

THE HOUSING AUTHORITY OF THE CITY OF AUSTIN



BOARD OF COMMISSIONERS

Chairperson - Carl S. Richie, Jr.

Vice-Chairperson - Charles Bailey

2nd Vice-Chairperson - Mary Apostolou

Commissioner - Dr. Tyra Duncan-Hall

Commissioner - Edwina Carrington

Michael G. Gerber, President & CEO

BOARD OF COMMISSIONERS Regular Meeting

**Thursday, May 21, 2020
12:00 PM**

**TO BE HELD VIA CONFERENCE CALL
+1 (571) 317-3112; Access Code: 694-384-877**

**PUBLIC NOTICE OF A MEETING
TAKE NOTICE OF A BOARD OF COMMISSIONERS
REGULAR BOARD MEETING
OF THE HOUSING AUTHORITY OF THE CITY OF AUSTIN**

**Thursday, May 21, 2020
12:00 PM**

**TO BE HELD VIA CONFERENCE CALL
1 (571) 317-3112; Access Code: 694-384-877**

A RECORDING OF THE MEETING WILL BE POSTED ON HACA'S WEBSITE
WWW.HACANET.ORG/BOARD WITHIN TWO BUSINESS DAYS AFTER THE MEETING DATE

The Audit and Budget Committee will meet from 11:15 am - 12:00 pm

CALL TO ORDER, ROLL CALL CERTIFICATION OF QUORUM

Audit and Budget Committee - HACA's Audit and Budget Committee will meet from 11:15 am - 12 Noon. The Committee's objective is to provide the Board with an opportunity to review finance budgets, operations and policies to ensure that HACA's strategic and program goals are being met. The Audit and Budget Committee consists of all members of HACA's Board of Commissioners. No votes on any matter shall be taken during the Audit and Budget Committee Meeting.

Items to be discussed:

- Policy for Petty Cash Fund from \$200.00 to \$500.00
- Policy for Allowance for Doubtful Accounts (Bad Debt)
- Update on Finance activities

The HACA Regular Board Meeting will meet beginning at 12:00 pm

CALL TO ORDER, ROLL CALL CERTIFICATION OF QUORUM

CITIZENS COMMUNICATION (Note: There will be a three-minute time limitation)

CONSENT AGENDA

Items on the Consent Agenda may be removed at the request of any Commissioner and considered at another appropriate time on this agenda. Placement on the Consent Agenda does not limit the possibility of any presentation, discussion, or action at this meeting. Under no circumstances does the Consent Agenda alter any requirements under Chapter 551 of the Texas Government Code, Texas Open Meetings Act.

CONSENT ITEMS

1. Presentation, Discussion, and Possible Action regarding the Approval of the Board Minutes Summary for the Board Meeting held on April 16, 2020
2. Presentation, Discussion, and Possible Action regarding Resolution No. 02648: Approving Write-off of the Uncollectible Accounts of Vacated Tenants

ACTION ITEMS

3. Presentation, Discussion, and Possible Action regarding Resolution No. 02649: Updating the Policy for Petty Cash Fund from \$200.00 to \$500.00
4. Presentation, Discussion, and Possible Action regarding Resolution No. 02650: Approving the Policy for Allowance for Doubtful Accounts (Bad Debt)

5. Update on HACA's actions related to the Coronavirus (COVID-19) and update on HACA's Resident and Client Support Center
6. Update on HACA's Rental Assistance Demonstration Program
7. Presentation, Discussion, and Possible Action regarding Resolution No. 02651: Approval to Submit an Application to HUD's Special Applications Center (SAC) for Disposition of 50 units at Chalmers West as part of the three-phase redevelopment of Chalmers Courts and the conversion to HUD's Rental Assistance Demonstration program
8. Update on AAHC's acquisition and new construction programs
9. Presentation, Discussion and Possible Action of Resolution No. 02652: Approval of a Contract for Elevator Modernization at Pathways at Lakeside Apartments

EXECUTIVE SESSION

The Board may go into Executive Session (close its meeting to the public) Pursuant to:

- a. 551.071, Texas Gov't Code, consultations with Attorney regarding legal advice, pending or contemplated litigation; or a settlement offer;
- b. 551.072, Texas Gov't Code, discussion about the purchase, exchange, lease or value of real property;
- c. 551.074, Texas Gov't Code, discuss the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee.
- d. 551.087, Texas Gov't Code, discuss certain economic development negotiations.

OPEN SESSION

If there is an Executive Session, the Board will return to Open Session for discussion, consideration and possible action of matters discussed in Executive Session.

REPORTS

The Board accepts the following reports:

- President's Report
- Other Staff Reports
- Commissioners' Reports/Questions to the Department Staff

ADJOURNMENT

"Pursuant to 30.06, Penal Code, (trespass by holder of license with a concealed handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not attend this meeting with a concealed handgun."

"Pursuant to 30.07, Penal Code (trespass by holder of license with an openly carried handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not attend this meeting with a handgun that is carried openly."

"En virtud del 30.06, Código Penal, (traspaso titular de licencia con una pistola), una persona bajo el subcapítulo H, capítulo 411, código de gobierno (Ley de licencia de arma o pistola), no se permiten en esta reunión con una arma o pistola."

"En virtud de 30.07, Código Penal (prevaricación por titular de la licencia con un arma o pistola abiertamente llevado), una persona bajo el subcapítulo H, capítulo 411, código de gobierno (Ley de licencia de arma o pistola), no se permiten en esta reunión con un arma o pistola que lleva abiertamente."

*The Housing Authority of the City of Austin (HACA) Board of Commissioners reserves the right to discuss and consider items out of order on the agenda on an as needed basis.

The Housing Authority of the City of Austin is committed to compliance with the Americans with Disability Act. Reasonable modifications and equal access to the communications will be provided upon request. Meeting locations are planned with wheelchair access. If requiring Sign Language Interpreters or alternative formats, please give notice at least 2 days (48 hours) before the meeting date. Please call Nidia Hiroms at HACA at 512.477.4488, for additional information; TTY users route through Relay Texas at 711. For more information on HACA, please contact Nidia Hiroms at 512.477.4488 x 2104.

On March 16, 2020, the Governor of Texas suspended certain open meeting laws in response to the Coronavirus (COVID-19) disaster. This action allows governmental bodies, including the Housing Authority of the City of Austin and its subsidiaries, to conduct meetings by telephone or video conference to advance the public health goal of limiting face-to-face meetings to slow the spread of COVID-19.

Accordingly, the Housing Authority of the City of Austin (HACA) and its subsidiaries will be conducting their Regular Board Meeting via telephone conference at 12:00 PM on Thursday, May 21, 2020.

The public is invited to access and participate in the Board Meeting by dialing in using your phone. +1 (571) 317-3112; Access Code: 694-384-877

HACA will provide online written notice containing a public toll-free dial-in number, as well as an electronic copy of the agenda packet, in advance of the telephonic conference meetings at www.hacanet.org/board. The public will have a means to participate in the meetings through two-way audio connections. Additionally, HACA will post an audio recording of the meetings on our website.

HOUSING AUTHORITY OF THE CITY OF AUSTIN
REPORT
EXECUTIVE
ITEM NO. 1.

MEETING DATE: May 21, 2020

STAFF CONTACT: Martha Ross, Vice President & Chief Financial Officer

ITEM TITLE: Policy for Petty Cash Fund

BUDGETED ITEM: N/A

TOTAL COST: N/A

HOUSING AUTHORITY OF THE CITY OF AUSTIN
REPORT
FINANCE
ITEM NO. 2.

MEETING DATE: May 21, 2020

STAFF CONTACT: Martha Ross, Vice President & Chief Financial Officer

ITEM TITLE: Policy for Allowance for Bad Debts

BUDGETED ITEM: N/A

TOTAL COST: N/A

HOUSING AUTHORITY OF THE CITY OF AUSTIN
REPORT
FINANCE
ITEM NO. 3.

MEETING DATE: May 21, 2020

STAFF CONTACT: Martha Ross, Vice President & Chief Financial Officer

ITEM TITLE: Update on Finance activities

BUDGETED ITEM: N/A

TOTAL COST: N/A



Housing Authority of the City of Austin

Bringing Opportunity Home

Proposed Financial Policies

Budget and Audit Committee

Martha Ross

May 21, 2020





Financial Policy Format

New and Standardized

Each new or revised HACA Financial Policy will address the following topics for consistency and ease of review:

Scope
Context
Background
Financial Presentation
Methodology/Process
Documentation
Approvals
Definitions
Authoritative Guidance / Reference
Flow Chart



Balance Sheet Policies

Samples Shown Below

The Statement of Net Position (generically called the “Balance Sheet” by our stakeholders) is shown in HACA’s annual audit for all entities combined. The Balance Sheet tracks financial operations since the day HACA was formed; it is an ongoing representation and tally.

Types of Asset Policies:

Cash

Petty Cash

Reserves

Investments

Investment

Accounts Receivable

Allowance for Doubtful Accounts (Bad Debt)

Fixed Assets

Capitalization Policy

Types of Liability Policies:

Current and Long-Term Debt

Debt Service Coverage



Income Statement Policies

Samples Shown Below

The Statement of Revenues, Expenses and Changes in Net Position (universally called the “Income Statement” by our stakeholders) tracks activity for the 12-month fiscal year; all line items reset to zero and the beginning of the new fiscal year.

Revenue

Revenue Recognition

Expense

Travel and Reimbursement

Indirect Cost Allocation



Other Policies

Samples Shown Below

Other Policies Address the Overall Framework or a Type of Activity.

Internal Controls

Budget and Reporting

Grant Management

Document Retention

As we update or create policies to meet HACA's current business needs, they will be taken to the Audit and Budget Committee for review and then to the Board for approval.

HOUSING AUTHORITY OF THE CITY OF AUSTIN

BOARD ACTION REQUEST

EXECUTIVE ITEM NO. 1.

MEETING DATE: May 21, 2020

STAFF CONTACT: Michael Gerber, President & CEO

ITEM TITLE: Presentation, Discussion, and Possible Action regarding the Approval of the Board Minutes Summary for the Board Meeting held on April 16, 2020

BUDGETED ITEM: N/A

TOTAL COST: N/A

ACTION

The Board is being asked to review and approve the Board Minutes Summary for the Board Meeting held on April 16, 2020.

ATTACHMENTS:

- ▣ **20200416 HACA Board Minutes Summary**

**THE HOUSING AUTHORITY OF THE CITY OF AUSTIN
BOARD OF COMMISSIONERS
REGULAR BOARD MEETING**

April 16, 2020

SUMMARY OF MINUTES

THE HOUSING AUTHORITY OF THE CITY OF AUSTIN (HACA) BOARD OF COMMISSIONERS REGULAR BOARD MEETING NOTICE WAS POSTED FOR 12:00 P.M. ON THURSDAY, APRIL 16, 2020, AND WAS HELD VIA CONFERENCE CALL FROM THE HACA CENTRAL OFFICE, 1124 S. IH 35, AUSTIN, TX

CALL TO ORDER, ROLL CALL, CERTIFICATION OF QUORUM

Carl S. Richie, Jr., HACA Chairperson called the Board of Commissioners Regular Board Meeting of the Housing Authority of the City of Austin, of April 16, 2020, to order, at 12:01 p.m. The meeting was held via Conference Call from the HACA Central Office, 1124 S. IH 35, Austin, TX

Roll call certified a quorum was present on the call.

MEMBERS PRESENT:

Carl S. Richie, Jr., Chairperson
Charles Bailey, Vice-Chairperson
Mary Apostolou, 2nd Vice-Chairperson
Dr. Tyra Duncan-Hall, Commissioner
Edwina Carrington, Commissioner

MEMBER(S) ABSENT:

ALSO ON THE CALL:

Bill Walter, Coats Rose
Wilson Stoker, Cokinos, Bosien & Young

STAFF PRESENT ON THE CALL:

Andrea Galloway, Ann Gass, Jimi Teasdale, Gloria Morgan, Lisa Garcia, Martha Ross, Michael Cummings, Michael Gerber, Nidia Hiroms, Pilar Sanchez, Ron Kowal, Suzanne Schwertner, and Sylvia Blanco

For the record, .HACA **Chairman Richie** read an excerpt of Governor Abbott's Order Suspending Certain Provisions of Open Meetings Act Due to Coronavirus (COVID-19).

On March 16, 2020, the Governor of Texas suspended certain open meeting laws in response to the Coronavirus (COVID-19) disaster. This action allows governmental bodies, including the Housing Authority of the City of Austin and its subsidiaries, to conduct meetings by telephone or video conference to advance the public health goal of limiting face-to-face meetings to slow the spread of COVID-19.

Accordingly, the Housing Authority of the City of Austin (HACA) and its subsidiaries will be conducting their Annual Board Meetings via telephone conference at 12:00 PM on Thursday, April 16, 2020.

The public is invited to access and participate in the Board Meetings by dialing in using your phone. 1 (646) 749-3122 Access Code: 283-714-653

HACA will provide online written notice containing a public toll-free dial-in number, as well as an electronic copy of the agenda packet, in advance of the telephonic conference meetings at www.hacanet.org/board. The public will have a means to participate in the meetings through two-way audio connections. Additionally, HACA will post an audio recording of the meetings on our website.

A moment of silence was observed in recognition of Felicia Vargas, HACA Citywide Advisory Board President, who suddenly passed recently.

CITIZENS COMMUNICATION – Citizen communication was opened up during each item on the agenda. No one provided any communication during any of the items.

CONSENT AGENDA

APPROVAL OF THE FOLLOWING ITEMS PRESENTED IN THE BOARD MATERIALS:

ITEM 1: Presentation, Discussion, and Possible Action regarding the Approval of the Board Minutes Summary for the Board Meeting held on March 26, 2020

Commissioner Carrington moved the Approval of the Board Minutes Summary for the Board Meeting held on April 16, 2020. **2nd Vice-Chairperson Apostolou** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

ITEM 2: Update on HACA's actions related to the Coronavirus (COVID-19) and update on HACA's Resident and Client Support Center

Sylvia Blanco, HACA Chief Operating Officer, provided an update on HACA measures taken by HACA and its subsidiaries in response to COVID-19.

Pilar Sanchez, Vice-President of Community Development provided an update on HACA's Resident and Client Support Center activities in response to COVID-19.

ITEM 3: Update on HACA's Rental Assistance Demonstration Program

Ann Gass, HACA Director of Strategic Housing Initiatives gave an update on RAD.

ACTION ITEMS

APPROVAL OF THE FOLLOWING ITEMS PRESENTED IN THE BOARD MATERIALS

ITEM 4: Presentation, Discussion, and Possible Action regarding Resolution No. 02645: Authorizing the disposition of 22 public housing scattered site units

On November 15, 2018, the HACA Board of Commissioners passed Resolution No. 02645, approving the submission of applications for the disposition of its 22 public housing scattered site units to the U.S. Department of Housing and Urban Development (HUD) Special Applications Center (SAC). Upon review of HACA's applications, SAC approved the applications for disposition on August 19 and October 16, 2019. The units are to be sold at Fair Market Value based on the appraisal report included in the disposition application to HUD. The use of net proceeds from the sale of the houses will be restricted for the improvement of existing, and the creation of new, affordable housing units by HACA. Such uses include gap funding, feasibility studies, and other related activities.

HACA is pleased to report that the City of Austin anticipates purchasing 20 of the 22 scattered site units through its subsidiary Austin Housing Finance Corporation and its Community Land Trust for homeownership purposes. The City's Community Land Trust (CLT) Program allows low income households to realize homeownership in an increasingly expensive Austin real estate market.

Through the CLT Program, the Austin Housing Finance Corporation (AHFC) maintains ownership of the land, sells the improvement to the eligible homebuyer, and leases the land back to the homeowner. This removes the cost of land from the original purchase price and reduces the annual property tax obligation to the homeowner, as property taxes are only assessed on the improvements, rather than the land, which is held by AHFC, a nonprofit tax-exempt organization. The plan for the remaining two houses is as follows: One house is anticipated to be purchased by the existing public housing tenant. AAHC has been working closely with the family and their lender to support this home buying effort. One house will be purchased by AAHC at Fair Market Value to allow the existing public housing family to remain in the unit due to extensive accessibility needs by a disabled family member. The unit is already modified with mobility equipment that allows the family member to be lifted in and out of bed, the bathroom, and other locations in the unit. Therefore, to meet the accessibility needs of the family, AAHC will purchase and maintain the unit in its single family portfolio and lease the unit to the family. Net proceeds will be restricted, as required by HUD, for use in supporting the improvement and creation of affordable housing units in Austin.

2nd Vice-Chairperson Apostolou moved to approve Resolution No. 02645: Authorizing the disposition of 22 public housing scattered site units. **Commissioner Carrington** seconded the motion. **Vice-Chairperson Bailey** voted nay. The motion Passed (4-Ayes and 1-Nays).

ITEM 5: Presentation, Discussion and Possible Action regarding Resolution No. 02646: Approving the submittal of the Section 8 Management Assessment Program (SEMAP) Certification to the U.S. Department of Housing and Urban Development (HUD)

The Section 8 Management Assessment Program (SEMAP) became effective October 13, 1998 (24 CFR Part 985). This rule establishes SEMAP to objectively measure Public Housing Authorities' (PHAs') performance in the administration of the Housing Choice Voucher program in fourteen (14) key performance areas and a Deconcentration Bonus indicator.

In order to receive a deconcentration bonus, worth up to 4 points, the following rules apply. 1) 50% or more of HCV families with children would need to reside in low poverty census tracts in the PHA's principal operating area; or 2) For HCV families with children who moved, the percent that moved to low poverty census tracts would need to be two percentage points higher than the percent of all HCV families with children residing in low poverty census tracts at the end of the last completed PHA Fiscal year or the last two completed Fiscal Years. Exhibit 2 provides the data for the deconcentration bonus indicator for the 2019/2020 Fiscal Year.

The Board of Commissioners is required to approve the SEMAP certification, and PHAs are required to submit the certification electronically to HUD within 60 calendar days after each fiscal year end.

HUD will independently assess HACA's performance under SEMAP using annual audit reports for indicators 1-7 and the

deconcentration bonus indicator and information maintained in HUD's Public and Indian Housing Information Center (PIC) for indicators 8-14. The Lease-up rate is obtained from HUD's Financial Management Center.

HACA's Quality Control Division completed quality control sample audits for indicators #1, #2, and #3. The Assistant Housing Director completed the quality control sample audit for indicator #6. There were 3 errors identified for indicator #3 and 1 error identified for indicator #2. There were zero errors identified under indicator #1 and #6.

For this fiscal year's Deconcentration Bonus point analysis, HACA used data from the 2016 American Community Survey. Data analysis shows that as of the last day of the 2019/2020 fiscal year, 36.7% of HCV families with children live in low poverty census tracts within HACA's principal operating areas. Out of the total number of families with children that moved during the last fiscal year, 39.3% moved to low poverty census tracts. This is more than two percentage points higher than the 36.7% of families with children residing in low poverty census tracts at the end of fiscal year 2020. Therefore, HACA is eligible for the deconcentration bonus points for the 2019-2020 fiscal year.

Staff recommended that the Board approve the submittal of the SEMAP Certification to HUD for the 2019/2020 Fiscal Year with a score of 104%.

2nd Vice-Chairperson Apostolou moved to approve Resolution No. 02646: Approving the submittal of the Section 8 Management Assessment Program (SEMAP) Certification to the U.S. Department of Housing and Urban Development (HUD). **Commissioner Duncan-Hall** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

ITEM 6: Presentation, Discussion and Possible Action on Resolution No. 02647 by the Board of Commissioners of the Housing Authority of the City of Austin to take the following actions with regard to Moonlight Garden in Austin, Texas: (A) acquire the site of the Development; (B) lease the Development site to the owner of the Development; and (C) such other actions necessary or convenient to carry out this Resolution

Austin Affordable Housing Corporation was presented with an opportunity to partner with LDG Multifamily on a 10.33 acre tract of land located at 8901 Nuckols Crossing Road, Austin, Texas 78747. This project is in the same master planned community, Goodnight Ranch, as AAHC's other project with LDG Multifamily, Goodnight Commons. This project (Moonlight Garden) will consist of 264 family apartment units. Fifty percent of the units will be affordable to tenants earning 80% median family income (MFI) and 50% will be affordable to tenants earning greater than 80% MFI. This will allow tenants living in Goodnight Commons (4% tax credit property affordable to tenants with 60% MFI and below) that become over income to stay in the area and rent at Moonlight Garden if they so choose. This will also allow us to serve future tenants that earn too much to rent at Goodnight Commons.

The development will use HUD debt financing originated by Mason Joseph. The equity will be a 50/50 combination of LDG Multifamily and AAHC equity. The planned development will consist of 48 one bedroom and one bath units, 120 two bedroom and two bath units, and 96 three bedroom and two bath units.

All units will be marketed to HACA's Housing Choice Voucher residents. The project will be part of a 700-acre master planned development, Goodnight Ranch PUD. This community is planning an "educational village" in which all schools are connected by sidewalks. Blazier Elementary was the first to be built and received the highest 6-star TEA rating. Additional land has been closed on and planning for the middle school is taking place. The next phase will include a new Austin ISD high school. Goodnight Ranch was planned to have a variety of products for all stages of life. Included in this plan are townhouses with duplex units, a senior community (Nightingale at Goodnight) which will be mixed-income as well as other market rate single family residences. It will also include a community pool and 300 acres of walking trails in the Onion Creek Metropolitan Park.

Board approval allows HACA to acquire the site of the development, lease the development site to the owner of the development and perform such other actions necessary or convenient to carry out the resolution. This approval allows AAHC to complete the closing transaction and start construction.

Commissioner Duncan-Hall moved to approve Resolution No. 02647 by the Board of Commissioners of the Housing Authority of the City of Austin to take the following actions with regard to Moonlight Garden in Austin, Texas: (A) acquire the site of the Development; (B) lease the Development site to the owner of the Development; and (C) such other actions necessary or convenient to carry out this Resolution. **2nd Vice-Chairperson Apostolou** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

The Board of Commissioners discussed the CEO's authority to provide a one-time emergency bonus to staff to assist staff needs related to COVID-19.

THE BOARD DID NOT RECESS INTO EXECUTIVE SESSION.

REPORTS

The Board accepts the following reports from the President:

- Every Monday and Thursday, Mike Gerber and Sylvia Blanco are participating in CLPHA calls.
- Every Tuesday and Thursday, HACA staff are participating NAHRO calls.

Commissioner Carrington moved to adjourn the meeting. **2nd Vice-Chairperson Apostolou** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

The meeting adjourned at 2:41 p.m.

Michael G. Gerber, Secretary

Carl S. Richie, Jr., Chairperson

HOUSING AUTHORITY OF THE CITY OF AUSTIN

BOARD ACTION REQUEST

RESOLUTION NO. 02648

FINANCE ITEM NO. 2.

MEETING DATE: May 21, 2020

STAFF CONTACT: Martha Ross, Vice President & Chief Financial Officer

ITEM TITLE: Presentation, Discussion, and Possible Action regarding Resolution No. 02648:
Approving Write-off of the Uncollectible Accounts of Vacated Tenants

BUDGETED ITEM: Yes

TOTAL COST: \$101,497.63 of which \$3,870.79 is LIPH for Approval

ACTION

Motion to Approve Resolution No. 02648 Approving Write-off of the Uncollectible Accounts of Vacated Tenants for the six month period ending February 29, 2020 for Low Income Public Housing (LIPH). Review of the Project Based Rental Assistance (PBRA) Properties converted through HUD's Rental Assistance Demonstration (RAD) program and their write-offs for the six month period ending February 29, 2020.

SUMMARY

Background:

The regulations of the U.S. Department of Housing and Urban Development require the Commissioners of housing authorities to approve LIPH bad debt write-offs for tenants who no longer live at these properties. Exhibit 1, attached, reflects amounts due by tenants who moved out LIPH, and covers the six-month period ending February 29, 2020.

Although formal approval of uncollectible write-offs for PBRA (RAD) properties is not required by the Department of Housing and Urban Development, Exhibit 2, attached, reflects write-offs for the six-month period ending February 29, 2020 for Board review.

Process:

LIPH and PBRA (RAD) uncollectible tenant accounts receivable were compiled from their respective accounting systems and were confirmed with staff and their management as uncollectible. Of the total uncollectible for this period, statistics were gathered for the type of write-off (e.g., rent, repairs, legal, late fees, utilities, other, etc.). Statistics were also gathered for comparison to prior periods.

Although HUD does not require Board review of PBRA-RAD write-offs, they are included here for the Board's review as well.

Staff Recommendation:

Approval of LIPH write-offs is recommended.

ATTACHMENTS:

LIPH

PBRA

Write-Offs**Low Income Public Housing****Past Due 90 Day Report as of February 29, 2020 ***

Tenant Name	Move Out Date	Rent	Legal	Maintenance	Other / Move Out Charge	Utility / Cab	Fee / Late Charge	Balance	Comments
Chalmers Courts									
Cruz-Guzman, Fatima	1/14/2020	\$ 248.00						\$ 248.00	
Delossantos, Angela B.	8/31/2019				\$ 9.01			\$ 9.01	
Perez, Denise M	5/14/2019			\$ 7.50				\$ 7.50	
Vazquez, Beatriz	10/8/2019				\$ 153.99			\$ 153.99	
Chalmers Total		\$ 248.00	\$ -	\$ 7.50	\$ 163.00	\$ -	\$ -	\$ 418.50	
Scattered Sites AMP 16									
Castillo, Marisa J	2/6/2020	\$ 37.00		\$ 20.00			\$ 30.00	\$ 87.00	
Garza, Virginia S	2/29/2020						\$ 0.49	\$ 0.49	
Sanders, Ideedra D	8/2/2019	\$ 2,143.00		\$1,116.80			\$105.00	\$ 3,364.80	
Scattered Sites Total		\$ 2,180.00	\$ -	\$ 1,136.80	\$ -	\$ -	\$ 135.49	\$ 3,452.29	
LIPH Total		\$ 2,428.00	\$ -	\$ 1,144.30	\$ 163.00	\$ -	\$ 135.49	\$ 3,870.79	

Report Run April 20, 2020

* Aged Receivables Exclude Credit Balances, Security deposits and Repayment Agreements.

Write-Off Balance for PBRA (RAD) with Move Out Balances 2/29/20

Count	Property	Tenant	Rent	Legal Fees	Maintenance/ Damage	Other/ Move-Out Charge	Utility / Cable	Late Fees	Total RAD Write-Offs	Avg per Property	Comments
1	BTW	Adailen L.	687.42	126.00	629.95			129.98	1,573.35		
2		Albertha W.	2.14		158.15			5.00	165.29		
3		Anisa T.			447.90	1.70			449.60		
4		Bell, D.			100.20				100.20		
5		Christine R.			248.94				248.94		
6		Cordell S.	126.00					28.00	154.00		
7		Deidra M.	208.23		499.80			16.00	724.03		
8		Delta B.	229.00	286.00	659.70			118.00	1,292.70		
9		Denise A.	22.68		225.44			40.00	288.12		
10		Desirae B.			8.78				8.78		
11		Issa G.	192.12		553.91			6.00	752.03		
12		Jessica B.			140.02				140.02		
13		Kanesha W.	603.00		2.00			82.00	687.00		
14		Lisa L.	134.20					29.00	163.20		
15		Melissa R.			180.88				180.88		
16		Oscar M.			6.50				6.50		
	Total BTW		2,204.79	412.00	3,862.17	1.70	0.00	453.98	6,934.64	\$ 433	
1	Bouldin Oaks	Charles J.		286.00	246.78				532.78		
2		Christopher M.	2,098.49		539.35		33.98	11.00	2,682.82		
3		Donna T.	345.57						345.57		
4		Erica E.			250.68				250.68		
5		Maria G.	34.98					28.00	62.98		
6		Monica A.			64.61				64.61		
7		Taniesha L.			141.29				141.29		
	Total Bouldin		2,479.04	286.00	1,242.71	0.00	33.98	39.00	4,080.73	\$ 583	
1	Coronado Hills	M V.	3,311.47						3,311.47		Fraud
2		Tanisha G.	360.38		147.50			112.00	619.88		
	Total Coronado		3,671.85	0.00	147.50	0.00	0.00	112.00	3,931.35	\$ 1,966	
1	Georgian Manor	Annallysia A.	1,425.00		150.00			8.00	1,583.00		
2		Damona W.	3,644.50		268.70	150.00	3.00	69.00	4,135.20		
3		Desiree B.	2,740.00		87.50			164.00	2,991.50		
4		Katherine R.	604.25			68.50			672.75		
5		Lenora W.	1,622.58			1,726.88		28.00	3,377.46		Updated for March 6 move-out balance from \$1,449.50 to \$1,650.58 plus known Installment Agreement balance write-off of \$1,726.88.
6		Patricia T.	513.00			327.00		76.00	916.00		
7		Sophia S.	1,582.77		986.00	150.00		65.00	2,783.77		
	Total Georgian		12,132.10	0.00	1,492.20	2,422.38	3.00	410.00	16,459.68	\$ 2,351	

Count	Property	Tenant	Rent	Legal Fees	Maintenance/ Damage	Other/ Move-Out Charge	Utility / Cable	Late Fees	Total RAD Write-Offs	Avg per Property	Comments
1	Lakeside	Beverly N.						5.00	5.00		
2		Denise P.	368.00					28.00	396.00		
3		Elizabeth C.			25.00				25.00		
4		Marjorie S.			11.00				11.00		
5		Mary P.	263.00		25.00		27.00	44.00	359.00		
6		Willie S.			26.50				26.50		
	Total Lakeside		631.00	0.00	87.50	0.00	27.00	77.00	822.50	\$ 137	
1	Manchaca II	Bobbie, J.	405.60		339.00			11.00	755.60		
2		John, R.	61.55		424.00			5.00	490.55		
3		Phillip, C.	15.00					73.00	88.00		
4		Regina, B.	1,256.12		384.00			28.00	1,668.12		
	Total Man II		1,738.27	0.00	1,147.00	0.00	0.00	117.00	3,002.27	\$ 751	
1	Manchaca Village	Brenda, G.C.			18.27				18.27		
	Total Man V		0.00	0.00	18.27	0.00	0.00	0.00	18.27	\$ 18	
1	Meadowbrook	Chelsea B.	73.39		516.00	227.00		27.00	843.39		
2		Christina K.	759.32	698.50	258.06	150.00		5.00	1,870.88		
3		Danny R.			55.00				55.00		
4		Eula M.	1,436.00			150.00		8.00	1,594.00		
5		Helen Z.			530.08		4.00		534.08		
6		Jackie M.	3,950.06	286.00	540.34	400.00		49.00	5,225.40		
7		Kimberly P.	222.00		365.00			4.00	591.00		
8		Lafaye P.			116.97				116.97		
9		Latasha A.	1,726.50		590.50			136.00	2,453.00		
10		Raad K.	596.00		651.00	75.00		70.00	1,392.00		
11		Shelly H.			555.00	1,133.00	300.00	130.00	2,118.00		
	Total Meadowbrook		8,763.27	984.50	4,177.95	2,135.00	304.00	429.00	16,793.72	\$ 1,527	
1	North Loop	Lanetha E.	910.45		3,373.99		63.81	29.00	4,377.25		
2		Luis S.	16.00			225.00			241.00		
3		Wilbert C.			30.00				30.00		
	Total North Loop		926.45	0.00	3,403.99	225.00	63.81	29.00	4,648.25	\$ 1,549	
1	Northgate	Armanda S.			405.39			6.00	411.39		
2		Librada H.			55.00				55.00		
3		Lila F.	646.00						646.00		
4		Mahmound S.	17.00				2.00		19.00		
5		Maria T.	555.00						555.00		
6		William D.	251.00					5.00	256.00		
	Total Northgate		1,469.00	0.00	460.39	0.00	2.00	11.00	1,942.39	\$ 324	
1	Rosewood Courts	Della P.	174.33		2,094.40			75.00	2,343.73		
2		Earl S.	159.00					120.00	279.00		
3		Jordan L.	3,780.46		93.90			30.00	3,904.36		
4		Leroy J.	46.10		45.60			5.00	96.70		
5		Nicole C.					56.00		56.00		

Count	Property	Tenant	Rent	Legal Fees	Maintenance/ Damage	Other/ Move-Out Charge	Utility / Cable	Late Fees	Total RAD Write-Offs	Avg per Property	Comments
6		Stephan F.	442.90	286.00	381.00	386.00		29.00	1,524.90		
7		Urell J.	1,805.83		45.60			23.00	1,874.43		
	Total Rosewood		6,408.62	286.00	2,660.50	386.00	56.00	282.00	10,079.12	\$ 1,440	
1	Santa Rita	Aurora V.	1,520.81	286.00	567.40			77.00	2,451.21		
2		Bukuru P.			7,595.75				7,595.75		Includes \$4,600 to replace downstairs flooring, \$1,259 damage to cabinets, etc.
3		Michael P.			14.10				14.10		
	Total Santa Rita		1,520.81	286.00	8,177.25	0.00	0.00	77.00	10,061.06	\$ 3,354	
1	Shadowbend Ridge	Barbara R.			71.71				71.71		
2		Christina G.	1,619.00					0.00	1,619.00		
3		Monica A..			60.00				60.00		
4		Mukamutara M.	877.90		315.00			30.00	1,222.90		
	Total Shadowbend		2,496.90	0.00	446.71	0.00	0.00	30.00	2,973.61	\$ 743	
1	Thurmond Heights	Barbara C.			30.00			53.00	83.00		
2		Charles C.	827.50		239.98			148.00	1,215.48		
3		Mariam A.	2,195.81		242.00			41.00	2,478.81		
4		Michael W.	1,047.00		16.50			149.00	1,212.50		
5		Sametria B.	2,733.81		70.00			90.00	2,893.81		
6		Tamica M.	146.77	286.00	2,466.18			64.00	2,962.95		Doors, walls, blinds, lights, several items.
7		Timothy R.	1,459.87	1,595.25	90.00			41.00	3,186.12		
8		Vitanya A.	411.12		1,290.00		68.46	77.00	1,846.58		
	Total Thurmond		8,821.88	1,881.25	4,444.66	0.00	68.46	663.00	15,879.25	\$ 1,985	
101	Total RAD Write-Offs		53,263.98	4,135.75	31,768.80	5,170.08	558.25	2,729.98	97,626.84	\$ 967	< Average Write-Off per Unit
	Write-Off Percent of Total		55%	4%	33%	5%	1%	3%	100%		

Metrics this Period

Average Write-Off per Tenant This Period:	\$ 966.60
Highest Write-Off per Tenant this Period:	7,595.75
Lowest Write-Off per Tenant this Period:	6.50
Average Write-Off per Tenant excluding high and low:	909.34

Total Tenant Units in this Period:	101
Percentage of Units Written Off this Period:	6%
Total \$ Rent due this Period (all units, all months, combined):	\$ 7,632,912
Percentage of \$Rent Written Off vs. Rent Due	1.3%

RESOLUTION NO. 02648

**WRITE-OFF OF THE UNCOLLECTIBLE ACCOUNTS OF VACATED TENANTS FOR THE
SIX-MONTH PERIOD ENDING
February 29, 2020 for Low Income Public Housing**

WHEREAS, the regulations of the U.S. Department of Housing and Urban Development require the Commissioners of the Public Housing Agency to approve the write-off of vacated tenants accounts designated as uncollectible, and;

WHEREAS, a reasonable effort has been made to collect the balance due to the Housing Authority by notifying the former tenants by certified mail of the amounts due and informing them that they will be reported to the credit bureau;

NOW, THEREFORE BE IT RESOLVED, by the Board of Commissioners of the Housing Authority of the City of Austin that the Chief Financial Officer is authorized to write off the amount of THREE THOUSAND EIGHT HUNDRED AND SEVENTY DOLLARS AND SEVENTY-NINE CENTS (\$3,870.79), the total of the attached documentation considered to be uncollectible, from the books of the Housing Authority of the City of Austin for the six-month period ending February 29, 2020.

PASSED, APPROVED AND ADOPTED this 21st day of May 2020.

Michael G. Gerber, Secretary

Carl S. Richie, Jr., Chairperson

HOUSING AUTHORITY OF THE CITY OF AUSTIN

BOARD ACTION REQUEST

RESOLUTION NO. 02650

FINANCE ITEM NO. 3.

MEETING DATE: May 21, 2020

STAFF CONTACT: Martha Ross, Vice President & Chief Financial Officer

ITEM TITLE: Presentation, Discussion, and Possible Action regarding Resolution No. 02650: Approving Policy for Allowance for Doubtful Accounts (Bad Debt)

BUDGETED ITEM: Yes

TOTAL COST: N/A

ACTION

Motion to Approve Resolution No. 02650 Approving Policy for Allowance for Doubtful Accounts for HACA and all of its blended component units (e.g., AAHC unless disclosed and agreed otherwise in a partnership contract, SHCC, Austin Pathways, etc.).

SUMMARY

Background:

In order to not overstate Revenues or Accounts Receivable, the U.S. Department of Housing and Urban Development require that Generally Accepted Accounting Principles be followed, to estimate bad debts in the periods incurred. HACA has been recording allowances for bad debt at year end as reported and documented in various audits.

Process:

The Financial Policy - Allowance for Doubtful Accounts is included as an attached exhibit, which describes the scope, context, background, financial presentation, sample methodology, documentation, approval, definitions, authority and flowchart.

Staff Recommendation:

Approval is recommended.

ATTACHMENTS:

- ▣ **HACA Financial Policy - Allowance for Doubtful Accounts**

RESOLUTION NO. 02650

**RESOLUTION APPROVING FINANCIAL POLICY FOR ALLOWANCE FOR DOUBTFUL
ACCOUNTS (Bad Debt)**

WHEREAS, the Housing Authority of the City of Austin (HACA) is required to follow Generally Accepted Accounting Principles (GAAP); and

WHEREAS, HACA has been following GAAP as documented in year end audits for allowance for bad debt; and

WHEREAS, HACA is updating financial policies to scale with HACA's current needs to report to more external stakeholders, more frequently;

NOW, THEREFORE BE IT RESOLVED that the Housing Authority of the City of Austin Board of Commissioners approves and adopts the Financial Policy: Allowance for Doubtful Accounts (Bad Debt).

PASSED, APPROVED and ADOPTED this 21st day of May, 2020.

Michael G. Gerber, Secretary

Carl S. Richie, Jr., Chairperson

Financial Policy: Allowance for Doubtful Accounts

AR-200 Bad Debt		Accounts Receivable	
Effective Date: 3/31/2020	Last Revision: Per HUD	Version: 1.0	Total Pages: 6

Bad Debt Write-Offs

Scope:

Housing Authority of the City of Austin (HACA) and all of its blended component units (e.g., AAHC, SHCC, Austin Pathways, Blueprint, AAHC PFC, etc.). All references to HACA that follow apply collectively to HACA and all blended component units. The “allowance for doubtful accounts” ensures that Revenue and Accounts Receivable are not materially overstated due to probable bad debts, that can be reasonably estimated based on historical trends and metrics.

Context:

Accounting estimates are an important part of financial statements, which require the use of judgement by management. It is management's responsibility to improve the accuracy of the presentation of financial statements. The accounting estimates should be reasonable and materially accurate over time, so that the financial statements portray a fair representation of the financial position of the company in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

The “**allowance for doubtful accounts**” is one example of an estimate -- and there are several methods to use in determining this estimate, all of which require the use of percentages and trends. Management should periodically review and update the estimates used so they reflect actual activity over time, based on understanding the industry, current economic factors, and the customers' payment history and credit worthiness.

Background:

GAAP requires that an estimation of uncollectible accounts receivable be made and recorded as an allowance for doubtful accounts. HACA and its blended component units will use the full accrual basis.

Waiting until an account is written off to recognize an uncollectible loss (known as cash basis) is not in compliance with GAAP. If we waited until we actually identified specific bad debts (which take time to confirm and identify), both Accounts Receivable and Revenue would be overstated in each reporting period.

The collectability of receivables is an example of a loss contingency; accrual of an estimated loss is required because it is probable that some receivables are uncollectible and an amount can be reasonably estimated.

For HACA, this primarily applies to Tenant Accounts Receivable, but may also apply to other receivables resulting in revenue generation (i.e., repayment agreements, installment agreements and receivables from other parties), to the extent a pattern is evident that would materially affect the collection and then interpretation of financials.

Over a period of time, the allowance for doubtful accounts should be materially close to the actual historical write-off trend; if it is not, then the procedural method of estimation should be updated by the Chief Financial Officer. The estimation methodology will be documented and disclosed to auditors and other stakeholders.

Tenant bad debts will be reported to credit bureaus and will be pursued for collection to a reasonable extent, whether internally or externally, through a collection agency. Any recovery of bad debt will also be accounted for and reported.

Financial Presentation:

Accounts Receivable

Less: **Allowance for Doubtful Accounts** (based on an estimate)
= Net Accounts Receivable

Revenue

Less: **Bad Debt Expense** (based on an estimate)
= Provision (Profit)

Receivables are recorded at the gross amount and are offset by the portion estimated to be uncollectible. Accordingly, revenues are similarly offset, net of estimated uncollectible amounts, recorded as bad debt expense. The estimation methodology will either be disclosed in footnotes to audited financial statements, or the receivables will be shown with the allowance on the face of the financial statements.

Sample Methodology:

As accounts receivable age past their due date, the probability of collection declines. Methodology for estimating the allowance for doubtful accounts should be a) consistently applied within a relevant group of accounting, and b) periodically reviewed to ensure the allowance for doubtful accounts remains realistic, based on past collection experience and anticipated losses on the receivables.

As one example of a management estimate, which should be periodically updated and reviewed, the allowance for doubtful accounts could at fiscal year-end (and more frequently if needed), represent 100 percent of the tenant accounts receivable past due 90 days or more. To adjust the allowance for doubtful account up or down, the offset is to an expense to the same entity or fund.

Once actual specific write-offs are determined at the tenant ledger level for specific monthly invoices, the receivable is removed from the tenant ledger and the write-off is taken (deducted from) the "Allowance for Doubtful Accounts" (another expense is not created).

The write-off will be reported to the credit bureau and tracked in accounting systems for future reference should the tenant apply for other housing assistance. Any subsequent repayment of bad debt that has been written off, will also be noted as paid and credit bureaus will be updated. The above applies to bad debt where a repayment agreement or installment agreement is not agreed in writing and followed as agreed.

Any adjustments to tenant rent due to timing of completing annual certifications or math adjustments to income eligibility are not bad debt; bad debt only applies to tenant not paying as agreed. Other types of receivables will have other considerations; the above was only one example of how an estimate can be used to determine uncollectible tenant rent, in the current period.

Documentation:

The reasons for writing off an account should be adequately documented in a Credit Memo request, or document with similar identifying data, and then entered into the Accounting system. The type of bad debt write-off should also be documented in a manner that allows analysis of what comprised the total write-off (e.g., tenant rent, maintenance charges, legal charges, late fees, etc.).

Approval and Review for Specific Write-Offs:

Write-offs and adjustments should have proper authorizations from the owner of the accounting Fund or Legal Entity and the CFO, with reporting to the Vice-President of the operations and the CEO. Bad debt write-offs will additionally be reported to the Board of Commissioners at least annually (before the end of the fiscal year), unless required more frequently by HUD or another funding source.

Definitions:

Accounts Receivable – A current asset account reflecting amounts due from individuals, firms, corporations, or other organizations for goods and services furnished by HACA or its blended component units.

Allowance for Doubtful (or Uncollectible) Accounts – A contra asset valuation account used to indicate the portion of receivables expected to be uncollectible.

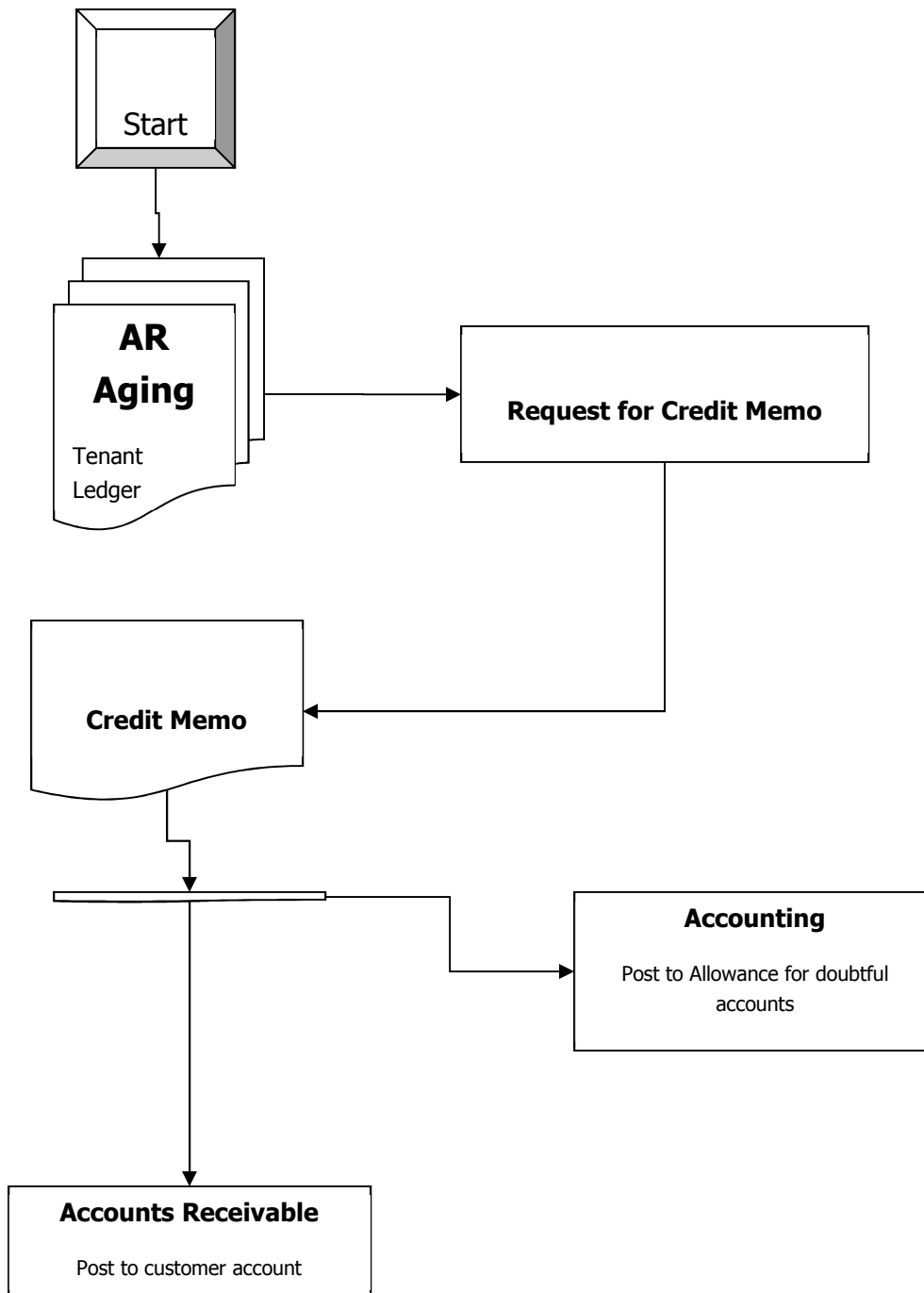
Authority:

All bad debt write-offs shall be processed in a comparable manner, in accordance with the most authoritative guidance applicable to the entity, with consideration given to other standards as guidance, in the final application. Guidance includes GAAP – Financial Accounting Standards Board (FASB) ASC 450-20-25-2, Department of Housing and Urban Development (HUD) for federal awards (i.e., 2 CFR, Part 5, 2 CFR Part 200), Government Accounting Standards Board (GASB) Statement No. 33, No. 34 and Codification 2300.107, Statement of Auditing Standards (SAS) No. 57, Auditing Accounting Estimates (AU 342), contractual agreements with third parties (e.g., insurance policy reimbursement for damages, out-sourcing of collections, etc.), HACA's Board approved and/or

Management approved policies, and as part of HACA's general framework for internal controls over financial statements.

For properties still under Section 9, Low Income Public Housing that are receiving operating subsidy, the bad debt expense shall be reported in the annual Financial Data Schedule (FDS) and Operating Subsidy as required by HUD, with disclosure in the annual audit. Using estimates of bad debt under GAAP are not the same as data used to calculate operating subsidy, and bad debts and recovery should also be separately shown in HUD's FDS as specified.

Bad Debt Write Off Flowchart



HOUSING AUTHORITY OF THE CITY OF AUSTIN

BOARD ACTION REQUEST

RESOLUTION NO. 02649

FINANCE ITEM NO. 4.

MEETING DATE: May 21, 2020

STAFF CONTACT: Martha Ross, Vice President & Chief Financial Officer

ITEM TITLE: Presentation, Discussion, and Possible Action regarding Resolution No. 02649:
Updating the Policy for Petty Cash Fund from \$200.00 to \$500.00

BUDGETED ITEM: N/A

TOTAL COST: N/A

ACTION

Approval of increased petty cash replenishment at \$500.00, in order to operate more efficiently.

SUMMARY

Background:

Resolution No. 1265 was approved in 1993 to establish a \$200.00 petty cash fund and was subsequently updated with Resolution No. 1436 in 1996 and Resolution No. 1562 in 1997 to delete references to departments and procedures that were no longer applicable. As HACA has grown since the petty cash was established, replenishment at \$500.00, would require less trips to the bank, while still maintaining internal controls over petty cash.

This policy:

1. Ratifies prior use of \$300.00 as the petty cash reimbursement threshold, and \$500.00 used most recently, at year ended March 31, 2020;
2. Updates procedures and personnel responsible for petty cash; and
3. Standardizes the look of HACA's Financial Policies going forward.

Process:

The Finance department maintains a petty cash fund of \$500.00 in a locked and controlled space, mainly for reimbursement of small expenditures. Staff provides receipts, along with a form approved by their manager, for expenditures up to \$25.00 as outlined in the Policy attached as an Exhibit. When the fund is close to depletion, it is replenished to \$500.00.

Staff Recommendation:

Approval is recommended.

ATTACHMENTS:

- ▣ **Financial Policy-Petty Cash**

RESOLUTION NO. 02649

RESOLUTION APPROVING REVISION TO THE PETTY CASH FUND POLICY TO \$500.00

WHEREAS, the Housing Authority of the City of Austin ("HACA") is currently operating under an existing Petty Cash Policy; and

WHEREAS, the U.S. Department of Housing and Urban Development requires HACA to have adopted a Petty Cash Fund Policy; and

WHEREAS, HACA is currently updating all required policies in an effort to facilitate the agency's business and ensure compliance with all federal statutes and regulations.

NOW, THEREFORE BE IT RESOLVED, that the HACA Board of Commissioners approves and adopts the revised Petty Cash Fund Policy.

PASSED, APPROVED AND ADOPTED this 21st day of May 2020.

Michael G. Gerber, Secretary

Carl S. Richie, Jr., Chairperson

Financial Policy: Petty Cash Fund of \$500.00

100 Cash		Petty Cash	
Effective Date: 3/31/2020	Last Revision: 1997	Version: 4.0	Total Pages: 5

Scope:

Housing Authority of the City of Austin and all of its blended component units (e.g., AAHC, SHCC, Austin Pathways, Blueprint, AAHC PFC, etc.) handled by HACA Finance, hereinafter collectively referred to as "HACA."

Context:

Petty Cash is used to pay for small amounts owed, rather than writing a check or processing a direct deposit. Petty Cash is used to reimburse staff and direct stakeholders (including vendors or prospective candidate on a job interview), for incidental expenses, allowed to be reimbursed by HACA policy, up to \$25.00 per occurrence. Examples of petty cash include parking fees at a local conference, round trip transportation from the airport or hotel to HACA, miscellaneous parts for a repair (e.g., bolts or screws not in inventory), or meeting expenses (e.g., snacks or supplies).

Any exception to the \$25.00 limit, up to the \$500.00 replenishment, would be for a rare and short-term advance, where (1) timing would prohibit practical processing of a physical check, direct deposit, or staff self-funding and (2) the use of petty cash is approved by the CFO.

Under no circumstances shall the funds be used for: (a) cashing checks for employees or tenants, or (b) making loans or salary advances.

Background:

HACA adopted a Petty Cash Fund policy in 1993 with a \$200.00 balance. Revisions to the policy in 1996 and 1997 were adopted to update the personnel and procedures involved. This policy, effective March 31, 2020, similarly updates policies and procedures, ratifies the previous use of \$300.00 as a petty cash balance, and adopts \$500.00 as the new petty cash balance, effective during fiscal year ended March 31, 2020.

Financial Presentation:

Cash

Unrestricted Cash

Restricted Cash

Petty Cash is shown as part of Unrestricted Cash in the Balance Sheet.

Note: If the petty cash amount is processed as a rare advance, then the amount would be reconciled at least quarterly for the legal entity and shown as a receivable, rather than cash.

Methodology / Process:

- 1) Petty Cash is physically secure, restricted and locked.
- 2) Each Petty Cash disbursement is supported by a voucher, which is sequentially numbered. See "Documentation" section below.
- 3) The advance or reimbursement must be properly authorized and be allowed by HACA policy (refer to HACA Financial Policy for Travel and Expenditure Reimbursement Policy).
- 4) The Petty Cash fund is operated with a system of internal controls which includes dual review, meaning at least two people (not involved in the expense), approve the expense, count the cash, reconcile the Petty Cash fund and record the cash balances in the financial systems, in a timely manner. See "Approval" section below.
- 5) The Petty Cash fund is replenished with cash from HACA's bank, up to a \$500.00 limit. In the event, upcoming known expenses will rapidly deplete the \$500.00 balance within a few days, the replenishment may be exceeded, up to \$1,000.00, with documented request for exception and approval from the CFO.
- 6) The expenses (costs) are recorded to the accounts and areas incurring the charge (e.g., the legal entity, fund, department or cost center).

Documentation:

- 1) Petty Cash Voucher, sequentially numbered, requesting reimbursement in a timely manner, or advance, properly authorized and approved.
- 2) Original Receipt, proving the amount of the expense for an authorized purpose. (The receipt should then be cancelled to prevent re-use.)
- 3) Petty Cash Log, signed and dated by the Custodian and an additional Finance staff, who counted the cash at the same time. The CFO or their designate, will additionally periodically perform a surprise audit and escalate any unusual findings to the CEO.
- 4) Record of Replenishment up to \$500.00 from the bank.
- 5) Purchase Order Requisition with documentation of Petty Cash expenditures.
- 6) Accounting system audit trail of debits and credits, along with a Petty Cash reconciliation, which proves that at any time, cash on hand plus receipts equals the authorized Petty Cash fund balance.
- 7) Log of any approved exceptions (see "Approval" section below).
- 8) Electronic access to the secure area can also be documented if needed; a limited number of staff can access Petty Cash.

Approval and Review for Petty Cash Disbursement and Reimbursement:

- 1) The Petty Cash Voucher will be signed by both the requesting individual and their Manager, and inspected by the Petty Cash Custodian in Finance.
- 2) The Purchase Order Requisition will be approved through the automated workflow process, including the CFO, or their designate.
- 3) The Petty Cash Log will document the approval of the cash count by Finance staff not involved in the Voucher process or Petty Cash Reconciliation.
- 4) Exceptions to policy for (a) replenishment greater than \$500.00, but less than \$1,000.01 or (b) authoring use of petty cash for amounts greater than \$25.00, but less than \$1,001, will be approved by the CFO, or their Designate.

Definitions:

Custodian – Finance staff responsible for the disbursements and replenishment of Petty Cash.

Petty Cash Log – Maintained to document when the cash was counted by two different people.

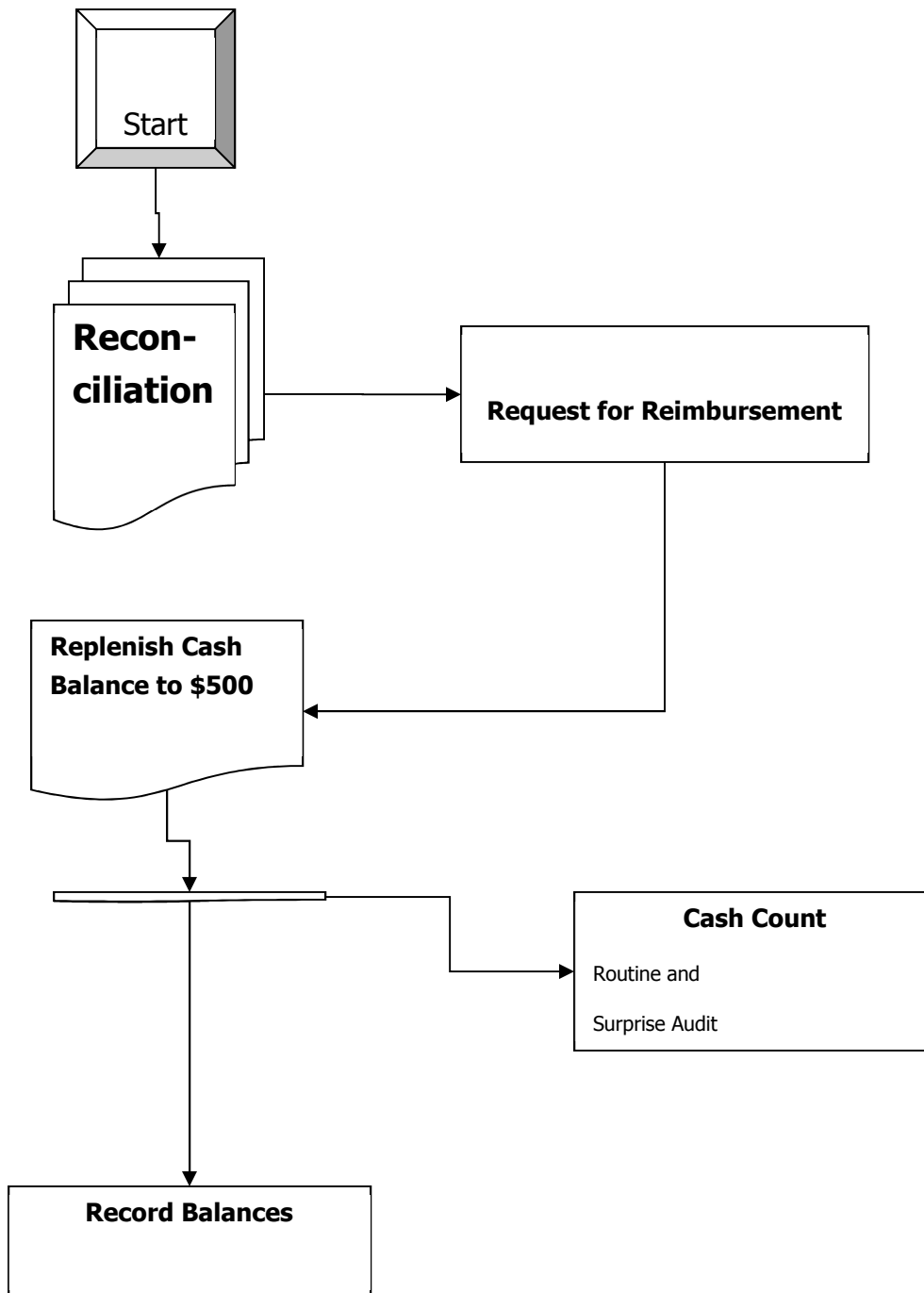
Voucher – The form used to document the approval of the expense for reimbursement from Petty Cash.

Authority:

The U.S. Department of Housing and Urban Development requires housing authorities to have a Petty Cash policy.

This Petty Cash fund policy is part of HACA's system of internal controls.

Petty Cash Reimbursement Flowchart



HOUSING AUTHORITY OF THE CITY OF AUSTIN
REPORT
EXECUTIVE
ITEM NO. 5.

MEETING DATE: May 21, 2020

STAFF CONTACT: Michael Gerber, President & CEO

ITEM TITLE: Update on HACA's actions related to the Coronavirus (COVID-19) and update on HACA's Resident and Client Support Center

BUDGETED ITEM: N/A

TOTAL COST: N/A

ATTACHMENTS:

- ▣ **COVID-19 Division Reports**
- ▣ **Resident Client Support Center**

APRIL-MAY 2020, COVID-19 DIVISION ACTIONS	
This report reflects HACA and its subsidiaries' actions taken to date in response to the Corona virus (COVID-19). Although all actions are not listed, below you will find the top five actions from each division.	
ADMISSIONS-LAURA BODAI	
1.	Assist with program design for the RENT Program, conduct a successful lottery to determine RENT program participants, undertake development of eligibility criteria and eligibility reviews in partnership with Assisted Housing.
2.	Develop policies for remote processing of applicants and resume eligibility processing for HACA PBRA properties so we are able to fill vacant units.
3.	Continue the virtual call center created so that receptionists could work from home and all HACA callers are still able to speak to an actual person.
ASSISTED HOUSING-LISA GARCIA	
1.	In partnership with Neighborhood Housing and Community Development (NHCD), implement a new Relief for Emergency Needs for Tenant (RENT) program to provide one-time rental assistance to approximately 1,000 Austin households experiencing financial hardship as a result of the COVID-19 crisis. Eligible households need to have a current lease within the City of Austin, with income at or below 80% of Median Family Income (MFI) and can document a financial impact by COVID-19.
2.	Processing initials from applicants from HCV wait list or referrals for Special Programs, moves and incoming portables with a virtual platform (video initial briefing) or mailing documents and providing an initial briefing over the phone.
3.	Completing physical inspections of vacant units but ensuring personal protective equipment is worn. If the unit is not vacant, completing virtual inspection.
4.	Implemented informal hearing process by conducting informal hearings over the phone or by a virtual platform.
5.	Annual recertifications and interims continue to be conducted by mail, email or phone.
AUSTIN AFFORDABLE FINANCE CORPORATION-RON KOWAL	
1.	Construction teams being screened for temperature and symptoms before they are let on job sites.
2.	Construction sites have multiple hand washing sites. Crews wear masks and social distance.
3.	Property management slowly opening offices. Every tenant must wear mask. Limit on how many people are in the office depending on size. Everything wiped down after each visitor.
4.	Still encouraging virtual tours. Starting to show units by prospective tenant touring unit as leasing agent stands outside. Everything wiped down after each showing.
5.	Regular maintenance starting slowly. Maintenance fully equipped with PPE. Tenant must answer if anyone in household has been sick or exposed to someone testing positive. If yes, maintenance will be delayed.
AUSTIN PATHWAYS/COMMUNITY DEVELOPMENT-PILAR SANCHEZ	
1.	To address food insecurity, Austin Pathways staff is coordinating with HEB, Central Texas Food Bank, Capital Metro and Boys&Girls Club who are providing food to our residents. They are also coordinating with AISD to ensure a WiFi bus is parked at our family properties for kids to access academic sites and activities online. AISD buses are at five HACA sites.
2.	AP continues to operate the HACA Support Center Monday - Friday 7:30am-7:30pm for HACA residents and clients. AP launched a 2nd Call Center to answer questions and assist applicants with their application to the Emergency RENT program. The RENT Contact Center (RCC) was open 7:30AM-7:30PM Friday - Tuesday, including the weekend. The RCC was open until 2:30AM on Wednesday, May 6th. The RCC is now open 7:30AM-5:30PM.
3.	All Austin Pathways staff continue to work from home. All grant related services continue online and over the phone. That includes such as Jobs Plus, Census, iDADS, Digital Inclusion, Bringing Health Home (BHH), and GTOP. See one page report regarding Youth services that also have continued.
4.	The BHH Team continues to call residents at BTW who responded to HACA's health assessments. They are prioritizing residents with chronic eases, providing in-depth health education, information about COVID19, and links to healthcare providers based on their specific situation.
5.	AP applied for 3 grants provided in response to COVID19. United Way granted \$15K to serve HACA families with a member who tested positive for COVID19. The BHH team is monitoring families daily to remind them to isolate and provide them supplies and services to help them stay home. The COA RISE and the St. David's grant applications are still pending.
COMMUNICATIONS-KEN BODDEN	
1.	RENT Program - Created custom information landing page website atxrenthelpinfo.org with detailed FAQ drop-down menus to help potential applicants determine eligibility for the RENT assistance program.
2.	Virtual Tours - To help future PBRA tenants view vacant units without having to travel to the property, I began shooting and editing unique videos for each property of made ready units. View a sample tour of a 2 bedroom, 1 bath at Manchaca Village here: https://www.youtube.com/watch?v=I0kvGnL2WDo
3.	COVID-19 Signage - Created and distributed additional COVID-19 update flyers to PBRA properties, including instructions on making facemasks, keeping 6 feet apart, and only 2 people at a time in elevators.

4.	Social Media - Continued to grow audience with #TogetherWeAreStronger campaign. Facebook audience saw the largest single-month increase in years by adding 286 new followers in April. Facebook has become an even stronger connection to residents during this time of physical distancing.
5.	Newsletters: One Voice and HACA Highlights take on a new level of importance for keeping the virtual sense of community strong. The One Voice resident newsletter was emailed to a larger resident email list, and was sent to senior properties to print and distribute hard copies. HACA Highlights shared success stories, like Bringing Health Home winning a United Way grant for COVID-19 response.
FINANCE-MARTHA ROSS	
1.	Prepared for the COA RENT project administration with new workflows, processes, documentation and cross-training.
2.	Initiated a new, centralized, on-line process to document, review and archive monthly accounting entries.
3.	Reviewed December 2019 year-end, Multi-Family PBRA submissions for HUD.
4.	Prepared March 2020 year-end accounting close.
5.	Continued initiative to go paperless with vendors (electronic invoice submission and direct deposit).
HUMAN RESOURCES-GLORIA MORGAN	
1.	The Human Resource Department recently began contacting staff to conduct the Employee Survey. The HR Director and Manager have been making daily phone calls to staff members and asking them a series of questions relating to what they are experiencing while working from home.
2.	Human Resources completed the on-line Open Enrollment process the end of March. With the assistance of TMI, the file was uploaded to United Healthcare. Staff's coverage with United was effective April 1st.
3.	This month the Human Resources department set up virtual interviews, via GoToMeeting, for two (2) Senior Accountant positions for the Finance department. Interviews were held with the Finance Team and the final candidates meet with a selected staff members of the Executive Team. This platform has proven to be instrumental with assisting in the hiring process.
4.	This month the Human Resources department will be focusing on conducting our first virtual and forms that require the employee's signature have been converted to DocuSign. New Employee Orientation. With the hiring of two (2) Senior Accounts, we will be conducting orientation via a GoToMeeting. The new hire packet has been converted into a digital format.
5.	The Human Resources team has converted all required forms to conduct virtual exit interviews with staff that are off boarding. The Human Resource Generalist/Recruiter conducted their first virtual exit interview this month.
LOW INCOME HOUSING - MICHAEL ROTH & NANCY MCILHANEY	
1.	Property management offices remain closed to all face to face contact. Property Management staff is working from home, with one staff member coming to the office each day to check the drop box and address issues. Staff perform lease enforcement and respond to resident concerns via phone, email, or written communication.
2.	Maintenance Staff: In addition to completing emergency work orders, maintaining the grounds and completing vacant unit make readies, Maintenance are preparing for anticipated UPCS and lender/investor inspections as well as developing a plan to return to doing all work orders starting June 1.
3.	Annual and Interim re-certifications continue to be completed by phone, email and other virtual means. Residents have submitted 25% more interim changes due to loss of income. In addition, staff is preparing 105 interim re-certifications as part of the closeout for the Jobs Plus program.
4.	Staff is working to implement additional modules of Yardi (property management software) to allow residents to do more online, including pay rent, request work orders and complete an annual or interim re-certification.
5.	Property management staff are now conducting socially distant move-ins to reoccupy vacant units, using virtual videos to show the units and other distancing methods to keep staff and residents safe.
OPERATIONS & PROCUREMENT-NORA MORALES	
1.	Building staff continues to run bulk trash three times-Monday/Wednesday/Friday along with the daily duties of ground pick up and flag duties. On Tuesday and Thursday they perform preventative building maintenance, recycling of items picked up during bulk trash pick-up.
2.	Procurement staff continues to work from home. Processing purchasing request and submitting invoice to Finance for payment. We are now shipping site supplies to central to avoid cancellation of orders for non-acceptance of delivery at the properties. OPS now mans the acceptance of maintenance supplies and makes sure they get to the end user. The availability of PPE equipment is becoming available and we are ensuring all maintenance staff has the supplies needed.
3.	OPS staff fine tuning the Laserfiche files for all documents ie Contracts, Fleet vehicles, Building Inspections, Contractor Insurance and Certifications.
4.	We will start working with a consultant & CTM on a "Return to Work" Plan to be ready when HACA gets authorization to come back to Central.
5.	We will explore online or virtual training possibilities to all OPS staff to enhance skills and become cross trained.
PLANNING & DEVELOPMENT-JIMI TEASDALE	
1.	Goodrich and Chalmers project mgmt., w/ONSITE inspections/reports.

2.	Project development, bidding, R4R pkts. routing and approvals from HUD/Lender, resulting in projects getting underway for a 66 unit WH replace program across 3 sites, Lakeside Unit 602 full renovation, with allowance to take on more as they come vacant, BTW re roof of leaking Mgmt Bldg roof.
3.	Contracts and other document originations for the projects above.
4.	Thurmond Office renovation for Security improvements, currently collecting bids after onsite visits. Negotiating North Loop bldg chiller failure issues. Directing all PD activities and staff.
5.	Section 3 annual reporting data collection for all our contracting in 2019 CY.
QUALITY CONTROL-KELLY CRAWFORD	
1.	Staff is actively engaged in the RENT Program being undertaken by the Assisted Housing department; taking incoming calls from applicants in the call center, performing eligibility reviews and conducting quality control of files.
2.	Virtual appeal hearings will begin in mid-April, to be conducted via conference calls with impacted applicants, residents, and participants.
3.	Staff is performing Family Self-Sufficiency audits of escrow pay-outs electronically to ensure participants receive their payments timely during this uncertain time.
RAD-ANN GASS	
1.	We continue to support residents who are relocated from Goodrich and Chalmers East via phone and email. Residents began to move into Goodrich on May 6. Movers, property management staff and HACA staff are observing social distancing during moves.
2.	Construction continues at Goodrich and Chalmers East, with social distancing in place.
3.	Planning for HACA's final RAD conversion, Chalmers West, continues uninterrupted at this time.
4.	Rehabilitation work remains suspended at Lakeside. Because of the vulnerable nature of the resident population, we felt it was prudent to take all measures to avoid the spread of the coronavirus.
5.	All staff working from home.
SOUTHWEST HOUSING COMPLIANCE CORPORATION-MICHAEL CUMMINGS	
1.	Management and Occupancy Reviews (MORs) were suspended by HUD effective March 13, 2020. On May 4th, SHCC submitted recommendations to HUD on how to perform modified and/or remote MORs and we are awaiting further instructions.
2.	HACA's TMI Department helped correct initial phone system limitations that required calls from residents to go directly to voice mail. Resident calls now go directly to in-person Call Center staff.
3.	SHCC staff continues to work on technology and customer service improvements to meet owner/management needs during and after the COVID-19 pandemic.
TECHNOLOGY MANAGEMENT & INNOVATION-ANDREA GALLOWAY	
1.	Met with departments to discuss long term technical needs for Work From Home.
2.	Assisting staff with equipment needs in order to work from home successfully.
3.	Providing technical support to staff for their continued work from home success. Staff face many challenges working from home and have needed a dedicated TMI support person to keep everyone working.
4.	Assisted with transition of incoming Agency calls and SHCC call center calls to the Grasshopper app.
5.	Ramped up Yardi implementations for RentCafe, Waiting List, Fixed Assets, Payment Processing and Background Checks.



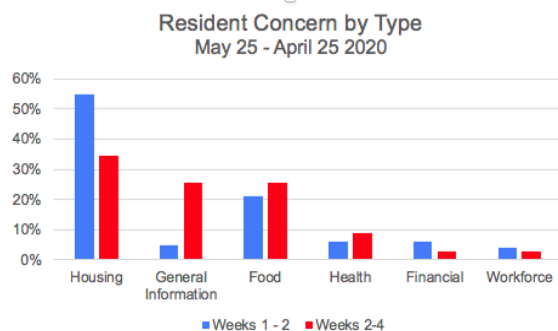
Housing Authority of the City of Austin

Established in 1937

Austin Pathways Community Development Report

HACA Resident & Client Support Center and RENT Center Updates

HACA Resident & Client Support Center (RCSC). In April, (weeks 2 - 5 of call center operation) the HACA Resident & Client Support Center made **2,402 contacts with HACA residents**. The RCSC continued to establish procedures and expand capacity. Over **1,000 inbound calls** were addressed, while two staff made outbound calls to create awareness, coordinate services, and get a pulse of resident well-being. They completed **1,400+ outbound calls**, ensuring **400 HACA seniors** began receiving weekly calls, and about **450 households** were prepared for their **food box** delivery by CapMetro.



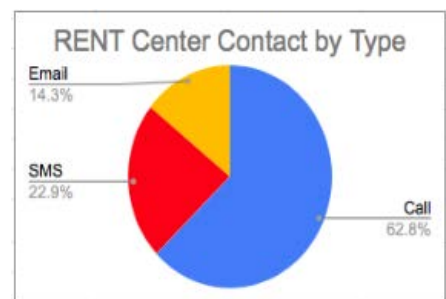
Training. Nineteen, HACA cross-functional team members completed training in April, including soft skills, call standards, tools, COVID-19 standards of care, and self-care.

Resident Concerns. We are seeing an increase in calls for a **friendly ear, mental health referrals and food assistance**. We have also seen an increase in calls from HCV participants.

Increasing engagement through more contact channels. Unfortunately, low-income household contact information can change often and is intermittent. For example, at the end of the month residents with limited minutes may switch to text only when they shut off their phones to preserve minutes. We are learning about resident preferred contact channels. In April by integrating and verifying data from various resident programs, we substantially improved our contact quality and the number of HACA households reached.

RENT Assistance Center. The City of Austin requested HACA distribute \$1.2 million in emergency rental assistance to Austin residents negatively affected financially by the COVID-19 crisis. Therefore we launched a 2nd Contact Center.

From Friday, May 1st to Wednesday, May 6, **38 HACA team members** provided information and application assistance through **2,998 inbound inquiries via** email, texts, and phone calls.



HOUSING AUTHORITY OF THE CITY OF AUSTIN
REPORT
RENTAL ASSISTANCE DEMONSTRATION
ITEM NO. 6.

MEETING DATE: May 21, 2020

STAFF CONTACT: Ann Gass, Director of RAD

ITEM TITLE: Update on HACA's Rental Assistance Demonstration Program

BUDGETED ITEM: N/A

TOTAL COST: N/A

ACTION

The Board will be provided a monthly update on HACA's activities related to the Rental Assistance Demonstration.

HOUSING AUTHORITY OF THE CITY OF AUSTIN

BOARD ACTION REQUEST

RESOLUTION NO. 02651

RENTAL ASSISTANCE DEMONSTRATION

ITEM NO. 7.

MEETING DATE: May 21, 2020

STAFF CONTACT: Ann Gass, Director of RAD

ITEM TITLE: Presentation, Discussion, and Possible Action regarding Resolution No. 02651: Approval to Submit an Application to HUD's Special Applications Center (SAC) for Disposition of 50 units at Chalmers West as part of the three-phase redevelopment of Chalmers Courts and the conversion to HUD's Rental Assistance Demonstration program

BUDGETED ITEM: N/A

TOTAL COST: N/A

ACTION

Staff is requesting approval to submit a request to U.S. Department of Housing and Urban Development Special Applications Center (SAC) for the disposition of 50 units at Chalmers West as part of the three-phase redevelopment of Chalmers Courts and the conversion to HUD's Rental Assistance Demonstration program.

SUMMARY

Background:

In October 2016, the U.S. Department of HUD awarded a Commitment to Enter into a Housing Assistance Contract (CHAP) for Chalmers Courts under the Rental Assistance Demonstration (RAD) Program. The redevelopment of Chalmers Courts will involve demolition of the existing buildings and the construction of a new, larger property with additional units and modern amenities in its place. This will significantly improve the quality of life for the residents of Chalmers Courts and allow HACA to provide more affordable housing by increasing density.

The redevelopment of Chalmers is taking place in three phases - Chalmers South, Chalmers East and Chalmers West. Chalmers South is an 86-unit property that was completed and occupied in 2019. Chalmers East will be 156 units. It is currently under construction and expected to be completed in late 2020. Chalmers West is the subject of the current action.

HACA submitted an application for competitive 9% tax credits for Chalmers West to the Texas Department of Housing and Community Affairs in February 2020. To complete the redevelopment and RAD conversion of Chalmers West, the next step is to submit an application to HUD. This application will come in two parts – the RAD Financing Plan (to be submitted in the summer of 2020) and the request to dispose of 50 units

under the Section 18 program, the action under consideration.

HACA's other conversions have been completed only as RAD transactions, and have resulted in conversion of all the public housing units to Project Based Rental Assistance (PBRA). This conversion is different because it is the last RAD conversion for HACA. HUD allows the last 50 units of a housing authority's portfolio to be converted to Section 8 assistance under the Section 18 Disposition program. The primary benefit of this program is that it results in higher rents because the Section 8 tool is not PBRA, it is Tenant Protection Vouchers (TPVs). The TPVs are project-based at Chalmers West at much higher rents than RAD rents. The net additional rent is expected to exceed \$200,000 per year. The subsidy provided to the resident is still based on 30% of the resident's adjusted income and all current residents maintain their right to return.

Staff Recommendation:

Staff recommends approval for the submission of a request to the U.S. Department of HUD Special Applications Center (SAC) for the disposition of 50 units at Chalmers West as part of the three-phase redevelopment of Chalmers Courts and the conversion to HUD's Rental Assistance Demonstration program.

RESOLUTION NO. 02651

APPROVAL TO SUBMIT A REQUEST TO U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT SPECIAL APPLICATIONS CENTER (SAC) FOR THE DISPOSITION OF 50 UNITS AT CHALMERS WEST AS PART OF THE THREE-PHASE REDEVELOPMENT OF CHALMERS COURTS AND THE CONVERSION TO HUD'S RENTAL ASSISTANCE DEMONSTRATION PROGRAM

WHEREAS, HACA has completed the RAD conversion of its entire public housing portfolio except for Chalmers West;

WHEREAS, HUD rules allow HACA to convert the last 50 units of its portfolio using the Section 18 Disposition program;

WHEREAS, it is HACA's desire to proceed with disposition of the last 50 units at Chalmers using the Section 18 Disposition program as part of the RAD conversion and redevelopment of Chalmers Courts;

WHEREAS, prior to submission of a disposition application to the U.S. Department of Housing and Urban Development, approval must be given by the Board of Commissioners, as it pertains to Section 8 Demolition and Disposition and the requirements outlined in 24 Code of Federal Regulations §903.7(h);

NOW, THEREFORE, BE IT RESOLVED, that the Housing Authority of the City of Austin Board of Commissioners supports and approves the submission of application(s) for the disposition of the 50 public housing units at Chalmers Courts and

BE IT FURTHER RESOLVED, that the President and CEO is authorized to execute documents and provide certifications and submit to HUD for approval the aforementioned disposition request.

PASSED, APPROVED AND ADOPTED this 21st day of May, 2020.

Michael G. Gerber, Secretary

Carl S. Richie, Jr., Chairperson

HOUSING AUTHORITY OF THE CITY OF AUSTIN
REPORT
AUSTIN AFFORDABLE HOUSING CORPORATION
ITEM NO. 8.

MEETING DATE: May 21, 2020

STAFF CONTACT: Ron Kowal, Vice President of Housing Development/Asset Mgmt

ITEM TITLE: Update on AAHC's acquisition and new construction programs

BUDGETED ITEM: N/A

TOTAL COST: N/A

HOUSING AUTHORITY OF THE CITY OF AUSTIN

BOARD ACTION REQUEST

RESOLUTION NO. 02652

PLANNING AND DEVELOPMENT

ITEM NO. 9.

MEETING DATE: May 21, 2020

STAFF CONTACT: Jimi Teasdale, Planning & Development Director

ITEM TITLE: Presentation, Discussion and Possible Action of Resolution No. 02652: Approval of a Contract for Elevator Modernization at Pathways at Lakeside Apartments

BUDGETED ITEM: Yes

TOTAL COST: \$401,939.74

ACTION

The Board is being asked to approve a contract for Elevator Modernization at Pathways at Lakeside Apartments.

SUMMARY

Background:

HACA's Pathways at Lakeside Apartments is a 12-story elevator structure that was built in 1964 and served by two elevators. While having been serviced for periodic maintenance since original construction, the elevators are in need of major upgrades.

Plans were developed to completely replace the components that are no longer serviceable. As part of needed and planned upgrades identified in physical needs assessments, HACA moved the elevator upgrades item into its RAD conversion plans. HACA worked with local architect/engineering firm HUO Architecture to develop a scope of work that addresses all known mechanical issues with the elevator systems as well as aesthetic and cosmetic needs.

Austin Elevator Consultants (AEC), which has serviced and repaired the property's aging systems for the past few years, submitted an acceptable proposal for the full scope of services that were requested. AEC is well informed on the specific upgrades needed for this system. AEC's proposal is within the estimate developed by HACA and HUO. AEC has the necessary experience to perform and complete the work as stipulated in the scope of work.

*Note-Due to the recent world-wide CV-19 health crisis, it is unclear how long HACA may need to wait before implementing this project. The Pathways at Lakeside Apartments, a property that serves seniors and persons with disabilities, contains a population that is particularly at risk of health compromise. Equipment ordering lead times may be protracted due to the current crisis impacting manufacturing. Planning needs for

onsite work, including coordination with City of Austin building officials and Austin Fire Dept., etc., for permitting and inspection needs, as well as regulatory compliance issues, will need to be considered in the implementation stage of this project. Even resident meetings, to advise of the coming work and how it will be accomplished, are all factors that could prolong the start of work and work performance duration, delay completion times, or further stall the project for a time until it is safer for residents, staff and contractors. Discussions need to be held to identify impediments and create plans, and back-up plans, to deal with these issues. In all aspects, HACA will work diligently, but safely at all times, and defer work, if it is not appropriate to be undertaken, for any of the reasons or examples provided above.

Process:

The project was advertised and solicited per HACA's procurement policies that included an open bid period of over 30 days as well as the project being provided to 10 different plan rooms around the state and country, and sending the bid opportunity to the MBE/WBE/HUB entities identified in the HACA procurement policy. This approach to solicitation allows the project to be seen by numerous firms who participate in plan room subscriptions, and the provision of info to local MBE/WBE/HUB firms ensures that we are reaching those groups and offering opportunity to work with HACA on the project. Despite this level of outreach, the project had only one proposal submitted.

Staff Recommendation:

Based on satisfactory reference verifications, staff recommends award of contract to Austin Elevator Company, LLC, in the amount of \$401,939.74

Completion of this work will provide the facility with safe, reliable, and mechanically improved controls and hoist systems, as well as aesthetically pleasing passenger cab interiors with new passenger controls.

ATTACHMENTS:

- ▣ **Bid Process/Summary of Bids**
- ▣ **References**

RESOLUTION NO. 02652

**APPROVING THE AWARD OF CONTRACT FOR ELEVATOR MODERNIZATION FOR
PATHWAYS AT LAKESIDE APARMENTS**

WHEREAS, On March 16, 2020, the Housing Authority of the City of Austin opened and publicly read RFP's for Elevator Modernization for Pathways at Lakeside Apartments; and

WHEREAS, it is the recommendation of the President and CEO that the RFP submitted by Austin Elevator Company, LLC be accepted as the most responsible and responsive proposal; and

NOW, THEREFORE, BE IT RESOLVED, that the Housing Authority Board of Commissioners authorizes the President and CEO to accept the proposal submitted by Austin Elevator Company, LLC and award such contract,

PASSED, APPROVED AND ADOPTED this 21st day of May 2020.

Michael G. Gerber, Secretary

Carl S. Richie, Jr., Chairperson

BID PROCESS: The Invitation for Bid was advertised in *The Austin American Statesman* on Sunday, February 16, 2020 and again on Sunday, February 23, 2020, and faxed Friday, February 14, 2020 to the minority/small business organizations designated in the HACA Procurement Policy.

Twelve (12) Project Manuals were distributed and One (1) Bid Proposals were submitted. Sealed bids were received, opened and read aloud on March 16, 2020 at 5:00 p.m., local time.

Plan Holder	Bid Amount	MBE/WBE
Virtual Builders Exchange 4047 Naco-Perrin Suite 100 San Antonio, TX 78217 210-564-6900; Contact: Heather Hope	<u>NO BID RECEIVED</u>	NO
McGraw Hill Construction Dodge Reports 4300 Beltway Place Suite 180 Arlington, TX 76018 817-375-2955; Contact: Plan Center/Kirstin Klutch	<u>NO BID RECEIVED</u>	NO
Reed Construction Data 30 Technology Parkway South Suite 500 Norcross, GA 30092-2912 800-876-4045; Contact: Lourd Abad/Document Processing Center	<u>NO BID RECEIVED</u>	NO
Associated General Contractors of America San Antonio Chapter 10806 Gulfdale San Antonio, TX 78216 210-349-4921; Contact: Mary Lugo/Dana Marsh	<u>NO BID RECEIVED</u>	NO
Construction Data-CDC-News 4201 West Parmer Lane Bldg. # Suite 200 Austin, TX 78727 800-872-7878; Contact: Plan Room Center/Toni Lawson	<u>NO BID RECEIVED</u>	NO
AGC Austin 609 South Lamar Austin, TX 78704 512-804-2796; Contact: Toni Osberry	<u>NO BID RECEIVED</u>	NO
CMD 333 E. Butterfield Road, Suite 600 Lombard, IL 60148 630-258-7983; Contact: Sherwin De Peralta/Fonda Rosenfeldt	<u>NO BID RECEIVED</u>	NO
iSqFt Plan Room 4500 Lake Forest Drive, Suite 502 Cincinnati, OH 45242 1-800-364-2059, ext 702; Contact: Kyle Bellomy	<u>NO BID RECEIVED</u>	NO
AMTEK Information Services (Austin Plan Room) 7801 N. Lamar, Suite-A137 Austin, TX 78752 512-323-0508; Contact: John Rugh	<u>NO BID RECEIVED</u>	NO
Construction Journal-Southeast HQ 400 SW 7 th Street Stuart, FL 34994 772-781-2144, ext. 425; Contact: Danielle Giammarino	<u>NO BID RECEIVED</u>	NO

Austin Elevator Company, LLC P.O. Box 2202 Kyle, TX 78640 512-376-2107; Contact: Sara Fairchild	<u>\$401,939.74</u> Completion Time: 112 Calendar Days	MBE/WBE
Prestige Elevator Services, LLC. 4345 Elderberry Street Forney, TX 75126; 469-990-4614; Contact: Eric Schwarzenbach	<u>NO BID RECEIVED</u>	NO

- **AWARD OF CONTRACT:** Bids were opened and read aloud by James Teasdale, Planning & Development Director, recorded by Christina Huerta, Modernization Specialist and witnessed by Brad Kothmann, Director of Property Standards.
- The bidder, *Austin Elevator Company, LLC* was determined to be responsive – Bid Proposal, Non-Collusive Affidavit, Representations, Certifications, and Other Statements of Bidders, Certification of Bidder Regarding Equal Employment Opportunity, and Contractor's Qualification Statement, Section 3 Certification were complete & executed, as required.
- Reference verifications for Austin Elevator Company, LLC, were performed, with all positive results.

REFERENCE VERIFICATION:

COMPANY: Austin Elevator Company, LLC

PROJECT: #2020-02- Pathways @ Lakeside Apartments, Under RAD

Source:

1. Landmark Condominiums-Phone: 361-682-8171

Contact: Mr. John R. Dykema Jr. - Amount of Contract Approximately \$300,000

Date performed: 2019-2020

Comments: The project/contract was for modernization and fire alarm updates to two condominium elevators. Project was on budget, but delivery of materials was late and the construction period almost doubled. Working relationship with the firm has been for about five years, several projects including work for HACA. They handled administrative responsibilities, such as payrolls, request for payments, etc. are fine. No change orders on project. The contractor team is experienced with an adequate crew size and good quality workmanship. The contractor provided required insurance, builders' risk coverage, and bonds for the project. There were issues regarding full warranty and a need for warranty call in the first year post completion with several follow-ups required, but though they took time, the issues were satisfactorily resolved. Yes, Landmark would work with the Austin Elevator Company, LLC again. No other comments on the contractor's firm, and their performance on our elevator project at Landmark Condominiums at this time.

2. Xcel Energy – Phone: 214-766-9486

Contact: Mr. Todd Sanning, Sourcing Project Specialist – Amount of Contract Approximately \$350,000

Comments: We have done several projects with Austin Elevators over the years the most recent 2 that come to mind is one to replace a gear box on an existing elevator (~\$50k) and one to replace an entire elevator (~\$250k). Project was in budget, but it was a bit behind schedule due to one of their subs being late on a component. They have been one of our primary elevator service providers as well as new elevator since 2011. No issues on administrative responsibilities. There were change orders on the job due to discovery work and was warranted. The contractor team was experienced and of adequate crew size, and provided good quality workmanship. The contractor provided required insurance, builders' risk coverage, and bonds for the project. No issues regarding full warranty or a need for warranty call in the first year, post completion. Yes, Excel would work with the Austin Elevator Company, LLC again. No, we have no other comments on the contractor's firm, and their performance on the elevator project with Xcel Energy, except that we have been pleased doing business with them.

3. Housing Authority of the City of Austin – Phone: 512-477-4488

Contact: Nora Morales, Director of Procurement -- Amount of Contracts Approximately \$: 100K

Comments: The Housing Authority of the City of Austin has a long working relationship with Austin Elevator Company, LLC dating back at least ten years. They have provided preventive maintenance to five of our sites with elevator equipment. This contract includes wear & tear, vandalism repairs and they oversee the annual TDLR safety inspections for the certificate of operation. This contract is about \$70K a year. In addition to the preventive maintenance contract, this year three elevator at HACA Central the hydraulic pumps were replaced. The work went smooth and stayed within budget. I have found Austin Elevator easy to work with, resourceful, and very responsive to our needs and responsible in keeping the costs down. They always provide necessary paperwork for the different labor programs, insurance, and bonding. I highly recommend Austin Elevator LLC for any installation, upgrade, or preventive maintenance.