



**Traverse City Housing Commission**  
*A Public Housing Authority*

## **COMMISSION MEETING MATERIAL**

**FOR THE REGULAR MEETING**  
Friday, March 24, 2017 at 8:00 A.M.

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



**Traverse City Housing Commission**  
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**Traverse City Housing Commission**  
*A Public Housing Authority*

## **MEETING AGENDA**

March 24, 2017





## **NOTICE**

**THE TRAVERSE CITY HOUSING COMMISSION WILL CONDUCT A REGULAR MEETING  
ON FRIDAY, MARCH 24, 2017 AT 8:00 A.M.**

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

**POSTED: MARCH 22, 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 February 24, 2017 Regular Meeting Minutes – Approval Recommended.*

- B. *Consideration of Approval of Schedule of Disbursements for February 2017 for Public Housing & HCV Section 8 Programs – Approval Recommended.*
- C. *Review & Approval of Payment of Invoices for March 2017 – Approval Recommended.*
- D. *Review & Acceptance of Financial Statements for February 2017 – Approval Recommended.*

## **V COMMITTEE & COMMISSIONER REPORTS**

- A. Executive Committee Meetings: March 7, 2017 & March 20, 2017
- B. Governance Committee Meeting: March 22, 2017

## **VI STAFF & PROGRAM REPORTS**

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

## **VII OLD BUSINESS**

- A. 2017 Consolidated Budget: Review
- B. TCHC Policy Review Schedule: Update
- C. Executive Director Annual Review: Update
- D. Office Construction: Final Update
- E. "Shared Drive" Request from City: Update
- F. TCHC Smoke Free Policy: Update

## **VIII NEW BUSINESS**

- A. Orchardview "Windows & Siding" Project: Review
- B. TCHC Human Resources Policy & Procedures Manual: Review
- C. Check Signing Policy: Review
- D. HUD Budget: Update
- E. Closed Session to Discuss Property Purchase per MCL 15.268(d)
- F. Closed Session to Discuss Attorney-Client Privileged Communications Regarding the Townsend v. TCHC Complaint per MCL 15.268(e)

## **IX CORRESPONDENCE**

- A. February 28, 2017 Letter on Shared Drive to Pine Street Development One, LLC
- B. March 20, 2017 Letter From St. Amant to Riverview Terrace Residents

## **X PUBLIC COMMENT**

## **XI COMMISSIONER COMMENT**

## **XII ADJOURNMENT**

**NEXT SCHEDULED MEETING:** Friday, April 28, 2017 at 8:00 A.M.



**Traverse City Housing Commission**  
*A Public Housing Authority*

## **CONSENT AGENDA**

February 24, 2017 Regular Meeting Minutes

Schedule of Disbursements for February 2017 for Public Housing

Schedule of Disbursements for February 2017 for HCV Section 8 Programs

Invoices for March 2017

Financial Statements for February 2017



## **DRAFT Meeting Minutes of the Traverse City Housing Commission**

### **February 24, 2017**

A Regular Meeting of the Traverse City Housing Commission was called to order by President Brian Haas at Governmental Center – Second Floor Committee Room, 400 Boardman Avenue, Traverse City at 8:00 AM.

#### **I ROLL CALL**

The following Commissioners were present: Brian Haas, Richard Michael, Kay Serratelli and Michelle St. Amant. Andy Smits was excused.

Staff: Tony Lentych, Executive Director, Michelle Reardon, Deputy Director and Angie Szabo, Intake Specialist.

Residents: Norma Loper and Jo Simerson.

Guests: Ward Kuhn, TCHC General Counsel.

#### **II APPROVAL OF AGENDA**

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

#### **III PUBLIC COMMENT**

General comments: Executive Director Lentych introduced a new employee, Angie Szabo; welcomed our new Commissioner St. Amant; and presented past Commissioner Simerson with a well-deserved Service Award.

#### **IV CONSENT AGENDA**

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

- A. Approval of the Meeting Minutes of the January 27, 2017 Regular Commission Meeting.
- B. Acceptance of the Schedule of Disbursements for January 2017 for Public Housing and Housing Choice Voucher Section 8 Programs.
- C. Review of the Payment of Invoices for February 2017.
- D. Acceptance of the Financial Statements for January 2017.

#### **V COMMITTEE REPORTS**

- A. Executive Committee Meetings: February 3, 2017 & February 17, 2017. There were no comments or questions.

#### **VI STAFF AND PROGRAM REPORTS**

- A. Executive Director's Report: Staff presented the report. There will be a closed session in the coming months to speak further about land purchase/development opportunities.
- B. Family Self-Sufficiency Report: There were no comments or questions.
- C. Resident Council Report: No report.

**VII OLD BUSINESS**

- A. The FY 2017 Budget was reviewed.
- B. TCHC Policy Review Schedule was presented.
- C. Executive Director Annual Review: The Executive Committee has outlined a format and will be meeting with the ED and the Board in the near future to complete this process.
- D. The final update on the office renovation was presented.

**VIII NEW BUSINESS**

- A. The Commission elected a new Vice President. Commissioner Haas nominated Commissioner Serratelli as the Vice President of the Commission. Commissioner St. Amant moved (Michael support) to accept the nomination by acclamation. The motion was unanimously approved.
- B. A resolution to Change the Authorized Signers on All Checking Accounts was presented and reviewed. Commissioner Serratelli moved (Michael support) to adopt the resolution as presented. The resolution was unanimously approved. The resolution was adopted.
- C. An Architectural Services Contract with Alliance Architects was presented and discussed. Commissioner Michael moved (Serratelli support) to conditionally authorize ED Lentych to sign the contract pursuant to professional review and approval by Commissioner Smits. The motion was unanimously approved.
- D. A request for the City of Traverse City to share a drive with the proposed River West Development was presented and discussed. No issues were addressed and staff was instructed to continue the negotiations per our Asset Management Policy.
- E. A draft of the TCHC Human Resources Policy & Procedures Manual was presented and discussed. A Governance Committee meeting will be held in early March to discuss this document and hopefully return it to the Commission for approval at the next regular meeting.
- F. Commissioner Serratelli moved (St. Amant support) that the Traverse City Housing Commission enter into a closed session immediately after the final public comment portion of today's agenda to discuss a privileged attorney-client communication in connection with Priscilla Townsend v. the Traverse City Housing Commission and John and/or Jane Doe per MCL 15.268(e).

**Roll call**

Hass	Yes
Michael	Yes
Serratelli	Yes
St. Amant	Yes
Smits	Absent

The motion was approved.

**IX CORRESPONDENCE**

Three items related to the Townsend v. TCHC & John or Jane Doe were presented.

**X PUBLIC COMMENT**

General comments: Jo Simerson

**XI COMMISSIONER COMMENT**

Commissioner Michael thanked past Commissioner Simerson for her service.

**XII CLOSED SESSION**

The Commission began a closed session at 8:56 AM.

The Commission reconvened at 9:57 AM.

**XII ADJOURNMENT**

Commissioner Michael moved (Serratelli support) to adjourn. The motion was unanimously approved and President Haas adjourned the meeting at 9:58 AM.

Respectfully submitted,

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Michelle Reardon, Recording Secretary

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Brian Haas, President

## Check Register Summary Report

Chemical Bank

From: 02/01/2017 To: 02/28/2017

Date	Ref Num	Payee	Payment	Deposit	Balance
02/01/2017	DEP			11,514.00	67,652.08
02/02/2017	DEP			4,564.00	72,216.08
02/02/2017	EFT	T Mobile		2,200.00	74,416.08
02/03/2017	EFT	IRS	2,714.46		71,701.62
02/06/2017	036956	Sondee, Racine & Doren, P.L.C.	448.00		71,253.62
02/06/2017	036957	Ascom North	470.11		70,783.51
02/06/2017	036958	City of Traverse City	426.84		70,356.67
02/06/2017	036959	A T & T	229.75		70,126.92
02/06/2017	036960	McCardel Water Conditioning	25.00		70,101.92
02/06/2017	036961	Great Lakes Business Systems, Inc.	98.00		70,003.92
02/06/2017	036962	Housing Authority Accounting	649.25		69,354.67
02/06/2017	036963	Grand Traverse County DPW	46.17		69,308.50
02/06/2017	036964	Grahm Motor & Generator Service	425.00		68,883.50
02/06/2017	036965	CEDAM, Liv Hagerman	350.00		68,533.50
02/06/2017	036966	MHDA	50.00		68,483.50
02/06/2017	036967	Northern Michigan Janitorial Supply	625.00		67,858.50
02/06/2017	036968	Aflac	178.92		67,679.58
02/06/2017	036969	Engineered Protection Systems Inc	110.00		67,569.58
02/06/2017	036970	Wilmar	320.44		67,249.14
02/06/2017	036971	David Gourlay	48.16		67,200.98
02/06/2017	036972	Riverview Terrace Resident Council	109.71		67,091.27
02/06/2017	036973	Wind, Water & Energy Conservation	992.00		66,099.27
02/06/2017	036974	Housing Data Systems	120.10		65,979.17
02/06/2017	036975	Spectrum Business	3,343.19		62,635.98
02/06/2017	036976	D & W Mechanical	119.00		62,516.98
02/06/2017	036977	City of Traverse City	205.56		62,311.42
02/06/2017	036978	Barton Carroll's Inc	1,250.80		61,060.62
02/06/2017	036979	Sherwin Williams Co.	47.63		61,012.99
02/06/2017	036980	Cardmember Service	6,467.61		54,545.38
02/06/2017	036981	SimplexGrinnell LP	506.00		54,039.38
02/06/2017	036982	Grand Traverse County DPW	483.00		53,556.38
02/06/2017	036983	Environmental Pest Control	270.00		53,286.38
02/06/2017	036984	Great Lakes Business Systems, Inc.	150.20		53,136.18
02/06/2017	036985	Allen Supply	48.00		53,088.18
02/06/2017	036986	DTE ENERGY	23.23		53,064.95
02/06/2017	036987	Integrated Payroll Services, Inc.	106.90		52,958.05
02/06/2017	036988	Riverview Terrace Resident Council	341.68		52,616.37
02/06/2017	036989	Trugreen	371.00		52,245.37
02/06/2017	036990	Priority Health	13,068.10		39,177.27
02/06/2017	036991	City of Traverse City	50.00		39,127.27

Traverse City Housing Commission  
**Check Register Summary Report**  
 Chemical Bank

From: 02/01/2017 To: 02/28/2017

Date	Ref Num	Payee	Payment	Deposit	Balance
02/06/2017	036992	Munson Occupational Health &	70.00		39,057.27
02/06/2017	036993	Charles Edwards	135.00		38,922.27
02/07/2017	DEP			23,933.66	62,855.93
02/14/2017	ADJST	Kari Massa	1,438.68		61,417.25
02/14/2017	DEP			19,092.59	80,509.84
02/14/2017	DEP			359.25	80,869.09
02/14/2017	EFT	Principal Life Insurance Co.	451.84		80,417.25
02/14/2017	ADJST	Alisa Kroupa	910.14		79,507.11
02/14/2017	ADJST	Anthony Lentych	2,351.40		77,155.71
02/14/2017	ADJST	Michelle Reardon	1,371.79		75,783.92
02/14/2017	ADJST	Benjamin Weston	440.56		75,343.36
02/14/2017	ADJST	Joseph Battaglia	277.16		75,066.20
02/14/2017	ADJST	David Gourlay	1,026.08		74,040.12
02/14/2017	ADJST	Charles Edwards	1,280.49		72,759.63
02/15/2017	EFT	HUD		5,580.00	78,339.63
02/15/2017	EFT	HUD		21,112.00	99,451.63
02/17/2017	EFT	IRS	2,964.28		96,487.35
02/20/2017	036994	D & W Mechanical	594.83		95,892.52
02/20/2017	036995	Northern Michigan Janitorial Supply	46.85		95,845.67
02/20/2017	036996	Safety Net	619.00		95,226.67
02/20/2017	036997	DTE ENERGY	673.00		94,553.67
02/20/2017	036998	City of Traverse City	15,093.06		79,460.61
02/20/2017	036999	Barton Carroll's Inc	1,250.80		78,209.81
02/20/2017	037000	R.W. Popp Excavating, Inc.	495.00		77,714.81
02/21/2017	EFT	State of Michigan	1,244.12		76,470.69
02/27/2017	DEP			949.75	77,420.44
02/27/2017	037001	Helen Schrank	233.00		77,187.44
02/27/2017	037002	Republic Services #239	35.21		77,152.23
02/27/2017	037003	Save Carpet USA	1,198.00		75,954.23
02/27/2017	037004	Guardian Medical Monitoring	14.95		75,939.28
02/27/2017	037005	Keiser Services LLC	454.00		75,485.28
02/27/2017	037006	Trugreen	175.00		75,310.28
02/27/2017	037007	City Of Traverse City	32.00		75,278.28
02/27/2017	037008	Engineered Protection Systems Inc	38.24		75,240.04
02/27/2017	037009	Aflac	119.28		75,120.76
02/27/2017	037010	Kuhn Rogers PLC	195.00		74,925.76
02/27/2017	037011	CynergyComm.net,Inc	6.50		74,919.26
02/27/2017	037012	Housing Data Systems	145.00		74,774.26
02/27/2017	037013	Kendall Electric Inc	143.76		74,630.50
02/27/2017	037014	Sherwin Williams Co.	363.74		74,266.76

## Check Register Summary Report

Chemical Bank

From: 02/01/2017 To: 02/28/2017

Date	Ref Num	Payee	Payment	Deposit	Balance
02/27/2017	037015	Staples Business Advantage	199.99		74,066.77
02/27/2017	037016	Elmer's	600.00		73,466.77
02/27/2017	037017	Benjamin Weston	111.78		73,354.99
02/27/2017	037018	Great Lakes Business Systems, Inc.	312.08		73,042.91
02/27/2017	037019	Thomas P. Licavoli	670.00		72,372.91
02/27/2017	037020	The Nelrod Company	258.00		72,114.91
02/27/2017	037021	All American Investment Group	9,150.00		62,964.91
02/27/2017	037022	Beverly Carr	181.00		62,783.91
02/27/2017	037023	Sam's Club	247.46		62,536.45
02/27/2017	037024	A T & T	267.24		62,269.21
02/27/2017	037025	Keiser Services LLC	60.00		62,209.21
02/28/2017	DEP			4,522.00	66,731.21
02/28/2017	EFT	Principal Life Insurance Co.	334.16		66,397.05
02/28/2017	ADJST	Charles Edwards	920.85		65,476.20
02/28/2017	ADJST	Alisa Kroupa	909.91		64,566.29
02/28/2017	ADJST	Anthony Lentych	2,351.41		62,214.88
02/28/2017	ADJST	Kari Massa	1,205.19		61,009.69
02/28/2017	ADJST	Michelle Reardon	1,371.78		59,637.91
02/28/2017	ADJST	Joseph Battaglia	277.17		59,360.74
02/28/2017	ADJST	Angela N. Szabo	325.40		59,035.34
02/28/2017	ADJST	David Gourlay	1,148.22		57,887.12
02/28/2017	ADJST	Benjamin Weston	842.25		57,044.87
02/28/2017	ADJST	Alisa Kroupa	144.48		56,900.39
02/28/2017	DEP	Chemical Bank		20.51	56,920.90
<b>Total:</b>			93,064.94	93,847.76	

Traverse City Housing Commission  
**Check Register Summary Report**  
PNC - Section 8  
From: 02/01/2017 To: 02/28/2017

Date	Ref Num	Payee	Payment	Deposit	Balance
02/01/2017	EFT	HUD		7,777.00	178,339.54
02/01/2017	EFT	HUD		85,162.00	263,501.54
02/01/2017	ADJST	PNC	71.00		263,430.54
02/01/2017	ADJST	PNC	71.00		263,359.54
02/01/2017	000189	Sandra Aeschliman	285.00		263,074.54
02/01/2017	000189	Jeana Aiken	473.00		262,601.54
02/01/2017	000189	Dustin Ansorge	1,135.00		261,466.54
02/01/2017	000189	Ayers Investment Properties LLC	558.00		260,908.54
02/01/2017	000189	Brad Barnes	488.00		260,420.54
02/01/2017	000189	Bay Front Apartments	320.00		260,100.54
02/01/2017	000189	Bay Hill Housing LDHALP	3,811.00		256,289.54
02/01/2017	000189	Bay Hill II Apartments	5,043.00		251,246.54
02/01/2017	000189	Christopher Becker	750.00		250,496.54
02/01/2017	000189	Bellaire Senior Apartments	631.00		249,865.54
02/01/2017	000189	Brookside Commons LDHA, LP	1,730.00		248,135.54
02/01/2017	000189	Irma Jean Brownley	355.00		247,780.54
02/01/2017	000189	Rebecca Carmien	339.00		247,441.54
02/01/2017	000189	Carson Square	5,501.00		241,940.54
02/01/2017	000189	Central Lake Townhouses	401.00		241,539.54
02/01/2017	000189	Cherrywood Village Farms, Inc.	2,321.00		239,218.54
02/01/2017	000189	Douglas A. Chichester	600.00		238,618.54
02/01/2017	000189	Cycle-Paths LLC.	968.00		237,650.54
02/01/2017	000189	Cygnus Real Estate	379.00		237,271.54
02/01/2017	000189	Jack V. Dean	422.00		236,849.54
02/01/2017	000189	Dmytro Cherkasov	1,053.00		235,796.54
02/01/2017	000189	Eden Brook LLC	447.00		235,349.54
02/01/2017	000189	Shirley Farrell	834.00		234,515.54
02/01/2017	000189	Rent Leelanau, LLC	693.00		233,822.54
02/01/2017	000189	Lisa Forbes	489.00		233,333.54
02/01/2017	000189	Dale E. French	102.00		233,231.54
02/01/2017	000189	French Quarter Apts.	93.00		233,138.54
02/01/2017	000189	Michael Glowacki	640.00		232,498.54
02/01/2017	000189	David Grzesiek	370.00		232,128.54
02/01/2017	000189	Habitat for Humanity	33.00		232,095.54
02/01/2017	000189	Harbour Ridge Apts	1,343.00		230,752.54
02/01/2017	000189	Heartwood Enterprises	775.00		229,977.54
02/01/2017	000189	Louis Herman	24.00		229,953.54
02/01/2017	000189	Hillview Terrace	527.00		229,426.54
02/01/2017	000189	Josh Hollister	411.00		229,015.54
02/01/2017	000189	HomeStretch	3,067.00		225,948.54

Traverse City Housing Commission  
**Check Register Summary Report**  
PNC - Section 8  
From: 02/01/2017 To: 02/28/2017

Date	Ref Num	Payee	Payment	Deposit	Balance
02/01/2017	000189	Caroline Hupp	199.00		225,749.54
02/01/2017	000189	Joseph and Marion Fasel	358.00		225,391.54
02/01/2017	000189	Donna Kalchik	323.00		225,068.54
02/01/2017	000189	Lake Pointe Acquisitions LLC.	323.00		224,745.54
02/01/2017	000189	Sidney Lammers	372.00		224,373.54
02/01/2017	000189	Legendary Rentals, LLC	957.00		223,416.54
02/01/2017	000189	John J. Lewis	762.00		222,654.54
02/01/2017	000189	Don E. Lint	459.00		222,195.54
02/01/2017	000189	Juan Maldonado	314.00		221,881.54
02/01/2017	000189	Mathews Trust	255.00		221,626.54
02/01/2017	000189	McLain Management	29.00		221,597.54
02/01/2017	000189	Oak Park Apts	1,772.00		219,825.54
02/01/2017	000189	Oak Terrace Apts	918.00		218,907.54
02/01/2017	000189	Gerald Oliver Revocable Trust	900.00		218,007.54
02/01/2017	000189	P Avium Associates, Inc.	506.00		217,501.54
02/01/2017	000189	Daniel G. Pohlman	1,463.00		216,038.54
02/01/2017	000189	Douglas L. Porter	438.00		215,600.54
02/01/2017	000189	Phillip Putney	733.00		214,867.54
02/01/2017	000189	Adele M. Reiter	995.00		213,872.54
02/01/2017	000189	Timothy Rice	493.00		213,379.54
02/01/2017	000189	Singkhan Sina Riddell	728.00		212,651.54
02/01/2017	000189	Robert F. Follett	837.00		211,814.54
02/01/2017	000189	Sabin Pond Apartments LLC	759.00		211,055.54
02/01/2017	000189	John Sarya	485.00		210,570.54
02/01/2017	000189	Eldon Schaub	388.00		210,182.54
02/01/2017	000189	Gerald Sieggreen	670.00		209,512.54
02/01/2017	000189	SILVER SHORES MHC	161.00		209,351.54
02/01/2017	000189	Douglas & Julia Slack	327.00		209,024.54
02/01/2017	000189	22955 Investments LLC	3,334.00		205,690.54
02/01/2017	000189	Carl Sumner	508.00		205,182.54
02/01/2017	000189	Traverse City Property Management	353.00		204,829.54
02/01/2017	000189	TCR Investments, LLC	1,020.00		203,809.54
02/01/2017	000189	Wendy Teagan	449.00		203,360.54
02/01/2017	000189	TOS Holdings, LLC	194.00		203,166.54
02/01/2017	000189	Tradewinds Terrace Apts	253.00		202,913.54
02/01/2017	000189	Village Glen Apartments	7,629.00		195,284.54
02/01/2017	000189	Woda Boardman Lake LDHA.LP	2,974.00		192,310.54
02/01/2017	000189	Woodmere Ridge Apartments LDHA	5,027.00		187,283.54
02/01/2017	000189	Theodore V. Zachman	774.00		186,509.54
02/01/2017	000189	Ann Zenner	497.00		186,012.54



Traverse City Housing Commission  
**Check Register Summary Report**  
PNC - Section 8  
From: 02/01/2017 To: 02/28/2017

Date	Ref Num	Payee	Payment	Deposit	Balance
02/01/2017	000189	Barb Zupin	1,177.00		184,835.54
02/02/2017	DEP	PNC	( 323.00)		185,158.54
02/06/2017	022966	Chase Bank	2,396.00		182,762.54
02/06/2017	022967	Traverse City Housing Commission	5,568.38		177,194.16
02/06/2017	022968	Traverse City Housing Commission	10,935.21		166,258.95
02/14/2017	DEP			100.00	166,358.95
<b>Total:</b>			97,242.59	93,039.00	

## Check Register Summary Report

Chemical Bank

From: 03/01/2017 To: 03/20/2017

Date	Ref Num	Payee	Payment	Deposit	Balance
03/02/2017	EFT	T-Mobile		2,200.00	59,120.90
03/03/2017	EFT	IRS	2,992.36		56,128.54
03/07/2017	EFT	HUD		16,226.00	72,354.54
03/07/2017	EFT	HUD		5,580.00	77,934.54
03/09/2017					77,934.54
03/09/2017	DEP			35,047.00	112,981.54
03/09/2017	DEP			4,464.58	117,446.12
03/09/2017	037026	City Of Traverse City	148.00		117,298.12
03/09/2017	037027	DTE ENERGY	208.11		117,090.01
03/10/2017	037028	Lee Delancy	314.00		116,776.01
03/10/2017	037029	DTE ENERGY	106.43		116,669.58
03/10/2017	037030	Anthony Lentych	119.00		116,550.58
03/10/2017	037031	Northwest Lock, Inc.	4.00		116,546.58
03/10/2017	037032	Integrated Payroll Services, Inc.	248.85		116,297.73
03/10/2017	037033	Thomas P. Licavoli	720.00		115,577.73
03/10/2017	037034	Charles Edwards	116.10		115,461.63
03/10/2017	037035	The Trophy Trolley Inc.	115.10		115,346.53
03/10/2017	037036	Trugreen	546.00		114,800.53
03/10/2017	037037	Engineered Protection Systems Inc	326.25		114,474.28
03/10/2017	037038	Cintas Corp. #729	245.40		114,228.88
03/10/2017	037039	Wilmar	21.14		114,207.74
03/10/2017	037040	Thomas P. Licavoli	770.00		113,437.74
03/10/2017	037041	Spence Brothers	50,549.40		62,888.34
03/10/2017	037042	Trugreen	175.00		62,713.34
03/10/2017	037043	Sondee, Racine & Doren, P.L.C.	32.00		62,681.34
03/10/2017	037044	NorthSky Nonprofit Network	360.00		62,321.34
03/10/2017	037045	Elmer's	450.00		61,871.34
03/10/2017	037046	Guardian Medical Monitoring	14.95		61,856.39
03/10/2017	037047	R.W. Popp Excavating, Inc.	180.00		61,676.39
03/10/2017	037048	City of Traverse City	169.86		61,506.53
03/10/2017	037049	Grand Traverse County DPW	483.00		61,023.53
03/10/2017	037050	Housing Data Systems	387.25		60,636.28
03/10/2017	037051	Barton Carroll's Inc	335.00		60,301.28
03/10/2017	037052	Verizon Wireless	142.80		60,158.48
03/10/2017	037053	Environmental Pest Control	270.00		59,888.48
03/10/2017	037054	United Laboratories	239.68		59,648.80
03/10/2017	037055	City of Traverse City, Treasurer's	426.84		59,221.96
03/10/2017	037056	McCardel Water Conditioning	8.00		59,213.96
03/10/2017	037057	Save Carpet USA	3,290.00		55,923.96
03/10/2017	037058	Nan McKay & Associates Inc	448.00		55,475.96

## Check Register Summary Report

Chemical Bank

From: 03/01/2017 To: 03/20/2017

Date	Ref Num	Payee	Payment	Deposit	Balance
03/10/2017	037059	David Gourlay	71.49		55,404.47
03/10/2017	037060	Housing Authority Accounting	1,819.54		53,584.93
03/10/2017	037061	Safety Net	362.50		53,222.43
03/10/2017	037062	McGough's	47.00		53,175.43
03/10/2017	037063	D & W Mechanical	581.00		52,594.43
03/10/2017	037064	Munson Occupational Health &	70.00		52,524.43
03/10/2017	037065	Great Lakes Business Systems, Inc.	533.86		51,990.57
03/10/2017	037066	Charter Communications	3,343.57		48,647.00
03/10/2017	037067	Home Depot Credit Services	413.35		48,233.65
03/10/2017	037068	Nichols Paper & Supply Co.	16.89		48,216.76
03/10/2017	037069	Aflac	119.28		48,097.48
03/10/2017	037070	Sherwin Williams Co.	916.48		47,181.00
03/10/2017	037071	Ace Hardware	30.81		47,150.19
03/10/2017	037072	Kendall Electric Inc	124.25		47,025.94
03/10/2017	037073	Cardmember Service	933.34		46,092.60
03/10/2017	037074	Wilmar	235.12		45,857.48
03/14/2017	ADJST	Alisa Kroupa	909.91		44,947.57
03/14/2017	ADJST	Anthony Lentych	2,351.37		42,596.20
03/14/2017	ADJST	Kari Massa	1,205.18		41,391.02
03/14/2017	ADJST	Michelle Reardon	1,371.79		40,019.23
03/14/2017	ADJST	Angela N. Szabo	628.18		39,391.05
03/14/2017	ADJST	Joseph Battaglia	277.17		39,113.88
03/14/2017	ADJST	Charles Edwards	838.60		38,275.28
03/14/2017	ADJST	David Gourlay	1,054.38		37,220.90
03/14/2017	ADJST	Benjamin Weston	553.13		36,667.77
03/14/2017	EFT	Principal Life Insurance Co.	334.16		36,333.61
03/15/2017	DEP			1,049.75	37,383.36
03/15/2017	DEP			266.00	37,649.36
03/15/2017	DEP			25,424.83	63,074.19
03/17/2017	ADJST	IRS	2,885.23		60,188.96
03/20/2017	EFT	State of Michigan	872.16		59,316.80
Total:			87,862.26	90,258.16	

## Check Register Summary Report

PNC - Section 8

From: 03/01/2017 To: 03/20/2017

Date	Ref Num	Payee	Payment	Deposit	Balance
03/01/2017	EFT	HUD		7,504.00	173,862.95
03/01/2017	EFT	HUD		84,227.00	258,089.95
03/01/2017	ADJST	PNC	76.60		258,013.35
03/01/2017	000190	Sandra Aeschliman	285.00		257,728.35
03/01/2017	000190	Jeana Aiken	473.00		257,255.35
03/01/2017	000190	Dustin Ansoerge	1,164.00		256,091.35
03/01/2017	000190	Ayers Investment Properties LLC	558.00		255,533.35
03/01/2017	000190	Brad Barnes	488.00		255,045.35
03/01/2017	000190	Bay Front Apartments	320.00		254,725.35
03/01/2017	000190	Bay Hill Housing LDHALP	3,535.00		251,190.35
03/01/2017	000190	Bay Hill II Apartments	5,043.00		246,147.35
03/01/2017	000190	Christopher Becker	750.00		245,397.35
03/01/2017	000190	Bellaire Senior Apartments	631.00		244,766.35
03/01/2017	000190	Brookside Commons LDHA, LP	1,730.00		243,036.35
03/01/2017	000190	Irma Jean Brownley	355.00		242,681.35
03/01/2017	000190	Rebecca Carmien	339.00		242,342.35
03/01/2017	000190	Carson Square	5,501.00		236,841.35
03/01/2017	000190	Central Lake Townhouses	401.00		236,440.35
03/01/2017	000190	Cherrywood Village Farms, Inc.	2,321.00		234,119.35
03/01/2017	000190	Douglas A. Chichester	600.00		233,519.35
03/01/2017	000190	Cycle-Paths LLC.	968.00		232,551.35
03/01/2017	000190	Jack V. Dean	422.00		232,129.35
03/01/2017	000190	Dmytro Cherkasov	1,053.00		231,076.35
03/01/2017	000190	Eden Brook LLC	447.00		230,629.35
03/01/2017	000190	Shirley Farrell	834.00		229,795.35
03/01/2017	000190	Rent Leelanau, LLC	693.00		229,102.35
03/01/2017	000190	Lisa Forbes	489.00		228,613.35
03/01/2017	000190	Dale E. French	102.00		228,511.35
03/01/2017	000190	French Quarter Apts.	93.00		228,418.35
03/01/2017	000190	Michael Glowacki	640.00		227,778.35
03/01/2017	000190	David Grzesiek	370.00		227,408.35
03/01/2017	000190	Habitat for Humanity	33.00		227,375.35
03/01/2017	000190	Harbour Ridge Apts	1,343.00		226,032.35
03/01/2017	000190	Heartwood Enterprises	775.00		225,257.35
03/01/2017	000190	Louis Herman	24.00		225,233.35
03/01/2017	000190	Susan Herman	550.00		224,683.35
03/01/2017	000190	Hillview Terrace	547.00		224,136.35
03/01/2017	000190	Josh Hollister	411.00		223,725.35
03/01/2017	000190	HomeStretch	3,067.00		220,658.35
03/01/2017	000190	Caroline Hupp	199.00		220,459.35

Traverse City Housing Commission  
**Check Register Summary Report**  
PNC - Section 8  
From: 03/01/2017 To: 03/20/2017

Date	Ref Num	Payee	Payment	Deposit	Balance
03/01/2017	000190	Joseph and Marion Fasel	358.00		220,101.35
03/01/2017	000190	Donna Kalchik	323.00		219,778.35
03/01/2017	000190	Lake Pointe Acquisitions LLC.	1,063.00		218,715.35
03/01/2017	000190	Sidney Lammers	372.00		218,343.35
03/01/2017	000190	Legendary Rentals, LLC	957.00		217,386.35
03/01/2017	000190	John J. Lewis	762.00		216,624.35
03/01/2017	000190	Don E. Lint	459.00		216,165.35
03/01/2017	000190	Juan Maldonado	314.00		215,851.35
03/01/2017	000190	Mathews Trust	255.00		215,596.35
03/01/2017	000190	McLain Management	29.00		215,567.35
03/01/2017	000190	Oak Park Apts	1,798.00		213,769.35
03/01/2017	000190	Oak Terrace Apts	763.00		213,006.35
03/01/2017	000190	Gerald Oliver Revocable Trust	900.00		212,106.35
03/01/2017	000190	P Avium Associates, Inc.	506.00		211,600.35
03/01/2017	000190	Daniel G. Pohlman	1,463.00		210,137.35
03/01/2017	000190	Douglas L. Porter	438.00		209,699.35
03/01/2017	000190	Phillip Putney	733.00		208,966.35
03/01/2017	000190	Adele M. Reiter	995.00		207,971.35
03/01/2017	000190	Timothy Rice	493.00		207,478.35
03/01/2017	000190	Singkhan Sina Riddell	389.00		207,089.35
03/01/2017	000190	Robert F. Follett	837.00		206,252.35
03/01/2017	000190	Sabin Pond Apartments LLC	841.00		205,411.35
03/01/2017	000190	John Sarya	715.00		204,696.35
03/01/2017	000190	Eldon Schaub	388.00		204,308.35
03/01/2017	000190	Gerald Sieggreen	670.00		203,638.35
03/01/2017	000190	SILVER SHORES MHC	321.00		203,317.35
03/01/2017	000190	Douglas & Julia Slack	327.00		202,990.35
03/01/2017	000190	22955 Investments LLC	3,334.00		199,656.35
03/01/2017	000190	Carl Sumner	508.00		199,148.35
03/01/2017	000190	Traverse City Property Management	353.00		198,795.35
03/01/2017	000190	TCR Investments, LLC	1,020.00		197,775.35
03/01/2017	000190	Wendy Teagan	449.00		197,326.35
03/01/2017	000190	TOS Holdings, LLC	744.00		196,582.35
03/01/2017	000190	Tradewinds Terrace Apts	253.00		196,329.35
03/01/2017	000190	Village Glen Apartments	7,533.00		188,796.35
03/01/2017	000190	Woda Boardman Lake LDHA.LP	2,974.00		185,822.35
03/01/2017	000190	Woodmere Ridge Apartments LDHA	5,027.00		180,795.35
03/01/2017	000190	Theodore V. Zachman	774.00		180,021.35
03/01/2017	000190	Ann Zenner	497.00		179,524.35
03/01/2017	000190	Barb Zupin	1,177.00		178,347.35

## Check Register Summary Report

PNC - Section 8

From: 03/01/2017 To: 03/20/2017

Date	Ref Num	Payee	Payment	Deposit	Balance
03/01/2017	000191	Bay Hill Apartments	750.00		177,597.35
03/01/2017	000191	TEAMCO PROPERTIES	1,559.00		176,038.35
03/01/2017	000191	Village View Housing LHDA LP	369.00		175,669.35
03/01/2017	022969	TEAMCO PROPERTIES	1,559.00		174,110.35
03/01/2017	022969	**VOID** TEAMCO PROPERTIES	( 1,559.00)		175,669.35
03/01/2017	022970	Village View Housing LHDA LP	369.00		175,300.35
03/01/2017	022970	**VOID** Village View Housing LHDA	( 369.00)		175,669.35
03/02/2017	022971	Blarney Castle Oil Co.	62.30		175,607.05
03/02/2017	022972	Cherryland Electric Cooperative	198.70		175,408.35
03/02/2017	022973	City Of Traverse City	592.60		174,815.75
03/02/2017	022974	Consumers Energy	34.00		174,781.75
03/02/2017	022975	DTE ENERGY	745.40		174,036.35
03/02/2017	022976	Holtens LP Gas Fife Lake	42.00		173,994.35
03/02/2017	022977	Village of Ellsworth	106.00		173,888.35
03/03/2017	000192	TOS Holdings, LLC	550.00		173,338.35
03/10/2017	022978	Traverse City Housing Commission	24,438.83		148,899.52
03/15/2017	DEP			519.00	149,418.52
Total:			109,190.43	92,250.00	

**Traverse City Housing Commission**  
**Low Rent Public Housing**  
**Income & Expense Statement**  
**For the 1 Month and 8 Months Ended February 28, 2017**

Units	1 Month Ended	8 Months Ended	YEAR TO DATE	ANNUAL	
135	<u>February 28, 2017</u>	<u>February 28, 2017</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>*OVER/UNDER</u>
<b>Operating Income</b>					
<b>Rental Income</b>					
3110 - Dwelling Rental	\$ 29,734.00	\$ 244,203.53	\$ 310,000	\$ 465,000	220,796.47
3110.2 - Dwelling Rental-Proj. 2	5,468.00	43,611.83	0	0	(43,611.83)
3120 - Excess Utilities	100.00	1,099.00	667	1,000	(99.00)
3190 - Nondwelling Rental	<u>7,319.05</u>	<u>56,450.10</u>	<u>34,333</u>	<u>51,500</u>	<u>(4,950.10)</u>
<b>Total Rental Income</b>	<u>42,621.05</u>	<u>345,364.46</u>	<u>345,000</u>	<u>517,500</u>	<u>172,135.54</u>
<b>Revenues - HUD PHA Grants</b>					
3401.2 - Operating Subsidy	<u>21,112.00</u>	<u>177,377.00</u>	<u>166,667</u>	<u>250,000</u>	<u>72,623.00</u>
<b>Total HUD PHA Grants</b>	<u>21,112.00</u>	<u>177,377.00</u>	<u>166,667</u>	<u>250,000</u>	<u>72,623.00</u>
<b>Nonrental Income</b>					
3610 - Interest Income-Gen. Fund	125.46	1,492.90	1,800	2,700	1,207.10
3690 - Tenant Income	25.00	4,676.75	3,333	5,000	323.25
3690.1 - Non-Tenant Income	2,672.00	11,288.59	18,667	28,000	16,711.41
3690.2 - Tenant Income-Cable	2,387.00	19,712.76	17,387	26,080	6,367.24
3690.3 - Gain (Loss) of Disposal of Equip.	<u>0.00</u>	<u>300.00</u>	<u>0</u>	<u>0</u>	<u>(300.00)</u>
<b>Total Nonrental Income</b>	<u>5,209.46</u>	<u>37,471.00</u>	<u>41,187</u>	<u>61,780</u>	<u>24,309.00</u>
<b>Total Operating Income</b>	<u>68,942.51</u>	<u>560,212.46</u>	<u>552,854</u>	<u>829,280</u>	<u>269,067.54</u>
<b>Operating Expenses</b>					
<b>Routine Expense</b>					
<b>Administration</b>					
4110 - Administrative Salaries	9,790.41	87,841.24	92,760	139,140	51,298.76
4120 - Compensated Absences	0.00	0.00	1,000	1,500	1,500.00
4130 - Legal Expense	508.60	8,779.84	4,333	6,500	(2,279.84)
4140 - Staff Training	0.00	2,537.55	2,667	4,000	1,462.45
4150 - Travel Expense	274.69	2,430.83	2,933	4,400	1,969.17
4170 - Accounting Fees	0.00	4,028.62	5,000	7,500	3,471.38
4171 - Auditing	0.00	4,060.00	2,000	3,000	(1,060.00)
4182 - Employee Benefits - Admin	6,632.39	40,857.29	37,033	55,550	14,692.71
4185 - Telephone	897.48	5,454.64	4,400	6,600	1,145.36
4190 - Administrative Sundry	25.00	25.00	0	0	(25.00)
4190.1 - Publications	0.00	578.80	667	1,000	421.20
4190.2 - Membership Dues and Fees	245.00	985.00	667	1,000	15.00
4190.3 - Admin. Service Contracts	584.00	22,198.45	16,867	25,300	3,101.55
4190.4 - Office Supplies	221.19	3,114.81	3,467	5,200	2,085.19
4190.5 - Other Sundry Expense	1,814.20	15,037.15	4,667	7,000	(8,037.15)
4190.6 - Advertising	<u>0.00</u>	<u>2,299.93</u>	<u>1,000</u>	<u>1,500</u>	<u>(799.93)</u>
<b>Total Administration</b>	<u>20,992.96</u>	<u>200,229.15</u>	<u>179,461</u>	<u>269,190</u>	<u>68,960.85</u>
<b>Tenant Services</b>					
4220 - Rec., Pub., & Other Services	595.85	4,857.48	10,000	15,000	10,142.52
4221 - Tenant Svcs-Child Care	0.00	0.00	0	0	0.00
4230 - Cable TV-Tenants	<u>3,163.21</u>	<u>24,513.53</u>	<u>24,973</u>	<u>37,460</u>	<u>12,946.47</u>
<b>Total Tenant Services</b>	<u>3,759.06</u>	<u>29,371.01</u>	<u>34,973</u>	<u>52,460</u>	<u>23,088.99</u>

See Accountants' Compilation Report

**Traverse City Housing Commission**  
**Low Rent Public Housing**  
**Income & Expense Statement**  
**For the 1 Month and 8 Months Ended February 28, 2017**

Units	1 Month Ended	8 Months Ended	YEAR TO DATE	ANNUAL	
135	<u>February 28, 2017</u>	<u>February 28, 2017</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>*OVER/UNDER</u>
<b>Utilities</b>					
4310 - Water	1,016.30	11,681.15	11,000	16,500	4,818.85
4320 - Electricity	14,815.32	82,062.46	100,000	150,000	67,937.54
4330 - Gas	<u>696.23</u>	<u>8,165.75</u>	<u>10,333</u>	<u>15,500</u>	<u>7,334.25</u>
<b>Total Utilities</b>	16,527.85	101,909.36	121,333	182,000	80,090.64
<b>Ordinary Maint. &amp; Operation</b>					
4410 - Labor, Maintenance	8,460.12	61,375.65	54,087	81,130	19,754.35
4420 - Materials	3,262.07	25,675.97	13,467	20,200	(5,475.97)
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	713.83	5,093.65	3,333	5,000	(93.65)
4430.03 - Snow Removal Contracts	1,095.00	2,310.00	2,667	4,000	1,690.00
4430.04 - Elevator Maintenance Contracts	0.00	9,168.51	5,667	8,500	(668.51)
4430.05 - Landscape & Grounds Contracts	0.00	31,413.41	3,333	5,000	(26,413.41)
4430.06 - Unit Turnaround Contracts	670.00	15,420.14	6,667	10,000	(5,420.14)
4430.07 - Electrical Contracts	0.00	433.85	1,333	2,000	1,566.15
4430.08 - Plumbing Contracts	0.00	276.75	1,000	1,500	1,223.25
4430.09 - Extermination Contracts	270.00	1,975.00	2,333	3,500	1,525.00
4430.10 - Janitorial Contracts	0.00	1,800.00	2,000	3,000	1,200.00
4430.11 - Routine Maintenance Contracts	148.24	10,093.74	5,333	8,000	(2,093.74)
4430.12 - Misc. Contracts	1,036.11	9,426.57	6,133	9,200	(226.57)
4431 - Garbage Removal	35.21	8,172.84	3,867	5,800	(2,372.84)
4433 - Employee Benefits - Maint.	<u>3,964.55</u>	<u>23,968.77</u>	<u>25,847</u>	<u>38,770</u>	<u>14,801.23</u>
<b>Total Ordinary Maint. &amp; Oper.</b>	19,655.13	206,604.85	137,067	205,600	(1,004.85)
<b>General Expense</b>					
4510 - Insurance	2,386.35	19,129.47	20,400	30,600	11,470.53
4520 - Payment in Lieu of Taxes	1,780.00	14,240.00	15,333	23,000	8,760.00
4570 - Collection Losses	0.00	7,855.66	0	0	(7,855.66)
4586 - Interest Expense-CFFP	0.00	0.00	21,333	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>333</u>	<u>500</u>	<u>500.00</u>
<b>Total General Expense</b>	4,166.35	41,225.13	57,399	86,100	44,874.87
<b>Total Routine Expense</b>	65,101.35	579,339.50	530,233	795,350	216,010.50
<b>Non-Routine Expense</b>					
<b>Extraordinary Maintenance</b>					
4610.3 - Contract Costs	<u>0.00</u>	<u>4,545.00</u>	<u>6,667</u>	<u>10,000</u>	<u>5,455.00</u>
<b>Total Extraordinary Maint.</b>	0.00	4,545.00	6,667	10,000	5,455.00
<b>Casualty Losses-Not Cap.</b>					
<b>Total Casualty Losses</b>	0.00	0.00	0	0	0.00
<b>Total Non-Routine Expense</b>	0.00	4,545.00	6,667	10,000	5,455.00
<b>Total Operating Expenses</b>	<u>65,101.35</u>	<u>583,884.50</u>	<u>536,900</u>	<u>805,350</u>	<u>221,465.50</u>
<b>Operating Income (Loss)</b>	<u>3,841.16</u>	<u>(23,672.04)</u>	<u>15,954</u>	<u>23,930</u>	<u>47,602.04</u>

See Accountants' Compilation Report



**Traverse City Housing Commission**  
**Low Rent Public Housing**  
**Income & Expense Statement**  
**For the 1 Month and 8 Months Ended February 28, 2017**

Units	1 Month Ended	8 Months Ended	YEAR TO DATE	ANNUAL	
135	<u>February 28, 2017</u>	<u>February 28, 2017</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>*OVER/UNDER</u>
<b>Depreciation Expense</b>					
4800 - Depreciation - Current Year	21,695.94	178,782.17	0	0	(178,782.17)
4810 - Loan Fee Amortization Exp.-CFFP	<u>0.00</u>	<u>0.00</u>	<u>0</u>	<u>0</u>	<u>0.00</u>
<b>Total Depreciation Expense</b>	21,695.94	178,782.17	0	0	(178,782.17)
<b>Surplus Credits and Charges</b>					
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>
<b>Total Surplus Credits and Char</b>	0.00	0.00	0	0	0.00
<b>Capital Expenditures</b>					
7520 - Replacement of Equipment	7,991.56	15,975.06	0	0	(15,975.06)
7530 - Rec. Equip. - Not Replaced	0.00	0.00	0	0	0.00
7540 - Betterments and Additions	1,198.00	53,214.07	16,667	25,000	(28,214.07)
7560 - Casualty Losses Capitalized	0.00	0.00	0	0	0.00
7590 - Operating Expenditures-Contra	<u>(9,189.56)</u>	<u>(69,189.13)</u>	<u>(16,667)</u>	<u>(25,000)</u>	<u>44,189.13</u>
<b>Total Capital Expenditures</b>	0.00	0.00	0	0	0.00
<b>GAAP Net Income (Loss)</b>	<u>\$ (17,854.78)</u>	<u>\$ (202,454.21)</u>	<u>\$ 15,954</u>	<u>\$ 23,930</u>	<u>\$ 226,384</u>
<b>HUD Net Income (Loss)</b>	<u>\$ (5,348.40)</u>	<u>\$ (93,161.17)</u>	<u>\$ (713)</u>	<u>\$ (1,070)</u>	<u>\$ 92,091</u>

See Accountants' Compilation Report

**Traverse City Housing Commission**  
**Section 8 Vouchers**  
**Income & Expense Statement**  
**For the 1 Month and 8 Months Ended February 28, 2017**

Units 208	1 Month Ended <u>February 28, 2017</u>	PUM	8 Months Ended <u>February 28, 2017</u>	PUM	BUDGET	PUM	*OVER/UNDER
<b>Housing Assistance Payments</b>							
4715.1 - HAP - Occupied Units	73,529.00	453.88	601,977.00	455.01	0	0.00	(601,977.00)
4715.3 - HAP - Non-Elderly Disabled	3,860.00	23.83	31,807.00	24.04	0	0.00	(31,807.00)
4715.4 - HAP - Utility Allowances	0.00	0.00	6,453.00	4.88	0	0.00	(6,453.00)
4715.5 - HAP - Fraud Recovery	0.00	0.00	(390.00)	(0.29)	0	0.00	390.00
4715.6 - HAP - Homeownership	1,060.00	6.54	7,266.00	5.49	0	0.00	(7,266.00)
4719 - HAP - FSS Escrow	2,396.00	14.79	12,649.55	9.56	0	0.00	(12,649.55)
4719.1 - FSS Forfeitures	0.00	0.00	(8,925.98)	(6.75)	0	0.00	8,925.98
<b>Total HAP Payments</b>	<u>80,845.00</u>	<u>499.04</u>	<u>650,836.57</u>	<u>491.94</u>	<u>0</u>	<u>0.00</u>	<u>(650,836.57)</u>
<b>Depreciation Expense</b>							
4800 - Depreciation - Current Year	<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>
<b>Total Depreciation Expense</b>	<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>
<b>Surplus Charges &amp; Credits</b>							
<b>Total Surplus CR &amp; Chgs</b>	<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>
<b>Capital Expenditures</b>							
<b>Total Capital Expenditures</b>	<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>
<b>GAAP Net Income (Loss)</b>	<u>\$ 5,347.17</u>	<u>33.01</u>	<u>\$ 16,452.99</u>	<u>12.44</u>	<u>\$ (97,900)</u>	<u>0.00</u>	<u>\$ (114,352.99)</u>

**Analysis of HAP Funding -Voucher**

**A.C. Received: FEB. 28, 2017**

HAP Funding

**8 Months Ended**

**February 28, 2017**

\$ 667,096.00

**A.C. Spent**

HAP - Occupied Units	601,977.00
HAP - Non-Elderly Disabled	31,807.00
HAP - Utility Allowances	6,453.00
HAP - Homeownership	7,266.00
HAP - Fraud Recovery	(390.00)
HAP - FSS Escrow	12,649.55
FSS Forfeitures	(8,925.98)
<b>Total Funding Required</b>	<u>650,836.57</u>

**Over/(Under) Funding-current fiscal year**

\$ 16,259.43

**HAP Reserve-prior fiscal years**

\$ 11,324.12

**Cumulative Over (Under) Funding-HAP (NRA)**

\$ 27,583.55

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

\$ (7,169.58)

**Traverse City Housing Commission**  
**Section 8 Vouchers**  
**Income & Expense Statement**  
**For the 1 Month and 8 Months Ended February 28, 2017**

Units	1 Month Ended		8 Months Ended				
208	<u>February 28, 2017</u>	<u>PUM</u>	<u>February 28, 2017</u>	<u>PUM</u>	<u>BUDGET</u>	<u>PUM</u>	<u>*OVER/UNDER</u>
<b>Operating Income</b>							
3390 - Fraud Recovery Income	\$ 75.00	0.46	\$ 515.00	0.39	\$ 0	0.00	\$ (515.00)
3603 - Number of Unit Months	162.00	(1.00)	1,323.00	(1.00)	0	0.00	1,323.00
3604 - Unit Months - Contra	<u>(162.00)</u>	1.00	<u>(1,323.00)</u>	1.00	<u>0</u>	0.00	<u>(1,323.00)</u>
<b>Total Oper. Reserve Income</b>	75.00	0.46	515.00	0.39	0	0.00	(515.00)
<b>Revenues - HUD PHA Grants</b>							
3410 - HAP Funding	85,162.00	525.69	667,096.00	504.23	0	0.00	(667,096.00)
3411 - Admin Fee Funding	<u>7,777.00</u>	48.01	<u>65,918.00</u>	49.82	<u>0</u>	0.00	<u>(65,918.00)</u>
<b>Total HUD PHA Grants</b>	92,939.00	573.70	733,014.00	554.05	0	0.00	(733,014.00)
<b>Income Offset HUD A.C.</b>							
<b>Total Offset Income</b>	<u>0.00</u>	0.00	<u>0.00</u>	0.00	<u>0</u>	0.00	<u>0.00</u>
<b>Total Operating Income</b>	<u>93,014.00</u>	574.16	<u>733,529.00</u>	554.44	<u>0</u>	0.00	<u>(733,529.00)</u>
<b>Operating Expenses</b>							
<b>Routine Expense</b>							
<b>Administration</b>							
4110 - Administrative Salaries	2,629.46	16.23	25,195.20	19.04	41,800	0.00	16,604.80
4120 - Compensated Absences	0.00	0.00	0.00	0.00	250	0.00	250.00
4130 - Legal Expense	134.40	0.83	205.80	0.16	2,850	0.00	2,644.20
4140 - Staff Training	258.00	1.59	448.50	0.34	1,710	0.00	1,261.50
4150 - Travel Expense	20.25	0.13	722.47	0.55	1,890	0.00	1,167.53
4170 - Accounting Fees	649.25	4.01	5,531.53	4.18	8,500	0.00	2,968.47
4171 - Auditing	0.00	0.00	1,740.00	1.32	3,000	0.00	1,260.00
4182 - Employee Benefits - Admin	2,002.43	12.36	13,507.59	10.21	17,500	0.00	3,992.41
4185 - Telephone	286.16	1.77	1,539.48	1.16	3,200	0.00	1,660.52
4190 - Administrative Sundry	25.00	0.15	58.65	0.04	0	0.00	(58.65)
4190.1 - Publications	0.00	0.00	0.00	0.00	500	0.00	500.00
4190.2 - Membership Dues and Fees	105.00	0.65	825.00	0.62	1,000	0.00	175.00
4190.3 - Admin. Service Contracts	250.28	1.54	9,061.40	6.85	10,000	0.00	938.60
4190.4 - Office Supplies	94.80	0.59	1,291.85	0.98	2,200	0.00	908.15
4190.5 - Other Sundry Expense	366.80	2.26	5,986.54	4.52	3,500	0.00	(2,486.54)
4190.6 - Advertising	<u>0.00</u>	0.00	<u>125.43</u>	0.09	<u>0</u>	0.00	<u>(125.43)</u>
<b>Total Administration</b>	6,821.83	42.11	66,239.44	50.07	97,900	0.00	31,660.56
<b>General Expense</b>							
<b>Total General Expense</b>	0.00	0.00	0.00	0.00	0	0.00	0.00
<b>Total Routine Expense</b>	6,821.83	42.11	66,239.44	50.07	97,900	0.00	31,660.56

**Traverse City Housing Commission**  
**Section 8 Vouchers FSS Escrow**  
**Income & Expense Statement**  
**For the 1 Month and 8 Months Ended February 28, 2017**

Units	1 Month Ended		8 Months Ended		<u>BUDGET</u>	<u>PUM</u>	<u>*OVER/UNDER</u>
	<u>February 28, 2017</u>	<u>PUM</u>	<u>February 28, 2017</u>	<u>PUM</u>			
<b>Operating Income</b>							
<b>Total Oper. Reserve Income</b>	0.00	0.00	0.00	0.00	0	0.00	0.00
<b>Revenues - HUD PHA Grants</b>							
3412 - FSS Grant Revenue	<u>5,580.00</u>	0.00	<u>44,646.85</u>	0.00	<u>0</u>	0.00	<u>(44,646.85)</u>
<b>Total HUD PHA Grants</b>	5,580.00	0.00	44,646.85	0.00	0	0.00	(44,646.85)
<b>Income Offset HUD A.C.</b>							
<b>Total Offset Income</b>	<u>0.00</u>	0.00	<u>0.00</u>	0.00	<u>0</u>	0.00	<u>0.00</u>
<b>Total Operating Income</b>	<u>5,580.00</u>	0.00	<u>44,646.85</u>	0.00	<u>0</u>	0.00	<u>(44,646.85)</u>
<b>Operating Expenses</b>							
<b>Routine Expense</b>							
<b>Administration</b>							
4110 - Administrative Salaries	4,557.49	0.00	39,137.86	0.00	56,980	0.00	17,842.14
4182 - Employee Benefits - Admin	1,775.93	0.00	12,872.13	0.00	18,050	0.00	5,177.87
4190.1 - Publications	<u>0.00</u>	0.00	<u>67.20</u>	0.00	<u>0</u>	0.00	<u>(67.20)</u>
<b>Total Administration</b>	6,333.42	0.00	52,077.19	0.00	75,030	0.00	22,952.81
<b>General Expense</b>							
<b>Total General Expense</b>	0.00	0.00	0.00	0.00	0	0.00	0.00
<b>Total Routine Expense</b>	6,333.42	0.00	52,077.19	0.00	75,030	0.00	22,952.81

**Traverse City Housing Commission**  
**Section 8 Vouchers FSS Escrow**  
**Income & Expense Statement**  
**For the 1 Month and 8 Months Ended February 28, 2017**

Units	1 Month Ended		8 Months Ended				
	<u>February 28, 2017</u>	<u>PUM</u>	<u>February 28, 2017</u>	<u>PUM</u>	<u>BUDGET</u>	<u>PUM</u>	<u>*OVER/UNDER</u>
<b>Housing Assistance Payments</b>							
4715.1 - HAP - Occupied Units	0.00	0.00	0.00	0.00	0	0.00	0.00
4715.2 - HAP-Vacant Unit	0.00	0.00	0.00	0.00	0	0.00	0.00
4715.3 - HAP - Non-Elderly Disabled	0.00	0.00	0.00	0.00	0	0.00	0.00
4715.4 - HAP - Utility Allowances	0.00	0.00	0.00	0.00	0	0.00	0.00
4715.5 - HAP - Fraud Recovery	0.00	0.00	0.00	0.00	0	0.00	0.00
4715.6 - HAP - Homeownership	0.00	0.00	0.00	0.00	0	0.00	0.00
4715.61 - HAP-Homeownership URP	0.00	0.00	0.00	0.00	0	0.00	0.00
4715.8 - HAP - Portable Paying Out	0.00	0.00	0.00	0.00	0	0.00	0.00
4715.81 - HAP - Portable Urp Paying Out	0.00	0.00	0.00	0.00	0	0.00	0.00
4715.9 - HAP - Portable Receiving	0.00	0.00	0.00	0.00	0	0.00	0.00
4715.91 - HAP - Portable Rec. Reimb.	0.00	0.00	0.00	0.00	0	0.00	0.00
4719 - HAP - FSS Escrow	0.00	0.00	0.00	0.00	0	0.00	0.00
4719.1 - FSS Forfeitures	<u>0.00</u>	0.00	<u>0.00</u>	0.00	<u>0</u>	0.00	<u>0.00</u>
<b>Total HAP Payments</b>	0.00	0.00	0.00	0.00	0	0.00	0.00
<b>Depreciation Expense</b>							
4800 - Depreciation - Current Year	<u>0.00</u>	0.00	<u>0.00</u>	0.00	<u>0</u>	0.00	<u>0.00</u>
<b>Total Depreciation Expense</b>	0.00	0.00	0.00	0.00	0	0.00	0.00
<b>Surplus Charges &amp; Credits</b>							
6010 - Prior Year Adj. - Affecting RR	0.00	0.00	0.00	0.00	0	0.00	0.00
6020 - Prior Year Adj. Not Affect. RR	0.00	0.00	0.00	0.00	0	0.00	0.00
6120 - Gain/Loss - Non Exp Equip	<u>0.00</u>	0.00	<u>0.00</u>	0.00	<u>0</u>	0.00	<u>0.00</u>
<b>Total Surplus CR &amp; Chgs</b>	0.00	0.00	0.00	0.00	0	0.00	0.00
<b>Capital Expenditures</b>							
<b>Total Capital Expenditures</b>	0.00	0.00	0.00	0.00	0	0.00	0.00
<b>GAAP Net Income (Loss)</b>	<u>\$ (753.42)</u>	0.00	<u>\$ (7,430.34)</u>	0.00	<u>\$ (75,030)</u>	0.00	<u>\$ (67,599.66)</u>



**Traverse City Housing Commission**  
*A Public Housing Authority*

## **COMMITTEE REPORTS**

Executive Committee: March 7, 2017 & March 20, 2017

Governance Committee: March 22, 2017

# **Meeting Minutes of the Traverse City Housing Commission Executive & Governance Committee March 7, 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 11:01 a.m. at the offices of Brian Haas.

## **ROLL CALL**

The following Commissioners were present: Brian Haas and Kay Serratelli.

## **CORRESPONDENCE**

Staff presented a letter dated February 28, 2017 to Erik Falconer concerning the City of Traverse City's request for a "Shared Drive" with Pine Street Development One, LLC. The letter was submitted to the City as part of their application for Site Plan Approval. We are not committed in any way but we are still negotiating this possible outcome.

## **AGENDA**

The following Agenda items were discussed:

- A. There was a lengthy conversation on the next steps of concerning the Townsend v. TCHC lawsuit. It was assigned to Judge Elsenheimer but our attorney was considering a request to move to Federal court.
- B. There was a conversation on the Executive Director Review protocols recently established and staff was going to coordinate these meetings.
- C. The financing of several development projects was discussed in some detail. TCHC may need to discuss a purchase of property sooner rather than later as the funding picture becomes for clear. This may require a Closed Session.

## **ADJOURNMENT**

President Haas adjourned the meeting at 12:05 p.m.

Respectfully submitted,

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Brian Haas &  
Tony Lentych, Executive Director

# **Meeting Minutes of the Traverse City Housing Commission Executive & Governance Committee**

**March 20, 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 4:05 p.m. at the offices of Brian Haas.

## **ROLL CALL**

The following Commissioners were present: Brian Haas and Kay Serratelli.

## **CORRESPONDENCE**

Staff had previously shared the TCHC response to the Townsend v. TCHC & John or Jane Doe Complaint that had been filed on February 16, 2017. There was a brief discussion on next steps but it was requested that we request an update from our attorney(-ies).

## **AGENDA**

The following Agenda items were discussed:

- A. A draft Agenda for the March Commission regular meeting was discussed:
  - A plan to implement the Smoke-Free Properties Policy will be discussed.
  - There will be a Closed Session in order to respond to a correspondence from our lawyer.
  - A report on the HUD Budget will be added.
  - The meeting will be held at the Governmental Center, Second Floor Committee Room.
- B. Lentych gave a brief update on the office renovation at TCHC – 99% completed.
- C. The RTRC monthly report was missing in the last packet but should have been forwarded electronically. If not, it will be included in this month's meeting packet. It was received by staff on February 24, 2017 – there was an email problem that caused it to be delayed.
- D. Staff is still working on coordinating an Executive Director Review session.

## **ADJOURNMENT**

President Haas adjourned the meeting at 5:15 p.m.

Respectfully submitted,

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Brian Haas &  
Tony Lentych, Executive Director



# **Meeting Minutes of the Traverse City Housing Commission Governance Committee March 22, 2017**

A Governance Committee Meeting of the Traverse City Housing Commission was called to order by Commissioner Serratelli at 3:01 p.m.

## **ROLL CALL**

The following Commissioners were present: Kay Serratelli and Michelle St. Amant.

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

Resident Member: Jo Simerson (Ellen Corcoran – Excused)

Other Residents: Carolyn Beaudrie, Craig Gripentrog, Paula Hunter, and Kathy Stocking. Three other residents joined the meeting after introductions. The RTRC Office received Meeting Materials.

## **AGENDA**

- A. The purpose of the committee was outlined by Lentych and the attendees introduced themselves. Lentych encouraged resident participation in this committee on an on-going basis or as residents have an interest in the topics presented.
- B. The Policy Review Schedule was presented and reviewed. (There was mention of future discussion of policies related to ethics, bed bugs and head lice).
- C. Lentych presented the latest updates related to the “Shared Drive” request from the City of Traverse City. Not much has changed but residents will be notified immediately when information is available.
- D. A draft of the Smoke Free Properties Policy timeline was presented and discussed. Lentych stated that this timeline will be presented to the TCHC for adoption at the March meeting. There are several policy decisions to be made within this coming discussion.
- E. Lentych informed the committee that Human Resources Policy & Procedures Manual is currently under review and will be presented to the TCHC for review and adoption in March or April. There was a request to mention confidentiality standards for both employee and resident behaviors. Possible trainings for staff and residents were discussed.
- F. It was announced that the Safety & Evacuation Plan will be the next Policy reviewed by the committee.

## **ADJOURNMENT**

The Committee adjourned the meeting at 3:57 p.m. The next scheduled meeting will be on April 20, 2017 at 10:00 a.m. Meetings will be held monthly at 10:00 a.m. on the 3rd Thursday of the month.

Respectfully submitted,

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Michelle Reardon, Associate Director &  
Kay Serratelli, Commissioner



**Traverse City Housing Commission**  
*A Public Housing Authority*

## **STAFF & PROGRAM REPORTS**

Executive Director's Report

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

Resident Council Report: February & March 2017

## **EXECUTIVE DIRECTOR'S REPORT: March 24, 2017**

This report covers the work accomplished from February 24, 2017 until March 23, 2017. Please contact me directly should you have any questions or wish to receive more information about any items highlighted in this report.

<b>Strategic Goal 1</b>	<b>Expand affordable housing inventory and range of options.</b>
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### **Current Properties**

1. Riverview Terrace: One (1) unit is open. We have person preparing to move in at the end of the month.
2. Orchardview: Full occupancy but two evictions are underway and will open units within the next two months – spent some time on property to investigate a potential illegal tenant. We plan to start being proactive to get more families on the wait list.

### **Potential Projects**

1. Finalized a contract with Alliance Architects for Architectural & Engineering Services. Was able to immediately coordinate a Task Order for the "Siding & Window" Replacement project at Orchardview which produced 160-page Project Manual. Held an on-site bidders meeting. Prepared a detailed memorandum for the Commission on this matter.
2. Several meetings with our development team/consultants on two primary properties. Considering next steps and which financial resources to use. Most of the conversation is centered on MSHDA's 4% Tax Credit program but this is not a final decision. Began work to incorporate dollars from other sources including straight up conventional financing. Reviewed several financial pro formas.
3. Communications/Conversations/Meetings with MEDC consultant about the State's interest in our projects. This funding source could provide "gap financing" with both of our potential properties. Met with consultant in Lansing.
4. Conversations with the two properties owners/agents. Updating information and preparing for sale negotiations.
5. Continued conversations with an area nonprofit about a collaboration that could preserve some affordable units.

6. As a favor to a possible collaboration of nonprofits, I investigated another property with our maintenance team (inspection) that is on the market for possible conversion to affordable housing.
7. Continued having meetings and conversations with the owner/developers of the neighboring property on Pine Street (not sure of the name of project). There were no more conversations on the Shared Drive.

<b>Strategic Goal 2</b>	<b>Create opportunities for residents to improve quality of life and achieve individual successes.</b>
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1. Held several meetings with Riverview Terrace Residents regarding general issues in our community and issues concerning the Riverview Terrace Resident Council. Met with their By-Laws review committee along with League of Women Voters.
2. Worked with staff to improve The Riverview Terrace Gazette, the monthly newsletter, to be a more informative vehicle for information.
3. Coordinated a community meeting with Erik Falconer where he presented the new design of the property next door. It was well attended.

<b>Strategic Goal 3</b>	<b>Foster an environment of innovation and excellence.</b>
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### Strategic Planning

1. Continued work on updating Organizational Chart and tracking items in 2017 Work Plan.

### Financial

1. The reviewed and prepared the monthly financial report. Everything is still on target. The goal for this month is to be around the 67% mark for both Revenue & Expenses.

### Staff Management

1. Finalized Memorandum of Understanding with City of Traverse City Human Resources department for the delivery or coordination of some services. Phone conversation with TCHC HR attorney, John Racine, on an employment matter.
2. Working to finish all Job Descriptions based on new organization chart and reassignment of duties.
3. Continued to monitor the new staff person as she gets acclimated to her new position.

### **Office Construction and Office IT**

1. I would call our Office Renovation Project 99% complete! We have a few items of furniture in transit or on order. All in all, we are back in our space and unpacked. Congratulations to staff for making this process a lot easier than it could have been.

### **TCHC**

1. Attended one TCHC regular meeting (February) and prepared for another (March).
2. Coordinated two Executive Committee meetings.
3. Coordinated one Governance Committee meeting.
4. Meetings with Commissioner Michelle St. Amant on several issues and Commissioner Andy Smits to review the Architectural Services Contract.
5. Participated in Northern Michigan PHA Director's Meeting in Cadillac.

<b>Strategic Goal 4</b>	<b>Increase community engagement and understanding of our work.</b>
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1. Spent some time reviewing our Facebook Page and our Website after gaining "administrative status on both. Working on a plan to re-launch both.
2. Housing Solution Network: Chaired the monthly meeting. Met with a potential funder of the Michigan Rural Housing Partnership. The meeting was successful and the team will be moving forward on more work with this entity in the near future.
3. Community Economic Development Association of Michigan (CEDAM): Phone meeting with the Executive Director.
4. Media: Conversation with Record Eagle on potential HUD Budget cuts.
5. Conversations with City Commissioners on various topics that effect the Housing Commission.
6. Conversations with the City of Manistee City Manager's office on PILOTs and reviewed one potential project for them.

<b>Miscellaneous</b>	<b>Other information – plus personal items.</b>
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1. Several meetings and phone calls with TCHC attorney, Ward Kuhn on a variety of issues. Conversations and communications (including one meeting) with the attorney assigned by the insurance company, Dan White. I spent a lot of time coordinating the collection of information and coordinating with our attorney in order to respond to the Townsend complaint. This one activity utilized a lot of my time since the last meeting.
2. Attended one Eviction Hearing in Leelanau County. We able to work with the tenant prior to Court appearance to work out an amicable move out date. The Judge approved the plan.
3. Holiday/Vacation/Personal Time (0.5 days).

## **FAMILY SELF-SUFFICIENCY (FSS) PROGRAM REPORT**

**March 24, 2017**

### **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%	14	70%

### **Program Manager Update**

A new program coordinator has been in place since February 21, 2017. Angie Szabo has lived in Traverse City for 26 years. She's worked in administration as a Personal Banker for Northwestern Bank and as the Administrative Manager for Lowes. After volunteering her time working with teens in the juvenile drug court she returned to school to obtain a degree in social work. She is currently enrolled at NMC University Center working towards a Bachelor of Arts degree from Ferris State University:

*"I have spent the last few weeks learning the FSS Program and have already had an opportunity to meet with a potential participant. I have a list of agencies that are part of the PCC (Program Coordinating Committee) and will be contacting them soon to introduce myself and set up a meeting. I will also be sending out letters to current participants letting them know that I will be managing the program and setting up quarterly reviews with the clients that are due. I am very excited to be a part of this program and look forward to learning everything about it."*

### **Status of Participants**

Current participant status is 24 active clients with 70% showing an escrow balance. We have an additional client that had begun the enrollment process. She is a new Housing Choice Voucher program participant and her application should be completed soon.

### **FSS Grant**

Nothing to update.

To: Traverse City Housing Commission

From: Riverview Resident Council

Date: February 2017

The First of the year presented change, hurdles and interesting challenges for the coming year. The new officers finished a month of training only to be presented with a petition to remove the standing President. The February meeting was well attended by the Residents. After much discussion, Louis Kahan made a motion the issue was a Council problem and was to be settled in the confines of the Council. Seconded by Jo Simerson, all shook hands and left the meeting amiably.

The forms necessary for the heat credits in order to protect the Food Stamp benefits are being completed and Residents are getting their checks. We are also filing the Homestead forms. Even if the Resident get a denial it will afford us materials to challenge. With little or no increases in SS Income and the constant whittling away of benefits we are also challenging the loss of the Senior Deduction on the 1040CR7.

As the Council grows stronger we are maintaining our standing with SOD (Save our Downtown) organization and with the questions that arise from proposed downtown development. New renderings have reached DDA by Eric Falconer (Developer) for 305 River West and we will be following that process.

We, with the assistance of Management, have a new TV in the Community Room and a WII system and accessories for the pleasure of the Residents.

Our Resident Member seat on the TCHC has been appointed for the next 5 years. Michelle St. Amant, a Resident of Riverview Terrace, will fill this position. Congratulations Michelle and we look forward to working with you on issues affecting the interest of Affordable Housing and Residents and Resident Advisory Board (RAB).

We are moving along with the bylaw revisions and plan to have the first reading ready of April and The final for June. Thank you to Norma Loper and her committee for their diligence to this project.

Priscilla Townsend, President





Riverview Terrace Resident Council  
Minutes of Meeting – February 17, 2017

Welcome & Call to order by Priscilla Townsend, President

Pledge of Allegiance

Roll Call: President, Priscilla Townsend; Vice president, Jeff Turner; Treasurer, Jane Bishoff; Social Coordinator, Jacob Warren; Secretary Lois DeHart

**OFFICERS REPORTS**

Reading & approval of minutes: motion to accept: 1<sup>st</sup> Irene, 2<sup>nd</sup> Ellen

Treasurer's report: (included in agenda package)

Social Coordinator report: Reviewed 5 standing committees as below

**STANDING COMMITTEE REPORTS:**

- Welcome Committee - Priscilla Townsend, chairman
- Sunshine Committee - Lois DeHart, chairman (get well & sympathy cards)
- Birthday Committee - Patty Szabo, chairman
- Food Committee - Jane Bishoff, chairman
- Activities Committee - Jacob Warren, chairman

**AdHOC COMMITTEES:**

Grants: no update

River West report & Proposal 3: Ellen Corcoran – Building next door now proposing scaled down version of 60 ft. to include 234 apts. - mix of studio, 1 BR and 2 BR. They want to use our fire lane and reconfigure our parking lot. Our attorneys will defend the current challenge to Proposal 3 which is not yet in the city charter.

By-laws revision: Norma Loper - Will be meeting on February 20 and 2 times in March on Mondays at 3 PM; schedule is posted by elevators. All residents are welcome to attend. Question regarding the voting for the revision – whether this will be for ALL residents or only those attending that meeting.

Old Business:

New Business: Petition to remove president Priscilla Townsend from RTRC. There were 31 in attendance plus the 5 officers (this does not include several who came and left early) during a lengthy discussion regarding this situation. There was much input from numerous members and ultimately it was concluded that this does not require a vote to remove; rather, the differences need to be worked out within the officers.

Motion to dismiss the petition and adjourn: 1<sup>st</sup> Louis Kanan, 2<sup>nd</sup> Jo Simerson

Next meeting: Friday, March 17 at 1:00 PM in Community Room

RECEIVED

MAR 20 2017

Traverse City  
Housing Commission

## **TRAVERSE CITY HOUSING COMMISSION**

### **Monthly report from the RTRC March 24, 2017**

The month of March continues with the cold and snow but activities of the Resident's office and Social programs marches on.

The Pancake Breakfast and Birthday/St Patrick's Day Celebration was a success thanks to our newly appointed Social Director and now planning for the Easter Celebrations. All other activities are up and running with a much busier Community Room.

The first 6 months of this Fiscal year has been reviewed and plans and budgeting for the next 6 in process. This has enabled us to have a good picture of the funds needed to efficiently operate the office and maintain the expected Social Calendar. It is obvious \$1725.00 is not sufficient. Only with the help of Management have we kept our heads above water. We will be again asking for the full \$25.00 per Riverview Resident from HUD and asking the TCHC to subsidize the \$10.00 from TCHC funds to free this up to use for the Social Activities.

We are proud of our successes in bringing many of Thousands in Benefits back to the Residents and appreciate The Housing Commissions and Managements backing of our efforts to provide new and interesting activities.

At the Council Meeting held on Friday March 17 it was unanimously requested by the Members that a couple of issues be brought to the TCHC. First the need for the use of the Community Room TV's is addressed immediately to allow for use by all. The TV in the game room needs to be hooked up to cable. This one we can use for training and also to view the Community Meetings on UpNorth Media to help keep the Residents informed on Downtown events and projects. Also we need internet hookups for Residents to be able to use computers. This has been promised for some time and we are still waiting. We ask for a time in writing for this to be done. Also changes in the Laundry room have been on the agenda for over two years. We need an efficient and operable Laundry facility. Our current

machines are out of order much of the time and we need a large capacity machine for bedding and rugs etc.

We are also asking for representation on the RAB so we are aware of changes in our building, grounds and other areas of interest to Residents. We also wish copies of the One year and five year plans submitted to HUD and Budget request for 2017 and 2018 as they are put together. With the damage being done by the current administration to all HUD programs and other Low income benefits, it is necessary we keep informed.

We also request a closer working relationship with our Local Residential Board Member (LRC Member Riverview Terrace). We expect she (Michelle) understands the meaning of recognizing the Council as the VOICE of the Residents as stated in the MOU Agreement.

The Residents of Riverview Terrace did a written evaluation of the overall the job done by our Ex. Director during his two year tenure and the results were over 70% excellent too good. Results are available for viewing in Resident Association office.

Wishing a Happy and Blessed Easter

Riverview Residential Council, President

Priscilla Townsend



**Traverse City Housing Commission**  
*A Public Housing Authority*

## **OLD BUSINESS**

2017 Consolidated Budget: Review

TCHC Policy Review Schedule: Update

TCHC Smoke Free Policy: Update

# TRAVERSE CITY HOUSING COMMISSION

## CONSOLIDATED INCOME AND EXPENSE BUDGET WORKSHEET

	FY 2016 ACTUAL*	FY 2017 BUDGET	FEBRUARY 2017 ACTUAL*	FY 2017 ACTUAL*	% OF BUDGET
<b><u>OPERATING INCOME</u></b>					
Property Rents	\$ 431,741.66	\$ 465,000.00	\$ 35,202.00	\$ 287,815.36	61.90%
Investment Interest	3,195.44	2,700.00	125.46	1,492.90	55.29%
Program Income: HCV	1,091,389.00	1,005,000.00	93,014.00	733,416.50	72.98%
Program Income: FSS	66,688.65	66,600.00	5,580.00	44,646.85	67.04%
Earned Income	134,075.71	110,584.00	12,503.05	93,592.15	84.63%
HUD Property Subsidy	263,918.00	250,000.00	21,112.00	177,377.00	70.95%
CFP / Draw on Surplus	182,486.66	199,000.00	-	-	0.00%
<b>TOTAL OPERATING INCOME</b>	<b>\$ 2,173,495.12</b>	<b>\$ 2,098,884.00</b>	<b>\$ 167,536.51</b>	<b>\$ 1,338,340.76</b>	<b>63.76%</b>
<b><u>OPERATING EXPENSES</u></b>					
Salaries	\$ 192,072.51	\$ 238,780.00	\$ 16,977.36	\$ 152,174.30	63.73%
Benefits	71,191.54	101,818.30	10,410.75	67,694.46	66.49%
Compensated Absences	5,126.29	(1,500.00)	-	-	0.00%
Legal	5,614.12	9,500.00	766.60	9,109.24	95.89%
Travel / Staff Training	10,045.68	12,000.00	552.94	6,788.60	56.57%
Accounting / Auditing	20,495.42	22,000.00	649.25	15,360.15	69.82%
General Office Expenses	82,892.87	68,000.00	4,791.31	68,525.73	100.77%
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 387,438.43</b>	<b>\$ 450,598.30</b>	<b>\$ 34,148.21</b>	<b>\$ 319,652.48</b>	<b>70.94%</b>
<b><u>TENANT PROGRAMS &amp; SERVICES</u></b>					
Recreation, Programs, and Other	\$ 9,961.31	\$ 8,575.00	\$ 595.85	\$ 4,857.48	56.65%
Cable Television	35,065.00	37,460.00	3,163.21	24,513.52	65.44%
HAP	948,943.11	965,400.00	80,845.00	650,849.07	67.42%
<b>TOTAL TENANT PROGS / SERVICES</b>	<b>\$ 993,969.42</b>	<b>\$ 1,011,435.00</b>	<b>\$ 84,604.06</b>	<b>\$ 680,220.07</b>	<b>67.25%</b>
<b><u>UTILITIES</u></b>					
Water	\$ 16,413.25	\$ 16,500.00	\$ 1,016.30	\$ 11,681.15	70.79%
Electricity	125,464.02	150,000.00	14,815.32	82,062.46	54.71%
Gas	10,035.02	15,500.00	696.23	8,165.75	52.68%
<b>TOTAL UTILITIES</b>	<b>\$ 151,912.29</b>	<b>\$ 182,000.00</b>	<b>\$ 16,527.85</b>	<b>\$ 101,909.36</b>	<b>55.99%</b>
<b><u>MAINTENANCE / BUILDING OPERATION</u></b>					
Labor	\$ 77,347.71	\$ 85,342.00	\$ 8,460.12	\$ 61,375.65	71.92%
Maintenance Benefits	33,937.30	48,093.00	3,964.55	23,968.77	49.84%
Materials	25,160.53	20,200.00	3,262.07	25,675.97	127.11%
Contract / CFP Costs	304,677.97	180,000.00	3,968.39	95,584.46	53.10%
<b>TOTAL ORDINARY MAINTENANCE</b>	<b>\$ 441,123.51</b>	<b>\$ 333,635.00</b>	<b>\$ 19,655.13</b>	<b>\$ 206,604.85</b>	<b>61.93%</b>
<b><u>GENERAL EXPENSE</u></b>					
Insurance	\$ 28,352.38	\$ 30,600.00	\$ 2,386.35	\$ 19,129.47	62.51%
Payment in Lieu of Taxes	24,914.86	23,000.00	1,780.00	14,240.00	61.91%
Collection Losses	4,438.91	-	-	7,855.66	0.00%
Interest Expense / Other	34,625.21	32,000.00	-	-	0.00%
<b>TOTAL GENERAL EXPENSE</b>	<b>\$ 92,331.36</b>	<b>\$ 85,600.00</b>	<b>\$ 4,166.35</b>	<b>\$ 41,225.13</b>	<b>48.16%</b>
<b><u>EXTRAORDINARY / CASUALTY</u></b>	<b>6,936.36</b>	<b>\$ 10,000.00</b>	<b>\$ -</b>	<b>\$ 4,545.00</b>	<b>45.45%</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 2,073,711.37</b>	<b>\$ 2,073,268.30</b>	<b>\$ 159,101.60</b>	<b>\$ 1,354,156.89</b>	<b>65.32%</b>
<b>NET OPERATING INCOME (LOSS)</b>	<b>\$ 99,783.75</b>	<b>\$ 25,615.70</b>	<b>\$ 8,434.91</b>	<b>\$ (15,816.13)</b>	
<b><u>PROPERTY IMPROVEMENTS/EQUIP*</u></b>	<b>\$ (32,087.93)</b>	<b>\$ (25,000.00)</b>	<b>\$ (9,189.56)</b>	<b>\$ (69,189.13)</b>	
<b>RESIDUAL RECEIPTS (DEFICIT)*</b>	<b>\$ 67,695.82</b>	<b>\$ 615.70</b>	<b>\$ (754.65)</b>	<b>\$ (85,005.26)</b>	

\* Accountant Reviewed

# TRAVERSE CITY HOUSING COMMISSION

## CONSOLIDATED INCOME AND EXPENSE BUDGET WORKSHEET

	Explanation / Description
<b><u>OPERATING INCOME</u></b>	
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
<b>TOTAL OPERATING INCOME</b>	A total of operating income amounts.
<b><u>OPERATING EXPENSES</u></b>	
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.
<b>TOTAL OPERATING EXPENSES</b>	A total of all operating expenses across all program activities.
<b><u>TENANT PROGRAMS &amp; SERVICES</u></b>	
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.
<b>TOTAL TENANT PROGS / SERVICES</b>	A total of all tenant programming and services.
<b><u>UTILITIES</u></b>	
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.
<b>TOTAL UTILITIES</b>	A total of all utility expenditures.
<b><u>MAINTENANCE / BUILDING OPERATION</u></b>	
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.
<b>TOTAL ORDINARY MAINTENANCE</b>	A total of all ordinary maintenance and building operation expenditures.
<b><u>GENERAL EXPENSE</u></b>	
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.
<b>TOTAL GENERAL EXPENSE</b>	A total of all general expense expenditures.
<b><u>EXTRAORDINARY / CASUALTY*</u></b>	
	A total of unexpected and unbudgeted items plus expenses reimbursed from insurance proceeds.
<b>TOTAL OPERATING EXPENSES</b>	A grand total of all expenses.
<b>NET OPERATING INCOME (LOSS)</b>	This amount reflects total income over total expenses.
<b><u>PROPERTY IMPROVEMENTS/EQUIP*</u></b>	
	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.
<b>RESIDUAL RECEIPTS (DEFICIT)*</b>	Final amounts to be determined by accountants.

\* Accountant Reviewed

**TCHC MONTHLY CASH POSITION REPORT  
END OF FEBRUARY 2017**

**PUBLIC HOUSING**

Chemical Bank	Checking	\$	58,817.59	
4Front Credit Union	Savings	\$	6,603.18	
TC State Bank	520011210	\$	162,123.55	
TC State Bank	1051647	\$	42,453.40	
First Merit Bank	53691	\$	162,632.33	
TC State Bank	4535723359	\$	75,562.30	
Chemical Bank	ICS Acct	\$	25,215.09	
Chemical Bank	1075909	\$	17,579.66	
Chemical Bank	9426	\$	100,374.28	
First Merit Bank	4532078534	\$	26,845.71	
4Front Credit Union	CD 16525-S100	\$	31,099.23	Certificate of Deposit
Chemical Bank	CD 806592	\$	51,464.11	Certificate of Deposit
<b>SUB TOTAL</b>		<b>\$</b>	<b>760,770.43</b>	

**HOUSING CHOICE VOUCHER**

PNC	Checking	\$	165,996.95	
Chase Bank	135080088317	\$	52,499.68	Escrow Account
<b>SUB TOTAL</b>		<b>\$</b>	<b>218,496.63</b>	

**OTHER**

HUD Held Reserves*		\$	554,397.00	Restricted
<b>SUB TOTAL</b>		<b>\$</b>	<b>554,397.00</b>	

**TOTAL Cash & Cash Equivalents** **\$ 1,533,664.06**

\* as of June 30, 2015

# TCHC Policy Review Schedule

POLICY	First Adopted	Previous Review(s)	Scheduled Review	Update Complete
<b>TCHC By-Laws</b>				
ACOP (Admission & Continued Occupancy Policy)	October 19, 2004	June 17, 2014	May/June 2016	June 24, 2016
<b>ADMIN (Administrative Plan HCV)</b>	?	September 20, 2005	TBD	
January 1, 2005	Annual		March 2016	March 25, 2016
<b>Anti-Bullying &amp; Hostile Environment Harassment Policy</b>	NEW	NA	April 2017	On-Going
<b>Asset / Physical Plant Management Addendum</b>	January 22, 2016	NA	NA	January 22, 2016
Capitalization Policy	Unknown	Unknown	TBD	
Certificate of Deposit Signatories Authorization Policy	Unknown	Unknown	TBD	
<b>Check Signing Policy</b>	December 2004	April 10, 2010	March 2017	
Civil Rights Policy	September 11, 1996	None	TBD	
<b>Community Room Policy</b>	February 2006	November 5, 2012	March 2016	March 25, 2016
Community Service Policy	Unknown	Unknown	TBD	
<b>Credit Card Policy</b>	October 20, 2015	NA	NA	October 20, 2015
<b>Deceased Resident Policy</b>	April 5, 1988	March 21, 2006	April 2016	April 22, 2016
Disposition Policy	June 25, 1985	Unknown	TBD	
Document Retention Policy	Unknown	Unknown	TBD	
<b>Doubtful Account Write-Off Policy</b>	March 18, 2001	July 30, 2012	January 2017	January 27, 2017
EIV Policy	Unknown	Unknown	TBD	
<b>Emergency Closing Policy</b>	April 18, 2006	July 30, 2012	February 2016	February 26, 2016
Equal Housing Opportunity Plan	March 8, 1990	None	TBD	
<b>Family Self Sufficiency Action Plan</b>	August 31, 1998	January 1, 2013	September 2016	September 23, 2016
<b>Freedom of Information Policy</b>	June 16, 2015	NA	NA	June 16, 2015
Grievance Policy	Unknown	Unknown	TBD	
Hazard Communication Policy	Unknown	Unknown	TBD	
<b>Inventory Policy</b>	Unknown	Unknown	August 2016	August 26, 2016
Investment Policy	June 25, 1985	Unknown	TBD	
<b>Key (Master) Policy</b>	July 18, 2006	July 15, 2008	April 2016	April 22, 2016
Maintenance Policy	Unknown	Unknown	TBD	
<b>Pet Policy</b>	April 20, 2010	August 21, 2012	October 2016	October 28, 2016
Petty Cash Policy	Unknown	Unknown	TBD	



# TCHC Policy Review Schedule

<b>Personnel Policy / Employee Handbook</b>	Unknown	May 21, 2014	March 2017
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	April 2017
<b>Safety &amp; Evacuation Policy</b>	December 19, 2006	December 19, 2008	May 2017
Schedule of Excess Utility Charges Policy	February 14, 1989	None	April 2017
Schedule of Maintenance/Repair Charges Policy	April 7, 1992	None	TBD
Sexual Harassment Policy	September 11, 1996	None	TBD
<b>Smoke-Free Policy</b>	December 19, 2006	September 18, 2012	Summer 2017
<b>Social Security Number Privacy Policy</b>	January 22, 2016	NA	January 22, 2016
Transfer Policy	Unknown	Unknown	TBD
Travel Policy	Unknown	Unknown	TBD
Tresspass Policy	Unknown	Unknown	TBD
Vehicle Policy	Unknown	Unknown	May 2017
<b>Social Media Policy</b>	NEW	NA	August 2016
			<b>August 26, 2016</b>


# TRAVERSE CITY HOUSING COMMISSION

150 PINE STREET | TRAVERSE CITY | MICHIGAN | 49684

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## MEMORANDUM

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**DATE:** March 24, 2017  
**TO:** All Commissioners of the Traverse City Housing Commission  
**FROM:** Tony Lentych, Executive Director   
**SUBJECT:** Smoke Free Facilities Implementation Calendar

**MESSAGE:**

On February 3, 2017, the U.S. Department of Housing & Urban Development published the final rule for Instituting Smoke-Free Public Housing. The rule become effective 60 days after the published date. We will then have 18 months from that date to create and implement a “smoke-free” policy.

To accomplish this task, I am asking that we adopt the following calendar:

<b>March 2017</b>	Introduction of Topic at Governance Committee and “Implementation Calendar” Adoption by the Commission.
<b>April 2017</b>	Adoption of Resolution requiring “Smoke-Free Public Housing” Policy by August 2018.
<b>April – May 2017</b>	Announcement to Residents of Riverview Terrace and Orchardview Apartment via Newsletter and/or Letter of the new rule.
<b>April – August 2017</b>	Rule development work conducted by the Governance Committee. This will include but is not limited to: policy, procedures and property rules, lease addendum, and enforcement recommendations.
<b>September 2017</b>	Presentation to Commission of First Draft of the new rule as Policies & Procedures.
<b>Fall 2017</b>	Resident Meetings to review the draft new rule to solicit input and to begin the introduction of cessation services.
<b>January 2018</b>	Meeting with Riverview Terrace residents who have smoking “exemptions” with their leases.
<b>Winter 2018</b>	Legal review of all proposed Policies & Procedures

<b>April 2018</b>	Presentation to Commission of FINAL Draft of the new rule as Policies & Procedures.
<b>May 2018</b>	Adoption of Resolution fully implementing the “Smoke-Free Public Housing” Policy.
<b>Summer 2018</b>	Implementation of Policy.

**ATTACHEMENTS:** 1) Federal Register on Instituting Smoke-Free Public Housing (February 3, 2017)  
24 CFR Parts 965 & 966  
2) HUD Guidance Memorandum on Instituting and Enforcing Smoke-Free Public Housing

(c) \* \* \*

(5) \* \* \*

(v) Gas turbine engine hot sections covered by Category XIX(f);

\* \* \* \* \*

■ 9. Section 124.12 is amended by revising paragraph (a)(9) to read as follows:

**§ 124.12 Required information in letters of transmittal.**

(a) \* \* \*

(9) For agreements that may require the export of classified information, the Defense Security Service cognizant security offices that have responsibility for the facilities of the U.S. parties to the agreement shall be identified. The facility security clearance codes of the U.S. parties shall also be provided.

\* \* \* \* \*

**PART 126—GENERAL POLICIES AND PROVISIONS**

■ 10. The authority citation for part 126 continues to read as follows:

**Authority:** Secs. 2, 38, 40, 42, and 71, Pub. L. 90–629, 90 Stat. 744 (22 U.S.C. 2752, 2778, 2780, 2791, and 2797); 22 U.S.C. 2651a; 22 U.S.C. 287c; E.O. 12918, 59 FR 28205; 3 CFR, 1994 Comp., p. 899; Sec. 1225, Pub. L. 108–375; Sec. 7089, Pub. L. 111–117; Pub. L. 111–266; Sections 7045 and 7046, Pub. L. 112–74; E.O. 13637, 78 FR 16129.

■ 11. Section 126.9 is amended by revising paragraph (a) to read as follows:

**§ 126.9 Advisory opinions and related authorizations.**

(a) *Preliminary authorization determinations.* A person may request information from the Directorate of Defense Trade Controls as to whether it would likely grant a license or other approval for a particular defense article or defense service to a particular country. Such information from the Directorate of Defense Trade Controls is issued on a case-by-case basis and applies only to the particular matters presented to the Directorate of Defense Trade Controls. These opinions are not binding on the Department of State and may not be used in future matters before the Department. A request for an advisory opinion must be made in writing and must outline in detail the equipment, its usage, the security classification (if any) of the articles or related technical data, and the country or countries involved.

\* \* \* \* \*

■ 12. Section 126.10 is amended by revising paragraph (b) to read as follows:

**§ 126.10 Disclosure of information.**

\* \* \* \* \*

(b) *Determinations required by law.* Section 38(e) of the Arms Export

Control Act (22 U.S.C. 2778(e)) provides, by reference to section 12(c) of the Export Administration Act (50 U.S.C. 2411), that information obtained for the purpose of consideration of, or concerning, license applications shall be withheld from public disclosure unless the release of such information is determined by the Secretary to be in the national interest. Section 38(e) of the Arms Control Export Act further provides that, the names of countries and types and quantities of defense articles for which licenses are issued under this section shall not be withheld from public disclosure unless certain determinations are made that the release of such information would be contrary to the national interest. Such determinations required by section 38(e) shall be made by the Assistant Secretary of State for Political-Military Affairs.

\* \* \* \* \*

**PART 127—VIOLATIONS AND PENALTIES**

■ 13. The authority citation for part 127 continues to read as follows:

**Authority:** Sections 2, 38, and 42, Pub. L. 90–629, 90 Stat. 744 (22 U.S.C. 2752, 2778, 2791); 22 U.S.C. 401; 22 U.S.C. 2651a; 22 U.S.C. 2779a; 22 U.S.C. 2780; E.O. 13637, 78 FR 16129; Pub. L. 114–74, 129 Stat. 584.

■ 14. Section 127.7 is amended by revising paragraph (b) to read as follows:

**§ 127.7 Debarment.**

\* \* \* \* \*

(b) *Statutory debarment.* It is the policy of the Department of State not to consider applications for licenses or requests for approvals involving any person who has been convicted of violating the Arms Export Control Act or convicted of conspiracy to violate that Act for a three year period following conviction and to prohibit that person from participating directly or indirectly in any activities that are subject to this subchapter. Such individuals shall be notified in writing that they are statutorily debarred pursuant to this policy. A list of persons who have been convicted of such offenses and debarred for this reason shall be published periodically in the **Federal Register**. Statutory debarment in such cases is based solely upon the outcome of a criminal proceeding, conducted by a court of the United States, which established guilt beyond a reasonable doubt in accordance with due process. Reinstatement is not automatic, and in all cases the debarred person must submit a request for reinstatement to the Department of State and be approved for reinstatement before engaging in any activities subject

to this subchapter. The procedures of part 128 of this subchapter are not applicable in such cases.

\* \* \* \* \*

■ 15. Section 127.11(c) is revised to read as follows:

**§ 127.11 Past violations.**

\* \* \* \* \*

(c) *Debarred persons.* Persons debarred pursuant to § 127.7(b) (statutory debarment) may not utilize the procedures provided by paragraph (b) of this section while the statutory debarment is in force. Such persons may utilize only the procedures provided by § 127.7(d).

Dated: November 18, 2016.

**Tom Countryman,**

*Acting Under Secretary, Arms Control and International Security, Department of State.*

[FR Doc. 2016–28406 Filed 12–2–16; 8:45 am]

**BILLING CODE 4710–25–P**

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

**24 CFR Parts 965 and 966**

**[Docket No. FR 5597–F–03]**

**RIN 2577–AC97**

**Instituting Smoke-Free Public Housing**

**AGENCY:** Office of the Assistant Secretary for Public and Indian Housing, HUD.

**ACTION:** Final rule.

**SUMMARY:** This rule requires each public housing agency (PHA) administering public housing to implement a smoke-free policy. Specifically, no later than 18 months from the effective date of the rule, each PHA must implement a “smoke-free” policy banning the use of prohibited tobacco products in all public housing living units, indoor common areas in public housing, and in PHA administrative office buildings. The smoke-free policy must also extend to all outdoor areas up to 25 feet from the public housing and administrative office buildings. This rule improves indoor air quality in the housing; benefits the health of public housing residents, visitors, and PHA staff; reduces the risk of catastrophic fires; and lowers overall maintenance costs.

**DATES:** *Effective date* February 3, 2017.

**FOR FURTHER INFORMATION CONTACT:** Leroy Ferguson, Office of Public and Indian Housing, Department of Housing and Urban Development, 451 7th Street SW., Washington, DC 20410–0500; telephone number 202–402–2411 (this is not a toll-free number). Persons who

are deaf or hard of hearing and persons with speech impairments may access this number through TTY by calling the Federal Relay Service at 800-877-8339 (this is a toll-free number).

#### SUPPLEMENTARY INFORMATION:

#### I. Executive Summary

##### A. Purpose of the Rule

The purpose of the rule is to require PHAs to establish, within 18 months of the effective date, a policy disallowing the use of prohibited tobacco products, as such term is defined in § 965.653(c), inside all indoor areas of public housing, including but not limited to living units, indoor common areas, electrical closets, storage units, and PHA administrative office buildings, and in all outdoor areas within 25 feet of the housing and administrative office buildings (collectively, "restricted areas"). As further discussed in this rule, such a policy is expected to improve indoor air quality in public housing; benefit the health of public housing residents, visitors, and PHA staff; reduce the risk of catastrophic fires; and lower overall maintenance costs.

##### B. Summary of Major Provisions of the Rule

This rule applies to all public housing other than dwelling units in mixed-finance buildings. PHAs are required to establish, within 18 months of the effective date of the rule, policies disallowing the use of prohibited tobacco products in all restricted areas. PHAs may, but are not required to, further restrict smoking to outdoor

dedicated smoking areas outside the restricted areas, create additional restricted areas in which smoking is prohibited (e.g., near a playground), or, alternatively, make their entire grounds smoke-free.

PHAs are required to document their smoke-free policies in their PHA plans, a process that requires resident engagement and public meetings. The proscription on the use of prohibited tobacco products must also be included in a tenant's lease, which may be done either through an amendment process or as tenants renew their leases annually.

##### C. Costs and Benefits of This Rule

The costs to PHAs of implementing smoke-free policies may include training, administrative, legal, and enforcement costs. The costs of implementing a smoke-free policy are minimized by the existence of current HUD guidance on many of the topics covered by the mandatory smoke-free policy required by this rule. Already, hundreds of PHAs have voluntarily implemented smoke-free policies. Furthermore, infrastructure already exists for enforcement of lease violations, and violation of the smoke-free policy would constitute a lease violation. In addition, time spent by PHA staff on implementing and enforcing the smoke-free policy will be partially offset by the time that staff no longer have to spend mediating disputes among residents over secondhand smoke (SHS) infiltration within living units. Given the existing HUD guidance, initial learning costs (such as the costs of staff and resident training

understanding of this policy) associated with implementation of a smoke-free policy may not be significant. For the hundreds of PHAs that are already implementing voluntary smoke-free policies, there will be minimal costs of updating smoke-free policies, and these minimal costs will generally apply only if their existing policies are not consistent with the minimum requirements for smoke-free policies proposed by this rule.

However, implementing the requirements successfully may require additional enforcement legal costs for cases where repeated violations lead to evictions. Total recurring costs to PHAs of implementation and enforcement are expected to be \$7.7 million, although they may be higher in the first few years of implementation, given the necessity of establishing designated smoking areas (a total of \$30.2 million in the first year).

The benefits of smoke-free policies could also be considerable. Over 700,000 units would be affected by this rule (including over 500,000 units inhabited by elderly households or households with a non-elderly person with disabilities), and their non-smoking residents would have the potential to experience health benefits from a reduction of exposure to SHS. PHAs will also benefit from a reduction of damage caused by smoking, and residents and PHAs both gain from seeing a reduction in injuries, deaths, and property damage from fires caused by prohibited tobacco products. Estimates of these and other rule-induced impacts are summarized in the following table:

Source of impact	Type of impact	Amount (\$millions)		
		Low	Standard	High
PHA Compliance/Enforcement <sup>1</sup>	Recurring Cost (highest initially)	6	7.7	30
Inconvenience <sup>2</sup>	Recurring Cost	56	94	340
PHA Reduced Maintenance <sup>3</sup>	Recurring Benefit	15.9	21.3	37.5
PHA Reduced Fire Risk <sup>4</sup>	Recurring Benefit	4.7	4.7	4.7
Residents' Well-Being <sup>5</sup>	Recurring Benefit	101	283	314
Net Benefits <sup>6</sup>	Recurring Net Benefits	-248	+207	+262

<sup>1</sup> The high estimate includes initial costs of implementation which could run as high as \$30 million per year. The low and standard include only recurring costs. The low estimate includes a low-end cost estimate of eviction to a PHA (\$700 per case and \$500,000 in aggregate). The standard estimate includes a high estimate of eviction costs (\$3000 per case and \$2.2 million in aggregate).

<sup>2</sup> The low and standard estimates are generated from the price-elasticity of demand for cigarettes and assumed reduction in smoking derived from studies of smoking bans. The high estimate was generated from a study of public health policies on SIDS and inferring behavioral change of smokers from the impact of SIDS.

<sup>3</sup> The low and high estimates are based on a range of \$1,250 to \$2,955 per unit. The standard estimate is based on an estimate of \$1,674 per unit.

<sup>4</sup> HUD does not have data to predict a range of fire reduction risks.

<sup>5</sup> The low and standard estimates of residents' well-being is estimated using the rent premium approach. The high estimate is derived from Quantitative Approach #3 described in the Appendix 1.

<sup>6</sup> The standard net benefit is equal to the sum of the standard benefits less the sum of the standard costs. The low net benefit is equal to the low benefits less the high costs. The high net benefit is the high benefits less the low costs.

For additional details on the costs and benefits of this rule, please see the

Regulatory Impact Analysis (RIA) for this rule, which can be found at

[www.regulations.gov](http://www.regulations.gov), under the docket number for this rule. Additional

information on how to view the RIA is included below.

## II. Background

On November 17, 2015, HUD published a proposed rule at 80 FR 71762, soliciting input from the public on requiring PHAs to have smoke-free policies in place for public housing. The proposed rule was an outgrowth of many years of research on the harms and costs associated with smoking and ongoing efforts from HUD to promote the voluntary adoption of smoke-free policies by PHAs and the owners/operators of federally subsidized multifamily properties. The preamble of this proposed rule contains more information on HUD's efforts and the findings on which HUD relied in proposing this regulation.

As a result of these combined actions, over 600 PHAs have implemented smoke-free policies in at least one of their buildings. While this voluntary effort has been highly successful, it has also resulted in a scattered distribution of smoke-free policies, with the greatest concentration in the Northeast, West, and Northwest, which also results in unequal protection from SHS for public housing residents. This is due to several factors, including the fact that many of the benefits accrue to residents instead of PHAs, implementation of new policies can be difficult in fiscally tight times, uncertainty over whether indoor smoking bans are enforceable, and differences in the opinions and experience of the boards that govern PHAs. HUD recognizes that additional action is necessary to truly eliminate the risk of SHS exposure to public housing residents, reduce the risk of catastrophic fires, lower overall maintenance costs, and implement uniform requirements to ensure that all public housing residents are equally protected.

Therefore, HUD is requiring PHAs to implement smoke-free policies within public housing except for dwelling units in a mixed-finance project. Public housing is defined as low-income housing, and all necessary appurtenances (*e.g.*, community facilities, public housing offices, day care centers, and laundry rooms) thereto, assisted under the U.S. Housing Act of 1937 (the 1937 Act), other than assistance under section 8 of the 1937 Act.

In finalizing this policy, it is important for HUD to reiterate that HUD's rule does not prohibit individual PHA residents from smoking. PHAs should continue leasing to persons who smoke. In addition, this rule is not intended to contradict HUD's goals to end homelessness and help all

Americans secure quality housing. Rather, HUD is prohibiting smoking inside public housing living units and indoor common areas, public housing administrative office buildings, public housing community rooms or community facilities, public housing day care centers and laundry rooms, in outdoor areas within 25 feet of the housing and administrative office buildings, and in other areas designated by a PHA as smoke-free (collectively, "restricted areas"). PHAs have the discretion to establish outdoor designated smoking locations outside of the required 25 foot perimeter, which may include partially enclosed structures, to accommodate smoker residents, to establish additional smoke-free areas (such as in and around a playground), or, alternatively, to make their entire grounds smoke-free.

Furthermore, section 504 of the Rehabilitation Act of 1973, the Fair Housing Act, and the Americans with Disabilities Act provide the participant the right to seek a reasonable accommodation, including requests from residents with mobility impairments or mental disabilities. A request for a reasonable accommodation from an eligible participant must be considered, and granted unless there is a fundamental alteration to the program or an undue financial and administrative burden.

## III. Changes Made at the Final Rule Stage

The only substantive change in this final rule from the proposed rule is that now waterpipes (also known as hookahs) are included in the list of products that may not be used in the restricted areas. PHAs are required under this final rule to only permit the use of waterpipes outside the restricted areas. While HUD found no evidence of human fatalities associated with hookahs, there were sufficient incidents of property damage to warrant their inclusion in this rule.

In addition, HUD has changed the items covered under the smoking ban from "lit tobacco products" to "prohibited tobacco products" to make clear that waterpipes are included in the list of prohibited products.

## IV. Responses to Comments

### 25-Foot Boundary From Buildings

Some commenters objected to the proposed 25-foot smoke-free perimeter around all public housing buildings. Some felt that the distance was too large because it would force smokers off the property and onto sidewalks or adjacent areas, including the street. Others

expressed concern that the distance would be too great for elderly residents or residents with disabilities or would place residents in danger from having to travel so far. Some believed that the distance could subject smokers to crime or would force parents to leave sleeping children. Some also suggested that forcing residents to go so far to smoke would cause them to leave public housing, increasing turnover costs for PHAs.

Other reasons for objecting included an argument that it would effectively require PHAs to build designated smoking areas or it would be impossible to enforce. Commenters stated that requiring smokers to go outdoors is enough and that residents should be able to smoke on their porches or balconies. Some wrote that any extra perimeter is unfair if there is not a shared porch or landing where smoking there would affect others.

Commenters objecting to the 25-foot distances suggested that instead PHAs be allowed to create their own policies regarding outdoor smoking and any distance restrictions around buildings, taking their own layouts into account. Others suggested that HUD allow PHAs to comply with existing smoke-free policies or use minimum distances required by state laws.

Several commenters pointed out that PHAs may use office space in buildings not owned by the PHA, and the PHA has no control over the actions of other tenants in the building. These commenters asked for additional clarity on how the proposed rule would apply to such situations.

Some commenters suggested alternative requirements to the 25-foot barrier, including a minimum distance from common entrances or using a shorter distance such as 15 or 20 feet. Commenters also asked HUD for additional insight into their rationale for a 25-foot perimeter.

A group of commenters, however, supported the perimeter and even requested that HUD expand the outdoor restrictions. Some stated that 25 feet may not be enough to protect children, and that outdoor smoking should also be banned in areas frequented by children, particularly playgrounds. Some suggested that the perimeter be extended to 25 feet from all playgrounds. Other commenters suggested that all common areas, such as pools, should also be included in the smoke-free zone. Commenters suggesting that the smoke-free zone be more than 25 feet asked for a range of new distances, from 40–50 feet to 100 feet. Commenters stated that 25 feet may still be too close to buildings to prevent

smoke drift. Some also asked that HUD expressly prohibit parking lots from being used as designated smoking areas.

Several commenters suggested that the smoke-free perimeter should be extended to cover the entire property. These commenters stated that such a policy would protect residents from drifting smoke in designated areas or would make smoke-free enforcement easier. Another commenter suggested that HUD should allow a PHA to designate a smoking area, outside of which no smoking would be allowed.

**HUD Response:** HUD appreciates the comments on this part of the rule, and recognizes that for some developments, residents may have to cross the street to be 25 feet away from the building. HUD included the 25-foot perimeter in the proposed rule based on several factors. A smoke-free perimeter of sufficient size must be established around doorways in order to limit smoke exposure to individuals entering and leaving buildings. A sufficient perimeter is also needed to prevent SHS from entering windows that are open in units on lower floors and to prevent SHS exposure to individuals on lower floor balconies or porches. One study found that toxins present in SHS approach ordinary background levels approximately 23 feet from the source (Repach, 2005). In addition, local government ordinances have customarily adopted 25-foot boundaries as standard practice when prohibiting outdoor smoking in the vicinity of public building entrances and windows. PHAs without ample grounds may consider working with their local municipalities to identify nearby public areas where residents who wish to continue smoking can do so in a safe environment. PHAs may also consider, if available, offering these residents the option to move to an alternate site that has more accessible space for outdoor smoking. The smoke-free policy must extend to all outdoor areas up to 25 feet from the housing and administrative office buildings, or to the PHA's property boundary in situations where the boundary is less than 25 feet from the PHA-owned buildings. These decisions are at the discretion of the PHA. However, the rule requires the 25-foot restriction to be enforced across all PHAs.

This policy is not intended to force anyone to move out of public housing, but instead to offer safe, decent and sanitary housing for all populations. HUD is not requiring any PHA to build a designated smoking area, but to work with residents to address any difficulties they encounter. HUD understands that PHAs only have the authority to implement smoke-free

policies in buildings and office spaces they own.

#### *Burden on PHAs*

Commenters objected to the proposed rule on the basis that it would impose too great a burden on PHAs. Some stated that this was an unfunded mandate from HUD. Others stated that the proposed rule would necessitate increased monitoring of residents without increasing funding for PHAs, or would increase the workload of an already inadequate staff. Several commenters wrote that the proposed rule would add administrative burden in implementing the policies by requiring education of residents, and through increased enforcement efforts. Several commenters pointed out that implementing the policies would have costs related to unit turnaround, either due to increased evictions or as a result of residents voluntarily moving out. Some stated that the proposed rule would increase paperwork on the PHA without providing additional benefits to residents or that putting the burden of monitoring and enforcement on public housing administrators is not practical or fair.

Commenters also stated that the policies would increase vacancies at public housing properties, stressing PHAs both financially and in Real Estate Assessment Center (REAC) evaluations. Commenters asked that HUD make financial incentives available to PHAs to offset implementation costs.

**HUD Response:** HUD acknowledges that PHAs may incur training, administrative, legal and enforcement costs, as well as additional expenditure of staff time in these areas. These expenses are outlined in the Regulatory Impact Analysis (RIA). All PHAs receive an annual operating subsidy and capital fund grants, and could also use their operating reserves to cover the initial costs of implementing smoke-free policies. PHAs that have already implemented smoke-free policies indicated in stakeholder listening sessions that the costs were less than they expected once the smoke-free policy was fully implemented, and after that there were savings in unit turnover costs. HUD expects that costs will be minimized by PHAs' utilization of existing HUD resources on the smoke-free policy and continued usage of standard lease enforcement procedures. Additionally, HUD has no evidence that this policy will increase vacancies. In contrast, housing agencies that have implemented smoke-free policies have experienced greater demand for their units. This rule will not impose any Federal mandates on any state, local, or

tribal governments or the private sector within the meaning of the Unfunded Mandates Reform Act of 1995 (UMRA).

#### *Burden on Small PHAs*

In addition to the concerns about burdens on PHAs generally, some commenters expressed concerns with burdens on small PHAs. Some stated that the proposed rule would have an outsized impact on small PHAs' administrative expenses. Others commented that there was not enough information in the proposed rule on how maintenance or insurance costs would be lower for small PHAs. Others stated that small, rural PHAs would be at a disadvantage because they are unable to partner with outside organizations to help with implementing the rule in a way that larger, more urban PHAs could. Some commenters also expressed concerns that small PHAs face greater competition in the affordable housing market, so a smoking ban would increase their vacancy rates.

**HUD Response:** Although some aspects of the rule may be burdensome, as noted in the RIA, HUD expects these burdens to be accompanied by the benefits of smoke-free policies, including reduction in maintenance costs, less risk of catastrophic fires, and fewer residential complaints from residents who are impacted by smoke. Additionally, creating a smoke-free environment may be more attractive to tenants and could result in increased leasing. In fact, some PHAs use smoke-free policies as a marketing feature to attract tenants. Cost savings are expected to be realized in the less expensive turnover of rental units. For example, painting and carpet cleaning costs are expected to be much lower with a smoke-free policy in place.

The capital and operating funds can be used to implement smoke-free policies. Note, however, that capital funds can only be used for eligible activities identified in 24 CFR 905.200. Financial costs relative to funding for small PHAs are not expected to be greater than relative costs facing larger PHAs. Small PHAs, like large PHAs, can request insurance premium allowances from their insurance providers after implementing smoke-free policies.

Housing agencies are encouraged to start the process of implementing smoke-free policies early so that the necessary implementation activities can be spread out over the allowed 18-month implementation period with regular lease renewal practices (e.g., lease recertification). Small PHAs unable to partner with as many outside organizations will have access to



national smoking cessation resources such as 1-800-QUIT-NOW, a toll-free portal which routes callers to their state quitline, and community health centers for any smoking cessation needs. HUD is also working with federal partners to identify geographical areas with the greatest need for resources, and will, when possible, work to provide additional technical assistance. Best practices on moving to a smoke-free environment are found on HUD's Web page for Smoke-Free Housing Toolkits (<http://portal.hud.gov/hudportal/HUD?src=/smokefreetoolkits1>). Additional smoke-free guidance will be made available to PHAs.

HUD has no evidence that this policy will increase vacancies. In contrast, housing agencies that have implemented smoke-free policies have experienced greater demand for their units.

#### *Burden on Residents*

Many commenters objected to the proposed rule because of the burden it would place on public housing residents. Some stated that an indoor smoking ban is unfair to persons with disabilities who cannot easily travel outside their units, particularly if they live alone and cannot leave without help. Others commented that it was not right to force the elderly or persons with disabilities outside in bad weather, putting their health at risk. Some simply stated that it would be unfair to make the elderly or persons with disabilities walk that far to smoke. Some commented that people use smoking to deal with medical issues; prohibiting indoor smoking would force them to forego the use of nicotine to combat their pain.

Other commenters focused on the effects the proposed ban would have on those with mental health issues who may rely on smoking to help deal with those issues. Some stated that residents in acute stages of post-traumatic stress syndrome need to smoke to calm down but cannot leave their apartment. Some stated that smoking helps people calm down and relieve stress, and this rule would increase their burden. Several commenters stated that the use of eviction as an enforcement mechanism would result in the most vulnerable residents in public housing, who need secure housing the most, being forced out of their homes.

Some commenters stated that forcing residents, particularly women, outside at night and in bad weather would put them in danger.

Commenters stated that the rule should exempt PHAs serving seniors or residents with disabilities to avoid

discrimination problems. Others asked that HUD allow PHAs to grandfather in existing residents; some pointed out that the smoke damage is already done, and it will be difficult to tell if the smell of smoke is from current or past smoking. However, other commenters stated that HUD should not allow smoke-free policies to be grandfathered in for existing public housing residents. These commenters stated that grandfathering the smoking ban for some but not all the residents would make enforcement difficult.

**HUD Response:** Although smokers will face new requirements, other residents will generally benefit from an improved quality of life that minimizes the dangers of indoor smoking and SHS exposure. In addition, residents should experience improved indoor air quality and reduced interpersonal friction among neighbors exposed to others' smoking.

There is no "right" to smoke in a rental home, and smokers are not a protected sub-class under anti-discrimination laws. In addition, this rule does not prohibit smoking by residents; rather, it requires that if residents smoke that they do so at least 25 feet away from the buildings. HUD is aware that commenters and national surveys suggest that persons with disabilities tend to smoke at a higher rate than persons without a disability. See national survey of smoking prevalence among those with disabilities at <https://www.cdc.gov/mmwr/preview/mmwrhtml/mm6444a2.htm>. PHAs are encouraged to engage with these residents early and often when developing the smoke-free policy and to work with social service agencies to identify other alternatives to smoking in their units. This rule grants flexibilities to PHAs in addressing difficulties encountered by residents. In the case that a particular resident is especially burdened by the smoke-free policy, the PHA may consider such flexibilities as moving that resident to a first-floor unit which would provide easier access to smoking outside of their units, or modifying a walkway for easier use by that resident (e.g. adding additional lighting). HUD encourages PHAs to ensure an appropriately safe environment for all residents, smokers and nonsmokers alike.

HUD is not aware of any medical conditions for which smoking is considered a legitimate, proven treatment. Also, in situations where nicotine treatment is appropriate (i.e., smoking cessation) it can be delivered orally or through dermal applications. Research has shown that smokers with behavioral health conditions (i.e.,

mental and/or substance abuse disorders) actually benefit from quitting smoking. As summarized by the Substance Abuse and Mental Health Services Administration, research has demonstrated that quitting smoking can decrease depression, anxiety, and stress, and for those in treatment for substance use disorders, smoking cessation can increase long-term abstinence from alcohol or other drugs.<sup>7</sup>

Additionally, under this regulation, PHAs cannot "grandfather" tenants by exempting them from the application of the rule. PHAs that have implemented smoke-free policies have reported significant implementation challenges when they allow current residents to be "grandfathered" into the policy. Allowing this situation presents additional enforcement challenges and will only prolong the time that other residents are exposed to SHS and the risk of fire.

#### *Smoking Cessation*

Many commenters asked HUD to include cessation help in the final rule. Commenters had a variety of suggestions on the best way to provide such services. Some stated that HUD should partner with other federal agencies such as the National Institutes of Health or Health and Human Services to provide resources; they stated that Health Centers target the same populations served by public housing. Commenters referenced the national quitline or state-operated quitlines as possible resources. Commenters stated that PHAs should be required to use cessation services that are proven to be effective, and suggested that PHAs and HUD work with state and local health agencies or tobacco prevention and cessation programs for resources. Some commenters pointed out that there is cessation help available through Medicaid and private insurance plans. Commenters also asked that HUD provide toolkits or other help to PHAs looking to partner with organizations to provide cessation help.

Commenters specifically mentioned a variety of cessation methods or techniques. Commenters suggested that HUD mandate that the types of required cessation treatments be varied instead of limited to a few options. Some requested that HUD provide nicotine replacement therapy. Some stated that any cessation courses or counseling be provided on-site. Some specifically stated that PHAs should give residents information on the interaction between

<sup>7</sup> [http://www.samhsa.gov/sites/default/files/topics/alcohol\\_tobacco\\_drugs/tobacco-behavioral-health-issue-resources.pdf](http://www.samhsa.gov/sites/default/files/topics/alcohol_tobacco_drugs/tobacco-behavioral-health-issue-resources.pdf).



nicotine addiction and psychotropic drugs.

Commenters stated that cessation support should begin now and continue for a longer period of time after the effective date of the rule. Commenters stated that any cessation materials should be available in languages other than English when appropriate for the PHA's population.

Some commenters suggested that HUD should supply funding for the cessation services or at least help PHAs locate funding, especially if the PHA is serving a population with mental health issues. Several suggested that PHAs be allowed to use savings generated by the proposed rule to pay for incentives for cessation and associated costs of treatment programs such as child care or transportation. Commenters stated that the time that residents spend taking or volunteering at cessation courses should count towards their community service requirement or that PHAs should be able to count funding provided for cessation help and incentives as funding towards fulfilling Section 3 requirements.

Some commenters stated that residents face a variety of barriers to quitting smoking, including the fact that limited cellphone minutes or language barriers interfere with the use of quitlines. Others stated that it would be unfair to hold PHAs accountable for public health outcomes like cessation. Commenters were also concerned that rural PHAs would not have the same access to cessation tools and programs as PHAs in urban areas. Commenters asked HUD to explicitly forbid PHAs from requiring cessation as part of enforcement efforts.

**HUD Response:** HUD acknowledges the importance of connecting residents interested in quitting smoking to cessation resources, preferably at no cost. Although HUD will not directly provide cessation assistance, HUD has resources available on Healthy Homes Web site ([http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/healthy\\_homes/hhi](http://portal.hud.gov/hudportal/HUD?src=/program_offices/healthy_homes/hhi)) for residents interested in cessation. Medicaid covers the cost of tobacco cessation services and prescription smoking cessation medications for recipients, and although Medicaid coverage varies by state, all 50 states offer at least some smoking cessation coverage. Residents of all states also have access to "quitlines," which are free evidence-based cessation services that residents can access by calling 1-800-QUIT-NOW. HUD is also working closely with Federal agencies involved in tobacco control to help make cessation resources available to residents. For example, the Centers for

Disease Control and Prevention (CDC) has coordinated with state tobacco control programs (i.e. health departments that receive CDC tobacco control grants in all 50 states) to assist PHAs in implementing smoke-free policies in their respective states. The CDC is also developing educational materials for housing managers and residents to help link them to smoking cessation services (e.g. community health centers). Federally Qualified Health Centers, supported through the Health Resources and Services Administration, serve many PHA residents and have made promotion of smoking cessation a top priority. The guidance that HUD has created to date emphasizes the value of partnerships between housing providers and local organizations (e.g. local health departments and clinics, and tobacco control organizations such as the American Lung Association) in making smoking cessation services available to residents.

Commenters on the proposed rule provided a lengthy list of resources that they used to assist residents. HUD will make this information, where applicable, available to interested PHAs.

Section 3 is a provision of the Housing and Urban Development Act of 1968 that ensures employment and other economic opportunities generated by HUD financial assistance are directed to low-income persons, particularly those receiving housing assistance. Section 3 requirements may be fulfilled to the extent residents are employed in providing cessation services, in accordance with 24 CFR part 135, provided that employment opportunities for cessation services are generated by the use of covered PIH assistance.

#### Definitions

Commenters asked HUD for expanded definitions of several key terms, particularly "smoking". Several asked that HUD define the term broadly to capture a variety of dangerous products and not to limit the rule to "lit tobacco products" in order to be consistent with existing state and local standards.

Other requests for definitions included definitions for "smoke," "electronic smoking devices," "hookahs," "enclosed," "indoor area," and "partially enclosed." Some commenters were concerned that allowing for partially enclosed designated smoking areas would run against current state indoor smoking bans. Commenters also asked that HUD change the phrase "interior common areas" in the space where smoking is banned to be "interior areas" to make it

clearer that smoking is prohibited in all indoor areas.

Commenters often provided examples from model or existing codes and standards for HUD to use as guides for many of these definitions.

**HUD Response:** HUD does not define "smoking," but rather "prohibited tobacco products." HUD is restricting the use of prohibited tobacco products, including cigarettes, cigars, pipes, and waterpipes (hookahs). Because PHAs must ban the use of specific items, it is unnecessary to define what smoke is. In addition, this rule does not supersede state or local smoking bans, so if such laws prohibit the use of partially enclosed designated smoking areas, the PHAs would still be subject to those requirements.

HUD has changed the phrase "interior common areas" to "interior areas."

#### Designated Smoking Areas (DSAs)

Some commenters stated that the indoor ban was fine, but HUD should require PHAs to provide a reasonable DSA. Commenters wrote that any DSA should be sheltered from the weather, have shade and seating, and should be accessible to anyone with mobility issues and have appropriate safety features, such as lighting. Commenters stated that any DSA should be far enough away from buildings to prevent smoke drift, which some commenters specified as at least 25 or 50 feet from other smoke-free zones. Some stated that residents should have input on deciding whether or not to have a DSA or where any DSA should be located. Some asked that PHAs be required to sign memoranda of understanding with local police forces to clarify that using the DSA would not count as loitering.

Commenters expressed concern that the cost of building and maintaining benches or other amenities in a DSA would be too expensive for PHAs. Some stated that HUD should provide the funding or that PHAs should seek funding from the tobacco industry to pay for them. Some also stated that smokers should be allowed to contribute money to pay for covered smoking areas.

Some commenters stated that HUD should encourage outdoor smoke-free areas and discourage DSAs entirely, as having DSAs could raise concerns regarding reasonable accommodations and accessibility. Some commenters suggested that PHAs with DSAs evaluate their policies on a regular basis to determine if it would be appropriate to make the property 100 percent smoke-free. Commenters also stated that HUD should not encourage partially enclosed DSAs, as they can trap smoke,

provide hidden areas for crime, and violate state clean air laws.

**HUD Response:** HUD does not mandate DSAs. However, some PHAs have achieved better compliance with smoking bans in restricted areas when there is a designated location with seating. Also, the use of DSAs could potentially make implementation of the smoke-free policy easier because they demonstrate to a smoking resident how far he or she must move away from the building. If a PHA decides to implement a DSA, HUD recommends appropriate wellness and safety features, such as appropriate seating and shade. If a PHA chooses to designate a smoking area for residents, it must ensure that the area is accessible for persons with disabilities, in accordance with a PHA's obligations under section 504 of the Rehabilitation Act of 1973, Title II of the Americans with Disabilities Act, and the Fair Housing Act. This may include a flat or paved pathway, ramp, and adequate lighting depending on the need and area selected. HUD encourages PHAs to include DSAs in future capital needs planning.

#### *Electronic Nicotine Delivery Systems (ENDS)*

Many commenters asked that HUD include ENDS in the list of prohibited tobacco products. These commenters pointed out that the aerosol emitted by the devices is not harmless, and the toxins in the aerosol are higher than in FDA-approved nicotine inhalers. Others stated that ENDS pose risks of fire or explosion due to their batteries or poisoning from the liquids. Commenters stated that ENDS also increases third-hand exposure to nicotine (nicotine that settles on surfaces within a building), and banning ENDS may help stop the increase of ENDS usage among teens.

Commenters stated that ENDS are not devices approved for stopping smoking, and their use can undermine efforts to de-normalize smoking. Others commented that the use of ENDS can undermine enforcement efforts, either by making it appear that the policy is not taken seriously, or by causing confusion about whether it is ENDS or a cigarette being used.

Some commenters supporting the ban of ENDS asked that if HUD does not include ENDS in the proposed rule, that HUD make it explicit that a PHA can choose to do so themselves. Others asked HUD to track and share research to help PHAs make the case for including ENDS in smoke-free policies.

Other commenters objected to the inclusion of ENDS in the indoor smoking ban. Some stated that the science on the harm caused by ENDS is

not settled and therefore there is no justification at this time for including them in the policy, because prohibiting ENDS does not advance the proposed rule's goals of improved health and savings on maintenance costs. Commenters stated that ENDS are an important tool in stopping smoking and allowing them would therefore help to soften the larger no-smoking policy, while adding flexibility to the proposed rule. Some commenters stated that the proposed rule does not contain enough justification to include ENDS in the policy and therefore, if HUD decides to include them, there should be another round of comments.

Commenters also asked that if HUD includes ENDS in the final policy, HUD consider limiting the places ENDS are prohibited only to common areas. Some stated that enforcing ENDS would be more difficult than only enforcing a cigarette ban, because ENDS lacks some of the markers of cigarette smoke such as a smell.

**HUD Response:** Research to date on ENDS is still developing and lacks clear consensus, in contrast with research on the effects of cigarettes and other tobacco products. Unlike with products that involve burning of substances, there is little evidence that ENDS significantly increases fire risks, and there is no conclusive evidence that the vapors emitted by ENDS cause damage to the units themselves. Therefore, prohibiting ENDS will not necessarily reduce the risk of catastrophic fires or maintenance costs for PHAs, and this rule does not prohibit the use of ENDS.

However, PHAs may exercise their discretion to include a prohibition on ENDS in their individual smoke-free policies if they deem such a prohibition beneficial. In addition, if evidence in the future arises that banning ENDS will, for example, result in significant maintenance savings, HUD will reconsider including them in items that are prohibited inside public housing.

#### *Enforcement*

Many comments focused on how PHAs are to enforce smoke-free policies. Some commenters stated that enforcement would be impossible because PHAs would not be able to prove that residents were smoking or the exact origins of a smoke smell. Commenters asked for additional guidance on how to detect violations and expressed concern that enforcing policies across scattered sites or in non-business hours would be extremely difficult. Commenters also stated that HUD should provide additional guidance on who can report violations and that HUD should place the burden

of proof of violations on the complaining party.

Commenters also expressed concern about having a primary method of enforcement be reporting from tenants. Commenters stated that relying on residents to report will erode trust and increase tensions between residents, staff, and management. Some commenters stated that requiring residents to report violations would lead to additional confrontations with police. Commenters stated that residents should be able to report violations in a way that makes them feel safe. Some commenters stated that resident reporting will require additional mediation between tenants and that HUD should create a method of enforcement that does not rely on residents reporting each other, such as using routine maintenance inspections to look for evidence of smoking indoors.

Some commenters asked for specific guidance on how PHAs are to enforce smoke-free policies, and asked for HUD to publish successful enforcement actions from agencies with smoke-free policies in place. Commenters expressed concern that some PHAs or managers would not enforce the smoke-free policies consistently, leading to liability for PHAs. To address such concerns, commenters suggested that HUD impose heavy fines on managers who do not enforce policies, conduct site visits to ensure enforcement, and provide information to residents on whom to contact if managers are not enforcing policies. Commenters also stated that the costs of enforcement will be equal to or greater than any savings on maintenance generated by smoke-free policies.

Commenters also expressed concern about the use of eviction as an enforcement mechanism, stating that evictions do not help create strong communities. Commenters also wrote that increased evictions will increase homelessness and costs to PHAs. Commenters stated that it was unfair to subject children to homelessness from eviction for the actions of their parents, that it would be unfair to evict an entire family for the actions of one individual, or that it would be unfair to evict tenants for the actions of their guests. Commenters stated that relying solely on eviction sets up residents for failure and puts groups at the highest risk for discrimination in housing or with higher health risks at even greater risk of homelessness. Some stated that if families who are evicted as a result of this rule tend to fall into a protected class, there might be a disparate impact claim against the PHA or HUD.

Some stated that evicting families for a legal activity would be impossible because courts would not uphold evictions, or even that local ordinances may make evictions for smoking illegal. Commenters suggested that the rule explicitly state that smoking in violation of the PHA's policy is an offense that can result in eviction in order to allow courts to enforce evictions.

Commenters suggest that HUD require PHAs to take specific, progressive enforcement steps prior to allowing eviction, in particular focusing on education and cessation treatments.

Others stated that the rule should minimize evictions, or eliminating evictions from enforcement options completely, perhaps using a system of fines, positive incentives, or cessation treatment instead. Commenters stated that the final rule language should specify that violation of a smoke-free policy is not a material or serious violation of the lease. Some commenters suggested that HUD consider structuring the smoke-free requirement like the community service requirement, where noncompliance mandates specific actions to allow a tenant to "cure" the violation and where PHAs do not renew leases instead of evicting tenants.

**HUD Response:** HUD believes that allowing a PHA to enforce its smoke-free policy through lease enforcement actions is the best way to ensure compliance with such policies. Upon successful implementation, smoke-free policies should be enforced similar to other policies under lease enforcement procedures. HUD does not expect the enforcement of smoke-free policies to be significantly easier or more difficult than other unit-focused policies PHAs have established. Based on experiences of the PHAs that have already implemented smoke-free policies, when there is resident engagement in developing the plan and an effective plan for implementation, policy enforcement is less likely to lead to evictions. As written in this rule, the lease and appropriate amendment(s) will be the primary smoke-free policy enforcement mechanism. All residents must sign the amendment(s) as a condition of their continuing occupancy. PHAs will have local flexibility as to how the lease amendment process occurs during the 18-month implementation period after the final rule effective date. HUD has clarified that the adoption of a PHA smoke-free policy is likely to constitute a significant amendment or modification to the PHA Plan, which would require PHAs to conduct public meetings according to standard PHA amendment procedures. Therefore,

PHAs are encouraged to obtain board approval when creating their individual smoke-free policies.

HUD affords PHAs flexibility in designing policies on reporting of violations by other residents, in order to fit the local needs of the housing communities. However, a PHA must sufficiently enforce its smoke-free policy in accordance with the rule's standards, by taking action when it discovers a resident is violating the policy. PHAs must ensure due process when enforcing the lease. If a PHA pursues lease enforcement as a remedy, public housing residents retain their right to an informal and formal hearing before their tenancy is terminated. As currently written, the new regulations intentionally distinguish lease violations based on criminal behaviors from violations based on civil behaviors, and place smoke-free violations in the latter category to discourage overly aggressive enforcement approaches and decrease the potential of eviction and homelessness.

Termination of assistance for a single incident of smoking, in violation of a smoke-free policy, is not grounds for eviction. Instead, HUD encourages a graduated enforcement approach that includes escalating warnings with documentation to the tenant file. HUD has not included enforcement provisions in this rulemaking because lease enforcement policies are typically at the discretion of PHAs, and it is appropriate for local agencies to ensure fairness and consistency with other policies. HUD also is not requiring any specific graduated enforcement procedure, because public housing leases are subject to different local and state procedural requirements that must be met prior to eviction. Best practices regarding smoke-free implementation and enforcement are available at <http://portal.hud.gov/hudportal/HUD?src=/smokefreetoolkits1>. HUD will provide additional guidance in the future with examples of graduated enforcement steps.

This rule does not expressly authorize or prohibit imposing fines on non-complying PHA managers. Once the rule takes effect, HUD may use PHA certifications to verify that PHAs have implemented a smoke-free policy within the required timeframe. HUD may also use the periodic REAC inspections and OIG audits to help monitor and confirm whether the policy is being enforced. The PIH regulations at 24 CFR 903.25 state that to ensure that a PHA is in compliance with all policies, rules, and standards adopted in the PHA Plan approved by HUD, HUD shall, as it deems appropriate, respond to any

complaint concerning PHA noncompliance with its plan. If HUD determines that a PHA is not in compliance with its plan, HUD will take whatever action it deems necessary and appropriate.

#### *Evaluation*

Commenters asked that HUD have some sort of plan in place to evaluate the effect of the proposed rule. Some stated that HUD should evaluate, after 1 or 2 years, the success of the rule in getting units smoke-free and whether there have been health benefits. Others stated that HUD should review how each PHA has implemented a smoke-free policy, including surveys to residents on how the policy is working and if improvements are needed. Some commenters stated that the evaluation should be of the PHAs themselves, including how they document violations and manage accommodation requests, how well PHAs comply with the requirements and adhere to "best practices", and the PHAs' outcomes of the smoke-free policies. These evaluations could be done as part of periodic reviews of PHA performance in general.

Other suggestions for evaluations focused on the effects of the rule itself. Some suggested that HUD should survey tenants to track smoking cessation progress. Others stated that HUD should evaluate support for the policies among tenants, numbers of complaints, health changes, costs, savings, and turnover and eviction as a result of the policies. Commenters stated that HUD should carefully keep track of the number of evictions due to smoke-free policies. Commenters suggested that HUD should study whether completely smoke-free grounds would be appropriate.

Commenters stated that HUD could partner with other agencies for evaluation studies.

**HUD Response:** HUD agrees that it is important to evaluate various aspects of the implementation of the rule by the PHAs, including the benefits on indoor air quality and resident health as well as the actual implementation process. Although HUD has identified and made available effective practices from housing providers that have implemented smoke-free policies, there is value in doing this using a more systematic process (e.g., see <http://portal.hud.gov/hudportal/documents/huddoc?id=SFGuidanceManual.pdf>). HUD is supporting research on the implementation of smoke-free policies in federally assisted multifamily properties through its Healthy Homes Technical Studies Grant Program. A goal of this research is to identify

effective implementation practices as well as impacts on indoor air quality and smoking cessation among residents. HUD has also worked with the National Center for Health Statistics to match administrative data for residents of federally assisted housing (including public housing) with multiple years of data from the National Health Interview Survey. This is a cost effective way to track potential changes in the smoking behavior of residents over time (*i.e.*, before and after the rule becomes effective). HUD is a member of a work group that includes federal partner agencies in order to explore opportunities for cooperative activities to evaluate the impact of the rule. HUD is also cooperating with researchers who are part of a university/philanthropy partnership planning to survey PHAs that have already implemented smoke-free policies, in order to capture lessons learned that will be valuable for PHAs that have not yet implemented smoke-free policies. This effort will include interviews of both management and residents.

#### *Expansion of Applicability of Rule*

Some commenters felt that it was unfair to only cover public housing with this proposed rule. Commenters felt that the covered properties should be expanded to include all multifamily dwelling units in the country, all rental and subsidized housing, mixed-finance developments, Section 8 vouchers, or all properties receiving HUD assistance.

However, other commenters stated that HUD should never consider requiring homeless assistance programs to have a smoke-free policy. Some also stated that HUD should not expand the requirement beyond public housing.

Commenters did have some questions about the applicability of the rule. Some asked about whether the rule applies to non-dwelling units leased to other entities. Others asked whether low-income housing on tribal lands would be covered. Commenters also asked how this rule would apply to public housing projects converting their assistance under the Rental Assistance Demonstration Program.

**HUD Response:** The final rule does not apply to tribal housing, mixed-finance developments, or PHA properties that have converted to project-based rental assistance contracts under RAD. HUD will continue to promote voluntary adoption of smoke-free policies by all owners receiving project-based assistance and may consider expansion of requirements to additional housing assistance programs in the future. In addition, HUD will issue a solicitation of comments in the

**Federal Register** to obtain feedback on the prospect of requiring smoke-free policies in other HUD-assisted properties. Absent regulations, private owners and PHAs can continue to use HUD's "Smoke-Free Housing Toolkit for Public Housing Authorities and Owners/Management Agents" (available at <http://portal.hud.gov/hudportal/documents/huddoc?id=pdfowners.pdf>) to help in implementation of smoke-free policies.

#### *Flexibility for PHAs*

Commenters objected to the mandate that PHAs create smoke-free policies, instead asking that it continue to be left up to the PHA's discretion. They stated that letting PHAs make the decision would allow them to decide where to allocate resources and best account for the needs of the residents and PHA. Other commenters simply asked that PHAs be allowed to craft policies they designed instead of having policies determined by HUD. Commenters also asked that small PHAs be given more flexibilities.

Commenters specifically asked that PHAs be given flexibility with the implementation phase of smoke-free policies. Some asked for the ability to implement policies at a time of the year with pleasant weather to make compliance easier. Others asked for the ability to phase-in policies by buildings or properties instead of all at once; however, some commenters explicitly opposed phasing in the policy across buildings. Commenters also asked for a longer implementation period, even as much as 5 years.

Another specific flexibility requested by commenters was for a PHA to establish buildings or scattered-site locations as designated smoking buildings, if physically separate from non-smoking buildings.

Commenters also asked that PHAs with established smoke-free policies continue to keep the existing policies, even if the perimeter around buildings is less than 25 feet. These commenters stated that it would be extremely burdensome, costly, and confusing to change existing policies, and compliance with additional restrictions might impose additional costs, such as building shelters for smokers, that they have already decided are unnecessary. However, some commenters stated that PHAs should be required to conform to any policies that are stricter than what they may currently have in place.

Some commenters also asked that HUD make it explicit that a PHA may adopt policies that are stricter than the ones required by HUD.

Commenters also asked that HUD allow PHAs to have maximum budget flexibility during implementation to pay for up-front costs.

**HUD Response:** HUD has been advocating for smoke-free housing since 2009 because the health benefits to residents are substantial, and the costs and benefits to PHAs are also compelling in terms of reduction in maintenance and unit turnover costs. HUD applauds the more than 600 PHAs that already have implemented policies in at least one building since HUD began promoting voluntary adoption of smoke-free housing policies. The rule's mandatory approach implements uniform standards and requirements which will greatly minimize the disproportionate exposure to SHS for public housing residents.

The flexibility inherent in the rule allows PHAs to implement their smoke-free policies in a way that does not violate the standards established in the final rule. The final rule bans the use of prohibited tobacco products in all public housing living units, interior common areas, and all outdoor areas within 25 feet from public housing and administrative office buildings where public housing is located. The rule also gives PHAs the flexibility to limit smoking to DSAs, which may include partially enclosed structures, to accommodate residents who smoke.

PHAs must exercise their discretion in a way that reasonably relates to the purpose of the rule, and PHAs face legal risk when imposing a standard that exceeds the scope of legal authority (*e.g.*, is arbitrary and capricious). PHAs are encouraged to exercise their discretion and may adopt stricter smoke-free policies. This approach should always consider resident feedback prior to adopting stricter smoke-free policies.

Budget flexibility in terms of combining operating, capital, or housing assistant payment funds is permitted to the extent otherwise provided under arrangements such as Moving to Work (MTW).

#### *Funding*

Commenters stated that HUD should provide funding for the implementation costs of this rule, specifically through increased Operating or Capital Fund allocations. Commenters wrote that without additional staff to help, the smoke-free policies cannot be successful. Commenters also asked for additional funding to remediate and repair any damage caused by residents who are currently smoking.

**HUD Response:** The rule provides no additional financial assistance for policy

implementation; however, HUD has already begun to mobilize our public health and private partners such as the Centers for Disease Control and Prevention, American Cancer Society, the American Lung Association and Environmental Protection Agency, among others, to support PHAs.

#### *Implementation*

Many commenters expressed concern that tenants be adequately involved in a PHA's implementation of the final rule when effective. Commenters stated that HUD should require specific engagement activities. They stated that these requirements should include multiple meetings with tenants to educate them on the policy, how to comply, and what assistance is available to them. Commenters stated that PHAs should use community advisory boards to address issues and tenant concerns during implementation. Commenters stated that HUD should require PHAs to engage their residents, particularly on health issues associated with smoking and SHS, prior to amending leases; some stated that engagement should be ongoing for a year prior to a PHA amending a lease.

To ensure that residents are fully engaged from the beginning, some commenters stated that HUD should specify that implementing a smoke-free policy would require a significant amendment to the PHAs' plans. However, other commenters stated that PHAs with smoke-free policies in place should not have to make significant amendments.

Commenters also suggested changes to the timeline for compliance with the final rule. Several stated that 18 months is not enough time for PHAs to have smoke-free policies in effect. Commenters stated that 18 months was too short a time period to adequately educate tenants and get their support, amend leases, and do other supporting tasks like constructing DSAs. Some asked for specific time periods, from 24 to 36 months to up to 3 years, while others asked for PHAs to be able to apply for more time. Commenters stated that allowing PHAs flexibility on the timeline for implementing the rule so that the PHAs could use the existing Annual Plan amendment process would save money and effort.

Commenters alternatively asked that HUD allow for an implementation timeline in stages, allowing residents to participate voluntarily for the first 6 months, year, or 2 years of the policy before being subject to penalties.

Some commenters, however, stated that 18 months was too much time, and stated that HUD should encourage PHAs

to begin implementation as soon as possible after the final rule is effective, including providing cessation help and educational resources. Commenters suggested that PHAs should be able to implement smoke-free policies for new residents prior to that deadline, and some stated that HUD should require compliance within 6 months.

Commenters asked if PHAs would be able to phase-in their properties during the 18-month period.

**HUD Response:** HUD included in the proposed rule the 18-month timeframe after the final rule effective date for PHAs to enlist the involvement and support their resident councils, initiate cessation programs, post notices, and disseminate information to the residents, pursuant to PIH regulations and best practices among early smoke-free policy adopters. In the final rule, HUD has clarified that the adoption of a PHA smoke-free policy is likely to constitute a significant amendment or modification to the PHA Plan, which would require PHAs to conduct public meetings according to standard PHA amendment procedures. Therefore, PHAs are encouraged to obtain board approval when creating their individual smoke-free policies. HUD believes this approach will allow local organizations to pledge their support for the smoke-free policy and to support the mission of providing healthier housing for low-income residents.

The PHA must consult with resident advisory boards to assist with and make recommendations for the PHA plan. Those recommendations must include input from PHA residents. With regard to the smoke-free policy, the PHA plan will list the PHA's rules, standards and policies that will govern maintenance and management of PHA operations. HUD believes that 18 months will provide PHAs sufficient time to conduct resident engagement and hold public meetings that are required when an amendment constitutes a significant change to the PHA plan.

The final rule will become effective 60 days after publication in the **Federal Register**. Once the rule is effective, PHAs will then have 18 months to implement smoke-free policies. PHAs must incorporate the smoke-free policy into resident leases. The lease will continue to be the legally binding document between the PHA and the resident. Leases (including recertifications, automatic renewals, new leases, lease addendums and modifications) can be modified at any time by written agreement between the resident and the PHA. PHAs may provide a specific date that the policy will take effect. PIH regulations permit

PHAs to modify rules and regulations to be incorporated by reference into the lease form, as long as the PHAs provide at least 30 days' notice to all affected residents (see 24 CFR 966.5), and allow resident feedback on the new lease language (see 24 CFR 966.3). PHAs must consider this feedback prior to making the changes.

To amend individual resident leases based on the modified lease form adopted by the PHA, a PHA must notify a resident of the written revision to an existing lease 60 days before the lease revision is to take effect and specify a reasonable time period for the family to accept the offer (see 24 CFR 966.4(l)(2)(iii)(E)). PIH regulations also provide that leases are required to stipulate that the resident has an opportunity for a hearing on a grievance of any proposed adverse action against the resident (see 24 CFR 966.52(b)). However, PHA grievance procedures are not applicable to class grievances and cannot be used as a forum for initiating or negotiating policy changes, including smoke-free policy changes (see 24 CFR 966.51(b)).

HUD strongly encourages PHAs to post signs referencing the new smoke-free policy. Signs must be accessible to all residents and visitors, and must be posted in multiple languages if appropriate for residents of the PHA, in accordance with HUD's current guidance on limited English proficiency. PHAs are not required to construct smoking shelters or DSAs.

#### *Leases*

Commenters stated that the smoke-free language in leases should include not only the policy, but also information on any available DSAs or cessation services.

**HUD Response:** A public housing lease specifies the rights and responsibilities between the PHA and tenant. If a PHA chooses to develop one or more DSAs, PHAs are encouraged to note the availability and location of any DSAs in the lease. HUD also encourages PHAs to share this information using less formal communication methods (e.g. letters, flyers, seminars, etc.) to ensure residents are aware of the policy. The information must be presented in pertinent places in various languages to help residents understand the policy.

#### *Objections—Civil Rights*

Commenters objected to the idea behind the proposed rule, stating that prohibiting smoking in public housing is an invasion of civil rights because it would ban an individual's freedom to do something that is legal. Others stated that it was an invasion of smokers'

privacy. Some commented that people should be able to smoke in their own homes and that a smoking ban is authoritarian and invasive.

Commenters also objected to the proposed policy because it does not prohibit smoking in private homes and therefore unfairly punishes the poor and working class. Commenters stated that smoking bans demonize and dehumanize smokers and discriminate against smokers. Some stated that if HUD is banning smoking, HUD should also ban all things that cause harm or smell, such as pet dander or smelly food.

**HUD Response:** HUD believes that focusing on public housing is appropriate, as HUD and our PHA partners have already made significant progress in this area. More than 600 PHAs have already implemented smoke-free policies in at least one of their buildings since HUD began promoting voluntary adoption of smoke-free housing policies in 2009. HUD is not using this policy as a punishment for any group of people. Instead, HUD believes this policy will benefit many residents especially vulnerable populations (e.g. children, elderly persons, and persons with disabilities). This rule will protect the health and well-being of public housing residents and PHA staff and is an opportunity to lower overall maintenance costs and reduce the risk of catastrophic fires. Smoke-free public housing helps HUD realize its mission of providing safe, decent and sanitary housing for vulnerable populations nationwide. Additionally, smoke-free policies are increasingly being adopted in market-rate rental housing and condominiums.

In Constitutional jurisprudence, courts have found that smoke-free policies do not violate the Equal Protection Clause because there is no fundamental right to smoke,<sup>8</sup> and the classification of a “smoker” does not infringe on a fundamental Constitutional right.<sup>9</sup> In addition, the act of smoking is entitled to only minimal level of protection, and courts assess smoking-related Equal Protection claims under a rational basis standard of review<sup>10</sup>—meaning that those who challenge a smoke-free regulation bear the burden to prove that the regulation is not rationally related to a legitimate government interest.

Courts<sup>11</sup> have held that protecting persons from SHS is a valid use of the State’s police power that furthers a legitimate government purpose.<sup>12</sup> And, those courts considering Equal Protection challenges to smoking restrictions have concluded that the restrictions bear a reasonable relation to such legitimate state interests as: (1) Improving resident health and safety; (2) reducing fire hazards; (3) maintaining clean and sanitary conditions; and (4) reducing non-smoker complaints and threats of litigation.<sup>13</sup>

#### *Objections—General*

Commenters stated that an indoor smoking ban would actually increase fires as people tried to hide their smoking and disposed of cigarettes improperly. Commenters also stated that they supported smoking bans in public places and near doors, but felt that smoking should still be permitted in an individual tenant’s unit. Commenters suggested that instead of a smoking ban, PHAs could require a higher security deposit from smokers.

Commenters also stated that given the number of individuals with mental health problems who rely on smoking, this rule would be unfair to that population. Commenters wrote that bans in individual units would make it harder for tenants with mental illnesses to maintain stable housing. Some objected to the rule because they stated that some individuals who smoke do so to avoid returning to prior addictions. Commenters stated that discouraging any part of the population from affordable housing programs is contrary to the mission of HUD and PHAs.

Some commenters objected to the rule because they stated that the rule contradicts a recent notice from HUD that PHAs should slow evictions based on criminal history, while now encouraging evictions for legal activities. Other commenters stated that the rule contradicts Congressional direction to increase flexibility and reduce unnecessary regulatory burdens. Commenters also objected to the rule by stating that funding should be used for priorities other than enforcement of the rule, including evictions.

**HUD Response:** This rule is an opportunity to lower overall maintenance costs and reduce the risk of catastrophic fires in properties while advancing the health of public housing

residents and PHA staff. Smoking within a tenant’s unit exposes other residents to SHS. As such, smoke-free public housing is fully aligned with HUD’s mission of providing safe, decent and sanitary housing for vulnerable populations nationwide. HUD encourages all PHAs to work with all of their residents to ensure they fully understand the policy. In order to meet a successful 18-month implementation timeframe, HUD encourages community engagement and outreach so PHAs will be able to solicit support and involvement of their resident councils and tenants. Residents who smoke and comply with the smoke-free policy can continue their residency in public housing. During enforcement of their smoke-free housing policies, HUD expects PHAs to follow administrative grievance procedures. Where there are violations of the smoke-free policy, HUD encourages PHAs to use a graduated enforcement approach that includes written warnings for repeated policy violations before pursuing lease termination or eviction. HUD will provide additional guidance with examples of graduated enforcement steps.

HUD emphasizes that this rule, unlike previous HUD guidance on smoking, is not optional or merely a recommendation. However, PHAs may not treat tenants who smoke punitively in their implementation of this regulation by, for example, requiring a higher security deposit from tenants who smoke. Residents can be charged for property damage that is beyond normal wear and tear, in accordance with 24 CFR 966.4(b)(2).

#### *Reasonable Accommodations*

Commenters asked for more information and further clarification on what PHAs could offer as a reasonable accommodation under the rule. Some expressed confusion on whether smokers were eligible for reasonable accommodations, and some commenters explained that the reasonable accommodation was not available to help with the smoking habit, but rather was intended to address the underlying disability that frustrates the tenant’s ability to comply with the smoke-free policy. Commenters explained that individuals with mental health disabilities or cognitive or learning disabilities may have difficulties in understanding the new smoke-free policies or complying with traditional cessation treatments, and that any PHA not allowing reasonable accommodations for tenants with disabilities is not considering the whole picture.

<sup>8</sup> *Brashear v. Simms*, 138 F. Supp. 2d 693, 694 (D. Md. 2001).

<sup>9</sup> *Fagan v. Axelrod*, 550 N.Y.S. 2d 552, 560 (1990).

<sup>10</sup> See *McGinnis v. Royster*, 410 U.S. 263 (1973); *Giordano v. Conn. Valley Hosp.*, 588 F. Supp. 2d 306 (2008).

<sup>11</sup> The holdings referenced here are taken from jurisprudence on smoking prohibitions in public areas and in the state prison context.

<sup>12</sup> See *Fagan v. Axelrod*, 550 N.Y.S.2d 552, 560 (N.Y. Sup. Ct. 1990).

<sup>13</sup> See *Chance v. Spears*, 2009 U.S. Dist. LEXIS 110304.



Others asked for specific lists of permissible accommodations or for best practices in providing reasonable accommodations. Some commenters requested that HUD explicitly state in the final rule that a PHA must grant appropriate requests for reasonable accommodations. Commenters also stated that HUD should take public comment on any future reasonable accommodation guidance.

Some commenters stated that reasonable accommodations should not include the ability to smoke indoors. Commenters asked whether HUD would defend PHAs who do not allow indoor smoking as a reasonable accommodation. Some commenters stated that smoking in the tenant's unit should be allowable as a reasonable accommodation, particularly for the elderly in winter or individuals who are disabled and cannot leave their unit. Commenters have stated that smaller PHAs may not have accommodations to offer other than allowing smoking in a tenant's unit.

Commenters offered other suggestions of permissible reasonable accommodations, including allowing the tenants to use ENDS in their unit, smoking closer to the building than the 25-foot barrier, additional time for compliance for those using cessation services, or moving smokers with mobility disabilities into units closer to elevators or on the ground floor. Commenters also stated that HUD should make it clear that smoking is not a bar to receiving assistance and should allow tenants who cannot comply to receive vouchers to move out of public housing.

However, commenters also expressed concern about the reasonable accommodation process. Commenters shared concerns that relying on the reasonable accommodation process assumes all residents with disabilities know their rights, assumes at least some requests will be granted, and places all the burden on the residents with disabilities themselves. Others stated that a PHA may be unable to move residents, due to costs of moving or a low vacancy rate. Commenters suggested that HUD require that language advising residents of their right to request a reasonable accommodation be included in leases along with other smoke-free requirements.

**HUD Response:** Under section 504 of the Rehabilitation Act of 1973, Title II of the Americans with Disabilities Act, and the Fair Housing Act, PHAs are prohibited from discriminating on the basis of disability and must make reasonable accommodations in their

rules, policies, practices, and services. A reasonable accommodation is a change, adaptation or modification to a policy, rule, program, service, practice, or workplace which will allow a qualified person with a disability to participate fully in a program, take advantage of a service, or perform a job. In order to show that a requested accommodation may be necessary, there must be an identifiable relationship, or nexus, between the requested accommodation and the individual's disability. This individualized determination must be made on a case-by-case basis by the PHA. When a person with a disability requests an accommodation related to his or her disability, a recipient must make the accommodation unless the recipient can demonstrate that doing so would result in a fundamental alteration in the nature of its program or an undue financial and administrative burden.

Often, a PHA's Admissions and Continued Occupancy Plan (ACOP) will include guidelines for submission consideration, but an individual with a disability is not required to use a specific format when requesting an accommodation. General guidance on the reasonable accommodation process can be found at <http://go.usa.gov/cJBBC>. HUD also issued reasonable accommodation guidance entitled, "Joint Statement of the Department of Housing and Urban Development and the Department of Justice on Reasonable Accommodations under the Fair Housing Act," which can be found at [http://www.hud.gov/offices/fheo/disabilities/modifications\\_mar08.pdf](http://www.hud.gov/offices/fheo/disabilities/modifications_mar08.pdf). HUD has determined that additional, specific guidance on accommodations related to smoke-free public housing is unnecessary, given the case-by-case nature of these decisions.

Research shows that SHS will intrude into other units even when there is mechanical ventilation or air cleaners are installed. HUD acknowledges that some persons, including persons with disabilities, may have additional challenges in quitting, but reiterates that this rule does not require persons who smoke to stop smoking; rather, they must perform the activity in allowable areas **outside of the public housing facilities and other restricted areas.**

HUD's guidance, "Change is in the Air," available at <http://portal.hud.gov/hudportal/huddoc?id=smokefreeactionguide.pdf>, provides examples of how PHAs have approached and managed smoke-free policies for residents with disabilities. Not all of these examples involve reasonable accommodations, but they demonstrate a range of options that PHAs can use to implement smoke-free

policies. For instance, PHAs have allowed residents to move to the first floor or closer to an exit door, and provided designated smoking areas with an accessible walkway, cover, lighting, and seating.

HUD continues to encourage PHAs to engage residents early in the development of the policy so that there is adequate time to consider reasonable accommodations requests they receive. Language advising residents of their right to request a reasonable accommodation should already be contained within the PHA's ACOP. Under this rule, HUD is not requiring that reasonable accommodation language be contained in the lease. Public housing residents who suspect they are victims of housing discrimination can call (800) 669-9777.

The act of smoking itself is not a disability under the ADA. HUD encourages all PHAs to fully engage with their residents so they fully understand the policy. Smokers with behavioral health conditions may require individualized attention to ensure they understand the policy and available cessation resources, as well as reasonable accommodation request procedures.

#### *Scientific Basis for the Rule*

Some commenters were skeptical that there was adequate scientific justification for the rule and questioned whether SHS is dangerous. Commenters stated that the rule is merely part of a crusade against smokers.

Other commenters stated that the ban on indoor smoking would be unnecessary if better construction, insulating electrical outlets or improving ventilation, were used in public housing.

**HUD Response:** HUD relies on the conclusions of Federal agencies and other authoritative organizations regarding the health effects of exposure to SHS. Based on these conclusions, the scientific evidence for the adverse health effects of SHS exposure is compelling. In a 2006 report, the Surgeon General concluded that there is no risk-free level of exposure to SHS. In children, the U.S. Surgeon General concluded that SHS exposure can cause sudden infant death syndrome, and can also cause acute respiratory infections, middle ear infections and more severe asthma in children. In adults, the Surgeon General has concluded that SHS exposure causes heart disease, lung cancer, and stroke. In addition, SHS is designated as a known human carcinogen by the U.S. Environmental Protection Agency, the U.S. National Toxicology Program, and the

International Agency for Research on Cancer.

The Surgeon General also concluded in 2006 that “eliminating indoor smoking fully protects nonsmokers from exposure to SHS. Separating smokers from nonsmokers, cleaning the air, and ventilating buildings cannot eliminate exposure to secondhand smoke.” HUD acknowledges that the movement of SHS from a smoker’s unit to other parts of a building can be partially reduced through improvements in ventilation systems and through the increased air sealing of units; however, these strategies cannot fully eliminate exposure. Increased air sealing could also have the disadvantage of increasing SHS exposures to non-smokers in the sealed units, and could increase the amount of SHS that settles on surfaces within the sealed units.

#### Signs

Commenters asked that HUD include requirements on no-smoking signs in the final rule. Commenters stated that HUD should require a minimum amount of signage, and others stated that any signs should be in all languages applicable to a given PHA.

**HUD Response:** HUD strongly encourages PHAs to post signs referencing their smoke-free policy. These signs must be accessible to all residents, and must be posted in multiple languages if appropriate for residents of the PHA, in accordance with HUD’s guidance on limited English proficiency.

#### Scope of the Rule

Commenters stated that the proposed rule does not go far enough in only banning tobacco smoking. They asked that HUD include other items in the ban, including all products creating smoke, such as non-tobacco cigarettes and scented candles and incense, or other things posing health risks such as fatty foods or alcohol.

**HUD Response:** This rule bars the use of prohibited tobacco products indoors, and outdoors within 25 feet of any building. Prohibited tobacco products include waterpipes. HUD is focusing first on public housing because HUD already has significant progress to build upon, as many PHAs have voluntarily implemented smoke-free policies. HUD intends next to turn attention to other HUD-assisted housing. Although this rule curtails a behavior that public housing regulations previously allowed, instituting smoke-free public housing would ensure that public housing residents enjoy the confirmed and significant health benefits that many higher-income market-rate residents

now enjoy and increasingly demand of the private housing market. As a practical matter, HUD also is focusing first on smoke-free public housing because, in public housing, HUD can more readily leverage the Federal government’s direct financial investments and existing regulatory framework to promote broad-based, successful policy implementation than where housing depends on private owners and contracts. However, HUD will issue a solicitation of comments in the *Federal Register* to obtain feedback from owners and tenants on the prospect of requiring smoke-free policies in other HUD-assisted properties.

#### Training

Commenters asked that HUD provide specific support for training in the final rule, both for residents and for PHA staff on both the reasons for the rule and proper enforcement of no-smoking policies.

**HUD Response:** HUD agrees that PHAs and residents will need training on the reasons for the rule and proper enforcement of smoke-free policies. HUD is coordinating with other federal agencies and non-governmental organizations on providing assistance to PHAs, as appropriate, in implementing smoke-free policies. HUD will provide training to PHAs in the form of video- and print-based materials, as well as in-person training for select PHAs. Training resources will be focused on geographic areas with the greatest need, including areas where few PHAs previously implemented smoke-free policies. Resident training should be provided by PHA staff.

#### Waterpipes (Hookahs)

Many commenters asked that HUD include waterpipes in the smoke-free policy. These commenters stated that they are still a fire hazard and the smoke gives off harmful elements like cigarette smoke. Some commenters stated that waterpipes pose a carbon monoxide hazard in addition to the other toxins. Commenters stated that hookah sessions frequently last longer than the time it takes to smoke a cigarette and that some experts believe the SHS from waterpipes may be more hazardous than that from cigarettes.

Commenters asked that if HUD does not include waterpipes in the smoke-free policy standard, the final rule should be explicit that PHAs may do so themselves.

Other commenters stated that HUD should not include waterpipes in the final rule, and noted that for some cultural groups, there is a cultural

significance to smoking around a waterpipe that HUD should keep in mind.

**HUD Response:** Waterpipes (hookahs) are smoking devices that use coal or charcoal to heat tobacco, and then draw the smoke through water and a hose to the user. HUD recognizes that the use of hookahs is fundamentally different from the use of cigarettes, cigars, or other handheld tobacco products. Hookahs are not held while in use, and therefore require a person to remain in one spot while using them. In addition, the lit coals, which can last for half an hour or longer, cannot be extinguished and therefore must be used or discarded, leading the users to spend longer time periods outdoors than users of other tobacco products. For many residents, there may not be a permissible way to use a hookah outside their homes. But for PHAs that establish DSAs, it may still be feasible for outdoor hookah smoking in those locations, especially if the DSA is covered, preventing precipitation from interfering with the lighting of the coals.

Both the heating source and burning of tobacco are sources of contaminant emissions. HUD agrees with commenters that there is considerable evidence that the use of waterpipes results in the emission of contaminants that are similar to those identified in SHS from other tobacco products, including carbon monoxide, respirable particulate matter (PM<sub>2.5</sub>), nicotine and benzene. There is no evidence that the drawing of tobacco smoke through water in hookahs makes the smoke less hazardous. Furthermore, because hookah sessions generally extend for longer periods than required to smoke a cigarette or other tobacco products, they can result in higher concentrations of contaminants. Finally, the presence of lit charcoal poses a fire risk to the property. Several examples of hookahs causing serious fire damage have been seen in homes around the country.<sup>14</sup> In addition, the World Health Organization<sup>15</sup> and the American Lung

<sup>14</sup> See, e.g., Raya Zimmerman, 5 Dogs Die in St. Paul House Fire Likely Started by Teen’s Hookah, *Pioneer Press*, May 11, 2014, [http://www.twincities.com/localnews/ci\\_25741957/5-dogs-die-st-paul-home-fire-woman](http://www.twincities.com/localnews/ci_25741957/5-dogs-die-st-paul-home-fire-woman); Jason Pohl, Mishandled hookah sparked May apartment fire, *Coloradoan*, July 26, 2015, <http://www.coloradoan.com/story/news/2015/07/25/pfa-mishandled-hookah-sparked-may-apartment-fire/30670277/>; and Erin Wencel, Hookah Starts Fire in North Fargo Basement, *KVRR News*, Nov. 26, 2015, <http://www.kvrr.com/news/local-news/hookah-starts-fire-in-north-fargo-basement-no-injuries-in-wahpeton-housefire/36677270>.

<sup>15</sup> World Health Organization, “Waterpipe Tobacco Smoking: Health Effects, Research Needs and Recommended Actions by Regulators,” (2005), available at [http://www.who.int/tobacco/global\\_](http://www.who.int/tobacco/global_)



Association<sup>16</sup> recommend that hookahs should be subjected to the same regulations as cigarettes. Therefore, HUD has amended the final rule to state that waterpipes fall under the definition of a "prohibited tobacco product."

While the use of hookahs may be viewed as a significant cultural practice, this does not qualify a resident for exclusion from the policy. As previously noted, there is no fundamental right to smoke and the act of smoking is entitled to only a minimal level of protection under the Equal Protection Clause. Therefore, smoking a hookah, as a significant cultural practice, does not itself provide a reason for exclusion from the policy.

#### Other Comments

Commenters stated that no matter what, smoking should not be a bar to public housing tenancy, despite some statements by PHA directors that state they already discriminate against smokers.

Commenters also wrote that HUD should state in the rule that the rule does not guarantee a smoke-free environment in order to avoid lawsuits from tenants with non-compliant neighbors.

**HUD Response:** This rule is not to be interpreted as making smoking a bar to public housing tenancy. Prospective and current residents are free to smoke outdoors with the understanding that smoking is prohibited within a 25-foot perimeter of buildings and in accordance with the PHA's smoke-free policy. This rule does not guarantee a smoke-free environment; residents may still be exposed to SHS on public housing grounds, particularly outside the 25-foot smoke-free perimeter. HUD emphasizes that the smoke-free policy is intended to reduce financial costs for PHAs as well as improve indoor air quality for all residents.

#### Responses to Questions

As part of the proposed rule, HUD asked the public to share specific information, particularly from PHAs who have already implemented smoke-free policies and can share their experiences. HUD received a number of comments with past experiences and suggestions for best practices, and we appreciate all the input. The information commenters submitted has helped inform HUD as to changes in the final rule and in developing further

guidance for PHAs on implementing and enforcing this final rule.

#### V. Findings and Certifications

##### *Executive Order 12866, Regulatory Planning and Review*

The Office of Management and Budget (OMB) reviewed this proposed rule under Executive Order 12866 (entitled "Regulatory Planning and Review"). OMB determined that this rule was economically significant under the order. The docket file is available for public inspection in the Regulations Division, Office of General Counsel, U.S. Department of Housing and Urban Development, 451 7th Street SW., Room 10276, Washington, DC 20410-0500. The Regulatory Impact Analysis (RIA) prepared for this rule is also available for public inspection in the Regulations Division and may be viewed online at [www.regulations.gov](http://www.regulations.gov), under the docket number above. Due to security measures at the HUD Headquarters building, an advance appointment to review the public comments must be scheduled by calling the Regulations Division at (202) 708-3055 (this is not a toll-free number). Individuals with speech or hearing impairments may access this number via TTY by calling the Federal Relay Service at (800) 877-8339.

##### *Information Collection Requirements*

The information collection requirements contained in this proposed rule have been submitted to the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520) and assigned OMB control number 2577-0226. In accordance with the Paperwork Reduction Act, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information, unless the collection displays a currently valid OMB control number.

##### *Impact on Small Entities*

The Regulatory Flexibility Act (RFA) (5 U.S.C. 601 *et seq.*), generally requires an agency to conduct a regulatory flexibility analysis of any rule subject to notice and comment rulemaking requirements unless the agency certifies that the rule will not have a significant economic impact on a substantial number of small entities. This rule prohibits smoking of tobacco in all indoor areas of and within 25 feet of any public housing and administrative office buildings for all PHAs, regardless of size.

There are 2334 "small" PHAs (defined as PHAs with fewer than 250 units), which make up 75 percent of the

public housing stock across the country. Of this number, approximately 378 have already instituted a voluntary full or partial policy on indoor tobacco smoking.

HUD anticipates that implementation of the policy will impose minimal additional costs, as creation of the smoke-free policy only requires amendment of leases and the PHA plan, both of which may be done as part of a PHA's normal course of business. Additionally, enforcement of the policy will add minimal incremental costs, as PHAs must already regularly inspect public housing units and enforce lease provisions. Any costs of this rule are mitigated by the fact that PHAs have up to 18 months to implement the policy, allowing for costs to be spread across that time period.

While there are significant benefits to the smoke-free policy requirement, the majority of those benefits accrue to the public housing residents themselves, not to the PHAs. PHAs will realize monetary benefits due to reduced unit turnover costs and reduced fire and fire prevention costs, but these benefits are variable according to the populations of each PHA and the PHA's existing practices.

Finally, this rule does not impose a disproportionate burden on small PHAs. The rule does not require a fixed expenditure; rather, all costs should be proportionate to the size of the PHA implementing and enforcing the smoke-free policy.

Therefore, the undersigned certifies that this rule will not have a significant impact on a substantial number of small entities.

##### *Environmental Review*

A Finding of No Significant Impact (FONSI) with respect to the environment has been made in accordance with HUD regulations in 24 CFR part 50 that implement section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)). The FONSI is available for public inspection during regular business hours in the Regulations Division, Office of General Counsel, Department of Housing and Urban Development, 451 7th Street SW., Room 10276, Washington, DC 20410-0500. Due to security measures at the HUD Headquarters building, please schedule an appointment to review the FONSI by calling the Regulations Division at 202-708-3055 (this is not a toll-free number). Individuals with speech or hearing impairments may access this number via TTY by calling the Federal Relay Service at 800-877-8339. The

[interaction/tobreg/Waterpipe%20recommendation\\_Final.pdf](http://interaction/tobreg/Waterpipe%20recommendation_Final.pdf).

<sup>16</sup> American Lung Association, "An Emerging Deadly Trend: Waterpipe Tobacco Use," (Feb. 2007), available at [http://www.lungusa2.org/embargo/slati/Trendalert\\_Waterpipes.pdf](http://www.lungusa2.org/embargo/slati/Trendalert_Waterpipes.pdf).

FONSI is also available to view online at [www.regulations.gov](http://www.regulations.gov).

#### *Executive Order 13132, Federalism*

Executive Order 13132 (entitled "Federalism") prohibits an agency from publishing any rule that has federalism implications if the rule either imposes substantial direct compliance costs on state and local governments or is not required by statute, or the rule preempts state law, unless the agency meets the consultation and funding requirements of section 6 of the Executive Order. This final rule does not have federalism implications and does not impose substantial direct compliance costs on state and local governments nor preempt state law within the meaning of the Executive Order.

#### *Catalog of Federal Domestic Assistance*

The Catalog of Federal Domestic Assistance number for the Public Housing program is 14.872.

#### **List of Subjects**

##### *24 CFR Part 965*

Government procurement, Grant programs-housing and community development, Lead poisoning, Loan programs-housing and community development, Public housing, Reporting and recordkeeping requirements, Utilities.

##### *24 CFR Part 966*

Grant programs-housing and community development, Public housing, Reporting and recordkeeping requirements.

Accordingly, for the reasons stated in the preamble, HUD amends 24 CFR parts 965 and 966 as follows:

#### **PART 965—PHA-OWNED OR LEASED PROJECTS—GENERAL PROVISIONS**

- 1. The authority citation for 24 CFR part 965 continues to read as follows:

**Authority:** 42 U.S.C. 1547, 1437a, 1437d, 1437g, and 3535(d). Subpart H is also issued under 42 U.S.C. 4821–4846.

- 2. Add subpart G to read as follows:

##### **Subpart G—Smoke-Free Public Housing**

Sec.  
965.651 Applicability.  
965.653 Smoke-free public housing.  
965.655 Implementation.

##### **Subpart G—Smoke-Free Public Housing**

###### **§ 965.651 Applicability.**

This subpart applies to public housing units, except for dwelling units in a mixed-finance project. Public housing is defined as low-income housing, and all necessary

appurtenances (e.g., community facilities, public housing offices, day care centers, and laundry rooms) thereto, assisted under the U.S. Housing Act of 1937 (the 1937 Act), other than assistance under section 8 of the 1937 Act.

###### **§ 965.653 Smoke-free public housing.**

(a) *In general.* PHAs must design and implement a policy prohibiting the use of prohibited tobacco products in all public housing living units and interior areas (including but not limited to hallways, rental and administrative offices, community centers, day care centers, laundry centers, and similar structures), as well as in outdoor areas within 25 feet from public housing and administrative office buildings (collectively, "restricted areas") in which public housing is located.

(b) *Designated smoking areas.* PHAs may limit smoking to designated smoking areas on the grounds of the public housing or administrative office buildings in order to accommodate residents who smoke. These areas must be outside of any restricted areas, as defined in paragraph (a) of this section, and may include partially enclosed structures. Alternatively, PHAs may choose to create additional smoke-free areas outside the restricted areas or to make their entire grounds smoke-free.

(c) *Prohibited tobacco products.* A PHA's smoke-free policy must, at a minimum, ban the use of all prohibited tobacco products. Prohibited tobacco products are defined as:

(1) Items that involve the ignition and burning of tobacco leaves, such as (but not limited to) cigarettes, cigars, and pipes.

(2) To the extent not covered by paragraph (c)(1) of this section, waterpipes (hookahs).

###### **§ 965.655 Implementation.**

(a) *Amendments.* PHAs are required to implement the requirements of this subpart by amending each of the following:

(1) All applicable PHA plans, according to the provisions in 24 CFR part 903.

(2) Tenant leases, according to the provisions of 24 CFR 966.4.

(b) *Deadline.* All PHAs must be in full compliance, with effective policy amendments, by July 30, 2018.

#### **PART 966—PUBLIC HOUSING LEASE AND GRIEVANCE PROCEDURE**

- 3. The authority section for 24 CFR part 966 continues to read as follows:

**Authority:** 42 U.S.C. 1437d and 3535(d).

- 4. In § 966.4, revise paragraphs (f)(12)(i) and (ii) to read as follows:

###### **§ 966.4 Lease requirements.**

\* \* \* \* \*

(f) \* \* \*

(12) \* \* \*

(i) To assure that no tenant, member of the tenant's household, or guest engages in:

(A) *Criminal activity.* (1) Any criminal activity that threatens the health, safety or right to peaceful enjoyment of the premises by other residents;

(2) Any drug-related criminal activity on or off the premises; or

(B) *Civil activity.* For any units covered by 24 CFR part 965, subpart G, any smoking of prohibited tobacco products in restricted areas, as defined by 24 CFR 965.653(a), or in other outdoor areas that the PHA has designated as smoke-free.

(ii) To assure that no other person under the tenant's control engages in:

(A) *Criminal activity.* (1) Any criminal activity that threatens the health, safety or right to peaceful enjoyment of the premises by other residents;

(2) Any drug-related criminal activity on the premises; or

(B) *Civil activity.* For any units covered by 24 CFR part 965, subpart G, any smoking of prohibited tobacco products in restricted areas, as defined by 24 CFR 965.653(a), or in other outdoor areas that the PHA has designated as smoke-free.

\* \* \* \* \*

Dated: November 28, 2016.

**Julián Castro,**  
*Secretary.*

[FR Doc. 2016-28986 Filed 12-2-16; 8:45 am]

**BILLING CODE 4210-67-P**

#### **DEPARTMENT OF THE TREASURY**

##### **Internal Revenue Service**

##### **26 CFR Parts 1 and 602**

[TD 9799]

**RIN 1545-BN61**

##### **Tax Return Preparer Due Diligence Penalty Under Section 6695(g)**

**AGENCY:** Internal Revenue Service (IRS), Treasury.

**ACTION:** Final and temporary regulations.

**SUMMARY:** This document contains temporary regulations that modify existing regulations related to the penalty under section 6695(g) of the Internal Revenue Code (Code) relating to



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-5000

OFFICE OF PUBLIC AND INDIAN HOUSING

**SPECIAL ATTENTION OF:**

**Notice PIH-2017-03**

Regional Directors; State and Area  
Coordinators; Public Housing Hub Directors;  
Program Center Coordinators; Troubled  
Agency Recovery Center Directors; Special  
Applications Center Director; Administrators;  
Resident Management Corporations; Public  
Housing Agencies; Healthy Homes  
Representatives

Issued: February 15, 2017

This Notice remains in effect until  
amended, superseded or rescinded

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Cross Reference:

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**SUBJECT:** HUD Guidance on Instituting and Enforcing Smoke-Free Public Housing Policies

**A. Purpose**

This Notice provides guidance for “Instituting Smoke-Free Public Housing” (FR-5597-F-03) (the “Smoke-Free Rule” or “Rule”). The Rule is intended to improve indoor air quality, benefit the health of public housing residents and PHA staff, reduce the risk of fires, and lower overall maintenance costs. The Rule becomes effective 60 days after publication in the Federal Register. Once effective, PHAs will have 18 months to implement their smoke-free policies. PHAs must design and implement a policy barring the use of **prohibited tobacco products** in all public housing living units, **interior common areas** and outdoor areas within 25 feet from public housing and administrative office buildings (collectively, “restricted areas”). The Rule does not prohibit smoking by residents; rather, it requires that residents who smoke do so at least 25 feet away from the buildings.

- **Prohibited tobacco products** are defined as items that involve the ignition and burning of tobacco leaves, such as: cigarettes, cigars, pipes and water pipes<sup>1</sup> (also known as hookahs)
- **Interior common areas** include but are not limited to: hallways, rental and administrative offices, community centers, day care centers, laundry centers, and similar structures

PHAs should begin the process of implementing smoke-free policies as soon as possible. PHAs are strongly encouraged to work with resident councils, provide residents with information on cessation assistance, post notices, and distribute information to residents about the smoke-free

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<sup>1</sup> Water pipes (hookahs) are smoking devices that use coal or charcoal to heat tobacco, and then draw the smoke through water and a hose to the user. Both the heating source and burning of tobacco are sources of contaminant emissions.

policy. Waiver requests of Rule requirements will be considered with appropriate justification, pursuant to 24 CFR 5.110.

## **B. Applicability**

The Smoke-Free Rule applies to all public housing units other than dwelling units in mixed-finance buildings. Under this Rule, “public housing” means low-income housing, such as, community facilities, public housing offices, day care centers, and laundry rooms assisted under the U.S. Housing Act of 1937 (the 1937 Act), other than assistance under section 8 of the 1937 Act.

## **C. Implementation**

### *1. Amendments to PHA Plans*

PHAs are required to:

- obtain board approval when creating their individual smoke-free policies and document their smoke-free policies in their PHA plans, and
- determine whether an adoption of their smoke-free policies constitutes a significant amendment or modification to the PHA Plan. If it is determined to be a significant amendment, the PHA must conduct public meetings according to standard amendment procedures.

### *2. Lease Amendments*

PHAs are required to:

- amend individual resident leases; all residents must sign the lease amendment as a condition of their continuing occupancy,
- incorporate the requirement that residents in public housing, members of a resident's household, resident's guest, or other person under the resident's control must not engage in any smoking of specified prohibited tobacco products in restricted areas, or in other outdoor areas that the PHA has designated as smoke-free, and
- notify a resident of a written revision to an existing lease at least 60 days before the lease revision is to take place, and give residents a reasonable amount of time for the resident to accept the revision

Additionally, PHAs may provide a specific date that the policy will take effect. Lease amendments may be processed anytime during the 18-month required timeframe; lease amendments should note the availability and location of any designated smoking areas (DSAs).

PHAs will have flexibility as to how the lease amendment process occurs during the 18-month implementation period after the Rule's effective date.

### *3. PHA Flexibility*

The Smoke-Free Rule allows PHAs the flexibility to implement their smoke-free policies. PHAs are encouraged to utilize their flexibility as appropriate; however, they should be aware that adoption of stricter smoke-free policies may expose them to legal risk under State or local law. The following list, while not exhaustive, contains some examples of PHA flexibilities:

- Prohibition on Electronic Nicotine Delivery Systems (ENDS)
- Limitation on smoking to Designated Smoking Areas (DSAs) only
- Requirement of a smoke-free perimeter greater than 25 feet
- Requirement for an entire campus to be smoke-free

### *4. Signage*

PHAs are strongly encouraged to post signs that reference the new smoke-free policy. These signs must be accessible to all residents and visitors (including persons with disabilities), and must be posted in multiple languages consistent with the Department's current guidance on Limited English Proficiency, issued in accordance with Executive Order 13166 (Improving Access to Services for Persons with Limited English Proficiency, signed August 11, 2000, and published in the Federal Register on August 16, 2000, at 65 FR 50121) (24 CFR 5.2005(a)(3)). PHAs are also encouraged to use various communication methods (e.g., letters, flyers, seminars, etc.) to share this information.

### *5. Funding*

Costs of implementing smoke-free policies may be covered through operating reserves and eligible capital fund activities. All PHAs may request insurance premium allowances from their insurance providers after implementing smoke-free policies due to decreased fire risk. Budget flexibility is also permitted to the extent provided under arrangements such as the Moving to Work program.

### *6. ENDS*

The use of ENDS in public housing is not prohibited. However, research on ENDS is emerging and evidence has revealed that the aerosol exhaled by ENDS users contain nicotine and potentially harmful ingredients but generally at much lower levels than tobacco smoke. PHAs have the flexibility to prohibit ENDS in their individual smoke-free policies as they deem appropriate. For example, PHAs may prohibit ENDS in all developments and common

areas or PHAs may allow the use of ENDS, within the unit, but prohibit ENDS in common areas or campus-wide. Residents should always be considered prior to adopting stricter smoke-free policies than the standards in the Rule. PHAs that choose to prohibit ENDS must amend all individual resident leases as mentioned in section C.2. of this notice.

## *7. DSAs*

PHAs may provide DSAs to accommodate smoking residents. All DSAs must be outside of restricted areas, and may include partially enclosed structures. DSAs should include suitable wellness and safety features, such as appropriate seating and shade and must be accessible for persons with disabilities, in accordance with section 504 of the Rehabilitation Act of 1973 (and HUD's implementing regulations at 24 CFR part 8), Title II of the Americans with Disabilities Act, and the Fair Housing Act. This may include a flat or paved pathway, ramp, and adequate lighting. DSAs are not required under the Rule, however if provided, PHAs are encouraged to include DSA funding in future capital needs planning. PHAs without sufficient space may work with their local municipalities to identify nearby public areas where residents may smoke safely. If available, PHAs may provide smoking residents the option to move to an alternate site with greater access to outdoor smoking.

## **D. Enforcement and Monitoring Tools**

Lease and appropriate PHA Plan amendment(s) are the primary policy enforcement mechanisms. PHAs must enforce smoke-free policies when a resident is violating the policy. When enforcing the lease, PHAs must provide due process and allow residents to exercise right to an informal settlement process and a formal hearing, pursuant 24 CFR § 966 Subpart B. PHAs may not evict for a single incident of smoking, in violation of a smoke-free policy.

### *1. Graduated Enforcement Approach and Monitoring Tools*

PHAs are encouraged to adopt a graduated enforcement framework that includes escalating warnings with documentation to the tenant file. Under this approach PHAs would take specific, progressive monitoring and enforcement actions, while educating tenants and providing smoking cessation resources or referrals, prior to pursuing tenant eviction for smoke-free policy violations. A graduated enforcement framework may include the following:

- lease amendment by the PHA that identifies the actions that constitute a policy "violation"
- agreement between the PHA and Resident Council that quantifies the number of documented, verified violations that warrant enforcement action
- pursuit by PHA of one or more monitoring and enforcement actions in combination or in sequence that allows the tenant time to address violation
- documentation of noncompliance if there are repeated violations, persistent non-responsiveness, or non-compliance with disciplinary actions. The PHA Plan should note

how many non-compliances with the Smoke Free policy would constitute a violation of the lease.

- eviction proceedings initiated by the PHA, though tenancy termination and eviction should only be pursued as a last resort.

PHAs have the discretion to employ a range of techniques and tools to monitor and enforce compliance with their smoke-free policies. The following monitoring and enforcement tools appear below in the order of increasing severity.

a. Intensified Compliance Monitoring

*Increased Inspection Frequency.* Upon issuance of a written warning from the property manager and/or a documented complaint, the PHA may increase the frequency of unit inspections for a suspected policy violator.

*Violator Rehabilitation.* To the extent a violation has been confirmed, the PHA may provide information and resources on smoking cessation. PHAs may consider a policy that automatically clears or resets the record of a resident if they do not have any new policy violations for a specified period of time.

b. Lease Terminations/Transfers

*Termination of Tenancy.* The PHA may terminate the tenancy at any time—including violations of the Lease Addenda and failure otherwise to fulfill household obligations if resident behaviors disturb other residents' peaceful enjoyment of their accommodations and are not conducive to maintaining the property in a decent, safe and sanitary condition.

*"Other good cause" Termination.* Repeated violations of the Smoke Free Rule could rise to the level of other good cause for termination of tenancy pursuant to 24 CFR § 966.4(l)(2)(iii). For instance, the PHA might determine that it is in the best interest of all the parties to offer a resident other assistance under the PHA's control (e.g., section 8) and allow the resident to move from the property.

c. Eviction

*Eviction.* The PHA may pursue resident eviction after unsuccessfully pursuing resident compliance with the policy over a reasonable period of time, and subject to grievance procedures.

2. Reasonable Accommodation Requests

Addiction to nicotine or smoking is not a disability. A PHA must still provide reasonable accommodations to persons with disabilities who smoke that are in compliance with the requirements of the PHA's smoke-free policies. Under section 504 of the Rehabilitation Act

of 1973 (and HUD's implementing regulations at 24 CFR part 8), Title II of the Americans with Disabilities Act, and the Fair Housing Act, PHAs are prohibited from discriminating, excluding from participation in a program, or denying the benefits of a program on the basis of disability and must make reasonable accommodations in their rules, policies, practices, and services. A reasonable accommodation is a change, adaptation or modification to a policy, rule, program, service, practice, or workplace which will allow a qualified person with a disability to participate fully in a program, take advantage of a service, or perform a job. In order to show that a requested accommodation may be necessary, there must be an identifiable relationship, between the requested accommodation and the individual's disability. This relationship must be determined on a case-by-case basis by the PHA.

When a reasonable accommodation is requested, the PHA must make the accommodation unless the PHA can demonstrate that doing so would result in a fundamental alteration in the nature of its program or an undue financial and administrative burden. For example, an individual with a mobility disability may request a reasonable accommodation in order to move to a floor which provides close proximity to the door. This would allow the resident easier access to a smoking area as required by the rule. Such a request would need to be evaluated on a case-by-case basis in order to make a determination. However, a PHA may not permit continued smoking in restricted areas.

General guidance on the reasonable accommodation process can be found at <http://go.usa.gov/cJBBC>. The Department also issued reasonable accommodation guidance entitled, "Joint Statement of the Department of Housing and Urban Development and the Department of Justice on Reasonable Accommodations under the Fair Housing Act," which can be found at [http://www.hud.gov/offices/fheo/disabilities/reasonable\\_modifications\\_mar08.pdf](http://www.hud.gov/offices/fheo/disabilities/reasonable_modifications_mar08.pdf). The Department's guidance, "Change is in the Air," (see Resources below), provides examples of how PHAs have approached and managed smoke-free policies for residents with disabilities. For instance, PHAs have allowed residents to move to the first floor or closer to an exit door, and provided designated smoking areas with an accessible walkway, cover, lighting, and seating. The Smoke-Free Rule does not require that reasonable accommodation language be contained in the lease amendment, but HUD encourages PHAs to include this information. Public housing residents who suspect they are victims of housing discrimination can call (800) 669-9777. Smokers with certain health conditions (e.g., cognitive impairment) may require special attention to ensure they understand the policy and available cessation resources, as well as reasonable accommodation request procedures; however, these residents must comply with the policy.

#### **E. Community Building**

PHAs are strongly encouraged to engage residents early in the development of smoke-free policies. Best practices have indicated that resident engagement in policy development, implementation, and enforcement are less likely to result in evictions. The Resources section (below) provides best practices and examples on resident engagement.



## **F. Resources**

### **1. Best Practices**

- Change is in the Air can be found at <http://portal.hud.gov/hudportal/documents/huddoc?id=smokefreeactionguide.pdf>
- Toolkits for Owners/Management Agents and Residents can be found at <http://portal.hud.gov/hudportal/HUD?src=/smokefreetoolkits1>

### **2. Smoking Cessation**

PHAs are encouraged to partner with outside organizations for cessation support. Medicaid recipients may be eligible to receive financial assistance for cessation services and prescription cessation medications depending on the state Medicaid program. Cessation resources are currently available at [http://www.cdc.gov/tobacco/quit\\_smoking/index.htm](http://www.cdc.gov/tobacco/quit_smoking/index.htm). Residents and PHAs may also contact national quit lines (1-800-QUIT-NOW) and community health centers to ask what services are available through them.

### **3. PHA and Resident Training**

Training resources on Smoke-Free Rule strategies and effective enforcement of smoke-free policies are available in the form of video- and print-based materials, as well as in-person training for select PHAs. PHAs are responsible for providing resident training.

## **G. Further Information**

PHAs that have questions regarding smoke-free public housing can email those questions to [SmokeFreePublicHousing@hud.gov](mailto:SmokeFreePublicHousing@hud.gov). PHAs are also reminded that, with good cause, they may request waivers. For further information about this Notice, please contact Leroy Ferguson, Housing Program Specialist, Office of Public Housing Programs, Management and Occupancy Division, 202-402-2411.

\_\_\_\_\_/s/\_\_\_\_\_  
Jemine A. Bryon  
General Deputy Assistant Secretary  
for Public and Indian Housing



**Traverse City Housing Commission**  
*A Public Housing Authority*

## **NEW BUSINESS**

Orchardview “Windows & Siding” Project: Review

TCHC Human Resources Policy & Procedures Manual: Review

Check Signing Policy: Review

HUD Budget: Update

Closed Session to Discuss Property Purchase per MCL 15.268(d)

Closed Session to Discuss Attorney-Client Privileged Communications  
Regarding the Townsend v. TCHC Complaint per MCL 15.268(e)

# TRAVERSE CITY HOUSING COMMISSION

150 PINE STREET | TRAVERSE CITY | MICHIGAN | 49684


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## MEMORANDUM

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**DATE:** March 24, 2017

**TO:** All Commissioners of the Traverse City Housing Commission

**FROM:** Tony Lentych, Executive Director 

**SUBJECT:** Architectural & Engineering Services Update and Project No. 1

**MESSAGE:**

Attached you will find the signed contract for Architectural & Engineering Services from Alliance Architects, Inc. of South Bend, Indiana. With the help of Commissioner Smits, we were able to make several changes from the initial proposal. The Architect was willing to accept nearly all of our requests with the exception of a few items that the firm's insurance carrier would not allow.

You also will find attached to this Memorandum part of the Project Manual for the Orchardview Siding & Window Replacement Project (it is 160 pages long – available for review in my office). We have launched this project so that we can accomplish some of the work during this summer's construction season. The goal is to finish at least two of the 5 buildings.

We have had several communications from the Detroit Field Office concerning our ability to obligate the funds for the project by April 12, 2017. We are on track to do so. I have personally contacted several local contractors to gauge their interest in this project. One definitely plans to submit a proposal so with that information, along with Alliance's mailing list, I am confident we will have enough interest in this project despite its awkward schedule and calendar. We had a scheduled "Pre-Bid Site Visit" on March 22 and there were four contractors in attendance (two local). Sealed bids are due on April 4, 2017. We can then execute a contract before the deadline.

Please note that there will be a need for a Special Meeting to approve the contract. We anticipate have this meeting after April 5, 2017, depending on everyone's schedule.

**ATTACHMENTS:**

- 1) Copy of Signed Contract from Alliance Architects
- 2) Partial Project Manual for Orchardview Siding & Window Replacement
- 3) Copy of Task Order No. 1
- 4) Notice to Proceed Letter for Part of Task Order No. 1
- 5) Notice to Bidders Information

**U.S. Department of Housing  
and Urban Development**  
Office of Public and Indian Housing

OMB Approval No. 2577-0015 (exp.09/30/2005)

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**Model Form of Agreement Between  
Owner and Design Professional**

TRAVERSE CITY HOUSING COMMISSION

AND

ALLIANCE ARCHITECTS, INC.

RECEIVED

MAR 09 2017

Traverse City  
Housing Commission

# Model Form of Agreement Between Owner and Design Professional

U. S. Department of Housing  
and Urban Development  
Office of Public and Indian Housing

OMB Approval No.2577-0015  
(exp. 3/31/2002)

Public reporting burden for this collection of information is estimated to average 3 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

These contracts between a HUD grantee (housing agency (HA)) and an architect/engineer (A/E) for design and construction services do not require either party to submit any materials to HUD. The forms provide a contractual agreement for the services to be provided by the A/E and establishes responsibilities of both parties pursuant to the contract. The regulatory authority is 24 CFR 85.36. These contractual agreements are required by Federal law or regulation pursuant to 24 CFR Part 85.36. Signing of the contracts is required to obtain or retain benefits. The contracts do not lend themselves to confidentiality.

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## Introduction to Agreement

**Agreement** made as of the 7th day of March in the year of Two Thousand and Seventeen.

Between the **Owner**

**TRAVERSE CITY HOUSING COMMISSION**  
150 Pine Street  
Traverse City, Michigan 49684

and the **Design Professional**

**ALLIANCE ARCHITECTS, INC.**  
929 Lincolnway East, Suite 200  
South Bend, Indiana 46601

For the following **Project**

Architectural services for the Traverse City Housing Commission as needed and designated but not limited to those in the Request for Qualifications responded to December 27, 2016.

The Owner and Design Professional agree as set forth below.

See individual Task Orders.

## Article A: Services

### A 1.0 Design Professional's Basic Services - *May be modified by Task Order.*

A. 1.1 Areas of Professional's Basic Services. Unless revised in a written addendum or amendment to this Agreement, in planning, designing and administering construction or rehabilitation of the Project, the Design Professional shall provide the Owner with professional services in the following areas:

- o Architecture
- o Site Planning
- o Structural Engineering
- o Mechanical Engineering
- o Electrical Engineering
- o Civil Engineering
- o Landscape Architecture
- o Cost Estimating
- o Construction Contract Administration

### A 1.2 Phases and Descriptions of Basic Services.

A. 1.2.1 Schematic Design/Preliminary Study Phase. After receipt of a Notice to Proceed from the Owner, the Design Professional shall prepare and deliver Schematic Design/Preliminary Study Documents. These documents shall consist of a presentation of the complete concept of the Project, including all major elements of the building(s), and site design(s), planned to promote economy both in construction and in administration and to comply with current program and cost limitations. The Design Professional shall revise these documents consistent with the requirements and criteria established by the Owner to secure the Owner's written approval. ~~Additionally, Upon written instruction from the Owner,~~ the Design Professional shall make an independent assessment of the accuracy of the information provided by the Owner concerning existing conditions. Documents in this phase shall include *but are not limited to:*

- o Site plan(s)
- o Schedule of building types, unit distribution and bedroom count
- o Scale plan of all buildings, and typical dwelling units
- o Wall sections and elevations
- o Outline specifications
- o Preliminary construction cost estimates
- o Project specific analysis of codes, ordinances and regulations
- o Three dimensional line drawings

A. 1.2.2 Design Development Phase. After receipt of written approval of Schematic Design/Preliminary Study Documents, the Design Professional shall prepare and submit to the Owner Design Development Documents. The Design Professional shall revise these documents consistent with the requirements and criteria established by the Owner to secure the Owner's written approval. These documents shall include the following:

- o Drawings sufficient to fix and illustrate project scope and character in all essential design elements
- o Outline specifications

- o *Design Professional's* cost estimates of *probable construction cost* and analyses
- o Recommendations for phasing of construction *including required permitting*
- o Site plan(s)
- o Landscape plan
- o Floor plans
- o Elevations, building and wall sections
- o Updated three dimensional line drawings
- o Engineering drawings

A. 1.2.3 Bidding, Construction and Contract Document Phase. After receipt of the Owner's written approval of Design Development Documents, the Design Professional shall prepare Construction Documents. After consultation with the Owner and Owner's attorney, if requested by the owner, the Design Professional shall also prepare and assemble all bidding and contract documents. The Design Professional shall revise these Bidding, Construction and Contract documents consistent with the requirements and criteria established by the Owner to secure the Owner's written approval. They shall, include in a detailed, manner all work to be performed; all material; workmanship; finishes and equipment required for the architectural, structural, mechanical, electrical, and site work *including environmental response activities*; survey maps furnished by Owner; and direct reproduction of any logs and subsurface soil and ground water investigations. *The Design Professional shall assist the Owner with required regulatory agencies approvals and shall revise documents as required, and consistent with Task Order, to obtain approval from regulatory agencies.* These documents shall include:

- o Solicitation for Bids
- o Form of Contract
- o Special Conditions
- o General Conditions
- o Technical Specifications
- o Plans and drawings
- o Updated cost estimates

A. 1.2.4 Bidding and Award Phase. After written approval of Bidding, Construction and Contract Documents from the Owner, the Design Professional shall assist in administering the bidding and award of the Construction Contract. This shall include:

- o Responding to inquires
- o Drafting and issuing addendum approved by Owner
- o Attending prebid conference(s)
- o Attending public bid openings
- o Reviewing and tabulating bids
- o Recommending list of eligible bids
- o Recommending award *in conference with Owner and their procurement policy*
- o Altering drawings and specifications as often as required to award within the Estimated Construction Contract Cost

A. 1.2.5 Construction Phase. After execution of the Construction Contract, the Design Professional shall in a prompt and timely



by the Bidding, Construction and Contract Documents. The Design Professional shall endeavor to protect the Owner against defects and deficiencies in the execution and performance of the work. The Design Professional shall:

- o Administer the Construction Contract. *Refer to HUD 5370, Article 3, for Architects Duties and Responsibilities.*
- o Conduct pre-construction conference and attend dispute resolution conferences and other meetings when requested by the Owner.
- o Review and approve contractor's shop drawings and other submittals for conformance to the requirements of the contract documents.
- o ~~At the Owner's written request, and~~ As Additional Service, procure testing from qualified parties for *acceptance testing required but not provided by Contractor.*
- o Monitor the quality and progress of the work and furnish a written field report ☐ weekly, ☐ semi monthly, ☐ monthly, or ☒ Per Task Order. This service shall be limited to a period amounting to 110% of the construction period as originally established under the construction contract unless construction has been delayed due to the Design professional's failure to properly perform its duties and responsibilities. The Owner may direct additional monitoring but only as Additional Services.
- o Require any sub-consultant to provide the services listed in this section where and as applicable and to visit the Project during the time that construction is occurring on the portion of the work related to its discipline and report in writing to the Design Professional.
- o *Based upon the Design Professional's observations and knowledge, he shall review, approve and submit to Owner the Contractor Requests for Payment for work in apparent conformance with contract documents.*
- o Conduct all job meetings and record action in a set of minutes which are to be provided to the Owner.
- o Make modifications to Construction Contract Documents to correct errors, clarify intent or to accommodate change orders.
- o Make recommendations to Owner for solutions to special problems or changes necessitated by conditions encountered in the course of construction.
- o Promptly notify Owner in writing of any defects or deficiencies in the work or of any matter of dispute with the Contractor.
- o Negotiate, prepare cost or price analysis for and countersign change orders.
- o Prepare written punch list, certificates of completion and other necessary construction close out documents.
- o Prepare a set of reproducible record prints of Drawings showing significant changes in the work made during construction, including the locations of underground utilities and appurtenances referenced to permanent surface improvements, based on marked-up prints,

drawings and other data furnished by the contractor to the Design Professional.

A. 1.2.6 Post Completion/Warranty Phase. After execution of the Certificate of Completion by the Owner, the Design Professional shall:

- o Consult with and make recommendations to Owner during warranties regarding construction, and equipment warranties.
- o Perform an inspection of construction work, material, systems and equipment no earlier than nine months and no later than ten months after completion of the construction contract and make a written report to the Owner. At the Owner's request, and by Amendment to the Additional Services section of this contract, conduct additional warranty inspections as Additional Services.
- o Advise and assist Owner in construction matters for a period up to eighteen months after completion of the project, but such assistance is not to exceed forty hours of service and one nonwarranty trip away from the place of business of the Design Professional.

A. 1.3 Time of Performance. The Design Professional's schedule for preparing, delivering and obtaining Owner's approval for Basic Services shall be as follows:

- o Schematic Design/Preliminary Study Documents within \* calendar days for the date of the receipt of a Notice to Proceed.
- o Design Development Documents within \* calendar days from the date of receipt of written approval by the Owner of Schematic Design/Preliminary Study documents.
- o Bidding, Construction and Contract Documents within \* calendar days from the date of receipt of written approval by the Owner of Design Development Documents.

*\* Per Task Order*

#### A. 2.0 Design Professional's Additional Services

A. 2.1 Description of Additional Services. Additional Services are all those services provided by the Design Professional on the Project for the Owner that are not defined as Basic Services in Article A, Section 1.2 or otherwise required to be performed by the Design Professional under this Agreement. They include major revisions in the scope of work of previously approved drawings, specifications and other documents due to causes beyond the control of the Design Professional and not due to any errors, omissions, or failures on the part of the Design Professional to carry out obligations otherwise set out in this Agreement.

A. 2.2 Written Addendum or Contract Amendment. All additional services not already expressly required by this agreement shall be agreed to through either a written addendum or amendment to this Agreement.

### Article B: Compensation and Payment

#### B. 1.0 Basic Services

B. 1.1 Fixed Fee for Basic Services. The Owner will pay the Design Professional for Basic Services performed as defined by A.1.2, a Fixed Fee (stipulated sum) *per Task Order* plus

Reimbursable Expenses identified in Article B.2.0. Such payment shall be compensation for all Basic Services required, performed, or accepted under this Contract.

B. 1.2 Payment Schedule. Progress payments for Basic Services for each phase of work shall be made in proportion to services performed as follows:

Phase	Amount
Schematic Design/Preliminary Study Phase	\$ _____
Design Development Phase	\$ _____
Bidding, Construction & Contract Document Phase	\$ _____
Bidding & Award Phase	\$ _____
Construction Phase	\$ _____
Post Completion/ Warranty Phase	\$ _____
Total Basic Services	\$ _____

*See Individual Task Order(s)*

#### B. 2.0 Reimbursables

B. 2.1 Reimbursable Expenses. The Owner will pay the Design Professional for the Reimbursable Expenses listed below up to a Maximum Amount *per Approved/Task Order*. Reimbursable Expenses are in addition to the Fixed Fee for Basic Services and are for certain actual expenses incurred by the Design Professional in connection with the Project as enumerated below.

B. 2.1.1 Travel Costs. The reasonable expense of travel costs incurred by the Design Professional when requested by Owner to travel to a location that lies outside of a 45 mile radius of either the Project site, Design Professional's office (s), and Owner's office.

B. 2.1.2 Long Distance Telephone Costs. Long distance telephone calls and long distance telefax costs.

B. 2.1.3 Delivery Costs. Courier services and overnight delivery costs.

B. 2.1.4 Reproduction Costs. Reproduction and postage costs of required drawings, specifications, Bidding and Contract documents, excluding the cost of reproductions for the Design Professional or Subcontractor's own use.

B. 2.1.5 Additional Reimbursables. The Design Professional and Owner may agree in an addendum or amendment to this Agreement to include certain other expenses not enumerated above as Reimbursable Expenses. These Reimbursables shall not be limited by the Maximum Amount agreed to above. A separate Maximum Amount for these Reimbursables shall be established.

#### B .3.0 Additional Services

B. 3.1 Payment for Additional Services. The Owner will pay the Design Professional only for Additional Services agreed to in an addendum or amendment to this Agreement executed by the Owner and the Design Professional pursuant to A.2. Payment for all such Additional Services shall be in an amount and upon the terms set out in such amendment or addendum and agreed upon by the parties. Each such amendment or addendum shall provide for a fixed price or, where payment for such Additional Services is to be on an hourly basis or other unit pricing method, for a maximum amount; each such amendment or addendum shall also provide for

a method of payment, including, at a minimum, whether payment will be made in partial payments or in lump sum and whether it will be based upon percentage of completion or services billed for.

#### B. 4.0 Invoicing and Payments

B. 4.1 Invoices. All payments shall require a written invoice from the Design Professional. Invoices shall be made no more frequently than on a monthly basis. Payments for Basic Services shall be in proportion to services completed within each phase of work. When requesting such payment, the invoice shall identify the phase and the portion completed. All invoices shall state the Agreement, name and address to which payment shall be made, the services completed and the dates of completion, and whether the invoice requests payment for Basic Services, Reimbursable or Additional Services. Invoices seeking payment for Reimbursable or Additional Services must provide detailed documentation *upon request and approved by the Owner*.

B. 4.2 Time of Payment. Upon the Design Professional's proper submission of invoices for work performed or reimbursable expenses, the Owner shall review and, if the work is in conformance with the terms of the Agreement, make payment within thirty days of the Owner's receipt of the invoice.

### Article C: Responsibilities

#### C. 1.0 Design Professional's Responsibilities

C. 1.1 Basic Services. The Design Professionals shall provide the Basic Service set out in Article A.1.0.

C. 1.2 Additional Services. When required under this Agreement or agreed to as set out in A.2.0, the Design Professional shall provide Additional Services on the Project.

C. 1.3 General Responsibilities. The Design Professional shall be responsible for the professional quality, technical accuracy, and coordination of all designs, drawings, specifications, and other services, furnished by the Design Professional under this Agreement. The Owner's review, approval, acceptance of, or payment for Design Professional services shall not be construed as a waiver of any rights under this Agreement or of any cause of action for damages caused by Design Professional's negligent performance under this Agreement. Furthermore, this Agreement does not restrict or limit any rights or remedies otherwise afforded the Owner or Design Professional by law.

C. 1.4 Designing Within Funding Limitations. The Design Professional shall perform services required under this Contract in such a manner so as to cause an award of a Construction Contract(s) that does not exceed (1) *Per Task Order* or (2) an amount to be provided by the Owner in writing to the Design Professional prior to the commencement of Design Professional services. This fixed limit shall be called the Maximum Construction Contract Cost. The amount may be increased by the Owner, but only with written notice to the Design Professional. If the increase results in a change to the scope of work, an amendment to this Agreement will be required. The Design Professional and the Owner may mutually agree to decrease the Maximum Construction Contract Cost, but only by signing a written amendment to this Agreement. Should bids for the Construction Contract(s) exceed the Maximum Construction Contract Cost, the Owner has the right to require the Design Professional to perform redesigns, rebids and other services necessary to cause an award of the Construction Contract within

the Maximum Construction Contract Cost without additional compensation or reimbursement.

C. 1.5 Compliance with Laws, Codes, Ordinances and Regulations. *The Design Professional shall exercise ordinary care to conform to all applicable Federal, State and local laws, codes, ordinances and regulations except as modified by any waivers which may be obtained with the approval of the Owner. If the Project is within an Indian reservation, tribal laws, codes and regulations shall be substituted for state and local laws, codes, ordinances and regulations. However, on such a Native American Projects, the Owner may additionally designate that some or all state and local codes shall apply. In some of these circumstances, a model national building code may be selected by the Indian or Native American Owner. ~~The Design Professional shall certify that Contract Documents will conform to all applicable laws, codes, ordinances and regulations.~~* The Design Professional shall prepare all construction documents required for approval by all governmental agencies having jurisdiction over the project. The Design professional shall make all changes in the Bidding and Construction Documents necessary to obtain governmental approval without additional compensation or reimbursement, except in the following situations. If subsequent to the date the Owner issues a notice to proceed, revisions are made to applicable codes or non-federal regulations, the Design Professional shall be entitled to additional compensation and reimbursements for any additional cost resulting from such changes. The Design Professional, however, is obligated to notify the Owner of all significant code or regulatory changes within sixty (60) days of their change, and such notification shall be required in order for the Design Professional to be entitled to any additional compensation or reimbursement.

C. 1.6 Seal. Licensed Design Professionals shall affix their seals and signatures to drawings and specifications produced under this Agreement when required by law or when the project is located on an Indian Reservation.

C. 1.7 Attendance at Conferences. The Design Professional or designated representative shall attend project conferences and meetings involving matters related to basic services covered under this contract. Attendance at community wide meetings shall be considered an additional service.

*C.1.8 Provide written communication and reports timely to the Owner.*

#### C. 2.0 Owner's Responsibilities

C. 2.1 Information. The Owner shall provide information regarding requirements for the project, including a program that shall set forth the Owner's objectives and schedule. The Owner shall also establish and update the Maximum Construction Cost. This shall include the Owner's giving notice of work to be performed by the Owner or others and not included in the Construction Contract for the Project. The Design Professional, however, shall be responsible to ascertain and know federal, *state and local* requirements and limitations placed on the Project.

C. 2.2 Notice of Defects. If the Owner observes or otherwise becomes aware of any fault or defect in the construction of the project or nonconformance with the Construction Contract, the Owner shall give prompt written notice of those faults, defects or nonconformance to the Design Professional.

C.2.3 Contract Officer. The Owner shall designate *in the Task Order* a Contract Officer authorized to act on its behalf with respect to the design and construction of the Project. The Contract Officer shall examine documents submitted by the Design Professional and shall promptly render decisions pertaining to those documents so as to avoid unreasonably delaying the progress of the Design Professional's work.

C. 2.4 Duties to Furnish. The Owner shall provide the Design Professional the items listed below.

C. 2.4.1 Survey and Property Restrictions. The Owner shall furnish, *when necessary*, topographic, property line and utility information as and where required. The Owner may at its election require *in writing* the Design Professional to furnish any of these items as an Additional Service.

C. 2.4.2 Existing Conditions. The Owner shall provide the Design Professional any available "as built" drawings of buildings or properties, architect surveys, test reports, and any other written information that it may have in its possession and that it might reasonably assume affects the work.

C. 2.4.3 Waivers. The Owner shall provide the Design Professional information it may have obtained on any waivers of local codes, ordinances, or regulations or standards affecting the design of the Project.

C. 2.4.4 Minimum Wage Rates. The Owner shall furnish the Design Professional the schedule of minimum wage rates approved by the U.S. Secretary of Labor for inclusion in the solicitation and Contract Documents.

C. 2.4.5 Tests. When expressly agreed to in writing by both the Owner and the Design Professional, the Owner shall furnish the Design Professional all necessary structural, mechanical, chemical or other laboratory tests, inspections and reports required for the Project.

C. 2.4.6 Contract Terms. The Owner or its legal counsel may provide the Design Professional text to be incorporated into Bidding and Construction Contract Documents.

#### Article D: Contract Administration

D. 1.0 Prohibition of Assignment. The Design Professional shall not assign, subcontract, or transfer any services, obligations, or interest in this Agreement without the prior written consent of the Owner. Such consent shall not unreasonably be withheld when such assignment is for financing the Design Professional's performance.

D. 1.1 Ownership of Documents. All drawings, specifications, studies and other materials prepared under this contract shall be the property of the Owner and at the termination or completion of the Design Professional's services shall be promptly delivered to the Owner *in a manner and media specified by the Owner in Task Order*. The Design Professional shall have no claim for further employment or additional compensation as a result of exercise by the Owner of its full rights of ownership. It is understood, however, that the Design Professional does not represent such data to be suitable for re-use on any other project or for any other purpose. If the Owner re-uses the subject data without the Design Professional's written verification, such reuse will be at the sole risk of the Owner without liability to the Design Professional. *The Design Professional may not use the documents for any other use without the written consent of the Owner.*

#### D. 1.2 Substitutions.

A. The Design Professional shall identify in *Task Orders* principals and professional level employees and shall not substitute or replace principals or professional level employees without the prior *written* approval of the Owner which shall not unreasonably be withheld.

B. The Design Professional's personnel identified below are considered to be essential to the work effort. Prior to diverting or substituting any of the specified individuals, the Design Professional shall notify the Owner reasonably in advance and shall submit justification, including proposed substitutions, in sufficient detail to permit evaluation of the impact on the contract. No diversion or substitution of such key personnel shall be made by the Design professional without the prior written consent of the Owner.

Martin Murphy	Christopher Hartz	Kim Sieradzki
Jerome Eide	Patrick Leavell	Rick Podrasky
Mark Leblang	Kevin McShane	Brad White
William Lamie	Joe Nucciarone	
Anthony Paiano	Patrick Hess	
Mark Burrell	Michelle Blahovich	

D. 1.3 Suspension. The Owner may give written notice to the Design Professional to suspend work on the project or any part thereof. The Owner shall not be obligated to consider a claim for additional compensation if the Design Professional is given written notice to resume work within 120 calendar days. If notice to resume work is not given within 120 calendar days, the Design Professional shall be entitled to an equitable adjustment in compensation.

D. 1.4 Subcontracts. The Design Professional will cause all applicable provisions of this Agreement to be inserted in all its subcontracts.

D. 1.5 Disputes. In the event of a dispute arising under this Agreement, the Design Professional shall notify the Owner promptly in writing and submit its claim in a timely manner. The Owner shall respond to the claim in writing in a timely manner. The Design Professional shall proceed with its work hereunder in compliance with the instructions of the Owner, but such compliance shall not be a waiver of the Design Professional's rights to make such a claim. Any dispute not resolved by this procedure may be determined by a court of competent jurisdiction or by consent of the Owner and Design Professional by other dispute resolution methods.

D. 1.6 Termination. The Owner may terminate this Agreement for the Owner's convenience or for failure of the Design Professional to fulfill contract obligations. The Owner shall terminate by delivering to the Design Professional a Notice of Termination specifying the reason therefore and the effective date of termination. Upon receipt of such notice, the Design Professional shall immediately discontinue all services affected and deliver to the Owner all information, reports, papers, and other materials accumulated or generated in performing this contract whether completed or in process. If the termination is for convenience of the Owner, the Owner shall be liable only for payment for accepted services rendered before the effective date of termination.

D. 1.7 Insurance. The Design professional shall carry Commercial or Comprehensive General Liability Insurance, Professional Liability Insurance (for a period extending two years past the date of completion of construction), and other insurance as are required by law, all in minimum amounts as set forth below. The Design Professional shall furnish the Owner certificates of insurance and they shall state that a thirty day notice of prior cancellation or change will be provided to the Owner. Additionally, the Owner shall be an additional insured on all Commercial or Comprehensive General liability policies.

Insurance	Limits or Amount
General Liability	\$1,000,000.00
Automobile Liability	\$1,000,000.00
Excess/Umbrella Liability	\$2,000,000.00
Worker's Compensation & Employers' Liability	Per MI Law
Professional Liability (E&O)	\$1,000,000.00

D. 1.8 Retention of Rights. Neither the Owner's review, approval or acceptance of, nor payment for, the services required under this contract shall be construed to operate as a waiver of any rights under this contract or of any cause of action arising out of the performance of this contract, and the Design Professional shall be and remain liable to the Owner in accordance with the applicable law for all damages to the Owner caused by the Design professional's negligent performance of any of the services furnished under this contract.

#### Article E: Additional Requirements

E. 1.0 Contract Provisions Required by Federal Law or Owner Contract with the U.S. Department of Housing and Urban Development (HUD).

E. 1.1 Contract Adjustments. Notwithstanding any other term or condition of this Agreement, any settlement or equitable adjustment due to termination, suspension or delays by the Owner shall be negotiated based on the cost principles stated at 48 CFR Subpart 31.2 and conform to the Contract pricing provisions of 24 CFR 85.36 (f).

E. 1.2 Additional Services. The Owner shall perform a cost or price analysis as required by 24 CFR 85.36 (f) prior to the issuance of a contract modification/amendment for Additional Services. Such Additional Services shall be within the general scope of services covered by this Agreement. The Design Professional shall provide supporting cost information in sufficient detail to permit the Owner to perform the required cost or price analysis.

E. 1.3 Restrictive Drawings and Specifications. In accordance with 24 CFR 85.36(c)(3)(i) and contract agreements between the Owner and HUD, the Design Professional shall not require the use of materials, products, or services that unduly restrict competition.

E. 1.4 Design Certification. Where the Owner is required by federal regulations to provide HUD a Design Professional certification regarding the design of the Projects (24 CFR 968.235), the Design Professional shall provide such a certification to the Owner.

E. 1.5 Retention and Inspection of Records. Pursuant to 24 CFR 85.26(i)(10) and (11), access shall be given by the Design Professional to the Owner, HUD, the Comptroller General of the United States, or any of their duly authorized representatives, to any books, documents, papers, and records of the Design Professional which are directly pertinent to that specific Contract for the purpose of making an audit, examination, excerpts, and transcriptions. All required records shall be retained for three years after the Owner or Design Professional and other subgrantees make final payments and all other pending matters are closed.

E. 1.6 Copyrights and Rights in Data. HUD has no regulations pertaining to copyrights or rights in data as provided in 24 CFR 85.36. HUD requirements, Article 45 of the General Conditions to the Contract for Construction (form HUD-5370) requires that contractors pay all royalties and license fees. All drawings and specifications prepared by the Design Professional pursuant to this contract will identify any applicable patents to enable the general contractor to fulfil the requirements of the construction contract.

E. 1.7 Conflicts of Interest. Based in part on federal regulations (24 CFR 85.36(b)) and Contract agreement between the Owner and HUD, no employee, officer, or agent of the Owner (HUD grantee) shall participate in selection, or in the award or administration of a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when:

- (i) The employee, officer or agent,
- (ii) Any member of his or her immediate family,
- (iii) His or her partner, or

(iv) An organization that employs, or is about to employ, any of the above, has a financial or other interest in the firm selected for award. The grantee's or subgrantee's officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from Contractors, or parties to sub-agreements. Grantees and subgrantees may set minimum rules where the financial interest is not substantial or the gift is an unsolicited item of nominal intrinsic value. To the extent permitted by State or local law or regulations, such standards or conduct will provide for penalties, sanctions, or other disciplinary actions for violations of such standards by the grantee's and subgrantee's officers, employees, or agents or by Contractors or their agents. The awarding agency may in regulation provide additional prohibitions relative to real, apparent, or potential conflicts of interest.

Neither the Owner nor any of its contractors or their subcontractors shall enter into any Contract, subcontract, or agreement, in connection with any Project or any property included or planned to be included in any Project, in which any member, officer, or employee of the Owner, or any member of the governing body of the locality in which the Project is situated, or any member of the governing body of the locality in which the Owner was activated, or in any other public official of such locality or localities who exercises any responsibilities or functions with respect to the Project during his/her tenure or for one year thereafter has any interest, direct or indirect. If any such present or former member, officer, or employee of the Owner, or any such governing body member or such other public official of such locality or localities involuntarily acquires or had acquired

prior to the beginning of his/her tenure any such interest, and if such interest is immediately disclosed to the Owner and such disclosure is entered upon the minutes of the Owner, the Owner, with the prior approval of the Government, may waive the prohibition contained in this subsection: Provided, That any such present member, officer, or employee of the Owner shall not participate in any action by the Owner relating to such contract, subcontract, or arrangement.

No member, officer, or employee of the Owner, no member of the governing body of the locality in which the project is situated, no member of the governing body of the locality in which the Owner was activated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the project, during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in this contract or the proceeds thereof.

E. 1.8 Disputes. In part because of HUD regulations (24 CFR 85.36(i)(1)), this Design Professional Agreement, unless it is a small purchase contract, has administrative, contractual, or legal remedies for instances where the Design Professional violates or breaches Agreement terms, and provide for such sanctions and penalties as may be appropriate.

E. 1.9 Termination. In part because of HUD regulations (24 CFR 85.36(i)(2)), this Design Professional Agreement, unless it is for an amount of \$10,000 or less, has requirements regarding termination by the Owner when for cause or convenience. These include the manner by which the termination will be effected and basis for settlement.

E. 1.10 Interest of Members of Congress. Because of Contract agreement between the Owner and HUD, no member of or delegate to the Congress of the United States of America or Resident Commissioner shall be admitted to any share or part of this Contract or to any benefit to arise from it.

E. 1.11 Limitation of Payments to Influence Certain Federal Transaction. The Limitation on Use of Appropriated Funds to Influence Certain Federal Contracting and Financial Transactions Act, Section 1352 of Title 31 U.S.C., provides in part that no appropriated funds may be expended by recipient of a federal contract, grant, loan, or cooperative agreement to pay any person, including the Design Professional, for influencing or attempting to influence an officer or employee of Congress in connection with any of the following covered Federal actions: the awarding of any federal contract, the making of any Federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

E. 1.12 Employment, Training, and Contracting Opportunities for Low-Income Persons, Section 3 of the Housing and Urban Development Act of 1968.

A. The work to be performed under this contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

B. The parties to this contract agree to comply with HUD's regulations in 24 CFR part 135, which implement section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.

C. The *Design Professional* agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

D. The *Design Professional* agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.

E. The *Design Professional* will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.

F. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

G. Reserved.

H. Reserved.

E. 1.13 Reserved.

E. 1.14 Clean Air and Water. (Applicable to contracts in excess of \$100,000). Because of 24 CFR 85.36(i)(12) and Federal law, the Design Professional shall comply with applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. § 1857h-4 transferred to 42 USC § 7607, section 508 of the Clean Water Act (33 U.S.C. § 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR part 15), on all contracts, subcontracts, and subgrants of amounts in excess of \$100,000.

E. 1.15 Energy Efficiency. Pursuant to Federal regulations (24 C.F.R 85.36(i)(13)) and Federal law, except when working on an Indian housing authority Project on an Indian reservation, the Design Professional shall comply with the mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94-163 codified at 42 U.S.C.A. § 6321 et. seq.).

E. 1.16 Prevailing Wages. In accordance with Section 12 of the U.S. Housing Act of 1937 (42 U.S.C. 1437j) the Design Professional shall pay not less than the wages prevailing in the locality, as determined by or adopted (subsequent to a determination under applicable State or local law) by the Secretary of HUD, to all architects, technical engineers, draftsmen, and technicians.

E. 1.17 Non-applicability of Fair Housing Requirements in Indian Housing Authority Contracts. Pursuant to 24 CFR section 905.115(b) title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d-4), which prohibits discrimination on the basis of race, color or national origin in federally assisted programs, and the Fair Housing Act (42 U.S.C. 3601-3620), which prohibits discrimination based on race, color, religion, sex, national origin, handicap, or familial status in the sale or rental of housing do not apply to Indian Housing Authorities established by exercise of a Tribe's powers of self-government.

E. 1.18 Prohibition Against Liens. The Design professional is Prohibited from placing a lien on the Owner's property. This prohibition shall be placed in all design professional subcontracts.

#### **Article F: Other Owner Requirements**

*Terms of Contract shall allow for execution of task orders for up to three (3) years from the date of the execution of the Form of Agreement.*

Owner

(Housing Authority)

(Print Name)

(Print Title)

(Firm)

(Print Name)

(Print Title)





## PROJECT MANUAL

# **SIDING AND WINDOW REPLACEMENT Orchardview Townhomes**

HUD PROJECT NO. MI 80-1

TRAVERSE CITY HOUSING COMMISSION  
TRAVERSE CITY, MICHIGAN 49684

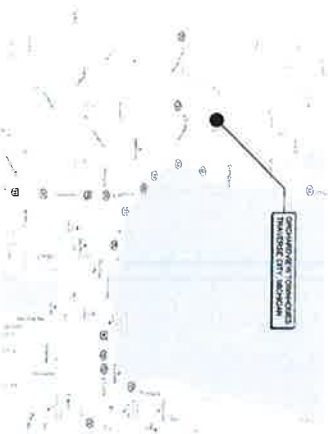
**ALLIANCE**  
ARCHITECTS

March 17, 2017

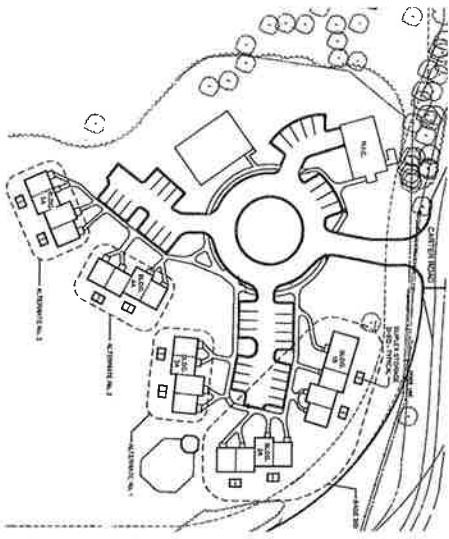


# SIDING & WINDOW REPLACEMENT

## ORCHARDVIEW TOWNHOMES TRAVERSE CITY HOUSING COMMISSION TRAVERSE CITY, MICHIGAN



LOCATION MAP  
NOT TO SCALE



SITE PLAN  
SCALE: 1" = 80'-0"



EXISTING UNIT ENTRY BRICK PIER

### INDEX OF DRAWINGS

- 1. TITLE INDEX OF DRAWINGS, LOCATION MAP, WORK DESCRIPTION, SITE PLAN
- 2. WINDOW ELEVATIONS, WINDOW DETAILS, WINDOW SCHEDULE

### WORK DESCRIPTION

- 1. DEMO EXISTING SIDING AT BUILDINGS AND SERIES, DEMO BRICK PIER, DEMO EXISTING WINDOW SILLING AND ASSOCIATED TRIM AT EXISTING BUILDINGS AND WINDOW SILLING
- 2. REPLACE EXISTING WINDOWS WITH NEW VINYL WINDOWS
- 3. INSTALL NEW CAMOU OVER REAR BUILDING DOORS AT 3500 N. LANS

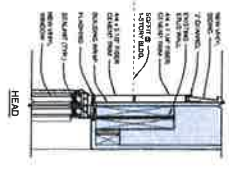
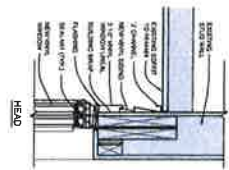
### WINDOW SCHEDULE

NO.	TYPE	FINISH	SIZE	LOCATION
1	VINYL	SLIP-ON	36" x 48"	REAR DOOR
2	VINYL	SLIP-ON	36" x 48"	REAR DOOR
3	VINYL	SLIP-ON	36" x 48"	REAR DOOR
4	VINYL	SLIP-ON	36" x 48"	REAR DOOR
5	VINYL	SLIP-ON	36" x 48"	REAR DOOR
6	VINYL	SLIP-ON	36" x 48"	REAR DOOR
7	VINYL	SLIP-ON	36" x 48"	REAR DOOR
8	VINYL	SLIP-ON	36" x 48"	REAR DOOR
9	VINYL	SLIP-ON	36" x 48"	REAR DOOR
10	VINYL	SLIP-ON	36" x 48"	REAR DOOR

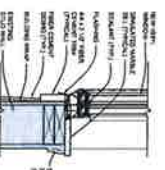
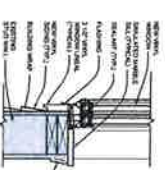
- 1. REPAIR ALL OPENINGS PRIOR TO SIDING WINDOWS
- 2. INSULATE ALL WINDOWS
- 3. SEE ELEVATIONS FOR OPENING DIRECTION, TYPICAL



WINDOW ELEVATIONS  
SCALE: 1/4" = 1'-0"

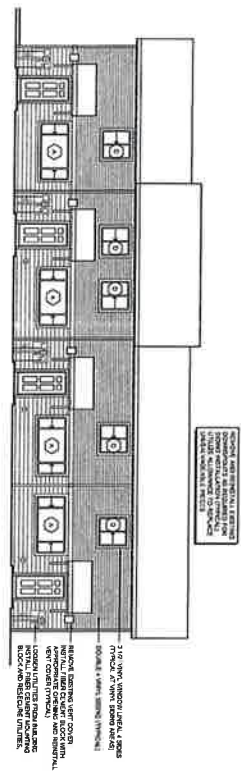


REPLACE ALL EXISTING SIDING WITH NEW VINYL SIDING. REPAIR ALL EXISTING OPENINGS PRIOR TO SIDING. SEE ELEVATIONS FOR OPENING DIRECTION, TYPICAL.

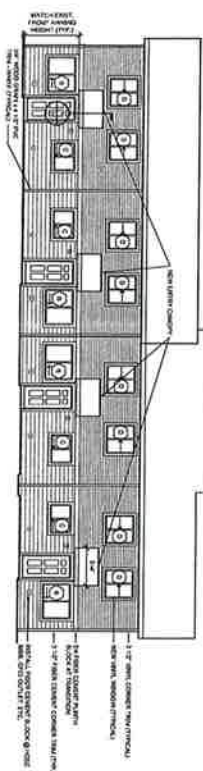


WINDOW DETAILS  
SCALE: 1 1/2" = 1'-0"

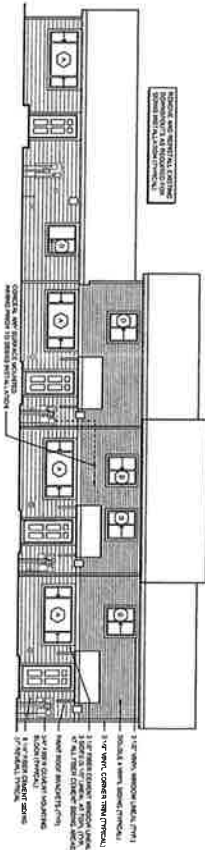
WINDOW DETAILS  
SCALE: 1 1/2" = 1'-0"



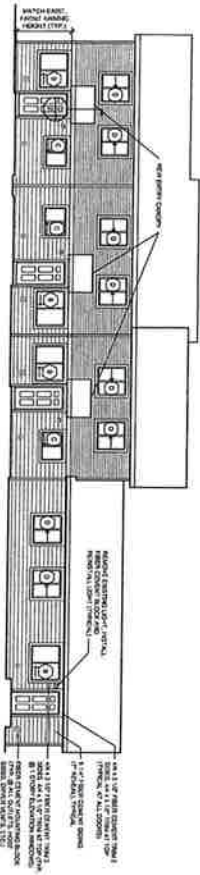
**BUILDING TYPE A FRONT ELEVATION**  
SCALE: 1/8" = 1'-0"



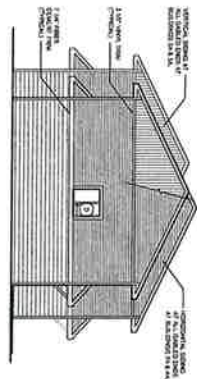
**BUILDING TYPE A REAR ELEVATION**  
SCALE: 1/8" = 1'-0"



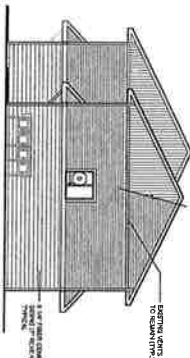
**BUILDING TYPE B FRONT ELEVATION**  
SCALE: 1/8" = 1'-0"



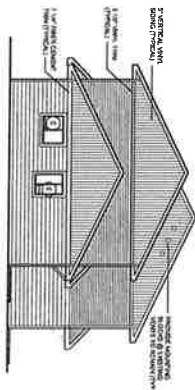
**BUILDING TYPE B REAR ELEVATION**  
SCALE: 1/8" = 1'-0"



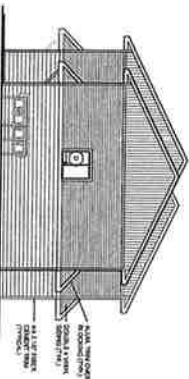
**BUILDING TYPE A SIDE ELEVATION**  
SCALE: 1/8" = 1'-0"



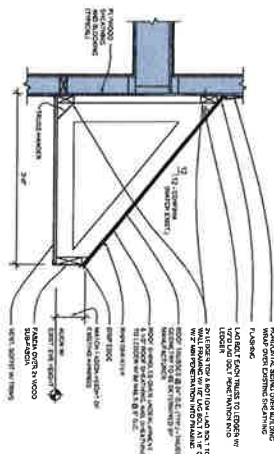
**BUILDING TYPE B SIDE ELEVATION**  
SCALE: 1/8" = 1'-0"



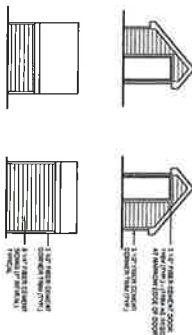
**BUILDING TYPE B SIDE ELEVATION**  
SCALE: 1/8" = 1'-0"



**BUILDING TYPE B SIDE ELEVATION**  
SCALE: 1/8" = 1'-0"



**WINDOW DETAILS**  
SCALE: 1" = 1'-0"



**TYPICAL SHED ELEVATIONS**  
SCALE: 1/8" = 1'-0"

**TASK ORDER NO. 1**

**Housing Authority:** Traverse City Housing Commission  
**Architect:** Alliance Architects, Inc.  
**Date of Contract:** March 7, 2017  
**Date of Task Order:** March 10, 2017  
**Development Project No.(s):** Orchardview Townhomes  
**Nature of Work:** Siding and window replacement.  
**Task Leader:** Mark Leblang  
**Key Staff:** Dave Steinhauer

<b>Task</b>	<b>Activity</b>	<b>Start</b>	<b>Complete</b>	<b>Deliverable Cost</b>
1.1	Phase I - Construction / Contract Document	After Completion of Design Development	5 Days	\$ 2,200.00
Alliance Architects, Inc. (Alliance) will revise architectural plans and full bidding specification for issuance of bidding for siding and window replacement at all buildings. Alternates will be included to reduce bids to match Traverse City Housing Commission's budget for Phase I.				
1.2	Phase I - Bidding / Negotiation Phase	After completion of Construction / Contract Document Phase	21 Days	\$ 4,000.00
Alliance will moderate a pre-bid conference, issue addenda, and clarifications to the contract documents, review bids and make a written recommendation for award to the Traverse City Housing Commission. Alliance will be available by phone during the bid opening.				
1.3	Phase I - Construction Administration		150 Days	\$ 16,250.00
During the first 60 days, the Architect shall attend the pre-construction meeting, and review shop drawings. During the next 90 days, the architect will perform a monthly site visit, once construction activities have begun, to review the progress and document their observations by a Construction Observation Report. The Architect will review and approve progress payments during construction.				
1.4	Phase II - Construction / Contract Document	After Completion of Design Development	TBD	\$ 2,400.00
Alliance Architects, Inc. (Alliance) will revise architectural plans and full bidding specification for issuance of bidding for siding and window replacement at all buildings. Alternates will be included to reduce bids to match Traverse City Housing Commission's budget for Phase I.				
1.5	Phase II - Bidding / Negotiation Phase	After completion of Construction / Contract Document Phase	TBD	\$ 4,400.00
Alliance will moderate a pre-bid conference, issue addenda, and clarifications to the contract documents, review bids and make a written recommendation for award to the Traverse City Housing Commission. Alliance will be available by phone during the bid opening.				
1.3	Phase II - Construction Administration		TBD	\$ 18,000.00
During the first 60 days, the Architect shall attend the pre-construction meeting, and review shop drawings. During the next 90 days, the architect will perform a monthly site visit, once construction activities have begun, to review the progress and document their observations by a Construction Observation Report. The Architect will review and approve progress payments during construction.				
Professional Services				\$ 47,250.00

**TASK ORDER NO. 1**

Traverse City Housing Commission

March 10, 2017

Page 2

**Special Requirements:**

1. Reimbursable costs as allowed by the HUD Form 51915 not to exceed \$1,250.00 for each phase.
2. The Owner to provide existing drawings for Architect's use.
3. Construction Administration fees will be adjusted at the rate of \$3,750 per month including site visit for Phase I and \$4,100/month for Phase II.
4. There are no known environmental issues concerning this project.
5. Construction Budgets: Phase I \$150,000, Phase II TBD.

**Executed:**

**ALLIANCE ARCHITECTS, INC.**

Name: \_\_\_\_\_

Mark W. Leblang

Title: Treasurer

Date: 3/10/17

**TRAVERSE CITY HOUSING COMMISSION**

Name: \_\_\_\_\_

Tony Lentych

Title: Executive Director

Date: 3-13-2017

**COPY**



March 13, 2017

Mr. Mark W. Leblang, Principal  
Alliance Architects  
929 Lincolnway East, Suite 200  
South Bend, Indiana 46601

RE: Notice to Proceed on items in Task Order No. 1

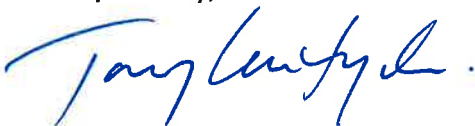
Dear Mark:

As we discussed on the phone this morning, I have signed Task Order No. 1. to begin the "Siding & Window Replacement" project at our Orchardview Townhomes property located at 10200 East Carter Center, Traverse City, Michigan immediately.

**This Notice to Proceed covers all tasks covered by items 1.1 and 1.2.**

I look forward to working with you and your team. Please have them contact me directly with any additional comments or questions.

Respectfully,

A handwritten signature in blue ink, reading "Tony Lentych". The signature is fluid and cursive, with a small dot at the end.

Tony Lentych,  
Executive Director

cc: Traverse City Housing Commission

**COPY**



## NOTICE TO BIDDERS

Notice is hereby given that the Traverse City Housing Commission will receive sealed bids at their main office, 150 Pine Street, Traverse City, Michigan 49684 until the hour of 2:00 p.m., local time, April 4, 2017 at which time they will be publicly opened and read aloud for the following project:

### SIDING AND WINDOW REPLACEMENT

Orchardview Townhomes  
HUD Project No. MI 80-1  
Traverse City Housing Commission  
Traverse City, Michigan

Bids are desired for total construction of the work as described in the Specifications and Drawings on file and available to contractors during regular working hours starting at 12:00 noon on March 17, 2017, at the offices of Alliance Architects, 929 Lincolnway East, Suite 200, South Bend, Indiana 46601, phone 574-288-2052. Electronic copies of the Plans and Specifications may be obtained by contacting the Architect at [info@alliarch.com](mailto:info@alliarch.com). Hard copies may be obtained by providing a refundable deposit of sixty dollars (\$60.00) for every set of documents, up to three (3) sets, made payable to the Traverse City Housing Commission and will be refunded if the Project Manual and Drawings are returned in good, reusable condition within twenty-one (21) days after the date of receiving bids. Failure to observe this condition shall result in the forfeiture of the full amount of bidder's deposit.

Note: Subcontractors submitting bids to General Contractors who, in turn, submit a bonafide bid do not meet the requirements stated above and, as such, do not qualify for deposit refunds.

Instructions to bidders and plans and specifications are on file in the Offices of the Architect, the Owner and as follows:

Traverse City Housing Commission  
150 Pine Street  
Traverse City, Michigan 49684

Alliance Architects  
929 Lincolnway East, Suite 200  
South Bend, Indiana 46601

Construction News Service  
7261 Engle Rd. Suite 304  
Middleburg Heights, Ohio 44130

Construction Association of Michigan  
43636 Woodward Avenue  
Bloomfield Hills, Michigan 48302-3204

McGraw-Hill Construction Dodge  
3315 Central Avenue  
Hot Springs, AR 71913

Reed Construction Data  
Document Processing Center 30  
Technology Parkway South, Suite 100  
Norcross, Georgia 30092-2912

Builders Exchange  
4461 Cascade Road, S.E.  
Grand Rapids, Michigan 49501

## **PRE-BID SITE VISIT/ACCESSIBILITY**

In order to facilitate site examinations, the Architect will be available to accompany bidders starting at 11:30 a.m., local time, on March 22, 2017. The tour will begin at 10200 E. Carter Road, Traverse City, Michigan. Contractors shall make appointments to attend this meeting by calling the Architect at (574) 288-2052 within five (5) days of the site visit date.

Bids must be on the bid form provided in the project manual accompanied by a non-collusion affidavit and bid security in the amount of not less than 5% of the bid.

All contractors and subcontractors must be in compliance with: Equal Opportunity Employment, Executive Order 11246 and Davis-Bacon wage rates as determined by HUD and as set forth in the Project Manual. Submission of U.S. Dept. of Labor payroll forms is required on a weekly basis. Contractors and subcontractors will commit themselves to making a good faith effort to meet the goal of employing minorities and women as set forth in the contract documents. This federally funded project is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968. The contractor shall appoint a company executive to assume the responsibility for the implementation at all requirements, terms and conditions

The Housing Commission reserves the right to reject any or all bids, to award the contract to the lowest, responsible and most responsive bidder and to waive any formalities or irregularities in the bids received. No bid shall be withdrawn for a period of ninety (90) days subsequent to the opening of the bids without the consent of the Housing Commission.

Furthermore, the Owner **encourages** Minority Business Enterprises **and** Women-Owned Businesses to submit proposal for this project. Contractors are encouraged to contact:

[www.mmbdc.com](http://www.mmbdc.com) to obtain Michigan MBE businesses.

The Housing Commission reserves the right to award a contract in the best interest to the Housing Commission.

T. C. RECORD-EAGLE, INC.  
120 WEST FRONT STREET  
TRAVERSE CITY MI 49684  
(231) 946-2000

ORDER CONFIRMATION

Salesperson: DENISE LINGERFELT

Printed at 03/13/17 13:18 by dling

Acct #: 8464

Ad #: 459100

Status: N

T.C. HOUSING COMMISSION  
ILAH HONSON  
150 PINE STREET  
TRAVERSE CITY MI 49684-5404

Start: 03/15/2017 Stop: 03/16/2017  
Times Ord: 2 Times Run: \*\*\*  
STDAD 3.00 X 2.25 Words: 151  
Total STDAD 6.75  
Class: 147 LEGALS  
Rate: LEGAL Cost: 93.40  
# Affidavits: 1

Contact:  
Phone: (231) 922-4915  
Fax#: (231) 922-2893  
Email: jturnbull@tcpha.net  
Agency:

Ad Descrpt: LEGAL NOTICE NOTICE TO B  
Given by: EMAIL MICHELLE REARDON  
Created: dling 03/13/17 12:57  
Last Changed: dling 03/13/17 13:17

PUB	ZONE	EDT	TP	START	INS	STOP	SMTWTFS
RE	A	97	W	03/15/17	2	03/16/17	SMTWTFS
IN	AIN	97	W	03/15/17	2	03/16/17	SMTWTFS

AUTHORIZATION

Thank you for advertising in the Record-Eagle, our related publications and online properties. If you are advertising with the Record-Eagle classifieds, your ad will begin running on the start date noted above.

Please be sure to check your ad on the first day it appears. Although we are happy to make corrections at any time, the Record-Eagle is only responsible for the first day's incorrect insertions. Also, we reserve the right to edit or reclassify your ad to better serve buyers and sellers.

No refunds or rebates will be issued if you cancel your ad prior to the stop date.

We appreciate your business.

(CONTINUED ON NEXT PAGE)



T. C. RECORD-EAGLE, INC.  
120 WEST FRONT STREET  
TRAVERSE CITY MI 49684  
(231) 946-2000

ORDER CONFIRMATION (CONTINUED)

Salesperson: DENISE LINGERFELT

Printed at 03/13/17 13:18 by dling

Acct #: 8464

Ad #: 459100

Status: N

**LEGAL NOTICE**  
**NOTICE TO BIDDERS**

The Traverse City Housing Commission is seeking bids for HUD Project No. MI 80-1, Siding and Window Replacement at Orchardview Townhomes located at 10200 East Carter Ctr., Traverse City, Michigan. Interested parties may obtain full bid documents by contacting Alliance Architects, 929 Lincolnway East, Suite 200, South Bend, Indiana 46601, phone 574-288-2052, email [info@alliarch.com](mailto:info@alliarch.com).

A site examinations will be conducted by the Architect starting at 11:30 a.m., local time, on March 22, 2017. The tour will begin at 10200 E. Carter Road, Traverse City, Michigan. Contractors shall make appointments to attend this meeting by calling the Architect at (574) 288-2052 within five (5) days of the site visit date.

Sealed bids shall be received at the TCHC office, 150 Pine Street, Traverse City, Michigan, 49684 until 2:00 p.m., local time, April 4, 2017 when a public bid opening will be held.

March 15, 16, 2017-2T

459100

# INDEPENDENT COST ESTIMATE



Siding and Window Replacement  
Orchardview Townhomes  
HUD Project No. MI 80-1  
Traverse City Housing Commission  
Traverse City, Michigan

March 21, 2017

<u>ITEM</u>	<u>COST</u>
All Work at Building 1B	\$ 60,000
All Work at Building 2A	\$ 64,000
Allowance	\$ 8,000
<b>Base Bid</b>	<b><u>\$ 132,000</u></b>

Alternate No. 1	Add	\$ 64,000
Alternate No. 2	Add	\$ 64,000
Alternate No. 3	Add	\$ 64,000



**Traverse City Housing Commission**  
*A Public Housing Authority*

**HOLD FOR TCHC HUMAN RESOURCES  
POLICY & PROCEDURES MANUAL**

# TRAVERSE CITY HOUSING COMMISSION

150 PINE STREET | TRAVERSE CITY | MICHIGAN | 49684

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## MEMORANDUM

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**DATE:** March 24, 2017  
**TO:** All Commissioners of the Traverse City Housing Commission  
**FROM:** Tony Lentych, Executive Director  
**SUBJECT:** Resolution to Adopt the Check Signing Authorization Policy

**MESSAGE:**

Last month, TCHC updated its list of authorized signers on all accounts held at financial institutions. After reviewing the current Check Signing Authorization Policy, staff believed that a few updates and changes were necessary to accomplish the highest possible standards of financial controls. The attached policy reflects the work of staff to update the policy.

TCHC staff, therefore, recommends adoption of the following:

**RESOLUTION TO ADOPT THE CHECK SIGNING AUTHORIZATION POLICY**

March 24, 2017

WHEREAS, recent changes in staffing and in the composition of the Commission itself required the Traverse City Housing Commission (TCHC) to update its list of Authorized Signers on all of its checking accounts; and

WHEREAS, the adoption of the new list of Authorized Signers required a review of the previous policies and procedures in this area; and

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 TCHC concurs in the recommendation of the Executive Director and staff.

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

The Check Signing Authorization POLICY is hereby adopted as presented by the Traverse City Housing Commission with immediate effect.

## **Traverse City Housing Commission**

### **DRAFT Check Signing Authorization 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 internal financial controls, the Traverse City Housing Commission (TCHC) is establishing this Check Signing Authorization Policy. This policy identifies those people who are authorized to sign and issue checks on TCHC's behalf. The purpose of this policy is to update instructions to depositories so that there is a clear understanding of our policies and procedures.
2. **Controls.** The following are permanent controls for signing checks:
  - A. TCHC will on occasion pass by resolution a list of no more than four (4) persons who are authorized to approve and sign checks on behalf of TCHC. These persons shall be the Executive Director, the Commission President, the Commission Vice President, and one other designated staff person.
  - B. In no instance, shall an employee who is responsible for issuing checks be authorized to sign those checks.
  - C. In no instance, shall an employee who is responsible for producing financial reports be authorized to sign those checks.
  - D. The incumbents in the positions authorized to sign checks shall be covered by a minimum blanket bond in the amount of \$100,000.
3. **Procedure.** The following procedures shall govern the signing of all checks produced by TCHC:
  - A. All checks shall bear two signatures, one of which must be that of the Executive Director as designated by resolution of the Board of Commissioners. Should the Executive Director not be available to sign, or when it is not appropriate to sign, another staff person as designated by resolution of the Board of Commissioners, will sign the check but only after notifying the Executive Director in advance.
  - B. The second signature must be that of either the TCHC Board President or Vice-President, as elected by the majority of the Board during their annual elections.
  - C. In the absence of both designated Commissioners, the Executive Director may authorize the signing of these checks by the two designated staff people but only

after receiving the prior approval of the Board President or by notifying all of Commissioners prior to signing the checks.

- D. The supporting data for each check, along with a mark of "approval" by the Executive Director, shall be available for the signer to review at the time of signing. The supporting data for each check will be kept on file in the office for review until the items are no longer needed by our Auditors. The supporting data for each check may go to long term storage after annual Audit is completed.
- E. The Traverse City Housing Commission may establish procedures for automated signatures as allowable per HUD regulations.
- F. A copy of this policy shall be forwarded to all designated depositories of the Commission.

**Adopted: December 2004**

**Revised: April 20, 2010**

**Proposed: March 24, 2017**


# TRAVERSE CITY HOUSING COMMISSION

150 PINE STREET | TRAVERSE CITY | MICHIGAN | 49684

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## MEMORANDUM

---

**DATE:** March 24, 2017  
**TO:** All Commissioners of the Traverse City Housing Commission  
**FROM:** Tony Lentych, Executive Director   
**SUBJECT:** HUD Budget

**MESSAGE:**

After many articles on the anticipate Federal Budget negotiations, I thought it would be helpful to share a few news items with you. The President has begun to share his "Budget Priorities" with the public and this is just the first step in the overall Congressional Budgeting process. While some of the priorities may be shocking, they are not in any way the final word on these programs. HUD is always a target during these preliminary conversations. It is safe to say, however, that this will be a dominate theme in the "HUD Universe" this spring and should any changes of funding or priorities be codified by Congress, we will not see the impact of these changes immediately. This means we will have time to plan and adjust as needed.

I am confident that each of you will be active participants in the conversation both locally and at the national level. I will do my best to keep you informed of what I know as soon as I know it.

**ATTACHMENTS:** 1) Article from NAHRO Monitor from March 15, 2017  
2) Center on Budget Policy Priorities "Blog Post" on the HUD Budget from March 16, 2017



# NAHRO MONITOR

Semimonthly coverage of housing and community development issues published for NAHRO members

VOLUME XXXVIII, NO. 5 • MARCH 15, 2017

## Leaked Internal Docs Suggest \$6B HUD Cut

**O**n March 8, *The Washington Post* reported on leaked preliminary internal budget documents from HUD that outline deep and potentially devastating cuts to programs in the upcoming FY 2018.

The newspaper obtained a copy of what is known as a "pass-back": a draft of proposed funding levels for programs that gets sent to the Office of Management and Budget for approval as a part of the regular departmental budget drafting process. The passback reported on yesterday appears to be based on an over \$6 billion overall cut to HUD, a result of a larger proposed \$54 billion cut to non-defense programs (NDD).

*The Washington Post* article reports that the cuts will come primarily from the Offices of Public and Indian Housing and Community Planning and Development. Under the preliminary budget, both the Community Development Block Grant (CDBG) and HOME Investment Partnerships programs would be eliminated. Funding for the Public Housing Capital Fund would be slashed \$1.3 billion and the Operating Fund would be cut by \$600 million. Spending for vouchers would be decreased by \$300 million and Native American Housing Block Grant would be cut by \$150 million. HUD staff would also be impacted; the preliminary budget proposes a 5 percent cut to HUD administration and salaries. NAHRO has not seen a copy of the document and therefore cannot independently verify these numbers.

The leaked document is considered an internal draft of a type that is not made public because it is just one step in the long process of drafting the President's budget proposal. These numbers may not reflect what is ultimately included in the formal proposal for HUD. However, if the President follows through with his pledge to cut \$54 billion from NDD programs in FY 2018, the actual budget could be similarly devastating.

In an email to HUD staff today published by *The Huffington Post*, the recently-confirmed Secretary Ben Carson said:

"Today you may have read preliminary HUD FY18 budget negotiations in national media reports. Please understand that budget negotiations currently underway are very similar to those that have occurred in previous years. This budget process is a lengthy, back and forth process that will continue. It's un-

(continued on pg. 7)

## Let Your Voice be Heard on the Hill!

**H**ousing and community development must be an important part of the nation's priority list. It is more important than ever to continue our efforts to educate and inform decision-makers at all levels. NAHRO's Washington Conference provides an excellent opportunity to tell your story and why what you do in your community is so vital. Networking events will enable you to learn from industry peers and educational sessions will provide you with the latest updates from Washington. You will not only be better prepared to inform, but will be in a better position to effectively and responsibly meet the ongoing needs of families, seniors, the homeless and the disabled.

Advance registration will close on March 15. Register now and save \$100 over onsite fees: [www.nahro.org/washingtonconference](http://www.nahro.org/washingtonconference).

## Dr. Ben Carson Confirmed as HUD Secretary

**O**n March 2, the United States Senate confirmed Dr. Ben Carson as the 17th secretary of the Department of Housing and Urban Development (HUD) on a vote of 58-41. Later in the day, Dr. Carson was joined by his wife, Candy, and his granddaughter, Tesora, and sworn in as HUD Secretary by Vice President Mike Pence.

At the swearing-in ceremony Secretary Carson spoke about the importance of housing to the American people. "I am immensely grateful and deeply humbled to take on such an important role in service to the American people," said Secretary Carson. "Working directly with patients and their families for many years taught me that there is a deep relationship between health and housing. I learned that it's difficult for a child to realize their dreams if he or she doesn't have a proper place to live, and I've seen firsthand how poor housing conditions can rob a person of their potential. I am excited to roll up my sleeves and to get to work."

NAHRO and its members are ready and eager to work with Secretary Carson to strengthen our nation's public housing infrastructure, increase flexibility of the Housing Choice Voucher program for residents and housing agencies, and maximize coordination to increase the production of affordable housing through public/private partnerships such as the Low Income Housing Tax Credit.

NAHRO has also invited the Secretary to listen to the concerns of housing and redevelopment agencies as part of his countrywide listening tour that Dr. Carson listed as one of his first actions as HUD Secretary. NAHRO has invited Secretary Carson to speak

(continued on pg. 7)

## What's Inside



Affordable Housing Credit Improvement Act—2; President's Message—3; Classified Ads—9; Seminars—12



# Join 302(b) Letter to Protect HCD Funding

**A**lthough spending has not yet been finalized for the current fiscal year, it's now time to start thinking about the upcoming FY 2018. Please help NAHRO support the highest possible funding level for the FY 2018 Transportation, Housing and Urban Development (T-HUD) spending bill by signing on to a letter to appropriators today. The deadline to sign is Monday, March 3.

Each year, after the President's budget proposal is released, Congress begins their budget and appropriations process. This starts with the House and the Senate each drafting their own budget resolution. Those two resolutions are then merged into a single bill: a concurrent budget resolution. The concurrent budget resolution sets the overall amount of money that will be spent in the federal budget in the upcoming fiscal year, known in Washington as a "302(a)."

This overall spending level guides appropriators, who are responsible for setting spending levels for specific programs within the federal government. The 302(a) for FY 2017 was set by the bipartisan budget deal reached in late 2015, but the upcoming FY2018 spending levels will go back to the cap set by the Budget Control Act of 2011 without another similar spending deal. Once a 302(a) is agreed upon, appropriators divide the funding between the 12 appropriations bills, including the T-HUD bill.

This means your vocal support for the highest possible funding level for the T-HUD bill is even more critical this year. Since the T-HUD bill is responsible for setting spending levels for all HUD programs, a low 302(b) level for T-HUD translates into deep cuts to critical HUD programs. For example, in FY 2014, the T-HUD 302(b) was so low, appropriators were forced to cut the Community Development Block Grant (CDBG) program by nearly 50 percent to avoid evicting families from their homes.

In order to secure the highest possible level of funding for HUD programs, NAHRO has joined together with a large and diverse group of stakeholders across the country that are impacted by the T-HUD bill, including the National Low Income Housing Coalition which is hosting the sign-on letter web form. NAHRO, along with these partners, has drafted a sign-on letter that reminds appropriators of the importance of programs funded by T-HUD and urges them to appropriate the highest possible funding level for T-HUD in FY 2018.

This is the fifth year such a letter has been drafted; last year, more than 2,000 organizations from every state signed the letter.

The letter has had a major impact on lawmakers in the past. In 2013, then Senate Appropriations T-HUD Subcommittee Ranking Member Susan Collins (R-Maine) brought a copy of the letter with her to the Senate floor to argue for her bill.

Please sign your organization on to the letter today and distribute widely within your networks.

Questions or comments about this article? Please contact Tess Hembree at [themhree@nahro.org](mailto:themhree@nahro.org).

## Carson, cont'd

(cont'd from pg. 1)

at the 2017 NAHRO Washington Conference, which will take place from March 26-28, 2017.

More information on the recommendations that NAHRO has made to HUD are available in NAHRO's Transition 2017 document.

More information on some of the regulatory relief and reform that would improve the operation and delivery of affordable housing programs is available in the joint industry letter that NAHRO, PHADA, and CLPHA sent to Secretary Carson on March 2, 2017.

Questions or Comments – Please contact Georgi Banna, NAHRO's Director of Policy and Program Development at [gbanna@nahro.org](mailto:gbanna@nahro.org).

## HUD Budget, cont'd

(cont'd from pg. 1)

fortunate that preliminary numbers were published but, please take some comfort in knowing that starting numbers are rarely final numbers. Rest assured, we are working hard to support those programs that help so many Americans, focus on our core mission, and ensure that every tax dollar is spent wisely and effectively."

While the President's budget proposal marks an important step in the budget process that sets the tone for the budget and appropriations process, it is primarily a political document that does not carry the force of law. Congress, controllers of the nation's purse strings, can choose to adopt or ignore the proposal. Many previous Administration budget proposals have been deemed "dead on arrival."

The silver lining is that we, as advocates, have been given a rare opportunity to educate and inform before a full budget proposal has been finalized. Here are a few actions you can take now to support housing and community development programs:

**Now:** Call your member of Congress to tell them a highly personalized story of what these potential cuts would mean for you and your community. The Capitol switchboard number is (202) 224-3121 and they will connect you with any Congressional office.

**Today:** Tell your members of Congress why it is important to support the highest possible funding in FY 2018 for the Transportation, Housing and Urban Development (T-HUD) bill by joining a national letter. The deadline has been extended until March 31.

**This week:** Plan and prepare to participate in NAHRO's Capitol Hill Day on Tuesday, March 28 at the Washington Conference. If you haven't already, please contact your legislators to schedule time to meet so you can educate them on housing and community development needs in your community.

The President is expected to release a "skinny budget" proposal next week. Though it is unclear what will be contained in this budget document, it may shed more light on the information reported by The Washington Post. NAHRO is continuing to work closely with its coalition allies, Congressional contacts, and other partner organizations in Washington. We will provide further updates as the situation develops.

If you have questions about the advocacy steps outlined above, please contact Tess Hembree at [themhree@nahro.org](mailto:themhree@nahro.org). For any questions about how these numbers will affect specific HUD programs or agencies that administer these programs, please contact Georgi Banna at [gbanna@nahro.org](mailto:gbanna@nahro.org).



## Trump Budget Will Increase Homelessness, End Federal Role in Community Development

BLOG POST | MARCH 16, 2017 AT 4:15 PM | BY DOUGLAS RICE

President Trump's fiscal year 2018 budget for the Department of Housing and Urban Development (HUD) proposes deep cuts in every state in rental assistance for families and other aid for the nation's poorest urban and rural communities, which would increase homelessness and other hardship across the country.

Overall, the President requests \$40.7 billion for HUD programs in 2018, \$6.2 billion (13 percent) below 2016 funding, and about \$7.5 billion (15 percent) below the 2017 levels in the bills that the House and Senate appropriations committees approved last summer. (The President and Congress have yet to finalize a 2017 budget, but the continuing resolution that's funding the government for this year runs out on April 28.)

The President's budget eliminates the HOME, Community Development Block Grant (CDBG), and Choice Neighborhoods programs that give flexible aid to poor rural and urban communities. Altogether, poor communities would lose more than \$4.1 billion of HUD funds needed to improve basic infrastructure like streets and water and sewer lines, promote economic development, and build or rehabilitate affordable housing for low-income residents. Rather than boost states' and localities' ability to help their residents live healthy and productive lives, the budget abandons communities that need federal resources. (See the state-by-state table below for the funding cuts from eliminating HOME and CDBG funds.)

The budget says the federal government will continue to help 4.5 million households pay the rent, but it provides no details on funding for HUD's rental assistance programs, which helped nearly 4.9 million households in 2016, nearly all of which included seniors, people with disabilities, or children. But preliminary budget documents leaked last week indicate that the President's proposals in the full budget request expected later this spring will likely include significant rental assistance cuts, including the following:

- Housing Choice Vouchers that some 200,000 low-income households use to help pay their rent would be eliminated in 2018. According to the preliminary document, housing vouchers would be funded at \$19.3 billion, about \$300 million below the 2016 level, and about \$1.7 billion below the amount that we estimate will be required to renew all vouchers in 2018. Cuts in vouchers would increase and prolong homelessness and other hardships for seniors, people with disabilities, and families with children.
- Some 25,000 households headed by seniors and people with disabilities would lose rental assistance due to funding cuts to the Section 202 and 811 housing programs. Additional losses may occur in HUD's other programs that contract with private owners to provide affordable rents to low-income households.
- Public housing funding would be slashed by \$2 billion, or about 30 percent. Public housing already faces more than \$26 billion in repair needs such as fixing leaky roofs or replacing outdated heating systems and electrical wiring. Such massive cuts — coming on top of the 21 percent cut from 2010 to 2016 — would undermine the health and safety of public housing's 2.2 million residents and sharply accelerate the loss of affordable units. (See the table below for state-by-state estimates of cuts to vouchers and public housing.)

Total HUD program funding in today's release appears to be slightly higher (about \$200 million) than shown in the preliminary documents, and one must be cautious in using the latter to fill in missing details. But given that 85 percent of HUD's budget goes to rental assistance, and the cost of renewing rental assistance for current families increases every year due to rising rents and other costs, it's mathematically impossible to implement the Administration's proposed HUD funding cuts without making deep cuts in rental assistance, as well as eliminating other important HUD programs wholesale.

To sustain critical HUD programs, Congress must reject the Trump vision of austerity for low- and middle-income Americans and tax cuts for the wealthy. HUD program stakeholders need to make sure policymakers understand why they should *increase* funding in 2018, not slash it.

[Click here for state-by-state data on the potential cuts to housing vouchers, public housing, CDBG, and HOME under President Trump's budget.](#) ►

TOPICS: Federal Budget, Housing, Funding


# TRAVERSE CITY HOUSING COMMISSION

150 PINE STREET | TRAVERSE CITY | MICHIGAN | 49684

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## MEMORANDUM

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**DATE:** March 24, 2017  
**TO:** All Commissioners of the Traverse City Housing Commission  
**FROM:** Tony Lentych, Executive Director   
**SUBJECT:** Request for Closed Session

**MESSAGE:**

The Traverse City Housing Commission is considering the purchase of a property (or properties) for the purpose of developing affordable housing in the near future. A closed session is allowed to review this potential purchase per MCL 15.268(d) [see below].

Any Commissioner wishing to enter into a closed session may do so with by offering the following motion:

*[Move] that the Traverse City Housing Commission enter into a closed session immediately after the final public comment portion of today's agenda to discuss a potential purchase of property per MCL 15.268(d).*

### Open Meetings Act (Act 267 of 1976)

15.268 Closed sessions; permissible purposes.

A public body may meet in a closed session only for the following purposes:

(d) To consider the purchase or lease of real property up to the time an option to purchase or lease that real property is obtained.


# TRAVERSE CITY HOUSING COMMISSION

150 PINE STREET | TRAVERSE CITY | MICHIGAN | 49684

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## MEMORANDUM

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**DATE:** March 24, 2017  
**TO:** All Commissioners of the Traverse City Housing Commission  
**FROM:** Tony Lentych, Executive Director   
**SUBJECT:** Request for Closed Session

**MESSAGE:**

The Traverse City Housing Commission's attorney has prepared a memorandum regarding the Complaint: Priscilla Townsend v. the Traverse City Housing Commission and John and/or Jane Doe filed on February 16, 2017. A closed session is allowed under the Michigan Open Meetings Act to Discuss Attorney-Client Privileged Communications per MCL 15.268(e) [see below].

Any Commissioner wishing to enter into a closed session may do so with by offering the following motion:

*[Move] that the Traverse City Housing Commission enter into a closed session immediately after the final public comment portion of today's agenda to discuss a privileged attorney-client communication in connection with Priscilla Townsend v. the Traverse City Housing Commission and John and/or Jane Doe per MCL 15.268(e).*

**Open Meetings Act (Act 267 of 1976)**

15.268 Closed sessions; permissible purposes.

A public body may meet in a closed session only for the following purposes:

(e) To consult with its attorney regarding trial or settlement strategy in connection with specific pending litigation, but only if an open meeting would have a detrimental financial effect on the litigating or settlement position of the public body.



**Traverse City Housing Commission**  
*A Public Housing Authority*

## **CORRESPONDENCE**

February 28, 2017 Letter on Shared Drive to Pine Street Development One, LLC

March 20, 2017 Letter From St. Amant to Riverview Terrace Residents



February 28, 2017

Mr. Erik Falconer  
Managing Member  
Pine Street Development One, LLC  
810 Cottageview Drive, Suite 103  
Traverse City, Michigan 49684

Dear Erik:

During a regular meeting of the Traverse City Housing Commission on Friday, February 24, 2017, there was a serious discussion about the City of Traverse City formal request for us to consider a “shared drive” with your project known as “Pine Street Development One”. The shared drive would be located on the Fire Lane located on property owned and managed by the Traverse City Housing Commission.

Prior to this meeting our Executive Committee convened to discuss this matter in some detail. Our team identified four preliminary reasons for us to consider this request:

- **Safety:** For Residents of both Properties AND for the Public (three drives could end up being one drive but this proposal is concentrated on combing two drives).
- **Capital Improvements:** Our parking lot is in need of improvement after years of settling and shifting of the ground below the asphalt.
- **Added Value:** Opportunity to Increase Parking Spaces (with removal of the berm) and to add pedestrian friendly sidewalks on our property.
- **Storm Water:** Retention—Quality—Management.

This recommendation was well received by the Housing Commission. It was decided that we will continue to pursue this option through deliberation and negotiations with you (and eventually the City). I will continue to work with your team as we work out several of the details going forward. I will then present the options to the Housing Commission for approval.

Please note that we must continue to follow our internal Asset/Physical Plant Management Policy. The intent of the policy is to clarify how TCHC addresses non-traditional and special request for changes or modification to real property owned by the Commission.



In order to fully consider this request, the following procedures need to be addressed:

- A. Requests for such projects shall be in writing (*the City of Traverse City made such a request in 2016*).
- B. Requestor(s) shall be identifiable as well as the known beneficiaries of the proposed project (*Erik Falconer and Joe Sarafa have been long known to be the owners and developers of this property*).
- C. When appropriate, professionally produced drawings and/or design documents are required prior to any final discussions or decisions (*there have been multiple drawings provided to us – all at the expense of the developers*).
- D. TCHC staff will be charged with producing the final presentation for the Housing Commission and all interested parties. Staff will refrain from recommending a final course of action to the Commission but is allowed to utilize third-party sourced materials for its final presentation (*started but not completed*).
- E. Regardless of the impact of the proposed project, residents will be given the opportunity to provide comment on the project prior to its approval (*a meeting with the residents of Riverview Terrace is scheduled for March 2, 2017*).
- F. The Housing Commission will approve of the proposed project at one of its regularly scheduled monthly meetings (*final approval will be requested at the regular meeting in March – or later if need be*).
- G. The Housing Commission may delegate to staff the final negotiations and/or implementation of the approved project (*yet to be determined*).

You can see that we are well on our way in this process. If you can, please plan to address the Commission at our next regular meeting scheduled for March 24, 2017 at 8:00 A.M. In the meantime, we will continue our conversations.

Respectfully,

**COPY**

Tony Lentych,  
Executive Director

cc: Travers City Housing Commission  
Ward Kuhn, Attorney

**Date:** March 20, 2017

**To:** All Resident of Riverview Terrace

**From:** Michelle St. Amant, Resident Commissioner  
Traverse City Housing Commission

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To My Fellow Residents:

I feel honored and excited to write you in my new position as Resident Commissioner of the Traverse City Housing Commission. I also feel humbled since I have been very busy and will for some time be reading and learning all there is for a Commissioner to know and practice. This process will most certainly continue on through the entirety of my five year tenure. My desire is to serve you and our community to the best of my ability.

**The Mission of the Traverse City Housing Commission states:**

*"Because we know that housing is the cornerstone of a stable life, and that the lack of truly affordable housing 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."*

**The general responsibilities of the board are:**

- To establish a long range vision.
- To plan for the future of the agency.
- To hire a qualified director to manage staff and daily operations.
- To create and establish policies for the good of all.
- To evaluate, adopt, and monitor operating budgets.
- To monitor finances of the agency and the performance of its director.



*Taking the Oath of Office!*



As the Resident Commissioner I feel the added responsibility to create avenues for residents to express your concerns and I have been thoughtfully considering such opportunities for you to do so since first applying for this position.

**The following are my first thoughts as to what I would like to offer you:**

1. *A Resident Communication Box to the Resident Commissioner* – the present *Suggestion Box* located on the wall by the entrance door to the office in the lobby is being handed over for your use as a **Resident Communication Box – to the Resident Commissioner**. All keys will be handed over to me and I will be the only person who has access to it, making it a secure and confidential avenue for you to communicate with me.
2. *Quarterly Forums for Separate Age Groups* – I have noticed that different age groups can have different experiences Riverview Terrace. The activities and services that may appeal to one group may not be so appealing to the other so we need to be sensitive to everyone's needs. To that end, I wish to hold forums on a quarterly basis in the Community Room for two separate age groups. To start, we will use the age of 50 and see how everything goes.



*Signing the Certificate of Oath!*

At these forums, residents will have the opportunity to meet with me in person and express concerns and maybe even to get to know more of your neighbors. Your thoughts will be written down and may be addressed to the Commission at some point in the future.

Tentatively, I plan to hold the first forums in June. The Office has agreed to supply food and refreshments for the first forums!

Specific dates and times will be posted on the calendar and announced in the monthly Riverview Terrace Gazette.



*I want to hear from everyone...  
and everyone's opinions will matter!*

### *About Myself*

Born in Detroit, I was then adopted and raised in Dearborn, Michigan where I was the eldest of seven other adopted children. We also had a series of thirty five foster children in our home until I reached the age of twelve. After marrying I had six children, four girls then two boys and I now have nine grandchildren. My youngest son Andre' was born with the rare genetic disorder called Galactosemia which left him to live a life with severe and multiple physical and cognitive challenges, one of which is Autism. He died from massive seizures at 18 years of age in 2004.

I began my college studies in 1988 while living for a year in Oregon at Portland State University and then I continued on at Alpena Community College in Michigan. There I majored in art for a period of five years which culminated in a one woman exhibition at Kirkland Community College in Roscommon. I was also inducted to the Phi Theta Kappa Honors Society for a consistent 4.0 grade average. Since then my works of art (drawings, sculptures, and paintings) have been exhibited in 14 different juried art exhibitions and nearly the same number of galleries throughout Michigan, Ohio, and Virginia.

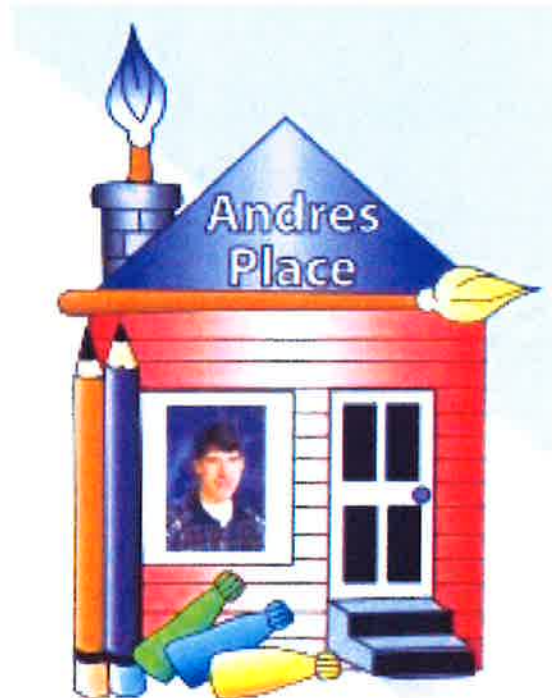
## *My Skill Set*

During my career, I have developed many skills that will be relevant to me as I serve you. Here are just a few:

Organizational Leadership • Program Management • Non Profit Development • Community Service • Directing and Serving on Boards & Committees • Team Building • Team Leadership • Persuasive Presentations • Public Speaking • Fundraising • Grant Writing • Counseling • Investigative Research • Public Safety Advocacy • Education • Marketing • Writing • Creative Arts

I acquired these skills through the nonprofit programs I both founded and directed.

1. **Andre's Place Inc.** of Traverse City which I worked on for five years. We supplied programs in the arts and opportunities for socialization and field trips to persons age 6-60 living with physical, emotional, and cognitive challenges. It was located on N. Royal Dr. and was sponsored by Excel Rehabilitation Services.
2. **AIM** (Adoption Identity Movement of NE Michigan) is a search and support group for those whose lives have been touched by adoption. Members are of the adoption triad (adoptee, birth mother, and adoptive parent).



*Where People with Special  
Abilities Come Together to  
Create Works of Art*

3. I also worked diligently for two years and was successful in purchasing the needed locating equipment and three day training session to the Grand Traverse County Sheriff's Dept. called "Project Lifesaver International". It is

designed to safely track and bring home loved ones with cognitive impairments such as Alzheimer's, Down Syndrome, and Autism who wander and become disoriented and lost. Those interested must first register.

Besides these programs I have worked in the following positions:

- Spectrum Community Services of Grand Rapids and Heritage Homes of Holland, Michigan working with developmentally challenged adults in foster care homes and as a community support supervisor. Also, in Traverse City for Compassionate Care working with the elderly.
- Of course the 18 years of work and research needed to care for my multiply challenged son assisted with my further efforts in the nonprofit program Andre's Place I founded. During those years his vast and ever changing interdisciplinary team of doctors, therapists, psychiatrists, and the education system provided a wealth of education for me within itself.
- While married we owned and operated two gas stations and later a dry cleaners. I worked in retail and cashiered for years including Art Gallery Oversight.
- Assisting in an integrative art program for emotionally impaired children, teaching, designing art classes for home schooled children, and workshops in schools was a joy.
- As an active member of the Grand Rapids Sierra Club and initiating the reintroduction of the Traverse City chapter I met many of our states environmental leaders.
- During my active involvement with Disability Advocates of Kent County and Disability Network of Traverse City I was linked in with progressive leaders in their efforts as well.
- While in Grand Rapids I assisted with many needed programs developed for the homeless.
- My list of volunteer opportunities is long and my most recent was serving as the volunteer coordinator at the information desk at the Governmental Center.



I have been thoroughly involved with each community in which I've lived (Alpena, Grand Rapids, and Traverse City).

Throughout the years I have attended seminars, forums, and workshops to educate myself further regarding boards, fundraisers, Red Cross, domestic violence, foster care, mental illness, Autism, environmental efforts, bullying, etc.

I have been blessed through it all and hope to be further blessed by my service as your Resident Commissioner!

**Thank You!**

*Michelle St. Amant*

Michelle St. Amant,  
TCHC Resident Commissioner

# *Happy Spring!*



# Communication Box for the Resident Commissioner



## Drop Your Notes Here

Please Follow These Guidelines:

Residents may submit no more than two (2) one-page letters per month.  
It must be printed or typed, dated with your full name printed, and signed.

**Any form of harassment will be reported.**

— Michelle St. Amant, Resident Commissioner

