

THE COMMISSIONERS' CONNECTION

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Message From the CONN NAHRO President



Greetings Colleagues,

Wishing all of you a happy, healthy and prosperous New Year! We had a busy end to 2017 with several trainings, committee meetings and updates. We are looking forward to our Annual Meeting on January 26 at the Gallery in Glastonbury. I hope you can join us!

Our committee activity is ramping up, with meetings taking place, and information to the membership will be coming out shortly. Invoices for annual dues have been sent, and I would like to thank all of you who have renewed and for your continued support of CONN NAHRO.

Our next Professional Development session will be held in Waterbury on January 25 and will cover rent stratification, waiting list management and tenant selection.

I am looking forward to our continued work in 2018 and beyond to build upon our past successes and look to the future of affordable housing here in Connecticut. My door is always open, so please feel free to reach out with any questions or concerns. I look forward to hearing from you and seeing you at a future CONN NAHRO event.

Sincerely,

Annette Sanderson
City of Hartford Housing Authority

GASB 87: New Accounting Rules for Leases

Article by Janet S Wortman, CPA

Starting in 2020, GASB 87 changes the way leases are reflected on the PHA's financial statements.

PHA as Lessor

Here is how the lease is reported if the PHA is the lessor. As an example, the PHA is receiving payments (with HUD approval) for rooftop space leases for cellular communications equipment.

The PHA reports on the balance sheet an asset: lease income receivable.

To offset the asset, the PHA records a deferred inflow (similar to a liability.)

During the lease term, the lease receivable is amortized (reported as income.)

PHA as Lessee

In the instance where the PHA is paying lease payments for office equipment, etc., the PHA is the lessee.

This treatment applies in the case of an operating lease where the PHA does not own the equipment at the end of the lease term.

The PHA records a long-term liability for the future lease payments required. A corresponding intangible asset is also recorded. The asset is amortized (similar to depreciation) over the shorter of the lease term or the useful life of the leased asset.

GASB 87 does not apply to regulated leases (example: public housing dwelling leases with tenants.) Also, it does not apply to short-term leases (less than 12 months including extensions). If the lease is actually a purchase (capitalized lease), GASB 87 does not apply.

Listening Tours for Housing Authorities

Article by Lynn Koroser-Crane



Dear Housing Partner:

As part of our core values, CHFA maintains a commitment to take care of our resources. To that end, the Asset Management team of CHFA recently concluded the last of its five regional "Listening Tours for Housing Authorities." This new Listening Tour initiative was designed to provide a relaxed forum where housing providers, including executive directors, resident service coordinators, property managers, and maintenance staff, could discuss with CHFA the various challenges facing public housing providers. At the same time, these forums provided an opportunity to share success stories and potential best practice models to a broad audience.

Some of the challenges being faced collectively were unfortunately not new and remain difficult to resolve within our existing statutory and regulatory framework. Other challenges seemed to affect particular geographic regions of the state more than others. Similarly, there was enthusiasm to develop and share best practice models and policies used successfully at various locations around the state.

The Asset Management team found information received and shared at each of the five forums to be enormously beneficial and useful as a tool to enhance and streamline the necessary partnerships between CHFA and public housing providers.

The following is an overview, but by no means exhaustive, summary of discussion topics. We hope you find this information useful. We have also identified some opportunities for enhancement of services and areas where CHFA can provide guidance. Given the success of these forums, CHFA plans a follow-up Listening Tour in the Spring of 2018 to continue this dialogue, chart progress and identify additional opportunities for enhancement. We hope that these ongoing forums can be identified as a "best practice" in building effective partnerships.

Some common challenges confronting housing providers included:

- Mixed populations: Reconciling lifestyle differences between the elderly and young disabled populations.
- Access to resources: A lack of available resources to transition residents no longer able to live independently; the reduction or elimination of government funding support for RAP; maintaining a qualified RSC as an essential staff member; an inability to make contact and engage Elderly Protective Services; difficulties in facilitating conservatorship for residents with apparent incompetency.
- Mental health: The general effects of mental health issues among residents regardless of age and a shortage of trained professionals to provide services to that population.
- Interagency cooperation: Difficulty in getting law enforcement to engage in ongoing issues; an inability to effectively engage local officials—fire, police, health, social services, etc.—in addressing hoarding complaints, resident hygiene, and unit environmental issues.
- Eviction: An unwillingness to view eviction as a viable option even for the most egregious misconduct.
- Smoking & Medical marijuana: Inappropriately using, sharing or storing excessive amounts of marijuana. Developing effective policies to address smoking issues in general.
- Pets & Reasonable accommodation: Challenges associated with reasonable accommodation requests, including "therapy" pets and the owner's ability to properly care for the pet.
- Policies and procedures: Constructing well-written, enforceable policies regarding house-keeping, acceptable conduct, etc.

Some of the best practices discussed included:

- Sustainability: The necessity of rent stratification as a means to maintaining long term financial sustainability and the ability to increase revenue to support Resident Service Coordinators.

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Listening Tours for Housing Authorities

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- **Community partnerships:** The use of CHR (Community Health Resources) or a similar geographic resource to assist with resident issues; proactively developing a working relationship with local law enforcement, health, fire, and social services by hosting discussion forums, etc.; the use of college interns as a supplemental asset.
- **Local resources:** Maintaining an up-to-date list of local resources including prescription delivery; mental health, financial, and substance abuse counseling; transportation, etc.; utilizing local resources such as pet supply stores to offer education on pet care; utilizing local resources such as supermarkets to offer education and guidance on community gardens.
- **Health/Safety/Awareness:** Attempting direct contact with a resident's doctor to assist with mental health challenges; a progressive approach, including the RSC, to address issues such as smoking or housekeeping violations; the necessity of engaging qualified professionals in addressing bed bug issues; resident awareness of the "Pool Trust Program" administered by Pool Trust of Connecticut as a means of maximizing a resident's use of financial resources.
- **Policies and procedures:** The use of a mediation process in lieu of pursuing eviction; the use of effective policies and releases, signed at the time of admission, to maintain the engagement of family, health care providers, and residents in addressing ongoing issues; the positive effect of maintaining a comprehensive "Code of Conduct Policy" and the need to strictly enforce same.
- **Reasonable accommodation:** The need to ensure that doctors signing a request for a reasonable accommodation, including therapy pets, do so on a form certifying that they will testify to the need if required.

Some of the opportunities for enhancement of services included:

- **NERSC/CARSCH:** The need to highlight and encourage participation in both NERSC (New England Resident Services Coordinators, Inc.) and

CARSCH (Connecticut Association of Resident Service Coordinators in Housing) as effective resources; facilitating a means by which CARSCH can implement a website or social media platform and provide a means by which RSC's hampered by distance or limited hours may participate in meetings.

- **Training/Related Resources:** Publication of a fact sheet for housing providers on medical marijuana; providing training for maintenance staff on problem recognition and maintenance best practices; continue to provide training on hoarding issues; providing "mental health first aid" training as a tool to better understand and deescalate incidents involving mental health crisis; distribute the new CHFA resource guide on the use of criminal records in tenant selection.
- **RSC's:** Maintaining a renewed focus on the essential role of the RSC and a more progressive view toward funding and sustaining those positions.

CHFA is pleased to report that progress is already being made on some of the topics discussed. CHFA hosted a "Mental Health First Aid" training session in November. Hoarding training has been scheduled for April 24, 2018; an announcement will be forthcoming. A newly released "[Guide on the Use of Criminal Records in Tenant Selection](#)" and resource information regarding [hoarding](#) and [emergency preparedness](#) are available by right clicking on the subject underlined. CHFA's new, soon-to-be launched website will include dedicated resources for Resident Service Coordination and Portfolio Security. A list of all resource documents is available on the next page. We continue to work with NERSC in providing resource material for posting on www.NERSCinc.org

CHFA will, wherever possible, use its resources to bring these "opportunities" to fruition. We hope that you found the time spent at these forums helpful. The perspectives and information we gained by participating in these discussions was invaluable. Your contribution as housing providers was invaluable and enlightening.



Resource Materials for Property Owners, Housing Authorities, Management Agents, Resident Service Coordinators and Maintenance Staff



In keeping with our CHFA values, which include partnering to innovate and being committed to continuous improvement, CHFA is pleased to offer newly developed resource materials. We hope these will assist our partners with some information needs that have been identified in recent conversations.

The primary areas identified to CHFA as needing clarity include implementation of the Violence Against Women Act (VAWA), the use of Criminal Records, and facts regarding Medical Marijuana in housing programs. As a new initiative in the area of security, we developed the Crime Prevention through Environmental Design (CPTED) Manual. This manual is designed to help the maintenance staff at all complexes identify areas of security concern that can be improved through basic maintenance activities.

Specific to our Low Income Housing Tax Credit (LIHTC) properties, there have been numerous inquiries from applicants and residents who do not understand the program, in particular the rent structure. To assist in addressing their questions, CHFA created an LIHTC Tenant's Guide and an FAQ list on this program for applicants and residents. Please feel free to distribute these.

Please right click on the links below for the following resource documents:

[Violence Against Women Act](#)
[Crime Prevention through Environmental Design \(CPTED\)](#)
[Medical Marijuana Fact Sheet](#)
[Use of Criminal Records](#)
[Emergency Preparedness Resource Links](#)
[Tenant's Guide to Section 42 \(Low Income Housing Tax Credit Program\)](#)
[Section 42 \(Low Income Housing Tax Credit Program\) Frequently Asked Questions- for residents and applicants](#)
[Hoarding Resource Links](#)

CHFA will be launching a new website in a few weeks and you will be able to download the information from the new site! CHFA will continue to develop resource materials in response to the needs at the properties within our area of expertise.

Please contact either of the staff below with feedback on these materials or with requests for additional materials.

Duane Lovello, Manager- Portfolio Security Duane.Lovello@chfa.org
 Karen Futoma, Manager- Resident Services Coordination Karen.Futoma@chfa.org

Please contact George Rapp, Manager 2-Multifamily Asset Management regarding the LIHTC materials George.Rapp@chfa.org

COCC Non-Federal Funds – What Are They?

Article by Michael Petro, Casterline Associates, PC

During the conversion to Asset Management back in 2008 the Central Office Cost Center (COCC) was created by a majority of Public Housing Authorities (PHAs). This COCC created the opportunity for PHAs to generate non-Federal funds. These non-Federal funds or annual profits from the COCC were a welcome change to the industry and have been sought after ever since. PHAs through the years have attempted, in accordance with PIH Notice 2007-9 asset management/project based accounting guidance, to reduce COCC expenditures and increase COCC revenues in an attempt to generate as much non-Federal funds or COCC Reserves as possible.

The non-Federal status of the COCC has come into question of late based on the Office of Inspector General report issued on June 30, 2014, and with the subsequent meetings at HUD regarding the “de-federalizing” of the COCC there is concern related to the life expectancy of the COCC as we know it. As of the writing of this article the regulations associated with the COCC have not changed, so the goal of most PHAs remains: maximize COCC revenues and reduce COCC expenditures.

So how do you maximize COCC revenues and reduce COCC expenditures? There are a number of options; this article identifies **ONLY** a few for you to consider.

1. **Charge the appropriate Property Management Fee, Bookkeeping Fee and Asset Management Fee.** These Fees are identified as Revenues to the COCC and Expenditures to the Asset Management Properties (AMPs). HUD publishes a rate for each housing authority to use as the basis for the PMF calculation, this rate is assigned based on the field office that the PHA reports to. The most current published rates are based on the 2015 Public Housing Management Fee Table with the Hartford rate set at \$78.78 per unit per month. The Bookkeeping Fee rate is set at a flat rate of \$7.50 per unit per month. (The per unit per month calculation is based on occupied units plus HUD approved vacancies.) The Asset Management Fee is an amount up to \$10 multiplied by the ACC units though an “Excess Cash” computation is required to be completed to insure eligibility.
2. **Maximize the 1410 Budget Line Item in your Capital Fund Budgets.** The CFP budgets allow for 10% of the grant to be assigned to the 1410, administration budget line item. All PHAs should consider maximizing this line item since these funds are considered revenue to the COCC. A review of your CFP Administrative-related expenses (CFP staff salaries and benefits at the least) should be done to insure that these expenses do not exceed the 1410 budget line item. If your expenses exceed your budget amount, then the COCC is starting off in a deficit.
3. **Any person that is charged to the COCC that engages in front line work for the AMPs may be billed to the AMPs based on their time spent.** Staff time associated with this task must be supported with a timesheet or some other payroll related document. It is presumed that this documentation will be sufficient to support the payroll journal entry. One example of this may be an employee of the Finance department that receives and posts tenant rent payments. The time associated with the recording of these payments can be allocated back to the AMPs as long as you have documentation to support the time, i.e., a timesheet and evidence that their job description identifies this responsibility. Other examples of expenditures that could be charged back to the AMPs at cost are in-house Legal Services and in-house IT Services. Additionally a number of PHAs will charge Legal and IT out at market rates, assuming the market rates are greater than cost, which will help generate additional revenues for the COCC. For a list of tasks HUD has identified as AMP related versus COCC related please go to page 45 of the Changes in Financial Management Guidebook, please see the following link: https://www.hud.gov/sites/documents/DOC_9191.PDF

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COCC Non-Federal Funds – What Are They?

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4. **Capital Fund Director or Clerk of the Works time can be charged to the AMPs.** The PHA CFP staff person assigned to any front line work, i.e., construction oversight, inspection of work completed, or physical needs assessments can be charged “at cost” to the specific work item as opposed to charging their time and benefits to the COCC. This approach leads to less expenditures assigned to the COCC while the COCC still receives in Revenue the entire amount of the 1410, Administration budget line item.
5. **Proper Assignment of Staff to the Various Budget Cost Centers.** A review of the Central Office personnel should be done to confirm that the COCC is not being overcharged for staff that would be eligible expenditures in other cost centers. This is an extension of recommendation number 4 above. The staff associated with a Centralized waiting list, Housing Choice Voucher personnel, or Resident Services expenditures, to name a few areas, are allowed to be charged to cost centers other than the COCC. Since there have been very few HUD reviews of the PHA salary schedules and/or expenditure allocations since the inception of Asset Management, I have found a number of PHAs overcharging their COCC with salaries, benefits and other expenses that were eligible to be assigned to other cost centers based on the Asset Management regulations. This overcharging can reduce profits in the COCC.

The above five recommendations are just a few of the ways I have found that PHAs are adversely affecting the amount of non-Federal funds available to their agencies. Asset Management has been around for nearly a decade now and a number of agencies have never had a check up to see if their original assumptions were correct or if their predecessors properly implemented the Asset Management regulations. It is never too late to consider a review of your salary assignments to maximize your funding.

Background of author of this article:

Michael Petro, Senior Vice President of Casterline Associates PC.

I began my career at a Connecticut Housing Authority before joining the consulting field. I helped begin Casterline Associates in 1995 and have provided financial assistance, consulting and training to over 175 public housing authorities in 41 states, the U.S. Virgin Islands, Puerto Rico and Guam as well as consulted with HUD on a number of initiatives and guidebooks. For any questions related to this article, I can be reached via email at Mike@Casterline.net or by cell phone at 484-433-5057.

PERSONAL INJURY NOTICE REQUIREMENTS TO BRING SUIT AGAINST A PUBLIC HOUSING AUTHORITY

Article by Tucker McWeeny, Esq.— tmcweeny@sdctlawfirm.com

With the beginning of the “slip-and-fall on accumulation of ice/snow” season underway, it seems like a good time to discuss a special and very specific notice requirement that Plaintiff’s must satisfy in order to recover against a public housing authority for a personal injury on authority property.

Connecticut General Statute 8-67 provides,

“Any person injured in person or property within boundaries of property owned or controlled by an authority, for which such authority is or may be liable, may bring an action within two years after the cause of action therefore arose to recover damages from such authority, provided written notice of the intention to commence such action and of **the time when and the place where** the damages incurred or sustained has been **filed with the chairman or the secretary of the authority within six months after the cause of action therefore arose**” C.G.S.A. 8-67

There is an unequivocal obligation for plaintiffs to provide a housing authority with written notice of an intent to bring suit against the authority. There are four specific requirements that must be satisfied for a plaintiff to comply with the notice requirements of CGS 8-67:

- 1) The Notice must be specific about when the incident occurred;
- 2) The Notice must be specific about where the incident occurred;
- 3) The Notice must be filed with either the Chairman or the Secretary of the authority;
- 4) The Notice of Intention to Commence action must be filed within six months of the incident.

It is rare for a plaintiff to fail to provide any written Notice of Intention to Commence an action against a housing authority. There are very few examples of plaintiffs failing to serve any written Notice of intention to Commence an action. It is also fair to say that there are very few 8-67 Notices that fail to specify the location or date of the action.

There are examples of plaintiffs failing to provide Notice within six months of the incident, but the largest category of Notice defects is a failure to properly serve either the chairman or the secretary of the authority. Defective 8-67 Notices can be a bar to recovery. Connecticut courts have determined that while 8-67 does not become an element of a cause of action, it will operate as bar to recovery. This requirement pairs very well with the obligation to serve Notice within six months of the incident. By the time a dispositive motion is filed six months may well have already passed. If six months have passed, the plaintiff will not have an opportunity to cure the defect and they cannot recover.

There are cases where 8-67 Notices were addressed “To whom it may concern,” or naming the Town/ City, or even other employees/managers of the subject housing authority. Although there are no articulated exceptions to the Notice requirement, when a plaintiff learns about the requirements of 8-67 they typically pivot and attempt to prove that the housing authority had “actual notice.”

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PERSONAL INJURY NOTICE REQUIREMENTS TO BRING SUIT AGAINST A PUBLIC HOUSING AUTHORITY

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There are policies that housing authorities can adopt to increase the success of 8-67 notice challenges. The chairman should only be receiving mail addressed to the chairman, the secretary should only be reviewing mail addressed to the secretary. Assume that the chairman and/or secretary will be deposed at a future date; it is helpful to have a clear policy on how all mail is handled, and it is probably not a great idea to have one policy for Notices of Intent to sue and another policy for everything else. As long as both the chairman and secretary are both able to confirm that they only review mail addressed to them, you will position your entity to capitalize on 8-67 notice defects.

FSS Spotlight Article by Garland Short

My name is Garland Short. I am a former FSS participant through the New Haven Housing Authority. I was a tenant at Farnam Courts in New Haven beginning in 2009. As a single parent I joined the FSS program in 2010. I worked, saved money and utilized the partnership that the New Haven Housing Authority had with Outreach Mortgage for credit counseling. I had a few setbacks and applied for two extensions in the FSS program, but I was able to stay on point to reach my goal which was home ownership. After 7 years of hard work and being involved with the program, I reached my goal and purchased my home on November 3, 2017. That is my success story, and I am so proud of my beautiful home!



Trainings

NAHRO offers 2 varieties of online educational opportunities; e-Learnings & e-Briefings.

What is an e-Learning?

An e-Learning is an online course where **participants register individually and access the session with a direct email**. Participants are required to login with an individual account. Sessions are typically **2.5 hours (1:30pm ET - 4pm ET) each day**. Attendance is recorded and upon successful completion, CEUs are applied towards certification requirements.

Some of the available e-Learnings:

Excellence in Customer Service (1 Day)

Grant Writing for PHAs (2 Day)

HQS Refresher (2 Day)

NEW! Intro. to Salary Studies (1 Day)

For more information please contact the NAHRO Professional Development team at (877) 866-2476 or ProfessionalDevelopment@nahro.org

Newsletter Articles

We are always looking for new authors. If you have an article you would like included in future issues, please email Melissa Green at mgreen@bristolhousing.org or Laura LaMar at lamar@bristolhousing.org

Upcoming Issues

April 2018

July 2018

October 2018

Articles Due

March 15, 2018

June 15, 2018

September 15, 2018



Committee Members

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Laura Coleman, Vice Chair

Melissa Green, Co-Secretary

Laura LaMar, Co-Secretary

Janet Wortman

Bristol Housing Authority

Webster Bank

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