

COMMISSIONER'S HANDBOOK
PUBLISHED BY ALABAMA
ASSOCIATION OF HOUSING AND
REDEVELOPMENT AUTHORITIES

INTRODUCTION

The great contributions that low-income housing programs have made to cities across Alabama is attributable, in a large respect, to the efforts of professionals just like you. Commissioners, who may come from all walks of life, are often leaders in their communities. Alabama commissioners receive no pay for their services and it is unlikely that you will receive thanks from any source. However, the personal satisfaction that one receives through the knowledge that you are a part of an organization providing safe, sanitary and affordable housing for a needy segment of the population of your community is immeasurable.

The information in this booklet is provided to help you better understand your role as an Alabama Public Housing Commissioner.

Section I. General Information

HOW COMMISSIONERS ARE APPOINTED:

Commissioners are appointed by the Mayor or other governmental agency in accordance with state law. There are five commissioners on the board, (one of which must be a recipient of housing assistance) and they are appointed for a term of five years. The terms are staggered so that one vacancy occurs each year. Commissioners may serve successive terms if allowed by the By-Laws of the Authority.

HOW COMMISSIONERS GET THINGS DONE:

Commissioners have the duty to pass resolutions and policies for the governance of the housing authority. The Department of Housing and Urban Development (HUD) and the Executive Director will keep Commissioners informed about current policies, regulations, and changes in policies which need to be made. Commissioners hire the Executive Director who is the chief executive officer of the Authority and is charged with the day to day management of the housing programs of the Authority, and who executes the policies adopted by the Commissioners.

COMMISSIONERS STAY INFORMED:

The Executive Director will inform the Commissioners of change in regulation or policy at a federal or state level which need to be made. Commissioners need to review state laws, policies of the housing authority, HUD rules and regulations, federal regulation and law, know the differences between the roles of Commissioners and the Executive Director, and have a good working relationship with the Executive Director. Commissioners should attend workshops, training and seminars to keep up to date on current issues concerning public housing authorities.

COMMISSIONERS MUST BE CONCERNED:

Commissioners must be concerned about the well being of the residents and the property of the authority. Commissioners should talk with residents, visit the various housing communities, attend resident meetings, and work with social service agencies to provide services for the residents.

LIABILITY OF COMMISSIONERS:

Commissioners have some immunity under the Alabama Volunteer Service Act. Commissioners must take action in good faith and within the scope of their official function, and must not cause damage for willful or wanton misconduct. Commissioners should maintain directors and officers' insurance, make policies clear and not arbitrary or capricious, and monitor and evaluate the Executive Director and the housing authority to see that policies are carried out.

RESPONSIBILITIES OF COMMISSIONERS:

Responsibilities are provided for in the Annual Contributions Contract (ACC), Federal Regulations, HUD Notices and HUD Handbooks. HUD requires the Commissioners to develop policy and monitor and establish controls for providing safe and sanitary housing to the residents. Commissioners have the ultimate responsibility for Public Housing Authority (PHA) operations including:

- ✓ Approving Bylaws, Resolutions, Policies and Procedures.
- ✓ Hiring and evaluating a qualified Executive Director.
- ✓ Establishing and adopting PHA policies such as: Personnel, Grievance, Procurement, Disposition, Admissions, Continued Occupancy, Section 8 Administration Plans, Leases, Rent Collection, etc.
- ✓ Reviewing and monitoring budgets and other financial documents to insure expenditures are in compliance with federal and local laws and other requirements.
- ✓ Approving policies and procedures for internal and external monitoring controls.
- ✓ Approving policies and procedures to detect and prevent program fraud, waste, mismanagement and abuse.
- ✓ Insuring that the PHA is acting legally and with integrity in its daily operations.
- ✓ To observe the chain of command and act collectively to avoid situations where commissioners appear to be managers instead of policy makers.
- ✓ Prevent conflicts of interest as defined in state law and the ACC.
- ✓ Avoid the appearance of conflicts of interest.

PURPOSE OF THE PUBLIC HOUSING PROGRAM:

The public housing program was established to provide decent, safe, sanitary and drug free

housing for persons of lower income. State law also provides powers and duties of the housing authority. State law and Federal law, along with rules, regulations, guidelines, handbooks, and directives provide assistance and guidance for the carrying out of the purposes of the public housing program.

WHO OWNS PUBLIC HOUSING?

Public Housing was authorized by the Federal Government and is funded with federal funds. The program is regulated by HUD. State law provides for the establishment of each housing authority. The title to all property is vested in the local public housing agency. The local housing agency is prohibited from leasing, selling or mortgaging property under the ACC without HUD approval.

HOW IS PUBLIC HOUSING FINANCED?

Originally Public Housing was financed by the sale of tax exempt government-guaranteed bonds and notes. Today Public Housing is financed by federal subsidy, rental income from tenants, grants, etc.

DO HOUSING AUTHORITIES PAY TAXES?

No. Payments in lieu of taxes (PILOT) are authorized by law and by the Cooperation Agreement made between the housing authority and the governing body. These payments are made to the local government for services provided, which are the same services provided to other property owners.

DUTIES OF THE EXECUTIVE DIRECTOR:

The Executive Director serves not only as Executive Director, but also as the Secretary/Treasurer of the Board of Commissioners. The Executive Director is hired by the Board of Commissioners by written contract, or, if there is no written contract, subject to the Personnel Policy of the Authority. The Executive Director is the chief executive officer of the Authority, and is charged with the day to day management of the housing programs of the Authority. He or she also executes the policies adopted by the Commissioners. The Executive Director informs and advises the Board on recommended policy changes and required regulatory changes in policy. In a small housing authority, the Executive Director may also be the Housing Manager. In that event, he or she is responsible for rent collection, repairs, maintenance, resident training and services, accounting, bookkeeping, and other duties associated with housing.

WHO SELECTS THE RESIDENTS?

Residents are selected by the Executive Director or his/her designee in accordance with the ACOP after: application is made, information confirmed, a background criminal history check, credit checks, etc. and after being deemed qualified for tenancy. The Board of Commissioners adopts the Admissions and Continued Occupancy Policy (ACOP). This policy is approved by HUD and is derived from the federal rules and regulations, along with local policy.

HOW IS RENT CALCULATED?

The minimum rent for housing is \$0.00 to \$50.00, depending upon the decision of the Board in establishing the minimum rent. A person's income and exclusions from income are used to calculate the person's rent based upon income of qualified family members. A formula, developed in accordance with the federal rules and regulations is applied to calculate the total rent payment due by the tenant each month. The HA may also establish a "flat rent" for each apartment.

DO'S AND DON'TS:

DO:

- ✓ Pass resolutions and policies only after thorough discussion and understanding of the purposes, usage, intent and implication after consultation with the Executive Director.
- ✓ Monitor policies and procedures to insure that the result is what was intended and to see if any modifications need to be made.
- ✓ Establish controls to detect and prevent conflicts of interest, fraud and abuse.
- ✓ Ensure that an audit is conducted annually and that the report is reviewed by commissioners. Ask the auditors to expand their review to include areas of concern.
- ✓ Conduct meetings at least quarterly with Resident Council leaders to solicit comments. Consider having training sessions for Resident Councils.
- ✓ Ensure that the housing authority operates legally and with integrity. Establish high ethical standards for staff and act as positive role models.
- ✓ Become aware of the policies and regulations which govern the operation of the housing authority, and review the laws concerning your service on the Board of Commissioners.
- ✓ Fully support all board approved resolutions even on split votes.

DON'T:

- ✗ Sign blank checks or checks not supported by bills, invoices or vouchers.
- ✗ Allow any bank accounts to be controlled by one signature.
- ✗ Approve contracts or take any other action which is in violation of the ACC or HUD Regulations.
- ✗ Forget that Commissioner's set policy and the Executive Director is the chief executive

officer of the Authority who conducts the day to day activities of the Authority.

HOW TO CONDUCT BOARD MEETINGS

DO'S

- ✓ Do know the suggested agenda and review the packet of materials before the meeting.
- ✓ Do know the rules. Know about the bylaws, continuing resolutions, and Robert's Rules of order.
- ✓ Do go by the rules. Keep minutes, approve accurate financial reports, staff reports.
- ✓ Do ask for legal advice from your attorney, and supply him/her with the information in advance of the meeting if possible.

DON'T'S

- ✗ Don't miss meetings without a reasonable excuse. Do let the executive director know in advance if possible that you will miss the meeting.
- ✗ Don't come unprepared to the meeting.
- ✗ Don't monopolize the meeting.
- ✗ Don't deviate from the agenda.
- ✗ Don't make a grievance hearing out of the board meeting.
- ✗ Don't confuse good politics with good business.
- ✗ Don't make a rejection a personal crusade.
- ✗ Don't restrict media participation.

KEEP A NOTEBOOK

You should keep a notebook with copies of the policies and other important resolutions which you pass contained for your reference. Included in the notebook should be the following:

- ✓ STATE LAW ABOUT HOUSING AUTHORITIES
- ✓ ALABAMA VOLUNTEER ACT
- ✓ OATH OF OFFICE
- ✓ DIRECTORY OF HOUSING AUTHORITY STAFF AND SITES
- ✓ DESCRIPTION OF HOUSING AUTHORITY UNITS.
- ✓ PERSONNEL POLICY
- ✓ LEASE AND GRIEVANCE
- ✓ ADMISSIONS AND CONTINUED OCCUPANCY POLICY (ACOP)
- ✓ SECTION 8 ADMINISTRATIVE PLAN
- ✓ RENT COLLECTION POLICY
- ✓ ANNUAL CONTRIBUTIONS CONTRACT (ACC)
- ✓ BY LAWS OF HOUSING AUTHORITY

✓ COOPERATION AGREEMENT

Section II. Terms and Definitions

<u>Term/Acronym</u>	<u>Definitions</u>
AAHRA	Alabama Association of Housing and Redevelopment Authorities. Please see mission statement in preface.
ACC	Annual Contributions Contract - The contractual agreement between the Public Housing Agency (PHA) and the U. S. Department of Housing and Urban Development (HUD) that contains the rules for the development/operation of low-income housing developments and which, upon execution by all parties, is the authority for HUD to disburse monies to a PHA
ACOP	Admissions and Continued Occupancy Policy. This document contains the policies and procedures a PHA follows in administering the eligibility and occupancy requirements for public housing.
ADA	Americans with Disabilities Act of 1990
APHADA	Alabama Public Housing Directors Association. Directors from across Alabama belong to this organization that provides a forum for Executive Directors to discuss mutual successes and problems. The organization also provides Professional development for Executive Directors.
By-Laws	Rules governing the activity of the Board and PHA.
CFP	Capital Funds Program. The CFP program provides annual funding to all PHAs to make management and physical improvements to the existing public housing developments to assure their continued availability for low-income families. The funding amount each PHA receives is based on a formula allocation, which is established by HUD.
Cooperation Agreement	A contractual agreement that is required to be executed between the governing council of the city/county and the Board of Commissioners of the PHA. The agreement (1) exempts all “developments” from all real and personal property taxes and special assessments levied by any taxing body; (2) binds the local government to provide the same level of services to the authority as it does to other property holders; and (3) obligates the PHA, to make an annual payment to the local governing body, which is the payment in lieu of taxes (PILOT). See definition of PILOT below.
Dwelling Lease for Public Housing	The contractual lease agreement between the PHA and the Head-of-Household for the dwelling unit. The Dwelling Lease outlines the obligations of the PHA and tenant as well as the procedures to be followed when a PHA terminates a dwelling lease.

Elderly Family	A family whose head or spouse or whose sole member is at least sixty-two (62) years of age, or disabled, or handicapped and may include two or more elderly, disabled or handicapped persons living together, or one or more such persons living with another person who is determined to be essential to his or her care and well being
FEDERAL REGISTER	Daily publication of all proposed regulations, final rules/regulations and NOFAs for all Federal Agencies.
FMR	Fair Market Rent - The FMR is the rent, including the cost of utilities (except telephone), that would be required to be paid in the housing market area to obtain privately owned, existing, decent, safe and sanitary rental housing of modest (non-luxury) nature with suitable amenities. FMRs for existing housing are established on an annual basis by HUD for housing units of varying sizes (number of bedrooms), and are published in the Federal Register.
Grievance Policy	Policy which outlines the procedure the PHA and tenants must follow in attempting to resolve a grievance.
HAP	Housing Assistance Payment. Rental assistance paid on behalf of section 8 participants
HQS	Housing Quality Standards. The standards PHAs use to inspect units assisted under the Section 8 program
HUD	U. S. Housing and Urban Development
Income Limits	Income limits for very low and low-income are published annually by HUD and used to determine the income eligibility of applicants applying for Public Housing and the Section 8 Programs.
IPA	Independent Public Accountant - Each year PHA's are required to contract with a IPA
Low Income	Low-Income is the maximum annual amount of income, which is published by HUD, and used in determining eligibility.
Minimum Rent	Families assisted under the Public Housing or Section 8 programs must pay a monthly "minimum rent." The PHA has the discretion to establish the "minimum rent" from \$0 up to \$50.
NAHRO	National Association of Housing and Redevelopment Officials. A national organization (like PHADA) that represents our housing interests to congress.
NOFA	Notice of Funding Availability, which is published in the Federal Register.
Noncitizen	A person who is neither a citizen nor national of the United States

One Strike (Now Zero Tolerance)	One Strike is the “One Strike and You’re Out” policies incorporated in the dwelling lease and ACOP and is required by HUD to be adopted by all PHAs. The One Strike policies ensure stricter screening of applicants and eviction of residents for violations of the dwelling lease terms regarding drug and/or criminal activity. Residents and/or guests who engage in drug and other criminal activity face swift eviction action. One Strike policies are also referred to as the “Zero Tolerance” policy.
Personnel Policy	The document used by the PHA to govern the day-to-day administration and activities of its employees. Note: Most Personnel Policies are comprehensive documents and they include the following Policies: 1.) Compensation Plan, 2.) Drug-Free Workplace/Alcohol & Substance Abuse, 3.) Family and Medical Leave Act, 4.) Workers’ Compensation, 5.) Sexual Harassment and 6.) Travel Policies
PFS	Performance Funding System - PFS is the system used by PHAs and developed by HUD to calculate the amount of operating subsidy a PHA is to receive annually for the administration and operation of the public housing developments.
PHA/LHA	Public Housing Authority
PHADA	Public Housing Authorities Director Association. Directors from across the U.S. belong to this Washington, D.C., based organization that represents public housing issues to congress.
PHAS	Public Housing Assessment Program (PHAPS). PHAPS is the system used by HUD to evaluate the performance of a PHA.
PIC	Public Housing Information Center. Computer data base used to submit reports and data to HUD via the internet.
PILOT	Payment in lieu of taxes. The PILOT payment represents 10 percent of the shelter rent. Shelter Rent is the total rent paid by tenants less the cost of utilities.
PUM	Per Unit Month - The PUM is calculated for each budget line item of the Conventional Operating Budget. The calculation is a function of the budget line item dollar amount divided by the unit months available (Unit months available represents the number of housing units in the budget times the number of months the units will be in operation during the year, which is normally twelve months). The PUM is an excellent way to compare income and expenses on a per unit basis.
Recertification	Recertification is sometimes called reexamination. The process of securing documentation which indicates that tenants meet the eligibility requirements for continued occupancy.
REAC	Real Estate Assessment Center. Performs physical inspections of housing authority property.
RFP	Request for Proposal - A RFP is a written request for a proposal for services. The services are normally for professional services, i.e. Attorney, Architect, Auditor, Fee Accountant, Consultant, etc.

Section 8 Programs	Section 8 represents several forms of assisted housing. There are tenant based and project based assistance programs. Section 8 Voucher Program is a tenant based subsidy programs. This program allows the tenant to choose the rental property and the subsidy is not tied to a unit. Section 8 New Construction and Moderate Rehabilitation Programs are project based assistance programs and the subsidy is tied to the unit.
SERC	Southeastern Regional Council of NAHRO, normally referred to as SERC-NAHRO.
SUBSIDY	Subsidy (operating subsidy) is the amount of funds a PHA receives from HUD to operate and manage the public housing developments. The amount of operating subsidy a PHA receives is calculated in the Conventional Operating Budget for each PHA.
Utility Allowance	If the cost of utilities (except telephone, and air conditioning added to the units after original construction) and other housing services for an assisted unit is not included in the Tenant rent, but is the responsibility of the family occupying the unit, then the utility allowance is an amount equal to the estimate made or approved by the HA or HUD of the monthly cost of a reasonable consumption of such utilities and other services for the unit by an energy-conservative household of modest circumstances consistent with the requirements of a safe, sanitary and healthful living environment. If the family pays directly for one or more utilities or services, the amount of the allowance is deducted from the gross rent in determining the contract rent and is included in the gross family contribution.

Section III. Policies and Documents that Require Board Approval

Annual Contributions Contract (ACC) *
Admissions and Continued Occupancy Policy (ACOP) * *
By-Laws
Cooperation Agreement *
Dwelling Lease for Public Housing
Grievance Procedure
Personnel Policy and related Polices (See Section I above, Personnel Policy)
Procurement\Disposition Policy and Delegation of Authority
Operating Budgets (All PHA Programs: Public Housing, Section 8 Vouchers, etc.)
Depository Agreements

* Indicates that this policy also requires HUD approval

** The ACOP does not require HUD approval; however, the ACOP contains the Tenant Assignment and Selection Plan (TSAP) and must be approved by HUD.

Section IV. How can a Commissioner determine if a PHA is being managed and operated effectively and efficiently

Training: At a minimum, one or two Commissioners should attend training sessions each year. This will ensure that Commissioners are current on HUD regulations and will equip each Commissioner with the tools needed to evaluate their PHA's operations. As a general rule, the number of Commissioners attending training should be limited to the number required to attend each session of the training. For example, if there were three topics being covered at the training, three Commissioners should attend the training.

Evaluation: The HUD system for evaluating the performance of a PHA is the Public Housing Assessment System (PHAS) and the Section Eight Management Assessment Program (SEMAP). Commissioners should know its PHA is scored under each system.

Condition: Commissioners can tell a great deal about the management and maintenance of a PHA by driving through the developments and taking notice of the condition of the Public Housing Development. Signs of excessive litter, junked and inoperable cars, graffiti on buildings, broken windows and cluttered porches are all signs of poor management and maintenance.

Financial: PHA staff can prepare a summary of financial data and performance rating, which will allow the Commissioners to analyze specific trends of a PHA. Abrupt movements in any indicator should be analyzed.

Staff Turnover: Continuous staff turnover may be an indication of poor management of human resources of the PHA. Salary ranges and employee benefits may need to be analyzed to ensure the PHA is competitive with other employment companies within the area.

Residents: A PHA should have resident organization(s) and/or be able to document that the staff works with residents on a regular basis to establish resident organizations.

Section V. Frequently asked Questions by Commissioners and Answers

Q1: Is a high reserve balance (80% or above) in the Conventional Public Housing Operating Budget a definite sign of a well managed PHA?

A1: No. If a PHA accumulates high reserves and neglects the maintenance of its units and/or upkeep of PHA equipment, the PHA would not be managing their financial resources wisely.

Q2: Can a PHA employee have a monthly expense account?

A2: Yes, however, it must be for an allowable expense and the PHA staff person must provide a monthly accounting of the expenses incurred and the expenses must be authorized PHA expenses. If a PHA staff person is provided a monthly allowance and **does not** provide a monthly accounting which justifies the expenses, the allowance must be counted as income and a 1099 prepared at the end of the year for the total amount disbursed to the employee. An example of this would be a car allowance or gas allowance.

Q3: Can a PHA employee have a Credit Card?

A3: Yes, however, the transactions must be accounted for monthly and the credit card may only be used for allowable and authorized PHA expenditures.

Q4: Can a PHA employee have an entertainment account or allowance?

A4: No.

Q5: Can a PHA staff person use PHA owned equipment or supplies to operate a private business?

- A5:** No. PHA equipment and supplies must only be used for authorized public housing activities.
- Q6:** While on travel status are tours, in rooms service, bar bills, movies and personal entertainment items allowable expenses?
- A6:** No. All travel advances must be properly accounted for and recorded on a Travel Voucher and the expenses must be allowable for PHA travel.
- Q7:** Can the PHA pay for the Executive Director to belong to a Civic Club or Professional Organizations?
- A7:** No. This is not an eligible expense. A PHA may only pay for dues or fees to belong to an organization when the entire PHA benefits and not for an individuals benefit.
- Q8:** Should an Executive Director account for the use of Annual and Sick Leave?
- A8:** Yes. Any employee that accumulates Annual or Sick Leave must account for the use of such leave.
- Q9:** Can Commissioners be paid a salary for service on the Board of Commissioners?
- A9:** No
- Q10:** Are Commissioners covered by the Alabama Ethics Law?
- A10:** Yes. However, annual reporting to the Alabama Ethics Commission is not required because Commissioners are not paid. Individuals that make \$50,000 or more and are covered by the Alabama Ethics Commission must file annual reports with the Commission.
- Q11:** Can a Commissioner apply for the Executive Directors job or any position at the PHA?
- A11:** No. Commissioners must be off the Board for twelve months to be eligible to apply for a position with the PHA. HUD may grant a waiver of the twelve-month requirement if no other qualified candidate is available.
- Q12:** Can a Commissioner be removed from the Board of Commissioners by the Mayor or appointing official?
- A12:** Yes, By impeachment.
- Q13:** If a Commissioner owns a business, can his/her company do business with a PHA?

A13: No. A Commissioner may not receive financial benefit from his/her appointment on the Board. HUD may approve an exception, if the Commissioner provides a service or product that represents a single source. (Exception Bankers)

Q14: Should Commissioners consult with employees or residents about a problem?

A14: No. A Commissioner should consult with the Executive Director concerning the day-to-day operations of the PHA.

Q15: Does the Freedom of Information Act apply to PHAs?

A15: No.

Q16: Can the Board of Commissioners not approve a HUD required resolution and/or Certification?

A16: Yes, however, HUD would impose sanctions against the PHA and could take over the operations of the PHA if it is a violation of the ACC.

Q17: Can a Commissioner vote by proxy?

A17: Yes. If the ability to vote by proxy is contained in the PHA By-Laws and the vote is not needed to establish a quorum.

Q18: Can the Chairman of the Board of Commissioners have an Office at the PHA.

A18: No. The day-to-day operation of the PHA is the responsibility of the Executive Director not the Board Chairman.

Q19: Can a Commissioner be held personally liable for the wrongful acts of the PHA?

A19: Yes, if he/she is acting beyond their role and duty as a Commissioner.

Q20: Should a copy of the appointment to the Board of Commissioners be provided to the PHA with the oath of office?

A20: Yes

Q21: Can a Commissioner remain on the Board after his/her term expires?

A21: Yes. A Commissioner's appointment remains in effect until a new appointment or re-appointment is made.

Q22: Can a City Councilman sell goods and/or services to the PHA?

A22: No. Under the ACC, no member of the local governing body can sell goods and services to the PHA.

Q23: Should the PHA make an exception to the waiting list or occupancy requirement to house an individual or family based on the request of the Mayor, Council member, or a PHA Board member?

A23: No. All applicants must be housed based on eligibility requirements of the PHA adopted selection criteria.

Q24: While on travel status for a PHA, are the expenses incurred by an employee's or commissioner's spouse or companions eligible for reimbursement by the PHA?

A24: No.

Q25: Who should be the media spokes person for the PHA.

A25: The Executive Director

Q26: Should minutes of the Commissioners meetings be taken?

A26: Yes

Q27: Should agenda items be mailed to the Commissioners prior to the meetings.

A27: Yes

Q28: Are Commissioners accountable to the Mayor or appointing officials?

A28: No

Q29: Are Commissioners required to attend training sessions while on travel status for the PHA?

A29: Yes

