



**Traverse City
Housing Commission**
a Public Housing Authority

COMMISSION MEETING MATERIAL

FOR THE REGULAR MEETING
Friday, September 27, 2019 at 8:00 A.M.

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



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**Traverse City
Housing Commission**
a Public Housing Authority

MEETING AGENDA

September 27, 2019



TRAVERSE CITY HOUSING COMMISSION

150 Pine Street, Traverse City, Michigan, 49684

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TCHousing.org

NOTICE

**THE TRAVERSE CITY HOUSING COMMISSION WILL CONDUCT A REGULAR MEETING
ON FRIDAY, SEPTEMBER 27, 2019 AT 8:00 A.M.**

SECOND FLOOR COMMITTEE ROOM – GOVERNMENTAL CENTER

400 Boardman Avenue, Traverse City, Michigan, 49684

(231) 995-5150

POSTED: SEPTEMBER 25, 2019

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 August 23, 2019 Annual Meeting Minutes: Approval Recommended.*
- B. *Consideration of Approval of Schedule of Disbursements for August 2019 for Public Housing & HCV / Section 8 Programs: Approval Recommended.*
- C. *Review & Approval of Payment of Invoices for September 2019: Approval Recommended.*
- D. *Review & Acceptance of Financial Statements for August 2019: Approval Recommended.*

V COMMITTEE & COMMISSIONER REPORTS

- A. Executive & Finance Committee Meeting: September 23, 2019
- B. Governance & Compliance Committee Meeting: September 19, 2019

VI STAFF & PROGRAM REPORTS

- A. Executive Director's Report: September 2019
- B. Family Self-Sufficiency (FSS) Program Report: September 2019
- C. Resident Council Report: September 2019

VII OLD BUSINESS

- A. 2020 Consolidated Budget: Review of August 2019
- B. TCHC Policy Review Schedule: Review
- C. Memorandum on RAD Update: Review

VIII NEW BUSINESS

- A. Resolution to Adopt FY 2020 Fair Market Rents: Action Required
- B. Resolution to Adopt FY 2020 Flat Rent Schedule for Public Housing: Action Required
- C. Resolution to Adopt Changes to the Executive Staff Succession Policy: Action Requested
- D. Resolution to Approve Management Agreement with the ERHC: Action Required
- E. Resolution to Submit Section 18 Application: Action Requested

IX CORRESPONDENCE

- A. August 27, 2019 E-Mail from Carl Coan on HUD CFP Lawsuit
- B. Invitation to Orchardview Residents for September 25, 2019 Meeting with DHHS/DEGLE/County Health Departments
- C. September 8, 2019 Record-Eagle Article on Orchardview
- D. September 16, 2019 Letter from Cunningham Limp Construction Company
- E. Various Documents of FY 2020 Federal Budget
- F. Draft Response Activity Plan to State of Michigan

X PUBLIC COMMENT

XI COMMISSIONER COMMENT

XII ADJOURNMENT

NEXT SCHEDULED MEETING: October 25, 2019



**Traverse City
Housing Commission**
a Public Housing Authority

CONSENT AGENDA

August 23, 2019 Regular Meeting Minutes

Schedule of Disbursements for August 2019 for
Public Housing & HCV Section 8 Programs

Payment of Invoices for September 2019

Financial Statements for August 2019

DRAFT Meeting Minutes of the Traverse City Housing Commission
August 23, 2019

A Regular Meeting of the Traverse City Housing Commission was called to order by President Heather Lockwood at the Government Center – Second Floor Training Room, 400 Boardman Avenue, Traverse City, Michigan at 8:09 A.M.

I ROLL CALL

The following Commissioners were present: Heather Lockwood, Roger Putman, and Jim Friend. Andy Smits and Sarah Lucas were excused.

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

Residents: Norma Loper and Jeff Turner.

II PUBLIC HEARING ON 2019 ADMINISTRATION PLAN FOR HCV PROGRAM

Commissioner Putman moved (Lockwood support) to open the public hearing on the 2019 Administration Plan for the HCV Program. The motion was unanimously approved and the public hearing was called to order at 8:11 A.M.

There were no verbal or written comments from the public.

Commissioner Friend moved (Putman support) to close the public hearing. The motion was unanimously approved and Commissioner Lockwood closed the public hearing at 8:12 A.M.

III APPROVAL OF AGENDA

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

IV PUBLIC COMMENT

None.

V CONSENT AGENDA

Commissioner Friend moved (Putman support) to approve the Consent Agenda as tendered in the August 23, 2019 packet. The motion was unanimously approved.

The Consent Agenda was as follows:

- A. Meeting Minutes of the June 28, 2018 Annual Commission Meeting.
- B. Schedule of Disbursements for June & July 2019 for Public Housing and Housing Choice Voucher Section 8 Programs.
- C. Payment of Invoices for August 2019.
- D. Financial Statements for June (Year End) & July 2019.

VI **COMMITTEE REPORTS**

- A. The meeting minutes from the July 31, 2019 and the August 13, 2019 Executive & Finance Committee meeting were presented and accepted.
- B. The meeting minutes from the July 18, 2019 & August 15, 2019 Governance & Compliance Committee meetings were presented. There was a brief discussion.

VII **STAFF AND PROGRAM REPORTS**

- A. The Executive Director’s July & August 2019 Report was presented. There was a brief discussion.
- B. The July & August 2019 Family Self-Sufficiency Report was presented and accepted.
- C. The June & July 2018 Resident Council Reports were presented and accepted.

VIII **OLD BUSINESS**

- A. The 2019 Consolidated Budget was presented and reviewed for a final time.
- B. The 2020 Consolidated Budget was presented and reviewed for the month of July.
- C. TCHC Policy Review Schedule was presented and reviewed. There was a brief discussion regarding the transition of staff and the policies that might effect.
- D. Staff presented a memorandum on activities with the RAD Program and selected handouts from the recent HUD forum on “repositioning” in Charlevoix, Michigan were reviewed. There was a discussion regarding the funding information under the RAD program.

IX **NEW BUSINESS**

- A. Staff presented a memorandum regarding the RTRC & TCHC Memorandum of Understanding and a draft of the MOU was presented and discussed. Commissioner Putman moved (Friend support) to authorize staff to finalize the negotiations and to execute the final document. The motion was unanimously approved.
- B. Staff presented a memorandum regarding a FSS Escrow Disbursement due to Graduation. Commissioner Lockwood moved (Friend support) to disburse \$5,422.35 as outlined in the memo provided in the August 23, 2019 packet. The motion was unanimously approved.
- C. Commissioner Putman moved (Lockwood support) to adopt the Resolution to Change Authorized Signers on Financial Accounts as presented in the August 23, 2019 packet.

Roll Call

Lockwood	Yes
Friend	Yes
Putman	Yes
Lucas	Excused
Smits	Excused

The resolution was adopted.

- D. Commissioner Friend moved (Putman support) to adopt the Resolution to Adopt the 2019 HCV Administration Plan as presented in the August 23, 2019 Packet.

Roll Call

Friend	Yes
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Putman	Yes
Lockwood	Yes
Lucas	Excused
Smits	Excused

The resolution was adopted.

- E. Commissioners Putman moved (Lockwood support) that the Traverse City Housing Commission enter into a closed session immediately following the second public comment section of today’s agenda in order to discuss a privileged attorney-client communication per MCL 15.268(e).

Roll Call

Putman	Yes
Lockwood	Yes
Friend	Yes
Lucas	Excused
Smits	Excused

The motion was approved.

X CORRESPONDENCE

Six items of correspondence were presented and accepted.

XI PUBLIC COMMENT

None.

Note: Commissioner Lockwood called for a recess so that the Commission could enter into a closed session at 8:47 A.M.

CLOSED SESSION

Commissioner Lockwood called the regular meeting back to order at 9:07 A.M.

Commissioner Friend moved (Lockwood support) to instruct TCHC staff to begin the work necessary to complete HUD Form 52860 on Inventory Removal and the HUD Addendum Form 52860-A and such additional action as may be required in connection with the Section 18 Removal & Conversion Program for the property known as Orchardview Townhomes.

There was a detailed conversation with TCHC attorney Ward Kuhn about the practicality of this action. It was noted that there will be another vote prior to the final submission of the forms to HUD. Upon the advice of counsel, Commissioner Lockwood then called for a roll call vote.

Roll Call

Lockwood	Yes
Friend	Yes
Putman	Yes
Lucas	Excused

Smits Excused

The motion was approved.

XII COMMISSIONER COMMENT

None.

XIII ADJOURNMENT

Commissioner Friend moved (Putman support) to adjourn the meeting and Commissioner Lockwood closed the meeting at 9:20 A.M.

Respectfully submitted,

Michelle Reardon, Recording Secretary

Heather Lockwood, President

Traverse City Housing Commission
Check Register Summary Report
Chemical Bank
From: 08/01/2019 To: 08/31/2019

Date	Ref Num	Payee	Payment	Deposit	Balance
08/01/2019	DEP			3,111.00	55,468.82
08/02/2019	EFT	Internal Revenue Service	2,996.24		52,472.58
08/02/2019	EFT	T Mobile		2,404.00	54,876.58
08/02/2019	DEP			7,822.37	62,698.95
08/02/2019	DEP			2,678.00	65,376.95
08/05/2019	EFT	U.S. Dept. of HUD		5,602.00	70,978.95
08/05/2019	EFT	U.S. Dept. of HUD		29,742.00	100,720.95
08/07/2019	DEP			27,550.50	128,271.45
08/08/2019	DEP			424.30	128,695.75
08/08/2019	038890	Traverse City Record Eagle	343.20		128,352.55
08/08/2019	038891	Environmental Pest Control	290.00		128,062.55
08/08/2019	038892	Spectrum Business	187.75		127,874.80
08/08/2019	038893	The Home Depot Pro Multifamily	763.89		127,110.91
08/08/2019	038894	Sherwin Williams Co.	58.41		127,052.50
08/08/2019	038895	Anthony Lentych	73.31		126,979.19
08/08/2019	038896	Barton Carroll's Inc	72.00		126,907.19
08/08/2019	038897	Ace Hardware	156.00		126,751.19
08/08/2019	038898	Kendall Electric Inc	65.26		126,685.93
08/08/2019	038899	Allen Supply	890.82		125,795.11
08/08/2019	038900	Ace Welding & Machine Inc	150.00		125,645.11
08/09/2019	038901	B & T APPLIANCE	25.00		125,620.11
08/09/2019	038902	Otis Elevator Company	7,588.73		118,031.38
08/09/2019	038903	Kuhn Rogers PLC	3,423.00		114,608.38
08/09/2019	038904	DTE ENERGY	64.50		114,543.88
08/09/2019	038905	City of Traverse City, Treasurer's	216.00		114,327.88
08/09/2019	038906	Joseph Frawley	140.76		114,187.12
08/09/2019	038907	City of Traverse City, Treasurer's	636.97		113,550.15
08/09/2019	038908	D & W Mechanical	581.00		112,969.15
08/09/2019	038909	Northern Greenlawn	284.00		112,685.15
08/09/2019	038910	Grand Traverse Cty. Treasurer	56.07		112,629.08
08/09/2019	038911	Accident Fund	3,151.00		109,478.08
08/09/2019	038912	Verizon Wireless	58.05		109,420.03
08/09/2019	038913	Justin Sailors	34.56		109,385.47
08/09/2019	038914	Byte Productions, LLC	30.00		109,355.47
08/09/2019	038915	David Gourlay	265.06		109,090.41
08/09/2019	038916	Engineered Protection Systems Inc	127.26		108,963.15
08/09/2019	038917	Thomas P. Licavoli	670.00		108,293.15
08/09/2019	038918	Nuisance Animal Control	290.00		108,003.15
08/09/2019	038919	A T & T	459.04		107,544.11
08/09/2019	038920	Great Lakes Business Systems, Inc.	124.37		107,419.74

Traverse City Housing Commission
Check Register Summary Report
Chemical Bank
From: 08/01/2019 To: 08/31/2019

Date	Ref Num	Payee	Payment	Deposit	Balance
08/09/2019	038921	Housing Data Systems, Inc.	145.00		107,274.74
08/09/2019	038922	Snap Printing	86.00		107,188.74
08/09/2019	038923	Total Attention	2,609.29		104,579.45
08/09/2019	038924	City Of Traverse City	165.89		104,413.56
08/09/2019	038925	Grand Traverse County DPW	483.00		103,930.56
08/09/2019	038926	McCardel Water Conditioning	34.50		103,896.06
08/09/2019	038927	Cardmember Service	2,632.17		101,263.89
08/09/2019	038928	City Of Traverse City	121.80		101,142.09
08/09/2019	038929	DTE ENERGY	52.20		101,089.89
08/13/2019	ADJST	Alisa Kroupa	1,278.56		99,811.33
08/13/2019	ADJST	Anthony Lentych	2,528.28		97,283.05
08/13/2019	ADJST	Michelle Reardon	1,467.01		95,816.04
08/13/2019	ADJST	Angela N. Szabo	950.16		94,865.88
08/13/2019	ADJST	Joseph Battaglia	298.90		94,566.98
08/13/2019	ADJST	Joseph Frawley	1,192.83		93,374.15
08/13/2019	ADJST	David Gourlay	1,213.66		92,160.49
08/13/2019	ADJST	Justin Sailors	369.98		91,790.51
08/13/2019	ADJST	Henry Webb	406.48		91,384.03
08/13/2019	ADJST	Chemical Bank	121.14		91,262.89
08/13/2019	EFT	Principal Life Insurance Co.	759.96		90,502.93
08/16/2019	EFT	Internal Revenue Service	2,881.74		87,621.19
08/20/2019	EFT	State Of Michigan	1,456.07		86,165.12
08/21/2019	DEP			6,250.03	92,415.15
08/23/2019	038930	Casey McCotter	5,422.35		86,992.80
08/23/2019	038931	Ethos Development Partners	5,000.00		81,992.80
08/23/2019	038932	Riverview Terrace Resident Council	1,725.00		80,267.80
08/26/2019	EFT	U.S. Dept. of HUD		8,759.19	89,026.99
08/26/2019	DEP			1,277.00	90,303.99
08/26/2019	DEP			392.10	90,696.09
08/26/2019	038933	Collier's Pest Control	350.00		90,346.09
08/26/2019	038934	Northern Greenlawn	213.00		90,133.09
08/26/2019	038935	Home Depot Credit Services	892.72		89,240.37
08/26/2019	038936	SAM'S CLUB	405.35		88,835.02
08/26/2019	038937	Save Carpet USA	5,797.00		83,038.02
08/26/2019	038938	Nahro Professional Development	532.68		82,505.34
08/26/2019	038939	Michigan NAHRO	45.00		82,460.34
08/26/2019	038940	Housing Authority Accounting	1,099.41		81,360.93
08/26/2019	038941	D & W Mechanical	2,098.40		79,262.53
08/26/2019	038942	Integrated Payroll Services, Inc.	169.35		79,093.18
08/26/2019	038943	Safety Net	864.00		78,229.18

Traverse City Housing Commission
Check Register Summary Report
Chemical Bank
From: 08/01/2019 To: 08/31/2019

Date	Ref Num	Payee	Payment	Deposit	Balance
08/26/2019	038944	City Of Traverse City	10,961.26		67,267.92
08/26/2019	038945	Anthony Lentych	289.25		66,978.67
08/26/2019	038946	DTE ENERGY	48.70		66,929.97
08/26/2019	038947	Staples Business Advantage	98.43		66,831.54
08/26/2019	038948	Johnson Controls	1,142.26		65,689.28
08/26/2019	038949	A T & T	166.21		65,523.07
08/26/2019	038950	State Of Michigan	250.00		65,273.07
08/26/2019	038951	Republic Services #239	913.79		64,359.28
08/26/2019	038952	CynergyComm.net,Inc	11.00		64,348.28
08/26/2019	038953	Ace Hardware	156.00		64,192.28
08/26/2019	038954	AmRent	203.55		63,988.73
08/26/2019	038955	Vision Service Plan	72.09		63,916.64
08/26/2019	038956	Spectrum Business	3,471.64		60,445.00
08/26/2019	038957	Priority Health	675.36		59,769.64
08/26/2019	038958	Environmental Pest Control	65.00		59,704.64
08/27/2019	ADJST	Alisa Kroupa	1,278.55		58,426.09
08/27/2019	ADJST	Anthony Lentych	2,528.28		55,897.81
08/27/2019	ADJST	Michelle Reardon	1,530.13		54,367.68
08/27/2019	ADJST	Angela N. Szabo	950.16		53,417.52
08/27/2019	ADJST	Joseph Battaglia	217.68		53,199.84
08/27/2019	ADJST	Joseph Frawley	1,227.07		51,972.77
08/27/2019	ADJST	David Gourlay	1,094.39		50,878.38
08/27/2019	ADJST	Justin Sailors	287.96		50,590.42
08/27/2019	ADJST	Henry Webb	622.23		49,968.19
08/27/2019	ADJST	Chemical Bank	121.14		49,847.05
08/27/2019	038945	**VOID** Anthony Lentych	(289.25)		50,136.30
08/27/2019	038959	Michelle Reardon	289.25		49,847.05
08/30/2019	EFT	Internal Revenue Service	2,904.89		46,942.16
08/30/2019	DEP			1,305.00	48,247.16
08/30/2019	DEP			1,695.00	49,942.16
Total:			101,428.15	99,012.49	

Traverse City Housing Commission
Check Register Summary Report
PNC - Section 8
From: 08/01/2019 To: 08/31/2019

Date	Ref Num	Payee	Payment	Deposit	Balance
08/01/2019	EFT	U.S. Dept. of HUD		8,239.00	146,051.65
08/01/2019	EFT	U.S. Dept. of HUD		103,972.00	250,023.65
08/01/2019	ADJST	PNC Bank	77.10		249,946.55
08/01/2019	000232	TC Commons I LDHA, LLC	258.00		249,688.55
08/01/2019	000232	Jeana Aiken	602.00		249,086.55
08/01/2019	000232	Dustin Ansorge	1,250.00		247,836.55
08/01/2019	000232	Anthony Ansorge	731.00		247,105.55
08/01/2019	000232	Ayers Investment Properties LLC	728.00		246,377.55
08/01/2019	000232	B & R RENTALS, LLC	778.00		245,599.55
08/01/2019	000232	Bay Front Apartments	359.00		245,240.55
08/01/2019	000232	Bay Hill Housing LDHALP	7,271.00		237,969.55
08/01/2019	000232	Bay Hill II	8,638.00		229,331.55
08/01/2019	000232	Elizabeth Beckett	312.00		229,019.55
08/01/2019	000232	Bellaire Senior Apartments	304.00		228,715.55
08/01/2019	000232	Brookside Commons LDHA, LP	3,046.00		225,669.55
08/01/2019	000232	Brown Elder Apartments LLC	177.00		225,492.55
08/01/2019	000232	Irma Jean Brownley	136.00		225,356.55
08/01/2019	000232	Rebecca Carmien	288.00		225,068.55
08/01/2019	000232	Carson Square	5,930.00		219,138.55
08/01/2019	000232	Chris R. Frank	958.00		218,180.55
08/01/2019	000232	Central Lake Townhouses	390.00		217,790.55
08/01/2019	000232	Cherrywood Village Farms, Inc.	3,125.00		214,665.55
08/01/2019	000232	Douglas A. Chichester	650.00		214,015.55
08/01/2019	000232	Davis Investment Properties, LLC	671.00		213,344.55
08/01/2019	000232	Jack V. Dean	417.00		212,927.55
08/01/2019	000232	Zachary Duell	1,200.00		211,727.55
08/01/2019	000232	East Bay Properties	584.00		211,143.55
08/01/2019	000232	Chester Farrell	499.00		210,644.55
08/01/2019	000232	Five P Enterprises, LLC	477.00		210,167.55
08/01/2019	000232	Lisa Forbes	531.00		209,636.55
08/01/2019	000232	Mabel Foust	446.00		209,190.55
08/01/2019	000232	Frankfort Housing LDHA LP	297.00		208,893.55
08/01/2019	000232	Michael Glowacki	707.00		208,186.55
08/01/2019	000232	David Grzesiek	393.00		207,793.55
08/01/2019	000232	Habitat for Humanity	331.00		207,462.55
08/01/2019	000232	Matthew Hamminga	1,200.00		206,262.55
08/01/2019	000232	Harbour Ridge Apts	1,159.00		205,103.55
08/01/2019	000232	Leonard Herman	524.00		204,579.55
08/01/2019	000232	Hillview Terrace	1,575.00		203,004.55
08/01/2019	000232	Josh Hollister	403.00		202,601.55

Traverse City Housing Commission
Check Register Summary Report
PNC - Section 8
From: 08/01/2019 To: 08/31/2019

Date	Ref Num	Payee	Payment	Deposit	Balance
08/01/2019	000232	HomeStretch	3,058.00		199,543.55
08/01/2019	000232	Nancy Irish	572.00		198,971.55
08/01/2019	000232	Donna Kalchik	304.00		198,667.55
08/01/2019	000232	Kalkaska Woods Limited Partnership	302.00		198,365.55
08/01/2019	000232	Bruce W. Korson	420.00		197,945.55
08/01/2019	000232	Lake Pointe Acquisitions LLC.	307.00		197,638.55
08/01/2019	000232	Sidney Lammers	397.00		197,241.55
08/01/2019	000232	John J. Lewis	310.00		196,931.55
08/01/2019	000232	Don E. Lint	502.00		196,429.55
08/01/2019	000232	Maret Sabourin	514.00		195,915.55
08/01/2019	000232	Sue Martin	658.00		195,257.55
08/01/2019	000232	Robert J. Mork	390.00		194,867.55
08/01/2019	000232	Kim Lien Thi Nguyen	974.00		193,893.55
08/01/2019	000232	Oak Park Apts	1,361.00		192,532.55
08/01/2019	000232	Oak Terrace Apts	720.00		191,812.55
08/01/2019	000232	Daniel G. Pohlman	893.00		190,919.55
08/01/2019	000232	Douglas L. Porter	418.00		190,501.55
08/01/2019	000232	Timothy Rice	340.00		190,161.55
08/01/2019	000232	Sabin Pond Apartments LLC	126.00		190,035.55
08/01/2019	000232	Eldon Schaub	377.00		189,658.55
08/01/2019	000232	Mike & Melissa Schichtel	1,100.00		188,558.55
08/01/2019	000232	Sherwin Rentals	1,212.00		187,346.55
08/01/2019	000232	Samuel Shore	986.00		186,360.55
08/01/2019	000232	Gerald Sieggreen	741.00		185,619.55
08/01/2019	000232	SILVER SHORES MHC	3,979.00		181,640.55
08/01/2019	000232	Mark & Cheryl Snyder	497.00		181,143.55
08/01/2019	000232	Ryan Storey	360.00		180,783.55
08/01/2019	000232	22955 Investments LLC	1,879.00		178,904.55
08/01/2019	000232	Traverse City Property Management	51.00		178,853.55
08/01/2019	000232	TCR Investments, LLC	491.00		178,362.55
08/01/2019	000232	TCWFH	688.00		177,674.55
08/01/2019	000232	Wendy Teagan	502.00		177,172.55
08/01/2019	000232	TEAMCO PROPERTIES, LLC	394.00		176,778.55
08/01/2019	000232	TOS Holdings, LLC	781.00		175,997.55
08/01/2019	000232	Tradewinds Terrace Apts	289.00		175,708.55
08/01/2019	000232	Village Apartments LDHA	387.00		175,321.55
08/01/2019	000232	Village Glen Apartments	7,939.00		167,382.55
08/01/2019	000232	Village View Housing LHDA LP	1,476.00		165,906.55
08/01/2019	000232	Village Woods	1,633.00		164,273.55
08/01/2019	000232	Wagner Asset Group at Ninth Street,	732.00		163,541.55

Traverse City Housing Commission
Check Register Summary Report
 PNC - Section 8
 From: 08/01/2019 To: 08/31/2019

Date	Ref Num	Payee	Payment	Deposit	Balance
08/01/2019	000232	Paul Wheelock	602.00		162,939.55
08/01/2019	000232	Susette Redman Wilson	1,000.00		161,939.55
08/01/2019	000232	Woda Boardman Lake LDHA.LP	943.00		160,996.55
08/01/2019	000232	Woodmere Ridge Apartments LDHA	3,888.00		157,108.55
08/01/2019	000232	Wyatt Road Apartment Company	1,178.00		155,930.55
08/01/2019	000232	Theodore V. Zachman	887.00		155,043.55
08/01/2019	000232	Barb Zupin	493.00		154,550.55
08/01/2019	023150	PK Housing	698.00		153,852.55
08/01/2019	023151	Kevin Warren	540.00		153,312.55
08/07/2019	DEP			1,029.86	154,342.41
08/15/2019	022938	**VOID** DTE ENERGY	(809.00)		155,151.41
08/26/2019	023152	Traverse City Housing Commission	21,103.06		134,048.35
08/26/2019	023153	Chase Bank	6,685.00		127,363.35
08/26/2019	023154	Cherryland Electric Cooperative	147.20		127,216.15
08/26/2019	023155	City Of Traverse City	147.10		127,069.05
08/26/2019	023156	Consumers Energy	81.20		126,987.85
08/26/2019	023157	DTE ENERGY	280.20		126,707.65
08/26/2019	023158	Lisa L. Forbes	14.00		126,693.65
08/26/2019	023159	Holtons LP Gas Fife Lake	6.30		126,687.35
Total:			124,366.16	113,240.86	

Traverse City Housing Commission
Check Register Summary Report
Chemical Bank
From: 09/01/2019 To: 09/20/2019

Date	Ref Num	Payee	Payment	Deposit	Balance
09/03/2019	EFT	U.S. Dept. of HUD		5,602.00	55,544.16
09/03/2019	EFT	U.S. Dept. of HUD		29,742.00	85,286.16
09/03/2019	DEP			36,813.06	122,099.22
09/03/2019	DEP			7,194.37	129,293.59
09/04/2019	DEP			8,842.00	138,135.59
09/05/2019	DEP			5,706.00	143,841.59
09/05/2019	038960	Perfect Fence Co.	5,679.50		138,162.09
09/06/2019	DEP			7,483.02	145,645.11
09/10/2019	ADJST	Alisa Kroupa	1,278.55		144,366.56
09/10/2019	ADJST	Anthony Lentych	2,528.29		141,838.27
09/10/2019	ADJST	Michelle Reardon	1,698.52		140,139.75
09/10/2019	ADJST	Angela N. Szabo	950.17		139,189.58
09/10/2019	ADJST	Joseph Battaglia	298.90		138,890.68
09/10/2019	ADJST	Joseph Frawley	1,227.08		137,663.60
09/10/2019	ADJST	David Gourlay	1,219.94		136,443.66
09/10/2019	ADJST	Justin Sailors	435.18		136,008.48
09/10/2019	ADJST	Henry Webb	564.70		135,443.78
09/10/2019	ADJST	Chemical Bank	121.14		135,322.64
09/10/2019	EFT	Principal Life Insurance Co.	778.84		134,543.80
09/11/2019	DEP			1,214.50	135,758.30
09/12/2019				111.00	135,869.30
09/12/2019				472.70	136,342.00
09/13/2019	EFT	Internal Revenue Service	3,065.39		133,276.61
09/13/2019	038961	All American Investment Group, LLC	9,486.76		123,789.85
09/13/2019	038962	The Inspection Group	1,200.00		122,589.85
09/13/2019	038963	Traverse Outdoor	590.85		121,999.00
09/13/2019	038964	Collier's Pest Control	300.00		121,699.00
09/13/2019	038965	Advantage Electric, LLC	295.04		121,403.96
09/13/2019	038966	Summit Companies	136.27		121,267.69
09/13/2019	038967	Grand Traverse Cty. Treasurer	56.07		121,211.62
09/13/2019	038968	Byte Productions, LLC	30.00		121,181.62
09/13/2019	038969	Environmental Pest Control	208.80		120,972.82
09/13/2019	038969	**VOID** Environmental Pest Control	(208.80)		121,181.62
09/13/2019	038970	Roto-Rooter of Northern Michigan	222.25		120,959.37
09/13/2019	038971	Grand Traverse County DPW	483.00		120,476.37
09/13/2019	038972	A T & T	419.54		120,056.83
09/13/2019	038973	Traverse City Record Eagle	432.00		119,624.83
09/13/2019	038974	Integrated Payroll Services, Inc.	112.90		119,511.93
09/13/2019	038975	Total Attention	1,025.00		118,486.93
09/13/2019	038975	**VOID** Total Attention	(1,025.00)		119,511.93

Traverse City Housing Commission
Check Register Summary Report
 Chemical Bank
 From: 09/01/2019 To: 09/20/2019

Date	Ref Num	Payee	Payment	Deposit	Balance
09/13/2019	038976	Great Lakes Business Systems, Inc.	265.24		119,246.69
09/13/2019	038977	Spectrum Business	3,656.62		115,590.07
09/13/2019	038978	Dolly's Best Inc.	800.00		114,790.07
09/13/2019	038979	Elmer's	4,575.00		110,215.07
09/13/2019	038980	City Of Traverse City	175.24		110,039.83
09/13/2019	038981	Northern Greenlawn	293.00		109,746.83
09/13/2019	038982	AmRent	123.90		109,622.93
09/13/2019	038983	Republic Services #239	1,961.82		107,661.11
09/13/2019	038984	CynergyComm.net,Inc	22.73		107,638.38
09/13/2019	038985	Allen Supply	15.52		107,622.86
09/13/2019	038986	Housing Authority Accounting	2,806.32		104,816.54
09/13/2019	038987	Safety Net	1,989.12		102,827.42
09/13/2019	038988	Environmental Pest Control	2,977.00		99,850.42
09/13/2019	038989	Verizon Wireless	392.30		99,458.12
09/13/2019	038990	Justin Sailors	32.83		99,425.29
09/13/2019	038991	Joseph Frawley	121.85		99,303.44
09/13/2019	038992	David Gourlay	156.25		99,147.19
09/13/2019	038993	DTE ENERGY	129.61		99,017.58
09/16/2019	038994	Engineered Protection Systems Inc	208.80		98,808.78
09/17/2019				2,726.14	101,534.92
09/20/2019	EFT	State Of Michigan	968.57		100,566.35
Total:			55,282.60	105,906.79	

Traverse City Housing Commission
Check Register Summary Report
PNC - Section 8
From: 09/01/2019 To: 09/20/2019

Date	Ref Num	Payee	Payment	Deposit	Balance
09/03/2019	EFT	U.S. Dept. of HUD		8,239.00	134,926.35
09/03/2019	EFT	U.S. Dept. of HUD		100,785.00	235,711.35
09/03/2019	ADJST	PNC Bank	77.45		235,633.90
09/03/2019	000233	TC Commons I LDHA, LLC	258.00		235,375.90
09/03/2019	000233	Jeana Aiken	602.00		234,773.90
09/03/2019	000233	Dustin Ansorge	1,250.00		233,523.90
09/03/2019	000233	Anthony Ansorge	731.00		232,792.90
09/03/2019	000233	Ayers Investment Properties LLC	728.00		232,064.90
09/03/2019	000233	B & R RENTALS, LLC	790.00		231,274.90
09/03/2019	000233	Bay Front Apartments	359.00		230,915.90
09/03/2019	000233	Bay Hill Housing LDHALP	7,271.00		223,644.90
09/03/2019	000233	Bay Hill II	8,681.00		214,963.90
09/03/2019	000233	Elizabeth Beckett	280.00		214,683.90
09/03/2019	000233	Bellaire Senior Apartments	304.00		214,379.90
09/03/2019	000233	Brookside Commons LDHA, LP	3,053.00		211,326.90
09/03/2019	000233	Brown Elder Apartments LLC	205.00		211,121.90
09/03/2019	000233	Irma Jean Brownley	136.00		210,985.90
09/03/2019	000233	Rebecca Carmien	288.00		210,697.90
09/03/2019	000233	Carson Square	5,930.00		204,767.90
09/03/2019	000233	Chris R. Frank	931.00		203,836.90
09/03/2019	000233	Central Lake Townhouses	390.00		203,446.90
09/03/2019	000233	Cherrywood Village Farms, Inc.	3,125.00		200,321.90
09/03/2019	000233	Douglas A. Chichester	650.00		199,671.90
09/03/2019	000233	Davis Investment Properties, LLC	671.00		199,000.90
09/03/2019	000233	Jack V. Dean	417.00		198,583.90
09/03/2019	000233	Zachary Duell	1,200.00		197,383.90
09/03/2019	000233	East Bay Properties	584.00		196,799.90
09/03/2019	000233	Chester Farrell	499.00		196,300.90
09/03/2019	000233	Five P Enterprises, LLC	477.00		195,823.90
09/03/2019	000233	Lisa Forbes	531.00		195,292.90
09/03/2019	000233	Mabel Foust	439.00		194,853.90
09/03/2019	000233	Frankfort Housing LDHA LP	297.00		194,556.90
09/03/2019	000233	Michael Glowacki	685.00		193,871.90
09/03/2019	000233	David Grzesiek	393.00		193,478.90
09/03/2019	000233	Habitat for Humanity	331.00		193,147.90
09/03/2019	000233	Matthew Hamminga	1,200.00		191,947.90
09/03/2019	000233	Harbour Ridge Apts	1,159.00		190,788.90
09/03/2019	000233	Leonard Herman	524.00		190,264.90
09/03/2019	000233	Hillview Terrace	1,575.00		188,689.90
09/03/2019	000233	Josh Hollister	403.00		188,286.90

Traverse City Housing Commission
Check Register Summary Report
PNC - Section 8
From: 09/01/2019 To: 09/20/2019

Date	Ref Num	Payee	Payment	Deposit	Balance
09/03/2019	000233	HomeStretch	3,015.00		185,271.90
09/03/2019	000233	Nancy Irish	560.00		184,711.90
09/03/2019	000233	Donna Kalchik	304.00		184,407.90
09/03/2019	000233	Kalkaska Woods Limited Partnership	302.00		184,105.90
09/03/2019	000233	Bruce W. Korson	420.00		183,685.90
09/03/2019	000233	Lake Pointe Acquisitions LLC.	307.00		183,378.90
09/03/2019	000233	Sidney Lammers	397.00		182,981.90
09/03/2019	000233	Don E. Lint	502.00		182,479.90
09/03/2019	000233	Maret Sabourin	514.00		181,965.90
09/03/2019	000233	Sue Martin	658.00		181,307.90
09/03/2019	000233	Robert J. Mork	390.00		180,917.90
09/03/2019	000233	Kim Lien Thi Nguyen	966.00		179,951.90
09/03/2019	000233	TOS Holdings, LLC	771.00		179,180.90
09/03/2019	000233	Oak Park Apts	1,385.00		177,795.90
09/03/2019	000233	Oak Terrace Apts	720.00		177,075.90
09/03/2019	000233	Daniel G. Pohlman	893.00		176,182.90
09/03/2019	000233	Douglas L. Porter	539.00		175,643.90
09/03/2019	000233	Timothy Rice	340.00		175,303.90
09/03/2019	000233	Sabin Pond Apartments LLC	126.00		175,177.90
09/03/2019	000233	Eldon Schaub	377.00		174,800.90
09/03/2019	000233	Mike & Melissa Schichtel	1,100.00		173,700.90
09/03/2019	000233	Sherwin Rentals	1,212.00		172,488.90
09/03/2019	000233	Samuel Shore	986.00		171,502.90
09/03/2019	000233	Gerald Sieggreen	741.00		170,761.90
09/03/2019	000233	SILVER SHORES MHC	3,979.00		166,782.90
09/03/2019	000233	Mark & Cheryl Snyder	497.00		166,285.90
09/03/2019	000233	Ryan Storey	360.00		165,925.90
09/03/2019	000233	22955 Investments LLC	1,853.00		164,072.90
09/03/2019	000233	Traverse City Property Management	51.00		164,021.90
09/03/2019	000233	TCR Investments, LLC	491.00		163,530.90
09/03/2019	000233	TCWFH	688.00		162,842.90
09/03/2019	000233	Wendy Teagan	502.00		162,340.90
09/03/2019	000233	TEAMCO PROPERTIES, LLC	394.00		161,946.90
09/03/2019	000233	Tradewinds Terrace Apts	289.00		161,657.90
09/03/2019	000233	Village Apartments LDHA	387.00		161,270.90
09/03/2019	000233	Village Glen Apartments	7,793.00		153,477.90
09/03/2019	000233	Village View Housing LHDA LP	1,476.00		152,001.90
09/03/2019	000233	Village Woods	1,633.00		150,368.90
09/03/2019	000233	Wagner Asset Group at Ninth Street,	732.00		149,636.90
09/03/2019	000233	Paul Wheelock	602.00		149,034.90

Traverse City Housing Commission
Check Register Summary Report
PNC - Section 8
From: 09/01/2019 To: 09/20/2019

Date	Ref Num	Payee	Payment	Deposit	Balance
09/03/2019	000233	Susette Redman Wilson	1,000.00		148,034.90
09/03/2019	000233	Woda Boardman Lake LDHA.LP	959.00		147,075.90
09/03/2019	000233	Woodmere Ridge Apartments LDHA	4,590.00		142,485.90
09/03/2019	000233	Wyatt Road Apartment Company	1,178.00		141,307.90
09/03/2019	000233	Theodore V. Zachman	887.00		140,420.90
09/03/2019	000233	Barb Zupin	493.00		139,927.90
09/03/2019	023160	PK Housing	698.00		139,229.90
09/03/2019	023161	Kevin Warren	328.00		138,901.90
09/04/2019	DEP			100.00	139,001.90
Total:			96,809.45	109,124.00	

**Traverse City Housing Commission
Low Rent Public Housing
Balance Sheet
As of August 31, 2019**

ASSETS

CURRENT ASSETS

Cash

1111.1 - General Fund	\$ 93,152.71
1111.9 - Cash-Short Term Investments	411,351.92
1116 - Debt Svc. Reserve-CFFP (Restricted)	26,876.38
1117 - Petty Cash Fund	230.61
1118 - Laundry Coin Fund	50.00

Total Cash \$ 531,661.62

Receivables

1122 - Tenants	\$ 93.29
1122.1 - Allowance for Doubtful Accounts	(696.51)
1125 - Accounts Receivable - HUD	7,937.28
1129.1 - Accounts Receivable-Other	(7,300.71)
1129.11 - Interfund Due From Vouchers	10,069.93
1130 - Accounts Receivable-TAHDC	1,177.27
1145 - Accrued Interest	528.79

Total Receivables \$ 11,809.34

Investments

1162 - Investments	\$ 53,280.78
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Total Investments \$ 53,280.78

Deferred Charges

1211 - Prepaid Insurance	\$ 27,312.10
1290 - Other Deferred Charges	(1,700.00)

Total Deferred Charges \$ 25,612.10

TOTAL CURRENT ASSETS \$ 622,363.84

NON-CURRENT ASSETS

1300 - Investments in Joint Ventures	\$ 75,000.00
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Fixed Assets

1400.5 - Accumulated Depreciation	\$ (7,172,648.99)
1400.6 - Land	297,665.49
1400.61 - Site Improvements	404,676.02
1400.7 - Buildings	3,618,326.64
1400.71 - Building Improvements	3,985,147.91
1400.72 - Non-dwelling Structures	349,405.97
1400.8 - Furn., Equip., Mach.-Dwellings	103,727.20
1400.9 - Furn., Equip., Mach.-Admin	253,410.96

Total Fixed Assets \$ 1,839,711.20

TOTAL NON-CURRENT ASSETS \$ 1,914,711.20

TOTAL ASSETS \$ 2,537,075.04

**Traverse City Housing Commission
Low Rent Public Housing
Balance Sheet
As of August 31, 2019**

LIABILITIES AND EQUITY

CURRENT LIABILITIES

Accounts Payable

2111 - Vendors and Contractors	\$	10,168.92
2114 - Tenant Security Deposits		38,413.00
2117.3 - State Income Tax Withheld		968.57
2117.4 - HSA Withheld		7.40
2117.7 - AFLAC Withheld		329.30
2119 - Accts Payable-Other		<u>4,360.00</u>

Total Accounts Payable \$ 54,247.19

Accrued Liabilities

2130.1 - Notes Payable-ST (Deutsche Bank)-CFFP	\$	34,894.98
2130.2 - Notes Payable ST (AAIG)-EPC		32,705.34
2135 - Salaries and Wages		9,253.26
2135.1 - Compensated Absences-Short Term		4,840.91
2135.2 - Accrued Payroll Taxes		645.84
2136 - Accrued Liabilities-Other		9,686.04
2137 - Payments in Lieu of Taxes		<u>31,159.75</u>

Total Accrued Liabilities \$ 123,186.12

Deferred Credits

2290 - Other Deferred Credits	\$	994.51
2690 - Undistributed Deposits After Cutoff		<u>300.00</u>

Total Deferred Credits \$ 1,294.51

Total Current Liabilities \$ 178,727.82

NONCURRENT LIABILITIES

2315 - Notes Payable-LT (Deutsche Bank)-CFFP	\$	328,939.07
2316 - Notes Payable LT-EPC		88,909.54
2435.1 - Compensated Absences-Long Term		<u>1,570.02</u>

Total Noncurrent Liabilities \$ 419,418.63

TOTAL LIABILITIES \$ 598,146.45

EQUITY

2806.1 - Invested in Capital Assets, Net of Debt	\$	1,363,104.07
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Net Assets

2806 - Unrestricted Net Assets	\$	473,070.70
2807 - Restricted Net Assets	\$	75,000.00
Income and Expense Clearing		18,994.88
Income and Expense Clearing-2018 CFP		<u>8,758.94</u>

Total Net Assets \$ 575,824.52

TOTAL EQUITY \$ 1,938,928.59

TOTAL LIABILITIES/EQUITY \$ 2,537,075.04

**Traverse City Housing Commission
Low Rent Public Housing
Income & Expense Statement
For the 1 Month and 2 Months Ended August 31, 2019**

	1 Month Ended	2 Months Ended	BUDGET	*OVER/UNDER
	<u>August 31, 2019</u>	<u>August 31, 2019</u>		
Operating Income				
Rental Income				
3110 - Dwelling Rental	\$ 32,340.00	\$ 64,690.00	\$ 445,000	\$ 380,310.00
3110.2 - Dwelling Rental-Proj. 2	6,800.00	12,080.00	0	(12,080.00)
3120 - Excess Utilities	111.00	238.00	0	(238.00)
3190 - Nondwelling Rental	7,989.37	15,380.74	85,000	69,619.26
Total Rental Income	<u>\$ 47,240.37</u>	<u>\$ 92,388.74</u>	<u>\$ 530,000</u>	<u>\$ 437,611.26</u>
Revenues - HUD PHA GRANTS				
3401.2 - Operating Subsidy	\$ 29,742.00	\$ 67,141.00	\$ 260,000	\$ 192,859.00
Total HUD PHA GRANTS	<u>\$ 29,742.00</u>	<u>\$ 67,141.00</u>	<u>\$ 260,000</u>	<u>\$ 192,859.00</u>
Nonrental Income				
3610 - Interest Income-Gen. Fund	\$ 225.62	\$ 471.99	\$ 2,750	\$ 2,278.01
3690 - Tenant Income	189.00	772.00	5,000	4,228.00
3690.1 - Non-Tenant Income	1,216.25	2,413.50	50,000	47,586.50
3690.2 - Tenant Income-Cable	2,225.00	4,450.00	33,000	28,550.00
3692 - Management Fee	4,931.18	24,153.36	32,000	7,846.64
Total Nonrental Income	<u>\$ 8,787.05</u>	<u>\$ 32,260.85</u>	<u>\$ 122,750</u>	<u>\$ 90,489.15</u>
Total Operating Income	<u>\$ 85,769.42</u>	<u>\$ 191,790.59</u>	<u>\$ 912,750</u>	<u>\$ 720,959.41</u>
Operating Expenses				
Routine Expense				
Administration				
4110 - Administrative Salaries	\$ 9,786.76	\$ 24,732.04	\$ 138,790	\$ 114,057.96
4130 - Legal Expense	3,423.00	3,606.30	18,000	14,393.70
4140 - Staff Training	395.38	395.38	5,950	5,554.62
4150 - Travel Expense	408.13	735.00	4,700	3,965.00
4170 - Accounting Fees	450.16	900.32	8,500	7,599.68
4171 - Auditing	0.00	0.00	4,000	4,000.00
4182 - Employee Benefits - Admin	492.81	5,368.34	30,010	24,641.66
4185 - Telephone	852.46	1,535.98	7,500	5,964.02
4190.1 - Publications	0.00	0.00	800	800.00
4190.2 - Membership Dues and Fees	157.05	194.55	1,000	805.45
4190.3 - Admin. Service Contracts	1,276.07	2,677.15	21,770	19,092.85
4190.4 - Office Supplies	161.79	272.67	4,200	3,927.33
4190.5 - Other Sundry Expense	5,709.34	7,092.62	11,900	4,807.38
4190.6 - Advertising	0.00	0.00	1,500	1,500.00
Total Administration	<u>\$ 23,112.95</u>	<u>\$ 47,510.35</u>	<u>\$ 258,620</u>	<u>\$ 211,109.65</u>
Tenant Services				
4220 - Rec., Pub., & Other Services	\$ 1,968.66	\$ 2,202.76	\$ 9,500	\$ 7,297.24
4230 - Cable TV-Tenants	3,471.64	6,943.28	40,000	33,056.72
Total Tenant Services	<u>\$ 5,440.30</u>	<u>\$ 9,146.04</u>	<u>\$ 49,500</u>	<u>\$ 40,353.96</u>

**Traverse City Housing Commission
Low Rent Public Housing
Income & Expense Statement
For the 1 Month and 2 Months Ended August 31, 2019**

	1 Month Ended	2 Months Ended	BUDGET	*OVER/UNDER
	<u>August 31, 2019</u>	<u>August 31, 2019</u>		
Utilities				
4310 - Water	\$ 2,791.51	\$ 4,549.65	\$ 17,500	\$ 12,950.35
4320 - Electricity	8,818.64	16,565.76	145,000	128,434.24
4330 - Gas	93.95	274.73	22,000	21,725.27
Total Utilities	\$ 11,704.10	\$ 21,390.14	\$ 184,500	\$ 163,109.86
Ordinary Maint. & Operations				
4410 - Labor, Maintenance	\$ 9,430.57	\$ 23,406.42	\$ 135,570	\$ 112,163.58
4420 - Materials	4,850.86	7,106.04	39,500	32,393.96
4430.02 - Heating & Cooling Contracts	2,679.40	2,794.40	6,000	3,205.60
4430.03 - Snow Removal Contracts	0.00	0.00	5,000	5,000.00
4430.04 - Elevator Maintenance Contracts	7,838.73	7,838.73	9,500	1,661.27
4430.05 - Landscape & Grounds Contracts	3,106.29	4,323.79	10,000	5,676.21
4430.06 - Unit Turnaround Contracts	670.00	2,710.00	18,000	15,290.00
4430.07 - Electrical Contracts	0.00	0.00	1,000	1,000.00
4430.08 - Plumbing Contracts	0.00	353.70	2,500	2,146.30
4430.09 - Extermination Contracts	995.00	1,285.00	3,000	1,715.00
4430.10 - Janitorial Contracts	0.00	0.00	1,000	1,000.00
4430.11 - Routine Maintenance Contracts	1,426.03	3,226.03	15,000	11,773.97
4430.12 - Misc. Contracts	150.00	963.32	15,000	14,036.68
4431 - Garbage Removal	913.79	1,756.93	8,000	6,243.07
4433 - Employee Benefits - Maint.	2,396.16	8,810.74	48,760	39,949.26
Total Ordinary Maint. & Oper	\$ 34,456.83	\$ 64,575.10	\$ 317,830	\$ 253,254.90
General Expense				
4510 - Insurance	\$ 2,697.31	\$ 5,469.16	\$ 31,500	\$ 26,030.84
4520 - Payment in Lieu of Taxes	2,083.34	4,166.68	25,000	20,833.32
4550 - Compensated Absences	0.00	0.00	(1,000)	(1,000.00)
4570 - Collection Losses	0.00	0.00	3,000	3,000.00
4586 - Interest Expense-CFFP	0.00	0.00	33,000	33,000.00
Total General Expense	\$ 4,780.65	\$ 9,635.84	\$ 91,500	\$ 81,864.16
Total Routine Expense	\$ 79,494.83	\$ 152,257.47	\$ 901,950	\$ 749,692.53
Non-Routine Expense				
Extraordinary Maintenance				
4610.3 - Contract Costs	\$ 257.86	\$ 7,757.86	\$ 10,000	\$ 2,242.14
Total Extraordinary Maintenance	\$ 257.86	\$ 7,757.86	\$ 10,000	\$ 2,242.14
Casualty Losses-Not Cap.				
Total Casualty Losses	\$ 0.00	\$ 0.00	\$ 0	\$ 0.00
Total Non-Routine Expense	\$ 257.86	\$ 7,757.86	\$ 10,000	\$ 2,242.14
Total Operating Expenses	\$ 79,752.69	\$ 160,015.33	\$ 911,950	\$ 751,934.67
Operating Income (Loss)	\$ 6,016.73	\$ 31,775.26	\$ 800	\$ (30,975.26)
Depreciation Expense				
4800 - Depreciation - Current Year	\$ 15,729.82	\$ 31,459.74	\$ 0	\$ (31,459.74)
Total Depreciation Expense	\$ 15,729.82	\$ 31,459.74	\$ 0	\$ (31,459.74)

**Traverse City Housing Commission
Low Rent Public Housing
Income & Expense Statement
For the 1 Month and 2 Months Ended August 31, 2019**

	1 Month Ended	2 Months Ended		
	<u>August 31, 2019</u>	<u>August 31, 2019</u>	<u>BUDGET</u>	<u>*OVER/UNDER</u>
Surplus Credits & Charges				
Total Surplus Credits & Charges	\$ 0.00	\$ 0.00	\$ 0	\$ 0.00
Capital Expenditures				
7540 - Betterments and Additions	\$ 13,859.00	\$ 13,859.00	\$ 20,000	\$ 6,141.00
7590 - Operating Expenditures-Contra	(13,859.00)	(13,859.00)	0	13,859.00
Total Capital Expenditures	\$ 0.00	\$ 0.00	\$ 20,000	\$ 20,000.00
Other Financial Items				
8010 - Operating Transfers In	\$ 18,679.36	\$ 18,679.36	\$ (109,000)	\$ (127,679.36)
Total Other Financial Items	\$ 18,679.36	\$ 18,679.36	\$ (109,000)	\$ (127,679.36)
HUD Net Income (Loss)	<u>\$ 10,837.09</u>	<u>\$ 36,595.62</u>	<u>\$ 89,800</u>	<u>\$ 53,204.38</u>
GAAP Net Income (Loss)	<u>\$ 8,966.27</u>	<u>\$ 18,994.88</u>	<u>\$ (128,200)</u>	<u>\$ (147,194.88)</u>

**Traverse City Housing Commission
Housing Choice Voucher Program
Balance Sheet
As of August 31, 2019**

ASSETS

CURRENT ASSETS

Cash

1111.1 - General Fund	\$	126,665.20
1111.6 - FSS Escrow Savings		66,274.52

Total Cash	\$	192,939.72
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Receivables

Total Receivables	\$	0.00
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Investments

Total Investments	\$	0.00
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Deferred Charges

Total Deferred Charges	\$	0.00
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TOTAL CURRENT ASSETS	\$	192,939.72
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Fixed Assets

1400.5 - Accumulated Depreciation	\$	(5,259.28)
1400.9 - Furn., Equip., Mach.-Admin		6,057.13

Total Fixed Assets	\$	797.85
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TOTAL ASSETS	\$	<u>193,737.57</u>
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**Traverse City Housing Commission
Housing Choice Voucher Program
Balance Sheet
As of August 31, 2019**

LIABILITIES AND EQUITY

CURRENT LIABILITIES

Accounts Payable

2111 - Vendors and Contractors	\$	1,569.17
2119.21 - Interfund Due To Low Rent		<u>10,069.93</u>
Total Accounts Payable	\$	11,639.10

Accrued Liabilities

2135 - Salaries and Wages	\$	3,399.98
2135.1 - Compensated Absences-Short Term		2,295.85
2135.2 - Accrued Payroll Taxes		230.22
2182 - FSS Escrow Trust		<u>63,471.39</u>
Total Accrued Liabilities	\$	69,397.44

Deferred Credits

Total Deferred Credits	\$	0.00
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Total Current Liabilities	\$	81,036.54
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NONCURRENT LIABILITIES

2435.1 - Compensated Absences-Long Term	\$	<u>448.20</u>
Total Noncurrent Liabilities	\$	448.20

TOTAL LIABILITIES	\$	<u>81,484.74</u>
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NET ASSETS

Net Assets

2806 - Unrestricted Net Assets	\$	104,911.56
2826 - Operating Reserve-Admin		126,396.57
2826.01 - Operating Reserve-HAP		(20,937.45)
2826.1 - Operating Reserve-Contra		(105,459.12)
Income and Expense Clearing		11,907.45
Income and Expense Clearing - FSS		<u>(4,566.18)</u>
TOTAL NET ASSETS	\$	112,252.83

TOTAL LIABILITIES/NET ASSETS	\$	<u>193,737.57</u>
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**Traverse City Housing Commission
Housing Choice Voucher Program
Income & Expense Statement
For the 1 Month and 2 Months Ended August 31, 2019**

	1 Month Ended	2 Months Ended		
	<u>August 31, 2019</u>	<u>August 31, 2019</u>	<u>BUDGET</u>	<u>*OVER/UNDER</u>
Operating Reserve Income				
3390 - Fraud Recovery Income	\$ 50.00	\$ 100.00	\$ 0	\$ (100.00)
3603 - Number of Unit Months	(181.00)	(362.00)	0	362.00
3604 - Unit Months - Contra	181.00	362.00	0	(362.00)
Total Operating Reserve Income	\$ 50.00	\$ 100.00	\$ 0	\$ (100.00)
Revenues - HUD PHA GRANTS				
3410 - HAP Funding	\$ 103,972.00	\$ 207,944.00	\$ 1,130,000	\$ 922,056.00
3411 - Admin Fee Funding	8,239.00	19,348.00	67,200	47,852.00
Total HUD PHA GRANTS	\$ 112,211.00	\$ 227,292.00	\$ 1,197,200	\$ 969,908.00
Income Offset HUD A.C.				
3310 - Portable Admin Fee	39.86	119.58	0	(119.58)
Total Income Offset	39.86	119.58	0.00	(119.58)
Total Operating Income	\$ 112,300.86	\$ 227,511.58	\$ 1,197,200	\$ 969,688.42
Operating Expenses				
Routine Expense				
Administration				
4110 - Administrative Salaries	\$ 3,174.89	\$ 8,007.18	\$ 105,290	\$ 97,282.82
4120 - Compensated Absences	0.00	0.00	(500)	(500.00)
4130 - Legal Expense	0.00	11.70	2,000	1,988.30
4140 - Staff Training	182.30	182.30	2,550	2,367.70
4150 - Travel Expense	105.56	135.72	2,800	2,664.28
4170 - Accounting Fees	649.25	1,298.50	10,500	9,201.50
4171 - Auditing	0.00	0.00	2,000	2,000.00
4182 - Employee Benefits - Admin	502.91	2,529.65	31,360	28,830.35
4185 - Telephone	143.71	280.31	3,200	2,919.69
4190.1 - Publications	0.00	0.00	500	500.00
4190.2 - Membership Dues and Fees	0.00	37.50	1,000	962.50
4190.3 - Admin. Service Contracts	546.89	888.15	9,330	8,441.85
4190.4 - Office Supplies	69.33	78.23	2,200	2,121.77
4190.5 - Other Sundry Expense	234.01	794.51	5,100	4,305.49
Total Administration	\$ 5,608.85	\$ 14,243.75	\$ 177,330	\$ 163,086.25
General Expense				
4590 - Other General Expense	\$ 0.00	\$ 34.38	\$ 0	\$ (34.38)
Total General Expense	\$ 0.00	\$ 34.38	\$ 0	\$ (34.38)
Total Routine Expense	\$ 5,608.85	\$ 14,278.13	\$ 177,330	\$ 163,051.87

**Traverse City Housing Commission
Housing Choice Voucher Program
Income & Expense Statement
For the 1 Month and 2 Months Ended August 31, 2019**

	<u>1 Month Ended August 31, 2019</u>	<u>2 Months Ended August 31, 2019</u>	<u>BUDGET</u>	<u>*OVER/UNDER</u>
Housing Assistance Payments				
4715.1 - HAP - Occupied Units	\$ 92,466.00	\$ 185,722.00	\$ 1,100,000	\$ 914,278.00
4715.3 - HAP - Non-Elderly Disabled	1,816.00	3,633.00	0	(3,633.00)
4715.4 - HAP - Utility Allowances	662.00	1,324.00	0	(1,324.00)
4715.5 - HAP - Fraud Recovery	(50.00)	(100.00)	0	100.00
4715.6 - HAP - Homeownership	1,462.00	2,612.00	0	(2,612.00)
4715.61 - HAP-Homeownership URP	14.00	28.00	0	(28.00)
4715.8 - HAP - Portable Paying Out	0.00	817.00	0	(817.00)
4715.9 - HAP - Portable Receiving	890.00	1,780.00	0	(1,780.00)
4715.91 - HAP - Portable Rec. Reimb.	(890.00)	(890.00)	0	890.00
4719 - HAP - FSS Escrow	3,095.00	6,400.00	0	(6,400.00)
Total HAP Payments	<u>\$ 99,465.00</u>	<u>\$ 201,326.00</u>	<u>\$ 1,100,000</u>	<u>\$ 898,674.00</u>
Depreciation Expense				
Total Depreciation Expense	\$ 0.00	\$ 0.00	\$ 0	\$ 0.00
Total Operating Expense	\$ 105,073.85	\$ 215,604.13	\$ 1,277,330	\$ 1,061,725.87
Capital Expenditures				
Total Capital Expenditures	\$ 0.00	\$ 0.00	\$ 0	\$ 0.00
GAAP Net Income (Loss)	<u>\$ 7,227.01</u>	<u>\$ 11,907.45</u>	<u>\$ (80,130)</u>	<u>\$ (92,037.45)</u>
Memo:				
Admin Operating Income/(Loss)	<u>\$ 2,630.15</u>	<u>\$ 5,069.87</u>	<u>\$ (110,130)</u>	<u>\$ (115,199.87)</u>

Analysis of Funding

A.C. Received: August 31, 2019

3410 - HAP Funding \$ 207,944.00

A.C. Earned

4715.1 - HAP - Occupied Units	185,722.00
4715.3 - HAP - Non-Elderly Disabled	3,633.00
4715.4 - HAP - Utility Allowances	1,324.00
4715.5 - HAP - Fraud Recovery	(100.00)
4715.6 - HAP - Homeownership	2,612.00
4715.61 - HAP-Homeownership URP	28.00
4715.8 - HAP - Portable Paying Out	817.00
4715.9 - HAP - Portable Receiving	1,780.00
4715.91 - HAP - Portable Rec. Reimb.	(890.00)
4719 - HAP - FSS Escrow	6,400.00

Total Funding Required \$ 201,326.00

Over/(Under) Funding \$ 6,618.00

RNP as of: August 31, 2019 \$ 2,878.58

UNP as of: August 31, 2019 \$ 125,646.71

**Traverse City Housing Commission
Voucher FSS Program
Income & Expense Statement
For the 1 Month and 2 Months Ended August 31, 2019**

	1 Month Ended	2 Months Ended		
	<u>August 31, 2019</u>	<u>August 31, 2019</u>	<u>BUDGET</u>	<u>*OVER/UNDER</u>
Operating Reserve Income				
Total Operating Reserve Income	\$ 0.00	\$ 0.00	\$ 0	\$ 0.00
Revenues - HUD PHA GRANTS				
3412 - FSS Grant Revenue	\$ 5,602.00	\$ 11,204.00	\$ 0	\$ (11,204.00)
Total HUD PHA GRANTS	\$ 5,602.00	\$ 11,204.00	\$ 0	\$ (11,204.00)
Income Offset HUD A.C.				
Total Income Offset	0.00	0.00	0.00	0.00
Total Operating Income	<u>\$ 5,602.00</u>	<u>\$ 11,204.00</u>	<u>\$ 0</u>	<u>\$ (11,204.00)</u>
Operating Expenses				
Routine Expense				
Administration				
4110 - Administrative Salaries	\$ 3,697.10	\$ 9,307.68	\$ 55,800	\$ 46,492.32
4182 - Employee Benefits - Admin	993.73	6,064.50	19,070	13,005.50
4190.1 - Publications	0.00	398.00	0	(398.00)
Total Administration	<u>\$ 4,690.83</u>	<u>\$ 15,770.18</u>	<u>\$ 74,870</u>	<u>\$ 59,099.82</u>
General Expense				
Total General Expense	\$ 0.00	\$ 0.00	\$ 0	\$ 0.00
Total Routine Expense	\$ 4,690.83	\$ 15,770.18	\$ 74,870	\$ 59,099.82

**Traverse City Housing Commission
Voucher FSS Program
Income & Expense Statement
For the 1 Month and 2 Months Ended August 31, 2019**

	<u>1 Month Ended August 31, 2019</u>	<u>2 Months Ended August 31, 2019</u>	<u>BUDGET</u>	<u>*OVER/UNDER</u>
Housing Assistance Payments				
Total HAP Payments	\$ 0.00	\$ 0.00	\$ 0	\$ 0.00
Depreciation Expense				
Total Depreciation Expense	\$ 0.00	\$ 0.00	\$ 0	\$ 0.00
Total Operating Expense	\$ 4,690.83	\$ 15,770.18	\$ 74,870	\$ 59,099.82
Surplus Credits & Charges				
Total Surplus Credits & Charges	\$ 0.00	\$ 0.00	\$ 0	\$ 0.00
Capital Expenditures				
Total Capital Expenditures	\$ 0.00	\$ 0.00	\$ 0	\$ 0.00
GAAP Net Income (Loss)	<u>\$ 911.17</u>	<u>\$ (4,566.18)</u>	<u>\$ (74,870)</u>	<u>\$ (70,303.82)</u>



Traverse City
Housing Commission
a Public Housing Authority

COMMITTEE REPORTS

Executive Committee Meeting: September 23, 2019

Governance Committee Meeting: September 19, 2019

**DRAFT Meeting Minutes of the Traverse City Housing Commission
Executive & Finance Committee
September 23, 2019**

A regular meeting of the Executive Committee of the Executive & Finance Committee of the Traverse City Housing Commission was called to order by President Heather Lockwood at 3:30 P.M.

ROLL CALL

The following Commissioners were present: Heather Lockwood, President, and Andy Smits, Past President.

CORRESPONDENCE

A letter from the Construction Company working on the site next door was distributed and briefly discussed and well as an update on HUD CFP Lawsuit.

AGENDA

The following Agenda items were discussed:

- A. The minutes of the August 13, 2019 meeting minutes were reviewed and accepted.
- B. There was a lengthy discussion regarding staffing within the TCHC office. It was noted that two policies, Succession Plan and the By-Laws, would be effected with the new organizational chart that was shared in the meeting. The changes to the Succession Plan Policy were recommended by the Governance Committee and it was recommended that the minutes of the next regular meeting should reflect the change in the Board's Secretary Position. The By-Laws will be amended in the spring should the change becomes permanent.
- C. Staff provided an update on the Orchardview issue and the upcoming meeting for the residents. It was decided that Commission Smits can provide a history of the land (from the original site assessment documents) as requested by DEGLE. Staff was encouraged to provide the Response Activity Plan (RAP) in the Board Packet.
- D. The Agenda for the September 27, 2019 Regular Meeting was discussed. There will be some pro-forma resolutions on rents and a resolution to submit a Section 18 application as requested by HUD.

ADJOURNMENT

President Lockwood adjourned the meeting at 5:02 P.M.

Respectfully submitted,

Heather Lockwood, President &
Tony Lentych, Executive Director

**DRAFT Meeting Minutes of the Traverse City Housing Commission
Governance & Compliance Committee
September 19, 2019**

The Regular Meeting of the Traverse City Housing Commission Governance & Compliance Committee was called to order in the Community Room, 150 Pine Street, Traverse City at 10:05 A.M.

I ROLL CALL

The following Resident Members were present: Ellen Corcoran and Norma Loper.

Commissioners: Roger Putman. Commissioner Jim Friend was excused.

Staff: Tony Lentych, Executive Director, and Martha Falk, Intake Intern.

Residents: Vivian Arnold, Jeff Turner, and Linda Woodcock.

II APPROVAL OF AGENDA & REVIEW OF MINUTES

The meeting minutes from the August 15, 2019 meeting of this committee and the agenda for this meeting were accepted by the committee.

III PUBLIC COMMENT

None.

IV UPDATES

- A. The Policy Review Schedule was presented and reviewed.
- B. The committee discussed the Lower Boardman River Planning project there may be an update at the next DDA meeting on September 20, 2019. There was a brief discussion on the second parcel next door (on the river) and what may or may not be place there.

V OLD BUSINESS

- A. There is no update on the Safety & Evacuation Plan.
- B. There is no update on the TCHC Lease.
- C. There was nothing new on the RAD financing plan.
- D. There was a lengthy conversation about the parking issue at Riverview Terrace. There was some concern about the loss of trees should the parking lot be re-designed to include more parking spots. It was noted that no decisions have been made.
- E. A proposed crosswalk in front of Riverview Terrace that would allow residents to completely avoid the construction site was presented and discussed. This design was a result of the construction company visiting the RTRC monthly meeting the previous week.

VI NEW BUSINESS

- A. The update to the Elk Rapids Housing Commission was presented and reviewed. There were no issues discussed.
- B. Staff presented a draft organizational chart for the TCHC office. There was a discussion and general consensus that the restructuring made sense.
- C. As a result of the restructuring, it was noted that the Executive Succession Plan needed to be revisited and updated. The proposed updates were presented and discussed.
- D. The Procurement Policy was briefly discussed but no action was taken. It was noted that the only major change would be on notification to the Commission on certain contracts that is based not only on dollar amount but length of contract.

VII PUBLIC COMMENT

General Comments: Ellen Corcoran and Linda Woodcock.

VIII ADJOURNMENT

Commissioner Putman moved (Loper support) to adjourn the meeting at 11:01 A.M.

Respectfully submitted,

Tony Lentych, Executive Director



**Traverse City
Housing Commission**
a Public Housing Authority

STAFF & PROGRAM REPORTS

Executive Director's Report: September 2019

Family Self-Sufficiency (FSS) Program Report: September 2019

Resident Council Report: September 2019

EXECUTIVE DIRECTOR'S REPORT: September 27, 2019

This report covers the work accomplished from August 23, 2019 until September 27, 2019. Please contact me directly should you have any questions or wish to receive more information about any items highlighted in this report.

Strategic Goal 1

Expand affordable housing inventory and range of options.

Current Properties

1. Riverview Terrace: We have one unit open and it will be filled next week.
2. Orchardview: There is one unit open at this time. We expect two more in the next month as well.

Housing Choice Vouchers

1. We have 180 HCV filled at this time. No one is looking for housing at this time and we don't anticipate issuing any new vouchers in the near term but we will be adding one new voucher on a VOWA exemption (HUD approved). We are still working with HUD every month to work on our predicted overage of approximately \$15k. That represents about a 0.014% of program overage. Technically, we are told that we have a program for 208 Vouchers but with living costs in this region, we can never fill that many without going over budget.

Projects & Potential Projects

1. EAST BAY FLATS: This continues to consume a lot of time as we try to lease up additional units. Currently, we are about 75% leased up. We continue to get a steady stream of applications and we are working out our operational activities on this site including maintenance and emergency maintenance.
2. RAD: We continue to work on this with our consultants. I anticipate that this work will ramp up next month.
3. Continued conversations with partners to implement Homeless Youth Housing – continued to ensure that the program is successful.
4. Attended several meetings with Bay Area Transit Authority and others, including County officials, about a potential project. We are now examining another potential property that will be the same concept. Both properties are on the table.

Strategic Goal 2	Create opportunities for residents to improve quality of life and achieve individual successes.
-------------------------	--

1. Continued to work on new Housekeeping & Sanitary Standards Policy.
2. Attended meeting of the RTRC.

Strategic Goal 3	Foster an environment of innovation and excellence.
-------------------------	--

Financial

1. Prepared monthly financial reports for August 2019.

General Management

1. Deputy Director has departed and staffing has been shuffled. We plan to finalize all new job duties over the next 60 days. We hired an intern to cover some of the duties during the transition.
2. Continued work on internal Policy Review. Reviewed Executive Succession Policy.

Office IT

1. Met with IT company employees to plan activities and upgrades as employees move.

TCHC

1. Attended one Commission Meeting (August) and prepared for another (September).
2. Prepared for and attended an Executive & Finance Committee meeting.
3. Prepared for and attended a Governance & Compliance Committee meeting.
4. Met with Insurance Company employee on annual compliance inspection.

ERHC

1. Prepared for and attended a Commission Meeting (September).
2. Coordinated staff activities to implement management contract (schedules, duties, etc.).

FAMILY SELF-SUFFICIENCY (FSS) PROGRAM REPORT

September 27, 2019

Current SEMAP Status

SEMAP (Section 8 Management Assessment Program) 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
21	19	90%	13	68%

Program Manager Update

I have been meeting with current FSS clients and continue to schedule appointments to update their goal plans. I have been talking to clients about FSS as they come in for their recertification. We are not issuing new vouchers at this time so enrollment for new participants has slowed. I am attending the Family Support Team monthly meeting hosted by Father Fred next month to learn more about local resources for our clients.

Status of Participants

Current participants are showing progress and continuously working to meet their goals. We have one participant that will be doing a two-year extension on her contract. This will allow her time to take the last six (6) credits needed for her degree. Two families from Orchardview are newly enrolled and are looking forward to the services the program offers. We will be sitting down and completing their Individual Training Service Plan (ITSP) this month.

FSS Grant

We continue to make monthly draws on our grant but the RFP for the next Fiscal Year has not been released yet.


TRAVERSE CITY HOUSING COMMISSION

150 PINE STREET | TRAVERSE CITY | MICHIGAN | 49684

MEMORANDUM

DATE: September 27, 2019

TO: All Commissioners of the Traverse City Housing Commission

FROM: Tony Lentych, Executive Director 

SUBJECT: Riverview Terrace Resident Council (RTRC) Updates

MESSAGE:

Attached are the monthly financial reports from RTRC for the month of August 2019. The financial reporting continues to be completed in a timely and thorough manner. Once again, I received all the information and there have been no mistakes in accounting. The MOU is has been signed and the tenant participation funds have been forwarded to them.

Also attached, RTRC Vice President, Laura Cole, submitted a letter to be included this month's packet that covers their activities each month.

ATTACHMENT: Letter from RTRC President
Financial Reports
Memorandum on Tenant Participation Funding
Copy of Signed MOU

RIVERVIEW TERRACE RESIDENT COUNCIL REPORT FOR TCHC BOARD PACKET SEPTEMBER 2019

BIRTHDAY BASH

The Birthday Bash on September 11th went well with 13 Residents in attendance.

RAD / GOVERNANCE MEETINGS

I was not able to attend the RAD or Governance Committee Meetings because I was out of State, but I will get an update from Norma when I get back.

RTRC MEETING

Our RTRC meeting was held on September 12th. Tony attended. He talked about the Bed Bug situation. They have it under control at this point, but encouraged people to report it to the office if they think they have them. The Project Manager from the development next door also attended. He had information about their next steps in the development. They are doing everything possible to make sure that our residents will be safe.

BY-LAW's

Ellen suggested that we change the BY-LAW's so that council members would serve a one year term instead of a two year term. It was voted on and accepted unanimously by 16 members. A copy of the BY-LAW's, signed officers, will be available in October.

Respectfully Submitted,
Vice President Laura Cole

Laura Cole



Riverview Terrace Resident Council

FY 2019-2020

	July	Aug	Sept	Oct	Nov	Dec	June
Restricted Balance Forward	\$ 392.71	\$ 292.71	\$ 1,834.57	\$ 1,834.57	\$ 1,834.57	\$ 1,834.57	\$ 1,834.57
Income	\$ -	\$ 1,725.00	\$ -	\$ -	\$ -	\$ -	\$ -
Expenses	\$ 100.00	\$ 183.14	\$ -	\$ -	\$ -	\$ -	\$ -
SUB TOTAL	\$ 292.71	\$ 1,834.57	\$ 1,834.57	\$ 1,834.57	\$ 1,834.57	\$ 1,834.57	\$ 1,834.57

Unrestricted Balance Forward	\$ 175.60	\$ 167.39	\$ 104.14	\$ 104.14	\$ 104.14	\$ 104.14	\$ 104.14
Income	\$ 66.57	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Expenses	\$ 74.78	\$ 63.25	\$ -	\$ -	\$ -	\$ -	\$ -
Savings Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SUB TOTAL	\$ 167.39	\$ 104.14	\$ 104.14	\$ 104.14	\$ 104.14	\$ 104.14	\$ 104.14

EOM TOTAL*	\$ 460.10	\$ 1,938.71	\$ 1,938.71	\$ 1,938.71	\$ 1,938.71	\$ 1,938.71	\$ 1,938.71
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* Equals Bank Statement

Total Savings* = \$ 5.00

Petty Cash = \$ 100.00

GRAND TOTAL = \$ 2,043.71

Current as of August 31, 2019



LAKE MICHIGAN CREDIT UNION
P.O. Box 2848
Grand Rapids, MI 49501-2848
RETURN SERVICE REQUESTED

Your Statement Of Accounts
08/01/2019-08/31/2019
Your Account Number
xxxxxx1794
Page 1

76077 1 AV 0-363 131839-76077-327
RIVERVIEW TERRACE RESIDENT COUNCIL
150 PINE ST # MB1
TRAVERSE CITY MI 49684-2478

LMCU's 3% Max Checking Account pays you interest on balances of up to \$15,000. Plus, there are no monthly fees, no minimum balance required, and you'll have free access to over 55,000 ATMs. Stop by your local branch, visit LMCU.org, or call us at (800) 242-9790 to open your free account today.



Summary-Share Accounts

ID #	Type	Beginning Balance	Ending Balance
00	MEMBER SAVINGS	\$5.00	\$5.00
01	FREE CHECKING	\$460.10	\$1,938.71
	Total		\$1,943.71

MEMBER SAVINGS

Trans	Eff Date	Transaction	Withdrawal	Deposit	Balance
	Aug 01	Beginning Balance			\$5.00
	Aug 31	Ending Balance			\$5.00

FREE CHECKING

					Share Account ID 01	
					Total Deposits	\$1,725.00
					Total Withdrawals	\$246.39
Trans	Eff Date	Transaction	Withdrawal	Deposit	Balance	
	Aug 01	Beginning Balance			\$460.10	
Aug 02	Aug 02	Draft 1169 Tracer 042000010257078 Processed Check - Spectrum TYPE: Check Pmt ID: 3431843260 DATA: Charter///0000004019	(\$81.16)		\$378.94	
Aug 12	Aug 12	Draft 1170 Tracer 042000019129137 Processed Check - Spectrum TYPE: Check Pmt ID: 3431843260 DATA: Charter///0000004019	(\$39.99)		\$338.95	
Aug 13	Aug 13	Withdrawal POS #922513914959 MEIJER 033 TRAVERSE CITY MI	(\$63.25)		\$275.70	
Aug 19	Aug 19	Withdrawal POS #923100214724 USPS PO 25932006 202 S UNION ST TRAVERSE CITY MI	(\$22.00)		\$253.70	
Aug 23	Aug 23	Draft 1171 Tracer 042000014614489 Processed Check - Spectrum TYPE: Check Pmt ID: 3431843260 DATA: Charter///0000004019	(\$39.99)		\$213.71	
Aug 26	Aug 26	Deposit by Check		\$1,725.00	\$1,938.71	
	Aug 31	Ending Balance			\$1,938.71	

Checking Account Summary

Chk#	Date	Amount	Chk#	Date	Amount	Chk#	Date	Amount
□ 1169	Aug 02	\$81.16	□ 1170	Aug 12	\$39.99	□ 1171	Aug 23	\$39.99
	Total Checks Cleared		3	\$161.14				

The Asterisk (*) indicates a break in check sequence.

TRAVERSE CITY HOUSING COMMISSION

150 PINE STREET | TRAVERSE CITY | MICHIGAN | 49684

MEMORANDUM

DATE: September 27, 2019
TO: All Commissioners of the Traverse City Housing Commission
FROM: Tony Lentych, Executive Director & Jo Smerson, President RTRC
SUBJECT: Riverview Terrace Resident Council Funding

MESSAGE:

After reviewing the files for the Riverview Terrace Resident Council (RTRC) fiscal year ended June 30, 2019. I have determined that the RTRC has managed and tracked its allocation of tenant participation funds in a more than adequate manner and I have released the funds for this fiscal year. It should be noted that an updated and fully executed three-year Memorandum of Understanding is now in place.

FY 2019: All funding was reported to the Commission on a monthly basis. We were provided direct access to the official bank statements and no expenditures were outside of their proposed budget throughout the year. Also, it should be noted that the RTRC reported to all residents during their regular monthly meetings and these reports segregated tenant participation funds from all other funds received whether earned or unearned (program income vs. donations or gifts).

FY 2020: The RTRC has submitted an appropriate budget for this fiscal year. Nothing on this budget would be considered outside the normal allowable activities for a resident council utilizing tenant participation funds. Staff continues to work with RTRC leadership to monitor budget items on an excel spread sheet. This allows for more tracking activities to be recorded which improves monthly reporting. All other reporting and recording activities will continue as previously submitted. It should also be noted that the RTRC remains a 501(c)(3) in good standing with both the state and the federal government.

By signing this document, the TCHC and RTRC agree to continue the appropriate recording and reporting requirements for all tenant participation funds allocated for Riverview Terrace in Fiscal Year 2020.




Jo Smerson, President, RTRC



Date



Tony Lentych, Executive Director, TCHC



Date

TRAVERSE CITY HOUSING COMMISSION

150 PINE STREET | TRAVERSE CITY | MICHIGAN | 49684

MEMORANDUM OF UNDERSTANDING

WHEREAS, the Traverse City Housing Commission (TCHC) has owned and successfully operated the Riverview Terrace housing development for nearly forty years and has worked diligently to provide an enjoyable and peaceful environment for its residents; and

WHEREAS, the currently established and duly elected Riverview Terrace Resident Council (Resident Council) is a formally recognized nonprofit entity in good standing with the State of Michigan (ID No. 71656F) and the Internal Revenue Service that was established to encourage resident involvement in creating a positive living environment; and

WHEREAS, TCHC and Resident Council desire to enter into a collaborative relationship to support the tenants of the Riverview Terrace in accordance with the understanding of the implementation of the provisions of 24 C.F.R. 964; and

NOW, THEREFORE, it is hereby agreed by and between TCHC and the Resident Council as follows:

1. Upon execution of this MOU, TCHC will formally recognize the Resident Council and consider it to be the voice of the majority of Riverview Terrace residents.
2. TCHC will, when appropriate, communicate through the Resident Council President on issues regarding the resident's overall enjoyment of Riverview Terrace.
3. The Resident Council will, when appropriate, communicate through the Executive Director on issues regarding the resident's overall enjoyment of Riverview Terrace.
4. TCHC will accept an approved motion or an adopted resolution as identified in the By-Laws of the Resident Council as the "will" of the residents on all matters of significance or urgency.
5. TCHC will disperse Tenant Participation Funds to the Residents Council in a timely manner and in accordance with 24 C.F.R. 964.150:

(a) *Funding duly elected resident councils.*

(1) The Housing Authority shall provide funds it receives for this purpose to the duly elected resident council at each development... as provided by 24 CFR part 990, to permit HAs to fund \$25 per unit per year for units represented by duly elected resident councils for resident services.... Of this amount, \$15 per unit per year would be provided to fund tenant participation activities under subpart B of this part for duly elected resident councils... and \$10 per unit per year would be used by the HA to pay for costs incurred in carrying out tenant participation activities under subpart B of this part.... This will guarantee the resources necessary to create a bona fide partnership among the duly elected resident councils, the HA and HUD.

6. The Resident Council will provide a proposed budget in advance of disbursement and will report financial activity to the TCHC Executive Director in a timely manner which includes both monthly and annual financial reports in accordance with 24 C.F.R. 964.150:


(3) Funding provided by a HA to a duly elected resident council may be made only under a written agreement between the HA and a resident council, which includes a resident council budget and assurance that all resident council expenditures will not contravene provisions of law and will promote serviceability, efficiency, economy and stability in the operation of the local development. The agreement must require the local resident council to account to the HA for the use of the funds and permit the HA to inspect and audit the resident council's financial records related to the agreement.

7. TCHC agrees to provide an "office" to the Resident Council on the third floor of the building. Located within the Community Room of Riverview Terrace, this office has an estimated value for rent of \$300.00 per month and is intended for the sole purpose of Riverview Terrace resident business as directed through the duly adopted by-laws. Additional office support will be provided from time to time and in a case by case manner that may include but will not be limited to the following: assistance with the purchase of, or donation of, office supplies and office equipment; the provision of office furniture; and assistance, when appropriate, in communication with all building residents through newsletters, memorandums, or building-wide fliers.
8. This MOU will be in effect for three years from the date of execution but may be terminated by either party with sixty (60) days written notice.

We, the undersigned, have read and agree with this MOU:



Tony Lentych, for the
Traverse City Housing Commission, its
Executive Director



Jo Simerson, for the
Riverview Terrace Resident Council, its
President

DATE: 8-26-2019

DATE: 8-26-2019

DRAFT RIVERVIEW TERRACE RESIDENT COUNCIL
MINUTES SEPTEMBER 12, 2019

Welcome and Call To Order : Time: 2:00pm

Pledge Of Allegiance:

Roll Call: Quorum: 23

- . Jo Simmerson, Pres. (*) Laura Cole, Vice Pres. (*) Norma Loper Sec. (*)
- Louis Kanan, Treas. (-)

Introduction of Guests:

- . Ex Dir. Tony Lentych,
- . Steve Morra, Project Manager
- . Mark Federinich, Superintendent

Secretary's report:

- . Norma Loper, Sec. Stand as Read

Treasurer's report:

- . Jo Simerson, (Mr.Kanan Absent) Stand as Read

Old Business:

- A. September Birthday Bash was well attended as always with cake and ice cream served. There were 13 people there.
- B. By Laws voting August 16, 2019
 - 1. Article vi section 3 #1 (NOT amended)
 - 2.. Article vii section 1 #4. (amended)

New Business:

- A. Election information is in this months Gazzette.
 - 1.Also, you will be getting more information or reminders here each month.

B.TFAP (free food) September 23, 2019 @ 2:00pm

Public Comment:

RECEIVED

SEP 16 2019

Traverse City
Housing Commission

Council Comment:

A. We suspended Article viii – Amendments to By-Laws for purpose of Special Election to change Term of Office.

B. Motion by Jo, seconded by Lois : To change the term of office from two (2) years to one (1) year.

Motion passed : 16 -yes 0 -no

C. Term of any office is now one (1) year.

Motion to Adjourn: Time: 2:49pm

by: Lois seconded by: Debbie Adjourned!

Next Meeting:

October 18, 2019 @ 2:00 pm

RECEIVED

SEP 16 2019

Traverse City
Housing Commission

**RIVERVIEW TERRACE RESIDENT COUNCIL
FINANCIAL REPORT SEPTEMBER 9th, 2019**

RESTRICTED FUNDS

*Beginning Balance	\$292.71
~Expenses	- <u>\$183.14</u>
Balance	\$109.57
~Deposit	+ <u>\$1,725.00</u>
	\$1,834.57
**RESTRICTED FUNDS FINAL BALANCE	\$1,834.57

UNRESTRICTED FUNDS

*Beginning Balance	\$167.39
~Expenses	- <u>\$63.25</u>
Balance	\$104.14

****UNRESTRICTED FUNDS**

FINAL BALANCE \$104.14

****RESTRICTED / UNRESTRICTED FINAL BALANCE** \$1938.71

SAVINGS \$5.00

PETTY CASH \$100.00

\$1938.71

\$100.00

+ \$5.00

GRAND TOTAL \$2,043.71

DRAFT

RIVERVIEW TERRACE RESIDENT COUNCIL
MINUTES AUGUST 16, 2019

Welcome and Call to Order:

Time: 2:00pm

Pledge Of Allegiance:

Roll Call:

Quorum: 19 yes

Jo Simerson, Pres. (+) Laura Cole, Vice Pres. (+) Norma Loper, Sec, (+)
Louis Kanan, Treas, (+)

Introduction of Guest:

A. Dennis: Can still Order Meal Today \$7.00

Secretary's report:

. Norma Loper, Sec Stand as read (yes)

Treasurer's report:

. Louis Kanan, Treas. Stand as read (yes)

Old Business:

A. Disability Network is still on summer vacation. Be back soon.

B. July Birthday Bash was well attended.

1. Pam brought all the buns for the Hamburgers and Hot dogs. Thank You, Pam !

2.The Band, " John's Band " played again this year.

C. August Birthday Bash included 'sloppy joe's' with all our ice cream, cup cakes & stuff. Yea !

D. By Laws Voting

1.The By Laws were amended : August 16,2019

New Business:

A. Elections

1. Election slips will be in the September Gazette.

Public comment:

A. Jannine: TFAP will be the last Monday in September.

Council Comment:

A. Jo: Took a survey about our congested Parking Lot for Director Tony.

Motion to adjourn:

Time: 2:52pm

by: Janine seconded by: JoAnn

Adjourned

Next Meeting/ Birthday Bash *September 12, 2019 * @ 2:00pm

*Respectfully Submitted
Norma Loper*

RECEIVED

SEP 16 2019

Traverse City
Housing Commission

**RIVERVIEW RESIDENT COUNCIL
FINANCIAL REPORT FOR AUGUST 16th, 2019**

***RESTRICTED FUNDS**

Beginning Balance	\$392.71
~ expenses	- <u>\$100.00</u>
	\$292.71

RESTRICTED FUNDS FINAL BALANCE \$292.71

***UNRESTRICTED FUNDS**

Beginning Balance	\$175.60
~ expenses	- <u>\$74.78</u>
	\$100.82
~ donations.....	+ <u>\$66.57</u>
	\$167.39

***UNRESTRICTED FINAL BALANCE \$167.39**

***RESTRICED / UNRESTRICTED FINAL BALANCE \$460.01**

***savings \$5.00**

***petty cash \$100.00**

***GRAND TOTAL \$565.10**

RECEIVED

SEP 16 2019

Traverse City
Housing Commission



**Traverse City
Housing Commission**
a Public Housing Authority

OLD BUSINESS

2020 Consolidated Budget: August 2019

TCHC Policy Review Schedule: Review

Memorandum on RAD Update

TRAVERSE CITY HOUSING COMMISSION

CONSOLIDATED INCOME AND EXPENSE BUDGET WORKSHEET

	FY 2019 YTD ACTUAL*	FY 2020 BUDGET	AUGUST 2019 ACTUAL*	FY 2020 YTD ACTUAL*	% OF BUDGET
<u>OPERATING INCOME</u>					
Property Rents	\$ 449,517.42	\$ 445,000.00	\$ 39,140.00	\$ 76,770.00	17.25%
Investment Interest	3,816.69	2,750.00	225.62	471.99	17.16%
Program Income: HCV	1,256,017.28	1,130,000.00	112,300.86	227,352.14	20.12%
Program Income: FSS	56,020.00	67,200.00	5,602.00	11,204.00	16.67%
Earned Income	175,639.02	205,000.00	16,661.80	47,407.60	23.13%
HUD Property Subsidy	246,768.50	260,000.00	29,742.00	67,141.00	25.82%
CFP / Draw on Surplus	-	160,000.00	18,679.36	18,679.36	11.67%
TOTAL OPERATING INCOME	\$ 2,187,778.91	\$ 2,269,950.00	\$ 222,351.64	\$ 449,026.09	19.78%
<u>OPERATING EXPENSES</u>					
Salaries	\$ 213,803.33	\$ 239,500.00	\$ 12,961.65	\$ 38,349.77	16.01%
Benefits	74,667.00	60,969.17	995.71	12,968.75	21.27%
Compensated Absences	346.09	(1,500.00)	-	-	0.00%
Legal	14,987.34	20,000.00	3,434.70	3,629.70	18.15%
Travel / Staff Training	9,437.24	16,000.00	1,121.53	1,478.56	9.24%
Accounting / Auditing	20,340.42	25,000.00	1,099.41	2,198.82	8.80%
General Office Expenses	61,172.93	70,000.00	9,006.94	14,105.96	20.15%
TOTAL OPERATING EXPENSES	\$ 394,754.35	\$ 429,969.17	\$ 28,619.94	\$ 72,731.56	16.92%
<u>TENANT PROGRAMS & SERVICES</u>					
Recreation, Programs, and Other	\$ 6,640.33	\$ 9,500.00	\$ 1,968.66	\$ 2,202.76	23.19%
Cable Television	40,680.51	40,000.00	3,471.64	6,943.28	17.36%
HAP	1,156,960.45	1,100,000.00	99,073.85	197,664.23	17.97%
TOTAL TENANT PROGS / SERVICES	\$ 1,204,281.29	\$ 1,149,500.00	\$ 104,514.15	\$ 206,810.27	17.99%
<u>UTILITIES</u>					
Water	\$ 19,819.75	\$ 17,500.00	\$ 2,791.51	\$ 4,549.65	26.00%
Electricity	125,998.86	145,000.00	8,818.64	16,565.76	11.42%
Gas	20,442.63	22,000.00	93.95	274.73	1.25%
TOTAL UTILITIES	\$ 166,261.24	\$ 184,500.00	\$ 11,704.10	\$ 21,390.14	11.59%
<u>MAINTENANCE / BUILDING OPERATION</u>					
Labor	\$ 129,476.68	\$ 140,150.00	\$ 9,430.57	\$ 23,406.42	16.70%
Maintenance Benefits	40,796.97	50,641.76	2,396.16	8,810.74	17.40%
Materials	40,910.64	39,500.00	4,850.86	7,106.04	17.99%
Contract / CFP Costs	138,997.42	145,000.00	17,779.24	25,251.90	17.42%
TOTAL ORDINARY MAINTENANCE	\$ 350,181.71	\$ 375,291.76	\$ 34,456.83	\$ 64,575.10	17.21%
<u>GENERAL EXPENSE</u>					
Insurance	\$ 30,961.55	\$ 31,500.00	\$ 2,697.31	\$ 5,469.16	17.36%
Payment in Lieu of Taxes	26,993.07	25,000.00	2,083.34	4,166.68	16.67%
Collection Losses	6,366.25	3,000.00	-	-	0.00%
Interest Expense / Other	26,103.43	33,000.00	-	-	0.00%
TOTAL GENERAL EXPENSE	\$ 90,424.30	\$ 92,500.00	\$ 4,780.65	\$ 9,635.84	10.42%
EXTRAORDINARY / CASUALTY	\$ 4,525.88	\$ 10,000.00	257.86	\$ 7,757.86	77.58%
TOTAL OPERATING EXPENSES	\$ 2,210,428.77	\$ 2,241,760.93	\$ 184,333.53	\$ 382,900.77	17.08%
NET OPERATING INCOME (LOSS)	\$ (22,649.86)	\$ 28,189.07	\$ 38,018.11	\$ 66,125.32	
PROPERTY IMPROVEMENTS/EQUIP*	\$ (47,089.15)	\$ (20,000.00)	\$ (13,859.00)	\$ (13,859.00)	
RESIDUAL RECEIPTS (DEFICIT)*	\$ (69,739.01)	\$ 8,189.07	\$ 24,159.11	\$ 52,266.32	

* Accountant Reviewed

TRAVERSE CITY HOUSING COMMISSION

CONSOLIDATED INCOME AND EXPENSE BUDGET WORKSHEET

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

* Accountant Reviewed

**TCHC MONTHLY CASH POSITION REPORT
END OF AUGUST 2019**

PUBLIC HOUSING

Chemical Bank	Checking	\$	93,152.71	
4Front Credit Union	Savings	\$	6,619.19	
TC State Bank	1051647	\$	164,594.65	
Huntington Bank	1388434863	\$	163,431.58	
TC State Bank	ICS Acct	\$	76,702.72	
Chemical Bank	1075909		-	
Chemical Bank	9426	\$	3.78	
Huntington Bank	1388405232	\$	26,876.38	
Chemical Bank	CD 806592	\$	53,280.78	Certificate of Deposit
SUB TOTAL		\$	584,661.79	

HOUSING CHOICE VOUCHER

PNC	Checking	\$	126,665.20	
Chase Bank	135080088317	\$	59,589.52	Escrow Account
SUB TOTAL		\$	186,254.72	

OTHER

Reserves*/FSS/CFP		\$	516,958.06	Restricted
SUB TOTAL		\$	516,958.06	
TOTAL Cash & Cash Equivalents		\$	1,287,874.57	

* as of December 31, 2017

TCHC Policy Review Schedule

POLICY	First Adopted	Previous Review(s)	Scheduled Review	Update Complete
TCHC By-Laws	October 19, 2004	June 2018	May 2019	June 28, 2019
ACOP (Admission & Continued Occupancy Policy)	May 1, 2005	July 16, 2013	December 2017	February 9, 2018
ADMIN (Administrative Plan HCV)	January 1, 2005	March 2016	Summer 2019	August 23, 2019
Anti-Bullying & Hostile Environment Harassment Policy	August 25, 2017	Summer 2017	April 2018	August 25, 2017
Asset / Physical Plant Management Addendum	January 22, 2016	January 2016	NA	January 22, 2016
Attendance Policy	June 23, 2017	June 2017	NA	June 23, 2017
Board Orientation Policy	February 2013	September 2017	NA	September 29, 2017
Camera Policy	September 29, 2017	September 2017	NA	September 29, 2017
Capitalization Policy	March 18, 2003	February 20, 2006	March 2018	March 23, 2018
Certificate of Deposit Signatories Authorization Policy	Unknown	Unknown	TBD	
Check Signing Policy	December 2004	March 2017	NA	March 24, 2017
Civil Rights Policy	September 11, 1996	None	TBD	
Code of Conduct Policy	September 28, 2012	January 11, 2013	May 2018	May 25, 2018
Community Room Policy	February 2006	March 2016	NA	March 25, 2016
Community Service Policy	July 19, 2005	July 15, 2008	May 2018	May 25, 2018
Credit Card Policy	October 20, 2015	October 2015	NA	October 20, 2015
Deceased Resident Policy	April 5, 1988	April 2016	NA	April 22, 2016
Disposition Policy	June 25, 1985	Unknown	TBD	
Document Retention Policy	Unknown	Unknown	Summer 2019	
Doubtful Account Write-Off Policy	March 18, 2001	January 2017	NA	January 27, 2017
EIV Policy	April 17, 2006	June 30, 2012	March 2018	March 23, 2018
Emergency Closing Policy	April 18, 2006	February 2016	NA	February 26, 2016
Emergency Transfer for Victims of Domestic Violence Policy	August 25, 2017	August 2017	NA	August 25, 2017
Equal Housing Opportunity Plan	March 8, 1990	None	TBD	
Family Self Sufficiency Action Plan	August 31, 1998	September 2016	NA	September 23, 2016
Freedom of Information Policy	June 16, 2015	June 2015	NA	June 16, 2015
Grievance Policy	Unknown	Unknown	TBD	
Hazard Communication Policy	February 18, 2003	July 1, 2011	September 2019	
Housekeeping & Sanitary Standards Policy	NEW	None	September 2019	Started


TCHC Policy Review Schedule

POLICY	First Adopted	Previous Review(s)	Scheduled Review	Update Complete
Inventory Policy	Unknown	August 2016	NA	August 26, 2016
Investment Policy	June 25, 1985	Unknown	TBD	
Key (Master) Policy	July 18, 2006	April 2016	NA	April 22, 2016
Maintenance Policy	Unknown	Unknown	TBD	
Pet Policy	April 20, 2010	October 2016	NA	October 28, 2016
Petty Cash Policy	September 16, 2008	None	October 2019	
Personnel Policy / Employee Handbook	Unknown	August 2017	August 2020	August 25, 2017
Pest Control Policy	February 18, 2003	May 1, 2008	November 2018	November 30, 2018
Procurement Policy	May 1, 1990	August 19, 2014	Fall 2019	
Public Housing Maintenance Plan	Unknown	Unknown	TBD	
Reasonable Accommodation	April 19, 2011	Unknown	TBD	
Rent Collection Policy	April 5, 1988	None	NA	October 27, 2017
Residential Lease Agreement	Unknown	Unknown	September 2018	On-Going
Safety & Evacuation Policy	December 19, 2006	December 19, 2008	Spring 2018	On-Going
Schedule of Excess Utility Charges Policy	February 14, 1989	April 2017	NA	April 28, 2017
Schedule of Maintenance/Repair Charges Policy	April 7, 1992	None	TBD	
Sexual Harassment Policy	September 11, 1996	None	TBD	
Smoke-Free Properties Policy	December 19, 2006	September 18, 2012	September 2017	February 23, 2018
Social Media Policy	August 26, 2016	August 2016	NA	August 26, 2016
Social Security Number Privacy Policy	January 22, 2016	January 2016	NA	January 22, 2016
Succession Plan	May 15, 2007	July 17, 2014	September 2019	September 27, 2019
Transfer Policy	Unknown	Unknown	TBD	
Travel Policy	February 18, 2003	August 21, 2012	June 2018	June 22, 2018
Trespass Policy	July 18, 2006	July 2008	May 2019	May 24, 2018
Vehicle Policy	August 2006	February 2011	February 2018	March 23, 2018

TRAVERSE CITY HOUSING COMMISSION

150 PINE STREET | TRAVERSE CITY | MICHIGAN | 49684

MEMORANDUM

DATE: September 27, 2019
TO: All Commissioners of the Traverse City Housing Commission
FROM: Tony Lentych, Executive Director 
SUBJECT: Rental Assistance Demonstration (RAD) Update

MESSAGE:

While I continue to have conversations with both our Real Estate Development Consultants and or RAD Transaction Manager, I have nothing new to report this month. We did not have a monthly Resident Meeting this month either but we will have one next month for sure.

Over the next several weeks, I do expect to spend some significant time with our team to work on our Financing Plan. It appears that we will be requiring an extension from the end of the calendar year until some point next year. Our financing plan must include our applications for tax credits and we will be applying either in April or October of 2020.



**Traverse City
Housing Commission**
a Public Housing Authority

NEW BUSINESS

Resolution to Adopt FY 2019 Fair Market Rents

Resolution to Adopt FY 2019 Flat Rent Schedule for Public Housing

Resolution to Adopt Changes to the Executive Staff Succession Policy

Resolution to Approve Management Agreement with the ERHC

Resolution to Submit Section 18 Application

TRAVERSE CITY HOUSING COMMISSION

150 PINE STREET | TRAVERSE CITY | MICHIGAN | 49684

MEMORANDUM

DATE: September 27, 2019
TO: All Commissioners of the Traverse City Housing Commission
FROM: Tony Lentych, Executive Director
SUBJECT: Fiscal Year 2020 HUD Fair Market Rents

MESSAGE:

On an annual basis, U.S. Department of Housing and Urban Development (HUD) publishes fair market rent limits for every community in our Housing Choice Voucher (HCV) Program. Once adopted through resolution, local Public Housing Authorities are allowed to establish a payment standard to landlords at any level between 90 percent and 110 percent (120 percent if approved) of the established FMR for any unit size [See Attached Schedule].

TCHC staff, therefore, recommends adoption of the following:

RESOLUTION FOR THE ADOPTION OF THE HUD FAIR MARKET RENTS

September 27, 2019

WHEREAS, the United States Department of Housing and Urban Development (HUD) requires local public housing authorities including the Traverse City Housing Commission (TCHC) to adopt Fair Market Rents (FMRs) for the Housing Choice Voucher (HCV) Program; and

WHEREAS, the HUD Fiscal Year (FY) 2020 Fair Market Rents are now published (attached) for our region; and

WHEREAS, FMRs are primarily used to determine payment standard amounts for the HCV Program and the local Public Housing Authority may establish the payment standard amount for a unit size at any level between 90 percent and 110 percent (120 percent if approved) of the published FMR for that unit size (24 CFR 982.503(b)); 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 Fair Market Rent Payment Standards established by HUD are adopted for the Housing Choice Voucher (HCV) Program for the remainder of TCHC FY 2019 beginning January 1, 2019.

TCHC FY 2020 Fair Market Rents (FMR) for HCV Program*

County	0 Bedroom	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	Payment Standard
Antrim	\$ 465.00	\$ 600.00	\$ 713.00	\$ 971.00	\$ 1,089.00	FMR
	\$ 512.00	\$ 660.00	\$ 784.00	\$ 1,068.10	\$ 1,198.00	110%
	\$ 558.00	\$ 720.00	\$ 856.00	\$ 1,165.00	\$ 1,307.00	120%
Benzie	\$ 539.00	\$ 589.00	\$ 776.00	\$ 967.00	\$ 1,063.00	FMR
	\$ 593.00	\$ 648.00	\$ 854.00	\$ 1,064.00	\$ 1,169.00	110%
	\$ 647.00	\$ 707.00	\$ 931.00	\$ 1,160.00	\$ 1,276.00	120%
Grand Traverse	\$ 633.00	\$ 788.00	\$ 911.00	\$ 1,203.00	\$ 1,421.00	FMR
	\$ 696.00	\$ 867.00	\$ 1,002.00	\$ 1,323.00	\$ 1,563.00	110%
	\$ 760.00	\$ 946.00	\$ 1,093.00	\$ 1,444.00	\$ 1,705.00	120%
Kalkaska	\$ 465.00	\$ 541.00	\$ 713.00	\$ 958.00	\$ 1,032.00	FMR
	\$ 512.00	\$ 595.00	\$ 784.00	\$ 1,054.00	\$ 1,135.00	110%
	\$ 558.00	\$ 649.00	\$ 856.00	\$ 1,150.00	\$ 1,238.00	120%
Leelanau	\$ 649.00	\$ 657.00	\$ 790.00	\$ 1,071.00	\$ 1,334.00	FMR
	\$ 714.00	\$ 723.00	\$ 869.00	\$ 1,178.00	\$ 1,467.00	110%
	\$ 779.00	\$ 788.00	\$ 948.00	\$ 1,285.00	\$ 1,601.00	120%
Wexford	\$ 509.00	\$ 556.00	\$ 732.00	\$ 912.00	\$ 922.00	FMR
	\$ 560.00	\$ 612.00	\$ 805.00	\$ 1,003.00	\$ 1,014.00	110%
	\$ 611.00	\$ 667.00	\$ 878.00	\$ 1,094.00	\$ 1,106.00	120%

Proposed September 27, 2019

*Effective January 1, 2019

NOTE: TCHC will apply to HUD for a 120% Payment Exception.



FY 2020 FAIR MARKET RENT DOCUMENTATION SYSTEM

The FY 2020 Antrim County, MI FMRs for All Bedroom Sizes

Final FY 2020 & Final FY 2019 FMRs By Unit Bedrooms					
Year	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
FY 2020 FMR	\$465	\$600	\$713	\$971	\$1,089
FY 2019 FMR	\$450	\$577	\$700	\$958	\$1,060

Antrim County, MI is a non-metropolitan county.

Fair Market Rent Calculation Methodology

Show/Hide Methodology Narrative

Fair Market Rents for metropolitan areas and non-metropolitan FMR areas are developed as follows:

1. 2013-2017 5-year American Community Survey (ACS) estimates of 2-bedroom adjusted standard quality gross rents calculated for each FMR area are used as the new basis for FY2020 provided the estimate is statistically reliable. For FY2020, the test for reliability is whether the margin of error for the estimate is less than 50% of the estimate itself and whether the ACS estimate is based on at least 100 survey cases. HUD does not receive the exact number of survey cases, but rather a categorical variable known as the count indicator indicating a range of cases. An estimate based on at least 100 cases corresponds to a count indicator of 4 or higher.

If an area does not have a reliable 2013-2017 5-year, HUD checks whether the area has had at least minimally reliable estimate in any of the past 3 years, or estimates that meet the 50% margin of error test described above. If so, the FY2020 base rent is the average of the inflated ACS estimates.

If an area has not had a minimally reliable estimate in the past 3 years, the estimate State for the area's corresponding metropolitan area (if applicable) or State non-metropolitan area is used as the basis for FY2020.

2. HUD calculates a recent mover adjustment factor by comparing a 2017 1-year 40th percentile recent mover 2-bedroom rent to the 2013-2017 5-year 40th percentile adjusted standard quality gross rent. If either the recent mover and non-recent mover rent estimates are not reliable, HUD uses the recent mover adjustment for a larger geography. For metropolitan areas, the order of geographies examined is: FMR Area, Entire Metropolitan Area (for Metropolitan Sub-Areas), State Metropolitan Portion, Entire State, and Entire US; for non-metropolitan areas, the order of geographies examined is: FMR Area, State Non-Metropolitan Portion, Entire State, and Entire US. The recent mover adjustment factor is floored at one.
3. HUD calculates the appropriate recent mover adjustment factor between the 5-year data and the 1-year data and applies this to the 5-year base rent estimate.



FY 2020 FAIR MARKET RENT DOCUMENTATION SYSTEM

The FY 2020 Benzie County, MI FMRs for All Bedroom Sizes

Final FY 2020 & Final FY 2019 FMRs By Unit Bedrooms					
Year	<u>Efficiency</u>	<u>One-Bedroom</u>	<u>Two-Bedroom</u>	<u>Three-Bedroom</u>	<u>Four-Bedroom</u>
FY 2020 FMR	\$539	\$589	\$776	\$967	\$1,063
FY 2019 FMR	\$559	\$605	\$800	\$1,002	\$1,081

Benzie County, MI is a non-metropolitan county.

Fair Market Rent Calculation Methodology

Show/Hide Methodology Narrative

Fair Market Rents for metropolitan areas and non-metropolitan FMR areas are developed as follows:

1. 2013-2017 5-year American Community Survey (ACS) estimates of 2-bedroom adjusted standard quality gross rents calculated for each FMR area are used as the new basis for FY2020 provided the estimate is statistically reliable. For FY2020, the test for reliability is whether the margin of error for the estimate is less than 50% of the estimate itself and whether the ACS estimate is based on at least 100 survey cases. HUD does not receive the exact number of survey cases, but rather a categorical variable known as the count indicator indicating a range of cases. An estimate based on at least 100 cases corresponds to a count indicator of 4 or higher.

If an area does not have a reliable 2013-2017 5-year, HUD checks whether the area has had at least minimally reliable estimate in any of the past 3 years, or estimates that meet the 50% margin of error test described above. If so, the FY2020 base rent is the average of the inflated ACS estimates.

If an area has not had a minimally reliable estimate in the past 3 years, the estimate State for the area's corresponding metropolitan area (if applicable) or State non-metropolitan area is used as the basis for FY2020.

2. HUD calculates a recent mover adjustment factor by comparing a 2017 1-year 40th percentile recent mover 2-bedroom rent to the 2013-2017 5-year 40th percentile adjusted standard quality gross rent. If either the recent mover and non-recent mover rent estimates are not reliable, HUD uses the recent mover adjustment for a larger geography. For metropolitan areas, the order of geographies examined is: FMR Area, Entire Metropolitan Area (for Metropolitan Sub-Areas), State Metropolitan Portion, Entire State, and Entire US; for non-metropolitan areas, the order of geographies examined is: FMR Area, State Non-Metropolitan Portion, Entire State, and Entire US. The recent mover adjustment factor is floored at one.
3. HUD calculates the appropriate recent mover adjustment factor between the 5-year data and the 1-year data and applies this to the 5-year base rent estimate.
4. Rents are calculated as of 2018 using the relevant (regional or local) change in gross rent Consumer Price Index (CPI) from annual 2017 to annual 2018.



FY 2020 FAIR MARKET RENT DOCUMENTATION SYSTEM

The FY 2020 Grand Traverse County, MI FMRs for All Bedroom Sizes

Final FY 2020 & Final FY 2019 FMRs By Unit Bedrooms

Year	<u>Efficiency</u>	<u>One-Bedroom</u>	<u>Two-Bedroom</u>	<u>Three-Bedroom</u>	<u>Four-Bedroom</u>
FY 2020 FMR	\$633	\$788	\$911	\$1,203	\$1,421
<u>FY 2019</u> FMR	\$623	\$762	\$892	\$1,201	\$1,338

Grand Traverse County, MI is a non-metropolitan county.

Fair Market Rent Calculation Methodology

Show/Hide Methodology Narrative

Fair Market Rents for metropolitan areas and non-metropolitan FMR areas are developed as follows:

1. 2013-2017 5-year American Community Survey (ACS) estimates of 2-bedroom adjusted standard quality gross rents calculated for each FMR area are used as the new basis for FY2020 provided the estimate is statistically reliable. For FY2020, the test for reliability is whether the margin of error for the estimate is less than 50% of the estimate itself and whether the ACS estimate is based on at least 100 survey cases. HUD does not receive the exact number of survey cases, but rather a categorical variable known as the count indicator indicating a range of cases. An estimate based on at least 100 cases corresponds to a count indicator of 4 or higher.

If an area does not have a reliable 2013-2017 5-year, HUD checks whether the area has had at least minimally reliable estimate in any of the past 3 years, or estimates that meet the 50% margin of error test described above. If so, the FY2020 base rent is the average of the inflated ACS estimates.

If an area has not had a minimally reliable estimate in the past 3 years, the estimate State for the area's corresponding metropolitan area (if applicable) or State non-metropolitan area is used as the basis for FY2020.



FY 2020 FAIR MARKET RENT DOCUMENTATION SYSTEM

The FY 2020 Kalkaska County, MI FMRs for All Bedroom Sizes

Final FY 2020 & Final FY 2019 FMRs By Unit Bedrooms					
Year	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
FY 2020 FMR	\$465	\$541	\$713	\$958	\$1,032
FY 2019 FMR	\$466	\$548	\$725	\$966	\$1,050

Kalkaska County, MI is a non-metropolitan county.

Fair Market Rent Calculation Methodology

Show/Hide Methodology Narrative

Fair Market Rents for metropolitan areas and non-metropolitan FMR areas are developed as follows:

1. 2013-2017 5-year American Community Survey (ACS) estimates of 2-bedroom adjusted standard quality gross rents calculated for each FMR area are used as the new basis for FY2020 provided the estimate is statistically reliable. For FY2020, the test for reliability is whether the margin of error for the estimate is less than 50% of the estimate itself and whether the ACS estimate is based on at least 100 survey cases. HUD does not receive the exact number of survey cases, but rather a categorical variable known as the count indicator indicating a range of cases. An estimate based on at least 100 cases corresponds to a count indicator of 4 or higher.

If an area does not have a reliable 2013-2017 5-year, HUD checks whether the area has had at least minimally reliable estimate in any of the past 3 years, or estimates that meet the 50% margin of error test described above. If so, the FY2020 base rent is the average of the inflated ACS estimates.

If an area has not had a minimally reliable estimate in the past 3 years, the estimate State for the area's corresponding metropolitan area (if applicable) or State non-metropolitan area is used as the basis for FY2020.

2. HUD calculates a recent mover adjustment factor by comparing a 2017 1-year 40th percentile recent mover 2-bedroom rent to the 2013-2017 5-year 40th percentile adjusted standard quality gross rent. If either the recent mover and non-recent mover rent estimates are not reliable, HUD uses the recent mover adjustment for a larger geography. For metropolitan areas, the order of geographies examined is: FMR Area, Entire Metropolitan Area (for Metropolitan Sub-Areas), State Metropolitan Portion, Entire State, and Entire US; for non-metropolitan areas, the order of geographies examined is: FMR Area, State Non-Metropolitan Portion, Entire State, and Entire US. The recent mover adjustment factor is floored at one.
3. HUD calculates the appropriate recent mover adjustment factor between the 5-year data and the 1-year data and applies this to the 5-year base rent estimate.
4. Rents are calculated as of 2018 using the relevant (regional or local) change in gross rent Consumer Price Index (CPI) from annual 2017 to annual 2018.



FY 2020 FAIR MARKET RENT DOCUMENTATION SYSTEM

The FY 2020 Leelanau County, MI FMRs for All Bedroom Sizes

Final FY 2020 & Final FY 2019 FMRs By Unit Bedrooms					
Year	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
FY 2020 FMR	\$649	\$657	\$790	\$1,071	\$1,334
FY 2019 FMR	\$649	\$681	\$796	\$1,072	\$1,235

Leelanau County, MI is a non-metropolitan county.

Fair Market Rent Calculation Methodology

Show/Hide Methodology Narrative

Fair Market Rents for metropolitan areas and non-metropolitan FMR areas are developed as follows:

1. 2013-2017 5-year American Community Survey (ACS) estimates of 2-bedroom adjusted standard quality gross rents calculated for each FMR area are used as the new basis for FY2020 provided the estimate is statistically reliable. For FY2020, the test for reliability is whether the margin of error for the estimate is less than 50% of the estimate itself and whether the ACS estimate is based on at least 100 survey cases. HUD does not receive the exact number of survey cases, but rather a categorical variable known as the count indicator indicating a range of cases. An estimate based on at least 100 cases corresponds to a count indicator of 4 or higher.

If an area does not have a reliable 2013-2017 5-year, HUD checks whether the area has had at least minimally reliable estimate in any of the past 3 years, or estimates that meet the 50% margin of error test described above. If so, the FY2020 base rent is the average of the inflated ACS estimates.

If an area has not had a minimally reliable estimate in the past 3 years, the estimate State for the area's corresponding metropolitan area (if applicable) or State non-metropolitan area is used as the basis for FY2020.

2. HUD calculates a recent mover adjustment factor by comparing a 2017 1-year 40th percentile recent mover 2-bedroom rent to the 2013-2017 5-year 40th percentile adjusted standard quality gross rent. If either the recent mover and non-recent mover rent estimates are not reliable, HUD uses the recent mover adjustment for a larger geography. For metropolitan areas, the order of geographies examined is: FMR Area, Entire Metropolitan Area (for Metropolitan Sub-Areas), State Metropolitan Portion, Entire State, and Entire US; for non-metropolitan areas, the order of geographies examined is: FMR Area, State Non-Metropolitan Portion, Entire State, and Entire US. The recent mover adjustment factor is floored at one.
3. HUD calculates the appropriate recent mover adjustment factor between the 5-year data and the 1-year data and applies this to the 5-year base rent estimate.
4. Rents are calculated as of 2018 using the relevant (regional or local) change in gross rent Consumer Price Index (CPI) from annual 2017 to annual 2018.



FY 2020 FAIR MARKET RENT DOCUMENTATION SYSTEM

The FY 2020 Wexford County, MI FMRs for All Bedroom Sizes

Final FY 2020 & Final FY 2019 FMRs By Unit Bedrooms

Year	<u>Efficiency</u>	<u>One-Bedroom</u>	<u>Two-Bedroom</u>	<u>Three-Bedroom</u>	<u>Four-Bedroom</u>
FY 2020 FMR	\$509	\$556	\$732	\$912	\$992
<u>FY 2019 FMR</u>	\$526	\$569	\$753	\$943	\$1,018

Wexford County, MI is a non-metropolitan county.

Fair Market Rent Calculation Methodology

Show/Hide Methodology Narrative

Fair Market Rents for metropolitan areas and non-metropolitan FMR areas are developed as follows:

1. 2013-2017 5-year American Community Survey (ACS) estimates of 2-bedroom adjusted standard quality gross rents calculated for each FMR area are used as the new basis for FY2020 provided the estimate is statistically reliable. For FY2020, the test for reliability is whether the margin of error for the estimate is less than 50% of the estimate itself and whether the ACS estimate is based on at least 100 survey cases. HUD does not receive the exact number of survey cases, but rather a categorical variable known as the count indicator indicating a range of cases. An estimate based on at least 100 cases corresponds to a count indicator of 4 or higher.

If an area does not have a reliable 2013-2017 5-year, HUD checks whether the area has had at least minimally reliable estimate in any of the past 3 years, or estimates that meet the 50% margin of error test described above. If so, the FY2020 base rent is the average of the inflated ACS estimates.

If an area has not had a minimally reliable estimate in the past 3 years, the estimate State for the area's corresponding metropolitan area (if applicable) or State non-metropolitan area is used as the basis for FY2020.

TRAVERSE CITY HOUSING COMMISSION

150 PINE STREET | TRAVERSE CITY | MICHIGAN | 49684

MEMORANDUM

DATE: September 27, 2019
TO: All Commissioners of the Traverse City Housing Commission
FROM: Tony Lentych, Executive Director
SUBJECT: Establishing Flat Rent Schedules in Grand Traverse and Leelanau Counties

MESSAGE:

The U.S. Department of Housing and Urban Development (HUD) publishes fair market rent limits for every community where we maintain our Public Housing Program – Grand Traverse County and Leelanau County. Once adopted through resolution, local Public Housing Authorities must also establish a Flat Rent Schedule for all of its units at a level that is no more than 80 percent of the established FMR [See Attached Schedule]. There are many reasons for HUD maintaining this tool, not the least of which is that this tool encourages our residents to continue to increase their incomes when possible but not to “earn their way out” of any unit.

TCHC staff, therefore, recommends adoption of the following:

RESOLUTION FOR THE ADOPTION OF PUBLIC HOUSING FLAT RENT SCHEDULE

September 27, 2019

WHEREAS, the United States Department of Housing and Urban Development (HUD) requires local Public Housing Authorities (PHAs) including the Traverse City Housing Commission (TCHC) to adopt a Flat Rent Schedule for the Public Housing Program; and

WHEREAS, the HUD Fiscal Year (FY) 2020 Fair Market Rents are now published and adopted for our region including the two counties where TCHC maintains its Public Housing Program, Grand Traverse County and Leelanau County; and

WHEREAS, HUD requires each PHA to establish a Flat Rent Schedule at a dollar level equal to 80% of the adopted Fair Market Rent in order to provide incentives for residents to increase their incomes and to deconcentrate poverty in communities; 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 Flat Rent Schedule required by HUD is adopted for the Public Housing Program in Grand Traverse County and Leelanau County beginning November 1, 2019.

TCHC FY 2020 Flat Rent Schedule for Public Housing Programs*

Michigan County	0 Bedroom	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	Apartment Community
Grand Traverse	NA	\$ 630.00	NA	NA	NA	Riverview Terrace Apartments
Leelanau	NA	NA	\$ 632.00	\$ 856.00	\$ 1,068.00	Orchardview Townhomes


Proposed September 27, 2019

*Effective November 1, 2018

TRAVERSE CITY HOUSING COMMISSION

150 PINE STREET | TRAVERSE CITY | MICHIGAN | 49684

MEMORANDUM

DATE: September 27, 2019
TO: All Commissioners of the Traverse City Housing Commission
FROM: Tony Lentych, Executive Director 
SUBJECT: TCHC Executive Staff Succession Policy

MESSAGE:

Attached you will find a Draft Executive Staff Succession Policy and a current organizational chart for reference. This policy was last reviewed in 2017 but the recent departure of our Deputy Director has caused us to review our organizational structure and our succession plan. This review has only produced some minor edits and suggestions that reflect proposed restructuring. The Governance Committee reviewed the policy at its September meeting.

TCHC staff, therefore, recommends adoption of the following:

RESOLUTION TO ADOPT THE EXECUTIVE STAFF SUCCESSION POLICY

September 27, 2019

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

WHEREAS, the Commission recognizes that a well-planned transition for its Executive Staff position is crucial to its long-term success; and

WHEREAS, the Commission wishes to adopt the proposed changes to its Executive Staff Succession Policy that reflects the proposed office structure and organizational chart; and

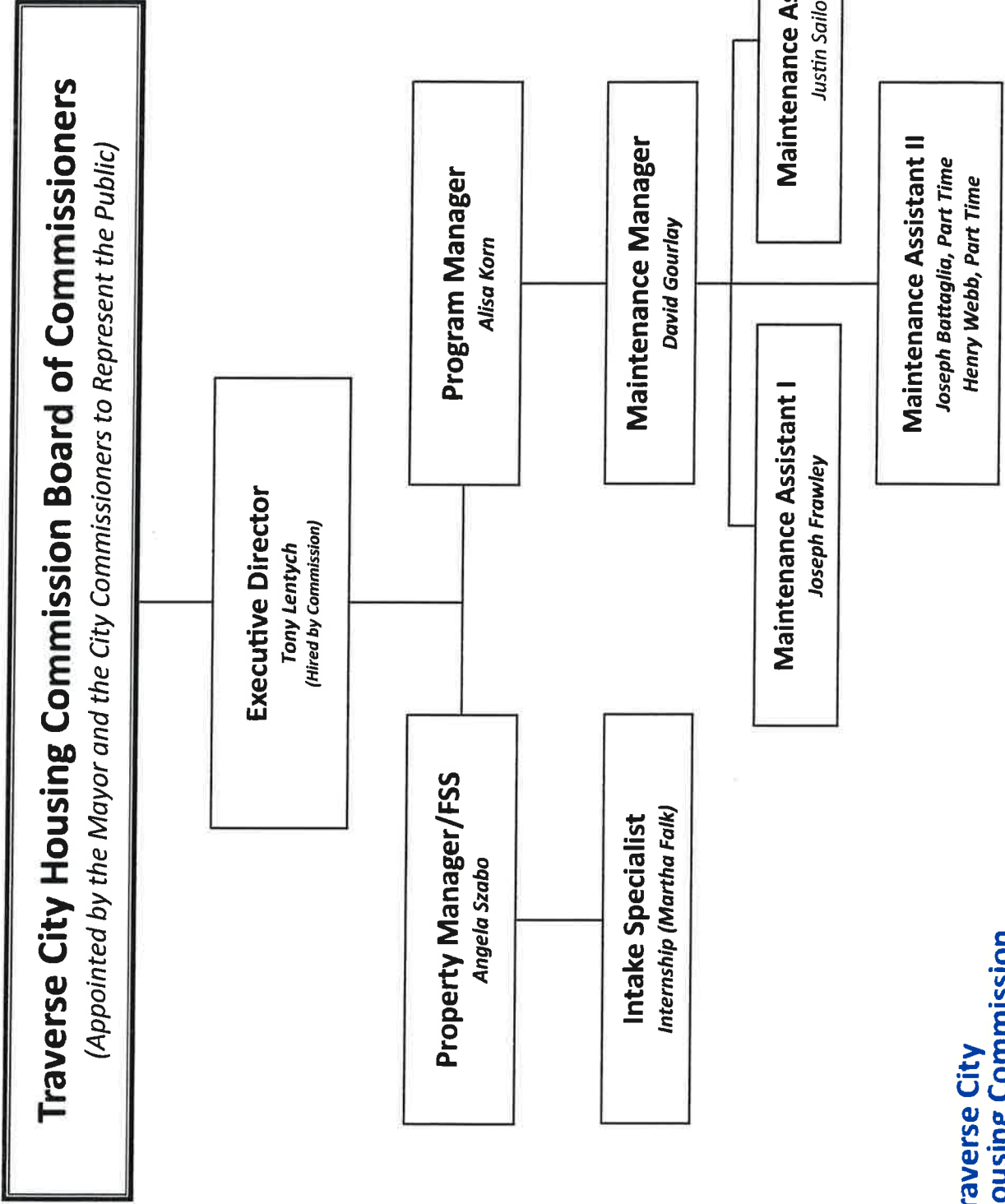
WHEREAS, the Governance Committee has reviewed the purpose of, and the need for, said Executive Staff Succession Policy; and

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

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

The Executive Staff Succession Policy is hereby adopted as presented by the Traverse City Housing Commission with immediate effect.

TCHC ORGANIZATIONAL CHART



Traverse City Housing Commission

DRAFT Executive Staff Succession Policy

1. **Purpose.** The intent of this policy is to ensure the effective day-to-day operations of the Traverse City Housing Commission (TCHC) should the Executive Director be unable to fulfill the obligations of the office, either in the short-term or the long-term, whether voluntary or involuntary.
2. **Policy.** The TCHC will proactively follow the procedures outlined in this policy in order to fulfill the purpose of this policy.
3. **Procedures.** Upon the immediate notice of the Executive Director being unable to fulfill the obligations of the office, either in the short-term or the long-term, whether voluntary or involuntary the following procedures will be followed:
 - A. **Internal Activities**
 - 1) The organizational chart of the Traverse City Housing Commission will be re-arranged for a temporary time.
 - 2) The Board will appoint the Deputy Director, or a Program Manager if there is not a Deputy Director, to the position of Interim Executive Director. The Interim Executive Director will act in the stead of the Executive Director, with all the responsibilities and authorities granted to the position.
 - 3) The Interim Executive Director will be compensated at a level to be set by the Board, during the Interim period.
 - 4) When necessary, the Board may temporarily appoint a Program Manager who is next in succession in the Organizational Chart to the position of Interim Deputy Director, and such person will act with all the responsibilities and authorities granted to the Deputy Director.
 - 5) The Interim Deputy Director will be compensated at a level to be set by the Board, during the interim period.
 - 6) At such a time as the TCHC Board in its sole discretion may determine that the existing Executive Director is able to satisfactorily fulfill the obligations of the office, the temporarily rearranged Organizational Chart and interim distribution of job responsibilities will cease, with Compensation levels of staff to be returned to their previous levels.
 - B. **External Activities**
 - 1) During the time that the operations of the TC Housing Commission are being overseen by the Interim Executive Director and other members of the temporarily rearranged Organizational Chart, the TCHC Board in its sole discretion will determine the need to actively seek an Executive Director who meets the requirements of the TCHC Board. The search for an Executive Director may include both internal and external candidates. The Interim Executive Director, as well as other staff members,

are eligible to apply for the Executive Director position, at the same time that other candidates are sought via external channels.

- 2) The Board, in its sole discretion, will determine the sources and methodologies appropriate for an effective and thorough external job search for candidates to fill the Executive Director position. This may include, but is not limited to, Inter-governmental agreements with local government entities such as the City of Traverse City and/or Grand Traverse County. In addition, the Board may consider a full external candidate search, involving seeking of candidates via advertisement of, and recruitment for, this position across a wide geographic area. The Traverse City Housing Commission Board will make final decision on selection of a candidate to fill the Executive Director position.
 - 3) When a candidate has been named to the position of Executive Director and begins active employment with the Housing Commission, the temporarily-rearranged Organizational Chart and job responsibilities distributed on an Interim basis will cease, with Compensation levels of staff to be returned to their previous levels, at a time determined by the new Executive Director in consultation with the Executive Committee.
4. **Update and Review.** The TCHC shall review the Succession Plan on a bi-annual or as needed basis.

Adopted: May 15, 2007

Revised: July 17, 2014


Revised: December 1, 2017

Proposed: September 27, 2019

TRAVERSE CITY HOUSING COMMISSION

150 PINE STREET | TRAVERSE CITY | MICHIGAN | 49684

MEMORANDUM

DATE: September 27, 2019
TO: All Commissioners of the Traverse City Housing Commission
FROM: Tony Lentych, Executive Director 
SUBJECT: TCHC – ERHC Management Services Agreement

MESSAGE:

Attached you will find a draft Management Services Agreement that continues the contractual arrangement between the Elk Rapids Housing Commission (ERHC) and TCHC. After a sixteen months of experience, I am pleased to recommend to you that we extent the agreement for another year – ERHC has reported that the previous agreements were successful and it has already adopted a companion resolution. Our attorney has previously reviewed the agreement and approves its form and structure. The Governance Committee has reviewed the terms of this agreement and recommends its implementation.

TCHC staff, therefore, recommends adoption of the following:

**RESOLUTION TO PROVIDE MANAGEMENT SERVICES TO
THE ELK RAPIDS HOUSING COMMISSION**

September 27, 2019

WHEREAS, the Traverse City Housing Commission has made an effort to expand its mission within our region by creating housing, partnering to create housing, or through the successful management of existing housing; and

WHEREAS, the Elk Rapids Housing Commission (ERHC) is in need of management services; and

WHEREAS, both ERHC and TCHC believe that the previous agreement was largely successful thereby paving the way for this longer-term arrangement; and

WHEREAS, the Commission concurs in the recommendations of the Executive Director and staff to implement this Management Services Agreement with ERHC.

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

The Traverse City Housing Commission will provide Management Services to the Elk Rapids Housing Commission for a period of twelve (12) months beginning October 1, 2019 per the terms of the executed Management Agreement.

DRAFT TCHC MANAGEMENT SERVICES AGREEMENT

This Agreement is made between the ELK RAPIDS HOUSING COMMISSION (“ERHC”), a Michigan Public Housing Authority, whose address is 701 Chippewa Street, Elk Rapids, Michigan, 49629 and the TRAVERSE CITY HOUSING COMMISSION (“TCHC”), a Michigan Public Housing Authority, whose address is 150 Pine Street, Traverse City, Michigan, 49684.

The parties hereto agree to the following:

1. **TERM OF AGREEMENT.** This Agreement shall be effective as of October 1, 2019 and shall continue for a period of twelve (12) months, or until September 30, 2020. This Agreement may be extended or renewed by written agreement signed by the parties. All provisions of this Agreement shall apply to all services and all periods of time in which TCHC renders services for ERHC.
2. **TERMINATING THE AGREEMENT.** Either party may terminate this Agreement by giving a sixty (60) day written notice of termination to the other party.
3. **SERVICES TO BE PERFORMED.** TCHC agrees to perform all administrative and or secretarial services necessary for the operation of ERHC’s public housing facility located at 701 Chippewa Street, Elk Rapids, Michigan, 49629. TCHC’s performance shall be in accordance with applicable laws, regulations and HUD provisions. The responsibilities and duties of TCHC under this Agreement are those akin to the duties and responsibilities of an Executive Director for a public housing facility. The estimate of service hours per month shall be as follows:
 - A. Executive Director, Tony Lentych = 8-12 hours per month at approx. \$52 per hour
 - B. Program Manager, Alisa Korn = 8-10 hours per month at approx. \$30 per hour
 - C. Office Coordinator, Angie Szabo = 44-48 hours per month at approx. \$28 per hour
4. **PAYMENT.** In consideration for the services to be performed by TCHC, ERHC agrees to pay TCHC the sum of TWENTY FOUR THOUSAND THREE HUNDRED (\$24,300.00) DOLLARS for duration of this agreement. Said amount shall be payable in monthly installments of \$2,025.00. Prior to the next renewal date, TCHC shall determine its costs of providing the services and, at TCHC’s request, the parties shall negotiate an increase in the management fee. Also prior to the next renewal date, ERHC shall analyze its expenses in receiving the services and, at ERHC’s request, the parties shall negotiate a decrease in the management fee. TCHC shall be solely responsible for any travel expenses related to rendering of the services under this Agreement.

5. **EXPENSES.** ERHC will furnish all materials, equipment and supplies used to provide the services required by this Agreement. These expenses shall include, but not be limited to, office supplies, computer systems, copier, software, and postage. ERHC shall also be responsible for any and all expenses related to the operation and maintenance of its public housing facility.
6. **INDEPENDENT CONTRACTOR STATUS.** The parties agree that TCHC is an independent contractor, and that neither TCHC nor its employees or personnel are, or shall be deemed to be, employees of ERHC.

In its capacity as an independent contractor, TCHC agrees to and represents the following:

- A. TCHC has the right and does fully intend to perform services for ERHC during the term of this Agreement.
 - B. TCHC has the sole right to control and direct the means, manner and method by which the services required by this Agreement will be performed.
 - C. TCHC has the right to perform the services required by this Agreement at any place or location and at such times as TCHC may determine.
 - D. TCHC has the right to use its employees to provide the services required by this Agreement.
 - E. The service required by this Agreement shall be performed by TCHC, or its employees or personnel.
 - F. Neither TCHC nor its employees or personnel shall be required by ERHC to devote fulltime to the performance or the services required by this Agreement.
 - G. TCHC does not receive the majority of its annual compensation from ERHC.
7. **EMPLOYEE BENEFITS.** TCHC understands that its employees and personnel are not eligible to participate in any employee pension, health, vacation pay, sick pay, or other fringe benefit plan of ERHC. TCHC will cover its employees and personnel with worker's compensation insurance. ERHC shall not be responsible for any unemployment compensation payments of behalf of TCHC or its employees and personnel.
 8. **LIMITATIONS.** All responsibilities for operation of the Elk Rapids Housing Commission, including any current or future liabilities, shall remain the sole responsibility of ERHC.
 9. **MISCELLANEOUS.**
 - A. This is the entire Agreement between TCHC and ERHC.

- B. A separate Maintenance Agreement may be negotiated prior to October 31, 2018. Until then, maintenance work will continue as it has been regularly conducted.
- C. This Agreement may be modified only by a writing signed by both parties.
- D. This Agreement will be governed by the laws of the State of Michigan.
- E. All notices or other communications required or permitted to be given to a party to this Agreement shall be in writing and shall be personally delivered or sent registered or certified mail to the addresses specified above or such other address as one party may give the other from time to time.
- F. This Agreement does not create a partnership relationship. TCHC does not have authority to enter into contracts on ERHC's behalf.
- G. TCHC may not assign or subcontract any rights or obligations under this Agreement without ERHC's prior written approval.

With the signatures below, the Traverse City Housing Commission and the Elk Rapids Housing Commission verify that permissions to enter into this contract have been reviewed by each respective Housing Commission and adopted by way of Resolution.

Traverse City Housing Commission

By: _____ Date _____
Tony Lentych
 Its: **Executive Director**

Elk Rapids Housing Commission

By: _____ Date _____
Myrna Howse
 Its: **President**

TRAVERSE CITY HOUSING COMMISSION

150 PINE STREET | TRAVERSE CITY | MICHIGAN | 49684

MEMORANDUM

DATE: September 27, 2019

TO: All Commissioners of the Traverse City Housing Commission

FROM: Tony Lentych, Executive Director

SUBJECT: Tenant Protection Vouchers and Section 18 Demolition and Disposition of Public Housing

MESSAGE:

At this time last year, we authorized an application to HUD to participate in the RAD program that would effectively move our Public Housing portfolio to the Housing Choice Voucher program. We had notified residents of this application and we continue to meet with our more vulnerable adults to make sure they understand the program. Orchardview Townhomes was to be a part of this “asset conversion” process but in the time since our submission of the application, HUD Field Staff has made us aware that another process may be more appropriate for this property.

With the continued threat of litigation over the soil conditions at this property, HUD is recommending that we apply under Section 18 through a “Health & Safety” Disposition of the Property. According to HUD, this will accomplish two things for us. The first, is that this seems to be the only mechanism to secure Tenant Protection Vouchers (TPVs) for ALL residents at the property. Other means of property disposition available to us like “Obsolete Physical Condition”, do not trigger the same percentage of TPVs, if any at all. The second benefit is that we will still keep those units in our overall portfolio (the “Faircloth Amendment” limit) and “move” those units to another future property once built (as we plan to do under RAD).

It should also be noted that pursuing this application does not mean that the property will cease to be “affordable” housing. Certain deed restrictions may be sought so that residents who are not wanting to relocate, can utilize their newly acquired TPVs to remain on property for the duration of their lease or as long as they maintain their residency on that site. It is likely that the TPVs will make the property more sustainable financially as an affordable housing project.

Since attaining the TPVs is our primary goal so that we can offer them to those residents that wish to relocate away from the property, it is clear that we should utilize the Section 18 application process. Therefore, despite the fact that we have not completed all of the preliminary requirements for the application like securing the title to the property, we have

been encouraged to pass a resolution authorizing an application under Section 18 Property Disposition in order to quickly secure those TPVs.

RESOLUTION TO SECURE TENANT PROTECTION VOUCHERS THROUGH SECTION 18

September 27, 2019

WHEREAS, the United States Department of Housing and Urban Development (HUD) has encouraged Public Housing Authorities, including the Traverse City Housing Commission (TCHC), to convert its housing property portfolio from the Section 9 funding platform to the Section 8 funding platform which, according to recent Federal budgets, appears to be a more stable funding platform; and

WHEREAS, the TCHC has previously applied to HUD to participate in the Rental Assistance Demonstration (RAD) program for its Riverview Terrace and Orchardview Townhomes properties and has spent much of the last year preparing to complete the requirements to participate in the RAD program; and

WHEREAS, the TCHC has been notified by HUD staff that this property is now eligible to participate in a Property Disposition Program under the Health & Safety criteria of Section 18 the Demolition and Disposition of Public Housing which will secure Tenant Protection Vouchers (TBVs); and

WHEREAS, the TCHC recognizes that HUD has assigned a "Section 18 Expeditor" to TCHC in order to assist in the Application Process and that this Expeditor has recommended this course of action; and

WHEREAS, the TCHC staff has thoroughly researched the Section 18 program, participated in training/conference sessions related to this topic, and believes this to be the most viable option to accomplish its goal of providing the maximum number of TBVs; and

WHEREAS, the TCHC concurs in the recommendation of the Executive Director and HUD staff.

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

TCHC authorizes an application (HUD Forms 52860 & 52860-A) to the United States Department of Housing and Urban Development (HUD) under Section 18 because the retention of the property is not in the best interests of the residents or the public housing agency because conditions in the area surrounding the public housing project may adversely affect the health or safety of the residents or the feasible operation of the project by the public housing agency.

ATTACHMENTS: Section 18 Language & HUD PIH Notice 2018-04
E-Mail from HUD Field Office & E-Mail from City Attorney

SEC. 18. DEMOLITION AND DISPOSITION OF PUBLIC HOUSING.

(a) APPLICATIONS FOR DEMOLITION AND DISPOSITION.—Except as provided in subsection (b), upon receiving an application by a public housing agency for authorization, with or without financial assistance under this title, to demolish or dispose of a public housing project or a portion of a public housing project (including any transfer to a resident-supported nonprofit entity), the Secretary shall approve the application, if the public housing agency certifies—

(1) in the case of—

(A) an application proposing demolition of a public housing project or a portion of a public housing project, that—

(i) the project or portion of the public housing project is obsolete as to physical condition, location, or other factors, making it unsuitable for housing purposes; and

(ii) no reasonable program of modifications is cost-effective to return the public housing project or portion of the project to useful life; and

(B) an application proposing the demolition of only a portion of a public housing project, that the demolition will help to ensure the viability of the remaining portion of the project;

(2) in the case of an application proposing disposition by sale or other transfer of a public housing project or other real property subject to this title—

(A) the retention of the property is not in the best interests of the residents or the public housing agency because—

(i) conditions in the area surrounding the public housing project adversely affect the health or safety of the residents or the feasible operation of the project by the public housing agency; or

(ii) disposition allows the acquisition, development, or rehabilitation of other properties that will be more efficiently or effectively operated as low-income housing;

(B) the public housing agency has otherwise determined the disposition to be appropriate for reasons that are—

(i) in the best interests of the residents and the public housing agency;

(ii) consistent with the goals of the public housing agency and the public housing agency plan; and

(iii) otherwise consistent with this title; or

(C) for property other than dwelling units, the property is excess to the needs of a public housing project or the disposition is incidental to, or does not interfere with, continued operation of a public housing project;

(3) that the public housing agency has specifically authorized the demolition or disposition in the public housing agency plan, and has certified that the actions contemplated in the public housing agency plan comply with this section;

(4) that the public housing agency—

(A) will notify each family residing in a project subject to demolition or disposition 90 days prior to the displacement date, except in cases of imminent threat to health or safety, consistent with any guidelines issued by the Secretary governing such notifications, that—

(i) the public housing project will be demolished or disposed of;

(ii) the demolition of the building in which the family resides will

not commence until each resident of the building is relocated; and

(iii) each family displaced by such action will be offered comparable housing—

(I) that meets housing quality standards;

(II) that is located in an area that is generally not less desirable than the location of the displaced person's housing; and

(III) which may include—

(aa) tenant-based assistance, except that the requirement under this clause regarding offering of comparable housing shall be fulfilled by use of tenantbased assistance only upon the relocation of such family into such housing;

(bb) project-based assistance; or

(cc) occupancy in a unit operated or assisted by the public housing agency at a rental rate paid by the family that is comparable to the rental rate applicable to the unit from which the family is vacated;

(B) will provide for the payment of the actual and reasonable relocation expenses of each resident to be displaced;

(C) will ensure that each displaced resident is offered comparable housing in accordance with the notice under subparagraph (A); and

(D) will provide any necessary counseling for residents who are displaced; and

(E) will not commence demolition or complete disposition until all residents residing in the building are relocated;

(5) that the net proceeds of any disposition will be used—

(A) unless waived by the Secretary, for the retirement of outstanding obligations issued to finance the original public housing project or modernization of the project; and

(B) to the extent that any proceeds remain after the application of proceeds in accordance with subparagraph (A), for—

(i) the provision of low-income housing or to benefit the residents of the public housing agency; or

(ii) leveraging amounts for securing commercial enterprises, onsite in public housing projects of the public housing agency, appropriate to serve the needs of the residents; and

(6) that the public housing agency has complied with subsection (c).

(b) DISAPPROVAL OF APPLICATIONS.—The Secretary shall disapprove an application submitted under subsection (a) if the Secretary determines that—

(1) any certification made by the public housing agency under that subsection is clearly inconsistent with information and data available to the Secretary or information or data requested by the Secretary; or

(2) the application was not developed in consultation with—

(A) residents who will be affected by the proposed demolition or disposition;

(B) each resident advisory board and resident council, if any, of the project (or portion thereof) that will be affected by the proposed demolition or disposition; and

(C) appropriate government officials.

(c) RESIDENT OPPORTUNITY TO PURCHASE IN CASE OF PROPOSED DISPOSITION.—

(1) IN GENERAL.—In the case of a proposed disposition of a public housing project or portion of a project, the public housing agency shall, in appropriate circumstances, as determined by the Secretary, initially offer the property to any eligible resident organization, eligible resident management corporation, or nonprofit organization acting on behalf of the residents, if that entity has expressed an interest, in writing, to the public housing agency in a timely manner, in purchasing the property for continued use as low-income housing.

(2) TIMING.—

(A) EXPRESSION OF INTEREST.—A resident organization, resident management corporation, or other resident-supported nonprofit entity referred to in paragraph (1) may express interest in purchasing property that is the subject of a disposition, as described in paragraph (1), during the 30-day period beginning on the date of notification of a proposed sale of the property.

(B) OPPORTUNITY TO ARRANGE PURCHASE.—If an entity expresses written interest in purchasing a property, as provided in subparagraph (A), no disposition of the property shall occur during the 60-day period beginning on the date of receipt of that written notice (other than to the entity providing the notice), during which time that entity shall be given the opportunity to obtain a firm commitment for financing the purchase of the property.

(d) REPLACEMENT UNITS.—Notwithstanding any other provision of law, replacement public housing units for public housing units demolished in accordance with this section may be built on the original public housing location or in the same neighborhood as the original public housing location if the number of the replacement public housing units is significantly fewer than the number of units demolished.

(e) CONSOLIDATION OF OCCUPANCY WITHIN OR AMONG BUILDINGS.—Nothing in this section may be construed to prevent a public housing agency from consolidating occupancy within or among buildings of a public housing project, or among projects, or with other housing for the purpose of improving living conditions of, or providing more efficient services to, residents.

(f) DE MINIMIS EXCEPTION TO DEMOLITION REQUIREMENTS.—Notwithstanding any other provision of this section, in any 5-year period a public housing agency may demolish not more than the lesser of 5 dwelling units or 5 percent of the total dwelling units owned by the public housing agency, but only if the space occupied by the demolished unit is used for meeting the service or other needs of public housing residents or the demolished unit was beyond repair.

(g) UNIFORM RELOCATION AND REAL PROPERTY ACQUISITION ACT.—The Uniform Relocation and Real Property Acquisition Policies Act of 1970 shall not apply to activities under this section.

(h) RELOCATION AND REPLACEMENT.—Of the amounts appropriated for tenant-based assistance under section 8 in any fiscal year, the Secretary may use such sums as are necessary for relocation and replacement housing for dwelling units that are demolished and disposed of from the public housing inventory (in addition to other amounts that may be available for such purposes).



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

OFFICE OF PUBLIC AND INDIAN HOUSING

Special Attention of:
Public Housing Agencies (PHAs)
Public Housing Directors
Resident Management Corporations

Notice PIH 2018-04 (HA)

Issued: March 22, 2018
Revised: July 3, 2018 to update
Section 6(F)1 and 6(F)3
Revised: December 14, 2018 to add
2018-09 and minor corrections

This notice supersedes and replaces
Notice PIH 2012-7. This notice
remains in effect until amended,
superseded or rescinded.

Cross-References: Notices: PIH 2011-7; 2016-13; 2016-20; 2016-22, 2016-23, 2017-10, 2017-22, 2017-24, 2018-09

Subject: Demolition and/or disposition of public housing property, eligibility for tenant-protection vouchers and associated requirements.

1) Purpose. This notice explains application requirements to request HUD approval to demolish and/or dispose of public housing property under Section 18 of the United States Housing Act of 1937 (42 U.S.C. 1437p) (1937 Act) and related Tenant Protection Voucher (TPV) eligibility for such actions. This notice is used in conjunction with HUD's implementing regulations at 24 CFR part 970, and related rules and applies to all SAC applications, including those under review or already approved by HUD if the PHA is requesting an amendment of HUD's approval.

For purposes of this notice, public housing or public housing property means low-income housing, and all necessary appurtenances thereto, assisted under the 1937 Act, other than assistance under 42 U.S.C. 1437f of the 1937 Act (section 8), and includes public housing units developed pursuant to the mixed-finance development method. The term "project" is defined by section 3(b)(1) of the 1937 Act and means housing developed, acquired, or assisted by a PHA under the 1937 Act, and the improvements of any such housing. Public housing includes non-dwelling property (e.g., vacant land, administrative buildings and community buildings) acquired, developed, modernized, operated or maintained with 1937 Act funds.

2) SAC Application Requirements.¹

A. Processing. HUD's Special Applications Center (SAC) reviews applications for demolition and disposition (SAC applications) in accordance with the requirements of 24 CFR part 970. SAC only reviews complete SAC applications. If a PHA submits a SAC application that is substantially incomplete or deficient (e.g., missing required supporting documentation), SAC returns the SAC application to the PHA and informs the PHA of the deficiencies.² Prior to re-submitting the SAC application, the PHA must consult residents and resident groups and secure a new board resolution on any material changes from the original submission. Pursuant to 24 CFR 970.29, HUD disapproves a SAC application if HUD determines: (1) a certification made by the PHA under 24 CFR part 970 is clearly inconsistent with the PHA Plan or any information and data available to or requested by HUD; or (2) the application was not developed in consultation with residents, resident groups, and local government officials.

B. PHA Plan. Proposed demolition or disposition must be included in a PHA Annual Plan, Significant Amendment or MTW Annual Plan. Qualified PHAs must discuss the demolition or disposition at a public hearing, as required by 24 CFR 903.7.³

C. Environmental Requirements. Proposed demolitions and disposition must comply with 24 CFR 970.13 and have environmental clearance, which means final approval from a HUD Approving Official or the Responsible Entity of an environmental review conducted under 24 CFR part 50 or 58. See Notice PIH 2016-22. PHAs are responsible for providing the Responsible Entity or local Office of Public Housing (Field Office) with a full description of the activities in connection with the demolition and/or disposition (including relocation, known future use of the site, use of disposition proceeds) to comply with aggregation requirements.⁴ The site re-use is not limited to future actions by the PHA, but includes any future known reuse. See 24 CFR 970.13(b) for factors in determining what constitutes a known future use.

D. Resident Consultation. In addition to resident consultation for PHA Plans, PHAs must comply with resident consultation requirements under 24 CFR 970.9, including consultation with: (i) residents who may be affected by the demolition or disposition action; (ii) resident organizations for the affected project, if any; (iii) PHA-wide resident organizations, if any; and (iv) the Resident Advisory Board or equivalent body. PHAs must ensure communications and materials are accessible. See section 6)F.5.

E. Offer of Sale to Resident Organizations (Disposition Only). PHAs must, in appropriate circumstances as determined by the Assistant Secretary, provide resident entities the opportunity to purchase the project, subject to certain exceptions. See 24 CFR 970.9(b)(3). A PHA requesting consideration of exceptions to 24 CFR 970.9(b)(1) follow the process stated at 24 CFR 970.9(b)(4).

F. Board Resolution. A PHA must obtain a signed and dated resolution from its Board of Commissioners authorizing the PHA to submit the SAC application. The Board must be

¹ Note that these items are not a substitute for the SAC application requirements described in 24 CFR part 970 or HUD-52860. Rather, the below provide additional guidance and clarification on certain requirements.

² SAC currently returns applications to PHAs by changing the status of the application to DRAFT status in the Inventory Management System/PIH Information Center (PIC) (IMS/PIC).

³ Qualified PHAs are defined by the Housing and Economic Recovery Act (HERA) as a PHA that (1) has a combined unit total of 550 or less public housing units and section 8 vouchers; (2) is not designated troubled under section 6(j)(2) of the 1937 Act, the Public Housing Assessment System (PHAS), as a troubled public housing agency during the prior 12 months; and (3) does not have a failing score under the Section 8 Management Assessment Program (SEMAP) during the prior 12 months.

⁴ See 24 CFR 58.32 and 24 CFR 50.21

consulted and approve all material parts of the SAC application including the justification; method of disposition (if applicable); use of proceeds; and relocation plan. The authorizing resolution must be dated after all local government and resident consultations are conducted.

G. Phased Applications. PHAs may submit SAC applications through a “phased” method with staggered timelines, so that units in later phases remain eligible for operating subsidy. A PHA submits a SAC application in IMS/PIC for each phase, with different relocation start timelines. The same supporting documentation (e.g., board resolution, resident consultation, government consultation) may be used for its all phases. See 24 CFR 970.7(a).

H. Amendments. PHAs must comply with all material terms of the SAC application. If after receiving HUD approval, a PHA’s plan changes on material terms, SAC approval of the change is required. Material terms include (i) method of disposition; (ii) public bid sale where offer is less than 80% of fair market value (FMV) appraisal submitted in the SAC application (the PHA must describe its due diligence in offering the public housing property for sale on the open and competitive market and its rationale for accepting an offer that is less than 80% of appraised FMV. Alternatively, the PHA may submit an updated appraisal); (iii) terms of commensurate public benefit disposition (the PHA must describe the revised future use of the property so HUD can confirm the commensurate public benefit); and (iv) use of proceeds. PHAs request amendments by sending an email to SACTA@hud.gov with the information noted above and a board resolution approving the change. On a case-by-case basis, SAC may require additional supporting documentation to support an amendment (e.g., evidence of local government and/or resident consultation; confirmation of environmental clearance).

3) Disposition.

A. Justification Criteria for Units. HUD reviews PHA certifications and narratives, along with other information available to or requested by HUD, on a case-by-case basis. HUD approves SAC applications for dispositions based on at least one of the following three reasons:

- 1. Surrounding Area: 24 CFR 970.17(a).** Retention of units is not in the best interests of the residents or the PHA because the conditions in the area surrounding the project (e.g., density, industrial or commercial development) adversely affect the health or safety of the residents or the feasible operation of the project by the PHA. The PHA supports its application with at least one of the following:
 - a. To support a SAC application based on health or safety, PHAs demonstrate conditions that present serious obstacles in maintaining the units as healthy or safe housing and why the PHA cannot cure or mitigate those conditions in a cost-effective manner. HUD encourages PHAs to submit supporting third-party documentation, which include environmental reviews conducted under 24 CFR part 58. HUD may consider other available information, including analyses of land development, socioeconomic, community facilities and services, and natural features. In accordance with Notice PIH 2016-22, HUD may elect to perform an environmental review under 24 CFR part 50; or
 - b. To support a SAC application based on infeasible operation, PHAs demonstrate a lack of demand for the units. Supporting documentation includes evidence the units have long-term vacancy issues, notwithstanding due diligence in marketing (e.g., census tract data on declining population in the jurisdiction; units located in an isolated area with limited access to transportation and infrastructure; high turnover

rates). On a case-by-case basis, HUD may require a PHA to submit a market analysis or HUD may perform one.

- 2. Improved Efficiency/Effectiveness Through Off-Site Development of Low-income Housing: 24 CFR 970.17(b).** Retention of the units is not in the best interests of residents or the PHA because disposition allows for the development of other properties that will be more efficiently or effectively operated as low-income housing projects. For purposes of this notice, “low-income housing” is limited to public housing units, project-based voucher (PBV) units, or Section 8 PBRA units and does not include housing where tenants are using tenant-based Section 8 Housing Choice Vouchers (HCV). Development may include acquisition (with or without rehabilitation) or new construction. PHAs must demonstrate why the replacement low-income housing units are preferable (e.g., more energy efficient; better unit configuration; better location in terms of transportation, jobs, or schools; furthers minority or economic de-concentration where units are relocated from an area of minority concentration to one that is not concentrated). The units being acquired, developed, or rehabilitated must be off-site. In providing the statement justifying the proposed disposition pursuant to 24 CFR 970.7(a)(5), PHAs explain their intention to acquire, develop, or rehabilitate low-income housing projects. For public housing units, the PHA submits the development proposal to HUD under 24 CFR part 905. For PBV units, the PHA submits an “intent to project-base” notification to the Field Office.
- 3. Best Interests and Consistency: 24 CFR 970.17(c).** A PHA certifies it has determined the disposition to be appropriate for reasons that are in the best interests of the residents and the PHA, consistent with the goals of the PHA and the PHA Plan and are otherwise consistent with the 1937 Act. In making such a certification, a PHA considers the tremendous need for public housing units nationwide, the purpose and mandate of the 1937 Act, the mission and obligations of the PHA to maintain and operate projects as decent and safe housing in accordance with its ACC, and other tools available to the PHA to preserve and reposition its public housing stock. SAC applications are reviewed on a case-by-case basis. Below are examples of what HUD generally approves under this section:

 - a. **Unit obsolescence.** The units are obsolete as to physical condition in accordance with applicable demolition criteria described at section 4)A.1 of this notice.
 - b. **Very Small PHAs.** The PHA owns and operates 50 or fewer public housing units under its ACC and has determined that it is in the best interests of the residents and PHA to close out its Section 9 public housing program in accordance with Notice PIH 2016-23.
 - c. **Comprehensive Rehabilitation or Replacement through Rental Assistance Demonstration (RAD).** The PHA is converting at least 75 percent of the public housing units within a project (as project is defined by RAD) under RAD and meets the requirements of the RAD Final Implementation Notice REV-3, H-2017-3, and is replacing the units proposed for disposition (up to 25 percent of the public housing units within a project) with Section 8 project-based voucher (PBV) assistance in accordance with 24 CFR part 983. The

aggregate number of replacement units (RAD and PBVs) must meet the RAD “substantial conversion of assistance” requirements. To qualify, the project-based Section 8 units (RAD and PBV) must be newly constructed or substantially rehabilitated (defined for purposes of this clause as hard construction costs, including general requirements, overhead and profit, and payment and performance bonds, in excess of 60% of the Housing Construction Costs as published by HUD for a given market area) without using 9% Low Income Housing Tax Credits.

- d. **Improved Efficiency/Effectiveness Through On-Site Development of Low-income Housing: 24 CFR 970.17(c).** The requirements of Section 3)A.2 of this notice apply except the replacement low-income housing units are located on-site. The replacement low-income housing units may be newly constructed or the same public housing units after modernization (rehabilitation).⁵
- e. **Scattered Site Units.** Due to distance between units and lack of uniformity of systems (e.g. HVAC, utilities) the PHA demonstrates an unsustainability to operate and/or maintain the units as public housing. For purposes of this notice, scattered site units generally mean units in non-contiguous buildings with four or fewer total units.

B. Disposition Criteria of Non-Dwelling Buildings and Vacant Land. The PHA certifies, by narrative statement and supporting documentation, that non-dwelling buildings or vacant land meets the criteria of 24 CFR 970.17(d) because the property exceeds the needs of the project after the date of full availability (DOFA); or the disposition of the property is incidental to, or does not interfere with, continued operation of the remaining portion of the project.

C. Commensurate Public Benefit. In accordance with 24 CFR 970.19, dispositions proposed below FMV require a finding of commensurate public benefit, which HUD determines on a case-by-case basis. Generally, the disposed property is developed for affordable housing purposes serving low-income families (incomes at or below 80% of area median). Such affordable housing may include, but is not limited to, public housing, project-based Section 8 housing, and housing developed with low-income housing tax credits (LIHTCs). HUD encourages PHAs to maximize economic opportunities available to residents (as described in section 6)F.5 of this notice) when requesting HUD approval of a below FMV disposition based on commensurate public benefit. PHAs should specifically describe these economic opportunity benefits in their SAC applications as part of the commensurate public benefit description. To ensure compliance with a HUD-approved commensurate public benefit, a use restriction may be required (that survives foreclosure of mortgages and other liens) publicly recorded in the land records. As the part of the SAC application, a PHA may propose a preferred form of use restriction (e.g., LIHTC extended use agreement, HOME agreement, reversion clause in transfer documents, provision in ground lease, separate use agreement). The use restriction must be in a form acceptable to HUD. Field Offices will not release the Declaration of Trust/Declaration of Restricted Covenants

⁵ If the PHA is proposing to dispose of public housing units to allow the same units to be modernized (rehabilitated) under mixed-finance public housing development rules of 24 CFR 905, the PHA submits the SAC application under the “MF-MOD” disposition application type in IMS/PIC. This ensures Capital Fund and Operating Fund subsidy are accurate.

(DOT/DORC) (HUD-52190) (4/2018) (or previous versions) until the PHA evidences compliance.

4) Demolition.

A. Justification Criteria. HUD reviews demolition requests in accordance with the following criteria:⁶

1. Physical Condition: 24 CFR 970.15(b)(1)(i) and (b)(2). PHAs must demonstrate substantial physical issues of the buildings/units (i.e., critical structural issues, deficiencies in major systems, deterioration due to prolonged deferred maintenance) that cannot be corrected in a cost-effective manner. PHAs may submit Physical Needs Assessments (PNAs), government inspections (including condemnation orders), and/or independent architect or engineer's reports as supporting documentation.⁷ HUD may consider other available information, including REAC scores; Capital Fund Program Five Year Action Plans, Energy Performance Contracting (EPC) information; and/or on-site inspections by HUD staff. To support a certification of physical obsolescence and cost-ineffectiveness, the PHA submits form HUD-52860-A (4/2018) and HUD-52860-B (4/2018), along with a list of specific and detailed work-items that require rehabilitation or repair, preferably prepared by an outside engineer or architect, in two components: scope of work and cost-estimates. The following generally applies to the scope of work:

- a. Estimates based on the standards outlined in the most recent International Building Code (IBC) and National Fire Protection Association (NFPA) 5000 standards. PHAs may include local code requirements (i.e., fire codes; requirements for natural disasters such as flooding or wildfires);
- b. Building systems (e.g., HVAC, plumbing, electric), external amenities (e.g., roofs, doors, windows), and internal amenities (e.g., kitchens, bathrooms, flooring) limited to those that address immediate capital needs for a maximum of three years. Replacement costs are restricted to the remaining useful life of an item for three years or less. Actual service life may depend on initial quality of the item, local environmental factors, use/abuse, and levels of routine maintenance. Age of an item alone is not evidence of need to repair or replace. Each item is individually estimated and may reference life cycle values per the R.S. Means Facilities Maintenance and Repair Cost Data book;
- c. Underground utilities (e.g., sewer, water, gas, electric), regardless of distances, provided the PHA owns the utility and evidences the need for replacement;
- d. Mitigation costs of asbestos, lead-based paint, or other environmental issues supported by reports submitted with the SAC application;

⁶ PHAs do not need demolition approval from HUD if PHAs are proposing to dispose of public housing units or other property before such property will be demolished (e.g., by a LIHTC acquiring entity). Instead, PHAs must comply with the disposition criteria in Section 3 of this notice.

⁷ In accordance with 24 CFR 905.314(g), PHAs are permitted to rehabilitate and address the capital needs of projects provided the rehabilitation costs do not exceed 90% of total development cost TDC. Accordingly, per 24 CFR 970.15(b)(2), if a project's rehabilitation costs are between 57.14% (or 62.5% if elevator) and 90% of TDC, the PHA may either voluntarily pursue a demolition or disposition action for the project or may rehabilitate the project with Capital Funds. However, if rehabilitation costs for a project exceed 90% of TDC, the PHA's only choice is to pursue a demolition or disposition or use funds other than Capital Funds to address the project's capital needs.

- e. Structural defects when supported by reports from a licensed professional engineer;
- f. Accessibility improvements for persons with mobility, vision, hearing or other impairments, provided improvements are consistent with standards, regulations, and other requirements under Section 504 of the Rehabilitation Act of 1973 (including the Uniform Federal Accessibility Standards (UFAS)), Fair Housing Act, Americans with Disabilities Act, other applicable federal authorities, state or local requirements that exceed federal baseline requirements, and accessibility requirements in remedial agreements or orders;
- g. Imminent health and/or safety issues even if such costs are otherwise not eligible provided the PHA provides supporting documentation from an independent party evidencing the occurrence and resulting health and/or safety risks.

HUD reserves the right to disallow items in a scope of work if HUD determines there are more cost-effective alternatives to address the rehabilitation or replacement needs. If PHAs complete major capital work after the scope of work is prepared, the PHA must include a description of that work in the SAC application. HUD generally does not allow the following costs to be included in a rehabilitation scope of work:

- a. Work associated with enhancements or improvements of working systems or fixtures at the project (including energy efficiency “green” improvements);
- b. Amenities not currently existing at the project (e.g., solar panels; tank-less water heaters; trash enclosures, washer/dryer hook-ups; garbage disposals; central air-conditioning; addition of new porches);
- c. Work items that address a project’s needs beyond three years;
- d. Local code compliance if the building code requirements are otherwise not triggered by the rehabilitation/repair;
- e. Landscaping or other site work beyond five feet of the exterior walls of a building;
- f. Upgrading utility lines that are otherwise in working condition;
- g. Work items associated with site improvements and appurtenances (e.g., parking lots, security cameras, playgrounds, community centers), even if those site improvements or appurtenances exist and need of repairs; and
- h. Replacing PHA personal property (e.g., replacing appliances or other removable fixtures such as refrigerators, ovens, and window treatments).

The following generally applies to cost-estimates of the eligible scope of work items:

- a. Total development costs (TDC) comparisons per HUD-posted costs for the year the rehabilitation estimate is made. See 24 CFR 905.314.
- b. R.S. Means cost index, Marshall and Swift cost index, or other accurate and reliable cost-estimates (e.g., actual and competitive bids).
- c. Hard construction costs (HCC) as defined in 24 CFR part 905 (including existing items inside a building or within five feet of the exterior walls; and costs to repair landscaping damaged due to rehabilitation).

PHAs may not include additional costs attributable to inflation or “cost escalation.” For example, if a PNA completed in 2017 indicates a roof replacement is necessary in 2019,

the PHA must use current estimated costs without any escalation, cost adjustments or other means of adjusting for inflation for work projected to be undertaken/completed in 2019. Instead, the PHA uses 2017 cost-index information.

The following fees are maximum amounts for soft costs associated with public housing rehabilitation.⁸ PHAs may flexibly determine costs for each item provided the total cost does not exceed the maximum. Percentages are based on hard construction and will vary based on the project size:

- a. Construction contingency: 7.5 percent
- b. Architectural/Engineer's design and construction monitoring fees: 5.5 percent
- c. Profit and overhead fees for specialty sub-contractor (e.g. HVAC, Electric, Plumbing, Elevator): 10 percent
- d. General Condition fees (e.g. Permit, Insurance, Bonds): 5 percent
- e. PHA administrative costs: 2 percent

2. Location: 24 CFR 970.15(b)(1)(ii) and (b)(2). PHA demonstrates the location of the units causes obsolescence, including physical deterioration of the neighborhood; change in neighborhood from residential to industrial or commercial; or environmental conditions of the site, a portion of the site, or the housing jeopardize the residential use. The cost-test for obsolescence based on location includes the PHA's cost to cure the obsolescence (e.g., buffering nearby industrial or commercial development; mitigating environmental conditions) and whether these costs exceed applicable TDC percentages. In some cases, there may be no way to cure the obsolescence, regardless of cost (e.g., project is in a Federal Emergency Management Agency (FEMA) designated floodway). In other cases, the obsolescence may be curable with a mitigation cost (e.g., flood-proofing and FEMA-insurance for designated floodplains).

3. Other Factors: 24 CFR 970.15(b)(1)(iii) and (b)(2). PHA demonstrates factors impacting the marketability, usefulness, or management of the units that seriously impede operations for residential use supported by third party documentation. The cost-test for obsolescence based on other factors includes the PHA's cost to cure the cause and whether these costs exceed applicable TDC percentages. In some cases, curing the obsolescence is not possible regardless of costs. In cases where the obsolescence may be curable, include the PHA's cost of due diligence in marketing and to cure obsolete factors (e.g., cost to add a second bathroom to units with a high number of bedrooms).

B. De Minimis Demolition. In any 5-year period, a PHA may demolish the lesser of 5 dwelling units or 5 percent of the total public housing dwelling units without the need to obtain HUD approval under 24 CFR part 970, provided the resulting space is used to meet the service or other needs of the residents or the PHA determines the unit(s) are beyond repair. Demolition criteria of 970.15 does not apply to de minimis demolitions. Prior to demolishing units under this authority, the PHA must submit information to HUD via IMS/PIC, including a description of the proposed units and other items required by 24 CFR 970.7(a)(1), (2), (12), (13), and (14).

⁸ HUD may consider higher percentages for soft costs for compelling reasons on a case-by-case basis.

5) Eligibility and Application Process for Tenant-Protection Vouchers (TPVs).

A. TPV Eligibility. As part of HUD’s approval of a SAC application, a PHA may be eligible to receive Section 8 HCV assistance from HUD in the form of TPVs. The issuance of TPVs to a PHA does not occur with SAC approval of an application. Instead, the PHA must apply separately for TPVs in accordance with the current PIH funding notice for the HCV program.

HUD determines a PHA’s TPV award based on the relevant appropriations and other HUD-issued guidance (including the applicable year’s HCV funding notice). HUD’s approval of the SAC application indicates the maximum number of both relocation and replacement TPVs that a PHA is eligible to receive.

Notice PIH 2018-09 states a PHA’s final replacement TPV award for Public Housing actions is based on the occupancy of the units at the time HUD approves the SAC application. A PHA’s replacement TPV will not change unless the PHA’s redevelopment plan has been revised to reduce the number of eligible replacement TPVs. See Section 6.C.1.b.ii.

Notice PIH 2018-09 states a PHA’s final relocation TPV award for Public Housing actions is based on the occupancy of the units at the time the TPV application is submitted to HUD. This number may be less (but not more) than the maximum number of relocation TPVs identified in HUD’s approval of the SAC application. See Section 6.C.1.b.i.

Based on limited availability of TPV funding, HUD is limiting the maximum TPV awards for dispositions based on improved efficiency or effectiveness under Section 3) A.2 or 3) A.3.d of this notice to 25 percent of the occupied units at the project. However, even if a PHA is not eligible to receive TPVs in a SAC-approved disposition, the PHA must still comply with relocation requirements of 24 CFR 970.21.

B. TPV Application Process. A PHA must submit the following to the Field Office:

1. Name and IMS/PIC number for the units approved in the SAC application. Number of TPVs (both relocation and replacement) requested which must equal or be less than the maximum number of TPVs identified in the SAC approval and address relevant appropriation limits including HUD TPV guidance. See Notice PIH 2017-10 (or the current replacement PIH funding notice for the HCV program) concerning the differences between replacement and relocation TPVs.
2. Form HUD-52515 (Voucher Funding Application). If lease-up covers more than one calendar year, the PHA must submit a separate Form HUD-52515 for each calendar year.
3. Leasing schedule identifying the number of TPVs leased on a month-to-month basis. If lease-up covers more than one calendar year, the PHA must submit separate leasing schedules for each calendar year. If the PHA is approved for both replacement and relocation TPVs as part of the same SAC approval, the PHA must submit separate leasing schedule(s) for each type of TPV.
4. SAC application approval as a PDF copy, signed and dated.

5. If the PHA is a Public Housing only PHA (and therefore cannot receive or administer TPVs), the name and PHA code of the PHA that has agreed to administer the TPVs, along with an agreement letter from that PHA. HUD does not allow Public Housing only PHAs to create Section 8 HCV programs based solely on TPV eligibility.

The Field Office conducts a threshold review of the TPV request prior to sending the request to HUD's Financial Management Center (FMC). HUD's FMC notifies PHAs of final TPV awards.

6) Other Requirements.

A. Existing Financial Transactions. PHAs with an approved transaction through the Capital Fund Financing Program (CFFP), Section 30 (including PHA Mortgaged Transaction (PMT)), Energy Performance Contracting (EPC), or Operating Fund Financing Program (OFFP) must comply with additional instructions provided by HUD regarding such financing and may not take any steps to implement a SAC-approved application without receiving confirmation from HUD that all applicable requirements of the financing are satisfied. PHAs must certify an existing financial agreement is not at-risk because of the proposed demolition or disposition action.

B. Operating Fund Accuracy. Updating Days to Relocation. As part of the SAC application, PHAs include an estimated number of days from a SAC-approved application that it plans to start relocation. HUD recognizes relocation plans sometimes change. However, because HUD relies on relocation information to determine Operating Funds, PHAs are responsible to ensure the relocation information remain reasonably accurate. If days to relocation in a SAC application is not reasonably accurate, Asset Repositioning Fee (ARF) payments under 24 CFR 990.190 will be affected. See Notice PIH 2017-22 on how to update relocation dates.

C. Re-occupying Units Proposed for Demolition or Disposition. 24 CFR 970.25(a) states a PHA should not re-rent units at turnover while HUD is considering a SAC application. However, due to community needs or for other reasons consistent with its PHA Plan, a PHA may decide it is in the best interests of the PHA, its residents, and the community to re-occupy vacated units that are under SAC review. If the PHA proposes demolition or disposition because units are structurally unsound, located in a floodway, or otherwise uninhabitable, the PHA cannot reoccupy the units. PHAs cannot re-occupy units after issuance of the 90-day relocation notice.

D. Reporting Requirements. Within seven days of completion of the demolition or disposition (e.g., execution of the sale or lease contract for disposition), PHAs must report the action in IMS/PIC. On a case-by-case basis, HUD may require other reporting information.

E. False Certifications and HUD Enforcement. Any person knowingly presenting a false, fictitious or fraudulent statement or claim in a HUD matter, including certifications and supporting documentation submitted with SAC applications, are subject to criminal penalties, civil liability, or administrative actions which HUD may prosecute. HUD may pursue debarment/suspensions of principals and PHAs, and any enforcement actions available including, but not limited to, injunctive relief and other equitable remedies.

F. Civil Rights Requirements. This notice does not modify a PHA's fair housing, civil rights, or accessible housing obligations. It does clarify those obligations with respect to public housing demolition/disposition under Section 18.

1. **PHA Certification.** As part of the SAC application, PHAs certify compliance with all applicable civil rights requirements, including Title VI of the Civil Rights Act of 1964, the Fair Housing Act, Section 504 of the Rehabilitation Act of 1973, Title II of the

Americans with Disabilities Act of 1990 and the duty to affirmatively further fair housing. A PHA's certification that it will affirmatively further fair housing means: (1) for a PHA that has completed an Assessment of Fair Housing (AFH) which has been accepted by HUD, that it will take meaningful actions to further the goals identified in the AFH conducted in accordance with 24 CFR 5.150 through 5.180, and that it will take no action that is materially inconsistent with its obligation to affirmatively further fair housing; or (2) for a PHA that is not yet required to and has not submitted an AFH, that it must continue complying with the requirements that existed prior to August 17, 2015, with respect to affirmatively furthering fair housing. PHAs also certify that if HUD approves the SAC application, subsequent implementation complies with all applicable civil rights requirements, including environmental determinations for environmental justice.

2. **HUD Civil Rights Review.** HUD's Office of Fair Housing and Equal Opportunity (FHEO) conducts a civil rights review of SAC applications, which may include applications for non-dwelling property. Pursuant to 24 CFR 970.7(a)(17), HUD may request additional information, including information about the PHA's compliance with nondiscrimination requirements in relocations under 24 CFR 970.21(a) and the PHA's affirmatively furthering fair housing certification under 24 CFR 903.7(o).
3. **Disclosure of Remedial Orders and Compliance Agreements.** In its SAC application, the PHA provides a certification that the demolition or disposition does not violate any remedial civil rights order or agreement, voluntary compliance agreement, final judgment, consent decree, settlement agreement, or other court order or agreement (per 24 CFR § 970.9(a)(16)). In addition, the PHA states whether it is operating under any federal, state, or local remedial order, compliance agreement, final judgment, consent decree, settlement agreement or other court order or agreement, including but not limited to those related to a fair housing or other civil rights finding of noncompliance. If the PHA is operating under such a document, it must provide a citation to the document and attach a narrative description explaining how the proposed demolition or disposition is consistent with such document.
4. **Federal Labor Standards and Economic Opportunity.** PHAs using HUD funds for demolition or disposition must comply with all applicable federal labor standards of section 12 of the 1937 Act (42 U.S.C. 1437j) (Davis-Bacon) and requirements of Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C 1701u), as amended. Activities include but are not limited to demolition and resident relocation. Under Section 3 and 24 CFR 135, recipients of certain HUD financial assistance must provide employment, training, and economic opportunities to the greatest extent feasible to Section 3 residents or business concerns. Recipients of HUD funds have Section 3 obligations regardless of the amount of funds (24 CFR 135.3(a)(3)).
5. **Accessible Resident Consultation.** To ensure individuals with disabilities have reasonable opportunities to consult on the SAC application, PHAs must ensure communications and materials are accessible and in compliance with Section 504 of the Rehabilitation Act of 1973, 24 CFR 8.6, 49 CFR 24.5, the Americans with Disabilities Act of 1990, and 28 CFR 35 and 36. This includes ensuring written and oral communications, including resident meetings, are provided in appropriate alternative formats as needed, e.g., Braille, audio, large type, accessible electronic communications, assistive listening devices, sign language interpreters, computer-

assisted real time transcription of meetings, brailled materials, large print documents, accessible web-based and email communications, and when providing materials via the Web. In selecting locations for consultation with residents, the PHA must provide equal access for persons with disabilities, conducting sessions at locations that are physically accessible to persons with disabilities, including individuals who use wheelchairs. Individuals with disabilities must receive services in the most integrated setting appropriate to their needs, meaning the needs of qualified individuals with disabilities that enables interactions to the fullest extent possible. The PHA is guided by the goal of maximizing participation in an integrated setting so that residents with disabilities and residents without disabilities may hear and consider each other's views. Priority shall be given to on-site accessible locations (e.g., TV rooms or informal gathering places) even if to do so requires multiple sessions with smaller groups of residents. Title VI of the Civil Rights Act of 1964 and regulations at 24 CFR 1, require PHAs to take reasonable steps to ensure meaningful access to their programs and activities for persons who have limited ability to read, speak, or understand English (i.e., individuals who have limited English proficiency or LEP persons). Written materials provided in English are to be provided in regularly encountered languages among the residents. PHAs may need to provide interpreters to communicate between different languages to ensure LEP persons have meaningful access. PHAs hold meetings in languages other than English to provide direct communication and participation.

6) Relocation of Residents. If residents are relocated due to a demolition and/or disposition, the PHA must follow relocation requirements at 24 CFR 970.21, and not the relocation requirements at 49 CFR part 24, which implements the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), as amended. However, if subsequent acquisition, rehabilitation or demolition carried out with HUD funds or carried out with other HUD-funded activities causes residents to relocate, the URA may apply to those relocations. Additionally, if CDBG or HOME funds are used in the demolition or with conversion of lower-income dwelling units to a use other than lower-income dwelling units, the project may be subject to section 104(d) of the Housing and Community Development Act of 1974, including relocation assistance and one-for-one replacement provisions under 24 CFR part 42 subpart C.

7) Technical Assistance. Contact SACTA@hud.gov.

8) Paperwork Reduction Act. Information collection requirements contained in this notice are approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520). The OMB control numbers are 2577-0029 and 2577-0075.

Dominique Blom
General Deputy Assistant Secretary for
Public and Indian Housing

Tony Lentych

From: Gordon, Douglas C <Douglas.C.Gordon@hud.gov>
Sent: Thursday, June 6, 2019 11:27 AM
Cc: DET Public Housing Staff - Detroit; Gerut, John D; Lyons, Kelley D
Subject: Section 18 Expeditors – Removal Application Reviews

Dear Executive Directors:

The repositioning of Public Housing units is in process! Thank you for your action to sustain your assisted housing portfolio for the long term. As you know, HUD is offering many tools to support your efforts. We recognize every PHA has a unique combination of physical, financial, market conditions, and governing community to assess and lead into that sustainable future. We (I) look forward to our continued communication as you and your Boards determine the path to your repositioning goal.

The Section 18 removals and conversions are key to repositioning. If your PHA has decided to move forward with a Section 18 Application (the "Application"), HUD urges you take advantage of the Section 18 Expeditors in your Field Office and Region. These Expeditors have been trained and are ready to assist and assure that your Application moves quickly to approval.

HOW THE EXPEDITOR PROCESS WORKS FOR A PHA

When ready to prepare your Application, contact your assigned Field Office Point of Contact (POC). They will set up a call with you and the Expeditor to discuss the Application type and schedule to submission. The Application should first be completed in a draft or "paper" format – PDF or Word and emailed to the Expeditor and your POC (the Applications should not be submitted in PIC prior to the Expeditor review of the draft). The fillable draft Applications can be found here: https://www.hud.gov/program_offices/public_indian_housing/centers/sac/exp52860

The Expeditors will review and let you know if you are missing information or have any mistakes. The SAC staff currently have more PIC Applications than can be reviewed within a reasonable time frame. SAC often must return Applications to PHA's for errors that can be corrected, however, currently it could take weeks or months before an Application is returned. The Expeditors are in a position to discover those issues and work through them with the PHA in a timely manner.

Once the Expeditor (with a QA/QC review) determines the application is ready, you will be notified to submit the Application into the PIC system.

DOES A PHA WITH AN APPLICATION IN THE PREPARATION PROCESS HAVE TO USE THE EXPEDITOR?

The simple answer is "No". There is not a regulation or requirement, but as discussed, HUD urges PHAs to incorporate the Expeditor review into their Application process. If SAC rejects a PHA's PIC submitted application, the rejection will be copied to the Field Office in order to incorporate the Expeditor for the next submission.

If you have any questions, please reach out to your POC who will assist in obtaining a response.

Sincerely,

Douglas C. Gordon, Director

"Our goal is to exceed public expectations."

Office of Public Housing

Tony Lentych

From: Lauren Tribble-Laucht <ltaucht@traversecitymi.gov>
Sent: Thursday, August 29, 2019 3:18 PM
To: Tony Lentych
Cc: Marty Colburn
Subject: Orchardview - Title Transfer to TCHC

Tony,
The City is aware that transfer of title to the Orchardview property from the City to the Traverse City Housing Commission is necessary for Section 18 and we are looking in to it. Please let me know if you need something further on this. Thank you.
Lauren

--
Lauren Tribble-Laucht
City Attorney
City of Traverse City
400 Boardman Avenue
Traverse City, MI 49684
Office: (231) 922-4404
Fax: (231) 922-4476
LTLaucht@traversecitymi.gov
www.ci.traverse-city.mi.us





**Traverse City
Housing Commission**
a Public Housing Authority

CORRESPONDENCE

August 27, 2019 E-Mail from Carl Coan on HUD CFP Lawsuit
Invitation to Orchardview Residents for September 25, 2019 Meeting
September 8, 2019 Record-Eagle Article on Orchardview
September 16, 2019 Letter from Cunningham Limp Construction Company
Various Documents of FY 2020 Federal Budget
Draft Response Activity Plan to State of Michigan

Tony Lentych

From: CL Law Clerk <LawClerk@coanlyons.com>
Sent: Tuesday, August 27, 2019 12:39 PM
Subject: FW: 2012 Offset Lawsuit Appeal

Dear Plaintiffs:

I am forwarding the message below on behalf of attorney, Carl Coan, III.

Sincerely,
Joseph Fons



From: Carl Coan, III
Sent: Tuesday, August 27, 2019 12:15 PM
To: CL Law Clerk <LawClerk@coanlyons.com>
Subject: 2012 Offset Lawsuit Appeal

Dear Plaintiffs:

The Government filed an appeal yesterday of the Claims Court's June 25 Judgment awarding damages to you. However, Bondurant Eley, the Government's primary attorney in the Claims Court, told me that the Government still has not made a final decision on whether to pursue an appeal. The Government filed its Notice of Appeal to preserve its right to pursue an appeal. The Government would have been precluded from pursuing an appeal if it had not filed a Notice of Appeal by yesterday.

As I have mentioned before, Ms. Eley and HUD have both recommended that the Government pursue an appeal. However, it is not their decision to make. Rather, it will be made by attorneys in the appellate division of the Department of Justice.

The Notice of Appeal was filed in the Claims Court which will forward the appeal to the Court of Appeals for the Federal Circuit. The clerk's office for the Federal Circuit will then docket the appeal, usually one to two weeks after the Notice of Appeal was filed in the Claims Court.

Filing deadlines begin to run as soon as the appeal is docketed, including the deadlines for the filing of the parties' Briefs. Hopefully, the Government will make a final decision on whether to pursue an appeal by the time these deadlines begin to run.

The Government can appeal the Claims Court's denial of the Government's motion to dismiss the case for lack of jurisdiction, the Claims Court's granting of summary judgment in your favor, or both. At this time, I don't know which issue(s) the Government is appealing. The Government won't have to specify the issues it is appealing until it is required to file a Docketing Statement thirty days after the appeal is docketed.

I have asked Ms. Bondurant to let me know when the Government makes its final decision on whether to pursue its appeal. Assuming she honors my request, I will let you know what the Government's decision is as soon as I know.

Please let me or Joseph know if you should have any questions.

Carl A. S. Coan, III
Coan & Lyons

1100 Connecticut Avenue, N.W.
Suite 600
Washington, DC 20036
(202) 728-1070



TRAVERSE CITY HOUSING COMMISSION

150 Pine Street, Traverse City, Michigan, 49684

T: (231) 922-4915 | F: (231) 922-2893

TDD: (800) 649-3777

TCHousing.org

MEETING NOTICE

September 2019

To All Orchardview Townhomes Residents:

TCHC continues to work with the Michigan Department of Environment, Great Lakes, and Energy (DEGLE) on the condition of the soil at Orchardview. As part of that effort, we want to make you aware of two things. First, as an interim measure, we are installing a new fence that will be on the west side of the property. This should occur during the month of September but no dates have been officially established. I do not expect this installation to be much of an interference with your daily schedules but there will be a few work trucks on site.

Second, on **September 25th at 4:00 P.M.**, we will have representatives from the Leelanau/Benzie County Health Department, DEGLE, and the Michigan Department of Health & Human Services (DHHS) on hand to address any concerns you may have and to answer any of your questions about living on or near soil that contains arsenic.

Invited:

Brian Flickinger (EGLE)

Gary Klase (DHHS)

Eric Johnston (Benzie/Leelanau District Health Department)

This is not a mandatory meeting but I do encourage you to take advantage of this opportunity. My staff and I will only be on hand for the introductions and then we will leave you alone with our guests to discuss whatever you wish. We do plan to help entertain children on the basketball court and in the play areas so that you can participate in the meetings. Your meeting will take place in the maintenance area (where voting occurs).

I look forward to seeing all of you at the meeting. In the meantime, should you have any questions or concerns regarding this matter, please do not hesitate to contact me directly.

Respectfully,

Tony Lentych,
Executive Director

COPY

Arsenic in Orchardview Soil Worries Residents

by Jordan Travis

September 8, 2019

TRAVERSE CITY — Traci George takes steps to keep her 3-year-old son from playing in the arsenic-tainted dirt at Orchardview Townhomes.

She worries it's not enough.

"I put down landscaping fabric, I brought in sand," she said. "But he's 3 years old, what do you do?"

Warnings from the Traverse City Housing Commission, which manages the income-based, city-owned rentals, fall flat for George. Kids being kids get covered in dirt when they play outside, so it's more than just not letting them eat it, she said.

George heard of other children who lived at Orchardview who had arsenic show up in tests at doctor's visits. Her son is due to visit the doctor soon, and she'll have him tested.

Brian Flickinger is the Michigan Department of Environment Great Lakes and Energy's Remediation and Redevelopment Division project manager for the Cadillac district. He said the housing commission will submit a response activity plan, a report that lays out steps the housing commission will take to ensure Orchardview residents are safe.

These reports include a look at how people potentially could be exposed to the arsenic, and what can be done to cut off those exposure pathways, Flickinger said. The housing commission could also seek a site-specific evaluation — a closer look at Orchardview's risk factors that go deeper than the state's generic residential exposure criteria.

Those criteria are based on 30 years of exposure, and factors like snow cover in the winter and soil types affect how much of a risk arsenic in the soil actually poses, Flickinger said. So too does turnover at rental housing like Orchardview.

Flickinger said housing commission representatives requested a sit-down following EGLE's April 26 request for a due care plan for Orchardview.

Soil around the housing complex contains arsenic from its past as an orchard. Chemicals containing the toxin once were widely used by farmers and along railroad tracks.

Tests by the DEQ — as EGLE was known then — in 2012 showed arsenic levels ranging from 4.2 milligrams per kilogram around the play area to 16 milligrams per kilogram in an overgrown corner where excavators piled topsoil during construction.

Michigan's criteria for residential direct contact is 7.6 milligrams per kilogram, documents show — concentrations higher than that pose a risk if dirt gets on the skin or is breathed or ingested.

The criteria could change, Flickinger said. Newly available science prompted the department to draft new rules that would bump the cutoff slightly higher. Those would need to go through the rule-making process before they would take effect.

"But that does not restrict somebody like Traverse City Housing Commission from using that science and requesting a site-specific (evaluation)," he said.

Kristyn Houle, an environmental attorney, wants to see the response activity plan. She represents a tenant association of roughly a dozen Orchardview residents with concerns about arsenic around their homes. She's also spoken with a now-former resident whose childrens' urine tests showed high levels of arsenic.

Houle said she'll have an environmental expert look it over and is prepared to take legal action if they don't believe the plan adequately protects the dozens of children at Orchardview.

Residents at Orchardview sign a notice of the issue when they move in, TCHC Director Tony Lentych said.

That notice warns residents not to dig in the soil or plant anything in the ground.

Rachel Ward lives at Orchardview and has three children, she said. She grows plants in boxes out back and wishes her youngest, a one-year-old, could play in the mud — "You know, be a kid," she said.

Ward thinks the arsenic is more of a nuisance, and she doesn't live in fear for her childrens' health, she said.

Veronica Watson, another Orchardview resident, is completely unconcerned and voiced anger at what she asserted is a politically driven ploy to squeeze out poor residents from a wealthy corner of Traverse City.

Arsenic can be found on lots of properties in the area, Watson said. Orchardview has a tight-knit community of moms who help each other out. Watson, who has two sons, said it's something she doesn't want to lose.

"I am concerned about losing my house, about losing my living," she said.

Lentych said no one will be made homeless by the issue — “I will not allow that to happen,” he said.

The housing commission will work through the process EGLE laid out, and will fence off areas with the worst contamination to cut exposure risks, Lentych said.

Residents who want to move can get vouchers for other housing, Lentych said.

The U.S. Department of Housing and Urban Development wants the issue resolved, Lentych said — the agency said as much in a June 20 letter to city Mayor Jim Carruthers.

Traverse City Housing Commission may sell the property if state regulators don’t eventually agree no further action is needed on the property. If sold, the housing commission would give income-based housing vouchers to residents to live elsewhere.

HUD temporarily held the housing commission’s 2018 and 2019 Capital Fund Program Grants because the housing commission had no environmental review on file. Douglas Gordon, Michigan HUD Field Office of Public Housing director, wrote as much in a July 23 letter to the housing commission.

Gordon then wrote on Aug. 22 that the hold was lifted after the housing commission submitted an environmental review at the end of July.

Messages left at HUD’s Detroit field office weren’t returned as of Friday.

Lentych said the money is for non-maintenance related building expenses — roof repairs, for example. The hold didn’t affect any projects at Orchardview, he said.

The same contamination issue prompted the housing commission to abandon previous plans to expand Orchardview, Lentych previously said.

Flickinger said he expects to see the housing commission’s response soon. The housing commission could face enforcement measures if it doesn’t follow through with the plan.

Residents can learn more about the soil around them at a Sept. 25 meeting, Lentych said. The Benzie Leelanau Health Department is sending a representative, as is the Michigan Department of Health and Human Services.

Lynn Sutfin, a DHHS spokesperson, said an agency member will talk about the health impacts of arsenic and how residents can cut their risk.

George said she’s frustrated by waiting to hear more about the situation. She hopes the housing commission can test the soil again so residents have new information on how much of the toxin is in the housing complex’s soil.

“The biggest thing is, they’re saying don’t let your kids eat the dirt,” she said. “If their hands are dirty, they could put their hand in their mouth. They’re just kids, they play on the ground, they play in the dirt.”



September 16, 2019

Mr. Tony Lentych
Executive Director
TC Housing
150 Pine Street
Traverse City, MI 49684



RE: Thank you and follow-up to meeting with residents 9/12/19

Dear Tony,

Thank you for the opportunity to visit with the residents of Riverview Terrace regarding the 4Front Credit Union headquarters construction and the safest, most preferred way – from their perspective – for them to walk and navigate around the site. I found the group's comments and questions to be well-considered, insightful, and helpful as we make our plans for the coming weeks and months.

Besides the meeting being helpful, it also provided an opportunity for Cunningham-Limp and its partners on the project to begin a relationship with your team and with the residents. We would like to honor and maintain that relationship for the duration of the project and are committed to being available at any time to meet and visit with the residents. Hopefully, that can be on a regular basis.

As an expression of our good faith and goodwill towards our neighbors, we would consider it a privilege to help sponsor their annual Thanksgiving event and have set aside \$500 for that purpose. We will work with you to look for other ways to build on our relationship with the residents of Riverview Terrace as we move through the construction schedule.

Again, we appreciate the way you've represented the best interests of your constituents at Riverview Terrace, and we appreciate having the unique perspective they offer from their vantage point next door.

Please share our gratitude with your staff and with our friends and neighbors at Riverview.

Sincerely,

CUNNINGHAM-LIMP COMPANY

Steve Mora

Sr. Project Manager

FY 20 Appropriations

Budget Deal Does Not Guarantee Adequate Funding for HUD Programs

THE HOUSE AND SENATE PASSED IMPORTANT LEGISLATION in July that averts sequestration and raises spending caps for non-defense discretionary (NDD) programs, including HUD, for both FY 20 and 21. The bipartisan package also raises the debt limit ceiling for the next two years, which is necessary because the government has reached its maximum borrowing authority and would have been forced to drastically cut spending had Congress not acted. Under the terms of the bipartisan agreement, Congress will be able to increase NDD spending by \$27 billion compared to FY 19, but this is about \$9 billion less than the House budget approved in May anticipated.

For T-HUD programs, the House provided \$50.1 billion through the appropriations process. This is \$5.9 billion, or 13.3 percent, above the 2019 enacted level. Given the reduction in NDD through the budget caps deal, the final HUD budget (along with all other domestic programs) is now expected to be lower than these previously approved House numbers.

At a minimum, PHADA urges Congress, and members should too, to adopt the previous House numbers for major program accounts as follows:

FY 20 Budget of Selected HUD Programs

	INDUSTRY EST. OF NEED	FY 19 ENACTED	FY 20 WHITE HOUSE BUDGET	FY 20 HOUSE APPNS	% INCREASE FROM FY 19 ENACTED TO FY 20 HOUSE
Public Housing Operating Fund	\$5.400 B	\$4.653 B	\$2.863 B	\$4.753 B	2.1%
Public Housing Capital Fund	\$5.000 B	\$2.775 B	\$0	\$2.855 B	2.9%
Housing Choice Voucher Renewals	\$21.200 B	\$20.313 B	\$20.116 B	\$21.400 B	5.4%
Administrative Fees	\$2.500 B	\$1.886 B	\$1.738 B	\$1.925 B	2.1%
Project Based Rental Assistance	N/A*	\$11.747 B	\$12.021 B	\$12.590 B	7.2%
Choice Neighborhoods	\$300 M	\$150 M	\$0	\$300 M	100.0%

*The industry groups did not determine an estimate of need for this account.

The Senate, which had not put forward any of its appropriations bills pending the outcome of an agreement between the President, the Senate and the House, may now move forward. Our sources indicate that the Senate Appropriations Committee will consider its first FY 20 spending bill on September 12. It is also widely assumed that the Senate will be unable to consider all 12 bills by the end of September, when the current fiscal year ends. Similar to last year, it is likely that the Senate will package some of the spending bills to speed

the process; however, there is a strong likelihood that Congress will not enact a final FY 20 spending bill before October 1 and that a continuing resolution (CR) to fund the government will be necessary. It would then follow that Congress would pass an appropriations bill before that CR expires.

The Effect of the Budget on HUD Programs & Residents

Any decrease in HUD funding is problematic especially with respect to the public housing operating and capital

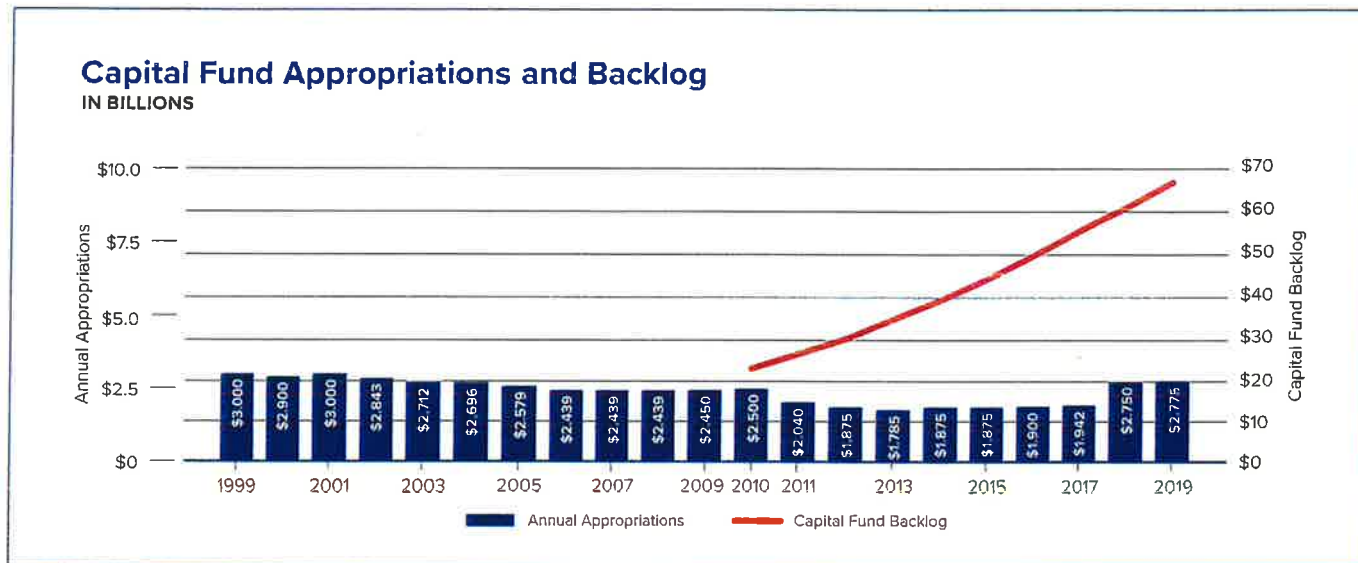
POSITION PAPER

accounts. We have seen some much-needed recent gains in these accounts in the last two appropriations bills and do not want to lose momentum. We need at least the sums in the earlier House legislation to maintain progress and to continue the positive trends in rents for the Rental Assistance Demonstration (RAD). This is so because the operating and capital funds are used (with the tenant rent contribution) to determine the RAD rents for IIAs seeking to convert their properties to that program. PHADA learned from HUD RAD staff that RAD rents have increased on average between \$40 and \$50 per unit per month due to the last two appropriations packages.

be even a small excess of HAP renewal funding in the budget, these funds be used for the admin fees account.

Recent Gains in the Capital Fund at Risk

Public Housing serves 2 million Americans across the country and is a critical part of our nation's infrastructure. However, Congressional staff have opined that under the most recent budget deal, Congress will fully fund renewals for HCV and PBRA before any other HUD programs. Most likely, the Operating Fund would be funded next, creating concern that along with a potential reduction in admin fees, there could very well be a reduction in the Capital Fund,



In its 2010 Report, Capital Needs in the Public Housing Program, Abt Associates found there to be a backlog of \$26 billion along with annual accruing needs of \$3.4 billion. Failure to meet the annual need compounds the backlog by 8.7% as repair needs become more extensive and replacements are required, pushing the total figure close to 70 billion dollars.

In addition to operating, capital and RAD funding, PHADA's other major budget priorities include the Housing Choice Voucher account, HCV Administrative Fees and Project-Based Rental Assistance (PBRA). PHADA earlier estimated that the House bill includes full funding for Voucher HAP renewals but only about 77 percent for admin fees. Given this inadequate funding for admin fees, it is particularly important for members to advocate that there be no further reductions in this account. **If there is insufficient funding to maintain adequate staffing levels, history has shown that agencies will be unable to fully utilize their voucher budget authority. This hurts those on waiting lists and in dire need of housing.** HUD has acknowledged this problem in the past, stating that it defeats the purpose of fully funding vouchers through appropriations when admin fees are inadequately funded. PHADA urges that where there may

which was increased by \$80 million through the House Appropriations process in May.

House Financial Services Chairwoman Maxine Waters (D-CA) has called for \$70 billion for the Capital Fund as part of any national infrastructure package. PHADA provided analysis in support of this level, as cited at the House Financial Services Committee hearing earlier this year. This funding will address the critical backlog of deferred maintenance to public housing, a backlog that we know from a 2010 HUD report grows at a rate of at least \$3.4 billion per year. **Yet despite deteriorating properties and the effect this has on the quality of life for public housing residents, the Capital Fund continues to be severely underfunded through Congressional appropriations.** Without sufficient resources, the estimated loss of ten to twelve thousand units per year will continue as more and more homes become uninhabitable. ■

PHADA Needs Your Help

PHADA urges members to advocate for the highest funding levels possible for core programs. Please use the PHADA budget chart on page 1 to communicate our priorities to your Representatives and Senators. **The message is simple: Ask Congress to support, at a minimum, the sums in the House appropriations measure.**



POSITION PAPER

Legislative Update

Key Authorizing Legislation for Housing Programs, 116th Congress

PHADA ADVOCATES TO CONGRESS for legislation that will help housing authorities (HAs) preserve and develop housing and more effectively provide services to residents. This past year, PHADA has worked closely with Congressional Committees and staff on legislation featured in this policy brief. As with any legislation, passage of these bills is not guaranteed and often it takes more than one session of Congress to achieve desired results. Therefore, it is important to continuously advocate to your Representatives and Senators for outcomes that will be most beneficial to your agencies, the industry, and the communities and families you serve

1. Annual Contributions Contract

In furtherance of preventing HUD from unilaterally implementing a new public housing Annual Contributions Contract (ACC), PHADA, along with GLPHA and NAHRO, urged Congress to include legislative language in FY 20 appropriations legislation to ensure that: the ACC in effect as of January 1, 2018, remains intact; no changes be made without signature of the HA chief executive; and that HUD may not withhold funds to compel such agreement by an agency which is otherwise in compliance with its contract. PHADA expects the Senate to include such a provision.

2. Housing as Infrastructure Act of 2019

To facilitate the development of affordable housing, and for other purposes.

Draft legislation by Rep. Maxine Waters (D-CA), pending introduction.

In April, House Committee on Financial Services Chairwoman Maxine Waters released draft legislation to ensure that any infrastructure bill signed by the President includes funding for affordable housing needs. The legislation authorizes funding for several housing infrastructure projects, including \$70 billion for the Public Housing Capital Fund, which PHADA estimates will fully address the public housing capital backlog.¹ This is critical legislation to preserve the nation's public housing stock and maintain homes and the quality of life for nearly two million people. PHADA is pleased to support this legislation and worked closely with Committee staff providing comments and formal support.

3. Fair Chance at Housing Act

To reform the screening and eviction policies for Federal housing assistance in order to provide fair access to housing, and for other purposes.

Legislation Introduced, H.R. 3685, by Rep. Alexandria Ocasio-Cortez (D-NY) on July 10, 2019, and referred on the same date to the House Committee on Financial Services, and S. 2076 by Sen. Kamala Harris (D-CA) on July 10, 2019, and referred on the same date to the Committee on Banking, Housing, and Urban Affairs.

This bill relates to eligibility screening and evictions resulting from applicant or tenant criminal activity (see July 31, 2019, *Advocate* for more analysis) and applies largely to HAs and owners and operators of federally assisted housing. Importantly, the bill defines *Covered Criminal Conduct* for eligibility purposes as a felony conviction that threatens the health or safety of tenants, employees, or owners of the assisted housing. For evictions, the definition is more general and states that covered criminal conduct is that which threatens the health or safety of other tenants, employees or the owner. Specifically excluded from evictions are misdemeanors and any arrests that do not result in adjudication or conviction as well as any juvenile or sealed adjudication.

PHADA has expressed members' concerns in substantive meetings with the House Financial Services Committee staff, which sought PHADA's input. Concerns include limiting the use and application of known criminal activity as well as the restriction from considering anything other than felonious acts. Such limitations are contrary to best practices for program management and create liabilities for HAs. PHADA will continue to weigh in with the bill's sponsors and other committee members in advance of the markup, which may occur after the August recess.

¹ Cited at the House Financial Services Committee Hearing on April 30, 2019, as well as in the House Financial Services Committee Memorandum for the April 30, Hearing: PHADA. *The Advocate*. Spring 2019.

4. Non-Citizen Rule

To Prohibit the Secretary of HUD from implementing certain rules (related to non-citizen status and the loss of public or assisted housing units).

Legislation Introduced, H.R. 2763, by Rep. Sylvia Garcia (D-TX) on May 15, 2019, and passed out of Committee on June 11.

On May 10, 2019, HUD published a proposed rule in the Federal Register that would mandate the termination of assistance to mixed families and create new documentation and verification procedures for noncitizens. This proposed rule is a major reversal of regulations that have been in effect for more than two decades. Current regulations allow households to receive a pro-rated subsidy, based on the number of qualified individuals in the household. PHADA's membership vigorously opposed the rule during discussions at PHADA's annual conference and directed staff to submit comments on the grounds that the proposed rule is not necessary, practical, or fair. PHADA submitted extensive comments, which can be found at: <http://bit.ly/3oaBCPS>. HUD has received over 30,000 comments to the Rule, the most comments ever, according to a source at HUD.

5. Facial Recognition Technology Bills

a. To prohibit Federal funding from being used for the purchase or use of facial recognition technology, and for other purposes.

Legislation Introduced, H.R. 3875, on July 22, 2019, by Rep. Rashida Tlaib (D-MI) and referred on the same date to the House Committee on Oversight and Reform.

b. To prohibit the use of biometric recognition technology in certain federally assisted dwelling units, and for other purposes.

Legislation Introduced, H.R. 4008, by Rep. Yvette Clarke (D-NY) on July 25, 2019, and referred on the same date to the House Financial Services Committee.

Along with Rep. Clarke, Reps. Rashida Tlaib (D-MI) and Ayanna Pressley (D-MA) introduced legislation to prohibit the use of biometric recognition technology in federally subsidized housing and require HUD to submit a report to Congress on the use of such technology in public housing. The Representatives cited concern for biases in facial recognition technology, which they noted disproportionately misidentifies people of color and women. They also cited privacy concerns, unauthorized sharing of data, and criminalization of persons living in federally subsidized housing as reasons for introducing the bill.

6. Affordable Housing Incentives Act of 2019

To amend the Internal Revenue Code of 1986 to allow for nonrecognition of gain on real property sold for use as affordable housing.

Draft legislation by Rep. Adam Schiff (D-CA), pending introduction.

Staff of Rep. Schiff reached out to PHADA in August to weigh in on this bill, which would provide owners of properties

sold to HAs for affordable housing development the same beneficial tax treatment, similar to if the property had been seized or condemned.

7. Low Income Housing Tax Credit (LIHTC) Update

The Affordable Housing Credit Improvement Act (Reintroduced)

To amend the Internal Revenue Code of 1986 to reform the low income housing credit, and for other purposes.

Legislation Introduced, S. 1703, by Sens. Maria Cantwell (D-WA), Johnny Isakson (R-GA), Ron Wyden (D-OR), and Todd Young (R-IN) on June 4, 2019, and referred on the same date to the Finance Committee, and H.R. 3077, introduced by Reps. Suzan DelBene (D-WA), Don Beyer (D-VA), Kenny Marchant (R-TX), and Jackie Walorski (R-IN) on June 4, 2019.

This bipartisan LIHTC legislation, would:

- Preserve or create a total of 450,500 homes over a ten-year period through separate provisions of the Act, including increasing the tax credit allocation by 50 percent, phased in over five years.
- Establish a permanent 4 percent minimum floor for financing with housing bonds and tax credits.
- Include new provisions aimed at making the credit more effective in hard-to-reach rural and Native American communities and for populations like homeless veterans.
- Restrict project rents to the tax credit rent, rather than a higher Fair Market Rent, enabling HAs to utilize funds to assist more households

This legislation builds upon the success of S. 548 and H.R. 1661, which PHADA advocated for (along with the ACTION campaign) in the last session of Congress. Under the Consolidated Appropriations Act of 2018, two provisions of the Act were signed into law: a 12.5 percent increase in LIHTC allocation authority for four years and income averaging, which allows tax credit units to serve households earning up to 80 percent of area median income (AMI), offset by deeper targeting in other units to maintain average affordability in the development at 60 percent of AMI.

8. The Save Affordable Housing Act of 2019

To amend the Internal Revenue Code of 1986 to repeal the qualified contract exception to the extended low-income housing commitment rules for purposes of the low-income housing credit, and for other purposes.

Legislation Introduced, S. 1956, by Sens. Ron Wyden (D-OR) and Todd Young (R-IN), and H.R. 3479, by Reps. Joe Neguse (D-CO), Don Beyer (D-VA), and Jackie Walorski (R-IN).

The legislation would reduce the loss of LIHTC properties before the end of their affordability periods. Under current law, LIHTC properties are subject to a 30-year affordability period, but owners may pursue a Qualified Contract, which generally results in the conversion of properties to market rate after 15 years. ■

FY20 Budget Chart for Selected HUD and USDA Programs



September 19, 2019

HUD Programs (set asides italicized) (In millions)	FY19 Final	FY20 President	FY20 House	FY20 Senate	FY20 Enacted
Tenant Based Rental Assistance	22,598	22,244	23,810	23,833	
<i>Contract Renewals</i>	20,313	20,116	21,400	21,502	
<i>Tenant Protection Vouchers</i>	85	130	150	75	
<i>Administrative Fees</i>	1,886	1,738	1,925	1,977	
<i>Section 811 Mainstream Vouchers</i>	225	260	225	218	
<i>Veterans Affairs Supportive Housing Vouchers</i>	40	0	40	40	
<i>Tribal Veterans Affairs Supportive Housing Vouchers</i>	4	0	5	1	
<i>Family Unification</i>	20	0	40	20	
<i>Mobility Demonstration</i>	25	0	25	0	
Public Housing Capital Fund	2,775	0	2,855	2,855	
<i>Emergency/Disaster Grants</i>	30	10	30	50	
Public Housing Operating Fund	4,653	2,863	4,753	4,650	
Choice Neighborhoods Initiative	150	0	300	100	
Self-Sufficiency Programs					
<i>Family Self-Sufficiency</i>	80	75	100	80	
<i>Jobs-Plus Pilot</i>	15	15	15	15	
NAHASDA					
<i>Block Grant</i>	655	600	671	646	
<i>Competitive Grants</i>	100	0	100	100	
Native Haw. Hsg Block Grants	2	0	2	2	
Hsg. Opp. for Persons with AIDS	393	330	410	330	
Community Development Fund	3,365	0	3,600	3,325	
HOME Investment Partnerships	1,250	0	1,750	1,250	
Self-Help Homeownership Opportunity	10	0	10	10	
Homeless Assistance Grants	2,636	2,599	2,800	2,761	
Rental Assistance Demonstration	0	100	0	0	
Project-Based Rental Assistance	11,747	12,021	12,590	12,560	
Hsg. for the Elderly (202)	678	644	803	696	
Hsg. for Persons w/Disabilities (811)	184	157	259	184	
Housing Counseling Assistance	50	45	60	45	
Policy Development & Research	96	87	98	96	
Fair Hsg. & Equal Opportunity	65	62	75	65	
<i>Fair Housing Assistance Program</i>	24	24	TBD	TBD	
<i>Fair Housing Initiatives Program</i>	39	36	TBD	TBD	
Healthy Homes & Lead Hazard	279	290	290	290	



Wood Environment & Infrastructure Solutions Inc.
41 Hughes Drive
Traverse City, Michigan 49696
USA

T: 231-922--9050

www.woodplc.com

September 25, 2019

Mr. Brian Flickinger
Incident Management Specialist
Remediation and Redevelopment Division
Cadillac District Office
Michigan Department of Environment, Great Lakes, and Energy
120 West Chapin Street
Cadillac, Michigan 40601

Subject: Interim Remedial Response
Traverse City Housing Commission – Orchardview Townhomes
10200 East Carter Centre
Traverse City, Michigan
Facility ID: 45000108

Dear Mr. Flickinger:

As you are aware, arsenic was observed in soil at the Orchardview Townhomes property at concentrations exceeding generic cleanup criteria for unrestricted residential land use, indicating that additional evaluation is warranted to assess the potential for exposure through direct contact with soil. As current operator of the property, TCHC is further evaluating the potential for arsenic exposure based on site-specific exposure factors.

The following interim mitigation measures are proposed to reduce potential exposure to arsenic while a site-specific risk evaluation is conducted (Figure 1):

- Install an eight foot (ft) chain-link fence to separate occupied and unoccupied portions of the property. A preliminary evaluation suggests that a site-specific direct contact criterion of at least 9.4 mg/kg is appropriate, based on consideration of reduced exposure due to snow cover. Arsenic is below 9.4 mg/kg on the occupied portions of the property.
- maintain the existing four-ft high chain-link fence along the southern property boundary and add signage to the fence warning of a potential exposure hazard.
- Place signage along the western and northern property boundaries warning of a potential exposure hazard. Signs will be fastened 4 ft above ground level to t-posts set at 30 ft intervals as shown on Figure 1.



Mr. Brian Flickinger
September 25, 2019
Page 2

The proposed signage will read:

Do Not Enter.

This area is under evaluation and may contain soils with pesticide substances that may exceed standards for soil contact. Please scan the QR code for more information or contact the Traverse City Housing Commission at _____ for more details.

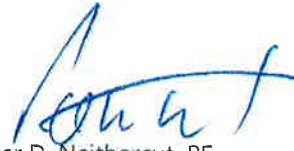


If you have any additional questions or concerns, please contact us at (231) 922-9050.

Respectfully submitted,

Wood Environment & Infrastructure Solutions, Inc.


Robert J. Lint, CPG
Senior Scientist


Peter D. Neithercut, PE
Senior Principal Engineer







Request for DEQ Review of Response Activity Plan

This form is required for submittal of a request for the DEQ to review a Response Activity Plan, under Section 20114b, Part 201, Environmental Remediation, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended.

Section A: Type of Response Activity Plan being Submitted (Check all that apply):

Remedial Investigation	<input type="checkbox"/>	20b(2) Site Specific Criteria (modification of generic criteria)	<input checked="" type="checkbox"/>
Evaluation Plan	<input type="checkbox"/>	20b(3) Site Specific Criteria or Surrogate (no generic criteria available)	<input type="checkbox"/>
Feasibility Study	<input type="checkbox"/>	Section 20118(4) and (5) Request	<input type="checkbox"/>
Remedial Action Plan	<input type="checkbox"/>	Land or Resource Use Restrictions	<input type="checkbox"/>
Interim Response Plan	<input type="checkbox"/>	Other, Specify:	<input type="checkbox"/>
Mixing Zone Request	<input type="checkbox"/>		
20e(14) De Minimus GSI Impact	<input type="checkbox"/>		

The Response Activity Plan addresses the entire facility:
 (entire facility as defined by Part 201, all releases, hazardous substances, and environmental media)

The Response Activity Plan does not address the entire facility:
 Please specify the release(s), hazardous substance(s), environmental media, and/or portions of the facility addressed by the Response Activity Plan.

Response activity work plan develops a site-specific unrestricted residential direct contact criterion for arsenic in soil and is applicable to all areas of the facility.

Section B: Facility/Property Subject to (Check all that apply):

Facility regulated under Part 201 Part 201 Facility ID (if known):	<input checked="" type="checkbox"/>
Leaking Underground Storage Tank regulated pursuant to Part 213 Part 211/213. Facility ID, if known:	<input type="checkbox"/>
Oil or gas production and development regulated pursuant to Part 615 or 625	<input type="checkbox"/>
Licensed landfill regulated pursuant to Part 115	<input type="checkbox"/>
Licensed hazardous waste treatment, storage, or disposal facility regulated pursuant to Part 111	<input type="checkbox"/>
Consent Agreement or other legal agreement with the MDEQ	<input type="checkbox"/>

Section C: Facility and Locational Information:

Facility Name: Orchardview Apartments	County: Leelanau
Street Address of Property: 10200 East Cater Road	City/Village/Township: Traverse City
City: Traverse City State: MI Zip: 49684	Town: 28N Range: 11W Section: 33
Property Tax ID (include all applicable IDs):	Quarter: SW Quarter-Quarter: NW of SW
Status of submitter relative to the property (check all that apply):	Decimal Degrees Latitude: 44.784229
	Decimal Degrees Longitude: -85.649650
Former <input type="checkbox"/> Current <input type="checkbox"/> Prospective <input type="checkbox"/>	Reference point for latitude and longitude:
Owner <input type="checkbox"/>	Center of site <input type="checkbox"/> Main/front door <input type="checkbox"/>
Operator <input type="checkbox"/>	Front gate/main entrance <input checked="" type="checkbox"/> Other <input type="checkbox"/>
	Collection method:
	Survey <input type="checkbox"/> GPS <input type="checkbox"/> Interpolation <input checked="" type="checkbox"/>

Request for DEQ Review of Response Activity Plan

Section D: Submitter Information:

Entity/person requesting review: Wood E&IS		
Contact Person (name and title): Robert Lint, Senior Scientist		
Submitter Address: 41 Hughes Drive		
City: Traverse City	State: MI	Zip: 49696
Telephone: 231.486.4004	E-Mail: Robert.Lint@woodpic.com	
Relationship of contact person to the submitter: consultant		
Owner Name, if different from submitter: TCHC		Company:
Address:		
City:	State:	Zip:
Telephone:	E-Mail:	

Section E: Are/were the following present at the facility (Check all that apply):

	Current	Previous	Unknown
Mobile or Migrating Non Aqueous Phase Liquids (NAPL)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Soil contamination above any residential criteria	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Soil contamination above any non-residential criteria	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Soil aesthetic impacts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Groundwater contamination above any residential criteria	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Groundwater contamination above any non-residential criteria	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Groundwater aesthetic impacts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Soil Gas contamination above residential vapor intrusion (VI) screening levels	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Soil Gas contamination above non-residential VI screening levels	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Conditions immediately dangerous to life or health (IDLH)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fire & Explosion hazards related to releases	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Contamination existing in drinking water supply	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Imminent threat to drinking water supply	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Impact to Surface Water	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Surface Water Sediments above screening levels	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Section F: The following questions assist DEQ in evaluating this request.

Known or Suspected Contaminant(s) Type (Check all that apply):			
Petroleum	<input type="checkbox"/>	Volatile Organic Compounds	<input type="checkbox"/>
Metals	<input checked="" type="checkbox"/>	Other	<input type="checkbox"/>
Current Site Status (Check all that apply):			
Undergoing property transfer	<input type="checkbox"/>	Active operations	<input type="checkbox"/>
Inactive operation		<input type="checkbox"/>	
Current Property Use:			
Residential	<input checked="" type="checkbox"/>		
Non-residential	<input type="checkbox"/>		
Anticipated Property Use:			
Residential	<input checked="" type="checkbox"/>		
Non-residential	<input type="checkbox"/>		
Estimated Area of Contamination Addressed in Response Action Plan (Cumulative):			
Currently undetermined	<input type="checkbox"/>	< 0.5 acre	<input type="checkbox"/>
> 0.5 acre		<input checked="" type="checkbox"/>	
Migration:			
Has contamination migrated beyond the property boundaries?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Unknown <input checked="" type="checkbox"/>
Has the Notice of Migration been submitted?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Facility Investigation Status:			
Ongoing	<input type="checkbox"/>	Complete	<input checked="" type="checkbox"/>

Request for DEQ Review of Response Activity Plan

Facility Response Activity Status (Check all that apply):	
None <input type="checkbox"/>	IR Implemented <input type="checkbox"/> Response Activity Ongoing <input checked="" type="checkbox"/> Response Activity Completed <input type="checkbox"/>
Drinking Water Supply for Facility (Check all that apply):	
Municipal <input checked="" type="checkbox"/>	Private Well(s) <input type="checkbox"/> No Current Water Supply <input type="checkbox"/> Municipal Available <input type="checkbox"/>
On-site Well(s) (Check all that apply):	
Drinking Water <input type="checkbox"/>	Industrial/Commercial Production <input type="checkbox"/> Agricultural/Irrigation <input type="checkbox"/> No well on-site <input checked="" type="checkbox"/>
Approximate Depth of Well(s):	
Local Drinking Water Supply:	
Is facility in a designated Wellhead Protection Area?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Distance to nearest off-site drinking water well: 200 ft NE	Private <input checked="" type="checkbox"/> Municipal <input type="checkbox"/>
Surface Water Bodies on or Adjacent to Facility (Check all that apply):	
Wetlands <input type="checkbox"/>	Ditch <input type="checkbox"/> Stream/River <input type="checkbox"/> Lake/Pond <input type="checkbox"/>
Local Surface Water Bodies:	
Distance to nearest wetland: None	Ditch: None Stream/River: None Lake/Pond: None
Have other plans been submitted for this facility?	
Facility Name, if different than this submittal:	
Date and Name of most recent submittal:	

Section G: Environmental Professional Signature:

With my signature below, I certify that this plan and all related materials are true, accurate, and complete to the best of my knowledge and belief.

Signature:  Date: 9/25/19

Printed Name: Robert J. Lint, CPG

Company of Environmental Professional: Wood Environment and Infrastructure Solutions, Inc.


Address: 41 Hughes Drive

City: Traverse City State: MI Zip: 49696

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Section H: Submitter Signature:

With my signature below, I certify that this plan and all related materials are true, accurate, and complete to the best of my knowledge and belief and I am legally authorized to sign for the submitter

Signature:  Date: 9.25.2019

Printed name: ANTHONY LENTYCH

Title/Relationship of signatory to submitter: EXECUTIVE DIRECTOR

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City: Traverse City State: MI Zip: 49684

Telephone: 231.922.4915 E-Mail address: TLentych@TCHousing.org

This form and the Response Activity Plan should be submitted to the MDEQ Remediation & Redevelopment Division District Office for the county in which the property is located, unless the response activity is related to a facility that is regulated by another MDEQ Division. A district map is located at www.michigan.gov/deqrrd. If regulated by another division, contact should be made with that division for information on where to submit the form and plan.



**Response Activity Work Plan
for Derivation of Arsenic
Site-Specific Direct Contact Criteria**

Orchardview Townhomes

Prepared for:
Traverse City Housing Commission

Prepared by:
**Wood Environment & Infrastructure Solutions, Inc.
41 Hughes Drive
Traverse City, Michigan**

September 2019

Project: 3310190007

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- B Technical Support Document, Site-Specific Exposure Frequency Factor
- C Technical Support Document, Site-Specific Soil Ingestion Factor

1.0 INTRODUCTION

The Traverse City Housing Commission (TCHC) operates the Orchardview Townhomes transitional housing complex located at 10200 E Carter Road, Traverse City, Michigan. As part of an expansion plan, TCHC requested that the Michigan Department of Environmental Quality (MDEQ), now known as the Michigan Department of Environment, Great Lakes, and Energy (EGLE), complete a Brownfield Redevelopment Assessment. The assessment was initiated to evaluate potential impacts from historical agrichemical use (lead arsenate) at the property while it was operated as an orchard between approximately the 1930s and 1970s. The assessment included a comprehensive evaluation of arsenic occurrence in soil. Arsenic was observed at concentrations exceeding generic cleanup criteria for unrestricted residential land use, indicating that additional evaluation was warranted to assess the potential for exposure through direct contact with soil. As current operator of the property, TCHC is further evaluating the potential for arsenic exposure based on site-specific exposure factors.

Generic cleanup criteria are based on conservative assumptions, designed to provide a rapid initial site assessment, protective of exposure at most Michigan properties. Due to the use of conservative assumptions, generic criteria are likely to overestimate exposure potential. Wood was retained on behalf of TCHC to evaluate risk factors at the Orchardview property on a site-specific basis, to determine whether additional response actions are prudent.

The generic criteria incorporate conservative assumptions for multiple inputs (e.g., exposure duration [ED], exposure frequency [EF], etc.). For two of these assumptions, EF and relative bioavailability (RBA), site-specific information may be used instead of generic values. The use of site-specific information provides a more accurate reflection of potential site-specific health risks. A site-specific value for EF is derived in the work plan based on local climatological data. RBA cannot be determined without further soil analysis to measure the bioaccessibility of arsenic in soil samples and calculate an estimated RBA. A proposed approach for derivation of RBA for arsenic in soil is proposed in Appendix A.

Site-specific exposure assumptions for EF and RBA will be used to develop a site-specific unrestricted residential direct contact criteria (DCC) for arsenic in soil at the subject property. For other exposure factors, we reviewed the generic exposure assumptions and "best available information" as presented in a 2016 update conducted by the MDEQ (2016). Where available, "best available information" will be used.

Section 2 presents our approach to calculating a site-specific unrestricted residential DCC for arsenic in soil at the subject property.

Section 3 presents a preliminary risk evaluation based on anticipated results from the site-specific evaluation.

2.0 DIRECT CONTACT EQUATIONS AND EXPOSURE ASSUMPTIONS

Part 201 Rule 299.20(1) states that cleanup criteria for soil based on direct contact shall be calculated for the generic residential category according to the following algorithms. Although the DCC can be calculated for both carcinogenic and non-carcinogenic effects, the carcinogenic route of exposure is generally more conservative than non-carcinogenic for arsenic. Therefore, only the carcinogenic equations are shown below. Also note that RBA is not included within the generic Part 201 equations but has been included below for reference. The generic values are provided below for all exposure assumptions and chemical-specific factors.

$$DCC_{ca} = \frac{TR \times AT \times CF}{CSF \times [(EF_i \times RBA \times IF \times AE_i) + (EF_d \times DF \times AE_d)]} \quad (1)$$

Where:

DCC _{ca}	Direct Contact Criterion - Carcinogenic	=	Calculated ug/kg
TR	Target Risk Level	=	10 ⁻⁵
AT	Averaging Time	=	25,550 days
CF	Conversion Factor	=	1x10 ⁺⁹ ug/kg
CSF	Cancer Slope Factor	=	1.5 (mg/kg-day) ⁻¹ (Arsenic - Specific)
RBA	Relative Bioavailability	=	Site-Specific (100% in generic)
EF _i	Exposure Frequency - Ingestion	=	350 days
AE _i	Absorption Efficiency - Ingestion	=	0.5 (Arsenic - Specific)
EF _d	Exposure Frequency - Dermal	=	245 days
AE _d	Absorption Efficiency - Dermal	=	0.03 (Arsenic - Specific)

And

$$IF = \left[\frac{IR_{age\ 1-6} \times ED_{age\ 1-6}}{BW_{age\ 1-6}} \right] * \left[\frac{IR_{adult} \times ED_{adult}}{BW_{adult}} \right] \quad (2)$$

Where,

IR _{soil/age 1-6}	(Soil ingestion rate)	=	200 mg/day
ED _{age 1-6}	(Exposure Duration)	=	6 years
BW ₁₋₆	(Body Weight)	=	15 kg
IR _{soil/adult}	(Soil ingestion rate)	=	100 mg/kg
ED _{adult}	(Exposure Duration)	=	24 years
BW _{adult}	(Body Weight)	=	70 kg

And

$$DF = \left[\frac{SA_{age\ 1-6} \times EV \times AF_{age\ 1-6} \times ED_{age\ 1-6}}{BW_{age\ 1-6}} \right] + \left[\frac{SA_{adult} \times EV \times AF_{adult} \times ED_{adult}}{BW_{adult}} \right] \quad (3)$$

Where,

SA _{age 1-6}	(Soil ingestion rate)	=	2,670 cm ² /day-event
EV	(Event frequency)	=	1 event/day
AF _{age 1-6}	(Soil adherence factor)	=	0.2 mg/cm ²
ED _{age 1-6}	(Exposure Duration)	=	6 years
BW ₁₋₆	(Body Weight)	=	15 kg
SA _{adult}	(Soil ingestion rate)	=	5,800 cm ² /day-event
AF _{adult}	(Soil adherence factor)	=	0.07 mg/cm ²
ED _{adult}	(Exposure Duration)	=	24 years
BW _{adult}	(Body Weight)	=	70 kg

2.1 GENERIC EXPOSURE ASSUMPTIONS AND PROPOSED SITE-SPECIFIC AND CHEMICAL-SPECIFIC VARIABLES

In development of a site-specific DCC for arsenic, TCHC proposes to use a combination of:

- Part 201 generic default assumptions for unrestricted residential use as defined in Part 201, Rule 20, and listed in Section 2.0 above,
- Best available information as determined during a recent EGLE comprehensive cleanup criteria evaluation (MDEQ, 2016), if available, and
- Site specific exposure values.

Selection of input values are described in the following sections, and are summarized in Table 1.

2.1.1 Target Risk Level (TR)

The target risk level (TR) is statutorily defined (Section 20120a(4)) as the 95% upper bound on the calculated risk of one additional cancer above the background cancer rate per 100,000 individuals (10^{-5}) continuously exposed to a carcinogen at a given average daily dose for a 70-year lifetime. The statutory value will be used in calculation of the site-specific criteria.

2.1.2 Averaging Time (AT)

Averaging time (AT) represents the number of days over which an exposure is averaged. AT for carcinogens is a value representing an average lifespan or life expectancy. The generic criteria are calculated based on an AT of 70 years. The default value is based on a sparsely documented 1989 U.S. EPA recommendation involving the general US population.

EGLE evaluated this generic assumption as part of a comprehensive cleanup criteria update (MDEQ, 2016). Several sources for recent Michigan specific information were reviewed, the best of which came from the Michigan Department of Health and Human Services. Based on this information EGLE recommended an AT of 78 years based on best available information.

TCHC also proposes to use an AT of 78 years based on best available information.

2.1.3 Oral Cancer Slope Factor (CSF)

The Part 201 default assumption is consistent with the current value from IRIS database (1.5 mg/kg-d), and represents best available information.

As noted previously, although the DCC can be calculated for both carcinogenic and non-carcinogenic effects, calculations will be provided for the carcinogenic route of exposure only.

2.1.4 Relative Bioavailability (RBA)

The bioavailability of arsenic in soil can change depending on the physical and/or chemical properties. Some forms of arsenic are less than 100% absorbed by the gastrointestinal (GI) track. The ingestion component of the current arsenic DCC assumes arsenic is 100% absorbed in the GI track, however the ingestion component of the USEPA risk-based Regional Screening Levels (RSLs) assume that only 60% of the arsenic in soil will be absorbed in the GI track (USEPA, 2012; 2019).

TCHC proposes to modify the default value of 100% by using a site-specific arsenic RBA, to be determined as proposed in Appendix A.

2.1.5 Exposure Duration (ED)

ED represents the number of years that individuals may be exposed to contaminants at their residence or workplace. The generic Part 201 default assumption for residential exposure duration is 30 years, based on U.S. EPA's recommendations for evaluating reasonable maximum residential exposures. The value was based on the national upper bound (90th percentile) for time spent at one residence that was presented in the 1989 Exposure Factors Handbook.

During their evaluation of "best available information", EGLE identified updated recommendations based on 2008 data from U.S. Census Bureau, leading to an ED value of 32 years reflecting the 90th percentile of the distribution of time at current residence.

TCHC reviewed historic lease terms for the Orchardview Townhomes. The 90th percentile of lease-length is approximately 6 years, suggesting that current exposure potential is much lower than the generic assumption. There are currently no land use restrictions to administratively limit ED at the property, and such a restriction would not be consistent with the objective of developing an unrestricted site-specific DCC. Consequently, TCHC proposes to use an ED of 32 years based on best available information.

2.1.6 Exposure Frequency - Ingestion (EF_i)

The default ingestion exposure frequency of 350 days per year (d/y) assumes daily direct contact with soil, allowing for 15 days away from home per year. The default value is not consistent with site-specific exposure because it does not account for reduced EF due to snow cover.

EGLE retained the value of 350 d/y for EF_i in their 2016 evaluation of "best available information" (MDEQ, 2016), but adjusted according to the following assumptions:

- Direct ingestion of soil will occur only on days when not limited by snow cover or away from home on vacation (275 d/y), however,

- Ingestion of dust will occur every day that the resident is home, including days when soil is covered by snow (350 d/y).

To maintain a single value for EF_i (350 d/y) in the exposure algorithm, reduced exposure during winter months was accounted for within the soil ingestion rate factor. Derivation of the soil ingestion rate using EGLE best available information is presented in Appendix C.

TCHC proposes to use the default EF_i of 350 d/y, accounting for reduced exposure during snow cover days within the soil ingestion rate variable.

2.1.7 Exposure Frequency - Dermal (EF_d)

The default dermal exposure frequency is 245 d/y assuming reduced EF during 120 days of snow cover per year. Snow cover days were estimated without reference to historic climatological data.

During their evaluation of “best available information” (MDEQ, 2016), EGLE identified a dataset indicating that Michigan experiences an average of 78 days annually with air or soil temperatures below freezing, and assumed that dermal exposure would not occur under such conditions. EGLE further assumed that residents would be away from home 15 d/y, 12 of which would occur when snow cover was not present, resulting in a dermal exposure frequency of (365-78-12) 275 d/y.

The EGLE determined best available information is likely to over estimates EF_d at the site because Grand Traverse County experiences greater than average annual snow cover days.

TCHC identified a dataset recording the number of days annually with snow cover greater than one inch. The National Oceanic and Atmospheric Administration (NOAA), National Center for Environmental Information (NCEI) maintains a Global Summary of the Year (GSOY) database containing a record of Days with Snow Depth > 1 inch (DSND). This dataset was used to calculate a site-specific EF_d of 253 d/y. Refer to Appendix B for further documentation.

2.1.8 Age-adjusted Soil Ingestion Factor (IF)

The soil ingestion factor (IF) seeks to quantify the total amount of contaminated soil ingested on a daily basis from ingestion of soil and soil-derived dust particles, according to Equation 2. The IF is calculated based on expected ingestion rates and EF. The IF is age-adjusted because young children (zero to six years) are expected to ingest soil at a higher rate than adults.

- The soil ingestion rate (IR) for children (IR_c , 100 mg/d) and adults (IR_a , 50 mg/d) recommended by U.S. EPA, and used by EGLE, represents an estimate of the amount of soil ingested throughout a day’s activities.
- The dust ingestion rate for resident children (IR_{dc} , 100 mg/d) and adults (IR_{da} , 50 mg/d) recommended by U.S. EPA, and used by EGLE, represent an estimate of the amount of soil and dust ingested through ingestion during a day’s activities.

The combined IR is 200 mg/d for children and 100 mg/d for adults.

In calculation of the IF, the ingestion rate is time weighted according to dermal exposure frequency (EF_d) to account for the assumption that incidental soil ingestion will not occur during days when the ground is frozen or covered by snow, or when residents are away from the home on vacation. TCHC is proposes a site-specific IF of 97 mg-yr/kg-d based on a site-specific EF_d of 253 d/y, as documented in Appendix C.

2.1.9 Ingestion Absorption Efficiency (AE_i)

Generic criteria are calculated based on chemical-specific values for ingestion absorption efficiency (AE_i), as defined in Rule 20(3). If chemical-specific data is not available, then the AE_i is assumed to be 50% for inorganic substances. Alternative best available information was not identified during this evaluation.

TCHC proposes to use an AE_i of 50% based on default Part 201 assumptions.

2.1.10 Dermal Absorption Efficiency (AE_d)

Generic criteria are calculated based on chemical-specific values for dermal absorption efficiency, as defined in Rule 20(3). If chemical-specific data is not available, then the AE_d is assumed to be 1% for inorganic substances. The default Part 201 chemical-specific value for arsenic is 0.03 (3%). Alternative best available information was not identified during this evaluation. Site-specific determination of AE_d is not proposed.

TCHC proposes to use an AE_d of 3% based on default Part 201 chemical-specific value.

2.1.11 Age-Adjusted Dermal Factor (DF)

An age-adjusted dermal factor (DF) is calculated to represent dermal exposure over the childhood and adult years at one residence over an assumed ED. Skin surface area, body weight and an adherence factor for both children and adults are used to calculate DF according to Equation 3.

Using the residential exposure assumptions defined in Part 201, Rule 20, the calculated DF is 353 mg-yr/kg-day.

During their evaluation of "best available information", EGLE (MDEQ,2016) identified 2011 U.S. EPA data that provided updated "best available information" for skin surface area of children zero to six years old (2,400 cm²) and adults (6,000 cm²); updated adherence factors for children (0.3) and adults (0.07); and updated body weight factor for adults (80 kg). Using these factors, along with an updated ED for adults (26 years) together with the generic assumption for children (6 years) (total ED of 32 years) results in a DF of 425 mg-yr/kg-day.

TCHC proposes to use a DF of 425 mg-yr/kg-day based on "best available information".

3.0 DERIVATION OF SITE-SPECIFIC RESIDENTIAL DIRECT CONTACT CRITERIA

Exposure assumptions used in development of the DCC can generally be classified in two categories: (1) exposure assumptions related to land-use, such as exposure duration, and (2) other factors including site-specific and chemical-specific factors intrinsic to specific conditions at the site, such as the bioavailability of compounds at the site and climatological factors. An evaluation using modified DCCs based on a restricted land use and limiting exposure patterns (for example a recreational scenario, instead of a residential scenario) may require administrative controls to ensure that future land use is consistent with the evaluation. An evaluation using modified DCCs based on site-specific factors intrinsic to the property location and chemical-specific properties at the site is likely to require no administrative controls, resulting in an unrestricted residential criterion. The objective of this response activity work plan is to develop a DCC appropriate to evaluate unrestricted residential direct contact with arsenic.

The only site-specific exposure assumptions proposed in development of the site-specific DCC are EF, based on average annual snow cover, and RBA, which are both intrinsic to the site location or chemical-specific conditions. Note that a site-specific IF has been calculated based on the proposed site-specific EF. Consequently, areas of the property with residual arsenic concentrations below the site-specific DCC would be eligible for an unrestricted residential no further action determination.

3.1 CALCULATION OF SITE-SPECIFIC DCC

Exposure assumptions were selected from the following options:

- (1) Generic exposure assumptions as codified in Part 201, Rule 20,
- (2) Best available information as determined during a recent EGLE comprehensive cleanup criteria evaluation (MDEQ, 2016), if available, and
- (3) Site specific exposure values.

Selected exposure factors are summarized in Table 1, and were used with equations 1 through 3 above to develop a site-specific unrestricted residential DCC.

Using a site-specific value for dermal exposure frequency (253 d/y) and best available information for other factors, the calculated site-specific unrestricted residential DCC for arsenic in soil is 11 mg/kg.

The current Part 201 criteria assume arsenic is 100% absorbed. Current U.S. EPA risk-based screening levels assume that only 60% of the arsenic in soil will be absorbed in the stomach (USEPA, 2012; 2019). If site-specific testing determines that the RBA is 70% or less, residual arsenic concentrations at the property will be below site-specific unrestricted residential criteria.

4.0 PRELIMINARY RISK EVALUATION

The Brownfield Assessment included a comprehensive evaluation of arsenic occurrence in soil at 17 different Decision Units (DU) (Figure 1). Arsenic was observed at concentrations exceeding generic cleanup criteria for unrestricted residential land use (7.6 mg/kg), indicating that additional evaluation was warranted to assess the potential for exposure through direct contact with soil.

Substituting a site-specific value for EF (253 d/y) and best available information for other generic assumptions results in a site-specific criterion of 11 mg/kg. Arsenic concentrations at occupied DUs are below 11 mg/kg, indicating that there is no potentially unacceptable risk from direct contact associated with arsenic on the occupied portions of the property.

Arsenic concentrations on the unoccupied portion of the property range between 11 and 16 mg/kg, indicating that additional site-specific evaluation or response is warranted. If results of the proposed RBA analysis determine that arsenic is less than 70% available, the site-specific criteria will be above 16 mg/kg, indicating that the entire property would be eligible for an unrestricted residential no further action determination.

If RBA is above 70%, additional site-specific evaluation and/or due care measures will be implemented to assure potential direct contact health risks are managed appropriately.

TCHC is currently pursuing barrier fencing as an interim measure to reduce access to the unoccupied portion of the property while additional evaluations are under consideration.

5.0 REFERENCES

(MDEQ, 2016) *Cleanup Criteria and Screening Levels Development and Application (Draft)*, Michigan Department of Environmental Quality, Remediation and Redevelopment Division, Lansing, Michigan, June 2016.

(U.S. EPA, 2012) *Compilation and Review of Data on Relative Bioavailability of Arsenic in Soil*, OSWER 9200.1-113.

(U.S. EPA, 2019) Regional Screening Levels (RSLs) - User's Guide 5.10 Arsenic. <https://www.epa.gov/risk/regional-screening-levels-rsls-users-guide>

TABLES

Table 1: Exposure Factors and Site-Specific Direct Contact Criterion for Arsenic

Variable	Symbol	Units	Part 201 Rule 20	MDEQ 2016 Update	Site-Specific	Best Available Informaiton
Direct Contact Criterion	DCC	µg/kg	7,500	9,100		11,000
Target Risk Level	TR	--	1.00E-05	1.00E-05	--	1.00E-05
Averaging Time	AT	days	25550	28470	--	28470
Conversion Factor	CF	µg/kg	1.00E+09	1.00E+09	--	1.00E+09
Oral Cancer Slope Factor	SF	mg/kg-day	1.5	1.5	--	1.5
Ingestion Exposure Frequency	EF _i	days/year	350	350	--	350
Ingestion Adsorption Efficiency	AE _i	--	0.5	0.5	--	0.5
Dermal Exposure Frequency	EF _d	days/year	245	275	253	253
Dermal Adsorption Efficiency	AE _d	--	0.03	0.03	--	0.03
Age-Adjusted Soil Ingestion Factor	iF	mg-yr/kg-day	114	101		78
Soil Ingestion Rate (age 1 - 6)	IR _{age 1-6}	mg/day	200	179	139	139
Exposure Duration (age 1 - 6)	ED _{age 1-6}	years	6	6	--	6
Body Weight (age 1 - 6)	BW _{age 1-6}	kg	15	15	--	15
Soil Ingestion Rate (adult)	IR _{adult}	mg/day	100	89	69	69
Exposure Duration (adult)	ED _{adult}	years	24	26	--	26
Body Weight (adult)	BW _{adult}	kg	70	80	--	80
Age-Adjusted Soil Dermal Factor	DF	mg-yr/kg-day	353	399		399
Skin Surface Area (age 1 - 6)	SA _{age 1-6}	cm ² /event	2670	2400	--	2400
Event Frequency	EV	event/day	1	1	--	1
Soil Adherence Factor (age 1 - 6)	AF _{age 1-6}	mg/cm ²	0.2	0.3	--	0.3
Exposure Duration (age 1 - 6)	ED _{age 1-6}	yaers	6	6	--	6
Body Weight (age 1 - 6)	BW _{age 1 - 6}	kg	15	15	--	15
Skin Surface Area (adult)	SA _{adult}	cm ² /event	5800	4900	--	4900
Soil Adherence Factor (adult)	AF _{adult}	mg/cm ²	0.07	0.07	--	0.07
Exposure Duration (adult)	ED _{adult}	years	24	26	--	26
Body Weight (adult)	BW _{adult}	kg	70	80	--	80

Calculated

FIGURES



APPENDIX A

**Technical Support Document, Work Plan for Derivation of Site-Specific Relative
Bioavailability of Arsenic in Soil**

Memo

To **File** File no **3310190007**
From **Robert Lint** cc
Date **September 18, 2019**

**Subject Technical Support Document
Work Plan for Derivation of
Site-Specific Relative Bioavailability of Arsenic in Soil
Orchardview Townhomes
Traverse City, Michigan**

This work plan details an approach to determination of the site-specific arsenic relative bioavailability (RBA) for use in subsequent derivation of a site-specific direct contact criterion (DCC) for arsenic in soil at the Orchardview Townhomes facility.

The biological significance of arsenic can change depending on its physical and/or chemical properties. Some forms of arsenic are less than 100% absorbed by the body, with some percentage being excreted rather than absorbed. The current Part 201 criteria assume arsenic is 100% absorbed, however the U.S. EPA risk-based screening levels assume that only 60% of the arsenic in soil will be absorbed in the stomach (U.S. EPA, 2012; 2019). The site-specific RBA will replace the default assumption of 100% or 1 used to generate the generic DCC.

Development of site-specific RBA includes an assessment of the in-vitro bioavailability (IVBA). An IVBA assay is a laboratory test performed to simulate a digestive system, providing an estimate of the amount of arsenic that may be available for absorption within the human body. The IVBA results will be used to develop the RBA estimate for arsenic using a validated IVBA:RBA regression model and a 95% UCL of the mean estimation using the ProUCL (5.1) program. The selected RBA value will be incorporated into the calculation of a site-specific soil DCC for arsenic and replaces the default assumption of 100% or 1 used to generate the generic residential. Representative soil samples will be collected for the IVBA assay laboratory test.

Sample Collection

The Michigan Department of Environmental Quality (MDEQ), now known as the Michigan Department of Environment, Great Lakes and Energy (EGLE), complete a Brownfield Redevelopment Assessment for the facility (MDEQ, 2012). The assessment included a comprehensive characterization of arsenic occurrence in soil at 17 decision units (DU) (Figure 1). Arsenic concentrations for the residentially occupied decision units ranged between 4.2 and 10 mg/kg. While slightly above the generic residential DCC of 7.6 mg/kg, these concentrations are below a preliminary site-specific DCC of 11 mg/kg, based on a site-specific exposure frequency factor.

Arsenic concentrations at unoccupied decision units DU-1 through DU-6 range between 11 mg/kg and 16 mg/kg. These concentrations exceed the generic and preliminary site-specific

DCC, suggesting additional evaluation of exposure risk is warranted in these DUs. Soil sample collection for IVBA analysis will be from unoccupied decision units.

Two composite soil samples (12 total) will be collected from each DU (DU-1 through DU-6). Composite samples will consist of soil collected within each DU from 5 random locations at a depth of 0 to 12 inches.

A stainless-steel probe will be used to collect 5 aliquots in a systematic random fashion from each selected DU. Surface vegetation and excess organic material will be removed from each aliquot prior to placement in a plastic bag for mixing and homogenization. Once mixed, composite samples will be placed in laboratory supplied containers and transport under chain of custody according to laboratory supplied protocol.

Because the arsenic contamination is from a single source, namely agrichemical use, the RBA value derived from these samples will be applicable to all areas of the facility.

Selected IVBA Method

As per U.S. EPA (2017b):

The IVBA assay for predicting RBA of arsenic in soil is the same extraction procedure validated for predicting the RBA of lead in soil. In brief, the IVBA assay consists of incubating a 1 g soil sample with end-over-end mixing in 100 mL of 0.4 M glycine buffer (pH 1.5) for 1 hour at 37°C (body temperature).

ACZ Laboratories of Steamboat Springs, Colorado, is one of only a few commercial laboratories in the United States that has developed reactors to perform the IVBA assay. ACZ has been selected to perform the IVBA analysis in accordance with U.S. EPA procedures and in accordance with recommendations of the Interstate Technology Regulatory Council (ITRC) Bioavailability of Contaminants in Soil guidance (2017).

IVBA:BA Model

As per U.S. EPA (2017b):

The endpoint of interest for risk assessment is a prediction of the oral RBA of arsenic in soil (ratio of oral bioavailability of arsenic in soil to that of water-soluble arsenic) based on a measurement of IVBA of arsenic in soil (solubility of arsenic in soil at gastric pH). The test soil sample is assayed for IVBA, and the corresponding RBA is predicted from a regression model relating IVBA and RBA. This same approach has been validated by EPA for predicting RBA of lead in soil from IVBA.

In simple terms, this method is based on the concept that solubilization of metals in gastrointestinal fluid is a predictor of bioavailability in vivo (see also ITRC, 2017). IVBA measures the extent of metal solubilization in an extraction solvent that resembles gastric fluid. IVBA results are then used to predict the in vivo RBA using a model developed by U.S. EPA, which established that a strong correlation exists between the in vivo and in vitro results (U.S. EPA, 2017b). The regression model used is based on a meta-analysis of data from studies in mice and swine. IVBA and RBA measurements from 83 soils collected from different sites and mineral types were paired together. The paired IVBA and RBA measurements for each soil sample were included in a weighted linear regression model in which IVBA and RBA were based on their respective variances (1/variance). The estimated slope is 0.79 ± 0.01 and the

intercept is 3.0 ± 0.1 . The model used for predicting RBA from IVBA for arsenic is (U.S. EPA, 2017b):

$$RBA_{\text{arsenic}} = ((0.79 \times [\text{IVBA} (\%)/100]) + 0.03) \times 100$$

Actual RBA values may be higher or lower than the calculated value. This model explains approximately 87% of the variance in RBA (weight-adjusted $R^2 = 0.87$). The 95% prediction limit for a single RBA measurement was $\pm 19\%$ RBA (U.S. EPA, 2017b). Further details of the derivation of the regression model is provided in Diamond et al.

Derivation of the RBA Estimate

IVBA results will be converted to RBA using EPA methods (U.S. EPA, 2017a), as described in the preceding section. RBA calculations will be performed for all 12 soil samples collected as described above.

A single RBA will be calculated. To arrive at a single value, a 95% UCL will be calculated using the most recent version of U.S. EPA ProUCL software (ProUCL 5.1: U.S. EPA, 2015).

References

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MDEQ (2015), *Part 201 Generic Exposure Assumption Values Update, Technical Support Document, Soil Direct Contact Exposure Frequency (EF)*, Michigan Department of Environmental Quality, Remediation and Redevelopment Division, Lansing, Michigan, September 2015.

MDEQ (2016), *Cleanup Criteria and Screening Levels Development and Application (Draft)*, Michigan Department of Environmental Quality, Remediation and Redevelopment Division, Lansing, Michigan, June 2016.

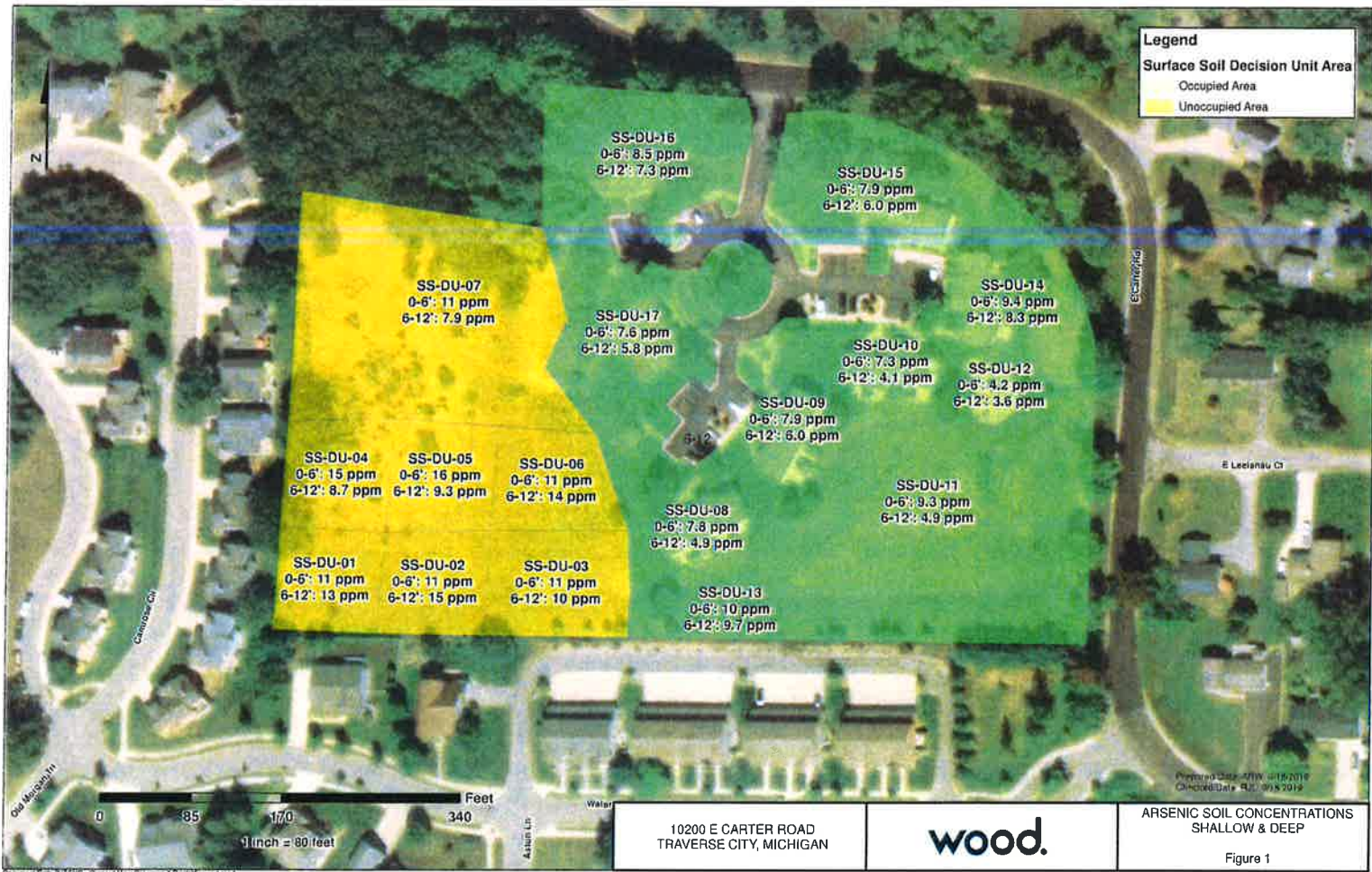
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U.S. EPA, (2017b), *Validation Assessment of In Vitro Arsenic Bioaccessibility Assay for Predicting Relative Bioavailability of Arsenic in Soils and Soil-like Materials at Superfund Sites*. OLEM 9355.4-29.

U.S. EPA (2019), *Regional Screening Levels (RSLs) - User's Guide 5.10 Arsenic*.
<https://www.epa.gov/risk/regional-screening-levels-rsls-users-guide>

Wood (2019), *Technical Support Document - Site-Specific Soil Ingestion Factor, Orchard View Townhomes*, Wood Environment and Infrastructure Solutions, Inc., Traverse City, Michigan, September 2019.



APPENDIX B

Technical Support Document, Site-Specific Exposure Frequency Factor

Memo

To File File no **3310190007**
From Robert Lint cc
Date **September 25, 2019**

**Subject Technical Support Document
Site-Specific Exposure Frequency Factor
Orchardview Townhomes
Traverse City, Michigan**

This memo describes development of a site-specific exposure frequency (EF) value to support derivation of site-specific direct contact criteria for arsenic in soil at the Traverse City Housing Commission (TCHC) Orchardview Townhomes property. The EF parameter represents the number of days per year that a resident is expected to be exposed to arsenic in soil through the direct contact exposure pathway. Direct contact exposure is expected to occur through dermal absorption and ingestion of contaminated soil. Ingestion of contaminated soil is further expected to occur both through direct ingestion of soil and ingestion of dust. The exposure frequency for ingestion (EF_i) and dermal contact (EF_d) are considered separately.

Part 201 Generic Exposure Assumptions

The generic exposure frequency for ingestion (EF_i) is 350 days per year, based on U.S. EPA's recommendation for evaluating reasonable maximum exposures (MDEQ, 2015). The generic EF_i assumes that a resident will be away from home on vacation for 15 days per year but does not account for reduced exposure during periods of snow cover.

The generic EF_i does not account for reduced exposure frequency due to snow cover based on the assumptions that dust exposure can occur during the winter months, and because soil ingestion rates available in the source documents do not differentiate between soil and dust ingestion.

The generic exposure frequency for dermal contact (EF_d) is 245 days per year based on U.S. EPA's recommendation to consider local weather conditions when determining EF_d and that dermal contact will not occur when ground is snow covered or frozen. The generic EF_d further assumes 120 days per year of snow cover and that vacation time occurs only during the winter.

Best Available Information (MDEQ, 2016)

The Michigan Department of Environmental Quality (MDEQ), now known as EGLE, retained the value of 350 days per year for ingestion exposure frequency (EF_i) in their 2016 evaluation of "best available information" (MDEQ, 2016), based on the following assumptions:

- Direct ingestion of soil will occur only on days when not limited by snow cover or away from home on vacation (275 days per year), and,
- Ingestion of dust will occur every day that the resident is home, including days when soil is covered by snow (350 days per year).

To maintain a single value for EF_i (350 days per year) in the exposure algorithm, reduced exposure during winter months was accounted for within the soil ingestion rate factor. Derivation of the soil ingestion rate is presented in a separate support document (Wood, 2019).

In development of dermal exposure frequency (EF_d), EGLE identified a dataset indicating that Michigan experiences an average of 78 days per year with air or soil temperatures below freezing and assumed that dermal exposure would not occur under such conditions. EGLE further assumed that residents would be away from home 15 days per year, 12 of which would occur when snow cover was not present, resulting in a dermal exposure frequency (EF_d) of (365-78-12) 275 days (MDEQ 2015).

Best Available Site-Specific Information

In development of a site-specific dermal exposure frequency (EF_d), TCHC identified a dataset recording the number days annually with snow cover greater than one inch. The National Oceanic and Atmospheric Administration (NOAA), National Center for Environmental Information (NCEI) maintains a Global Summary of the Year (GSOY) database containing a record of Days with Snow Depth > 1 inch (DSND) at ten recording stations (Table 1) in Grand Traverse and surrounding counties (Figure 1).

The database contains 289 individual records covering a 30-year period from 1989 to 2018. None of the stations contained a complete record. The following evaluation makes no attempt to extrapolate for missing data. Because EF_d represents average exposure frequency during the entire exposure duration, we examined the central tendency of the data by calculating the arithmetic mean (average) of the normally distributed data.

We first examined average annual snow cover days by recording station and found a range between 100 and 120 days (Table 2). Stations in Fife Lake and Northport exhibited the greatest number of snow cover days and are expected to be biased high due to local lake-effect snow conditions. Average snow cover days for the four stations closest to the property ranged between 101 and 104 days. Data from these stations were selected as “best available information” for further analysis (Table 3). The average snow cover days by station was calculated as 102 days per year.

We also examined average snow cover days by year (Table 3). During 13 years of the 30-year record, only one of the selected stations reported data. No data was available from 1998. These years were not considered in the average by year. Average snow cover by year ranged from 71 to 134 days, with an average of 101 days.

Finally, we calculated an average of all records from the selected stations for the period between 1989 and 2018 to come up with an average of 102 days per year with snow cover greater than one-inch depth. Based on the site-specific data, best available information for average snow cover days at the Orchardview property is 102 days per year.

A site-specific dermal exposure frequency EF_d is proposed assuming that dermal contact will not occur during 102 snow cover days or during the prorated portion of vacation days taken when snow cover is not present (15 days * (365d-102d)/365d = 11 days).

The proposed best available site-specific dermal exposure frequency value is,

$$EF_d = \frac{365 \text{ d}}{y} - \frac{102 \text{ d}}{y} - \frac{11 \text{ d}}{y} = \frac{252 \text{ d}}{y}$$

Following previous convention for handling ingestion exposure frequency EF_i , we will retain the generic EF_i of 350 days per year and account for reduced exposure during snow cover days during calculation of the soil ingestion rate (Wood, 2019).

References

(MDEQ, 2015), *Part 201 Generic Exposure Assumption Values Update, Technical Support Document, Soil Direct Contact Exposure Frequency (EF)*, Michigan Department of Environmental Quality, Remediation and Redevelopment Division, Lansing, Michigan, September 2015.

(MDEQ, 2016), *Cleanup Criteria and Screening Levels Development and Application (Draft)*, Michigan Department of Environmental Quality, Remediation and Redevelopment Division, Lansing, Michigan, June 2016.

(Wood, 2019), *Technical Support Document - Site-Specific Soil Ingestion Factor, Orchard View Townhomes*, Wood Environment and Infrastructure Solutions, Inc., Traverse City, Michigan, September 2019.

Table 1 Recording Stations

STATION	NAME	LATITUDE	LONGITUDE
USR000MBRR	BEAR MICHIGAN, MI US	44.8019	-86.0508
US1MIBZ0001	BENZONIA 5.3 S, MI US	44.5398	-86.1065
USC00200758	BEULAH 7 SSW, MI US	44.5316	-86.1311
USC00202783	FIFE LAKE 2 WNW, MI US	44.5848	-85.3653
USC00202788	FIFE LAKE 3 WSW, MI US	44.5650	-85.4133
USC00202984	FRANKFORT 2 NE, MI US	44.6480	-86.2100
USC00204399	KINGSLEY 2 WSW, MI US	44.5694	-85.5722
USC00205097	MAPLE CITY, MI US	44.8550	-85.8352
USC00206007	NORTHPORT 2 W, MI US	45.1322	-85.6472
US1MILL0001	NORTHPORT 5.0 SSW, MI US	45.0615	-85.6486
USC00206012	NW MICHIGAN RES FARM, MI US	44.8830	-85.6752
USC00206158	OLD MISSION 3 SSW, MI US	44.9215	-85.5161
USW00014850	TRAVERSE CITY CHERRY CAPITAL AIRPORT, MI	44.7408	-85.5825
USC00208249	TRAVERSE CITY MUNSON, MI US	44.7607	-85.6443

Table 2 Days of Snow Cover Greater Than 1 Inch, Tricounty Area

Name Station ID	BEULAH USC00200758	FIFE LAKE 2 USC00202783	FIFE LAKE 3 USC00202788	FRANKFORT USC00202984	KINGSLEY 2 USC00204399	MAPLE CITY USC00205097	NORTHPORT USC00208007	LEELANAU FARM USC00208012	TRAVERSE CITY MUNSON USC00208249	TRAVERSE CITY CHERRY CAPITAL AIRPORT, MI US USW00014850
1989	--	--	--	128	--	--	--	--	--	122
1990	--	--	--	--	--	--	104	--	--	86
1991	--	--	--	113	--	--	120	--	--	105
1992	--	--	--	122	--	--	114	--	--	93
1993	--	--	--	101	--	--	112	--	--	86
1994	--	--	--	--	--	--	112	--	--	94
1995	--	--	--	119	--	--	--	--	--	132
1996	--	--	--	132	--	--	--	--	--	123
1997	--	--	--	123	--	--	--	--	--	101
1998	--	--	--	80	--	--	--	--	--	--
1999	--	--	--	89	--	--	97	94	--	83
2000	--	--	--	94	--	--	87	98	--	--
2001	--	--	--	100	--	--	104	96	--	--
2002	--	--	--	95	--	119	--	120	102	--
2003	--	--	99	77	--	96	99	101	101	--
2004	99	--	110	--	104	101	102	108	101	--
2005	110	--	126	130	101	125	--	114	104	--
2006	88	--	--	71	78	81	--	70	63	--
2007	101	--	--	--	108	--	--	124	112	--
2008	129	--	--	136	128	--	136	139	128	--
2009	104	--	--	110	109	113	117	107	109	--
2010	100	--	--	--	96	100	99	100	95	--
2011	96	--	--	89	--	107	91	76	88	--
2012	70	--	--	83	--	--	82	81	78	--
2013	128	151	--	--	--	--	134	--	133	--
2014	118	128	--	--	--	--	127	130	128	--
2015	87	84	--	88	--	--	83	78	83	--
2016	94	113	--	--	--	--	112	104	105	--
2017	85	99	--	85	--	91	92	84	86	--
2018	115	144	--	133	--	--	158	--	114	--
Average by Station	100	120	112	104	103	104	109	101	102	103

-- no data

Source: NOAA NCEI GSOY DSND Dataset

<https://www.ncdc.noaa.gov/cdo-web/search?datasetId=GSOY>

Table 3 Days of Snow Cover Greater Than 1 Inch, Selected Stations

Station Name	MAPLE CITY, MI US	NW MICHIGAN RES FARM, MI US	TRAVERSE CITY MUNSON, MI US	TRAVERSE CITY CHERRY CAPITAL AIRPORT, MI US	Average by Year
Station Number	USC00205097	USC00206012	USC00208249	USW00014850	
1989	--	--	--	122	--
1990	--	--	--	86	--
1991	--	--	--	105	--
1992	--	--	--	93	--
1993	--	--	--	86	--
1994	--	--	--	94	--
1995	--	--	--	132	--
1996	--	--	--	123	--
1997	--	--	--	101	--
1998	--	--	--	--	--
1999	--	94	--	83	89
2000	--	98	--	--	--
2001	--	96	--	--	--
2002	119	120	102	--	114
2003	96	101	101	--	99
2004	101	106	101	--	103
2005	125	114	104	--	114
2006	81	70	63	--	71
2007	--	124	112	--	118
2008	--	139	128	--	134
2009	113	107	109	--	110
2010	100	100	95	--	98
2011	107	76	88	--	90
2012	--	81	78	--	80
2013	--	--	133	--	--
2014	--	130	126	--	128
2015	--	78	83	--	81
2016	--	104	105	--	105
2017	91	84	86	--	87
2018	--	--	114	--	--
Average by Station	104	101	102	103	

Average of all data = 102 days
 Average of data by Station = 102 days
 Average of data by Year = 101 days

Source: NOAA NCEI GSOY DSND Dataset
<https://www.ncdc.noaa.gov/cdo-web/search?datasetid=GSOY>

Legend

◇ NOAA WEATHER STATON LOCATIONS



10200 E CARTER ROAD
TRAVERSE CITY, MICHIGAN



NOAA WEATHER STATION
LOCATIONS

FIGURE 1

APPENDIX C

Technical Support Document, Site-Specific Soil Ingestion Factor

Memo

To File File no 3310190007
From Robert Lint
Date September 25, 2019

**Subject Technical Support Document
Site-Specific Soil Ingestion Factor
Orchard View Townhomes
Traverse City, Michigan**

This memo describes development of a site-specific age-adjusted soil ingestion factor to support derivation of site-specific direct contact criterion for arsenic in soil at the Traverse City Housing Commission (TCHC), Orchardview Townhomes property. In development of a generic residential age-adjusted soil ingestion factor and associated direct contact criteria, the Michigan Department of Environment, Great Lakes, and Energy (EGLE) assumes a soil ingestion rate that represents an estimated amount of soil and dust ingested during a day's activity. Intake for children (< 6 years old) and adults are estimated separately, and together with exposure duration and body weight assumptions, are used to calculate an age-adjusted soil ingestion factor (IF) according to the following formula:

$$IF = \left[\frac{IR_{age\ 1-6} * ED_{age\ 1-6}}{BW_{age\ 1-6}} \right] * \left[\frac{IR_{adult} * ED_{adult}}{BW_{adult}} \right] \quad (1)$$

Where,

IR _{soil/age 1-6}	(Soil ingestion rate)	=	200 mg/day
ED _{age 1-6}	(Exposure Duration)	=	6 years
BW ₁₋₆	(Body Weight)	=	15 kg
IR _{soil/adult}	(Soil ingestion rate)	=	100 mg/kg
ED _{adult}	(Exposure Duration)	=	24 years
BW _{adult}	(Body Weight)	=	70 kg

Part 201 Generic Exposure Assumptions

The generic residential soil ingestion rate assumption for children 6 years and younger is 200 milligrams (mg) per day, and for individuals over six years of age, 100 mg per day, based on U.S.EPA guidance (MDEQ, 2015). This value considers both direct ingestion of soil (IR_s) and ingestion of dust particles (IR_d) together in a single estimate. Exposure is assumed to occur 350 days per year over a 30-year exposure period.

Best Available Information

EGLE conducted an evaluation of “best available information” in 2016 (MDEQ, 2016). Following an extensive review of available data sources (MDEQ 2015), EGLE concluded that the generic assumptions “reflected best available information”, with two important caveats:

- Ingestion rates were identified separately for soil (IR_s) and dust (IR_d), allowing calculation of exposure due to soil and dust ingestion separately, and
- Daily ingestion rates for soil (IR_s) should be prorated to account for reduced exposure during winter months when soil is snow covered or frozen. MDEQ retained the assumption that dust ingestion would remain unchanged year-round, regardless of snow cover.
- Exposure would occur over a 32-year duration (MDEQ, 2015a).

MDEQ prorated ingestion of soil and dust (IR_{sd}) based on the following formula:

$$\text{Time weighted IR} = \left[\frac{\text{IR}_{\text{sd}} * \text{EF}_s}{\text{EF}_d} \right] + \left[\frac{\text{IR}_d * (\text{EF}_d - \text{EF}_s)}{\text{EF}_d} \right] \quad (2)$$

Where,

IR _{sd age 1-6}	(Soil & dust ingestion rate)	= 200 mg/day
IR _{d age 1-6}	(Dust ingestion rate)	= 100 mg/day
IR _{sd adult}	(Soil & dust ingestion rate)	= 100 mg/day
IR _{d adult}	(Dust ingestion rate)	= 50 mg/day
EF _d	(Exposure frequency for dust)	= 350 days per year
EF _s	(Exposure frequency for soil)	= 275 days per year

Based in the above assumptions, MDEQ recommended a time-weighted soil ingestion rate of 179 mg per day for children and 89 mg per day for adults (MDEQ, 2015).

Best Available Site-Specific Information

A site-specific exposure frequency has been developed for the TCHC Orchardview Townhomes property (Wood, 2019). TCHC proposes to use a site-specific time-weighted soil ingestion factor (IF) for calculation of a site-specific direct contact criteria. Exposure assumptions for the generic Part 201 criteria, EGLE 2016 updated best available information, and site-specific best available information are summarized below:

	Part 201 Generic Residential	EGLE 2015 Updated Residential	Site Specific
IR _{sd age 1-6}	200	179*	172*
IR _{d age 1-6}	100	100	100
IR _{sd adult}	100	89*	86*
IR _{d adult}	50	50	50
EF _d	350	350	350
EF _s	350	275	253

ED _{age 1-6}	6	6	6
ED _{adult}	24	26	26
BW _{age 1-6}	15	15	15
<u>BW_{adult}</u>	<u>70</u>	<u>80</u>	<u>80</u>
IF**	114	100.5	97

* Time-weighted soil ingestion rate based on partial exposure during days with snow cover. Calculated with Equation 2. ** calculated with Equation 1.

The site-specific ingestion factor based on site-specific exposure frequency is 97 mg-yr/kg-d.

References

(MDEQ, 2015), *Part 201 Generic Exposure Assumption Values Update, Technical Support Document, Soil and Dust Ingestion*, Michigan Department of Environmental Quality, Remediation and Redevelopment Division, Lansing, Michigan, September 2015.

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