



# *Housing Commissioner Training*

*Office of Public Housing  
Michigan State Office*

*08/25/2000*

# *Summary of Course*

- *History of Public Housing.*
- *Role of a Public Housing Agency.*
- *Public Act 18.*
- *Annual Contributions Contract.*
- *Role of a Commissioner.*
- *Role of Executive Director.*
- *Required Policies*
- *Financial Integrity*
- *Do's and Dont's of a Commissioner.*
- *Evaluating Performance of your agency and the Director.*

# *History of Public Housing*

## ■ *History of Public Housing*

- *Housing Act of 1937*

- *Enacted to provide financial assistance to the States and political subdivisions for the elimination of unsafe and insanitary housing conditions, for the eradication of slums, reduction of unemployment, stimulate business activity, and build affordable housing.*

- *Construction, ownership, and operation of public housing had to be undertaken by public housing agencies otherwise called Local Authorities.*

- *U.S. Department of Housing and Urban Development was created in 1965.*

# *History of Public Housing*

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- *There are 3,400 public housing agencies in the United States which manage over one million units of public housing.*

# *Role of the Public Housing Agency*

- *Public housing agencies function in the capacity of a developer and manager of a low-rent housing program.*
- *In most states, the public housing agency is an autonomous public-corporate entity.*
- *The PHA is responsible for planning, financing, constructing, purchasing, leasing and managing the properties subject to applicable laws and contractual relationships with HUD and the local governing body.*
- *HUD can enter into a contract for financial assistance with a public housing agency, which is any State, county, municipality, or other governmental entity or public body authorized to engage in the development or administration of low-rent housing or slum clearance.*

# *Michigan Public Act 18*

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- *Current amendments were enacted in 1996.*
- *Chief Administrative Officer appoints Commissioners. (125.654)*
- *One commissioner must be a tenant of public or assisted housing. (125.654)*
- *Commissioners may be removed prior to the expiration of the term only upon recommendation of the appointing official to the governing body with approval by the governing body. (125.654)*

# *Michigan Public Act 18*

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- *The commission sets compensation of the director and staff. (125.655)*
- *All meetings must be conducted in accordance with the Open Meetings Act. (125.655)*
- *No member of the housing commission or any of its officers or employees shall have any interest directly or indirectly in any contract for property, materials or services to be acquired by said commission. (125.658)*

# *Michigan Public Act 18*

- *The commission shall have complete control of the entire housing project or projects including the construction, maintenance and operation as fully and completely as if said commission represented private owners. (125.662)*
- *Contracts for construction or purchase of materials entered into by the commission shall not be required to be made through any city or village purchasing department. (125.662)*



# *Open Meetings Act*

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- *Michigan's Open Meetings Act, Public Act No. 267, became effective in 1976.*
- *Requires posting of meeting schedule for the year within 10 days of the first meeting of each year. This posting must include:*
  - *Dates, times, and location of all regular meetings.*
  - *Posting must be at the main or principal office.*

# *Open Meetings Act*

- *If the schedule of meetings changes, within 3 days of meetings in which the change is made, the new date, time, and place must be posted.*
- *Special meetings must be posted at least 18 hours prior to the meeting.*
- *Emergency meetings may be held without notice if the public health, safety, or welfare is severely threatened and 2/3 of Commission votes to hold meeting.*

# *Open Meetings Act*

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- *Closed meetings may be held for a few reasons if:*
  - *2/3 of the Board vote to close meeting in a roll call.*
  - *Purpose of the closed meeting has to be stated in the meeting when the roll call is taken.*
- *Reasons for a closed meeting are:*
  - *to consider purchase or lease of real property.*

# *Open Meetings Act*

- *to consult with attorney about pending litigation only when an open meeting would have a detrimental financial effect on the public body's position.*
- *to review the contents of an employment application when the candidate requests the application to remain confidential. All interviews, however, must be conducted in an open meeting.*
- *to consider material exempt from disclosure by state or federal statute.*

# *Open Meetings Act*

*Closed meetings may be held without a 2/3 vote for the following reasons:*

- to consider adverse employee actions when the person requests a closed hearing; and*
- strategy and negotiation sessions necessary in reaching a collective bargaining agreement when either party requests a closed hearing.*
- adverse actions against students of a public school.*
- partisan caucuses of the State legislature.*

# *Open Meetings Act*

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- *Minutes must be kept for all meetings and are required to contain:*
  - *statement of time, date and place of the meeting.*
  - *the members present as well as absent.*
  - *a record of any decisions made at the meeting and a record of all roll call votes.*
  - *an explanation for the purpose if the meeting is a closed session.*
- *All minutes are considered public records.*

# *Annual Contributions Contract (ACC)*

- Agreement between HUD and the housing commission for the development and operation of public housing.*
- The ACC covers specific developments built as public housing.*
- Requires that the HA develop and operate each project solely for the purpose of providing decent, safe, and sanitary housing for eligible families in a manner that promotes serviceability, economy, efficiency, and stability of the projects, and the economic and social well-being of the tenants.*

# *Annual Contributions Contract (ACC)*

- ***Requires a Cooperation Agreement with the local governing body.***
  - ***The cooperation agreement ensure the provision of municipal services and an exemption from real and personal property taxes.***
- ***Requires that a Declaration of Trust be recorded for all properties confirming and evidencing the covenant of the housing commission not to convey or encumber the project except as expressly authorized in the ACC.***
- ***Requires that the housing commission prepare and have approved by its Board of Commissioners an operating budget.***



# *Annual Contributions Contract (ACC)*

- *Provides that no funds may be used to pay any compensation for the services of members of the Board of Commissioners.*
- *Provides that HUD shall have full and free access to all HA offices and facilities, and to all books, documents, and records of the HA relevant to the administration of the projects under the ACC, including the right to audit and make copies.*
- *Requires that the housing commission procure adequate insurance to protect from financial loss resulting from various hazards.*

# *Annual Contributions Contract (ACC)*

## *■ Conflict of Interest provisions*

- Neither the HA (housing agency) nor any of its contractors or their subcontractors may enter into any contract, subcontract, or arrangement in connection with a project under this ACC in which any of the following classes of people has an interest, direct or indirect, during his or her tenure or for one year thereafter:*
  - Present or former member or officer of the Board or any member of the officer's immediate family*
  - Any employee of the HA who formulates policy or who influences decisions with respect to the*

# *Annual Contributions Contract (ACC)*

- project(s), or any member of the employee's immediate family, or the employee's partner.*
- Any public official, member of the local governing body, or State or local legislator, or any member of such individuals' immediate family, who exercises functions or responsibilities with respect to the project(s) or the housing commission.*
- Any member of these classes of persons must disclose the member's interest or prospective interest to the housing commission and HUD.*

# *Annual Contributions Contract (ACC)*

- ***The housing commission may not hire an employee in connection with a project under this ACC if the prospective employee is an immediate family member of any person belonging to one of the following classes:***
  - ***Any present or former member or officer of the Board.***
  - ***Any employee of the HA who formulates policy or influences decisions with respect to the project.***
  - ***Any public official, member of the local governing body, or State or local legislator, who exercises functions or responsibilities with respect to the project(s).***

# *Annual Contributions Contract (ACC)*

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- *No member of or delegate to the Congress of the United States of America or resident commissioner shall be admitted to any share or part of this ACC or to any benefits which may arise from it.*

# *Role of a Commissioner*

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- *Approve by-laws, resolutions, policies, and procedures.*
- *Select a qualified Executive Director.*
- *Establish and adopt PHA policies.*
- *Review, approve, and monitor budgets.*
- *Approve policies and procedures for internal and external monitoring controls.*
- *Approve policies and procedures to detect and prevent program fraud, waste, and mismanagement and abuse.*

# *Role of a Commissioner*

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- ***Ensure that the PHA is acting legally and with integrity in its daily operations.***
- ***Monitor program performance.***
- ***Monitor Director performance.***
- ***Commissioners collectively approve policy, clarify goals, and delegate responsibility and authority to the Executive Director to act on their behalf.***
- ***Act collectively to avoid situations where the Board appears to be managers instead of policymakers.***
- ***Commissioners are ultimately responsible for the actions and decisions made by the Executive Director and other housing commission staff.***

# *Role of the Executive Director*

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- *Hire, train, and terminate housing commission staff.*
- *Prepare operating budgets, applications and budgets, contracts, and procurement documents.*
- *Collect rents and enforce lease terms.*
- *Supervise cash management, bank reconciliation, resident selection, and maintenance.*
- *Monitor operations for fraud and abuse.*
- *Keep Commissioners informed of problems, resident issues, financial status, and changes to laws.*



# *Role of the Executive Director*

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- *Maintain the units in decent, safe and sanitary condition.*
- *Ensure agency compliance with all rules, regulations, and laws pertaining to the implementation of public housing programs.*
- *Manages the day-to-day operations of the Housing Commission.*
- *“BASICS OF HUD REQUIREMENTS” published by HUD April 1986.*

# *Policies Required by HUD*

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- *Procurement Policies*
- *Rent Collection Policy*
- *Travel Policy\**
- *Investment Policy*
- *Pet Policy*
- *Personnel Policies\**
- *Admission and Continued Occupancy Policies*
- *Disposition Policy*
- *Capitalization Policy*

# *Financial Integrity*

- *Commissioners must receive a regular flow of information from the Executive Director.*
- *Commissioners should receive on an ongoing basis financial information as follows:*
  - *Six-month and year end financial statements*
  - *Quarterly reports on the status of expenditures versus budget*
  - *Annual independent audit*
  - *Any report of findings from HUD reviews*

# *Financial Integrity*

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- *At least annually, the Board should review:*
  - *An analysis of the operating reserves*
  - *An analysis of rent collections*
  - *An explanation of the development of the annual operating budget and its supporting schedules*
  - *An analysis of staffing*
  - *An explanation of pending litigation and contingent liabilities*
  - *Annual inventory*

# *Financial Integrity*

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- *Approving the Commission's budget is a major responsibility for the Board.*
- *The operating budget is a plan for managing the Commission's resources.*
- *The budget is also a tool for measuring performance of the Director and agency staff.*

# *Do's and Don'ts of a Commissioner*

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- *Program Integrity Bulletin, November 1990 printed by the U.S. Department of Housing and Urban Development, Office of the Inspector General*

# *Evaluating Performance of Your Agency and Director*

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- *Public Housing Assessment System (PHAS)*
  - *Physical Condition*
  - *Financial Management*
  - *General Management*
  - *Resident Satisfaction*

# *Evaluating Performance of Your Agency and Director*

- *Section 8 Existing Management Assessment Program (SEMAP)*
  - *Selection from waiting list*
  - *Rent reasonableness*
  - *Payment standards*
  - *Accurate verification of family income*
  - *Timely reexaminations*
  - *Rent calculations*
  - *Utility allowances*
  - *Units pass inspection before entering into contracts.*



# *Evaluating Performance of Your Agency and Director*

- *Section 8 Existing Management Assessment Program (SEMAP)*
  - *Timeliness of inspections*
  - *Performance of quality control inspections*
  - *Following up on inspections*
  - *Lease-up*
  - *Expanding housing choice*
  - *FSS*

# *Evaluating Performance of Your Agency and Director*

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- *Visit the sites periodically*
- *Tenant complaints*
- *Conduct annual performance evaluations of the Director using objective criteria*
- *Use performance measurements based on PHAS and SEMAP indicators.*

# *Recent Changes*

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- *Flat Rents*
- *Community Service*
- *PHA Plan*
- *Capital Fund*
- *PHAS*
- *Technological requirements*
- ***VISIT THE HUD WEB PAGE AT***
  - *www.hud.gov*