



Traverse City Housing Commission
A Public Housing Authority

COMMISSION MEETING MATERIAL

FOR THE REGULAR MEETING
Friday, January 27, 2017 at 8:00 A.M.

LOCATION:
SECOND FLOOR COMMITTEE ROOM – GOVERNMENTAL CENTER
400 Boardman Avenue, Traverse City, Michigan, 49684



Traverse City Housing Commission
A Public Housing Authority

MEETING AGENDA

January 27, 2017



NOTICE

**THE TRAVERSE CITY HOUSING COMMISSION WILL CONDUCT A REGULAR MEETING
ON FRIDAY, JANUARY 27, 2017 AT 8:00 A.M.**

SECOND FLOOR COMMITTEE ROOM – GOVERNMENTAL CENTER
400 Boardman Avenue, Traverse City, Michigan, 49684
(231) 995-5150

POSTED: JANUARY 25, 2017

The Traverse City Housing Commission does not discriminate on the basis of disability in the admission or access to, or treatment or employment in, its programs or activities. Please, contact the Traverse City Housing Commission Office, 150 Pine Street, Traverse City, Michigan, 49684, (231) 922-4915, to coordinate specific needs in compliance with the non-discrimination requirements continued in Section 35.087 of the Department of Justice Regulations. Information concerning the provisions of Americans with Disabilities Act (ADA), and the rights provided hereunder, are available from the ADA Coordinator.

If you are planning to attend and you have a disability requiring any special assistance at the meeting, please notify the Executive Director immediately.

AGENDA

I CALL TO ORDER & ROLL CALL

II APPROVAL OF AGENDA

III PUBLIC COMMENT

IV CONSENT AGENDA

The purpose of the Consent Agenda is to expedite business by grouping non-controversial items together to be dealt with by one Commission motion without discussion. Any member of the Commission, staff or the public may ask that any item on the Consent Agenda be removed from and placed elsewhere on the agenda for full discussion. Such requests will automatically be respected. If an item is not removed from the Consent Agenda the action noted on the Agenda is approved by a single Commission action adopting the Consent Agenda (*all items on the Consent Agenda are printed in italics*).

- A. *Consideration of Approval of November 18, 2016 Regular Meeting Minutes – Approval Recommended.*

- B. *Consideration of Approval of December 16, 2016 Special Meeting Minutes – Approval Recommended.*
- C. *Consideration of Approval of Schedule of Disbursements for November & December 2016 for Public Housing & HCV Section 8 Programs – Approval Recommended.*
- D. *Review & Approval of Payment of Invoices for December 2016 & January 2017 – Approval Recommended.*
- E. *Review & Acceptance of Financial Statements for November & December 2016 – Approval Recommended.*

V COMMITTEE & COMMISSIONER REPORTS

- A. Executive Committee Meetings: November 29, 2016 & January 16, 2017
- B. Special Committee Report: TCHC Anti-Bullying & Hostile Environment Harassment Policy

VI STAFF & PROGRAM REPORTS

- A. Executive Director's Report
- B. Family Self-Sufficiency (FSS) Program Report
- C. Resident Council Report

VII OLD BUSINESS

- A. 2017 Consolidated Budget: Review
- B. TCHC Policy Review Schedule: Update
- C. Executive Director Annual Review: Update
- D. Office Construction: Update

VIII NEW BUSINESS

- A. Strategic Planning Update: Summary & 2017 Work Plan
- B. Architectural Services RFQ Results
- C. Doubtful Account Policy

IX CORRESPONDENCE

- A. December 14, 2017 Smith & Klaczkiwicz Letter to TCHC on Fiscal Year 2016 Annual Audit
- B. December 28, 2016 HUD Response Letter to Audit
- C. January 4, 2017 TCHC Response Letter to HUD
- D. PHADA/NARHRO v. HUD U.S. Federal Claims Court Ruling of January 18, 2017

X PUBLIC COMMENT

XI COMMISSIONER COMMENT

XII ADJOURNMENT

NEXT SCHEDULED MEETING: Friday, February 24, 2017 at 8:00 A.M.



Traverse City Housing Commission
A Public Housing Authority

CONSENT AGENDA

November 18, 2016 Regular Meeting Minutes

December 16, 2016 Special Meeting Minutes

Schedule of Disbursements for November & December 2016 for Public Housing

Schedule of Disbursements for November & December 2016 for HCV Section 8 Programs

Invoices for January 2017

Financial Statements for November & December 2016

DRAFT Meeting Minutes of the Traverse City Housing Commission

November 18, 2016

A Regular Meeting of the Traverse City Housing Commission was called to order by President Brian Haas at the Governmental Center – Second Floor Committee Room, 400 Boardman Avenue, Traverse City at 8:01 AM.

I ROLL CALL

The following Commissioners were present: Brian Haas, Richard Michael, Kay Serratelli and Jo Simerson. Andy Smits was excused.

Staff: Tony Lentych, Executive Director; and Michelle Reardon, Deputy Director.

Residents: Norma Loper, Michelle St. Amant, and Priscilla Townsend.

II APPROVAL OF AGENDA

Commissioner Simerson moved (Michael support) to accept the agenda as presented. The motion was unanimously approved.

III PUBLIC COMMENT

General comments: None.

IV CONSENT AGENDA

Commissioner Serratelli moved (Simerson support) to approve the Consent Calendar as presented. The motion was unanimously approved.

- A. Approval of the Meeting Minutes of the October 28, 2016 Regular Commission Meeting.
- B. Approval of the Meeting Minutes of the November 7, 2016 Special Commission Meeting.
- C. Acceptance of the Schedule of Disbursements for October 2016 for Public Housing and Housing Choice Voucher Section 8 Programs.
- D. Review of the Payment of Invoices for November 2016.
- E. Acceptance of the Financial Statements for October 2016.

V COMMITTEE REPORTS

- A. None.

VI STAFF AND PROGRAM REPORTS

- A. Executive Director's Report: T. Lentych provided information about potential investors in future development projects.
- B. Family Self-Sufficiency Report: There were no comments or questions.
- C. Resident Council Report: The Commission requested updated RTRC bylaws by June of 2017.

VII OLD BUSINESS

- A. The FY 2017 Budget was reviewed.
- B. TCHC Policy Review Schedule was presented and briefly discussed.

- C. Executive Director Annual Review: The Executive Committee was unable to complete this as planned.
- D. A tentative timeline for the office renovation was presented and discussed.
- E. A Quid Pro Quo and Hostile Environment Harassment policy was discussed. An ad hoc committee of Commissioners Serratelli and Simerson, and Staff was formed to draft the policy language.

VIII NEW BUSINESS

- A. The 2017 meeting schedule was presented and discussed. Commissioner Michael moved (Simerson support) to adopt the TCHC 2017 meeting Schedule as presented. The motion was unanimously approved.
- B. The December TCHC meeting will be a Strategic Planning Update Session. Commissioner Simerson moved (Serratelli support) to schedule this meeting on Friday, December 16, 2016 from 9 AM to 11 AM in the RVT Community Room. The motion was unanimously approved.
- C. A resolution of Property Disposition for 2016 was presented and reviewed. Commissioner Michael moved (Simerson support) to adopt the resolution as presented.

Roll call

Hass	Yes
Michael	Yes
Serratelli	Yes
Simerson	Yes
Smits	Absent

The resolution was adopted.

- D. A resolution on Doubtful Accounts was presented and reviewed. Commissioner Simerson moved (Serratelli support) to adopt the resolution as presented.

Roll call

Hass	Yes
Michael	Yes
Serratelli	Yes
Simerson	Yes
Smits	Absent

The resolution was adopted.

- E. The TCHC discussed the follow-up to ACLU-MI letter of November 3, 2016. The FOIA requests are being addressed by staff. An ad hoc committee of the Executive Committee, Staff and the TCHC attorney was formed to discuss and present a recommendation regarding the requested actions with in the letter to the TCHC.

IX CORRESPONDENCE

Two FOIA requests from the Traverse City Record Eagle were presented and discussed.

X PUBLIC COMMENT

General comments: Priscilla Townsend and Michelle St. Amant.

XI COMMISSIONER COMMENT

The following Commissioners made comments:

Commissioner Serratelli commented that recent communication highlights shortfalls of current TCHC policy and the importance of the pending Quid Pro Quo and Hostile Environment Harassment policy.

Commissioner Michael concurred with Commissioner Serratelli's comments.

Commissioner Simerson commented that the TCHC must uphold its lease and the new Quid Pro Quo and Hostile Environment Harassment policy will help us protect our residents in the future.

Commissioner Haas agreed that there is much work to be done.

XII ADJOURNMENT

Commissioner Simerson moved (Michael support) to adjourn. The motion was unanimously approved and President Haas adjourned the meeting at 9:08 AM.

Respectfully submitted,

Michelle Reardon, Recording Secretary

Brian Haas, President

DRAFT Meeting Minutes of the Traverse City Housing Commission

December 16, 2016

A Study Session of the Traverse City Housing Commission was called to order by President Brian Haas at Riverview Terrace – Third Floor Community Room, 150 Pine Street, Traverse City at 9:00 A.M.

I ROLL CALL

The following Commissioners were present: Brian Haas, Richard Michael, Kay Serratelli, Jo Simerson and Andy Smits.

Staff: Tony Lentych, Executive Director; and Michelle Reardon, Deputy Director.

Residents: Ellen Corcoran, Lois DeHart, Beatrice Erickson, Gene Homminga, Norma Loper, Michelle St. Amant, Priscilla Townsend, and Jeff Turner.

Guest: Pam Evans, NorthSky Consultants.

II APPROVAL OF AGENDA

Commissioner Smits moved (Simerson support) to accept the agenda as presented. The motion was unanimously approved.

III NEW BUSINESS

The 2017 Traverse City Housing Commission Strategic Planning Session was facilitated by Ms. Evans with participation from the Commission and Staff.

IV PUBLIC COMMENT

General comments: Priscilla Townsend, Ellen Corcoran, and Michelle St. Amant.

V COMMISSIONER COMMENT

None.

VI ADJOURNMENT

The meeting was adjourned by consensus at 10:45 A.M.

Respectfully submitted,

Michelle Reardon, Recording Secretary

Brian Haas, President

Traverse City Housing Commission
Check Register Summary Report
 Chemical Bank
 From: 01/01/2017 To: 01/25/2017

Date	Ref Num	Payee	Payment	Deposit	Balance
01/03/2017	ADJST	Alisa Kroupa	912.28		72,153.19
01/03/2017	ADJST	Anthony Lentych	2,354.40		69,798.79
01/03/2017	ADJST	Kari Massa	1,167.44		68,631.35
01/03/2017	ADJST	Michelle Reardon	1,374.06		67,257.29
01/03/2017	ADJST	Benjamin Weston	1,080.18		66,177.11
01/03/2017	ADJST	Joseph Battaglia	277.17		65,899.94
01/03/2017	ADJST	Charles Edwards	711.02		65,188.92
01/03/2017	ADJST	David Gourlay	1,221.25		63,967.67
01/03/2017	DEP			456.75	64,424.42
01/03/2017	DEP			10,086.00	74,510.42
01/03/2017	DEP			5,314.95	79,825.37
01/04/2017	DEP			12,666.05	92,491.42
01/06/2017	EFT	IRS	2,935.64		89,555.78
01/06/2017	DEP	HUD		5,580.00	95,135.78
01/06/2017	DEP	HUID		21,112.00	116,247.78
01/06/2017	036897	City Of Traverse City	77.00		116,170.78
01/06/2017	036898	DTE ENERGY	56.00		116,114.78
01/06/2017	036899	Verizon Wireless	188.34		115,926.44
01/06/2017	036900	Ace Hardware	185.00		115,741.44
01/06/2017	036900	**VOID** Ace Hardware	(185.00)		115,926.44
01/06/2017	036901	Priority Health	14,751.18		101,175.26
01/06/2017	036902	Wolverine Power Systems	515.00		100,660.26
01/06/2017	036903	Grand Traverse County	44.94		100,615.32
01/06/2017	036904	MailFinance	149.85		100,465.47
01/06/2017	036905	D & W Mechanical	1,511.15		98,954.32
01/06/2017	036906	City Of Traverse City	174.01		98,780.31
01/06/2017	036907	McCardel Water Conditioning	38.00		98,742.31
01/06/2017	036908	Spectrum Business	3,343.19		95,399.12
01/06/2017	036909	AT& T Long Distance	210.34		95,188.78
01/06/2017	036910	All American Investment Group	8,850.00		86,338.78
01/06/2017	036911	David Gourlay	131.43		86,207.35
01/06/2017	036912	Safety Net	90.10		86,117.25
01/06/2017	036913	Sandra Sickle	188.00		85,929.25
01/06/2017	036914	Marjorie Allen	260.00		85,669.25
01/06/2017	036915	Traverse City Record Eagle	91.40		85,577.85
01/06/2017	036916	SimplexGrinnell LP	506.00		85,071.85
01/06/2017	036917	Smith & Klaczkiwicz, PC	5,800.00		79,271.85
01/06/2017	036918	Kuhn Rogers PLC	114.00		79,157.85
01/06/2017	036919	Kramers Bathtubs & Boats	85.00		79,072.85
01/06/2017	036920	City Of Traverse City	458.44		78,614.41

Date: 01/25/2017
Time: 08:17:02

Traverse City Housing Commission
Check Register Summary Report
Chemical Bank
From: 01/01/2017 To: 01/25/2017

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Date	Ref Num	Payee	Payment	Deposit	Balance
01/06/2017	036921	Charles Edwards	168.48		78,445.93
01/06/2017	036922	Allen Supply	374.78		78,071.15
01/06/2017	036923	Housing Authority Accounting	1,887.10		76,184.05
01/06/2017	036924	NorthSky Nonprofit Network	360.00		75,824.05
01/06/2017	036925	Engineered Protection Systems Inc	88.00		75,736.05
01/06/2017	036926	NAHRO	198.00		75,538.05
01/06/2017	036927	Safety Net	90.10		75,447.95
01/09/2017	DEP			8,529.00	83,976.95
01/09/2017	DEP			3,694.00	87,670.95
01/17/2017	ADJST	Alisa Kroupa	910.10		86,760.85
01/17/2017	ADJST	Anthony Lentych	2,351.34		84,409.51
01/17/2017	ADJST	Kari Massa	1,167.00		83,242.51
01/17/2017	ADJST	Michelle Reardon	1,371.79		81,870.72
01/17/2017	ADJST	Benjamin Weston	691.29		81,179.43
01/17/2017	ADJST	Joseph Battaglia	277.17		80,902.26
01/17/2017	ADJST	Charles Edwards	1,126.44		79,775.82
01/17/2017	ADJST	David Gourlay	779.29		78,996.53
01/19/2017	DEP			1,924.87	80,921.40
01/19/2017	036928	R.W. Popp Excavating, Inc.	540.00		80,381.40
01/19/2017	036929	DTE ENERGY	4,258.24		76,123.16
01/19/2017	036930	City Of Traverse City	15,532.16		60,591.00
01/19/2017	036931	Barton Carroll's Inc	433.21		60,157.79
01/19/2017	036932	David Gourlay	288.46		59,869.33
01/19/2017	036933	Ace Welding & Machine Inc	185.00		59,684.33
01/19/2017	036934	Grand Traverse County	483.00		59,201.33
01/19/2017	036935	D & W Mechanical	142.20		59,059.13
01/19/2017	036936	Allen Supply	32.00		59,027.13
01/19/2017	036937	City of Traverse City, Treasurer's	3,900.00		55,127.13
01/19/2017	036938	Sherwin Williams Co.	212.21		54,914.92
01/19/2017	036939	Engineered Protection Systems Inc	88.00		54,826.92
01/19/2017	036940	Save Carpet USA	3,210.00		51,616.92
01/19/2017	036941	A T & T	523.39		51,093.53
01/19/2017	036942	Guardian Medical Monitoring	14.95		51,078.58
01/19/2017	036943	CynergyComm.net,Inc	10.74		51,067.84
01/19/2017	036944	AmRent	50.10		51,017.74
01/19/2017	036945	Elmer's	675.00		50,342.74
01/19/2017	036946	Thomas P. Licavoli	1,340.00		49,002.74
01/19/2017	036947	Dolly's Best Inc.	1,830.00		47,172.74
01/19/2017	036948	Ace Hardware	61.50		47,111.24
01/19/2017	036949	Staples Business Advantage	54.60		47,056.64

Date: 01/25/2017
Time: 08:17:02

Traverse City Housing Commission
Check Register Summary Report
Chemical Bank
From: 01/01/2017 To: 01/25/2017

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Date	Ref Num	Payee	Payment	Deposit	Balance
01/19/2017	036950	Home Depot Credit Services	544.22		46,512.42
01/19/2017	036951	SAM'S CLUB	641.45		45,870.97
01/19/2017	036952	Cardmember Service	1,639.34		44,231.63
01/19/2017	036953	Safety Net	362.50		43,869.13
01/20/2017	EFT	State of Michigan	904.73		42,964.40
01/20/2017	EFT	IRS	2,775.29		40,189.11
01/20/2017	036954	Custer	10,953.68		29,235.43
Total:			113,193.66	69,363.62	

Date: 01/25/2017
Time: 08:18:44

Traverse City Housing Commission
Check Register Summary Report
PNC - Section 8
From: 01/01/2017 To: 01/25/2017

Page: 1

Date	Ref Num	Payee	Payment	Deposit	Balance
01/03/2017	DEP			100.00	249,276.44
Total:			0.00	100.00	

Date: 01/25/2017

Time: 08:16:31

Traverse City Housing Commission
Check Register Summary Report
 Chemical Bank
 From: 12/01/2016 To: 12/31/2016

Page: 1

Date	Ref Num	Payee	Payment	Deposit	Balance
12/01/2016	DEP			3,581.00	98,911.68
12/01/2016	DEP			100.00	99,011.68
12/05/2016	DEP	HUD		23,991.00	123,002.68
12/05/2016	DEP	HUD		5,582.00	128,584.68
12/05/2016	DEP			24,425.71	153,010.39
12/06/2016	ADJST	Alisa Kroupa	911.84		152,098.55
12/06/2016	ADJST	Anthony Lentych	2,353.65		149,744.90
12/06/2016	ADJST	Kari Massa	1,167.05		148,577.85
12/06/2016	ADJST	Michelle Reardon	1,386.03		147,191.82
12/06/2016	ADJST	JoAnn Turnbull	788.16		146,403.66
12/06/2016	ADJST	Benjamin Weston	980.02		145,423.64
12/06/2016	ADJST	Joseph Battaglia	276.98		145,146.66
12/06/2016	ADJST	Charles Edwards	982.03		144,164.63
12/06/2016	ADJST	David Gourlay	1,056.00		143,108.63
12/06/2016	EFT	Principal	1,497.45		141,611.18
12/08/2016	DEP			75.00	141,686.18
12/08/2016	DEP			7,614.00	149,300.18
12/09/2016	EFT	IRS	3,339.34		145,960.84
12/09/2016	DEP			328.00	146,288.84
12/09/2016	DEP			1,072.00	147,360.84
12/09/2016	036824	Aflac	119.28		147,241.56
12/09/2016	036825	Cardmember Service	898.62		146,342.94
12/09/2016	036826	Wilmar	273.51		146,069.43
12/09/2016	036827	CynergyComm.net,Inc	11.83		146,057.60
12/09/2016	036828	Great Lakes Business Systems, Inc.	384.00		145,673.60
12/09/2016	036829	Thomas P. Licavoli	1,340.00		144,333.60
12/09/2016	036830	Dawn Rogers	300.00		144,033.60
12/09/2016	036831	Allen Supply	2,452.00		141,581.60
12/09/2016	036832	City of Traverse City, Treasurer's	197.17		141,384.43
12/09/2016	036833	DTE ENERGY	50.76		141,333.67
12/09/2016	036834	Total Attention	1,625.00		139,708.67
12/09/2016	036835	Wind, Water & Energy Conservation	1,430.00		138,278.67
12/09/2016	036836	Priority Health	8,205.79		130,072.88
12/09/2016	036837	Save Carpet USA	3,140.00		126,932.88
12/09/2016	036838	Charter Communications	3,181.49		123,751.39
12/09/2016	036839	Northern Michigan Janitorial Supply	46.60		123,704.79
12/09/2016	036840	Northwest Lock, Inc.	15.90		123,688.89
12/09/2016	036841	Safety Net	138.75		123,550.14
12/09/2016	036842	Housing Authority Accounting	649.25		122,900.89
12/09/2016	036843	Engineered Protection Systems Inc	202.71		122,698.18

Traverse City Housing Commission
Check Register Summary Report
 Chemical Bank
 From: 12/01/2016 To: 12/31/2016

Date	Ref Num	Payee	Payment	Deposit	Balance
12/09/2016	036844	Benjamin Weston	41.86		122,656.32
12/09/2016	036845	David Gourlay	38.34		122,617.98
12/09/2016	036846	John DeWeese	176.70		122,441.28
12/09/2016	036847	City of Traverse City	426.30		122,014.98
12/09/2016	036848	AT& T Long Distance	210.34		121,804.64
12/09/2016	036849	Charles Edwards	118.53		121,686.11
12/09/2016	036850	McCardel Water Conditioning	44.50		121,641.61
12/09/2016	036851	Grand Traverse County DPW	483.00		121,158.61
12/09/2016	036852	Environmental Pest Control	270.00		120,888.61
12/09/2016	036853	Staples Business Advantage	386.32		120,502.29
12/09/2016	036854	Faith Boehrer	485.00		120,017.29
12/14/2016	DEP			3,653.49	123,670.78
12/20/2016	EFT	State of Michigan	918.36		122,752.42
12/20/2016	ADJST	Alisa Kroupa	911.95		121,840.47
12/20/2016	ADJST	Anthony Lentych	2,353.66		119,486.81
12/20/2016	ADJST	Kari Massa	1,167.05		118,319.76
12/20/2016	ADJST	Michelle Reardon	1,373.09		116,946.67
12/20/2016	ADJST	Benjamin Weston	747.20		116,199.47
12/20/2016	ADJST	Joseph Battaglia	238.65		115,960.82
12/20/2016	ADJST	Charles Edwards	1,121.84		114,838.98
12/20/2016	ADJST	David Gourlay	1,045.04		113,793.94
12/21/2016	036855	Grand Traverse County	5,000.00		108,793.94
12/21/2016	036856	Trugreen	350.00		108,443.94
12/21/2016	036857	DTE ENERGY	1,600.14		106,843.80
12/21/2016	036858	Home Depot Credit Services	904.59		105,939.21
12/21/2016	036859	SAM'S CLUB	199.15		105,740.06
12/21/2016	036860	ServPro	1,857.49		103,882.57
12/21/2016	036861	The Nelrod Company	249.00		103,633.57
12/21/2016	036862	Verizon Wireless	95.46		103,538.11
12/21/2016	036863	Save Carpet USA	2,593.00		100,945.11
12/21/2016	036864	Michelle Reardon	72.00		100,873.11
12/21/2016	036865	Thomas P. Licavoli	670.00		100,203.11
12/21/2016	036866	Barton Carroll's Inc	465.00		99,738.11
12/21/2016	036867	Safety Net	619.00		99,119.11
12/21/2016	036868	City Bike Shop	129.50		98,989.61
12/21/2016	036869	Traverse City Glass Company Inc.	1,580.00		97,409.61
12/21/2016	036870	Integrated Payroll Services, Inc.	108.90		97,300.71
12/21/2016	036871	Snap! Quick Print	231.99		97,068.72
12/21/2016	036872	AT& T Long Distance	220.71		96,848.01
12/21/2016	036873	Traverse City Record Eagle	273.49		96,574.52

Traverse City Housing Commission
Check Register Summary Report
 Chemical Bank
 From: 12/01/2016 To: 12/31/2016

Date	Ref Num	Payee	Payment	Deposit	Balance
12/21/2016	036874	HBC Contracting	150.00		96,424.52
12/21/2016	036875	GP&M	399.00		96,025.52
12/21/2016	036876	City of Traverse City, Treasurer's	11,976.97		84,048.55
12/21/2016	036877	Republic Services #239	1,147.00		82,901.55
12/21/2016	036878	Career Uniforms	85.86		82,815.69
12/21/2016	036879	D & W Mechanical	640.65		82,175.04
12/21/2016	036879	**VOID** D & W Mechanical	(640.65)		82,815.69
12/21/2016	036880	Kuhn Rogers PLC	2,014.00		80,801.69
12/21/2016	036880	**VOID** Kuhn Rogers PLC	(2,014.00)		82,815.69
12/21/2016	036881	Sondee, Racine & Doren, P.L.C.	48.00		82,767.69
12/21/2016	036881	**VOID** Sondee, Racine & Doren,	(48.00)		82,815.69
12/21/2016	036882	Grand Traverse County	44.94		82,770.75
12/21/2016	036882	**VOID** Grand Traverse County	(44.94)		82,815.69
12/21/2016	036883	Marie Willis	2,350.00		80,465.69
12/21/2016	036883	**VOID** Marie Willis	(2,350.00)		82,815.69
12/21/2016	036884	State of Michigan	270.00		82,545.69
12/21/2016	036884	**VOID** State of Michigan	(270.00)		82,815.69
12/21/2016	036885	Progressive Insurance	625.50		82,190.19
12/21/2016	036885	**VOID** Progressive Insurance	(625.50)		82,815.69
12/21/2016	036886	Kuhn Rogers PLC	2,014.00		80,801.69
12/21/2016	036887	Sondee, Racine & Doren, P.L.C.	48.00		80,753.69
12/21/2016	036888	Grand Traverse County	44.94		80,708.75
12/21/2016	036889	Marie Willis	2,350.00		78,358.75
12/21/2016	036890	State of Michigan	270.00		78,088.75
12/21/2016	036891	Progressive Insurance	625.50		77,463.25
12/23/2016	EFT	IRS	2,887.13		74,576.12
12/29/2016	036892	Thomas P. Licavoli	670.00		73,906.12
12/29/2016	036893	D & W Mechanical	640.65		73,265.47
12/29/2016	036894	Michelle Reardon	200.00		73,065.47
Total:			92,687.41	70,422.20	

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Date	Ref Num	Payee	Payment	Deposit	Balance
12/01/2016	EFT	HUD		8,166.00	157,689.90
12/01/2016	EFT	HUD		84,877.00	242,566.90
12/01/2016	ADJST	PNC	61.60		242,505.30
12/01/2016	000184	Rebecca Carmien	249.00		242,256.30
12/01/2016	000184	Gerald Oliver Revocable Trust	900.00		241,356.30
12/01/2016	000184	Village Glen Apartments	209.00		241,147.30
12/01/2016	000184	Woda Boardman Lake LDHA.LP	113.00		241,034.30
12/01/2016	000184	**VOID** Rebecca Carmien	(249.00)		241,283.30
12/01/2016	000184	**VOID** Gerald Oliver Revocable	(900.00)		242,183.30
12/01/2016	000184	**VOID** Village Glen Apartments	(209.00)		242,392.30
12/01/2016	000184	**VOID** Woda Boardman Lake	(113.00)		242,505.30
12/01/2016	000186	Sandra Aeschliman	198.00		242,307.30
12/01/2016	000186	Jeana Aiken	473.00		241,834.30
12/01/2016	000186	Dustin Ansorge	1,135.00		240,699.30
12/01/2016	000186	Ayers Investment Properties LLC	558.00		240,141.30
12/01/2016	000186	Brad Barnes	488.00		239,653.30
12/01/2016	000186	Bay Front Apartments	303.00		239,350.30
12/01/2016	000186	Bay Hill Housing LDHALP	4,336.00		235,014.30
12/01/2016	000186	Bay Hill II Apartments	4,932.00		230,082.30
12/01/2016	000186	Christopher Becker	750.00		229,332.30
12/01/2016	000186	Bellaire Senior Apartments	631.00		228,701.30
12/01/2016	000186	Brookside Commons LDHA, LP	1,165.00		227,536.30
12/01/2016	000186	Irma Jean Brownley	355.00		227,181.30
12/01/2016	000186	Rebecca Carmien	339.00		226,842.30
12/01/2016	000186	Carson Square	6,138.00		220,704.30
12/01/2016	000186	Central Lake Townhouses	401.00		220,303.30
12/01/2016	000186	Cherrywood Village Farms, Inc.	2,321.00		217,982.30
12/01/2016	000186	Douglas A. Chichester	600.00		217,382.30
12/01/2016	000186	Cycle-Paths LLC.	968.00		216,414.30
12/01/2016	000186	Jack V. Dean	422.00		215,992.30
12/01/2016	000186	Dmytro Cherkasov	1,079.00		214,913.30
12/01/2016	000186	Eden Brook LLC	447.00		214,466.30
12/01/2016	000186	Shirley Farrell	834.00		213,632.30
12/01/2016	000186	Rent Leelanau, LLC	1,175.00		212,457.30
12/01/2016	000186	Lisa Forbes	489.00		211,968.30
12/01/2016	000186	Dale E. French	102.00		211,866.30
12/01/2016	000186	French Quarter Apts.	93.00		211,773.30
12/01/2016	000186	Michael Glowacki	640.00		211,133.30
12/01/2016	000186	David Grzesiek	370.00		210,763.30
12/01/2016	000186	Habitat for Humanity	33.00		210,730.30

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Date	Ref Num	Payee	Payment	Deposit	Balance
12/01/2016	000186	Harbour Ridge Apts	1,343.00		209,387.30
12/01/2016	000186	Heartwood Enterprises	781.00		208,606.30
12/01/2016	000186	Louis Herman	24.00		208,582.30
12/01/2016	000186	Hillview Terrace	527.00		208,055.30
12/01/2016	000186	Josh Hollister	411.00		207,644.30
12/01/2016	000186	HomeStretch	3,067.00		204,577.30
12/01/2016	000186	Caroline Hupp	199.00		204,378.30
12/01/2016	000186	Joseph and Marion Fasel	358.00		204,020.30
12/01/2016	000186	Donna Kalchik	323.00		203,697.30
12/01/2016	000186	Sidney Lammers	767.00		202,930.30
12/01/2016	000186	Legendary Rentals, LLC	957.00		201,973.30
12/01/2016	000186	John J. Lewis	762.00		201,211.30
12/01/2016	000186	Don E. Lint	378.00		200,833.30
12/01/2016	000186	Juan Maldonado	400.00		200,433.30
12/01/2016	000186	Mathews Trust	255.00		200,178.30
12/01/2016	000186	McLain Management	29.00		200,149.30
12/01/2016	000186	James & Tamela Moquin	519.00		199,630.30
12/01/2016	000186	Oak Park Apts	1,603.00		198,027.30
12/01/2016	000186	Oak Terrace Apts	824.00		197,203.30
12/01/2016	000186	Gerald Oliver Revocable Trust	900.00		196,303.30
12/01/2016	000186	P Avium Associates, Inc.	506.00		195,797.30
12/01/2016	000186	Daniel G. Pohlman	1,463.00		194,334.30
12/01/2016	000186	Douglas L. Porter	438.00		193,896.30
12/01/2016	000186	Phillip Putney	733.00		193,163.30
12/01/2016	000186	Thomas Raven	556.00		192,607.30
12/01/2016	000186	Adele M. Reiter	995.00		191,612.30
12/01/2016	000186	Timothy Rice	493.00		191,119.30
12/01/2016	000186	Robert F. Follett	837.00		190,282.30
12/01/2016	000186	Sabin Pond Apartments LLC	800.00		189,482.30
12/01/2016	000186	John Sarya	485.00		188,997.30
12/01/2016	000186	Eldon Schaub	388.00		188,609.30
12/01/2016	000186	Gerald Sieggreen	670.00		187,939.30
12/01/2016	000186	SILVER SHORES MHC	161.00		187,778.30
12/01/2016	000186	Douglas & Julia Slack	327.00		187,451.30
12/01/2016	000186	22955 Investments LLC	3,466.00		183,985.30
12/01/2016	000186	Carl Sumner	508.00		183,477.30
12/01/2016	000186	Traverse City Property Management	353.00		183,124.30
12/01/2016	000186	TCR Investments, LLC	1,020.00		182,104.30
12/01/2016	000186	Wendy Teagan	449.00		181,655.30
12/01/2016	000186	TOS Holdings, LLC	744.00		180,911.30

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Date	Ref Num	Payee	Payment	Deposit	Balance
12/01/2016	000186	Tradewinds Terrace Apts	253.00		180,658.30
12/01/2016	000186	Village Glen Apartments	7,552.00		173,106.30
12/01/2016	000186	Woda Boardman Lake LDHA.LP	2,367.00		170,739.30
12/01/2016	000186	Woodmere Ridge Apartments LDHA	5,358.00		165,381.30
12/01/2016	000186	Theodore V. Zachman	774.00		164,607.30
12/01/2016	000186	Ann Zenner	497.00		164,110.30
12/01/2016	000186	Barb Zupin	1,177.00		162,933.30
12/01/2016	000187	Rebecca Carmien	249.00		162,684.30
12/01/2016	000187	Gerald Oliver Revocable Trust	900.00		161,784.30
12/01/2016	000187	Village Glen Apartments	209.00		161,575.30
12/01/2016	000187	Woda Boardman Lake LDHA.LP	113.00		161,462.30
12/08/2016	DEP			100.00	161,562.30
12/08/2016	DEP			453.00	162,015.30
12/09/2016	022952	Chase Bank	1,037.00		160,978.30
12/09/2016	022953	Chase Bank	2,859.86		158,118.44
12/21/2016	022954	Cherryland Electric Cooperative	172.00		157,946.44
12/21/2016	022955	City Of Traverse City	507.90		157,438.54
12/21/2016	022956	Consumers Energy	158.00		157,280.54
12/21/2016	022957	DTE ENERGY	895.10		156,385.44
12/21/2016	022958	Holtons LP Gas Fife Lake	42.00		156,343.44
12/21/2016	022959	Village of Ellsworth	106.00		156,237.44
12/30/2016	EFT	HUD		85,162.00	241,399.44
12/30/2016	EFT	HUD		7,777.00	249,176.44

Total: 86,882.46 186,535.00

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Date	Ref Num	Payee	Payment	Deposit	Balance
11/01/2016	DEP			10,174.54	120,049.03
11/01/2016	DEP			292.75	120,341.78
11/03/2016	DEP			798.00	121,139.78
11/03/2016	DEP			14,826.00	135,965.78
11/08/2016	ADJST	Alisa Kroupa	992.15		134,973.63
11/08/2016	ADJST	Anthony Lentych	2,353.66		132,619.97
11/08/2016	ADJST	Kari Massa	1,167.05		131,452.92
11/08/2016	ADJST	Michelle Reardon	1,480.30		129,972.62
11/08/2016	ADJST	Benjamin Weston	603.93		129,368.69
11/08/2016	ADJST	Joseph Battaglia	276.98		129,091.71
11/08/2016	ADJST	Charles Edwards	924.45		128,167.26
11/08/2016	ADJST	David Gourlay	1,023.10		127,144.16
11/08/2016	ADJST	JoAnn Turnbull	559.58		126,584.58
11/09/2016	DEP			13,309.00	139,893.58
11/10/2016	036762	City Of Traverse City	77.00		139,816.58
11/10/2016	036763	DTE ENERGY	56.00		139,760.58
11/11/2016	036764	Guardian Medical Monitoring	29.90		139,730.68
11/11/2016	036765	Republic Services #239	1,464.25		138,266.43
11/11/2016	036766	Environmental Pest Control	270.00		137,996.43
11/11/2016	036767	CynergyComm.net, Inc	9.61		137,986.82
11/11/2016	036768	CBC Innovis, Inc.	58.45		137,928.37
11/11/2016	036769	Great Lakes Business Systems, Inc.	160.83		137,767.54
11/11/2016	036770	SimplexGrinnell LP	1,338.00		136,429.54
11/11/2016	036771	Greyscale Group	400.00		136,029.54
11/11/2016	036772	Nichols Paper & Supply Co.	212.77		135,816.77
11/11/2016	036773	Traverse City Record Eagle	418.10		135,398.67
11/11/2016	036774	A T & T	210.26		135,188.41
11/11/2016	036775	McCardel Water Conditioning	31.50		135,156.91
11/11/2016	036776	Traverse City Area Chamber of	162.50		134,994.41
11/11/2016	036777	City of Traverse City, Treasurer's	249.76		134,744.65
11/11/2016	036778	Total Attention	3,600.76		131,143.89
11/11/2016	036779	TC Millworks	37.50		131,106.39
11/11/2016	036780	D & W Mechanical	395.75		130,710.64
11/11/2016	036781	Bob's Furnace Service	150.00		130,560.64
11/11/2016	036782	Kendall Electric Inc	67.62		130,493.02
11/11/2016	036783	David Gourlay	69.33		130,423.69
11/11/2016	036784	Benjamin Weston	38.34		130,385.35
11/11/2016	036785	Charles Edwards	170.64		130,214.71
11/11/2016	036786	Northern Michigan Janitorial Supply	81.55		130,133.16
11/11/2016	036787	Housing Authority Accounting	1,234.41		128,898.75

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Date	Ref Num	Payee	Payment	Deposit	Balance
11/11/2016	036788	Stanley Steemer	490.00		128,408.75
11/11/2016	036789	Trugreen	350.00		128,058.75
11/11/2016	036790	Spectrum Business	178.05		127,880.70
11/11/2016	036791	Lautner Irrigation	175.00		127,705.70
11/11/2016	036792	Integrated Payroll Services, Inc.	108.90		127,596.80
11/11/2016	036793	Grand Traverse County DPW	483.00		127,113.80
11/11/2016	036794	Career Uniforms	387.70		126,726.10
11/11/2016	036795	Housing Data Systems	145.00		126,581.10
11/11/2016	036796	Nan McKay & Associates Inc	448.00		126,133.10
11/11/2016	036797	Speedwrench, Inc.	1,055.90		125,077.20
11/11/2016	036798	Grand Traverse County	44.94		125,032.26
11/11/2016	036799	Engineered Protection Systems Inc	123.54		124,908.72
11/11/2016	036800	Kuhn Rogers PLC	3,746.95		121,161.77
11/11/2016	036801	City of Traverse City, Treasurer's	242.87		120,918.90
11/11/2016	036802	Spectrum Business	3,001.51		117,917.39
11/11/2016	036803	Verizon Wireless	99.87		117,817.52
11/11/2016	036804	Wilmar	263.42		117,554.10
11/11/2016	036805	Home Depot Credit Services	715.33		116,838.77
11/11/2016	036806	Cardmember Service	2,279.29		114,559.48
11/11/2016	036807	Aflac	81.24		114,478.24
11/11/2016	036808	USPS- Hasler	1,500.00		112,978.24
11/14/2016	EFT	IRS	3,142.66		109,835.58
11/14/2016	DEP			1,053.00	110,888.58
11/16/2016	DEP			404.25	111,292.83
11/16/2016	DEP			891.25	112,184.08
11/17/2016	036809	League of Women Voters Education	250.00		111,934.08
11/17/2016	036810	Paul Tremonti	356.00		111,578.08
11/17/2016	036811	DTE ENERGY	902.26		110,675.82
11/17/2016	036812	Munson Occupational Health &	105.00		110,570.82
11/17/2016	036813	Kelly Services, Inc.	1,622.00		108,948.82
11/17/2016	036814	NMC	486.85		108,461.97
11/17/2016	036815	NAHRO	50.00		108,411.97
11/17/2016	036816	Safety Net	619.00		107,792.97
11/17/2016	036817	Grand Traverse County	44.94		107,748.03
11/17/2016	036818	Grand Traverse County	175.50		107,572.53
11/17/2016	036819	CooLED, Inc.	204.00		107,368.53
11/17/2016	036820	Wheelock & Sons Welding, Inc.	2,240.00		105,128.53
11/17/2016	036821	A T & T	198.00		104,930.53
11/17/2016	036822	City of Traverse City	9,193.65		95,736.88
11/17/2016	036823	SAM'S CLUB	491.11		95,245.77

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Date	Ref Num	Payee	Payment	Deposit	Balance
11/18/2016	DEP			10,514.71	105,760.48
11/21/2016	EFT	State of Michigan	944.99		104,815.49
11/22/2016	ADJST	JoAnn Turnbull	559.58		104,255.91
11/22/2016	ADJST	Alisa Kroupa	992.15		103,263.76
11/22/2016	ADJST	Anthony Lentych	2,353.67		100,910.09
11/22/2016	ADJST	Kari Massa	1,167.05		99,743.04
11/22/2016	ADJST	Michelle Reardon	1,480.29		98,262.75
11/22/2016	ADJST	Benjamin Weston	830.59		97,432.16
11/22/2016	ADJST	Joseph Battaglia	284.16		97,148.00
11/22/2016	ADJST	Charles Edwards	1,006.70		96,141.30
11/22/2016	ADJST	David Gourlay	1,023.10		95,118.20
11/23/2016	DEP			327.34	95,445.54
11/23/2016	DEP			202.75	95,648.29
11/25/2016	EFT	IRS	3,273.06		92,375.23
11/28/2016	DEP			1,483.50	93,858.73
11/30/2016	DEP			1,471.95	95,330.68
Total:			70,292.85	55,749.04	

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Date	Ref Num	Payee	Payment	Deposit	Balance
11/01/2016	EFT	HUD		8,165.00	169,149.28
11/01/2016	EFT	HUD		77,273.00	246,422.28
11/01/2016	ADJST	PNC	61.25		246,361.03
11/01/2016	000183	Sandra Aeschliman	198.00		246,163.03
11/01/2016	000183	Jeana Aiken	373.00		245,790.03
11/01/2016	000183	Dustin Ansorge	1,135.00		244,655.03
11/01/2016	000183	Ayers Investment Properties LLC	558.00		244,097.03
11/01/2016	000183	Brad Barnes	488.00		243,609.03
11/01/2016	000183	Bay Front Apartments	303.00		243,306.03
11/01/2016	000183	Bay Hill Housing LDHALP	4,259.00		239,047.03
11/01/2016	000183	Bay Hill II Apartments	5,069.00		233,978.03
11/01/2016	000183	Bellaire Senior Apartments	631.00		233,347.03
11/01/2016	000183	Brookside Commons LDHA, LP	1,146.00		232,201.03
11/01/2016	000183	Irma Jean Brownley	355.00		231,846.03
11/01/2016	000183	Carson Square	6,138.00		225,708.03
11/01/2016	000183	Central Lake Townhouses	401.00		225,307.03
11/01/2016	000183	Cherrywood Village Farms, Inc.	2,237.00		223,070.03
11/01/2016	000183	Douglas A. Chichester	600.00		222,470.03
11/01/2016	000183	Cycle-Paths LLC.	1,058.00		221,412.03
11/01/2016	000183	Jack V. Dean	422.00		220,990.03
11/01/2016	000183	Dmytro Cherkasov	1,079.00		219,911.03
11/01/2016	000183	Eden Brook LLC	836.00		219,075.03
11/01/2016	000183	Shirley Farrell	845.00		218,230.03
11/01/2016	000183	Rent Leelanau, LLC	1,468.00		216,762.03
11/01/2016	000183	Lisa Forbes	489.00		216,273.03
11/01/2016	000183	Dale E. French	102.00		216,171.03
11/01/2016	000183	French Quarter Apts.	93.00		216,078.03
11/01/2016	000183	G Rentals	750.00		215,328.03
11/01/2016	000183	Michael Glowacki	640.00		214,688.03
11/01/2016	000183	David Grzesiek	370.00		214,318.03
11/01/2016	000183	Habitat for Humanity	65.00		214,253.03
11/01/2016	000183	Harbour Ridge Apts	1,328.00		212,925.03
11/01/2016	000183	Heartwood Enterprises	781.00		212,144.03
11/01/2016	000183	Louis Herman	24.00		212,120.03
11/01/2016	000183	Hillview Terrace	527.00		211,593.03
11/01/2016	000183	Josh Hollister	411.00		211,182.03
11/01/2016	000183	HomeStretch	3,067.00		208,115.03
11/01/2016	000183	Caroline Hupp	199.00		207,916.03
11/01/2016	000183	Joseph and Marion Fasel	358.00		207,558.03
11/01/2016	000183	Donna Kalchik	323.00		207,235.03

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Date	Ref Num	Payee	Payment	Deposit	Balance
11/01/2016	000183	Sidney Lammers	745.00		206,490.03
11/01/2016	000183	Legendary Rentals, LLC	957.00		205,533.03
11/01/2016	000183	John J. Lewis	767.00		204,766.03
11/01/2016	000183	Don E. Lint	378.00		204,388.03
11/01/2016	000183	Juan Maldonado	400.00		203,988.03
11/01/2016	000183	Mathews Trust	766.00		203,222.03
11/01/2016	000183	McLain Management	29.00		203,193.03
11/01/2016	000183	James & Tamela Moquin	509.00		202,684.03
11/01/2016	000183	Oak Park Apts	1,839.00		200,845.03
11/01/2016	000183	Oak Terrace Apts	824.00		200,021.03
11/01/2016	000183	P Avium Associates, Inc.	506.00		199,515.03
11/01/2016	000183	Daniel G. Pohlman	1,427.00		198,088.03
11/01/2016	000183	Douglas L. Porter	438.00		197,650.03
11/01/2016	000183	Phillip Putney	630.00		197,020.03
11/01/2016	000183	Thomas Raven	556.00		196,464.03
11/01/2016	000183	Adele M. Reiter	995.00		195,469.03
11/01/2016	000183	Timothy Rice	493.00		194,976.03
11/01/2016	000183	Robert F. Follett	1,000.00		193,976.03
11/01/2016	000183	Sabin Pond Apartments LLC	800.00		193,176.03
11/01/2016	000183	John Sarya	535.00		192,641.03
11/01/2016	000183	Eldon Schaub	388.00		192,253.03
11/01/2016	000183	Gerald Sieggreen	670.00		191,583.03
11/01/2016	000183	SILVER SHORES MHC	161.00		191,422.03
11/01/2016	000183	Douglas & Julia Slack	327.00		191,095.03
11/01/2016	000183	22955 Investments LLC	3,460.00		187,635.03
11/01/2016	000183	Carl Sumner	508.00		187,127.03
11/01/2016	000183	Traverse City Property Management	353.00		186,774.03
11/01/2016	000183	TCR Investments, LLC	1,020.00		185,754.03
11/01/2016	000183	Wendy Teagan	456.00		185,298.03
11/01/2016	000183	TOS Holdings, LLC	744.00		184,554.03
11/01/2016	000183	Tradewinds Terrace Apts	253.00		184,301.03
11/01/2016	000183	Village Glen Apartments	7,848.00		176,453.03
11/01/2016	000183	Woda Boardman Lake LDHA.LP	2,254.00		174,199.03
11/01/2016	000183	Woodmere Ridge Apartments LDHA	5,471.00		168,728.03
11/01/2016	000183	Theodore V. Zachman	795.00		167,933.03
11/01/2016	000183	Ann Zenner	497.00		167,436.03
11/01/2016	000183	Barb Zupin	1,177.00		166,259.03
11/03/2016	DEP			125.00	166,384.03
11/15/2016	022947	Chase Bank	2,542.00		163,842.03
11/17/2016	022949	Chase Bank	2,473.00		161,369.03

Date: 01/25/2017
Time: 13:12:26

Traverse City Housing Commission
Check Register Summary Report
PNC - Section 8
From: 11/01/2016 To: 11/30/2016

Page: 3

Date	Ref Num	Payee	Payment	Deposit	Balance
11/17/2016	022950	Traverse City Housing Commission	9,592.27		151,776.76
11/17/2016	022951	Chase Bank	2,859.86		148,916.90
11/23/2016	DEP			25.00	148,941.90
11/28/2016	DEP			582.00	149,523.90
Total:			97,630.38	86,170.00	

Traverse City Housing Commission
Low Rent Public Housing
Income & Expense Statement
For the 1 Month and 5 Months Ended November 30, 2016

Units	1 Month Ended	5 Months Ended	YEAR TO DATE	ANNUAL	
135	<u>November 30, 2016</u>	<u>November 30, 2016</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>*OVER/UNDER</u>
Operating Income					
Rental Income					
3110 - Dwelling Rental	\$ 31,012.01	\$ 154,708.53	\$ 193,750	\$ 465,000	310,291.47
3110.2 - Dwelling Rental-Proj. 2	5,178.00	27,465.83	0	0	(27,465.83)
3120 - Excess Utilities	116.00	766.90	417	1,000	233.10
3190 - Nondwelling Rental	6,998.59	35,242.95	21,458	51,500	16,257.05
Total Rental Income	<u>43,304.60</u>	<u>218,184.21</u>	<u>215,625</u>	<u>517,500</u>	<u>299,315.79</u>
Revenues - HUD PHA Grants					
3401.2 - Operating Subsidy	22,111.00	111,162.00	104,167	250,000	138,838.00
Total HUD PHA Grants	<u>22,111.00</u>	<u>111,162.00</u>	<u>104,167</u>	<u>250,000</u>	<u>138,838.00</u>
Nonrental Income					
3610 - Interest Income-Gen. Fund	173.46	953.87	1,125	2,700	1,746.13
3690 - Tenant Income	328.50	4,253.54	2,083	5,000	746.46
3690.1 - Non-Tenant Income	1,635.44	5,985.48	11,667	28,000	22,014.52
3690.2 - Tenant Income-Cable	2,459.00	12,483.76	10,867	26,080	13,596.24
3690.3 - Gain (Loss) of Disposal of Equip.	200.00	200.00	0	0	(200.00)
Total Nonrental Income	<u>4,796.40</u>	<u>23,876.65</u>	<u>25,742</u>	<u>61,780</u>	<u>37,903.35</u>
Total Operating Income	<u>70,212.00</u>	<u>353,222.86</u>	<u>345,534</u>	<u>829,280</u>	<u>476,057.14</u>
Operating Expenses					
Routine Expense					
Administration					
4110 - Administrative Salaries	11,877.81	53,341.18	57,975	139,140	85,798.82
4120 - Compensated Absences	0.00	0.00	625	1,500	1,500.00
4130 - Legal Expense	3,746.95	6,109.64	2,708	6,500	390.36
4140 - Staff Training	836.85	2,194.05	1,667	4,000	1,805.95
4150 - Travel Expense	375.71	1,702.12	1,833	4,400	2,697.88
4170 - Accounting Fees	517.66	2,925.80	3,125	7,500	4,574.20
4171 - Auditing	0.00	0.00	1,250	3,000	3,000.00
4182 - Employee Benefits - Admin	738.97	22,067.66	23,146	55,550	33,482.34
4185 - Telephone	488.42	3,149.35	2,750	6,600	3,450.65
4190.1 - Publications	380.80	380.80	417	1,000	619.20
4190.2 - Membership Dues and Fees	116.25	740.00	417	1,000	260.00
4190.3 - Admin. Service Contracts	2,113.85	18,222.13	10,542	25,300	7,077.87
4190.4 - Office Supplies	0.00	2,266.15	2,167	5,200	2,933.85
4190.5 - Other Sundry Expense	2,678.76	6,216.36	2,917	7,000	783.64
4190.6 - Advertising	292.67	2,208.53	625	1,500	(708.53)
Total Administration	<u>24,164.70</u>	<u>121,523.77</u>	<u>112,164</u>	<u>269,190</u>	<u>147,666.23</u>
Tenant Services					
4220 - Rec., Pub., & Other Services	613.02	1,634.97	6,250	15,000	13,365.03
4221 - Tenant Svcs-Child Care	0.00	0.00	0	0	0.00
4230 - Cable TV-Tenants	3,179.56	15,185.60	15,608	37,460	22,274.40
Total Tenant Services	<u>3,792.58</u>	<u>16,820.57</u>	<u>21,858</u>	<u>52,460</u>	<u>35,639.43</u>

See Accountants' Compilation Report

Traverse City Housing Commission
Low Rent Public Housing
Income & Expense Statement
For the 1 Month and 5 Months Ended November 30, 2016

Units	1 Month Ended	5 Months Ended	YEAR TO DATE	ANNUAL	
135	<u>November 30, 2016</u>	<u>November 30, 2016</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>*OVER/UNDER</u>
Utilities					
4310 - Water	1,018.00	8,673.35	6,875	16,500	7,826.65
4320 - Electricity	8,901.52	40,392.33	62,500	150,000	109,607.67
4330 - Gas	<u>997.47</u>	<u>1,560.38</u>	<u>6,458</u>	<u>15,500</u>	<u>13,939.62</u>
Total Utilities	10,916.99	50,626.06	75,833	182,000	131,373.94
Ordinary Maint. & Operation					
4410 - Labor, Maintenance	8,011.93	31,959.31	33,804	81,130	49,170.69
4420 - Materials	2,442.30	15,071.38	8,417	20,200	5,128.62
4430 - Contract Costs	0.00	0.00	0	0	0.00
4430.01 - Cable Contract	0.00	0.00	0	0	0.00
4430.02 - Heating & Cooling Contracts	269.00	2,085.82	2,083	5,000	2,914.18
4430.03 - Snow Removal Contracts	0.00	0.00	1,667	4,000	4,000.00
4430.04 - Elevator Maintenance Contracts	0.00	9,168.51	3,542	8,500	(668.51)
4430.05 - Landscape & Grounds Contracts	3,775.76	29,788.41	2,083	5,000	(24,788.41)
4430.06 - Unit Turnaround Contracts	0.00	8,771.75	4,167	10,000	1,228.25
4430.07 - Electrical Contracts	0.00	433.85	833	2,000	1,566.15
4430.08 - Plumbing Contracts	276.75	276.75	625	1,500	1,223.25
4430.09 - Extermination Contracts	270.00	1,435.00	1,458	3,500	2,065.00
4430.10 - Janitorial Contracts	0.00	1,800.00	1,250	3,000	1,200.00
4430.11 - Routine Maintenance Contracts	2,339.24	7,318.79	3,333	8,000	681.21
4430.12 - Misc. Contracts	3,333.40	7,339.90	3,833	9,200	1,860.10
4431 - Garbage Removal	1,639.75	6,840.63	2,417	5,800	(1,040.63)
4433 - Employee Benefits - Maint.	<u>446.75</u>	<u>13,299.21</u>	<u>16,154</u>	<u>38,770</u>	<u>25,470.79</u>
Total Ordinary Maint. & Oper.	22,804.88	135,589.31	85,666	205,600	70,010.69
General Expense					
4510 - Insurance	2,386.35	11,970.42	12,750	30,600	18,629.58
4520 - Payment in Lieu of Taxes	1,780.00	8,900.00	9,583	23,000	14,100.00
4570 - Collection Losses	0.00	0.00	0	0	0.00
4586 - Interest Expense-CFFP	0.00	0.00	13,333	32,000	32,000.00
4586.1 - Interest Expense-EPC	0.00	0.00	0	0	0.00
4590 - Other General Expense	<u>0.00</u>	<u>0.00</u>	<u>208</u>	<u>500</u>	<u>500.00</u>
Total General Expense	4,166.35	20,870.42	35,874	86,100	65,229.58
Total Routine Expense	65,845.50	345,430.13	331,396	795,350	449,919.87
Non-Routine Expense					
Extraordinary Maintenance					
4610.3 - Contract Costs	<u>0.00</u>	<u>4,545.00</u>	<u>4,167</u>	<u>10,000</u>	<u>5,455.00</u>
Total Extraordinary Maint.	0.00	4,545.00	4,167	10,000	5,455.00
Casualty Losses-Not Cap.					
Total Casualty Losses	0.00	0.00	0	0	0.00
Total Non-Routine Expense	0.00	4,545.00	4,167	10,000	5,455.00
Total Operating Expenses	<u>65,845.50</u>	<u>349,975.13</u>	<u>335,563</u>	<u>805,350</u>	<u>455,374.87</u>
Operating Income (Loss)	<u>4,366.50</u>	<u>3,247.73</u>	<u>9,971</u>	<u>23,930</u>	<u>20,682.27</u>

See Accountants' Compilation Report

Traverse City Housing Commission
Low Rent Public Housing
Income & Expense Statement
For the 1 Month and 5 Months Ended November 30, 2016

Units	1 Month Ended	5 Months Ended	YEAR TO DATE	ANNUAL	
135	<u>November 30, 2016</u>	<u>November 30, 2016</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>*OVER/UNDER</u>
Depreciation Expense					
4800 - Depreciation - Current Year	21,695.94	113,694.35	0	0	(113,694.35)
4810 - Loan Fee Amortization Exp.-CFFP	<u>0.00</u>	<u>0.00</u>	<u>0</u>	<u>0</u>	<u>0.00</u>
Total Depreciation Expense	21,695.94	113,694.35	0	0	(113,694.35)
Surplus Credits and Charges					
6010 - Prior Year Adj. - Affecting RR	0.00	0.00	0	0	0.00
6020 - Prior Year Adj. Not Affect. RR	0.00	0.00	0	0	0.00
6120 - Gain/Loss - Non Exp Equip	<u>0.00</u>	<u>0.00</u>	<u>0</u>	<u>0</u>	<u>0.00</u>
Total Surplus Credits and Char	0.00	0.00	0	0	0.00
Capital Expenditures					
7520 - Replacement of Equipment	0.00	7,983.50	0	0	(7,983.50)
7530 - Rec. Equip. - Not Replaced	0.00	0.00	0	0	0.00
7540 - Betterments and Additions	0.00	30,539.39	10,417	25,000	(5,539.39)
7560 - Casualty Losses Capitalized	0.00	0.00	0	0	0.00
7590 - Operating Expenditures-Contra	<u>0.00</u>	<u>(38,522.89)</u>	<u>(10,417)</u>	<u>(25,000)</u>	<u>13,522.89</u>
Total Capital Expenditures	0.00	0.00	0	0	0.00
GAAP Net Income (Loss)	<u>\$ (17,329.44)</u>	<u>\$ (110,446.62)</u>	<u>\$ 9,971</u>	<u>\$ 23,930</u>	<u>\$ 134,377</u>
HUD Net Income (Loss)	<u>\$ 4,166.50</u>	<u>\$ (35,475.16)</u>	<u>\$ (446)</u>	<u>\$ (1,070)</u>	<u>\$ 34,405</u>

See Accountants' Compilation Report

Traverse City Housing Commission
Section 8 Vouchers
Income & Expense Statement
For the 1 Month and 5 Months Ended November 30, 2016

Units	1 Month Ended		5 Months Ended				
208	<u>November 30, 2016</u>	<u>PUM</u>	<u>November 30, 2016</u>	<u>PUM</u>	<u>BUDGET</u>	<u>PUM</u>	<u>*OVER/UNDER</u>
Operating Income							
3390 - Fraud Recovery Income	\$ 75.00	0.45	\$ 340.00	0.41	\$ 0	0.00	\$ (340.00)
3603 - Number of Unit Months	165.00	(1.00)	836.00	(1.00)	0	0.00	836.00
3604 - Unit Months - Contra	<u>(165.00)</u>	1.00	<u>(836.00)</u>	1.00	<u>0</u>	0.00	<u>(836.00)</u>
Total Oper. Reserve Income	75.00	0.45	340.00	0.41	0	0.00	(340.00)
Revenues - HUD PHA Grants							
3410 - HAP Funding	77,273.00	468.32	411,895.00	492.70	0	0.00	(411,895.00)
3411 - Admin Fee Funding	<u>8,165.00</u>	49.48	<u>42,198.00</u>	50.48	<u>0</u>	0.00	<u>(42,198.00)</u>
Total HUD PHA Grants	85,438.00	517.81	454,093.00	543.17	0	0.00	(454,093.00)
Income Offset HUD A.C.							
Total Offset Income	<u>0.00</u>	0.00	<u>0.00</u>	0.00	<u>0</u>	0.00	<u>0.00</u>
Total Operating Income	<u>85,513.00</u>	518.26	<u>454,433.00</u>	543.58	<u>0</u>	0.00	<u>(454,433.00)</u>
Operating Expenses							
Routine Expense							
Administration							
4110 - Administrative Salaries	3,530.79	21.40	15,513.82	18.56	41,800	0.00	26,286.18
4120 - Compensated Absences	0.00	0.00	0.00	0.00	250	0.00	250.00
4130 - Legal Expense	0.00	0.00	57.00	0.07	2,850	0.00	2,793.00
4140 - Staff Training	150.00	0.91	150.00	0.18	1,710	0.00	1,560.00
4150 - Travel Expense	48.68	0.30	615.88	0.74	1,890	0.00	1,274.12
4170 - Accounting Fees	716.75	4.34	3,448.75	4.13	8,500	0.00	5,051.25
4171 - Auditing	0.00	0.00	0.00	0.00	3,000	0.00	3,000.00
4182 - Employee Benefits - Admin	192.03	1.16	7,386.45	8.84	17,500	0.00	10,113.55
4185 - Telephone	119.20	0.72	740.14	0.89	3,200	0.00	2,459.86
4190 - Administrative Sundry	0.00	0.00	33.65	0.04	0	0.00	(33.65)
4190.1 - Publications	0.00	0.00	0.00	0.00	500	0.00	500.00
4190.2 - Membership Dues and Fees	96.25	0.58	720.00	0.86	1,000	0.00	280.00
4190.3 - Admin. Service Contracts	210.79	1.28	8,098.69	9.69	10,000	0.00	1,901.31
4190.4 - Office Supplies	0.00	0.00	928.13	1.11	2,200	0.00	1,271.87
4190.5 - Other Sundry Expense	1,037.22	6.29	2,614.99	3.13	3,500	0.00	885.01
4190.6 - Advertising	<u>125.43</u>	0.76	<u>125.43</u>	0.15	<u>0</u>	0.00	<u>(125.43)</u>
Total Administration	6,227.14	37.74	40,432.93	48.36	97,900	0.00	57,467.07
General Expense							
Total General Expense	0.00	0.00	0.00	0.00	0	0.00	0.00
Total Routine Expense	6,227.14	37.74	40,432.93	48.36	97,900	0.00	57,467.07

Traverse City Housing Commission
Section 8 Vouchers
Income & Expense Statement
For the 1 Month and 5 Months Ended November 30, 2016

Units 208	1 Month Ended <u>November 30, 2016</u>	PUM	5 Months Ended <u>November 30, 2016</u>	PUM	BUDGET	PUM	*OVER/UNDER
Housing Assistance Payments							
4715.1 - HAP - Occupied Units	75,083.00	455.05	382,442.00	457.47	0	0.00	(382,442.00)
4715.3 - HAP - Non-Elderly Disabled	3,684.00	22.33	20,247.00	24.22	0	0.00	(20,247.00)
4715.4 - HAP - Utility Allowances	0.00	0.00	3,656.00	4.37	0	0.00	(3,656.00)
4715.5 - HAP - Fraud Recovery	(75.00)	(0.45)	(340.00)	(0.41)	0	0.00	340.00
4715.6 - HAP - Homeownership	753.00	4.56	3,837.00	4.59	0	0.00	(3,837.00)
4719 - HAP - FSS Escrow	2,473.00	14.99	9,216.55	11.02	0	0.00	(9,216.55)
4719.1 - FSS Forfeitures	0.00	0.00	(8,925.98)	(10.68)	0	0.00	8,925.98
Total HAP Payments	<u>81,918.00</u>	<u>496.47</u>	<u>410,132.57</u>	<u>490.59</u>	<u>0</u>	<u>0.00</u>	<u>(410,132.57)</u>
Depreciation Expense							
4800 - Depreciation - Current Year	0.00	0.00	0.00	0.00	0	0.00	0.00
Total Depreciation Expense	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0</u>	<u>0.00</u>	<u>0.00</u>
Surplus Charges & Credits							
Total Surplus CR & Chgs	0.00	0.00	0.00	0.00	0	0.00	0.00
Capital Expenditures							
Total Capital Expenditures	0.00	0.00	0.00	0.00	0	0.00	0.00
GAAP Net Income (Loss)	<u>\$ (2,632.14)</u>	<u>(15.95)</u>	<u>\$ 3,867.50</u>	<u>4.63</u>	<u>\$ (97,900)</u>	<u>0.00</u>	<u>\$ (101,767.50)</u>

Analysis of HAP Funding-Voucher

A.C. Received: NOV. 30, 2016
HAP Funding

5 Months Ended
November 30, 2016
\$ 411,895.00

A.C. Spent

HAP - Occupied Units	382,442.00
HAP - Non-Elderly Disabled	20,247.00
HAP - Utility Allowances	3,656.00
HAP - Homeownership	3,837.00
HAP - Fraud Recovery	(340.00)
HAP - FSS Escrow	9,216.55
FSS Forfeitures	(8,925.98)
Total Funding Required	<u>410,132.57</u>

Over/(Under) Funding-current fiscal year

\$ 1,762.43

HAP Reserve-prior fiscal years

\$ 11,324.12

Cumulative Over (Under) Funding-HAP (NRA)

\$ 13,086.55

Memo: Income not including the over (under) funding of HAP

\$ (1,877.38)

Traverse City Housing Commission
Low Rent Public Housing
Income & Expense Statement
For the 1 Month and 6 Months Ended December 31, 2016

Units	1 Month Ended	6 Months Ended	YEAR TO DATE	ANNUAL	
135	<u>December 31, 2016</u>	<u>December 31, 2016</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>*OVER/UNDER</u>
Operating Income					
Rental Income					
3110 - Dwelling Rental	\$ 30,035.00	\$ 184,743.53	\$ 232,500	\$ 465,000	280,256.47
3110.2 - Dwelling Rental-Proj. 2	5,073.00	32,538.83	0	0	(32,538.83)
3120 - Excess Utilities	136.71	903.61	500	1,000	96.39
3190 - Nondwelling Rental	6,819.05	42,062.00	25,750	51,500	9,438.00
Total Rental Income	<u>42,063.76</u>	<u>260,247.97</u>	<u>258,750</u>	<u>517,500</u>	<u>257,252.03</u>
Revenues - HUD PHA Grants					
3401.2 - Operating Subsidy	23,991.00	135,153.00	125,000	250,000	114,847.00
Total HUD PHA Grants	<u>23,991.00</u>	<u>135,153.00</u>	<u>125,000</u>	<u>250,000</u>	<u>114,847.00</u>
Nonrental Income					
3610 - Interest Income-Gen. Fund	162.31	1,116.18	1,350	2,700	1,583.82
3690 - Tenant Income	293.21	4,546.75	2,500	5,000	453.25
3690.1 - Non-Tenant Income	1,295.49	7,280.97	14,000	28,000	20,719.03
3690.2 - Tenant Income-Cable	2,430.00	14,913.76	13,040	26,080	11,166.24
3690.3 - Gain (Loss) of Disposal of Equip.	100.00	300.00	0	0	(300.00)
Total Nonrental Income	<u>4,281.01</u>	<u>28,157.66</u>	<u>30,890</u>	<u>61,780</u>	<u>33,622.34</u>
Total Operating Income	<u>70,335.77</u>	<u>423,558.63</u>	<u>414,640</u>	<u>829,280</u>	<u>405,721.37</u>
Operating Expenses					
Routine Expense					
Administration					
4110 - Administrative Salaries	10,777.28	64,118.46	69,570	139,140	75,021.54
4120 - Compensated Absences	0.00	0.00	750	1,500	1,500.00
4130 - Legal Expense	2,047.60	8,157.24	3,250	6,500	(1,657.24)
4140 - Staff Training	249.00	2,443.05	2,000	4,000	1,556.95
4150 - Travel Expense	191.58	1,893.70	2,200	4,400	2,506.30
4170 - Accounting Fees	0.00	2,925.80	3,750	7,500	4,574.20
4171 - Auditing	0.00	0.00	1,500	3,000	3,000.00
4182 - Employee Benefits - Admin	4,848.12	26,915.78	27,775	55,550	28,634.22
4185 - Telephone	597.39	3,746.74	3,300	6,600	2,853.26
4190.1 - Publications	0.00	380.80	500	1,000	619.20
4190.2 - Membership Dues and Fees	0.00	740.00	500	1,000	260.00
4190.3 - Admin. Service Contracts	2,650.43	20,872.56	12,650	25,300	4,427.44
4190.4 - Office Supplies	589.25	2,855.40	2,600	5,200	2,344.60
4190.5 - Other Sundry Expense	4,207.52	10,423.88	3,500	7,000	(3,423.88)
4190.6 - Advertising	0.00	2,208.53	750	1,500	(708.53)
Total Administration	<u>26,158.17</u>	<u>147,681.94</u>	<u>134,595</u>	<u>269,190</u>	<u>121,508.06</u>
Tenant Services					
4220 - Rec., Pub., & Other Services	469.96	2,104.93	7,500	15,000	12,895.07
4221 - Tenant Svcs-Child Care	0.00	0.00	0	0	0.00
4230 - Cable TV-Tenants	3,001.51	18,187.11	18,730	37,460	19,272.89
Total Tenant Services	<u>3,471.47</u>	<u>20,292.04</u>	<u>26,230</u>	<u>52,460</u>	<u>32,167.96</u>

See Accountants' Compilation Report

Traverse City Housing Commission
Low Rent Public Housing
Income & Expense Statement
For the 1 Month and 6 Months Ended December 31, 2016

Units	1 Month Ended	6 Months Ended	YEAR TO DATE	ANNUAL	
135	<u>December 31, 2016</u>	<u>December 31, 2016</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>*OVER/UNDER</u>
Utilities					
4310 - Water	1,008.10	9,681.45	8,250	16,500	6,818.55
4320 - Electricity	11,649.04	52,041.37	75,000	150,000	97,958.63
4330 - Gas	1,650.90	3,211.28	7,750	15,500	12,288.72
Total Utilities	<u>14,308.04</u>	<u>64,934.10</u>	<u>91,000</u>	<u>182,000</u>	<u>117,065.90</u>
Ordinary Maint. & Operation					
4410 - Labor, Maintenance	8,657.79	40,617.10	40,565	81,130	40,512.90
4420 - Materials	4,983.48	20,054.86	10,100	20,200	145.14
4430 - Contract Costs	0.00	0.00	0	0	0.00
4430.01 - Cable Contract	0.00	0.00	0	0	0.00
4430.02 - Heating & Cooling Contracts	640.65	2,726.47	2,500	5,000	2,273.53
4430.03 - Snow Removal Contracts	0.00	0.00	2,000	4,000	4,000.00
4430.04 - Elevator Maintenance Contracts	0.00	9,168.51	4,250	8,500	(668.51)
4430.05 - Landscape & Grounds Contracts	1,625.00	31,413.41	2,500	5,000	(26,413.41)
4430.06 - Unit Turnaround Contracts	4,553.39	13,325.14	5,000	10,000	(3,325.14)
4430.07 - Electrical Contracts	0.00	433.85	1,000	2,000	1,566.15
4430.08 - Plumbing Contracts	0.00	276.75	750	1,500	1,223.25
4430.09 - Extermination Contracts	270.00	1,705.00	1,750	3,500	1,795.00
4430.10 - Janitorial Contracts	0.00	1,800.00	1,500	3,000	1,200.00
4430.11 - Routine Maintenance Contracts	202.71	7,521.50	4,000	8,000	478.50
4430.12 - Misc. Contracts	262.56	7,602.46	4,600	9,200	1,597.54
4431 - Garbage Removal	1,297.00	8,137.63	2,900	5,800	(2,337.63)
4433 - Employee Benefits - Maint.	2,039.39	15,338.60	19,385	38,770	23,431.40
Total Ordinary Maint. & Oper.	<u>24,531.97</u>	<u>160,121.28</u>	<u>102,800</u>	<u>205,600</u>	<u>45,478.72</u>
General Expense					
4510 - Insurance	2,386.35	14,356.77	15,300	30,600	16,243.23
4520 - Payment in Lieu of Taxes	1,780.00	10,680.00	11,500	23,000	12,320.00
4570 - Collection Losses	7,855.66	7,855.66	0	0	(7,855.66)
4586 - Interest Expense-CFFP	0.00	0.00	16,000	32,000	32,000.00
4586.1 - Interest Expense-EPC	0.00	0.00	0	0	0.00
4590 - Other General Expense	0.00	0.00	250	500	500.00
Total General Expense	<u>12,022.01</u>	<u>32,892.43</u>	<u>43,050</u>	<u>86,100</u>	<u>53,207.57</u>
Total Routine Expense	<u>80,491.66</u>	<u>425,921.79</u>	<u>397,675</u>	<u>795,350</u>	<u>369,428.21</u>
Non-Routine Expense					
Extraordinary Maintenance					
4610.3 - Contract Costs	0.00	4,545.00	5,000	10,000	5,455.00
Total Extraordinary Maint.	<u>0.00</u>	<u>4,545.00</u>	<u>5,000</u>	<u>10,000</u>	<u>5,455.00</u>
Casualty Losses-Not Cap.					
Total Casualty Losses	<u>0.00</u>	<u>0.00</u>	<u>0</u>	<u>0</u>	<u>0.00</u>
Total Non-Routine Expense	<u>0.00</u>	<u>4,545.00</u>	<u>5,000</u>	<u>10,000</u>	<u>5,455.00</u>
Total Operating Expenses	<u>80,491.66</u>	<u>430,466.79</u>	<u>402,675</u>	<u>805,350</u>	<u>374,883.21</u>
Operating Income (Loss)	<u>(10,155.89)</u>	<u>(6,908.16)</u>	<u>11,965</u>	<u>23,930</u>	<u>30,838.16</u>

See Accountants' Compilation Report

Traverse City Housing Commission
Low Rent Public Housing
Income & Expense Statement
For the 1 Month and 6 Months Ended December 31, 2016

Units	1 Month Ended	6 Months Ended	YEAR TO DATE	ANNUAL	
135	<u>December 31, 2016</u>	<u>December 31, 2016</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>*OVER/UNDER</u>
Depreciation Expense					
4800 - Depreciation - Current Year	21,695.94	135,390.29	0	0	(135,390.29)
4810 - Loan Fee Amortization Exp.-CCFP	<u>0.00</u>	<u>0.00</u>	<u>0</u>	<u>0</u>	<u>0.00</u>
Total Depreciation Expense	21,695.94	135,390.29	0	0	(135,390.29)
Surplus Credits and Charges					
6010 - Prior Year Adj. - Affecting RR	0.00	0.00	0	0	0.00
6020 - Prior Year Adj. Not Affect. RR	0.00	0.00	0	0	0.00
6120 - Gain/Loss - Non Exp Equip	<u>0.00</u>	<u>0.00</u>	<u>0</u>	<u>0</u>	<u>0.00</u>
Total Surplus Credits and Char	0.00	0.00	0	0	0.00
Capital Expenditures					
7520 - Replacement of Equipment	0.00	7,983.50	0	0	(7,983.50)
7530 - Rec. Equip. - Not Replaced	0.00	0.00	0	0	0.00
7540 - Betterments and Additions	7,313.00	37,852.39	12,500	25,000	(12,852.39)
7560 - Casualty Losses Capitalized	0.00	0.00	0	0	0.00
7590 - Operating Expenditures-Contra	<u>(7,313.00)</u>	<u>(45,835.89)</u>	<u>(12,500)</u>	<u>(25,000)</u>	<u>20,835.89</u>
Total Capital Expenditures	0.00	0.00	0	0	0.00
GAAP Net Income (Loss)	<u>\$ (31,851.83)</u>	<u>\$ (142,298.45)</u>	<u>\$ 11,965</u>	<u>\$ 23,930</u>	<u>\$ 166,228</u>
HUD Net Income (Loss)	<u>\$ (17,568.89)</u>	<u>\$ (53,044.05)</u>	<u>\$ (535)</u>	<u>\$ (1,070)</u>	<u>\$ 51,974</u>

See Accountants' Compilation Report

Traverse City Housing Commission
Section 8 Vouchers
Income & Expense Statement
For the 1 Month and 6 Months Ended December 31, 2016

Units	1 Month Ended		6 Months Ended		BUDGET		
208	<u>December 31, 2016</u>	<u>PUM</u>	<u>December 31, 2016</u>	<u>PUM</u>		<u>PUM</u>	<u>*OVER/UNDER</u>
Operating Income							
3390 - Fraud Recovery Income	\$ 50.00	0.31	\$ 390.00	0.39	\$ 0	0.00	\$ (390.00)
3603 - Number of Unit Months	163.00	(1.00)	999.00	(1.00)	0	0.00	999.00
3604 - Unit Months - Contra	<u>(163.00)</u>	1.00	<u>(999.00)</u>	1.00	<u>0</u>	0.00	<u>(999.00)</u>
Total Oper. Reserve Income	50.00	0.31	390.00	0.39	0	0.00	(390.00)
Revenues - HUD PHA Grants							
3410 - HAP Funding	84,877.00	520.72	496,772.00	497.27	0	0.00	(496,772.00)
3411 - Admin Fee Funding	<u>8,166.00</u>	50.10	<u>50,364.00</u>	50.41	<u>0</u>	0.00	<u>(50,364.00)</u>
Total HUD PHA Grants	93,043.00	570.82	547,136.00	547.68	0	0.00	(547,136.00)
Income Offset HUD A.C.							
Total Offset Income	<u>0.00</u>	0.00	<u>0.00</u>	0.00	<u>0</u>	0.00	<u>0.00</u>
Total Operating Income	<u>93,093.00</u>	571.12	<u>547,526.00</u>	548.07	<u>0</u>	0.00	<u>(547,526.00)</u>
Operating Expenses							
Routine Expense							
Administration							
4110 - Administrative Salaries	3,138.11	19.25	18,651.93	18.67	41,800	0.00	23,148.07
4120 - Compensated Absences	0.00	0.00	0.00	0.00	250	0.00	250.00
4130 - Legal Expense	14.40	0.09	71.40	0.07	2,850	0.00	2,778.60
4140 - Staff Training	0.00	0.00	150.00	0.15	1,710	0.00	1,560.00
4150 - Travel Expense	48.87	0.30	664.75	0.67	1,890	0.00	1,225.25
4170 - Accounting Fees	649.25	3.98	4,098.00	4.10	8,500	0.00	4,402.00
4171 - Auditing	0.00	0.00	0.00	0.00	3,000	0.00	3,000.00
4182 - Employee Benefits - Admin	1,552.70	9.53	8,939.15	8.95	17,500	0.00	8,560.85
4185 - Telephone	165.87	1.02	906.01	0.91	3,200	0.00	2,293.99
4190 - Administrative Sundry	0.00	0.00	33.65	0.03	0	0.00	(33.65)
4190.1 - Publications	0.00	0.00	0.00	0.00	500	0.00	500.00
4190.2 - Membership Dues and Fees	0.00	0.00	720.00	0.72	1,000	0.00	280.00
4190.3 - Admin. Service Contracts	394.47	2.42	8,493.16	8.50	10,000	0.00	1,506.84
4190.4 - Office Supplies	252.54	1.55	1,180.67	1.18	2,200	0.00	1,019.33
4190.5 - Other Sundry Expense	1,784.15	10.95	4,399.14	4.40	3,500	0.00	(899.14)
4190.6 - Advertising	<u>0.00</u>	0.00	<u>125.43</u>	0.13	<u>0</u>	0.00	<u>(125.43)</u>
Total Administration	8,000.36	49.08	48,433.29	48.48	97,900	0.00	49,466.71
General Expense							
Total General Expense	0.00	0.00	0.00	0.00	0	0.00	0.00
Total Routine Expense	8,000.36	49.08	48,433.29	48.48	97,900	0.00	49,466.71

Traverse City Housing Commission
Section 8 Vouchers
Income & Expense Statement
For the 1 Month and 6 Months Ended December 31, 2016

Units 208	1 Month Ended <u>December 31, 2016</u>	PUM	6 Months Ended <u>December 31, 2016</u>	PUM	BUDGET	PUM	*OVER/UNDER
Housing Assistance Payments							
4715.1 - HAP - Occupied Units	72,822.00	446.76	455,264.00	455.72	0	0.00	(455,264.00)
4715.3 - HAP - Non-Elderly Disabled	3,840.00	23.56	24,087.00	24.11	0	0.00	(24,087.00)
4715.4 - HAP - Utility Allowances	1,881.00	11.54	5,537.00	5.54	0	0.00	(5,537.00)
4715.5 - HAP - Fraud Recovery	(50.00)	(0.31)	(390.00)	(0.39)	0	0.00	390.00
4715.6 - HAP - Homeownership	1,309.00	8.03	5,146.00	5.15	0	0.00	(5,146.00)
4719 - HAP - FSS Escrow	1,037.00	6.36	10,253.55	10.26	0	0.00	(10,253.55)
4719.1 - FSS Forfeitures	0.00	0.00	(8,925.98)	(8.93)	0	0.00	8,925.98
Total HAP Payments	<u>80,839.00</u>	<u>495.94</u>	<u>490,971.57</u>	<u>491.46</u>	<u>0</u>	<u>0.00</u>	<u>(490,971.57)</u>
Depreciation Expense							
4800 - Depreciation - Current Year	0.00	0.00	0.00	0.00	0	0.00	0.00
Total Depreciation Expense	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0</u>	<u>0.00</u>	<u>0.00</u>
Surplus Charges & Credits							
Total Surplus CR & Chgs	0.00	0.00	0.00	0.00	0	0.00	0.00
Capital Expenditures							
Total Capital Expenditures	0.00	0.00	0.00	0.00	0	0.00	0.00
GAAP Net Income (Loss)	<u>\$ 4,253.64</u>	<u>26.10</u>	<u>\$ 8,121.14</u>	<u>8.13</u>	<u>\$ (97,900)</u>	<u>0.00</u>	<u>\$ (106,021.14)</u>

Analysis of HAP Funding-Voucher

A.C. Received: DEC. 31, 2016
HAP Funding

6 Months Ended
December 31, 2016
\$ 496,772.00

A.C. Spent

HAP - Occupied Units	455,264.00
HAP - Non-Elderly Disabled	24,087.00
HAP - Utility Allowances	5,537.00
HAP - Homeownership	5,146.00
HAP - Fraud Recovery	(390.00)
HAP - FSS Escrow	10,253.55
FSS Forfeitures	(8,925.98)
Total Funding Required	<u>490,971.57</u>

Over/(Under) Funding-current fiscal year

\$ 5,800.43

HAP Reserve-prior fiscal years

\$ 11,324.12

Cumulative Over (Under) Funding-HAP (NRA)

\$ 17,124.55

Memo: Income not including the over (under) funding of HAP

\$ (1,708.81)



Traverse City Housing Commission
A Public Housing Authority

COMMITTEE REPORTS

Executive Committee: November 29, 2016

Executive Committee: January 16, 2017

Special Committee Report: TCHC Anti-Bullying & Hostile Environment Harassment Policy

**Meeting Minutes of the Traverse City Housing Commission
Executive & Governance Committee
November 29, 2016**

A special meeting of the Executive Committee of the Executive & Governance Committee of the Traverse City Housing Commission was called to order by President Brian Haas at 8:30 a.m. The meeting was held at the law offices of TCHC attorney, Ward Kuhn.

ROLL CALL

The following Commissioners were present: Brian Haas and Andrew Smits.

Staff: Tony Lentych, Executive Director.

Other: Ward Kuhn, Attorney.

CORRESPONDENCE

Staff shared the November 3, 2016 letter from the American Civil Liberties Union of Michigan.

AGENDA

- A. The purpose of this special meeting was to discuss the Traverse City Housing Commission's response to this letter. It was the only agenda item as directed by the Commission on November 18, 2016. Attorney Ward Kuhn reviewed options for the Traverse City Housing Commission. After considerable discussion, it was decided that staff would work with Ward Kuhn on a response that would be forwarded to the ACLU-MI when ready.

ADJOURNMENT

President Haas adjourned the meeting at 9:35 a.m.

Respectfully submitted,

Brian Haas &
Tony Lentych, Executive Director

Meeting Minutes of the Traverse City Housing Commission Executive & Governance Committee January 16, 2017

A monthly meeting of the Executive Committee of the Executive & Governance Committee of the Traverse City Housing Commission was called to order by President Brian Haas at 8:00 a.m.

ROLL CALL

The following Commissioners were present: Brian Haas and Andrew Smits.
Staff: Tony Lentych, Executive Director.

CORRESPONDENCE

Staff shared the Audit report and there will be a full conversation about its results at the next Commission Meeting.

AGENDA

- A. The Agenda for the January Commission regular meeting was discussed.
 - The meeting will be held at the Governmental Center, Second Floor Committee Room.
- B. An updated list of policies to review was distributed and briefly discussed. Progress on some of the work on the larger policies was discussed in more detail.
- C. Lentych presented a draft of the results of the December 2016 Strategic Planning session and there was a discussion on how to best present at the January meeting.
- C. Lentych gave a brief update on the office renovation at TCHC – this will be on the agenda.
- D. There was a lengthy discussion about communications. This included communications between staff and commissioners, between staff and the Riverview Terrace Resident Council, and between the Housing Commission and the City of Traverse City.

ADJOURNMENT

President Haas adjourned the meeting at 9:20 a.m.


Respectfully submitted,

Brian Haas &
Tony Lentych, Executive Director

TRAVERSE CITY HOUSING COMMISSION

150 PINE STREET | TRAVERSE CITY | MICHIGAN | 49684

MEMORANDUM

DATE: January 27, 2017
TO: All Commissioners of the Traverse City Housing Commission
FROM: Tony Lentych, Executive Director 
SUBJECT: Anti-Bullying & Hostile Environment Harassment Policy Update

MESSAGE:

After reviewing the recommendation of staff, and after much discussion during both a Special Meeting on November 7, 2016 and a Regular Meeting on November 18, 2016, a special committee of the Traverse City Housing Commission was formed to address TCHC response to the new HUD rules released in September and taking effect in October on Quid Pro Quo and Hostile Environment Harassment and Liability for Discriminatory Housing practices under the Fair Housing Act.

This committee is comprised of Commissioners Kay Serratelli and Jo Simerson and staff members, Tony Lentych and Michelle Reardon. The Committee has met twice and RTRC President, Priscilla Townsend participated in the second meeting held on January 24, 2017. A sample policy was discussed along with some background information collected from various sources around the country. More research is being conducted that will guide the development of the policy.

It is the Committee's belief that a more robust policy is needed compared to the proposed policy reviewed and compared to what is proposed by the HUD rule. The Committee's goal to develop a policy that covers ALL of our residents, staff, visitors, and volunteers and not just those covered in the Fair Housing Act.

A draft policy will be developed and proposed to the Commission no later than the March 2017 meeting. It is also the belief of the Committee that for the policy to have a real effect on this issue, language from the policy will need to be adopted into the lease used by the housing commission.

ATTACHMENTS: A summary of the committee's discussion on the Policy to date.

Anti-Bullying & Hostile Environment Harassment Policy

"A home should be a refuge where every woman and man deserves to live without the threat of violence or harassment." – HUD Secretary Julián Castro

"A person's home should be where they feel the greatest level of comfort—not anguish and fear because of being subjected to humiliating and degrading comments." – Gustavo Velasquez, HUD Assistant Secretary for Fair Housing and Equal Opportunity

BACKGROUND

TCHC is committed to providing an environment that allows for everyone's peaceful enjoyment of our properties. When our tenants, our visitors, or even our staff members are made to feel uncomfortable or unwelcome due to the intentional actions of others, we fail in that commitment.

On September 14, 2016, the U.S. Department of Housing and Urban Development (HUD) issued a long awaited final rule setting out the legal standard under the Fair Housing Act for sexual and other forms of harassment with public housing communities. HUD and our courts have long held that harassment in housing or housing-related transactions on the basis of race, color, national origin, religion, sex, disability, and familial status is prohibited under the Fair Housing Act, but the new rule provides some clarity regarding such claims.

DEFINITIONS

Individual Bullying: Bullying is the intentional, repeated attempt by one person to impose wrongful, harmful control over others.

Group or "Social" Bullying: Group or "Social" bullying involves a peer group that acts to dominate others through inappropriate tactics, including by disrupting the social relationships of the target.

Harassment: For purposes of this document, there are two kinds of harassment, quid pro quo or "this-for-that"; and hostile environment. They are defined in the newly published HUD rules as follows:

"Quid pro quo harassment refers to an unwelcome request or demand to engage in conduct where submission to the request or demand, either explicitly or implicitly, is made a condition related to: the sale, rental, or availability of a dwelling; the terms, conditions, or privileges of the sale or rental, or the provision of services or facilities in connection with the sale or rental; or the availability, terms, or conditions of a

residential real estate-related transaction. An unwelcome request or demand may constitute quid pro quo harassment even if a person acquiesces in the unwelcome request or demand.” Section 100.600(a)(1)

“Hostile environment harassment refers to unwelcome conduct that is sufficiently severe or pervasive as to interfere with: the availability, sale, rental, or use or enjoyment of a dwelling; the terms, conditions, or privileges of the sale or rental, or the provision or enjoyment of services or facilities in connection with the sale or rental; or the availability, terms, or conditions of a residential real estate-related transaction. Hostile environment harassment does not require a change in the economic benefits, terms, or conditions of the dwelling or housing-related services or facilities, or of the residential real-estate transaction.” Section 100.600(a)(2)

PROCEDURES

It is the intent of TCHC to investigate ALL claims of a violation under this new policy whether the claims are written or verbal, attributed or anonymous. We intend to document and record any and all claims that we receive – we will take the appropriate action immediately once a claim is substantiated or verified or to be true.

SUMMARY

Victims of bullying and harassment seldom find any remedy to their problems. TCHC believes that we can provide such a remedy through the adoption of a robust policy. It seems that HUD's approach to harassment is based on the discrimination of people in specific protected classes who have been harassed because of their protected characteristics. This does not cover the subject in enough detail for our purposes or more specifically, it does not cover ALL of our residents, visitors, volunteers, and staff. TCHC, therefore, proposes the establishment of a policy that covers bullying in addition to harassment.

SAMPLE Anti-Bullying & Hostile Environment Harassment Policy THIS IS NOT TCHC’S PROPOSED POLICY

Bullying is a problem that has received widespread public attention. Bullying is not restricted to children and adolescents. Bullying has been known to occur in nearly every environment where people gather and interact including the workplace and residential settings such as income based housing.

The Housing Commission has established this policy to make applicants and residents aware of our position on this important issue.

We define bullying, for the purpose of this policy, as "the activity of repeated, aggressive behavior intended to harm another person, physically or emotionally."

Here are some examples to help you understand what is and is not bullying:

- ✓ A disagreement or misunderstanding with another person is **NOT** bullying.
- ✓ If your feelings are hurt by another person, this is **NOT** bullying.
- ✓ If someone is persistently harassing you with verbal taunts or threats, this **IS** bullying.
- ✓ If someone uses physical force or threats, intimidation, or aggressive means to attempt to get you to do something against your will, this **IS** bullying.
- ✓ ADD: Social Isolation Example.

If you are uncertain if you are a victim of bullying, discuss the situation with the Executive Director, a trusted friend or family member, or other caregiver.

This policy applies to:

- Residents and their guests and visitors.
- Employees of the Housing Commission.
- Contractors, vendors, and service providers who enter upon the premises, whether or not they are acting as an agent, a resident, or independently.

Bullying is strictly prohibited at the Housing Commission. Anyone who feels he or she is being bullied or who is suspicious of bullying is asked to report their concerns in writing to the management as soon as possible.

Management shall take all reasonable measures to discourage bullying and to appropriately respond to any allegations of inappropriate behavior to the extent of its capability, however residents are reminded that they are responsible for their own personal safety and well-being. Residents who feel they are the subject of bullying should not rely upon management as their sole source for resolution of the problem and shall call upon the help of friends, relatives, caregivers, local authorities, or others as appropriate for assistance in dealing with the matter.

Residents are also responsible for the conduct and behavior of their guests and visitors as specified in the Lease. Residents shall not permit any guest or visitor to bully others on the premises.

If a resident believes he or she has been the victim of a crime he or she should contact the appropriate local authorities immediately.

Resolutions to the investigation may include one or more of the following:

1. If the results of the investigation are inconclusive, all information regarding the incident will be kept in the residents file. Resident will be informed that any further complaints may result in action up to and including eviction.
2. If the results of the investigation reveal the complaint has merit, management will pursue one the following options:
 - a. A Lease Violation to cease and discontinue bullying behavior, and that repeated bullying conduct may result in eviction.
 - b. Eviction for breach of Lease Agreement.
3. If the allegations of bullying involve a staff member, the matter will be pursued in accordance with our Personnel Policy. Measures may include warning, serious warning, suspension or termination depending on the severity of the offense.
4. If the allegation of bullying involves a contractor or vendor acting as our agent, the matter will be pursued in accordance with our contract with that vendor and applicable law.

Adopted by Resolution



Traverse City Housing Commission
A Public Housing Authority

STAFF & PROGRAM REPORTS

Executive Director's Report

Family Self-Sufficiency (FSS) Program Report for December 2016

Family Self-Sufficiency (FSS) Program Report for January 2017

Resident Council Report



Traverse City Housing Commission
A Public Housing Authority

HOLD FOR EXECUTIVE DIRECTOR REPORT

FAMILY SELF-SUFFICIENCY (FSS) PROGRAM REPORT

January 27, 2016

Current SEMAP Status

SEMAP reporting places the program in the “High Performer” category.

Number of Mandatory Slots	Number of Families Enrolled	% of Families Enrolled	Number of Families with Progress Reports & Escrow Balances	% of Families with Progress Reports & Escrow Balances
22	24	109%	13	65%

Program Manager Update

The January Program Coordinating Committee meeting was cancelled due to weather. It has been rescheduled for February and will be reviewing the status of the program and program ideas for including Public Housing.

Status of Participants

Current participant status is 24 active clients with 65% showing an escrow balance due to forfeiture of escrow.

A current FSS client requested an early disbursement of funds to purchase a vehicle, pay insurance for 6 months and taxes/fees. The Program Coordinating Committee approved this in December and there was a consensus on approval from the TCHC Board until the January 2017 meeting. This disbursement was approved per the Action Plan and HUD regulations as it was part of her ITSP goals.

FSS Grant

The 2015 FSS Grant E-Logic reporting has been submitted.

FAMILY SELF-SUFFICIENCY (FSS) PROGRAM REPORT

December 2016

Current SEMAP Status

SEMAP reporting places the program in the “High Performer” category.

Number of Mandatory Slots	Number of Families Enrolled	% of Families Enrolled	Number of Families with Progress Reports & Escrow Balances	% of Families with Progress Reports & Escrow Balances
22	24	109%	13	68%

Program Manager Update

A briefing was held for 6 new Housing Choice Voucher clients in December. Three of the new clients were very excited about the FSS program and as soon as they are housed they will be signing contracts.

Escrow balances were audited in December to ensure the correct amounts were entered and forfeited amounts were absorbed back into the HCV program.

Status of Participants

Current participant status is 24 active clients with 68% showing an escrow balance. Phone updates were completed with those who followed through, there were a few who did not and they will be asked to explain why during the next meeting. March 2017 is the scheduled month for quarterly meetings.

FSS Grant

The 2015 FSS Grant E-Logic reporting will be submitted in January 2017.

RECEIVED
JAN 24 2017

BY:.....

TO: TRAVERSE CITY HOUSING COMMISSION

FROM: Riverview Resident Council

Date: January 23, 2017

The January Meeting saw the sitting of the New Council Members. (See the Letter of Affirmation as signed by the Council Officers for 2017).

Work has begun the plan and budget for the next six months of the fiscal year. December, ending the first six months, we are on track of being able to operate the Residential Office fulfilling the needs of the Residents both Technical and Social with funds available.

What this does tell us is that we can operate on a budget of \$3500.00 per year. Since we depend on Residents and In-Kind to offset the Social end of that leaves the HUD monies of \$1765.00 to run the office and educational needs of the Residents. Our problem is encouraging the Residents to understand their benefits in assisting to meet these goals in providing the Social Needs. We will be looking at options as we present the plans and budgets. We are grateful to Management for the PIANO ,TV and WII GAME which increased interaction among the Residents

The Benefits of our programs are visible with increases in both monies and services to our Residents which they did not have access to before. The strength of our little Grass Roots organization has increased exponentially over the last year and our investigative studies resulted in two of the top ten Record Eagle stories for the year of 2016.

We have formed a Committee to review our by-laws for any necessary changes and knowing some are necessary. First reading scheduled for April and final for June.

The Question of the Resident Board Member and the RAB as outlined by HUD in 24 CFR Part 964 Still hangs in the wind. Rather than allow this to continue to be an issue in our building and community it is now in the hands of an attorney.

President, Priscilla Townsend

RIVERVIEW TERRACE
Resident Association

RIVERVIEW TERRACE
Resident Association

RECEIVED
JAN 24 2017
BY: *D. Skre*

Letter of Affirmation December 15, 2016

We the duly elected officers of the Riverview Terrace Resident Council for year of 2017 and according to the bylaws of said Council **DO AFFIRM:**

1. We will fulfill the duties of our office and the Residents of Riverview Terrace to the best of our ability.
2. We will work to provide involvement and activity among the Residents, working with Management in an effort to have and safe and pleasant place in which to live.
3. We will work to implement services by and for the Residents.
4. We will sponsor and support any activity or organization that contributes to the welfare of our Community.
5. We will continue to support and man the Resident Association Office for the Benefit of all Residents.
6. We will protect the privacy of all Residents and their personal information.
7. Any violation of item 6 will result in immediate action by the Council at large.

OFFICERS;



Priscilla Townsend President



Jeff Turner Vice President



Lois DeHart Secretary



Jane Bishoff Treasurer



Jacob Warren Social Coordinator



Traverse City Housing Commission
A Public Housing Authority

OLD BUSINESS

2017 Consolidated Budget: Review

TCHC Policy Review Schedule: Update

TRAVERSE CITY HOUSING COMMISSION

CONSOLIDATED INCOME AND EXPENSE BUDGET WORKSHEET

	FY 2016 ACTUAL*	FY 2017 BUDGET	DECEMBER 2016 ACTUAL*	FY 2017 ACTUAL*	% OF BUDGET
<u>OPERATING INCOME</u>					
Property Rents	\$ 431,741.66	\$ 465,000.00	\$ 35,108.00	\$ 217,282.36	46.73%
Investment Interest	3,195.44	2,700.00	162.31	1,116.18	41.34%
Program Income: HCV	1,091,389.00	1,005,000.00	93,093.00	547,513.50	54.48%
Program Income: FSS	66,688.65	66,600.00	5,582.00	33,486.85	50.28%
Earned Income	134,075.71	110,584.00	11,074.46	70,007.09	63.31%
HUD Property Subsidy	263,918.00	250,000.00	23,991.00	135,153.00	54.06%
CFP / Draw on Surplus	182,486.66	199,000.00	-	-	0.00%
TOTAL OPERATING INCOME	\$ 2,173,495.12	\$ 2,098,884.00	\$ 169,010.77	\$ 1,004,558.98	47.86%
<u>OPERATING EXPENSES</u>					
Salaries	\$ 192,072.51	\$ 238,780.00	\$ 18,314.05	\$ 111,091.13	46.52%
Benefits	71,191.54	101,818.30	7,631.23	45,508.01	44.70%
Compensated Absences	5,126.29	(1,500.00)	-	-	0.00%
Legal	5,614.12	9,500.00	2,062.00	8,228.64	86.62%
Travel / Staff Training	10,045.68	12,000.00	489.45	5,800.75	48.34%
Accounting / Auditing	20,495.42	22,000.00	649.25	7,023.80	31.93%
General Office Expenses	82,892.87	68,000.00	10,641.62	57,153.17	84.05%
TOTAL OPERATING EXPENSES	\$ 387,438.43	\$ 450,598.30	\$ 39,787.60	\$ 234,805.50	52.11%
<u>TENANT PROGRAMS & SERVICES</u>					
Recreation, Programs, and Other	\$ 9,961.31	\$ 8,575.00	\$ 469.96	\$ 2,104.93	24.55%
Cable Television	35,065.00	37,460.00	3,001.51	18,187.10	48.55%
HAP	948,943.11	965,400.00	80,839.00	490,984.07	50.86%
TOTAL TENANT PROGS / SERVICES	\$ 993,969.42	\$ 1,011,435.00	\$ 84,310.47	\$ 511,276.10	50.55%
<u>UTILITIES</u>					
Water	\$ 16,413.25	\$ 16,500.00	\$ 1,008.10	\$ 9,681.45	58.68%
Electricity	125,464.02	150,000.00	11,649.04	780.41	0.52%
Gas	10,035.02	15,500.00	1,650.90	3,211.28	20.72%
TOTAL UTILITIES	\$ 151,912.29	\$ 182,000.00	\$ 14,308.04	\$ 13,673.14	7.51%
<u>MAINTENANCE / BUILDING OPERATION</u>					
Labor	\$ 77,347.71	\$ 85,342.00	\$ 8,657.79	\$ 40,617.10	47.59%
Maintenance Benefits	33,937.30	48,093.00	2,039.39	15,338.60	31.89%
Materials	25,160.53	20,200.00	4,983.48	20,054.86	99.28%
Contract / CFP Costs	304,677.97	180,000.00	8,851.31	84,110.72	46.73%
TOTAL ORDINARY MAINTENANCE	\$ 441,123.51	\$ 333,635.00	\$ 24,531.97	\$ 160,121.28	47.99%
<u>GENERAL EXPENSE</u>					
Insurance	\$ 28,352.38	\$ 30,600.00	\$ 2,386.35	\$ 14,356.77	46.92%
Payment in Lieu of Taxes	24,914.86	23,000.00	1,780.00	10,680.00	46.43%
Collection Losses	4,438.91	-	7,855.66	7,855.66	0.00%
Interest Expense / Other	34,625.21	32,000.00	-	-	0.00%
TOTAL GENERAL EXPENSE	\$ 92,331.36	\$ 85,600.00	\$ 12,022.01	\$ 32,892.43	38.43%
<u>EXTRAORDINARY / CASUALTY</u>	6,936.36	\$ 10,000.00	\$ -	4,545.00	45.45%
TOTAL OPERATING EXPENSES	\$ 2,073,711.37	\$ 2,073,268.30	\$ 174,960.09	\$ 957,313.45	46.17%
NET OPERATING INCOME (LOSS)	\$ 99,783.75	\$ 25,615.70	\$ (5,949.32)	\$ 47,245.53	
<u>PROPERTY IMPROVEMENTS/EQUIP*</u>	\$ (32,087.93)	\$ (25,000.00)	\$ -	\$ (38,522.89)	
RESIDUAL RECEIPTS (DEFICIT)*	\$ 67,695.82	\$ 615.70	\$ (5,949.32)	\$ 8,722.64	

* Accountant Reviewed

Current as of 1/25/2017

TRAVERSE CITY HOUSING COMMISSION

CONSOLIDATED INCOME AND EXPENSE BUDGET WORKSHEET

	Explanation / Description
<u>OPERATING INCOME</u>	
Property Rents	A total of collected rents from Riverview Terrace and Orchardview properties.
Investment Interest	A total of interest amounts earned.
Program Income: HCV	Housing Choice Voucher program dollars earned.
Program Income: FSS	ROSS funding designated for Resident Self Sufficiency Program.
Earned Income	A total of non-program dollars earned by TCHC.
HUD Property Subsidy	HUD dollars received to assist with rent deficits.
CFP / Draw on Subsidy	A total of Capital Fund Program dollars received plus what is drawn down from Checking Surplus
TOTAL OPERATING INCOME	A total of operating income amounts.
<u>OPERATING EXPENSES</u>	
Salaries	Includes all salaries for Executive Director, Associate Director, Program Manager, Support Staff.
Benefits	Includes all benefits for Executive Director, Associate Director, Program Manager, Support Staff.
Compensated Absences*	Year-end differences between annual leave amounts owed to employees.
Legal	Includes all legal fees for operational issues as well as commission governance issues.
Travel / Staff Training	Includes all conference, continuing education, and training fees plus travel expenses for all staff.
Accounting / Auditing	A total of all third party, contract accounting and auditing expenses.
General Office Expenses	A total of all office expenses including telephone charges, office equipment and supplies, etc.
TOTAL OPERATING EXPENSES	A total of all operating expenses across all program activities.
<u>TENANT PROGRAMS & SERVICES</u>	
Recreation and Other	Resident programming and activities associated with current tenants.
Cable Television	Fees paid to Charter Communications to provide cable television to residents.
HAP	Housing Assistance Payments to landlords in the five county area.
TOTAL TENANT PROGS / SERVICES	A total of all tenant programming and services.
<u>UTILITIES</u>	
Water	Fees paid to Traverse City Light & Power for water and sewer.
Electricity	Fees paid to Traverse City Light & Power for electricity.
Gas	Fees paid to DTE for gas utility.
TOTAL UTILITIES	A total of all utility expenditures.
<u>MAINTENANCE / BUILDING OPERATION</u>	
Labor	Includes all salaries and wages for maintenance team (2.5 persons)
Maintenance Benefits	Includes all benefits for maintenance team (2.5 persons)
Materials	A total of all purchases related to upkeep and maintenance of properties owned by TCHC.
Contract / CFP Costs	A total of all contract maintenance and upkeep costs by third party suppliers on properties owned by TCHC.
TOTAL ORDINARY MAINTENANCE	A total of all ordinary maintenance and building operation expenditures.
<u>GENERAL EXPENSE</u>	
Insurance	A total of all insurance monies paid by TCHC related to all operations.
Payment in Lieu of Taxes	Amount of property taxes paid to the City of Traverse City - adjusted by PILOT ordinance.
Collection Losses	A total amount of losses from rents when residents vacate units owing monies.
Interest Expense / Other	Misc.
TOTAL GENERAL EXPENSE	A total of all general expense expenditures.
<u>EXTRAORDINARY / CASUALTY*</u>	
	A total of unexpected and unbudgeted items plus expenses reimbursed from insurance proceeds.
TOTAL OPERATING EXPENSES	A grand total of all expenses.
NET OPERATING INCOME (LOSS)	This amount reflects total income over total expenses.
<u>PROPERTY IMPROVEMENTS/EQUIP*</u>	
	A total of all property and equipment purchased above \$1,500 capitalization threshold - plus all appliances.
	This category utilizes prior year(s) receipts of funding.
RESIDUAL RECEIPTS (DEFICIT)*	Final amounts to be determined by accountants.

* Accountant Reviewed

**TCHC MONTHLY CASH POSITION REPORT
END OF DECEMBER 2016**

PUBLIC HOUSING

Chemical Bank	Checking	\$	99,431.15	
4Front Credit Union	Savings	\$	6,601.52	
TC State Bank	520011210	\$	161,990.68	
TC State Bank	1051647	\$	42,456.42	
First Merit Bank	53691	\$	162,590.63	
TC State Bank	4535723359	\$	75,531.79	
Chemical Bank	ICS Acct	\$	25,202.87	
Chemical Bank	1075909	\$	17,571.14	
Chemical Bank	9426	\$	100,374.28	
First Merit Bank	4532078534	\$	26,844.08	
4Front Credit Union	CD 16525-S100	\$	31,009.93	Certificate of Deposit
Chemical Bank	CD 806592	\$	51,464.11	Certificate of Deposit
SUB TOTAL		\$	801,068.60	

HOUSING CHOICE VOUCHER

Chemical Bank	Checking	\$	248,743.44	
Chase Bank	135080088317	\$	50,102.86	Escrow Account
SUB TOTAL		\$	298,846.30	

OTHER

HUD Held Reserves*		\$	554,397.00	Restricted
SUB TOTAL		\$	554,397.00	
TOTAL Cash & Cash Equivalents		\$	1,654,311.90	

* as of June 30, 2015

Current as of 1/25/2017

TCHC Policy Review Schedule

POLICY	First Adopted	Previous Review(s)	Scheduled Review	Update Complete
TCHC By-Laws				
ACOP (Admission & Continued Occupancy Policy)	October 19, 2004	June 17, 2014	May/June 2016	June 24, 2016
ADMIN (Administrative Plan HCV)				
Anti-Bullying & Hostile Environment Harassment Policy	?	September 20, 2005	TBD	
Asset / Physical Plant Management Addendum	January 1, 2005	Annual	March 2016	March 25, 2016
Capitalization Policy	NEW	NA	February 2017	On-Going
Certificate of Deposit Signatories Authorization Policy	January 22, 2016	NA	NA	January 22, 2016
Check Signing Policy	Unknown	Unknown	TBD	
Civil Rights Policy	Unknown	Unknown	TBD	
Community Room Policy	Unknown	Unknown	TBD	
Community Service Policy	September 11, 1996	None	TBD	
Credit Card Policy	February 2006	November 5, 2012	March 2016	March 25, 2016
Deceased Resident Policy	Unknown	Unknown	TBD	
Disposition Policy	October 20, 2015	NA	NA	October 20, 2015
Document Retention Policy	April 5, 1988	March 21, 2006	April 2016	April 22, 2016
Doubtful Account Write-Off Policy	June 25, 1985	Unknown	TBD	
EIV Policy	Unknown	Unknown	TBD	
Emergency Closing Policy	March 18, 2001	July 30, 2012	January 2017	
Equal Housing Opportunity Plan	Unknown	Unknown	TBD	
Family Self Sufficiency Action Plan	April 18, 2006	July 30, 2012	February 2016	February 26, 2016
Freedom of Information Policy	March 8, 1990	None	TBD	
Grievance Policy	August 31, 1998	January 1, 2013	September 2016	September 23, 2016
Hazard Communication Policy	June 16, 2015	NA	NA	June 16, 2015
Inventory Policy	Unknown	Unknown	TBD	
Investment Policy	Unknown	Unknown	TBD	
Key (Master) Policy	June 25, 1985	Unknown	August 2016	August 26, 2016
Maintenance Policy	July 18, 2006	Unknown	TBD	
Pet Policy	Unknown	July 15, 2008	April 2016	April 22, 2016
Petty Cash Policy	April 20, 2010	Unknown	TBD	
	Unknown	August 21, 2012	October 2016	October 28, 2016
	Unknown	Unknown	TBD	

TCHC Policy Review Schedule

Personnel Policy / Employee Handbook	Unknown	May 21, 2014	January 2017	On-Going
Pest Control Policy	Unknown	Unknown	TBD	
Procurement Policy	May 1, 1990	Unknown	TBD	
Public Housing Maintenance Plan	Unknown	Unknown	TBD	
Reasonable Accommodation	Unknown	Unknown	TBD	
Rent Collection Policy	April 5, 1988	None	February 2017	
Safety & Evacuation Policy	Unknown	Unknown	TBD	
Schedule of Excess Utility Charges Policy	February 14, 1989	None	February 2017	
Schedule of Maintenance/Repair Charges Policy	April 7, 1992	None	TBD	
Sexual Harassment Policy	September 11, 1996	None	TBD	
Smoking Policy	Unknown	Unknown	TBD	
Social Security Number Privacy Policy	January 22, 2016	NA	NA	January 22, 2016
Transfer Policy	Unknown	Unknown	TBD	
Travel Policy	Unknown	Unknown	TBD	
Tresspass Policy	Unknown	Unknown	TBD	
Vehicle Policy	Unknown	Unknown	February 2017	
Social Media Policy	NEW	NA	August 2016	August 26, 2016



Traverse City Housing Commission
A Public Housing Authority

NEW BUSINESS

Strategic Planning Update: Summary & 2017 Work Plan


Architectural Services RFQ Results

Doubtful Accounts Policy

TRAVERSE CITY HOUSING COMMISSION

150 PINE STREET | TRAVERSE CITY | MICHIGAN | 49684

MEMORANDUM

DATE: January 27, 2017
TO: All Commissioners of the Traverse City Housing Commission
FROM: Tony Lentych, Executive Director 
SUBJECT: Strategic Plan & Annual Work Plan Update

MESSAGE:

After our Special Meeting on Strategic Planning of December 16, 2016, TCHC staff and its consultant spent considerable time reviewing the notes of your conversations on how we want to spend our time during 2017. The results are attached.

Not only do we have a summary of the conversation from the meeting in December, we have a final draft of a 2017 Work Plan. Please review and be prepared to discuss this work plan so that it accurately represents your expectations for the work to be accomplished in 2017. Additional goals are still welcome.

ATTACHMENTS: Summary of December 16, 2016 Meeting & Proposed Annual Work Plan

TCHC December Strategic Planning 2016 Meeting

Introduction & Background

On December 16, 2016, the Traverse City Housing Commission (TCHC) held a Study Session to review its Strategic Plan and to develop a work plan and goals for the 2017 Calendar year. The meeting was held in the Riverview Terrace Community Room and was well attended by residents and leadership of the Riverview Terrace Resident's Council. Once again, Pam Evans from the NorthSky Nonprofit Network served as our facilitator.

The session began with a brief review of the Five-Year Strategic Plan adopted in 2015:

Mission: Because we know that housing is a cornerstone of a stable life, and that the lack of truly affordable housing in our region is at critical levels, the Traverse City Housing Commission exists to provide, quality affordable housing options that enhance our residents' opportunities for self-sufficiency and economic independence. We accomplish this mission by creating housing, partnering to create housing, or through the successful management of existing housing.

Strategic Vision for 2020: Our vision is to play a leadership role in expanding the range of housing options in the region including rentals and home ownership. Our TCHC housing inventory will be larger and will set a competitive standard for quality and affordability in a fiscally responsible way. We will be viewed as a champion of affordable housing. We will have strong partnerships in the private, public, and nonprofit housing sectors and our products and services will be recognized as successful models. The community will understand our role, value our work, and see the results of our efforts through an expanded housing inventory and program delivery system.

Strategic Goals:

1. Expand affordable housing inventory and range of options.
2. Create opportunities for residents to improve quality of life and achieve individual successes.
3. Foster an environment of innovation and excellence.
4. Increase community engagement and understanding of our work.

The majority of the planning session was spent reviewing the work plans of 2016 and developing work plans for 2017.

Accomplishments

- Staffing model and roles – job descriptions; performance reviews; policies review and updates underway
- Navigated staff turnovers and transitions; a staffing model for the future is in place
- Good start on communication plan and process; needs to be continued
- Public is more aware of who we are with positive and negative debates but potentially has brought unity and a more educated public
- Found some possible properties

TCHC December Strategic Planning 2016 Meeting

- Residents have established a better platform for communicating and stating their views
- Moved forward in collaborating with other nonprofits and like-minded individuals about issues and need
- One page financial report- budget report- very helpful
- Structure of board – more effective and the inclusion of a city commissioner helpful
- Demonstrated we're a capable partner(Goodwill project)
- Policy work that has been accomplished
- TCHC has been included in majority of housing discussions in the city and around the county/region
- Staff has brought us more state visibility; we have more of a voice at the state level
- Physical appearance and landscaping is great

Challenges

- Environment for affordable housing went negative for a while and it will be for a while; we talk about it a lot but hard to make it happen)
- Strong leadership at the city and business level but still some builders are challenged and the public is not always supportive
- What we build needs to make sense to the community but making sense to the community doesn't always meet the requirements of funding sources
- Public sentiment; financial realities and government requirements are three big sectors we need to influence
- We're not unique- similar issues across counties; country
- It's the cost of building in this county just doesn't work. We can't satisfy demand for lower rent; we can't build in TC. We can only be outside city unless government says they'll fund it/ subsidize it. We need to change the financial paradigm (it's not 100% public will or intent- it's financial barriers)
- Need personnel manual/policy manual; there's still work to do in transitioning to a professionally managed organization; continuous quality improvement process

Priorities – 2017

1. Continue transitioning to a professional organization; continuous quality improvement process.
 - Complete policy manual (Lentych responsible plus contract help from City of Traverse City HR Department):
 - Systematic review completed
 - Paid time off policy
 - Harassment policy
 - Procurement policy
 - Monthly report

TCHC December Strategic Planning 2016 Meeting

2. Build something! Establish more partnerships so that either we build on our own or we partner with other organizations to build... continue to advocate for others to build affordable housing (Lentych is responsible):
 - Work on changing building “rules”/ barriers; look outside city
 - Exploit “gap” funding that will be available through next 24 months through state
 - Be prepared to exploit any “wedge” that might open through HUD changes
 - To move fast on housing:
 - Continually evaluate funding opportunities
 - Continually evaluate property options
 - Does it meet our mission / how do we pursue?
 - Be ready as an organization so that we can respond to some of the many housing opportunities, including the preservation of existing affordable housing, that come to our attention; prepare to be the hub for housing in Grand Traverse region:
 - ✓ Staff should review opportunities and present the Commission with best options.
 - ✓ Explore all barriers to enhancing/expanding Orchardview and Riverview Terrace.
 - ✓ Respond as necessary to all opportunities and continue to exploit changes in funding from the State or from HUD;
 - ✓ Build with or without partners but continue to explore all opportunities to create dynamic partnerships.
3. Continue to strengthen the relationship between TCHC Commissioners and TCHC Operations Staff (Lentych is responsible):
 - Internal Communication options:
 - Improve Executive Director Monthly Report; add Gantt chart
 - Add more study sessions per year to examine in-depth programs, projects, and partnerships.
4. Continue to strengthen public outreach, education and communication.
 - Improve Communication Plan (Communications Committee is lead; contract help if needed):
 - Improve website
 - Produce an “Annual Report” for the Community:
 - ✓ Report on increased inventory
 - ✓ Report on partnerships
 - ✓ Tell the story!

TCHC December Strategic Planning 2016 Meeting

Measures of Success

- Affordable housing inventory has increased in region; whether we facilitated or built it ourselves; it hasn't decreased; while in progress or completed our work could result in 50 new units.
- Our two current properties are well-managed and cared for; everything is legal and compliant:
 - Develop checklist and/or feedback form
- Internal Operations are well-managed.

Annual Work Plan 2017



Traverse City Housing Commission
A Public Housing Authority

STRATEGIC GOAL 1: Expand affordable housing inventory and range of options.

STRATEGIES	TIMING	LEAD	MEASURE OF SUCCESS	STATUS
Get building projects underway either through developing something on our own (on our own property); partnering or facilitating building by another organization or contractor.	By 12-31-2017	Executive Director; Commission	An increase in affordable housing inventory is underway whether we facilitated or built it ourselves.	
Continue to work on changing public policy and barriers to building.	Continuing	Executive Director		
Track and be prepared to act on state "gap" funding that will be available through next 24 months through the state of Michigan	Continuing	Executive Director		
Track and be prepared to act on any opportunities that emerge through HUD changes	Continuing	Staff		
Prepare TCHC to respond to any and all housing project and/or partnership opportunities that come to us in a professional and efficient manner.	Continuing	Executive Director		
Remove barriers to improving / expanding Orchardview and Riverview Terrace.	2 nd Quarter	Commission & Legal Team		
Executive Director to vet opportunities and bring strong opportunities to the Commission.	Continuing	Executive Director		

STRATEGIC GOAL 2: Create opportunities for our residents to improve their quality of life and achieve individual success.

STRATEGIES	TIMING	LEAD	MEASURE OF SUCCESS	STATUS
Identify program and service needs and determine what TCHC will develop and deliver and what program and services needs community partners will deliver.	1 st Quarter	Staff	Properties are well-managed and cared for, compliant.	
Participate in key community coalitions and collaborations that are focused on strengthening programs / services and referral relationships.	Continuing	Staff	Residents are satisfied with residence and available programs.	
Evaluate programs on a regular basis; refine as needed and continue to deliver high quality programs that meet quality standards.	Continuing	Staff		

STRATEGIC GOAL 3: Foster an environment of innovation and excellence.

STRATEGIES	TIMING	LEAD	MEASURE OF SUCCESS	STATUS
Conduct a review of all TCHC policies to revise, improve, and augment as needed; complete paid time off policy, procurement policy and harassment policy.	By 12-31-2017	Staff	Operations are well-managed and compliant.	Started
Refine the Executive Director communication and updates to board by continuing weekly email blasts and refining format for the monthly report.	1 st Quarter	Executive Director	Properties are well-managed and cared for, compliant.	
Conduct three board study sessions per year for open time to dig deeper into specific opportunities/ challenges.	One per Quarter	Commission		
Support staff by monitoring staff satisfaction and identifying opportunities to invest in them.	Implement by 3 rd Quarter	Executive Director		


Strategic Goal 4: Increase community engagement in, and understanding of, our work.

STRATEGIES	TIMING	LEAD	MEASURE OF SUCCESS	STATUS
Continue to implement communication plan to share our vision, our plan and to report on our progress; evaluate and refine strategies on an ongoing basis.	Continuing	Communications & Outreach Committee	Community awareness of TCHC increases as measured by website hits, contacts to the office for assistance with building projects.	
Create a “next generation” website that serves to educate, inspire and engage the public.	2 nd Quarter	Staff		
Improve our annual report to community by telling the story of the need in our community and lives we've change; promote increased housing inventory and partnerships.	1 st Quarter	Communications & Outreach Committee		

TRAVERSE CITY HOUSING COMMISSION

150 PINE STREET | TRAVERSE CITY | MICHIGAN | 49684

MEMORANDUM

DATE: January 27, 2017
TO: All Commissioners of the Traverse City Housing Commission
FROM: Tony Lentych, Executive Director 
SUBJECT: Request for Qualifications for Architectural & Engineering Services

MESSAGE:

With the expiration of our previous professional services contract for architectural and engineering services, the Traverse City Housing Commission decided to conduct a Request for Qualifications (RFQ) for professional "Architectural and Engineering Services" during the 4th Quarter of 2016. The RFQ was advertised in the Record Eagle on December 9th and on December 12th, 2016. The RFQ was also posted on our website, where it remains. Additionally, TCHC e-mailed the RFQ to all interested parties that had contacted staff within the last year.

A pre-bid conference call was scheduled for December 19, 2016 and was attended by representatives from Alliance Architects and MC Smith Associates & Architectural Group. A representative from Gourdie-Fraser also sent an e-mail of interest to the Executive Director, Tony Lentych. Due to the nature of the questions received during the conference call, an addendum to the RFQ was published on December 21, 2016. This provided clarification and guidance to all respondents on how to calculate hourly rates.

Sealed proposals were due on or before 4:00 PM December 29, 2016 and four (4) proposals were received: Alliance Architects, Forum Architects, LLC, Gourdie-Fraser, Inc., and MC Smith Associates and Architectural Group, Inc.

A public opening was scheduled for December 29, 2016 at 4:15 PM with no firms present. The evaluation criteria was outlined in the RFQ and the staff scored results are as follows:

Alliance Architects	94/100
MC Smith Associates & Architectural Group	89/100
Forum Architects, LLC	85/100
Gourdie-Fraser, Inc.	62/100

Attached is the breakout of the scoring criteria. We request a motion that approves the process of selecting of Alliance Architects of South Bend, Indiana for architectural and engineering services for a three-year term.

ATTACHMENTS: Scoring Criteria & Final Scores


TCHC Request for Qualifications for Architectural & Engineering Services

Evaluation Criteria	Alliance	MC Smith	Forum	Gourdie-Fraser
Housing Authority Experience: Respondent's experience providing A/E services to PHAs. (20 Possible Points)	18	18	15	12
Qualifications: Degree to which Respondent possesses the requisite qualifications to successfully perform the scope of services. (20 Possible Points)	20	20	20	10
Past Performance: Respondent's previous performance providing A/E services in terms of cost control, quality and thoroughness of work, compliance with schedules and timeliness of response. (20 Possible Points)	18	15	18	18
Familiarity with Regulations: Respondent's familiarity with Federal, State and Local regulations, including HUD regulations, as they relate to the projects identified in this proposal. (10 Possible Points)	10	10	10	5
Capability: Respondent's capabilities to provide A/E services within the time limits described herein considering Respondent's current and planned work. (10 Possible Points)	10	8	7	5
Reasonableness of fee: The reasonableness for the Respondent's fee proposal. (20 Possible Points)	18	18	15	12
Totals	94	89	85	62

TRAVERSE CITY HOUSING COMMISSION

150 PINE STREET | TRAVERSE CITY | MICHIGAN | 49684

MEMORANDUM

DATE: January 27, 2017
TO: All Commissioners of the Traverse City Housing Commission
FROM: Tony Lentych, Executive Director 
SUBJECT: Doubtful Account Policy Review

MESSAGE:

Attached you will find our Doubtful Account Policy which addresses how we identify and manage bad debt or doubtful accounts. We have reviewed the previous policies dating back to its initial adoption in 2001 and have made some clarifications and improvements.

TCHC staff, therefore, recommends adoption of the following:

RESOLUTION TO ADOPT THE DOUBTFUL ACCOUNT POLICY

January 27, 2017

WHEREAS, the Traverse City Housing Commission has made it a priority to review and update all policies and plans that govern all of its operations; and

WHEREAS, the Commission had previously adopted a version of the Doubtful Account Policy and was generally following all aspects of its written policy; and

WHEREAS, the Commission instructed staff to make any and all appropriate changes to all policies in order to improve the on-going operations of the housing commission; and

WHEREAS, the Commission has reviewed the proposed changes made to the Doubtful Policy; and

WHEREAS, the Commission concurs in the recommendations of the Executive Director and staff.

NOW, THEREFORE, BE IT RESOLVED by the Traverse City Housing Commission as follows:

The Doubtful Account Policy is hereby adopted as presented by the Traverse City Housing Commission with immediate effect.

Traverse City Housing Commission

Doubtful Account Policy

1. **Purpose.** In order to comply with the requirements of Generally Accepted Accounting Principles, and in an effort to establish policies and procedures that guide the way we manage our debts, the Traverse City Housing Commission is establishing this Policy on Doubtful Accounts.
2. **Definition.** A “doubtful account” is the account of a tenant who has the one of the following characteristics:
 - 1) Is deceased and has no family, guardian, or conservator to assume the debt;
 - 2) Has not responded to any formal notification of debt owed after terminating a lease;
 - 3) Has negotiated a re-payment plan but has not submitted any payment on the account for 60 days. Doubtful accounts are considered un-collectible and will be maintained by staff and reviewed on a quarterly basis.
3. **Procedure.** When a tenant terminates the lease and leaves with a balance which exceeds the amount of the security deposit, the Housing Commission will take one or more of the following steps prior to removing the account from the financial statements:
 - 1) After applying the security deposit to any amount owed, a “Notice to Tenant after Termination of Tenancy” will be forwarded to the former tenant which indicates any remaining balance owed and providing 21 days to pay the balance in full or enter into a repayment agreement.
 - 2) On or about the 22nd day after the Notice to Tenant after Termination of Tenancy was forwarded, if no contact has been made by the former tenant, the Traverse City Housing Commission may refer the account to a collection agency for further action.
 - 3) On or about the 22nd day after the Notice to Tenant after Termination of Tenancy was forwarded, the Traverse City Housing Commission shall enter the amount owed into the Enterprise Income Verification (EIV) system on the US Department of Housing and Urban Development On-line System.

NOTE: Deceased residents will have their debts owed entered immediately once the death is a matter of public record by way of a death certificate filed with the County Clerk or publication of a death notice or obituary.

- 4) All doubtful accounts shall be reviewed by the Traverse City Housing Commission on **an annual basis** prior to such accounts being removed from financial statements and/or classified as uncollectible debt.

Adopted: March 18, 2001

Revised: June 21, 2005

Revised: July 30, 2012

Proposed: January 27, 2017



Traverse City Housing Commission
A Public Housing Authority

CORRESPONDENCE

December 14, 2017 Smith & Klaczkiwicz Letter to TCHC on Fiscal Year 2016 Annual Audit

December 28, 2016 HUD Response Letter to Audit

January 4, 2017 TCHC Response Letter to HUD

PHADA/NARHRO v. HUD U.S. Federal Claims Court Ruling of January 18, 2017



SMITH & KLACZKIEWICZ, PC
CERTIFIED PUBLIC ACCOUNTANTS

THOMAS J. SMITH, CPA
(989)751-1167

ROBERT R. KLACZKIEWICZ, CPA
(989)751-3064

A VETERAN OWNED BUSINESS

December 14, 2016

To the Board of Commissioners
Traverse City Housing Commission

We have audited the financial statements of the business-type activities of the **Traverse City Housing Commission** for the year ended June 30, 2016. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 30, 2016. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the **Traverse City Housing Commission** are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2016. We noted no transactions entered into by the **Traverse City Housing Commission** during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the **Traverse City Housing Commission's** financial statements were:

Management's estimate of the useful lives of depreciable assets is based on the length of time it is believed that those assets will provide some economic benefit in the future. We evaluated the key factors and assumptions used to develop the useful lives of those assets in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimate of the accrued compensated absences is based on current vested hours in employee banks, current hourly rates and policies regarding payment of accrued compensated absences upon separation from employment. We evaluated the key factors and assumptions used to develop the estimate in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 14, 2016.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the **Traverse City Housing Commission's** financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the **Traverse City Housing Commission's** auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the management's discussion and analysis, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the financial data schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Board of Commissioners and management of the *Traverse City Housing Commission* and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Smith + Klayhewig PC

Saginaw, Michigan



U.S. Department of Housing and Urban Development

Detroit Field Office
Office of Public Housing
Patrick V. McNamara Federal Building
477 Michigan Avenue, Room 1710
Detroit, MI 48226-2592
Tel. (313) 226-7900 FAX (313) 226-6160

DEC 28 2016

Anthony Lentych
Executive Director
Traverse City Housing Commission
150 Pine Street
Traverse City, MI 49684

Dear Mr. Lentych:

While reviewing the Traverse City Housing Commission's Unaudited/A-133 Financial Data Schedule for the fiscal year ending 6/30/2015, we noted recorded Due To/Due From amounts on the balance sheet, Financial Data Schedule (FDS) lines 144 and 347.

FDS Line	HCV	Project Total
144 Due From	\$22,975.00	
347 Due To	\$0.00	
111 Cash Unrestricted		

HUD guidance in REAC Accounting Brief #14 (August 2011) explains that Due To/Due From relationships should not be reported as a result of a PHA using a common checking or working capital account. Resources from one program cannot be used to support the costs of another program, even on a short-term temporary basis.

HUD does allow PHAs to use a common checking account. **However, for FDS reporting, the cash balances must be reconciled and the amounts reported in the FDS should reflect the actual share of cash of that program as if no common checking or working capital account existed.** If this results in a program(s) having a negative cash balance, the PHA would then report a Due To/Due From transaction for this amount (negative). The use of a Due To/Due From between programs signifies to HUD that in fact one program has used resources to cover the costs of another program, which could represent ineligible expenditures. Generally, there should be **no** Due To/Due From balances reported on the FDS.

Most importantly, the use of restricted funds, such as HCV Budget Authority – which is limited to use for housing assistance payments – is a serious violation of program requirements contained in your Annual Contributions Contract, in HUD's regulations and notice requirements. HUD may impose sanctions for violating these requirements including financial penalties and reduction of the PHA's SEMAP performance designation.

Please respond within 30 days from the date of this letter with an explanation and the current status of funds owed to/from the HCV program.

If you have any questions, please feel free to contact Arlene Golden, Financial Analyst, at 313-234-7465.

Sincerely,

A handwritten signature in black ink, appearing to read "Douglas C. Gordon". The signature is stylized with large, flowing loops and a prominent "D" at the beginning.

Douglas C. Gordon
Director, Office of Public Housing



January 4, 2017

Mr. Douglas C. Gordon
Director, Office of Public Housing
Department of Housing & Urban Development
Detroit Field Office, Public & Indian Housing
477 Michigan Ave, Detroit, Michigan 48226

Dear Mr. Gordon:

This letter is an official response to your letter of December 28, 2016 regarding your review of our Unaudited/A-133 Financial Data Schedule for the fiscal year ending June 30, 2015. It is my hope that what follows is an appropriate answer to the questions raised in your letter.

After consulting with our accountant and our auditor, we do not believe there is an issue like the one addressed in your letter. The majority of HCV expenses are paid for out of the PH checking account, however HCV reimburses PH on a monthly basis. HCV program restricted funds have not been compromised. The due-to/due-From affects the Unrestricted Net Position, while the Restricted (HAP Budget Authority) remains funded on the report. The 2015 audited submission was corrected to remove the due-to/due-from and adjust cash accordingly.

Please contact me directly should this not be enough of an explanation for this issue.

Respectfully,

A handwritten signature in blue ink, which appears to read "Tony Lentych".

Tony Lentych,
Executive Director

cc: Commissioners of the Traverse City Housing Commission

In the United States Court of Federal Claims

Nos. 13-0006C, 13-6000C thru 13-6356C (Consolidated)

(Filed: January 18, 2017)

PUBLIC HOUSING AUTHORITIES)	Keywords: Breach of Contract; <u>United</u>
DIRECTORS ASSOCIATION, et al.)	<u>States v. Winstar Corp.</u> ; Incorporation
)	by Reference; Funds Subject to
Plaintiffs,)	Availability; 24 C.F.R. § 990.210(c).
)	
v.)	
)	
THE UNITED STATES OF AMERICA,)	
)	
Defendant.)	
)	

Carl A.S. Coan, III, Coan & Lyons, Washington, DC, for Plaintiffs. *Raymond K. James*, Coan & Lyons, Of Counsel.

Eric J. Singley, Trial Counsel, Commercial Litigation Branch, Civil Division, U.S. Department of Justice, Washington, DC, with whom were *Steven J. Gillingham*, Assistant Director, *Robert E. Kirschman, Jr.*, Director, and *Benjamin C. Mizer*, Principal Deputy Assistant Attorney General, for Defendant.

OPINION AND ORDER

KAPLAN, Judge.

Plaintiffs in these consolidated cases are over three hundred public housing authorities (PHAs) that have entered into Annual Contributions Contracts (ACCs) with the Department of Housing and Urban Development (HUD), as well as two national PHA trade associations. 1st Am. Compl. (Am. Compl.) ¶ 2, ECF No. 8. They allege, among other things, that HUD breached the ACCs in 2012 when it did not comply with the rules set forth at Title 24 of the Code of Federal Regulations that govern the allocation of operating subsidies when funds are not available to pay them in full. *Id.* ¶¶ 101–05. Plaintiffs request an aggregate amount of \$135,836,467 in compensatory damages as well as the costs and expenses of bringing this action. *Id.* at 60.

Currently pending before the Court are: 1) the government’s motion to dismiss the complaints of the two PHA trade associations and sixteen of the individual PHA plaintiffs for lack of standing; and 2) the parties’ cross-motions for partial summary judgment as to Count I of the amended complaint. For the reasons set forth below: 1) the government’s motion to dismiss is **GRANTED-IN-PART** and **DENIED-IN-PART**; 2) the plaintiffs’ motion for partial summary judgment is **GRANTED**; and 3) the government’s motion for partial summary judgment is **DENIED**.

BACKGROUND¹

I. Statutory and Regulatory Framework

The federal public housing program, authorized by the United States Housing Act of 1937, 42 U.S.C. §§ 1437–40, exists “to assist States and political subdivisions of States to remedy the unsafe housing conditions and the acute shortage of decent and safe dwellings for low-income families” and “to address the shortage of housing affordable to low-income families.” 42 U.S.C. § 1437(a)(1).

The federal government does not own, manage, or maintain public housing; rather, the statute vests the responsibility for program administration in public housing authorities, *see id.* § 1437a(a)(1)(C), defined as “State, county, municipality, or other governmental entit[ies] or public bod[ies] . . . authorized to engage in or assist in the development or operation of public housing,” *id.* § 1437a(b)(6)(A). Pursuant to statute, HUD “may make annual contributions to public housing agencies to assist in achieving and maintaining the lower income character of their projects.” *Id.* § 1437c(a)(1). To that end, Congress has established two sources of funds: (1) the capital fund, which provides funds “to carry out capital and management activities,” *id.* § 1437g(d); and (2) the operating fund, which supplies funding “for the operation and management of public housing,” *id.* § 1437g(e). Plaintiffs’ claims in this case involve disbursements from the operating fund.

Congress has specified that HUD must “establish a formula for determining the amount of assistance provided to public housing agencies from the Operating Fund for [each] fiscal year.” *Id.* § 1437g(e)(2)(A). The formula may take into account a number of factors, including, among others, costs of operations; the number of public housing dwelling units owned, assisted, or operated by the public housing agency; and “any other factors that the Secretary determines to be appropriate.” *Id.* § 1437g(e)(2)(A)(i)-(iii), (vii).

HUD has implemented this statutory authority through regulations codified at 24 C.F.R. Part 990. These regulations define an “operating subsidy” as “the amount of annual contributions for operations a PHA receives each funding period under section 9 of the 1937 Act as determined by the Operating Fund Formula.” 24 C.F.R. § 990.115. Under the Operating Fund Formula set forth in the regulations, PHAs are eligible for an operating subsidy (or annual contribution) equal to “the difference between formula expense and formula income.” *Id.* § 990.110(a)(2); *see also id.* § 990.200. Formula income consists of an estimate of a PHA’s non-operating-subsidy revenue, which is calculated by dividing the amount of rent charged to tenants by the respective months the

¹ The facts set forth in this section are not in dispute and are based on the parties’ pleadings and the exhibits that they submitted in support of their cross-motions for summary judgment.

property was leased. Id. § 990.195(a) (2005).² Formula expense is an estimate of a PHA's operating expenses, determined by adding together (1) the PHA's project expense level (PEL), which represents the normal expenses of operating public housing projects (such as costs of administration, management, and leasing, see id. at § 990.165(a)); (2) its utility expense level (UEL); and (3) several other formula expenses (or "add-ons"). Id. § 990.110(a)(3).

Further, the regulations contain a provision for adjusting the amount of each PHA's operating subsidy payment in circumstances where Congress fails to appropriate sufficient funds to pay the aggregate amount due to PHAs under the Operating Fund Formula. That provision, 24 C.F.R. § 990.210(c), states that "[i]n the event that insufficient funds are available, HUD shall have discretion to revise, on a pro rata basis, the amounts of operating subsidy to be paid to PHAs." Id.; see also id. § 990.110(b)(3) (stating that the payment of operating subsidies "will be limited to the availability of funds as described in § 990.210(c)").³

II. The Annual Contributions Contracts

The Housing Act requires that "the provisions for [] annual contributions" made to PHAs be embodied "in a contract guaranteeing their payment." 42 U.S.C. § 1437c(a)(1); see also 24 C.F.R. § 990.115 (defining an ACC as "a contract prescribed by HUD for loans and contributions, which may be in the form of [an] operating subsidy, whereby HUD agrees to provide financial assistance and the PHA agrees to comply with HUD requirements for the development and operation of its public housing projects"). Accordingly, each of the PHA plaintiffs in this case is a party to an ACC with HUD that

² This regulation was amended in 2016, but the amendment has no effect on the outcome of this case.

³ This version of 24 C.F.R. § 990.210(c) was issued in 2005. Before 2005, if Congress failed to appropriate sufficient funds to cover the aggregate amount of operating subsidies for which all PHAs were eligible, HUD's regulations gave it "complete discretion to revise, on a pro rata basis or other basis," the amount of operating subsidy to be paid to PHAs. See Allocation of Operating Subsidies Under the Operating Fund Formula, 66 Fed. Reg. 17276, 17297 (Mar. 29, 2001). On May 11, 2005, during the negotiated rulemaking process that is mandated by 42 U.S.C. § 1437g(f), HUD and the stakeholders who were members of the negotiated rulemaking committee reached consensus to cabin HUD's discretion so that its only option in the event of a budget shortfall was to reduce operating subsidies on a prorated basis. See Pls.' Mot. for Summ. J. (Pls.' Mot.) App. at A49–51. HUD incorporated this change into its proposed and final rules. See Revisions to the Public Housing Operating Fund Program, 70 Fed. Reg. 19858, 19871 (Apr. 14, 2005) (proposed rule); Revisions to the Public Housing Operating Fund Program, 70 Fed. Reg. 54984, 55004 (Sept. 19, 2005) (final rule).

outlines the terms and conditions pursuant to which they are entitled to receive operating subsidies.⁴

As pertinent to the issues presented in this case, the ACCs between the PHA Plaintiffs and HUD specify that the PHAs shall “develop and operate all projects covered by this ACC in compliance with . . . all applicable statutes, executive orders, and regulations issued by HUD, as they shall be amended from time to time.” Pls.’ Mot. App. at A65 § 5. In particular, the PHAs agree to comply with “those regulations promulgated by HUD at Title 24 of the Code of Federal Regulations, which are hereby incorporated into this ACC by reference as if fully set forth herein, and as such regulations shall be amended from time to time.” *Id.* The contracts further require HUD to provide annual contributions to the PHAs “in accordance with all applicable statutes, executive orders, regulations, and this ACC.” *Id.* at A64 § 3.

Section 11 of the ACCs sets forth the procedure by which PHAs must prepare their annual budgets and submit their requests for operating subsidies for the upcoming fiscal year. It requires PHAs to “submit a calculation of operating subsidy eligibility in the manner prescribed by HUD in regulations in Title 24 of the Code of Federal Regulations.” *Id.* at A67 § 11. The ACCs provide that “HUD shall review the calculation and, if correct, and subject to the availability of funds, take action within 45 days of submission to obligate the funds and approve a payment schedule,” subject to exceptions not relevant here. *Id.* HUD may also “revise or amend the subsidy calculation to bring it into conformity with regulatory requirements,” in which case the PHA “shall submit revised calculations in support of mandatory or other adjustments based on procedures and deadlines prescribed by HUD.” *Id.*

III. The 2012 Appropriations Act

Plaintiffs’ breach of contract claims in this case arise out of changes to the calculation and allocation of operating subsidies that HUD implemented for 2012 on the basis of the Consolidated and Further Continuing Appropriations Act [of] 2012 (2012 Appropriations Act), Pub. L. 112-55, 125 Stat. 552, 680.

The pertinent provisions of the 2012 Appropriations Act had their genesis in the President’s proposed budget for 2012. See Pls.’ Mot. App. at A54–55. Thus, the President’s proposal (which included a proposed appropriation of \$3,961,850,000 to HUD to pay operating subsidies in FY 2012) contained a proviso stating that “in determining [PHAs’] . . . calendar year 2012 funding allocations . . . the Secretary shall take into account PHAs’ excess operating reserves, as determined by the Secretary.” *Id.*

⁴ The current version of the standard ACC was issued by HUD in June 1995. See Dep’t of Housing and Urban Dev., Notice PIH 95-44 (June 23, 1995), https://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/notices/pih/95pihnotices. The ACC was written by HUD and its terms were not the subject of negotiation by the PHAs.

at A54. According to the proposal, the \$3,961,850,000 requested, when “coupled with \$1 billion from [PHAs’] operating reserves, will fund 100 percent of PHAs’ estimated eligibility for operating subsidies under the Operating Fund formula (\$4.962 billion).” Id.⁵

On September 26, 2011, in anticipation of Congress’s approval of the President’s proposal, HUD issued PIH Notice 2011-055, Public Housing Operating Subsidy Calculations for Calendar Year 2012 (PIH Notice). See Pls.’ Mot. App. at A75–78. That Notice provided public housing agencies with “instructions for operating subsidy calculation submissions in Calendar Year (CY) 2012 as funded from Federal Fiscal Year (FFY) 2012 appropriations.” Id. at A75.

In the PIH Notice, HUD announced that, consistent with the President’s proposal, after it determined the 2012 Operating Fund Formula eligibility for each PHA, it would make an allocation adjustment based on the PHA’s excess operating reserves—i.e., the amount of the PHA’s operating reserves above a specified “minimum level.” Id. at A76. The PIH Notice defined operating reserves to include unspent operating subsidies and tenant rents, based upon four prior financial submissions (June 30, 2010, September 30, 2010, December 31, 2010, and March 31, 2011). Id. at A76–77. And it defined the minimum level of reserves as four months of PHAs’ estimated formula operating expenses for most PHAs, and six months of estimated expenses for small PHAs. Id. at A76.

In November 2011, approximately two months after HUD issued the PIH Notice, the 2012 Appropriations Act was enacted. The relevant provision of the Act stated, in pertinent part, that it appropriated \$3,961,850,000, “[f]or 2012 payments to public housing agencies for the operation and management of public housing, as authorized by section 9(e) of the United States Housing Act of 1937 . . . [p]rovided, [t]hat in determining public housing agencies’ . . . calendar year 2012 funding allocations under this heading, the Secretary shall take into account public housing agencies’ excess operating fund reserves, as determined by the Secretary.” 125 Stat. at 680 (emphasis in original).

The Act thus adopted the President’s proposed budget amount for operating subsidies, as well as his proposal that the Secretary be given the authority to “offset [PHAs’] allocations of operating funds in fiscal year 2012 based on excess reserves they have available to meet their operating needs.” See Pls.’ Mot. App. at A57–58 (report by the Senate Committee on Appropriations regarding the 2012 Appropriations Act, S. Rep.

⁵ In the Administration’s view, many PHAs were “holding significant operating reserves accumulated primarily from prior-year appropriations for the Operating Fund program.” Pls.’ Mot. App. at A55. These reserves, according to the explanatory section in the President’s proposed budget, “represent cash available to PHAs for operating expenses and other eligible activities under the program.” Id. The President thus proposed “to reduce funding allocations to PHAs that have more than sufficient (i.e., excess) operating reserve levels.” Id.

No. 112-83 (2011)). In addition, Congress imposed certain restrictions on the amount of the offset, which were not included in the President's proposal, to ensure that no PHA would see its reserves reduced below \$100,000. 125 Stat. at 680. It also limited the aggregate amount of reserves that HUD could use as an offset to \$750 million, rather than the \$1 billion the President had proposed. Id.

HUD's implementation of the authority it was given under the 2012 Appropriations Act changed the methodology used for calculating the amount of operating subsidies to be paid to the PHAs. In prior years, pursuant to its regulations, HUD had reduced each PHA's operating subsidy payment by a uniform percentage that reflected the shortfall between the total amount Congress had appropriated and the total amount payable under the Operating Formula. Because of the changes HUD made to comply with the 2012 Act, however, the reduction of the PHAs' payments to account for the budget shortfall were not made on a pro rata basis.

The process HUD employed to implement the reduction was as follows. First, employing the Operating Formula set forth in its regulations to each PHA, HUD determined that the aggregate formula amount to which the PHAs were entitled was \$4,888,046,046. See id. at A17. Then, in accordance with the methodology set forth in the PIH Notice, it determined each PHA's excess operating reserves. The aggregate amount of excess operating reserves so determined was \$738,316,329. Id.; see also id. at A77. HUD then subtracted the aggregate amount of the PHAs' excess operating reserves (\$738,316,329) from the aggregate Operating Formula amount (\$4,888,046,046). Id. at A17. Finally, it took the difference (\$4,149,983,999) and compared it to the total amount Congress had appropriated for operating subsidies (\$3,961,850,000). Id. It then arrived at the percentage (94.97%) which would be used to adjust the amount of the PHAs' subsidy payments so that HUD would remain within the \$3,961,850,000 that Congress had appropriated to pay operating subsidies. Id.

With that analysis complete, HUD went on to determine the operating subsidy payment each individual PHA would receive. As in previous years, the starting point for this determination was each PHA's eligibility amount under the Operating Formula. See Def.'s Mot. to Dismiss and Cross-Mot. for Summ. J. (Def.'s Mot.) App. at 13. But unlike in previous years, HUD then made an "allocation adjustment" by offsetting each individual PHA's excess operating reserves against its Operating Formula eligibility amount. See id. Finally, HUD then multiplied the adjusted amount by 94.97% to determine the payment each PHA would actually receive (thus ensuring that HUD did not exceed the Congressional appropriation). See id.; see also Pls.' Opp'n to Def.'s Mot. to Dismiss and Cross-Mot. for Summ. J. (Pls.' Opp'n) App. at A18-21 (providing examples of the results of these calculations).

Because the amount of excess operating reserves varied from PHA to PHA, so did the percentage reduction in their Operating Formula eligibility amounts. PHAs without excess operating reserves received 94.97% of their formula eligibility amount while, according to Plaintiffs (Pls.' Mot. at 20), many PHAs experienced as much as a 100% reduction in their operating subsidies below the amount derived from application of the Operating Formula.

IV. These Actions

These actions were originally brought in a single complaint filed on behalf of 359 separate plaintiffs on January 3, 2013. ECF No. 1. An amended complaint was filed on March 1, 2013. ECF No. 8. Thereafter, by Order of July 3, 2013, the Court severed the claims of each of the 358 plaintiffs listed on the Amended Complaint after the Public Housing Authorities Directors Association; directed the Clerk to assign separate docket numbers to each claim; directed each plaintiff to pay the court's filing fee; and consolidated the now-severed cases for all purposes pursuant to Rule 42 of the Rules of the Court of Federal Claims (RCFC). ECF No. 15.

In Count I of the amended complaint, Plaintiffs alleged that HUD breached the ACCs in question because, by taking their excess reserves into account when determining their operating subsidy payments, HUD in fact reduced their operating subsidy payments on a non-pro rata basis, in conflict with the Title 24 regulations incorporated into the ACCs. *Id.* ¶¶ 88–106.⁶ Plaintiffs seek compensatory damages in the aggregate amount of at least \$135,836,467, as well as an award for the costs and expenses of bringing this action. *Id.* at 60.

On May 2, 2013, before any discovery had taken place, the government filed a motion for partial summary judgment as to Counts I and III of the amended complaint. ECF No. 10. On August 20, 2013, Judge Allegra, who was then presiding over the case, denied the government's motion for partial summary judgment as premature. *See* Order Denying Mot. for Partial Summ. J. (Aug. 20, 2013). On December 4, 2015, after a period of discovery, during which the case was transferred to the undersigned, Plaintiffs filed a motion for summary judgment as to Count I of their amended complaint. ECF No. 36. On February 12, 2016, the government in turn filed a cross-motion for summary judgment as to Count I as well as a motion to dismiss certain Plaintiffs whom the government claims lack standing to pursue their claims. ECF No. 41.

Oral argument was held on the cross-motions on July 20, 2016. After argument, the Court requested that the parties file supplemental briefs concerning the proper interpretation and application of § 11(A) of the ACCs, which states that HUD's duty to pay operating subsidies is "subject to the availability of funds." ECF No. 54. Supplemental briefing was completed on December 7, 2016. ECF Nos. 57, 64–65.

⁶ Counts II and III of the amended complaint are not before the Court on the cross-motions for partial summary judgment. In those Counts, Plaintiffs allege that HUD violated its regulations when, as a basis for reducing their operating subsidy payments, it considered their non-rental income as well as extra income they earned from the rental income incentive HUD provided them for the years 2007 through 2009. *See* Am. Compl. ¶¶ 107–20.

DISCUSSION

I. Jurisdiction

The Court of Federal Claims has jurisdiction under the Tucker Act to hear “any claim against the United States founded either upon the Constitution, or any Act of Congress or any regulation of an executive department, or upon any express or implied contract with the United States, or for liquidated or unliquidated damages in cases not sounding in tort.” 28 U.S.C. § 1491(a)(1) (2006). Claims for damages arising out of a breach of contract by the United States are squarely within the express terms of the Tucker Act.

The government contends, however, that the Court lacks jurisdiction over the claims of sixteen of the public housing agency plaintiffs, as well as the two PHA trade associations, because they lack standing. Def.’s Mot. to Dismiss at 8–9. Specifically, it argues that these sixteen PHA plaintiffs did not suffer any injury-in-fact because they did not have excess operating reserves and therefore were not subject to the offset about which they complain. *Id.* at 13. It further contends that because the two association plaintiffs were not parties to any contract with HUD, they also did not suffer any injury-in-fact. *Id.* at 9.

“Standing is a threshold jurisdictional issue that implicates Article III of the Constitution.” *First Annapolis Bancorp, Inc. v. United States*, 644 F.3d 1367, 1373 (Fed. Cir. 2011) (citing *Steel Co. v. Citizens for a Better Env’t*, 523 U.S. 83, 102 (1998)). Although this Court is an Article I court, it applies the same standing requirements as do Article III courts. See *Glass v. United States*, 258 F.3d 1349, 1355–56 (Fed. Cir.), amended on reh’g, 273 F.3d 1072 (Fed. Cir. 2001). To satisfy those requirements, “a plaintiff must show that (1) it suffered an injury-in-fact that is (2) fairly traceable to the challenged conduct of the defendant and (3) likely redressable by a favorable judicial decision.” *Salmon Spawning & Recovery All. v. U.S. Customs & Border Prot.*, 550 F.3d 1121, 1130 (Fed. Cir. 2008) (citing *Figueroa v. United States*, 466 F.3d 1023, 1029 (Fed. Cir. 2006)).

Plaintiffs do not dispute that thirteen of the sixteen PHA plaintiffs whose complaints the government seeks to dismiss were not subject to the offset and did not suffer any monetary damages from the alleged breach of the ACCs at issue in these cases.⁷ Pls.’ *Opp’n* at 8. Because these thirteen plaintiffs acknowledge that they did not

⁷ These thirteen plaintiffs are: Housing Authority of the City of Warner Robins (No. 13-6058); Housing Authority of the City of Slidell (No. 13-6115); Brunswick Housing Authority (No. 13-6121); Housing and Redevelopment Authority of Jackson, Minnesota (No. 13-6150); Washington County Housing and Redevelopment Authority (No. 13-6153); Housing Authority of the City of Joplin, Missouri (No. 13-6168); Housing Authority of the City of Raleigh (No. 13-6245); Housing Authority of the City of Greenville (No. 13-6244); Statesville Housing Authority (No. 13-6247); Rahway Housing Authority (No. 13-6214); East Orange Housing Authority (No. 13-6222); Akron

suffer any injury-in-fact as a result of the breach, they lack standing to bring an action for breach of contract and their complaints must be dismissed for lack of jurisdiction.⁸

Further, neither of the two PHA association plaintiffs was itself a party to an ACC. In order to sue the government on a contract claim, a plaintiff must be in privity with the United States. First Annapolis Bancorp, Inc., 644 F.3d at 1373 (citing Anderson v. United States, 344 F.3d 1343, 1351 (Fed. Cir. 2003)). “Not only is privity a fundamental requirement of contract law, but it takes on even greater significance in cases such as this, because the ‘government consents to be sued only by those with whom it has privity of contract.’” S. Cal. Fed. Sav. & Loan Ass’n v. United States, 422 F.3d 1319, 1328 (Fed. Cir. 2005) (quoting Erickson Air Crane Co. of Wash. v. United States, 731 F.2d 810, 813 (Fed. Cir. 1984)).

Plaintiffs argue nonetheless that while the two trade associations—the Public Housing Authorities Directors Association (PHADA) and the National Association of Housing and Redevelopment Officials (NAHRO)—may not have standing in their own right under Article III, they may sue on behalf of their members under principles of associational standing. Pls.’ Opp’n at 5. They observe that, in fact, 270 of the 355 public housing agency plaintiffs are members of the lead plaintiff, PHADA, and that “[t]he remaining 85 PHA Plaintiffs are either members only of NAHRO or not members of PHADA or NAHRO.” Id.

“To establish standing based upon harm to one or more of its members . . . an association must establish ‘(a) [that] its members would otherwise have standing to sue in their own right; (b) [that] the interests it seeks to protect are germane to the organization’s purpose; and (c) [that] neither the claim asserted nor the relief requested requires the participation of individual members in the lawsuit.’” Disabled Am. Veterans v. Gober, 234 F.3d 682, 689 (Fed. Cir. 2000) (quoting Hunt v. Wash. State Apple Advert. Comm’n, 432 U.S. 333, 343 (1977)). Leaving aside whether PHADA and NAHRO have met the first two criteria for establishing standing based on harm to their membership, they cannot meet the third prong of the Hunt test because the damages claims of their members require individualized proof. See United Food & Commercial Workers Union Local 751 v. Brown Grp., Inc., 517 U.S. 544, 554 (1996) (observing that Warth v. Seldin, 422 U.S. 490 (1975), and other precedents “have been understood to preclude

Metropolitan Housing Authority (No. 13-6263); and Chester Housing Authority (No. 13-6284). Def.’s Mot. at 8–9; Pls.’ Opp’n at 8.

⁸ Three of the plaintiffs challenge the government’s assertion that they did not have any excess operating reserves and therefore were not injured by the breach of contract that they allege. Pls.’ Opp’n at 8. In its reply brief, the government states that—to the extent that these plaintiffs can establish such damages, it will not contest jurisdiction. Def.’s Reply in Supp. of Def.’s Mot. to Dismiss and Cross-Mot. for Summ. J. (Def.’s Reply) at 2. The Court concludes that given this factual dispute, it would be improper to dismiss these three plaintiffs from the suit on the basis of the government’s current motion.

associational standing when an organization seeks damages on behalf of its members”). Accordingly, PHADA and NAHRO lack standing as associations to bring suit on behalf of their members.⁹

Finally, the Court is not persuaded by Plaintiffs’ citation of Bowsher v. Synar, 478 U.S. 714, 721 (1986) for the proposition that—given that the standing of the majority of the plaintiffs is clear—it should maintain jurisdiction over the complaints of the plaintiffs who lack standing. Pls.’ Opp’n at 6–7. In Bowsher, the Court chose not to address the difficult question of whether members of Congress had standing to challenge the constitutionality of the Balanced Budget Act, because at least one of the other plaintiffs in the case did possess standing. 478 U.S. at 721. The dismissal of the Congressional plaintiffs on standing grounds would have had no practical effect on the Supreme Court’s disposition of the case on the merits, and the Supreme Court’s decision would mark the end of the litigation. In this case, however, the standing issues are not difficult; indeed, Plaintiffs concede that the thirteen individual plaintiffs lack standing. Moreover, at this stage in the case, it serves the interests of judicial economy and efficiency to dismiss from these consolidated cases those complaints that are not within the Court’s jurisdiction.

For these reasons, the government’s motion to dismiss Nos. 13-6121, 13-6115, 13-6153, 13-6245, 13-6247, 13-6214, 13-6263, 13-6284, 13-6058, 13-6168, 13-6150, 13-6222, 13-6244, 13-0006, and 13-6000 is **GRANTED**.

II. Summary Judgment Standards

In accordance with RCFC 56(a), summary judgment may be granted “if the movant shows that there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law.” See Celotex Corp. v. Catrett, 477 U.S. 317, 322 (1986). A fact is material if it “might affect the outcome of the suit under the governing law.” Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 248 (1986). An issue is genuine if it “may reasonably be resolved in favor of either party.” Id. at 250.

The material facts in this case are not in dispute. Further, Plaintiffs’ breach of contract claims depend upon the resolution of questions of law—the interpretation of the ACCs and whether HUD breached the ACCs when it took operating reserves into consideration in determining Plaintiffs’ operating subsidies. Therefore, Plaintiffs’ breach of contract claims are appropriate for resolution by summary judgment. Gov’t Sys. Advisors, Inc. v. United States, 847 F.2d 811, 812 n.1 (Fed. Cir. 1988) (observing that

⁹ The fact that a number of the organizations’ members are also plaintiffs in this case does not establish—as Plaintiffs argue—that every member of the organizations that might claim an injury is a party to the suit and therefore can provide the individualized proof required to fashion an award of damages to the organizational plaintiffs on their behalves. See Pls.’ Opp’n at 6. And to the extent that the injured members of the organizations are also plaintiffs in the suit as individuals, the participation of the associations as proxies seems, in any event, superfluous.

claims alleging breach of contract that rise or fall with the interpretation of the contract are generally “amenable to decision on summary judgment”); see also Varilease Tech. Grp. v. United States, 289 F.3d 795, 798 (Fed. Cir. 2002) (same).

III. Merits

Plaintiffs argue that the ACCs incorporated by reference HUD’s regulations at Title 24 of the Code of Federal Regulations, including § 990.210(c), which provides that “[i]n the event that insufficient funds are available, HUD shall have discretion to revise, on a pro rata basis, the amounts of operating subsidy to be paid to PHAs.” According to Plaintiffs, HUD breached the ACCs in 2012 when, rather than reducing their subsidy payments by a uniform percentage (i.e., on a pro rata basis), it first offset each PHA’s payment by a figure that varied from one PHA to another—the amount of its excess operating reserves.

The government’s central argument in response is that HUD’s methodology was compelled by the requirements of the 2012 Appropriations Act, and that compliance with that Act was required by the ACCs themselves. In addition, the government contends that Plaintiffs’ arguments are foreclosed by provisions in the ACCs and HUD’s regulations which state that operating subsidy payments are subject to or limited by the availability of funds.

For the reasons set forth below, the Court concludes that Plaintiffs’ arguments are the more persuasive ones. Accordingly, Plaintiffs’ motion for partial summary judgement is **GRANTED** and the government’s cross-motion is **DENIED**.

A. Incorporation of Title 24 Regulations, as Amended, into the ACCs

It is well established that “[t]o incorporate material by reference, a contract must use clear and express language of incorporation, which unambiguously communicates that the purpose is to incorporate the referenced material, rather than merely acknowledge that the referenced material is relevant to the contract.” Precision Pine & Timber, Inc. v. United States, 596 F.3d 817, 826 (Fed. Cir. 2010); see also Northrop Grumman Info. Tech., Inc. v. United States, 535 F.3d 1339, 1344 (Fed. Cir. 2008) (observing that “the incorporating contract must use language that is express and clear, so as to leave no ambiguity about the identity of the document being referenced, nor any reasonable doubt about the fact that the referenced document is being incorporated” (emphasis in original)). The Court of Appeals “has been reluctant to find that statutory or regulatory provisions are incorporated into a contract with the government unless the contract explicitly provides for their incorporation.” Northrop Grumman Info. Tech., 535 F.3d at 1344 (quoting St. Christopher Assocs., L.P. v. United States, 511 F.3d 1376, 1384 (Fed. Cir. 2008) (emphasis in original)).

In this case, the ACCs contain language expressly incorporating HUD’s regulations at Title 24 into the contracts. Thus, section 5 of the ACCs specifies that the parties must comply with the regulations “promulgated by HUD at Title 24 of the Code of Federal Regulations, which are hereby incorporated into this ACC by reference as if

fully set forth herein, and as such regulations shall be amended from time to time.” Pls.’ Mot. App. at A65 (emphasis supplied). This language “unambiguously communicates that the purpose” of section 5 “is to incorporate the referenced material,” i.e., Title 24, including any amendments made to Title 24 after the contracts’ executions. See Precision Pine, 596 F.3d at 826; see also S. Cal. Edison Co. v. United States, 226 F.3d 1349, 1353 (Fed. Cir. 2000) (holding that the contracts at issue incorporated the terms and conditions of certain regulations by specifically referring to the regulations (the text of which was attached to the contract as an exhibit) as being part of the contract “as fully and completely as though set forth herein [i.e., in the contract] in length”).

Further, the intent to incorporate the provisions of Title 24 (as they may be amended from time to time) into the contracts is also reflected in the preamble to the ACCs. It states that each ACC “incorporates by reference into this ACC those regulations issued by HUD for the development, modernization, and operation of public and Indian housing projects contained in Title 24 of the Code of Federal Regulations, as said Title shall be amended from time to time.” Pls.’ Mot. App. at A63.

These express statements of intent that HUD’s Title 24 regulations, as amended, are incorporated into the contract, are sufficient to establish that the parties undertook a contractual obligation to comply with the terms of those regulations. Indeed, the government does not argue otherwise. The Court turns, therefore, to the question of whether HUD violated that contractual obligation in its allocation of operating subsidies to Plaintiffs in 2012.

B. Breach of Contract Claims

1. HUD’s Contractual Commitment

It is well established that the “rights and duties” contained in a Government contract “are governed generally by the law applicable to contracts between private individuals.” United States v. Winstar Corp., 518 U.S. 839, 912 (1996) (quoting Lynch v. United States, 292 U.S. 571, 579 (1934)); see also Mobil Oil Expl. & Producing Se., Inc. v. United States, 530 U.S. 604, 607–08 (2000). Further, a breach of the government’s contractual obligations may be effected through legislation that requires the government to take actions that are inconsistent “with the promises that . . . earlier contracts contain[.]” Mobil Oil, 530 U.S. at 624. In such instances, where a subsequent statute makes the government unable to fulfill its contractual promises, it may be liable to pay damages for breach of contract. See Winstar, 518 U.S. at 870.

Notwithstanding the foregoing, the government argues that the principles set forth in Winstar and Mobil Oil do not apply to Plaintiffs’ claims. It contends that —unlike the plaintiffs in those cases—the PHAs did not bargain for the right they claim here, which the government characterizes as the right to have their 2012 formula subsidies reduced on a pro rata basis. Indeed, the government notes, “the claimed right is based entirely upon a 2005 language change in the Title 24 regulations, which occurred ten years after the contracts were written and signed.” Def.’s Reply at 5 (emphasis in original).

The government's arguments miss the mark. The government is correct that the PHAs did not bargain for the right to have HUD employ a particular methodology for determining their operating subsidy payments in the event of a budget shortfall. But they did bargain for the right to require HUD to use whatever methodology was set forth in the regulations at Title 24 of the C.F.R., as amended from time to time. And the content of those regulations would be determined with their participation and input, through the negotiated rulemaking process.¹⁰ Indeed, the record shows that it was upon the initiative of public housing stakeholders on the rulemaking committee that the regulation upon which Plaintiffs rely in this case was amended in 2005 to preclude HUD from reducing operating subsidy payments on anything other than a pro rata basis in the event of insufficient appropriations. Because Plaintiffs argue that the 2012 Act deprived them of their important contractual right to have their operating subsidy payments determined consistent with the applicable provisions of Title 24, their claims fall squarely within the rationale of Winstar and Mobil Oil.

2. The Alleged Breach

As described in greater detail above, HUD's regulations provide that a PHA is entitled to an operating subsidy determined on the basis of a specified Operating Fund Formula, and that, in the event that "insufficient funds are available," "amounts of [the] operating subsidy to be paid" shall be revised "on a pro rata basis." 24 C.F.R. § 990.210(c). In 2012, HUD did not revise the amounts to be paid to each PHA under the Operating Formula on a pro rata basis—i.e., by a uniform percentage. Instead, it made an initial reduction in each Plaintiff's subsidy by offsetting that particular PHA's "excess operating reserves" against its formula eligibility amount. Thus, the PHAs' formula eligibility amounts were reduced on a non-pro rata basis, contrary to the provisions of Title 24. It was only after that offset was applied that HUD applied a uniform percentage (94.97%) to make a second reduction.¹¹

¹⁰ Congress mandated that HUD employ the negotiated rulemaking procedures set forth at 5 U.S.C. §§ 561–70a when issuing regulations concerning the operating subsidy formula. See 42 U.S.C. § 1437g(f). Those procedures provide for collaboration and greater stakeholder participation in the rulemaking process than exists under the traditional notice-and-comment procedures prescribed in the Administrative Procedure Act. In a negotiated rulemaking, a committee consisting of stakeholders and agency representatives meets publicly to negotiate the content of new regulations before they are issued in proposed form. See 5 U.S.C. §§ 565–66. Because of the enhanced opportunities for stakeholder input, "[p]roponents of negotiated rulemaking claim that these procedures—which encourage affected parties to reach an agreement at the outset—will decrease the amount of time it takes to develop regulations and, more notably, reduce or eliminate subsequent judicial challenges." Cary Coglianese, Assessing Consensus: The Promise and Performance of Negotiated Rulemaking, 46 Duke L.J. 1255, 1257 (1997).

¹¹ The Court notes that 24 C.F.R. § 990.110(c) states that "this part does not codify certain secondary elements that will be used in the revised Operating Fund Formula," and

Notwithstanding the foregoing, the government contends that HUD's failure to comply with Title 24 did not constitute a breach of contract because the ACCs contemplated that their terms were subject to both existing and future applicable laws, including the 2012 Appropriations Act. See Def.'s Mot. at 14–16. This argument is unpersuasive.

First, the government's argument collides with the principles, set forth above, which demand "clear and express language of incorporation" to make material outside the contract a part of the contract. Precision Pine, 596 F.3d at 826. The ACCs contain no express statement of intent to incorporate by reference into the contract any statutory provisions that might be enacted in the future, or even any statute in existence at the time of the contracts' executions. See id.

For example, the preamble to the ACC (upon which the government relies) does not even reference the government's obligations, nor does it contain express language of incorporation. It merely states that "[n]othing herein shall release the HA [Housing Authority] from compliance with all applicable laws, executive orders, and regulations that are not specifically incorporated herein by reference." Pls.' Mot. App. at A63. Similarly, while section 3 of the ACC at least refers to HUD's obligations, it simply recites a truism, stating that "HUD shall provide annual contributions to the HA in accordance with all applicable statutes, executive orders, regulations, and this ACC." See id. at A64.

The relevant precedent confirms that contract language stating that a party's obligations shall be governed by or subject to "applicable statutes" is not sufficient to evince the incorporation of any particular statute into the contract by reference (either as then in existence or as might be subsequently enacted). See Mobil Oil, 530 U.S. at 615–16 (lease contracts stating that they were subject to specific statutory provisions and regulations, as well as "all other applicable statutes and regulations," incorporated specific statutes and regulations existing at the time of the contract's formation and referenced therein, but not other subsequently enacted statutes and regulations); Smithson v. United States, 847 F.2d 791, 794 (Fed. Cir. 1988) (rejecting plaintiff's argument that entire body of regulations promulgated by the Farmers Home Administration was

that "HUD will more appropriately provide this information in non-codified guidance such as a Handbook, Federal Register notice, or other non-regulatory means that HUD determines appropriate." Although the government referenced this provision in its opening brief, see Def.'s Mot. at 3–4, it has never argued that consideration of a PHA's excess operating reserves in determining its subsidy could be characterized as the use of a "secondary element" in the Operating Fund Formula. Nor could it. As HUD explained in the preamble to its regulations, this language was intended to refer to situations in which "HUD has determined that clarification of existing regulatory requirements is needed" and so "will issue such guidance through non-regulatory means." Revisions to the Public Housing Operating Fund Program, 70 Fed. Reg. 54984, 54989 (Sept. 19, 2005). Imposing an excess operating reserve offset was a new regulatory requirement, not a clarification of existing ones.

incorporated by reference into plaintiff's contract, based on a provision stating that the contract was "subject to" such regulations, noting among other things that "if that were the parties' purpose, they would have explicitly so provided"); Earman v. United States, 114 Fed. Cl. 81, 103–04 (2013) (provision stating that the contract "shall be carried out in accordance with all applicable Federal statutes and regulations" "does not refer to any particular statutory or regulatory provision," and therefore "cannot reasonably be read as incorporating the entire corpus of the [relevant] statute into plaintiff's contract"), aff'd, 589 F. App'x 991 (Fed. Cir. 2015).

Further, it is illuminating to compare the language that the ACCs employ when describing the relationship between the Title 24 regulations and the contract to the language the ACCs use when referencing either statutes or other potentially applicable regulations. Thus, in the very same sentence of § 5 stating that "[t]he HA shall develop and operate all projects covered by this ACC in compliance with all the provisions of this ACC and all applicable statutes, executive orders, and regulations issued by HUD, as they shall be amended from time to time," the ACCs explicitly and specifically "incorporate[] . . . by reference as if fully set forth herein" only "those regulations promulgated by HUD at Title 24 of the Code of Federal Regulations. . . as such regulations shall be amended from time to time." Pls.' Mot. App. at A65. This demonstrates that where the ACC was intended to incorporate external legal requirements (as with the Title 24 regulations), the contract employs the kind of express language of incorporation that Precision Pine and Northrop Grumman require. By contrast, the ACCs do not use the language of incorporation in reference to any statutes (whether then-existing or subsequently enacted), which further supports the conclusion that the 2012 Act is not incorporated by reference into the ACC.

Nor does the language in § 11 of the ACC stating that "HUD may revise or amend the subsidy calculation to bring it into conformity with regulatory requirements" assist the government's argument. See id. at A67. First, the language refers to "regulatory" requirements, not statutory requirements. And the government does not argue that the PIH Notice contains "regulatory requirements"; nor could it, as such Notices are not promulgated in accordance with the negotiated rulemaking procedures required by the statute.

Further, and in any event, the "regulatory requirements" to which § 11 refers are those set forth in Title 24. Thus, the language appears within a clause that lays out the administrative process by which HUD will determine a PHA's annual operating subsidy eligibility. See id. It requires the PHA to submit to HUD an annual "calculation of operating subsidy eligibility in the manner prescribed by HUD in regulations in Title 24 of the Code of Federal Regulations." Id. It then specifies that HUD will review the submission and that, if it is not in conformity with the regulations, HUD may "revise or amend" it. Id. Read in context, it is unreasonable to construe the reference to the revision or amendment of a subsidy eligibility calculation "to bring it into conformity with regulatory requirements" as reflecting anything other than a description of the actions HUD may take in response to a submission that does not comply with Title 24.

In short, the government's argument that compliance with the 2012 Act was itself a contractual obligation lacks merit. The Court turns therefore to the government's final argument—that Plaintiffs' breach of contract claims are foreclosed by provisions in the ACCs and HUD's regulations that make the PHAs' entitlements to operating subsidies "subject to" or "limited by" the availability of funds.

3. Availability of Funds

The government's final argument is that language at 24 C.F.R. § 990.110(b)(3), which states that "[o]perating subsidy payments will be limited to the availability of funds as described in § 990.210(c)," "serves as an independent bar to plaintiffs' claims because it limits the Government's liability to the amount appropriated by Congress." Def.'s Reply at 7. This argument lacks merit because it ignores § 990.110(b)(3)'s cross-reference to § 990.210(c), which "describe[s]" how the payments will be limited in the event of a shortfall in appropriations. Section 990.210(c)—stating that "[i]n the event that insufficient funds are available, HUD shall have discretion to revise, on a pro rata basis, the amounts of operating subsidy to be paid to PHAs"—is the very provision Plaintiffs seek to enforce in this case. Plaintiffs do not seek an award of subsidies in excess of the amount appropriated by Congress for such subsidies. Instead, their claims concern the methodology for allocating the amounts Congress has appropriated.

For similar reasons, the Court also rejects the government's reliance upon § 11(A) of the ACCs, which states that HUD "shall review [the PHA's calculation of operating subsidy eligibility under Title 24] and, if correct, and subject to the availability of funds," take action within 45 days to obligate the funds and approve a payment schedule. As the Supreme Court explained in Cherokee Nation of Oklahoma v. Leavitt, 543 U.S. 631 (2005), language stating that the government's provision of funds is "subject to the availability of appropriations" "is often used with respect to Government contracts." Id. at 643 (citations omitted). "This kind of language normally makes clear that an agency and a contracting party can negotiate a contract prior to the beginning of a fiscal year but that the contract will not become binding unless and until Congress appropriates funds for that year." Id. "It also makes clear that a Government contracting officer lacks any special statutory authority needed to bind the Government without regard to the availability of appropriations." Id. (citations omitted).

Further, "[w]hether appropriated funds are legally available for something depends on three things: 1) the purpose of the obligation or expenditure must be authorized; 2) the obligation must occur within the time limits applicable to the appropriation; and 3) the obligation and expenditure must be within the amounts Congress has established." U.S. Gov't Accountability Off., GAO-04-261SP, GAO General Principles of Federal Appropriations Law—Vol. I, ch. 4, 4-6 (3d ed. 2004). In this case, under the 2012 Appropriations Act, funds were available for the purpose of providing subsidies to PHAs for the operation and management of public housing. Further, the obligation to pay Plaintiffs' operating subsidies was within the time limits of the Act (FY 2012). And compliance with Title 24's rules for allocating operating subsidies did not require HUD to spend more than \$3,961,850,000, the amount Congress had established. Accordingly, inclusion of the standard proviso in the ACCs, making

payment of operating subsidies “subject to the availability of funds” does not preclude Plaintiffs from claiming their contractual right to have those funds allocated consistent with the requirements of Title 24.

* * * * *

In short, the language of the ACCs reflects an intent to incorporate by reference into the contract the provisions of Title 24 of the C.F.R., but no intent to incorporate by reference future statutory provisions like the 2012 Appropriations Act. Further, the language in the regulations (and in the ACCs) that makes the government’s obligation to pay operating subsidies “subject to the availability of funds” does not excuse HUD’s failure to apply the methodology set forth in the regulations for determining the amount of the operating subsidy payments based on the availability of funds. Therefore, the Court concludes that the government breached its obligations under the ACCs when it applied the operating expense offset in response to the 2012 Appropriations Act, rather than the pro rata reduction rule prescribed by Title 24.¹²

CONCLUSION

For the foregoing reasons:

- 1) The government’s motion to dismiss is **GRANTED-IN-PART** and **DENIED-IN-PART**;
- 2) Nos. 13-6121, 13-6115, 13-6153, 13-6245, 13-6247, 13-6214, 13-6263, 13-6284, 13-6058, 13-6168, 13-6150, 13-6222, 13-6244, 13-0006, and 13-6000 are **DISMISSED** without prejudice;
- 3) Plaintiffs’ motion for partial summary judgment is **GRANTED**; and
- 4) The government’s motion for partial summary judgment is **DENIED**.

The Clerk is directed to enter judgment accordingly in Nos. 13-6121, 13-6115, 13-6153, 13-6245, 13-6247, 13-6214, 13-6263, 13-6284, 13-6058, 13-6168, 13-6150, 13-

¹² The government’s motion for partial summary judgment includes a brief argument that it is entitled to summary judgment on the ground that Plaintiffs’ damages claims are “inherently speculative” because they “appear[] to be based upon its belief that Congress would have appropriated the same amount of operating subsidy funds in fiscal year 2012 even without the direction to the Secretary to take into account PHAs['] excess operating reserves.” Def.’s Mot. at 16 (citing San Carlos Irr. & Drainage Dist. v. United States, 111 F.3d 1557, 1563 (Fed Cir. 1997)). This contention is unpersuasive. Plaintiffs’ claims are not based on speculation about how much money Congress would have appropriated had it not decided to require HUD to consider the PHAs’ excess operating reserves. Their claims are based on HUD’s failure to follow its Title 24 regulations (which were incorporated into their contracts) in allocating the \$3,961,850,000 that Congress in fact did appropriate.

6222, 13-6244, 13-0006, and 13-6000. Further, the Clerk is directed to make No. 13-6040, Clearwater Housing Authority v. United States, the lead case in this consolidated action. The parties shall amend the captions of all future filings accordingly.

The parties shall file a joint status report within 30 days, proposing a schedule to govern further proceedings in these cases.

IT IS SO ORDERED.

s/ Elaine D. Kaplan
ELAINE D. KAPLAN
Judge