARIZONA, held in the Council Chambers, 88 E. Chicago St., on Monday, August 5, 2019.

CHAIRMAN HARTKE CALLED THE MEETING TO ORDER at 6:00 p.m.

The following members answered roll call:

Kevin Hartke	Chairman
Vanessa Dearmon	Commissioner
Jeremy McClymonds	Commissioner
Terry Roe	Commissioner
René Lopez	Commissioner
Sam Huang	Commissioner
Matt Orlando	Commissioner
Mark Stewart	Commissioner

Also in attendance:

Marsha Reed	City Manager
Kelley Schwab	City Attorney
Dana DeLong	Recording Secretary

UNSCHEDULED PUBLIC APPEARANCES

None.

CONSENT AGENDA – MOTION AND VOTE

COMMISSIONER ORLANDO MOVED TO APPROVE THE CONSENT AGENDA OF THE AUGUST 5, 2019, PUBLIC HOUSING AUTHORITY COMMISSION MEETING; SECONDED BY COMMISSIONER McClymonds.

MOTION CARRIED UNANIMOUSLY (8-0).

CONSENT AGENDA ITEMS

1. MINUTES of the Public Housing Authority Commission Meeting of June 24, 2019.

2. RESOLUTION NO. HO148, certifying that the indicators identified in the Section Eight Management Assessment Program Certification for the City of Chandler Housing and Redevelopment Division are true and accurate for the fiscal year ending June 30, 2019.

BACKGROUND FROM COUNCIL MEMO:

On September 10, 1998, the United States Department of Housing and Urban Development (HUD) published the final rule on SEMAP. The final rule established an assessment system on the operation of Section 8 tenant-based programs to assist eligible families to afford decent, safe rental units at the correct subsidy cost. SEMAP provides policies and procedures to enable HUD to measure the performance of public housing agency management and allows HUD field offices to practice accountability monitoring and risk management. HUD requires Public Housing Authorities to submit a SEMAP Certification at the end of each fiscal year. HUD requires the SEMAP Certification to be submitted by August 29, 2019.

The SEMAP Certification contains 14 key indicators of performance which include:

- Proper selection of applicants from the Section 8 waiting list;
- Sound determination of reasonable rent for each unit leased;
- Setting payment standards within the required range of HUD's Fair Market Rents;
- Accurate verification of family income;
- Timely annual reexaminations of family income;
- Correct calculation of the tenant share of the rent and the subsidy portion;
- Maintenance of a current schedule of allowances for tenant utility costs;
- Units pass inspection before entering housing assistance contracts;
- Timely annual housing quality inspections;
- Performance of quality control inspections to ensure housing quality;
- Ensuring that landlords and tenants promptly correct housing quality deficiencies;
- Ensuring that all available rental vouchers are used;
- Expanding housing choice outside areas of poverty or minority concentration; and
- Enrolling families in the Family Self-Sufficiency (FSS) Program, as required, and helping FSS families achieve increases in employment income.

HUD bases the rating of the first seven SEMAP indicators from the SEMAP Certification submitted by the housing authority and contained herein in Exhibit A. HUD will also review the latest independent auditor's annual report for the Housing and Redevelopment Division. For the remaining indicators, the score is verified by data taken from the Public and Indian Housing Information Center (PIC). PIC is HUD's computer database that collects, maintains and reports information on families who participate in the Section 8 Voucher Program.

FINANCIAL IMPLICATIONS:

Submission of the SEMAP Certification is required in order for the City of Chandler to continue receiving Section 8 Housing Choice Voucher Program funding. There are no direct financial implications to the City as a result of this action.

ADJOURNMENT

The meeting was adjourned at 6:02 p.m.

ATTEST:


Dana DeLong, Recording Secretary


Kevin Hartke, Chairman

Approved: 10-7-, 2019





PUBLIC HOUSING AUTHORITY COMMISSION

Work Session - Meeting Minutes

Monday, October 7, 2019

MINUTES OF THE PUBLIC HOUSING AUTHORITY COMMISSION (PHAC) OF THE CITY OF CHANDLER, ARIZONA, work session meeting held on Monday, October 7, 2019, in the Council Chambers, Council Conference Room, 88 E. Chicago Street, Chandler, Arizona

THE MEETING WAS CALLED TO ORDER BY CHAIRMAN KEVIN HARTKE AT 4:00 P.M.

The following members were present:

Kevin Hartke	Chairman
Terry Roe	Commissioner
Mark Stewart	Commissioner
Jeremy McClymonds	Commissioner
Sam Huang	Commissioner
Matt Orlando	Commissioner
Vanessa Dearmon	Commissioner

Commissioner René Lope was absent and excused.

Staff present: Marsha Reed, City Manager; Kelly Schwab, City Attorney; Dana DeLong, City Clerk; Joshua Wright, Assistant City Manager; Debra Stapleton, Assistant City Manager; Derek Horn, Development Services Director; Leah Powell, Neighborhood Resources Director; Breena Meng, Assistant City Attorney; Amy Jacobson, Housing and Redevelopment Manager; Cori Garcia, Mayor and Council Communications Manager; Matthew Burdick, Communications and Public Affairs Director; Ryan Peters, Governmental Relations and Policy Manager

1. Discussion of Redevelopment Options for Public Housing

MARSHA REED, City Manager, introduced the item and invited Staff to present.

LEAH POWELL, Neighborhood Resources Director, presented the following Power Point presentation.

- Agenda
 1. Introductions
 2. Current Housing Environment
 3. Repositioning Strategies
 4. Public Housing Portfolio Status
 5. Immediate Needs
 6. Development Opportunity Examples
 7. Portfolio Feasibility Options
 8. Next Steps

MS. POWELL introduced consultants who were working with the City.

Current Housing Status

- Chandler's Public Housing
 - Aging Properties
 - Declining HUD Funding
 - Lack of Affordable Housing
 - Asset Repositioning
- Strategic Plan Goals and Objectives 2015-2020
 1. City of Chandler Housing and Redevelopment's Strategic Plan
 2. An Updated Vision for Affordable Housing in Chandler 2015-2020
- How Do We Meet Our Objectives?
 1. Repositioning Public Housing Units to Section 8 Platform
 2. Facilitate the rehabilitation or demolition and new construction of units by forming Public/Private Partnerships
 3. Leverage private financing to reduce reliance on federal funding

COMMISSIONER ORLANDO asked about the vouchers and how many are being turned back in.

AMY JACOBSON, Housing and Redevelopment Manager, said the utilization is currently down. They are registered for 486 and have 450 being serviced.

COMMISSIONER ORLANDO asked if they count the other sites or if that is a separate program.

MS. POWELL said it is a separate program. In total, they have 303 units of affordable housing that is different from the voucher program.

- Why Repositioning?

1. Federal funding (Capital Fund) cannot meet the demands of public housing rehabilitation needs
 2. Reduce administrative burden of maintaining outdated housing
 3. PHA can replace units in other areas of opportunity and leverage the property's value
- Benefits of Conversions
 1. Before
 - Properties typically not funded 100%
 - PHAs cannot borrow money for necessary repairs
 - Funding fails to keep up with deteriorating physical conditions
 - Residents cannot move without losing housing assistance
 2. After
 - Properties are placed on stable funding platform
 - PHAs can borrow money and perform rehabilitation work
 - PHAs Manage Properties as Private Manger
 - Residents have more housing choice in the future

MS. JACOBSON presented the following Power Point presentation.

- Chandler Housing and Redevelopment
 1. Current Portfolio Status
- Chandler Housing Portfolio
 1. Public Housing – 303 Units
 2. 4 Sites – Multi-family (mix of one to five bedroom units) Total of 163 units
 3. 1 Site – Elderly (34 one bedroom and 3 two bedrooms) Total of 37 units
 4. 103 – Single-family scattered sites (mix of two to five bedrooms)
 5. Housing Choice Voucher (Section 8) – 486 Vouchers
 - Housing Division
 - Family
 - Owner
- City of Chandler Housing and Redevelopment Public Housing Locations
- Portfolio Status
 1. Chandler's Aging Units
 - Built in 1972
 2. Major Capital Needs – Significant
 - Plumbing and Electrical Systems Need Replacement
 - Repair/Maintenance Costs Growing
 3. Properties are Aging – Reaching Useful Life
- Interior Unit:
 1. Poor Design Energy Efficiency
- Recent HUD Notification

1. "You should have been notified that the 2019 Capital Fund grant received approximately a .05% increase."
 2. For Chandler, this equals \$3,573 increase from last year – approximately \$11.79 more per unit.
- Major Building Systems: Plumbing – Water and Sewer
 1. Water/Sewer Line Corrosion
 - Chandler's Federal Funding Trends- Revenue and Expenses
 - Addressing Immediate Needs
 1. 2,300 Total Work Orders in FY 2019
 2. 14% Increase from FY2018
 3. Average Yearly Expenses per Unit in 2019 is \$4,000 or \$1.2M

COMMISSIONER ROE asked if this included the Single Family Homes.
MS. JACOBSON said, yes.

COMMISSIONER ROE asked if this included some of the new air conditioning units and cabinets.

MS. JACOBSON said, yes.

COMMISSIONER ORLANDO asked if the Section 8 vouchers go away with the new model.

MS. JACOBSON said, no they would continue to offer the program. The Rental Assistance Demonstration is a reposition option that would allow to operate Public Housing on a Section 8 platform.

COMMISSIONER ORLANDO asked if this included admin cost.

MS. JACOBSON said, no.

COMMISSIONER ORLANDO asked if they have competitive bids for the work.

MS. JACOBSON said, yes. Anything the maintenance staff is unable to complete they do a RFP for all major work.

COMMISSIONER ORLANDO asked about major repairs and how much is remaining.

MS. JACOBSON said they receive about \$600,000 in capital funds for Public Housing. The operating dollars on the subsidy side would take care of some of the maintenance cost. They are only able to use capital funds for major improvements like sewer and electrical.

The other maintenance cost would ensure the unit is maintained in a safe and healthy way.

COMMISSIONER ORLANDO talked about the costs, number of units, and asked about the funding they would need.

MS. JACOBSON said the amount of work they are anticipating to do over the next five years would equal the \$600,000. However, they have additional large capital improvements that need to be done that they won't be able to fund.

COMMISSIONER ORLANDO asked how much that would be.

MS. JACOBSON said she would not be able to answer at this time because they would need a physical needs assessment to be conducted to know exactly what needs to be done.

COMMISSIONER ORLANDO said there had been a lot of work done on the homes and asked about the issues that are coming up and what the \$600,000 could not cover within the next few years.

MS. POWELL said the scatter sites have been the ones receiving upgrades because they can always sell those. The other sites are the family sites that are older and have major infrastructure and those upgrades have not been done. If they had to rebuild the sites they would have to be built differently because they are not built to today's code.

COMMISSIONER STEWART asked if there was an issue of being out of code.

KELLY SCHWAB, City Attorney, said when they are built it is fine. When they start doing repairs and renovations, they must be brought to code and at that point, there might be potential liability. As there is notice of them then they must be addressed.

COMMISSIONER STEWART said if they are going to be in there it needs to be corrected.

MS. POWELL said that is what brings them in. They pride themselves on maintaining their properties, but knew there are internal issues that are going to continue to grow.

CHAIRMAN HARTKE said that 50 years later with plumbing they are probably due with significant improvements and asked if that was part of the issue.

MS. POWELL said, yes.

MS. JACOBSON gave an example of a site that almost had to be relocated because there was a major water main break.

MS. JACOBSON continues the presentation.

- Portfolio Repositioning Feasibility for City of Chandler
 1. Leverage Current Land Inventory
 2. Create Mixed-Use and Mixed-Income, Including Market Rate Housing
 3. Increase Senior Housing Inventory
 4. Increase Housing Choice
- City of Chandler Site 1 130 N. Hamilton
 1. Demographics
 - 53 Units
 - Dense/Tight Site
 - 4.4 Acres
 2. Challenges
 - No Additional Room on Site
 - Crime
 3. Consideration
 - Significant Renovation
 - Add Units with Second Story
 - Mixed Income
 - Possible Sale
- City of Chandler Site 2 210 N. McQueen
 1. Demographics
 - 38 Units
 - Dense/Tight Site
 - 3.6 Acres
 2. Challenges
 - No Additional Room on Site
 - Located on Commercial Corner
 3. Consideration
 - Head Start Classroom
 - Significant Renovation
 - Demolition and Rebuild as Mixed Use
 - Sale to Commercial Developer
- City of Chandler Site 3 73 S. Hamilton
 1. Demographics
 - 40 Units
 - Additional Room for Redevelopment
 - Currently has Maintenance Shed and Children's Center

- Housing Youth Center
 - 7.4 Acres
- 2. Consideration
 - Significant Renovation
 - Add Additional Units
 - 2-3 Stories
- City of Chandler Site 4 660 Palm Lane
 - 1. Demographics
 - 32 Units
 - Well Arranged Site
 - Some Room for Additional Units
 - 5.2 Acres
 - 2. Consideration
 - Head Start Classroom
 - Renovation
 - Add Additional Units
- Kingston Arms 127 N. Kingston Street
 - 1. Demographics
 - 37 Senior Units
 - 1.51 Acres
 - 2. Challenges
 - Tight Site
 - Relocation
 - Access
 - Security
 - 3. Consideration
 - Significant Renovation
 - Add Additional Units, Senior Center, and Additional Access with Adjacent Site
 - Sell
- Scattered Sites
 - 1. 103 Single-Family Homes
 - 2. Locations Throughout Chandler
 - 3. Possible Disposition
 - 42 Homes 1950-1978
 - Selective – Maintain Housing Choice
 - Average Value - \$230,000 each
 - Could add additional equity
- Housing Project Examples
 - 1. Madison heights – Housing Authority of Maricopa County

- Madison Heights
 1. Before – Public Housing
 2. After – Public/Private Partnership
- Coffelt-Lamoreaux
 1. Before – Public Housing
 2. After – Public/Private Partnership
- Aeroterra Senior Village
 1. 60 Units
 2. McCarty on Monroe
 - 34 Units

COMMISSIONER McCLYMONDS asked how much the project was.

MS. JACOBSON said she did not have the cost for the project.

- Mixed Income Development Example
 1. Six (6) Stories, 124 Units
 2. 48 RAD-40 Market – 36LIHTC Units
 3. 5,000+ SF Commercial
 4. 1 +/- acre Urban In-Fill Project
 5. Supportive Retail

COMMISSIONER ORLANDO asked how many of the units are at market rate and non-market rate.

JOHN BENTON, The Concourse Group Consultant, explained the different breakdowns of the units and said you cannot tell the difference between the units and that they are identical.

COMMISSIONER ORLANDO asked how many were voucher units.

MR. BENTON said there are 80 RAD units.

COMMISSIONER ORLANDO asked for more detail.

MR. BENTON said RAD is Rental Assistance Demonstration Program. This new program allows a Housing Authority to convert HUD units to private ownership. This allows the public housing residents to convert to rental. Mr. Benton talked about how the project came to be and how they decided on the breakdown of the units.

COMMISSIONER ORLANDO asked how they could afford to live there.

MR. BENTON said with Low Income Tax Credit Housing there is an income limit to qualify and you pay up to a certain amount allowed. Other units are at market rate

COMMISSIONER ORLANDO asked if they were able to make money on the project.

MR. BENTON said expenses have accelerated and they have to bring in other partners or income streams to make them work financially. Mr. Benton explained how the finances work for a sustainable solution for the long term.

CHAIRMAN HARTKE asked about people being dispersed and if these were built the issue regarding existing sites would have to be addressed. If they were to increase density they would be adding more people, but they would not be offering additional sites.

MS. POWELL said they are talking about redeveloping their current sites. There is mobility now and they are looking at taking the unit that had a voucher for it to be listed at market rent. The de-concentration occurs as people move out.

CHAIRMAN HARTKE asked about the people who have lived in housing sites for multiple generations.

MS. POWELL said whoever lives in the housing today gets to keep their voucher. They will be moved into the new unit and at that point if they decide to move they are able to use the voucher.

MR. BENTON said this allows the residents' flexibility so they do not feel locked in. These properties can be turned into a private ownership structure.

COMMISSIONER HUANG asked about the parking for these projects.

MR. BENTON said they have parking next door to this project.

COMMISSIONER DEARMON asked if these were renderings or actual buildings.

MR. BENTON said this was an actual project the others are renderings. Mr. Benton said they wanted to have a nice property that people would be proud to live in. Because these are public/private partnerships they want to be proud of their asset and that they like being part of the program.

COMMISSIONER ORLANDO said different numbers were given, different from what was on the presentation.

MR. BENTON said there are a total of 80 public housing units.

COMMISSIONER HUANG said they have a lot of scattered housing and if they recommended that they sell some.

MS. JACOBSON said it is an option.

MS. JACOBSON continued the presentation.

- Chandler Housing and Redevelopment
 1. Portfolio Feasibility Options
- Feasibility Options
 1. Renovate Needs Only
 - \$50,000/Unit
 - Timing: 30 Months
 2. Significant Renovation
 - \$80,000/Unit
 - Timing: 36 Months
 3. Mixed Income Rebuild
 - \$125,000/Unit
 - Additional Units
 - Timing: 48 Months

MS. POWELL continued the presentation.

- Development Scenario Site 3 73 S. Hamilton
 1. Demographics
 - 40 Units
 - Additional Room for Redevelopment
 - Currently has Maintenance Shed and Children's Center
 - Housing Youth Center
 - 7.4 Acres
 2. Consideration
 - Significant Renovation
 - Add Additional Units
 - 2-3 Stories
- Development Scenario Site 3
 1. Total of 200 Units
 2. Phase I:
 - 60 Units New Construction
 - Relocate Residents in Phase II
 3. Phase II:

- 140 Units
- Demolish 6 Units
- Put 2nd Story on Existing Footprint
- Add Additional 12 Units On Site
- Add Community Room
- 4. Public/Private Partnership
- 5. City to Contribute Land
- Overall Portfolio Strategy
 1. Move from a Public Entity to Private Ownership
 2. Public/Private Development Opportunities
 3. Possibility to Increase Cash Flow
 4. Earn Developer Fees
 5. Reposition the Portfolio for Long Term Success
 - Marketable for Future Sale

COMMISSIONER McCLYMONDS asked for clarification regarding the number of units.

MS. POWELL said 140 units.

COMMISSIONER McCLYMONDS asked how they got that number.

MS. POWELL said they would put a second story and add 12 units. They looked at 200 units originally, but dropped to 140 to take into consideration the zoning.

COMMISSIONER HUANG asked why not built a three story or a four story building.

MS. POWELL said that is something they could consider but it would be up to Council for their direction regarding density and the possibility is there.

- Next Steps
 1. Retain Consultants for Site Feasibility and Development Structure
 2. Develop Public Housing Five-Year Plan
 3. Public Housing Resident Input
 4. Issue RFQE for Developers
 5. Submit Application to HUD for Conversion

COMMISSIONER STEWART said this was an innovative solution. Commissioner Stewart asked what the definition of affordable housing is and what the number is. He asked what the target is going to be and the timeline, and asked for a clearer understanding of the sites, what other neighboring municipalities are doing, and what the budget would look like. Commissioner Stewart asked if this would be 100% HUD funded.

MS. POWELL said this would be federally funded and moving out of federal funding to leverage private investors. Ms. Powell said other cities are converting out of public housing and some have gotten out of it completely.

MR. BENTON said in 2012 RAD started and there was a congressional limitation on the number of units that could be converted. Since then the ceiling has been raised multiple times to 455,000 and many Public Housing Authorities are converting.

COMMISSIONER ORLANDO asked how long the commitment was to keep that type of ratio.

MR. BENTON said the Public Housing Authority contributes the land as part of their investment. As part of that, there is a land use restriction agreement that states how many must stay affordable housing as long as the agreement is in effect. Mr. Benton said they recommend a 99-year lease that is renewable automatically.

COMMISSIONER ORLANDO asked if they have considered solar on the housing sites.

MR. BENTON said, yes they look at every way they could put dollars back into the program.

MS. REED said they would like to have the opportunity to get proposals from the private sector that could include many of the things discussed.

CHAIRMAN HARTKE said in order to afford this would they need to sell some of the scattered sites or is there another reason to sell them other than just that they are older properties. Chairman Hartke asked what they would do to invest into a new program.

MS. JACOBSON said the issue with the scattered site model is that the maintenance staff has to drive to different places.

CHAIRMAN HARTKE recapped that because of the increase cost of these sites they could get out of that and have more people in this other model.

COMMISSIONER HUANG said it was difficult to understand why they have scattered sites and that the neighborhood may not be welcoming to it and believes it is time to rethink it.

MS. POWELL said the de-concentration is a regulation by HUD that the low-income population cannot be concentrated in one area. The scattered sites are a way of

achieving that. Ms. Powell said they make sure that the house is maintained and kept up to standard. They have low maintenance landscaping so they may not be the most beautiful house on the block, but they make sure they do not have code violations. COMMISSIONER ROE asked about a developer defaulting on a project.

MR. BENTON talked about the options for work-around or tax credits and they are very careful who they select for these projects to ensure they have done projects like this before. Whomever they select are vetted by the lenders' underwriters, HUD, investors, and escrow accounts. Mr. Benton said there is a lot of failsafe put into the projects so it is difficult to fail.

COMMISSIONER ROE asked if it is possible for them to hold the paper and use general fund to keep the project going.

MS. REED said it would be a slight risk and the way the contract is written it will also limit their risk and would probably be unlikely.

MR. BENTON said the liability is slim because of the requirements put into the contract.

CHAIRMAN HARTKE said because HUD is moving away from Public Housing, he asked Council if this was the direction they wanted to pursue.

COMMISSIONER ORLANDO asked if the scatter site housing was funded by HUD and if they would have to give the money back.

MS. JACOBSON said one of the options is volunteering disposition, which would allow the Housing Authority to give the family a voucher, take the equity, and build another site.

COMMISSIONER ORLANDO asked if they have ever sold the house to the current family living in it.

MS. JACOBSON said they have under the Section 8 H Program. Housing Authorities are able to give it to a first time homebuyer, which are the tenants in the home.

COMMISSIONER McCLYMONDS said he was interested because the scattered sites seem inefficient.

CHAIRMAN HARTKE said the big benefit is getting out of the cost, and to accrue some assets from there.

COMMISSIONER STEWART said he would need more information to give direction and would like to discuss this again.

CHAIRMAN HARTKE said the next steps would be to work up a consultation and get the input, but at some point it would come back to the Commission.

COMMISSIONER STEWART thought they could continue the path they are on to find a more innovative way to do this.

MS. REED said they would go out to see what types of partnerships are out there because right now they would not be able to answer all of his questions. This way they can go out, get more information, work with the consultants and come back with real choices and numbers.

COMMISSIONER STEWART asked who pays for the consulting fee.

MS. REED said it is with federal dollars.

COMMISSIONER ORLANDO said he would like to continue, but is concerned with the scattered sites and would like to focus on that later. He would like to look at the concentration with the sites they do own to get more people into the system that need it.

CHAIRMAN HARTKE said the comfort zone is to proceed except for disposing of the scattered sites until they have a plan that ties it in, and to consider the best solution for the people and what to do with the assets.

COMMISSIONER ROE said if they have this type of housing he would be open to catering to seniors, veterans, and single parents. He is unhappy with the thought of having multiple generations stay in the home and if that is the case, they have a failed program. Commissioner Roe said he is in favor of disposing of the scattered sites.

COMMISSIONER HUANG said he is in favor of getting rid of the scattered sites and creating a denser site if that is feasible.

COMMISSIONER DEARMON asked if it would be cheaper to have these brought up to code and sell them or demolish the sites.

MS. POWELL said this is something they would need to get more information on for each scenario. She said they have done a little for each site, but would need more research for

concrete numbers. It is also possible that with the remodel of a site to add more units they may be able to condense two sites together and sell one.

COMMISSIONER ORLANDO said he is still concerned with the economic model and wants to ensure they have figured out a plan before they move forward.

MS. POWELL clarified she was talking about the multi-unit sites not the scattered housing.

COMMISSIONER ORLANDO said they want to get out of the maintenance business, but also have citizens who want to work in Chandler but cannot live in Chandler and leverage the money to do something different. He said he did not want anyone to be put out on the street while they do this.

MS. POWELL said ultimately that they would be adding more units of affordable housing.

MAYOR HARTKE said he was hearing a general wish to proceed to see what options there are.

COMMISSIONER ROE reiterated the need to take care of the seniors.

COMMISSIONER HUANG encouraged them to come out with more dense options.

MS. POWELL said they are looking for more innovative projects and they will be meeting with both private and nonprofit partners so they will be on the lookout.

CHAIRMAN HARTKE said they could also take a trip to see examples in person rather on paper.

ADJOURNMENT: The PHAC Work Session was adjourned at approximately 5:26 p.m.

ATTEST:


Dana DeLong, Recording Secretary


Kevin Hartke, Chairman

Approved: Nov. 4, 2019





PUBLIC HOUSING AUTHORITY COMMISSION

Meeting Minutes
Monday, October 7, 2019

MINUTES OF THE PUBLIC HOUSING AUTHORITY COMMISSION (PHAC) OF THE CITY OF CHANDLER, ARIZONA, held in the Council Chambers, 88 E. Chicago St., on Monday, October 7, 2019.

CHAIRMAN HARTKE CALLED THE MEETING TO ORDER at 6:00 p.m.

The following members answered roll call:

Kevin Hartke	Chairman
Vanessa Dearmon	Commissioner
Jeremy McClymonds	Commissioner
Terry Roe	Commissioner
Sam Huang	Commissioner
Matt Orlando	Commissioner
Mark Stewart	Commissioner

Commissioner René Lopez was absent and excused.

Also in attendance:	Marsha Reed	City Manager
	Kelley Schwab	City Attorney
	Dana DeLong	Recording Secretary

UNSCHEDULED PUBLIC APPEARANCES

None.

CONSENT AGENDA – MOTION AND VOTE

COMMISSIONER ORLANDO MOVED TO APPROVE THE CONSENT AGENDA OF THE OCTOBER 7, 2019, PUBLIC HOUSING AUTHORITY COMMISSION MEETING; SECONDED BY COMMISSIONER McCLYMONDS.

MOTION CARRIED UNANIMOUSLY (7-0).

CONSENT AGENDA ITEMS

1. MINUTES of the Public Housing Authority Commission Meeting of August 5, 2019.
2. AGREEMENT NO. HO7-988-3721, AMENDMENT NO. 3, with Artistic Land Management, Inc., for public housing landscape maintenance services, for the period of November 1, 2019, through October 31, 2020, in an amount not to exceed \$65,000.

BACKGROUND FROM MEMO:

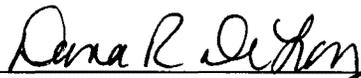
The Housing Division entered into an Agreement with Artistic Management, Inc., on November 1, 2016, for landscaping services of five public housing sites. The contract includes, but is not limited to, weed control, tree/shrub trimming, periodic landscaping raking, and turf mowing. The total amount of landscaping under the contract is approximately 16 acres.

The Agreement includes a budget contingency allowance for additional landscaping tasks such as landscape services for our 103 scattered sites homes. The contract includes base level landscape service for the apartment locations and additional services if needed such as irrigation repairs, pre-emergent and herbicide treatments, additional tree trimming/removal, and emergency landscaping service due to storm damage.

ADJOURNMENT

The meeting was adjourned at 6:02 p.m.

ATTEST:



Dana DeLong, Recording Secretary



Kevin Hartke, Chairman

Approved: Nov. 4, 2019





PUBLIC HOUSING AUTHORITY COMMISSION

Regular Meeting Minutes
Monday, November 4, 2019

MINUTES OF THE PUBLIC HOUSING AUTHORITY COMMISSION (PHAC) OF THE CITY OF CHANDLER, ARIZONA, held in the Council Chambers, 88 E. Chicago St., on Monday, November 4, 2019.

CHAIRMAN HARTKE CALLED THE MEETING TO ORDER at 6:12 p.m.

The following members answered roll call:

Kevin Hartke	Chairman
Vanessa Dearmon	Commissioner
Jeremy McClymonds	Commissioner
Terry Roe	Commissioner
René Lopez	Commissioner
Sam Huang	Commissioner
Matt Orlando	Commissioner
Mark Stewart	Commissioner

Also in attendance:

Marsha Reed	City Manager
Kelley Schwab	City Attorney
Dana DeLong	Recording Secretary

UNSCHEDULED PUBLIC APPEARANCES

None.

CONSENT AGENDA – MOTION AND VOTE

COMMISSIONER ORLANDO MOVED TO APPROVE THE CONSENT AGENDA OF THE NOVEMBER 4, 2019, PUBLIC HOUSING AUTHORITY COMMISSION MEETING; SECONDED BY COMMISSIONER LOPEZ.

MOTION CARRIED UNANIMOUSLY (8-0).

CONSENT AGENDA ITEMS

1. MINUTES of the Public Housing Authority Commission Work Session of October 7, 2019.

2. MINUTES of the Public Housing Authority Commission Regular Meeting of October 7, 2019.
3. RESOLUTION NO. HO150, revising and increasing the Payment Standards for the Housing Choice Voucher Program (Section 8 Program).

BACKGROUND FROM MEMO:

The US. Department of Housing and Urban Development (HUD) allows Public Housing Authorities (PHAs) to set the Payment Standards for the Housing Choice Voucher Program. Payment Standards are used to calculate the housing assistance payment that the PHA pays to the landlord on behalf of the family leasing the unit. Family contribution to rent is set at 30 to 40 percent of the family's adjusted income. Each PHA has latitude in establishing its schedule of Payment Standard amounts by bedroom size. The range of possible Payment Standard amounts is based on HUD's published Fair Market Rent (FMR) schedule for the area in which the PHA has jurisdiction. A PHA may set its Payment Standard amounts from 90 percent to 110 percent of the published FMRs. The 2019 FMR increased; therefore, staff wishes to increase the current Payment Standards. The Housing Choice Voucher program's Payment Standards are currently set between 92 and 103 percent of the FMR and staff wishes to increase the current Payment Standards by an average of 12 percent to help offset the continued increases in market rents, which results in a 95 percent to 108 percent range of the current published Fair Market Rents.

Since 1998, Chandler's Payment Standards have varied within the Program, but generally have hovered around an average of 99 percent of the published FMR. The current Payment Standard for Chandler was changed January 1, 2019 in response to the rising costs in the rental market. Rental rates have increased significantly in the last few years in the Chandler rental market and are hampering the City's voucher participants' ability to find reasonably priced rental units within the existing Payment Standards.

These factors limit choices for prospective renters in the Housing Choice Voucher Program, increase the time in searching for rental units, and in some cases, eliminate the option to renew a lease where a tenant is currently leasing. From the time period January to October 2019, there has been an average of 40 voucher holders searching per month.

The increase in Payment Standards will increase the housing assistance payments, which is the amount the PHA pays monthly to landlords on behalf of the tenants. There is adequate funding within the remaining Housing Choice Voucher Program budget year to accommodate the increased costs. Alternatively, if the Payment Standards are not increased, prospective tenants may not be able to find dwelling units to rent and Housing Choice Vouchers will go underutilized. Any underutilized Housing Choice Voucher Program funding at the end of the year is returned to HUD and future Housing Choice Voucher Program budgets are adjusted downward based on past performance. All costs associated with the Housing Choice Voucher Program are funded by HUD.

ADJOURNMENT

The meeting was adjourned at 6:15 p.m.

ATTEST:

Dana DeLong
Dana DeLong, Recording Secretary

Kevin Hartke
Kevin Hartke, Chairman

Approved: Jan 9, 2020

