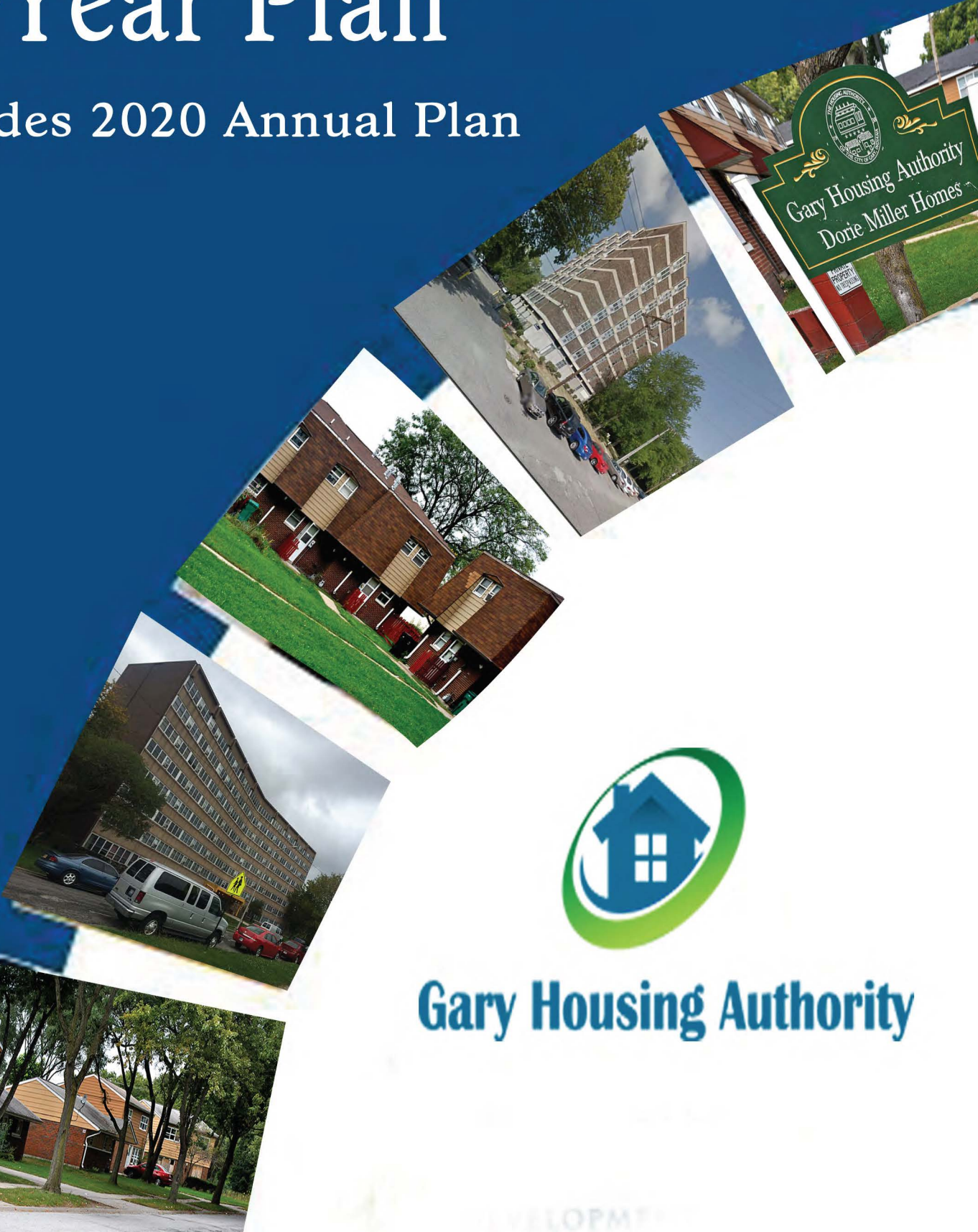


# 2020-2024 5-Year Plan

Includes 2020 Annual Plan



**Gary Housing Authority**

# **Gary Housing Authority 2020 – 2024 5 Year and Annual Plan**

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# 5-Year PHA Plan (for All PHAs)

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing

OMB No. 2577-0226  
Expires: 02/29/2016

**Purpose.** The 5-Year and Annual PHA Plans provide a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA's operations, programs, and services, and informs HUD, families served by the PHA, and members of the public of the PHA's mission, goals and objectives for serving the needs of low- income, very low- income, and extremely low- income families

**Applicability.** Form HUD-50075-5Y is to be completed once every 5 PHA fiscal years by all PHAs.

<b>A.</b>	<b>PHA Information.</b>																																				
<b>A.1</b>	<p><b>PHA Name:</b> <u>Gary Housing Authority</u> <b>PHA Code:</b> <u>IN011</u></p> <p><b>PHA Plan for Fiscal Year Beginning:</b> (MM/YYYY): <u>04/01/2020</u></p> <p><b>PHA Plan Submission Type:</b> <input checked="" type="checkbox"/> 5-Year Plan Submission <input type="checkbox"/> Revised 5-Year Plan Submission</p> <p><b>Availability of Information.</b> In addition to the items listed in this form, PHAs must have the elements listed below readily available to the public. A PHA must identify the specific location(s) where the proposed PHA Plan, PHA Plan Elements, and all information relevant to the public hearing and proposed PHA Plan are available for inspection by the public. Additionally, the PHA must provide information on how the public may reasonably obtain additional information on the PHA policies contained in the standard Annual Plan, but excluded from their streamlined submissions. At a minimum, PHAs must post PHA Plans, including updates, at each Asset Management Project (AMP) and main office or central office of the PHA. PHAs are strongly encouraged to post complete PHA Plans on their official websites. PHAs are also encouraged to provide each resident council a copy of their PHA Plans.</p> <p><input type="checkbox"/> PHA Consortia: (Check box if submitting a Joint PHA Plan and complete table below)</p> <table border="1"> <thead> <tr> <th rowspan="2">Participating PHAs</th><th rowspan="2">PHA Code</th><th rowspan="2">Program(s) in the Consortia</th><th rowspan="2">Program(s) not in the Consortia</th><th colspan="2">No. of Units in Each Program</th></tr> <tr> <th>PH</th><th>HCV</th></tr> </thead> <tbody> <tr> <td>Lead PHA:</td><td></td><td></td><td></td><td></td><td></td></tr> <tr> <td></td><td></td><td></td><td></td><td></td><td></td></tr> <tr> <td></td><td></td><td></td><td></td><td></td><td></td></tr> <tr> <td></td><td></td><td></td><td></td><td></td><td></td></tr> </tbody> </table>					Participating PHAs	PHA Code	Program(s) in the Consortia	Program(s) not in the Consortia	No. of Units in Each Program		PH	HCV	Lead PHA:																							
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<b>B.</b>	<b>5-Year Plan.</b> Required for <u>all</u> PHAs completing this form.
<b>B.1</b>	<p><b>Mission.</b> State the PHA's mission for serving the needs of low- income, very low- income, and extremely low- income families in the PHA's jurisdiction for the next five years.</p> <p>To serve as a catalyst for community redevelopment by providing affordable and market rate housing choices and economic opportunities.</p>
<b>B.2</b>	<p><b>Goals and Objectives.</b> Identify the PHA's quantifiable goals and objectives that will enable the PHA to serve the needs of low- income, very low- income, and extremely low- income families for the next five years.</p> <p>Vision Statement: To be recognized as the premier property management and development organization in NW Indiana.</p> <p>The Gary Housing Authority aims to first become a Standard Performing PHA. GHA will then strive to obtain a designation of a High Performing PHA. To achieve this goal, we will improve performance by focusing on organizational excellence. The Sustainability Plan will be completed which will result in the Gary Housing Authority becoming a solid performer and leader in public and affordable housing for Northwest Indiana.</p>

**B.3**

**Progress Report.** Include a report on the progress the PHA has made in meeting the goals and objectives described in the previous 5-Year Plan.

**Finance - ONGOING**

- Establish management systems to accurately record and report financial data in a timely manner
- Monitor GHA's operations to effectively maintain an overall budget process to comply with HUD regulations and other internal and external entities
- Rebuild the public trust in the financial integrity of the Gary Housing Authority
- Develop initiatives for increasing revenues and decreasing expenses

**HCV – ONGOING**

- Maintain SEMAP High Performer Status
- Update Rent Reasonableness Database annually
- Perform external QC review of HCV Operations
- Implement HCV reporting and monitoring dashboard to the extent they can be supported with GHA's IT functionalities
- Utilize at least 98% of available funding on an annual basis
- Maintain HCV FSS participation at 80% or more of mandatory slots
- Increase percentage of FSS families with an escrow balance to 30% or more
- Participate in GHA partnerships to serve victims of Domestic Violence
- Utilize Project Based Vouchers, as a means to preserve existing affordable housing, and to promote additional housing opportunities in the community. This shall include but not be limited to the utilization of existing Tenant Based Vouchers and vouchers issued via the RAD program
- Update the Administrative Plan to incorporate new streamlining opportunities that are now permissible by HUD, such as simplified elderly/disabled re-certifications and biennial inspections
- Purge Waiting List to facilitate expeditious lease up process
- Implement technological innovations such as an Owner Portal to the extent that they can be supported with GHA's IT functionalities

**Development- ONGOING**

- Prepare a strategic plan for development, modernization and homeownership program with the focus of increasing the supply and quality housing for eligible GHA clients
- Prepare a detail implementation plan that supports the strategic plan to include major development, modernization and homeownership activities, task, schedules, and budgets in 2020-2024
- Implement and monitor standard operating procedures to ensure that staff, projects, budgets, obligations, expenditures, schedules and contracts are properly managed

### **Asset Management – ONGOING**

- GHA continues to comply with the Asset Based Management activities required by federal regulation and evaluate the effectiveness of centralized support services, staffing and Asset Management Projects (AMP) configurations.
- While continuing to face unprecedented challenges - funding shortages, an aging and decaying housing stock with tremendous capital needs, and a steady demand for affordable housing - GHA continues to make decisions and take actions that will ensure that affordable housing remains available for current and future generations of Gary's most vulnerable population
- GHA's business system upgrade (YARDI 7s) provides site managers with a variety of reports and data required for effective management
- GHA will continue to use its current Capital Fund Grant monies, while seeking additional grant opportunities and alternate streams of revenue to improve management efficiencies and for the physical improvement of its more than 1,400 public housing units
- Engage in employee training and development that supports effective property management and program administration
- Address any deficiencies identified through REAC inspections and routine maintenance in order to continue receiving improved GHA REAC scores
- The Authority will conduct cost-effective operations to ensure financial viability, explore opportunities to improve efficiency and comply with program standards within its AMPs
- The GHA and the Asset Management Department will continue working on upgrading and revising the Admissions Continued Occupancy Policy (ACOP) and lease.

### **Resident Services**

#### **COMPLETE**

- Submitted application to be considered a designated HUD EnVision Center
- Received official designation as an Official HUD EnVision Center on October 8, 2019

#### **ONGOING**

- Enhance resident quality of life, by providing various types of services/programs to residents (focusing on the pillars set forth by the Envision Center: Economic Empowerment, Educational Advancement, Character & Leadership and Health and Wellness)
- Enhance Section 3 resident employment opportunities
- Ensure residents are meeting their Community Service Requirement (which entails scheduling workshops/activities/events, in partnership with Property Managers and Social Work Interns)

	<ul style="list-style-type: none"> <li>➤ Support Resident Tenant Councils, with elections, programming/workshops, etc.</li> <li>➤ Develop programs to engage our youth population (such a STEM and college readiness programs)</li> <li>➤ Partner with local service providers that conduct workshops that lead to a resident becoming more self-sufficient</li> </ul>
<b>B.4</b>	<p><b>Violence Against Women Act (VAWA) Goals.</b> Provide a statement of the PHA's goals, activities objectives, policies, or programs that will enable the PHA to serve the needs of child and adult victims of domestic violence, dating violence, sexual assault, or stalking.</p> <p>On March 7, 2013, the Violence Against Women Reauthorization Act of 2013 (VAWA 2013) was signed into law. The VAWA 2013 implemented several key changes related to housing protections for victims of domestic violence, dating violence, sexual assault, and stalking. Despite the name of the legislation, VAWA protections extend to anyone. The VAWA includes any gender, gender identification or sexual orientation.</p> <p>On April 1, 2015, the U.S. Department of Housing and Urban Development (HUD) published its proposed rule providing amendments to existing regulation that HUD determined necessary to enable VAWA 2013. On November 16, 2016, HUD published its Final Rule implementing the requirements of VAWA 2013 through new regulations as evidenced by Notice PIH-2017-08, Violence Against Women Reauthorization Act of 2013 Guidance.</p> <p>This Notice requires the Gary Housing Authority to inform program participants of rights and the Agency's obligations under the VAWA.</p> <ul style="list-style-type: none"> <li>• Notice of Occupancy Rights under the Violence Against Women Act (VAWA)</li> <li>• U.S. Department of Housing and Urban Development, Form HUD-5382</li> </ul> <p>The certification form must be completed at any time a program participant is or has become a victim of domestic violence, dating violence, sexual assault, or stalking. By completing the above referenced form, program participants exercise their rights under VAWA. The Gary Housing Authority is dedicated to ensuring all program participants are treated fairly in accordance with all municipal, state and federal laws.</p>
<b>B.5</b>	<p><b>Significant Amendment or Modification.</b> Provide a statement on the criteria used for determining a significant amendment or modification to the 5-Year Plan.</p> <p>The Gary Housing Authority shall be required to initiate a significant amendment or modification to the 5-Year Plan if any goal is added, deleted or deemed infeasible. Furthermore, participation in new programs that materially affect a program participants' ability to have peaceful enjoyment in a public housing dwelling or diminishes the pursuit of self-sufficiency in the Housing Choice Voucher program shall warrant a significant amendment or modification.</p>
<b>B.6</b>	<p><b>Resident Advisory Board (RAB) Comments.</b></p> <p>(a) Did the RAB(s) provide comments to the 5-Year PHA Plan?</p> <p>Y    N  <input checked="" type="checkbox"/>   <input type="checkbox"/></p> <p>(b) If yes, comments must be submitted by the PHA as an attachment to the 5-Year PHA Plan. PHAs must also include a narrative describing their analysis of the RAB recommendations and the decisions made on these recommendations. <b>(ATTACHMENT 4)</b></p>

<b>B.7</b>	<b>Certification by State or Local Officials.</b>  <a href="#">Form HUD 50077-SL</a> , <i>Certification by State or Local Officials of PHA Plans Consistency with the Consolidated Plan</i> , must be submitted by the PHA as an electronic attachment to the PHA Plan. <b>(ATTACHMENT 6)</b>
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<b>Annual PHA Plan</b> <i>(Standard PHAs and Troubled PHAs)</i>	<b>U.S. Department of Housing and Urban Development</b> <b>Office of Public and Indian Housing</b>	<b>OMB No. 2577-0226</b> <b>Expires: 02/29/2016</b>
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**Purpose.** The 5-Year and Annual PHA Plans provide a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA's operations, programs, and services, and informs HUD, families served by the PHA, and members of the public of the PHA's mission, goals and objectives for serving the needs of low- income, very low- income, and extremely low- income families.

**Applicability.** Form HUD-50075-ST is to be completed annually by **STANDARD PHAs or TROUBLED PHAs**. PHAs that meet the definition of a High Performer PHA, Small PHA, HCV-Only PHA or Qualified PHA do not need to submit this form.

**Definitions.**

- (1) **High-Performer PHA** – A PHA that owns or manages more than 550 combined public housing units and housing choice vouchers, and was designated as a high performer on both of the most recent Public Housing Assessment System (PHAS) and Section Eight Management Assessment Program (SEMAP) assessments if administering both programs, or PHAS if only administering public housing.
- (2) **Small PHA** - A PHA that is not designated as PHAS or SEMAP troubled, or at risk of being designated as troubled, that owns or manages less than 250 public housing units and any number of vouchers where the total combined units exceeds 550.
- (3) **Housing Choice Voucher (HCV) Only PHA** - A PHA that administers more than 550 HCVs, was not designated as troubled in its most recent SEMAP assessment and does not own or manage public housing.
- (4) **Standard PHA** - A PHA that owns or manages 250 or more public housing units and any number of vouchers where the total combined units exceeds 550, and that was designated as a standard performer in the most recent PHAS or SEMAP assessments.
- (5) **Troubled PHA** - A PHA that achieves an overall PHAS or SEMAP score of less than 60 percent.
- (6) **Qualified PHA** - A PHA with 550 or fewer public housing dwelling units and/or housing choice vouchers combined, and is not PHAS or SEMAP troubled.

A.	PHA Information.																										
A.1	<p> <b>PHA Name:</b> <u>Gary Housing Authority</u> <b>PHA Code:</b> <u>IN011</u>  <b>PHA Type:</b> <input type="checkbox"/> Standard PHA <input checked="" type="checkbox"/> Troubled PHA  <b>PHA Plan for Fiscal Year Beginning:</b> (MM/YYYY): <u>04/01/20</u>  <b>PHA Inventory</b> (Based on Annual Contributions Contract (ACC) units at time of FY beginning, above)  <b>Number of Public Housing (PH) Units</b> <u>1587</u> <b>Number of Housing Choice Vouchers (HCVs)</b> <u>1763</u> <b>Total Combined Units/Vouchers</b> <u>3350</u>  <b>PHA Plan Submission Type:</b> <input checked="" type="checkbox"/> Annual Submission <input type="checkbox"/> Revised Annual Submission </p> <p> <b>Availability of Information.</b> PHAs must have the elements listed below in sections B and C readily available to the public. A PHA must identify the specific location(s) where the proposed PHA Plan, PHA Plan Elements, and all information relevant to the public hearing and proposed PHA Plan are available for inspection by the public. At a minimum, PHAs must post PHA Plans, including updates, at each Asset Management Project (AMP) and main office or central office of the PHA. PHAs are strongly encouraged to post complete PHA Plans on their official website. PHAs are also encouraged to provide each resident council a copy of their PHA Plans. </p> <p> <input type="checkbox"/> <b>PHA Consortia:</b> (Check box if submitting a Joint PHA Plan and complete table below) </p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th data-bbox="167 1520 443 1593" rowspan="2">Participating PHAs</th> <th data-bbox="443 1520 573 1593" rowspan="2">PHA Code</th> <th data-bbox="573 1520 873 1593" rowspan="2">Program(s) in the Consortia</th> <th data-bbox="873 1520 1144 1593" rowspan="2">Program(s) not in the Consortia</th> <th colspan="2" data-bbox="1144 1520 1289 1593">No. of Units in Each Program</th> </tr> <tr> <th data-bbox="1144 1593 1289 1625" style="text-align: center;">PH</th> <th data-bbox="1289 1593 1448 1625" style="text-align: center;">HCV</th> </tr> </thead> <tbody> <tr> <td data-bbox="167 1625 443 1698">Lead PHA:</td> <td data-bbox="443 1625 573 1698"></td> <td data-bbox="573 1625 873 1698"></td> <td data-bbox="873 1625 1144 1698"></td> <td data-bbox="1144 1625 1289 1698"></td> <td data-bbox="1289 1625 1448 1698"></td> </tr> <tr> <td data-bbox="167 1698 443 1793"></td> <td data-bbox="443 1698 573 1793"></td> <td data-bbox="573 1698 873 1793"></td> <td data-bbox="873 1698 1144 1793"></td> <td data-bbox="1144 1698 1289 1793"></td> <td data-bbox="1289 1698 1448 1793"></td> </tr> <tr> <td data-bbox="167 1793 443 1908"></td> <td data-bbox="443 1793 573 1908"></td> <td data-bbox="573 1793 873 1908"></td> <td data-bbox="873 1793 1144 1908"></td> <td data-bbox="1144 1793 1289 1908"></td> <td data-bbox="1289 1793 1448 1908"></td> </tr> </tbody> </table>	Participating PHAs	PHA Code	Program(s) in the Consortia	Program(s) not in the Consortia	No. of Units in Each Program		PH	HCV	Lead PHA:																	
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B.	Annual Plan Elements																																																																	
B.1	<p><b>Revision of PHA Plan Elements.</b></p> <p>(a) Have the following PHA Plan elements been revised by the PHA?</p> <p>Y   N</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Statement of Housing Needs and Strategy for Addressing Housing Needs</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Deconcentration and Other Policies that Govern Eligibility, Selection, and Admissions.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Financial Resources.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Rent Determination.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Operation and Management.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Grievance Procedures.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Homeownership Programs.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Community Service and Self-Sufficiency Programs.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Safety and Crime Prevention.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Pet Policy.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Asset Management.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Substantial Deviation.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Significant Amendment/Modification</p> <p>(b) If the PHA answered yes for any element, describe the revisions for each revised element(s):</p> <p><b>Statement of Housing Needs and Strategy for Addressing Housing Needs</b></p> <p>Gary Housing Authority has been approved for Section 18 inventory removal of the following developments: Gary Manor, Concord Village 3, Delaney West, Colonial Gardens (1, 2, &amp; 3), Miller Heights (7 units), Dorie Miller Homes and Delaney Community East. Residents affected by these inventory removal applications are eligible to receive tenant protection vouchers (TPVs) and GHA is planning to development new mixed-finance and mixed-use developments (via acquisition with new construction and/or with or without rehab) to help address these and other housing needs that are being experienced within the City of Gary.</p> <p><b>Financial Resources</b></p> <p>GARY HOUSING AUTHORITY</p> <p>Annual Plan/Five Year Plan</p> <p>FY 2020 FINANCIAL RESOURCES</p> <table> <tr> <td>FY 2020</td> <td></td> <td></td> <td>\$</td> <td>25,361,987</td> </tr> <tr> <td>Operating Subsidy-97%</td> <td></td> <td>\$</td> <td>6,896,857</td> <td></td> </tr> <tr> <td>Capital Funds</td> <td>2019</td> <td>\$</td> <td>5,917,032</td> <td></td> </tr> <tr> <td>HCV</td> <td></td> <td>\$</td> <td>12,142,000</td> <td></td> </tr> <tr> <td>ROSS</td> <td></td> <td>\$</td> <td>50,951</td> <td></td> </tr> <tr> <td>MR</td> <td></td> <td>\$</td> <td>355,147</td> <td></td> </tr> <tr> <td>Prior Yr.- Unobligated</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Capital Funds</td> <td>2018</td> <td>\$</td> <td>1,954,385</td> <td>\$ 2,314,152</td> </tr> <tr> <td>Capital Funds</td> <td>2017</td> <td>\$</td> <td>337,525</td> <td></td> </tr> <tr> <td>Capital Funds</td> <td>2016</td> <td>\$</td> <td>22,242</td> <td></td> </tr> <tr> <td>LIPH Rental Income</td> <td></td> <td>\$</td> <td>2,552,300</td> <td>\$ 2,552,300</td> </tr> <tr> <td>Other Income</td> <td></td> <td>\$</td> <td>133,794</td> <td>\$ 133,794</td> </tr> <tr> <td>TOTAL FINANCIAL RESOURCES</td> <td></td> <td></td> <td>\$</td> <td>30,362,233</td> </tr> </table>	FY 2020			\$	25,361,987	Operating Subsidy-97%		\$	6,896,857		Capital Funds	2019	\$	5,917,032		HCV		\$	12,142,000		ROSS		\$	50,951		MR		\$	355,147		Prior Yr.- Unobligated					Capital Funds	2018	\$	1,954,385	\$ 2,314,152	Capital Funds	2017	\$	337,525		Capital Funds	2016	\$	22,242		LIPH Rental Income		\$	2,552,300	\$ 2,552,300	Other Income		\$	133,794	\$ 133,794	TOTAL FINANCIAL RESOURCES			\$	30,362,233
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	<p><b>Homeownership Programs</b></p> <p>The Gary Housing Authority is looking to develop a potential lease to purchase homeownership program for single family units that currently exist within the GHA's public housing inventory. The units will be removed from the public housing inventory via Section 18 disposition applications.</p>
<p><b>B.2</b></p>	<p><b>New Activities.</b></p> <p>(a) Does the PHA intend to undertake any new activities related to the following in the PHA's current Fiscal Year?</p> <p>Y   N</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Hope VI or Choice Neighborhoods.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Mixed Finance Modernization or Development.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Demolition and/or Disposition.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Designated Housing for Elderly and/or Disabled Families.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Conversion of Public Housing to Tenant-Based Assistance.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Conversion of Public Housing to Project-Based Assistance under RAD.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Occupancy by Over-Income Families.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Occupancy by Police Officers.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Non-Smoking Policies.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Project-Based Vouchers.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Units with Approved Vacancies for Modernization.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Other Capital Grant Programs (i.e., Capital Fund Community Facilities Grants or Emergency Safety and Security Grants).</p> <p>(b) If any of these activities are planned for the current Fiscal Year, describe the activities. For new demolition activities, describe any public housing development or portion thereof, owned by the PHA for which the PHA has applied or will apply for demolition and/or disposition approval under section 18 of the 1937 Act under the separate demolition/disposition approval process. If using Project-Based Vouchers (PBVs), provide the projected number of project-based units and general locations, and describe how project basing would be consistent with the PHA Plan.</p> <p><b>Hope VI or Choice Neighborhoods</b></p> <p>The GHA has participated and partnered with the City of Gary Department of Redevelopment and Department of Community Development on a Choice Neighborhood Initiative Planning Grant, which it received, and will continue in its inter-local agreement partnership in efforts of seeking the Choice Neighborhood Initiative Implementation Grant.</p> <p><b>Mixed Finance Modernization or Development</b></p> <p>PHA &amp; City-Wide (and up to 5 miles outside of the City of Gary city limits) development projects consisting of the acquisition of vacant land (or land with dilapidated structures to be torn down prior to development), new construction, acquisition with or without rehabilitation, and/or comprehensive modernization using various funding sources such as Demolition &amp; Disposition Transitional Funding (DDTF), Capital Funds, Operating Funds, insurance claim proceeds, proceeds from the sale of homeownership units, proceeds resulting from the disposition of PHA-owned land or improvements, LIHTC, HOME, CDBG, AHP, Opportunity Zone Investment, New Market Tax Credits, Private Investment and any other eligible financing vehicles.</p> <p><b>Demolition and/or Disposition</b></p> <p>Section 18 Demolition/Disposition applications will be submitted for the following developments in accordance to Physical Needs Assessments and obsolescence testing, scattered site justification, De Minimis Demolition determination, Required/Voluntary/Streamlined Conversions and disposition through Commensurate Public Benefit:</p> <p>Genesis Towers High Rise, Carolyn Mosby High Rise, Al Thomas High Rise, Glen Park High Rise, Broadway Manor, Gary Manor, Concord Village (1,2 3 &amp; 4), Delaney West &amp; Delaney Community East, Colonial Gardens 3, Dorie Miller Homes, Dorie Miller/East Point, Dorie Miller/Miller Heights and Horace Mann and Duneland Village Section 32 Homeownership Units.</p> <p><b>Conversion of Public Housing to Project-Based Assistance under RAD</b></p> <p>All Public Housing units within the Horace Mann and Duneland Village Hope VI developments, in addition to any developments and/or units within the entire GHA real estate portfolio and public housing inventory that do not to meet the obsolescence criteria under Section 18 demolition/disposition justification, will be converted to Project-Based Vouchers under the Rental Assistance Demonstration (RAD) program.</p>

	<p>The GHA will also, when and where applicable, exercise the repositioning of the last of its units and its non-dwelling buildings and/or vacant land under the “50 and under” justification of Section 3.b. of Notice PIH 2018-04, under the streamlined conversion authority of Notice PIH 2019-05, or under the RAD streamlined authority for PHAs with 50 or fewer units.</p> <p><b>Project-Based Vouchers</b> Mixed-Finance and mixed-use development through the issuance of project-based vouchers through competitive proposals, non-competitive proposals and HOTMA issuance of Project-Based Vouchers (PBVs) to be used for PHA &amp; City-Wide (and up to 5 miles outside of City of Gary limits) Development Projects through the GHA (and its entities) and partnerships with the City of Gary and other development partners. <b>(ATTACHMENT 3)</b></p> <p><b>Units with Approved Vacancies for Modernization</b> There are several units PHA-wide in senior and family developments that are approved vacancies for modernization and are being used to “internally” relocate tenants who are affected by inventory removal applications and approvals, but desire to remain in existing and available public housing units.</p> <p><b>Other Capital Grant Programs (i.e., Capital Fund Community Facilities Grants or Emergency Safety and Security Grants)</b> The GHA intends to apply for Emergency Capital Funds and Safety and Security Grants to further navigate the Authority to operating in standard or high performer status.</p>
B.3	<p><b>Civil Rights Certification.</b></p> <p>Form HUD-50077, <i>PHA Certifications of Compliance with the PHA Plans and Related Regulations</i>, must be submitted by the PHA as an electronic attachment to the PHA Plan. <b>(ATTACHMENT 7)</b></p>
B.4	<p><b>Most Recent Fiscal Year Audit.</b></p> <p>(a) Were there any findings in the most recent FY Audit?</p> <p>Y    N  <input type="checkbox"/>   <input checked="" type="checkbox"/></p> <p>(b) If yes, please describe: <b>(ATTACHMENT 1)</b></p>
B.5	<p><b>Progress Report.</b></p> <p>Provide a description of the PHA’s progress in meeting its Mission and Goals described in the PHA 5-Year and Annual Plan.</p> <p><b>Finance - ONGOING</b></p> <ul style="list-style-type: none"> <li>➤ Establish management systems to accurately record and report financial data in a timely manner</li> <li>➤ Monitor GHA's operations to effectively maintain an overall budget process to comply with HUD regulations and other internal and external entities</li> <li>➤ Rebuild the public trust in the financial integrity of the Gary Housing Authority</li> <li>➤ Develop initiatives for increasing revenues and decreasing expenses</li> </ul> <p><b>HCV – ONGOING</b></p> <ul style="list-style-type: none"> <li>➤ Maintain SEMAP High Performer Status</li> <li>➤ Update Rent Reasonableness Database annually</li> <li>➤ Perform external QC review of HCV Operations</li> <li>➤ Implement HCV reporting and monitoring dashboard to the extent they can be supported with GHA’s IT functionalities</li> <li>➤ Utilize at least 98% of available funding on an annual basis</li> <li>➤ Maintain HCV FSS participation at 80% or more of mandatory slots</li> <li>➤ Increase percentage of FSS families with an escrow balance to 30% or more</li> <li>➤ Participate in GHA partnerships to serve victims of Domestic Violence</li> <li>➤ Utilize Project Based Vouchers, as a means to preserve existing affordable housing, and to promote additional housing</li> </ul>

opportunities in the community. This shall include but not be limited to the utilization of existing Tenant Based Vouchers and vouchers issued via the RAD program

- Update the Administrative Plan to incorporate new streamlining opportunities that are now permissible by HUD, such as simplified elderly/disabled re-certifications and biennial inspections
- Purge Waiting List to facilitate expeditious lease up process
- Implement technological innovations such as an Owner Portal to the extent that they can be supported with GHA's IT functionalities

#### **Development- ONGOING**

- Prepare a strategic plan for development, modernization and homeownership program with the focus of increasing the supply and quality housing for eligible GHA clients
- Prepare a detail implementation plan that supports the strategic plan to include major development, modernization and homeownership activities, task, schedules, and budgets in 2020
- Implements and monitor standard operating procedures to ensure that staff, projects, budgets, obligations, expenditures, schedules and contracts are properly managed

#### **Asset Management – ONGOING**

- GHA continues to comply with the Asset Based Management activities required by federal regulation and evaluate the effectiveness of centralized support services, staffing and Asset Management Projects (AMP) configurations.
- While continuing to face unprecedented challenges - funding shortages, an aging and decaying housing stock with tremendous capital needs, and a steady demand for affordable housing - GHA continues to make decisions and take actions that will ensure that affordable housing remains available for current and future generations of Gary's most vulnerable population
- GHA's business system upgrade (YARDI 7s) provides site managers with a variety of reports and data required for effective management
- GHA will continue to use its current Capital Fund Grant monies, while seeking additional grant opportunities and alternate streams of revenue to improve management efficiencies and for the physical improvement of its more than 1,500 public housing units
- Engage in employee training and development that supports effective property management and program administration
- Address any deficiencies identified through REAC inspections and routine maintenance in order to continue receiving improved GHA REAC scores
- The Authority will conduct cost-effective operations to ensure financial viability, explore opportunities to improve efficiency and comply with program standards within its AMPs

#### **Resident Services**

##### **COMPLETE**

- Submitted application to be considered a designated HUD EnVision Center
- Received official designation as an Official HUD EnVision Center on October 8, 2019

##### **ONGOING**

- Enhance resident quality of life, by providing various types of services/programs to residents (focusing on the pillars set forth by the Envision Center: Economic Empowerment, Educational Advancement, Character & Leadership and Health and Wellness)
- Enhance Section 3 resident employment opportunities
- Ensure residents are meeting their Community Service Requirement (which entails scheduling workshops/activities/events, in partnership with Property Managers and Social Work Interns)
- Support Resident Tenant Councils, with elections, programming/workshops, etc.
- Develop programs to engage our youth population (such a STEM and college readiness programs)
- Partner with local service providers that conduct workshops that lead to a resident becoming more self-sufficient

<b>B.6</b>	<p><b>Resident Advisory Board (RAB) Comments.</b></p> <p>(a) Did the RAB(s) provide comments to the PHA Plan? <b>(ATTACHMENT 4)</b></p> <p>Y   N  <input checked="" type="checkbox"/>   <input type="checkbox"/></p> <p>(c) If yes, comments must be submitted by the PHA as an attachment to the PHA Plan. PHAs must also include a narrative describing their analysis of the RAB recommendations and the decisions made on these recommendations.</p>
<b>B.7</b>	<p><b>Certification by State or Local Officials.</b></p> <p><a href="#">Form HUD-50077-SL</a>, <i>Certification by State or Local Officials of PHA Plans Consistency with the Consolidated Plan</i>, must be submitted by the PHA as an electronic attachment to the PHA Plan. <b>(ATTACHMENT 6)</b></p>
<b>B.8</b>	<p><b>Troubled PHA.</b></p> <p>(a) Does the PHA have any current Memorandum of Agreement, Performance Improvement Plan, or Recovery Plan in place?  Y   N   N/A  <input checked="" type="checkbox"/>   <input type="checkbox"/>   <input type="checkbox"/></p> <p>(b) If yes, please describe:  Gary Housing Authority will continue to implement the sustainability plan created by HUD Office of Receivership Oversight.</p>
<b>C.</b>	<p><b>Statement of Capital Improvements.</b> Required for all PHAs completing this form that administer public housing and receive funding from the Capital Fund Program (CFP).</p>
<b>C.1</b>	<p><b>Capital Improvements.</b> Include a reference here to the most recent HUD-approved 5-Year Action Plan (HUD-50075.2) and the date that it was approved by HUD. <b>(ATTACHMENT 9)</b></p>

# ATTACHMENT 1

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THE HOUSING AUTHORITY OF THE  
CITY OF GARY, INDIANA  
INDEPENDENT AUDITORS' REPORT,  
BASIC FINANCIAL STATEMENTS AND  
SUPPLEMENTAL INFORMATION,  
INCLUDING SINGLE AUDIT REPORTS  
FOR THE YEAR ENDED  
MARCH 31, 2019

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# THE HOUSING AUTHORITY OF THE CITY OF GARY, INDIANA

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## **INDEPENDENT AUDITOR'S REPORT**

## **INDEPENDENT AUDITOR'S REPORT**

Board of Commissioners  
Housing Authority of the City of Gary, Indiana  
Gary, Indiana

U.S. Department of Housing and Urban  
Development  
Indianapolis Office  
Minton-Capehart Federal Building  
575 North Pennsylvania, Room 655  
Indianapolis, Indiana 46204

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities of the Housing Authority of the City of Gary, Indiana (the Authority), as of and for the year ended March 31, 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk of assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant

accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *Opinion*

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Housing Authority of the City of Gary, Indiana, as of March 31, 2019, and the changes in financial position thereof for the year ended in accordance with accounting principles generally accepted in the United States of America.

### *Other Matters*

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-10 to be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. However, we did not audit the information and express no opinion on it.

#### *Other Information*

Our audit was conducted for the purpose for forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanied financial data schedules and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the other information are presented for purpose of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information such as financial data schedules and schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements

themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2019, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

#### **Summarized Comparative Information**

We previously audited the Authority's 2018 financial statements, and we were able to obtain sufficient appropriate audit evidence to provide a basis for our unmodified audit opinion dated December 11, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2018, is consistent, in all material respects, with the financial statements from which it has been derived.



Velma Butler & Company, Ltd.  
Chicago, Illinois

December 9, 2019

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**HOUSING AUTHORITY of the CITY  
of GARY, INDIANA  
578 Broadway  
Gary, Indiana 46402**

To the Board of Commissioners of the  
The Housing Authority of the City of Gary, Indiana  
Gary, Indiana

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

This section of the Housing Authority of the City of the Gary, Indiana's (the Authority) annual financial report presents management's discussion and analysis of the Authority's financial performance during the fiscal year that ended on March 31, 2019.

We are pleased to submit the financial statements of the Housing Authority of the City of Gary, Indiana for the year ended March 31, 2019. The accuracy of the data presented in the financial statements, as well as its completeness and fairness of presentation, is the responsibility of management. All necessary disclosures to enable the reader to gain an understanding of the Authority's financial affairs have been included in the footnotes accompanying the general purpose financial statements. The purpose of the financial statements is to provide complete and accurate financial information, which complies with reporting requirements of the U.S. Department of Housing and Urban Development (HUD) and the Governmental Accounting Standards Board.

***FINANCIAL HIGHLIGHTS***

- Net Position at March 31, 2019, was \$89.1 million, an increase of \$2.7 million from the March 31, 2018 total of \$86.4 million.
- Assets increased by \$3 million, from \$94.6 million at March 31, 2018 to approximately \$97.6 million at March 31, 2019.
- Capital assets were \$75.4 million at March 31, 2019, an increase of \$2.9 million from the March 31, 2018, balance of \$72.5 million, primarily because of improvements made through capital grant funds.
- Liabilities increased by \$321 thousand, from \$8.2 million at March 31, 2018 to \$8.5 million at March 31, 2019.
- Revenue increased by \$3 million from \$26.2 million at March 31, 2018 to \$29.2 million at March 31, 2019. The change was primarily due to an increase in HUD Grants.
- Operating expenses, excluding depreciation, increased by \$445 thousand from \$24.7 million at March 31, 2018 to \$25.1 million at March 31, 2019.

The management's discussion and analysis section includes information on the past, present and future events that have been enacted, adopted, agreed upon, and/or contracted by of the Authority. It focuses on analysis of the financial statements and the improvements in the Authority's management.

The Authority's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to government units.

## **USING THIS REPORT**

The financial statements are designed to provide readers with a broad overview of the Authority's finances in a manner similar to a private sector business.

The *Statement of Net Position* presents information on all of the Authority's assets and liabilities, with the difference between the two reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating, or otherwise changing in a dramatic manner.

The *Statement of Revenues, Expenses, and Changes in Net Position* presents information detailing how the Authority's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event that gave rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., depreciation and earned but unused vacation leave).

The *Statement of Cash Flows* provides information about the Authority's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and capital and related financing activities.

These financial statements report on the functions of the Authority that are principally supported by intergovernmental revenues. The Authority's function is to provide decent, safe, and sanitary housing to the moderate, low-income and special needs populations, which is primarily funded with grant revenue received from the U.S. Department of Housing and Urban Development (HUD).

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

The Authority's basic financial statements are presented as a single enterprise fund whose operations include the low income housing program, the housing choice voucher program, special grants, and component units as follows.

*Fund Financial Statements* are groupings of accounts used to maintain control over resources segregated for specific activities or objectives. The Authority, like other state, local, or quasi-governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Authority's fund only consisted of a *Proprietary Fund*.



The Authority's *Proprietary Fund* is comprised of an enterprise funds with "business-type" activities intended to recover all or a portion of their costs through fees and charges for services. Since the Authority maintains its activities in enterprise funds, its Proprietary Fund financial statements provide information about the activities of the Authority as a whole. Funds included in the enterprise fund are listed below.

*Low-Income Public Housing*-Under the Low Income Public Housing Program, the Authority rents units it owns to moderate and low-income families. The Low Income Public Housing Program is operated under an Annual Contribution Contract (ACC) with HUD, and HUD provides an operating subsidy to enable the Authority to provide housing at a rent that is based upon 30% of adjusted gross household income.

*Capital Fund Program (CFP)* - The Low Income Public Housing Program also includes the CFP, which is the primary funding source for physical management improvements to the Authority's properties. CFP funding is based on a formula allocation that takes into consideration the size and age of the authorities housing stock.

*Section 8 Housing Assistance-Vouchers and Moderate Rehabilitation* -The Housing Choice Voucher and Moderate Rehabilitation Programs are the federal government's programs for assisting moderate and low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing in the private market. The programs are administered locally by public housing authorities (PHAs). The PHAs receive funds from HUD to administer the programs. A housing subsidy is paid to the landlord directly by the PHA on behalf of the participating family. The family then pays the difference between the actual rent charged by the landlord and the amount subsidized by the program.

*Resident Opportunities and Self Sufficiency - (ROSS) Program* - The purpose of this program is to provide funding to hire and maintain service coordinators to assess the needs of residents and to coordinate available resources.

*Components Units* - The Component units are not-for-profit organizations formed by the Authority for the purpose of assisting in the development of projects which provide housing to a mixture of moderate, low-income and market rate families. The moderate and low-income family's rents are subsidized by HUD.

Additionally, the Authority is required to undergo an annual single audit in conformity with the provisions of the Single Audit Amendments and the United States Office of Management and Budget's (OMB) Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Information related to this single audit, including a schedule of expenditures of federal awards, the independent auditor's reports on internal controls and compliance with applicable laws and regulations, and a schedule of findings and questioned costs.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of other supplementary information that further explains and supports the information in the financial statements.

## FINANCIAL ANALYSIS OF THE AUTHORITY

### *Net Position*

Net position represents the difference between total assets and total liabilities. As shown in Table 1, the Authority's net position at March 31, 2019 increased by 3.2 percent to \$89.1 million from \$86.4 million.

**Table 1**  
**Gary Housing Authority Net Position**  
**(in thousand dollars)**

	<b>2019</b>	<b>2018</b>	<b>Change</b>	<b>Percentage Change</b>
Cash and Investments	\$ 7,857	\$ 7,910	\$ (53)	-0.7%
Other Current Assets	1,099	1,217	(118)	-9.7%
<b>Total Current Assets</b>	<b>8,956</b>	<b>9,127</b>	<b>(171)</b>	<b>-1.9%</b>
Non-Current Assets				
Capital Assets	75,434	72,540	2,894	4.0%
Notes Rec. and Accured Int.	13,220	12,956	264	2.0%
<b>Total Assets</b>	<b>\$ 97,610</b>	<b>\$ 94,623</b>	<b>\$ 2,987</b>	<b>3.2%</b>
Current Liabilities	\$ 2,045	\$ 1,535	\$ 510	33.2%
Unearned Revenue	4,482	4,182	300	7.2%
Notes and Bonds Payable	820	1,185	(365)	-30.8%
Other Non Current Liabilities	1,188	1,312	(124)	-9.5%
<b>Total Liabilities</b>	<b>8,535</b>	<b>8,214</b>	<b>321</b>	<b>3.9%</b>
Unrestricted	13,507	11,781	1,726	14.7%
Restricted Net Assets	134	2,088	(1,954)	-93.6%
Net Investment in Capital Assets	75,434	72,540	2,894	4.0%
<b>Total Net Position</b>	<b>89,075</b>	<b>86,409</b>	<b>2,666</b>	<b>3.1%</b>
<b>Total Liab. and Net Position</b>	<b>\$ 97,610</b>	<b>\$ 94,623</b>	<b>\$ 2,987</b>	<b>3.2%</b>

## CAPITAL ASSETS

Capital assets increased by \$2.9 thousand from \$72.5 million to \$5.4 million, as shown in the table below:

	<b>March 31, 2018</b>	<b>Additions / Deletions</b>	<b>March 31, 2019</b>
Land and Structures	\$ 66,759,245	\$	\$ 66,759,245
Leasehold Improvements	58,647,869	4,747,964	63,395,833
Equipment and Furniture	7,697,019		7,697,019
Construction in Progress	7,511,509	(387,246)	7,124,263
Less Accum. Depreciation	(68,076,037)	(1,466,550)	(69,542,587)
<b>Total Capital Assets</b>	<b>\$ 72,539,605</b>	<b>\$ 2,894,168</b>	<b>\$ 75,433,773</b>

Capital improvement closed during the year totaled \$7,124,263. Capital additions totaled \$4,360,718 and there were no dispositions. Depreciation expense for the year totaled \$1,466,550.

## NON-CURRENT ASSETS AND LIABILITIES

The Authority has several notes receivable outstanding as a result of funds loaned to its mixed income developers. These are long-term notes that will mature in 2051 and 2060. Interest payments are accumulated and are not required to be paid until the developments generate positive cash flow per HUD regulations. Notes receivable totaled \$8.8 million after eliminations. Accrued interest receivable and unearned revenue related to interest income totaled \$4.4 million.

The Authority maintains escrow deposits for repairs related to the notes totaling \$1,102 thousand.

Additional information can be found in the Notes to Financial Statements.

## BONDS PAYABLE

The Authority has bonds outstanding totaling \$1.6 million which consists of \$1.2 million in principal and \$438 thousand in interest to bond holders. The bonds mature in 2021. Interest is paid semi-annually and principal is paid annually. The bonds are secured by \$1.6 million held in escrow by a bank. The bank makes all payments to bond holders.

## Change in Net Position

As shown in Table 2, below, the Authority's total operating revenues, which included all HUD Grants, tenant rents, interest and other income decreased by 11.3 percent to \$29.2 million at March 31, 2019, while operating expenses increased by 1.7 percent to \$26.6 million at March 31, 2019.

**Table 2**  
**Changes in Gary Housing Authority's Net Position**  
**(in thousand dollars)**

	<b>2019</b>	<b>2018</b>	<b>Change</b>	<b>Percentage Change</b>
Tenant Revenue	\$ 2,643	\$ 2,716	\$ (73)	-2.7 %
HUD Revenue	26,426	23,391	3,035	13.0 %
Other Income	166	163	3	1.8 %
<b>Total Revenue</b>	<b>29,235</b>	<b>26,270</b>	<b>2,965</b>	<b>11.3 %</b>
Operating Expenses	25,101	24,656	445	1.8 %
Depreciation	1,467	1,467	-	0.0 %
<b>Total Expenses</b>	<b>26,568</b>	<b>26,123</b>	<b>445</b>	<b>1.7 %</b>
Change in Net Position	2,667	147	2,520	1714.3 %
Beginning Net Position	86,408	86,261	147	0.2 %
<b>Ending Net Position</b>	<b>\$ 89,075</b>	<b>\$ 86,408</b>	<b>\$ 2,667</b>	<b>3.1 %</b>

Total expenses increased by approximately 1.7 percent, changes are shown below in Table 3:

**Table 3**  
**Gary Housing Authority's Expenses**  
**(in thousand dollars)**

	<b>2019</b>	<b>2018</b>	<b>Change</b>	<b>Total Percent Change</b>
Administrative Expenses	\$ 5,059	\$ 5,243	\$ (184)	-3.5%
Tenant Services	94	176	(82)	-46.6%
Utilities Expenses	2,567	2,333	234	10.0%
Ordinary Maintenance	3,570	3,043	527	17.3%
Protective Services	528	591	(63)	-10.7%
General Expenses	825	991	(166)	-16.8%
Housing Assistance Payments	12,345	12,142	203	1.7%
Interest Expenses	113	137	(24)	-17.5%
Depreciation Expense	1,467	1,467	-	0.0%
<b>Total Expenses</b>	<b>\$ 26,568</b>	<b>\$ 26,123</b>	<b>\$ 445</b>	<b>1.7%</b>

Operating expenses increased for HAP and maintenance, but decreased in administrative and general expenses.

## **BUDGETARY HIGHLIGHTS**

The Finance Director prepares and submits proposed operating budgets for revenues and expenses for the all programs, functions, activities, or objectives for the following fiscal year to the governing board. The governing board approves and adopts the budget. Operating monies are determined by rents and operating subsidies provided by HUD, as established by Congress. The funding is dependent on the availability of federal funds.

Capital project budgets are approved and are adopted for five years by the Board of Commissioners and HUD based on Federal funding. They are then annualized to strengthen monitoring and completion benchmarks. Budgeted and actual costs are compared to the five year plan and are monitored by the Authority and HUD.

## **MAJOR INITIATIVES**

The Gary Housing Authority continues to provide comprehensive service in the City of Gary to assure the existence of affordable housing for low to moderate income individuals, families, senior citizens, handicapped, and disabled individuals. Under the leadership of a dedicated Board of Commissioners and the hard work of true professionals in the field of affordable housing, the agency continues to make progress, considering the various challenges for the federally subsidized housing providers. Improvements planned for the upcoming year(s) include the rehabilitation of long-term vacant units; upgrade of occupied units; and the demolition of housing units deemed non-viable. The aforementioned are only some of the many initiatives planned, as we continue to seek avenues and resources to improve the lives our residents.

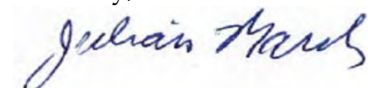
## **ECONOMIC FACTORS**

The Authority is primarily dependent upon HUD for its funding of operations; therefore, operating revenues are more affected by the Federal budget than by local economic conditions.

## **CONTACTING THE HOUSING AUTHORITY**

The financial report is designed to provide a general overview of the Authority's finances for all interested parties. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Mr. Eustace Kamanja, Finance Director, Housing Authority of the City of Gary, Indiana, 578 Broadway, Gary, Indiana 46402, or call 219-881-6400.

Sincerely,

A handwritten signature in blue ink that reads "Julian Marsh". The signature is written in a cursive, flowing style.

Julian Marsh  
Executive Director

## **BASIC FINANCIAL STATEMENTS**

**HOUSING AUTHORITY OF THE CITY OF GARY, INDIANA**  
**STATEMENT OF NET POSITION - ENTERPRISE FUND**  
**MARCH 31, 2019 (WITH COMPARATIVE TOTALS FOR 2017)**

**EXHIBIT A**

	<b>2019</b>	<b>2018</b>
	<b>TOTAL</b>	<b>TOTAL</b>
<b>ASSETS</b>		
<u><b>CURRENT ASSETS</b></u>		
Cash and Cash Equivalents	\$ 4,714,086	\$ 3,831,960
Cash and Cash Equivalents - Restricted	604,066	1,159,663
Investments and Escrows	2,539,422	2,917,594
Accounts Receivable, net	809,716	914,438
Prepaid Expenses	92,230	107,278
Material Inventories, net	196,517	196,517
Total Current Assets	8,956,037	9,127,450
<u><b>NON CURRENT ASSETS</b></u>		
Accrued Interest Receivable	4,383,166	4,118,805
Notes Receivable - Long Term	8,837,060	8,837,060
Capital Assets, net	75,433,773	72,539,605
Total Non-Current Assets	88,653,999	85,495,470
<b>TOTAL ASSETS</b>	<b>\$ 97,610,036</b>	<b>\$ 94,622,920</b>
<b>LIABILITIES AND NET POSITION</b>		
<u><b>CURRENT LIABILITIES</b></u>		
Accounts Payable	\$ 1,347,793	\$ 977,899
Accrued Liabilities	291,829	178,934
Accrued Compensated Absences - Current	40,769	38,308
Bonds Payable - Current	365,000	340,000
Total Current Liabilities	2,045,391	1,535,141
<u><b>NONCURRENT LIABILITIES</b></u>		
Escrow Deposits	1,119,736	1,162,673
Accrued Compensated Abs. - Non-Current	68,176	61,112
Unearned Revenue	4,481,707	4,270,654
Bonds Payable - Long-Term	820,000	1,185,000
Total Noncurrent Liabilities	6,489,619	6,679,439
Total Liabilities	8,535,010	8,214,580
<u><b>NET POSITION</b></u>		
Unrestricted Net Assets	13,507,547	11,781,075
Restricted Net Assets	133,706	2,087,660
Net Investment in Capital Assets	75,433,773	72,539,605
Total Net Assets	89,075,026	86,408,340
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 97,610,036</b>	<b>\$ 94,622,920</b>

See Accompanying Notes to Financial Statements

**HOUSING AUTHORITY OF THE CITY OF GARY, INDIANA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION**  
**FOR THE YEAR ENDED MARCH 31, 2019 (WITH 2018 TOTALS)**

**EXHIBIT B**

	2019 TOTAL	2018 TOTAL
<b>OPERATING REVENUES</b>		
Tenant Charges	\$ 2,642,880	\$ 2,716,254
HUD Operating Grants	21,965,834	21,358,988
Other Income	100,959	141,202
TOTAL REVENUES	24,709,673	24,216,444
<b>OPERATING EXPENSES</b>		
Administrative Expenses	5,059,531	5,242,275
Tenant Services	93,753	176,280
Utilities Expenses	2,566,757	2,333,283
Ordinary Maintenance	3,570,050	3,042,854
Protective Services	527,810	591,369
General Expenses	825,044	991,322
Housing Assistance Payments	12,345,364	12,142,461
Interest Expense	112,850	136,530
Depreciation Expense	1,466,550	1,466,550
TOTAL OPERATING EXPENSES	26,567,709	26,122,924
OPERATING INCOME (LOSS)	(1,858,036)	(1,906,480)
<b>NON-OPERATING REVENUES AND (EXPENSES)</b>		
Interest Income	65,143	21,797
Total Non-Operating Income/ (Loss)	65,143	21,797
<b>CAPITAL CONTRIBUTIONS AND (LOSSES)</b>		
HUD Capital Grants	4,459,579	2,031,943
<b>CHANGES IN NET POSITION</b>	2,666,686	147,260
<b>BEGINNING NET POSITION</b>	86,408,340	86,261,080
<b>ENDING NET POSITION</b>	\$ 89,075,026	\$ 86,408,340

See Accompanying Notes to Financial Statements



**HOUSING AUTHORITY OF THE CITY OF GARY, INDIANA  
STATEMENT OF CASH FLOWS - ENTERPRISE FUNDS  
FOR THE YEAR ENDED MARCH 31, 2019 (WITH 2017 TOTALS)**

**EXHIBIT C**

	<b>2019</b>	<b>2018</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Tenants and Others	\$ 24,709,673	\$ 24,216,444
Payments to Employees	(3,394,387)	(3,053,324)
Payments to Vendors and Suppliers	(21,190,933)	(20,027,672)
Net Cash Provided by/(Used for) Operating Activities	124,353	1,135,448
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
(Gain)/Loss on Investments	378,172	358,850
Sale of Investments	-	340,000
Interest on Investments	65,143	21,797
Net Cash Provided by/(Used for) Investing Activities	443,315	720,647
<b>CASH FLOWS FROM CAPITAL AND RELATED ACTIVITIES</b>		
(Purchase)/Sale of Capital Assets		
Investment in Capital Assets	(4,335,718)	(2,335,355)
Capital Grants	4,459,579	2,031,943
Increase/(Decrease) in Bonds Payable	(365,000)	(340,000)
Net Cash Provided by/(Used for) Financing Activities	(241,139)	(643,412)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>326,529</b>	<b>1,212,683</b>
<b>CASH AND CASH EQUIVALENTS AT APRIL 1, 2018</b>	<b>4,991,623</b>	<b>3,778,940</b>
<b>CASH AND CASH EQUIVALENTS AT MARCH 31, 2019</b>	<b>\$ 5,318,152</b>	<b>\$ 4,991,623</b>
<b>Unrestricted Cash and Cash Equivalents at March 31, 2019</b>	<b>\$ 4,714,086</b>	<b>\$ 3,831,960</b>
<b>Restricted Cash and Cash Equivalents at March 31, 2019</b>	<b>604,066</b>	<b>1,159,663</b>
<b>CASH AND CASH EQUIVALENTS AT MARCH 31, 2019</b>	<b>\$ 5,318,152</b>	<b>\$ 4,991,623</b>
<b>Reconciliation of Operating Loss to Net Cash Used by Operating Activities</b>		
Operating Income	\$ (1,858,036)	\$ (1,906,480)
Adjustments To Reconcile:		
Depreciation	1,466,550	1,466,550
Prior Period Adjustment		
Changes in Assets and Liabilities		
(Increase)/Decrease in Accounts Receivable	104,722	1,065,743
(Increase)/Decrease in Prepaid Expenses	15,048	49,337
(Increase)/Decrease in Material Inventories	-	-
(Increase)/Decrease in Accrued Interest Receivables	(264,361)	(357,676)
Increase/(Decrease) in Accounts Payable	438,070	492,040
Increase/(Decrease) in Accrued Liabilities	171,279	(134,034)
Increase/(Decrease) in Escrow Deposits	(159,972)	81,304
Increase/(Decrease) in Unearned Revenue	211,053	378,664
Net Cash Provided by/(Used for) Operating Activities	\$ 124,353	\$ 1,135,448
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES</b>		
None		

See Accompanying Notes to Financial Statements

## **NOTES TO THE FINANCIAL STATEMENTS**

**HOUSING AUTHORITY OF THE CITY OF GARY, INDIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**

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**Note 1 - Organization and Program Description**

The Housing Authority of the City of Gary, Indiana (the Authority) is a municipal corporation created and organized under the Housing Authority Act of the State of Indiana to engage in the acquisition, development, leasing and administration of a low-income housing program and other federally assisted programs.

The governing body of the Authority is its Board of Commissioners (Board) composed of seven members appointed by the Mayor of the City of Gary (City). The Board appoints an Executive Director to administer the affairs of the Authority. The Authority is not considered a component unit of the City.

In August 2013, HUD took over the day to day operations of the Housing Authority. The Board of Commissioners was dissolved and a one member HUD employee was designated as the Board of Commissioner. Since then, a new Board of Commissioners was selected in anticipation of HUD transferring operations back to the City.

The United States Department of Housing and Urban Development (HUD) has direct responsibility for administering housing programs under the United States Housing Act of 1937, as amended. HUD is authorized to enter into contracts with local housing authorities and provide funds to assist the Public Housing Authorities (PHAs) in financing the acquisition, construction, and/or leasing of housing units; make housing assistance payments; and make annual contributions (subsidies) to PHAs for the purpose of maintaining the low income character of the local housing program.

The Gary Housing Authority is a separate governmental entity created for the purpose of constructing, maintaining, and operating public housing and providing rental assistance to low and moderate income persons. The majority of its funding is provided by the Department of Housing and Urban Development (HUD). All funds and programs are included in these statements.

As required by accounting principles generally accepted in the United States of America, the accompanying financial statements present the various program activities of the Authority. The Authority's assets, liabilities and results of operations are segregated into public housing and grant programs as follows:

**Low Income Housing** – The low income housing program provides subsidized housing to low income residents. The Authority is the owner of public housing units located throughout the City. The Authority receives revenue from dwelling rental income and operating subsidies provided by HUD. Capital Grants and Development (Hope VI) Funds are also provided by HUD and are used to improve the construction, physical condition, management and operation of existing public housing developments. The low income housing program is reported as an enterprise fund.

HOUSING AUTHORITY OF THE CITY OF GARY, INDIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2019

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**Capital Fund Grants** – Substantially all additions to land, buildings, and equipment are funded through Capital Grant Fund Program or Hope VI - Development Program. These programs add to, replace or materially upgrade deteriorated portions of the Authority's housing units. Funding is provided through programs established by HUD.

**Section 8 Programs** – The Authority participates in the housing choice voucher, and moderate rehabilitation programs. These programs are designed to provide privately owned, decent, safe and sanitary housing to low income families. The Authority provides assistance to low income persons seeking decent, safe and sanitary housing by subsidizing rents between such persons and owners of existing private housing. Under the programs, the Authority enters into housing assistance payment contracts with eligible landlords. To fund the program, the Authority enters into annual contribution contracts with HUD for the receipt of rental subsidies. The Housing Choice Voucher and the moderate rehabilitation programs are also reported as enterprise funds.

**Resident Opportunities and Self Sufficiency - (ROSS) Program** – The purpose of this program is to provide funding to hire and maintain service coordinators to assess the needs of residents and to coordinate available resources.

**A. Reporting Entity**

The financial statements of the Authority have been prepared in accordance with accounting principles generally accepted in the United States of America, as applicable to governmental units.

These principles define the reporting entity of the primary government, as well as its component units. Component units are separate legal organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either (a) the ability to impose will by the primary government, or (b) the possibility that the component unit will provide a financial benefit or impose a financial burden on the primary government. Based upon the application of these criteria, the reporting entity includes the Gary Housing Authority LLC, Gary Housing Development Corporation, and Small Farms Development Corporation (Small Farms), as component units.

The basic criterion for including a legally separate organization as a component unit is the degree of financial accountability the Authority has over the organization.

In accordance with GASB 14 as amended by GASB 61, major component unit reporting requirements should be satisfied by including combining statements of major component units in the reporting entity's basic financial statements after the fund financial statements. The following component units are presented in the basic financial statements.

**HOUSING AUTHORITY OF THE CITY OF GARY, INDIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**

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**Component Units**

The Authority included all component units as blended component units of the Authority. Blended component units are separate legal entities that meet the component unit criteria: The Authority and its components have (1) a financial burden and benefit relationship; (2) the Authority has operational responsibilities for activities of the component unit; (3) the component unit provides services entirely for the benefit of the Authority. Additionally, the governing body of the component unit is the same or substantially the same as the Authority's Board.

**Gary Housing Authority, LLC (GHA LLC)**

GHA LLC was established on September 4, 2003, as a for profit limited liability company. GHA LLC was formed to acquire and/or manage real property. The LLC was formed by the Authority, it's sole member, for the purpose of assisting in the development of a 131 unit multifamily housing project leased to Duneland Village Apartments, L.P., under Section 542(c) of the Housing and Community Development Act of 1992, defined under the provisions of section 221(d)(4) of The National Housing Act. Such projects are regulated as to rent and operating methods. Construction was substantially completed in March 2004. The management building was completed in August 2005. Apartments are rented to a mixture of moderate, low-income and market-rate tenants. Complete financial statements of the organization may be obtained from the Finance Director of the Gary Housing Authority, at their office at 578 Broadway, Gary Indiana, 46402.

**Gary Housing Development Corporation (GHDC)**

GHDC was established on July 9, 2003, as a nonprofit company to acquire and/or manage real property. GHDC was formed by the GHA, its sole participant, for the purpose of assisting in the development of a 123 unit multifamily housing project leased to Horace Mann Associates, L.P., under section 542(c) of the Housing and Development Act of 1992, defined under the provisions of section 221(d)(4) of the National Housing Act. Such projects are regulated as to rent and operating methods. Construction was substantially completed in March 2006. Apartments are rented to a mixture of moderate, low income and market rate tenants. \*Complete financial statements of the organization may be obtained from the Finance Director of the Gary Housing Authority, at their office at 578 Broadway, Gary Indiana, 46402.

**Small Farms Development Corporation (Small Farms)**

Small Farms was formed in March 1979 to engage in the development of housing projects within the meaning of Section 3(6) of the United States Housing Act of 1937. Small Farms provided interim construction financing and permanent mortgage financing for the construction of 13 two-story buildings consisting of 200 units for low income families, and a community building on 20 acres of land in Gary, Indiana. Small Farms provided financing to fund the project by issuing Mortgage Revenue Bonds in April 1979. Apartments are rented to a mixture of moderate, low income and market rate tenants. Government backed securities were purchased as security for the loans. The bonds are managed by an independent administrator.

HOUSING AUTHORITY OF THE CITY OF GARY, INDIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2019

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Complete financial statements of the organization may be obtained from the Finance Director of the Gary Housing Authority, at their office at 578 Broadway, Gary Indiana, 46402.

**B. Measurement Focus, Basis of Accounting and Basis of Presentation**

The accounts of the Authority are organized and operated on the basis of fund accounts. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounts segregate funds according to their intended purpose and are used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

*Enterprise Funds* are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time they are incurred. All assets and liabilities associated with the operation of these funds are included on the balance sheet.

**C. Fund Accounting**

Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds. The Authority maintains the following fund types and account groups:

- Public Housing Units consist of HUD financed units, owned by the Authority. Funds include low-income housing programs, capital grant program and Hope VI - development program.
- Section 8 programs consist of HUD provided rental housing assistance programs, where the rents are paid directly to landlords. Funds include the housing choice voucher and moderate and substantial rehabilitation programs.
- ROSS program consist of funds to hire and maintain service coordinators to assess the needs of residents and to coordinate available resources.
- Component unit funds consist of the financing activities of the construction of mixed income housing units and the issuance of bonds to develop affordable housing.

*Proprietary Funds* - The Authority's operations are accounted for in a single *Enterprise Fund*. Enterprise Funds account for those operations that are financed and operated in a manner similar to private business or where the Authority has decided that the determination of revenues earned, costs incurred and/or net income are necessary for management accountability.

*Management's Use of Estimates* - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and

**HOUSING AUTHORITY OF THE CITY OF GARY, INDIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**

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disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents** - Cash and cash equivalents are defined as short-term, highly liquid investments that are both: readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. This includes all demand deposits, saving accounts and certificates of deposits or short-term investments with a maturity date of three months or less.

**Restricted Cash** - Restricted assets include cash legally restricted as to their use. The primary restricted assets are related to the low rent housing program and housing choice voucher program for various funds restricted for tenants or future housing assistance payments.

**Net Position** - The Authority has adopted GASB Statement No. 33. In accordance with GASB Statement No. 33, capital contributions are recognized as revenue when expenditures are made and amounts become subject to claim for reimbursement. Depreciation recorded on property, plant and equipment acquired with funds recorded as contribution in years prior to 2000 is calculated on a straight-line basis over the estimated useful life of the related assets, charged to operations, and reclassified to the related contributed capital account. The net book values of assets disposed of are written off against contributed capital if no proceeds from the disposal are received. Depreciation recorded on the property, plant and equipment is charged to operations. Restricted resources are used first when applicable definitions are met.

Net Position includes the following:

- Net investment in capital assets - the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unspent proceeds that are directly attributable to the acquisition, construction or improvement of these capital assets.
- Restricted for federal programs - the component of net position that reports the amount of revenue from a federal or state award for service programs in excess of expenditures. These funds are restricted for the use of the related federal or state program.
- Unrestricted - the difference between the assets and liabilities that is not reported in the net position invested in capital, net of related debt or net position restricted for federal and state programs.

**Inter-program Due to/from** - During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

HOUSING AUTHORITY OF THE CITY OF GARY, INDIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2019

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**Federal Awards** – Federal grants for reimbursable programs are recognized as revenue in the year the related program expenditure occurs. Awards received prior to meeting revenue recognition criterion are recorded as unearned revenue. Operating grants are recorded as revenue in the year earned.

**Investments** – The Authority has estimated the fair values of its financial investments using available market information and other valuation methodologies in accordance with GASB Statement No. 31. Federal statutes authorize investment of excess federal funds in instruments guaranteed by the federal government. The Authority has adopted this policy for all invested funds, whether or not they are federal funds. The Authority is also in compliance with all state and local laws and regulations regarding investments.

**Inventories** – Inventories are stated at the lower of cost or market.

**Prepaid Expenditures** – Payments made to vendors for services that will benefit periods beyond March 31, 2019, are recorded as prepaid items.

**Compensated Absences** – The Authority allows full-time regular employees to accumulate unused vacation.

- Vacation is accrued based on length of employment, ranging from 13 days per year after 12 months of continuous service to 25 days after 20 years of continuous service. Unused vacation is paid upon termination.

**Capital Assets** – The Authority capitalizes capital assets with a cost of more than \$5,000 and a useful life of one year or more. Proprietary fund types focus on capital maintenance. Accordingly, land, structures and equipment are recorded in the enterprise fund, which acquires such assets.

Capital assets are stated at cost or at estimated historical cost. The cost of maintenance and repairs is charged to operations as incurred and improvements are capitalized. Capital assets are depreciated over their useful lives using the straight-line method of depreciation as follows:

Building	40 years
Building Modernization	10-27.5 years
Infrastructure	40 years
Office Furniture and Equipment	5-7 years
Automobiles	5 years
Computers	3 years

**Operating Revenues and Expenses**

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The



**HOUSING AUTHORITY OF THE CITY OF GARY, INDIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**

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principal operating revenues of the Authority are charges to customers for rents and operating subsidies. Subsidies received from HUD or other grantor agencies, for operating purposes, are recorded as operating revenue in the operating statement while portions of capital grant funds not approved for operations are recorded in the non-operating revenue. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**Risk Management**

The Authority may be exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2019, the Authority has insurance coverage, which management believes is sufficient to preclude any significant losses to the Authority. Thus there is not an established Risk Management Fund greater than its insured risks of loss. Any additional coverage will be paid from general fund resources. Current insurance coverage includes: worker's compensation, general liability, property damage, flood and auto.

**Financial Information for 2017**

The financial statements include certain prior-year summarized comparative information in total but not by net position class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Authority's financial statements for the year ended March 31, 2017, from which the summarized information was derived.

**Note 2 - Budget Information**

**Enterprise Funds** - The Authority is required by contractual agreements to adopt annual operating budgets for all its enterprise funds receiving federal expenditure awards. The Finance Director prepares all budgets on a HUD basis, which is materially consistent with accounting principles generally accepted in the United States of America.

All annual appropriations lapse at fiscal year-end. Operating budgets for the year are prepared for capital projects activity, which are included in the low income housing enterprise fund. Budgets are submitted by the Authority's Executive Director and approved by resolutions of the Board of Commissioners and/or HUD.

Appropriations for capital projects are authorized for five years at the fund and expenditure level, and effective budgetary control is achieved through periodic budgeting and reporting requirements.

**HOUSING AUTHORITY OF THE CITY OF GARY, INDIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**

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**Note 3 - Cash and Cash Equivalents**

Cash and cash equivalents totaled \$5,318,152, at March 31, 2019, and are maintained in commercial checking accounts and are readily available. HUD regulations require authorities to maintain funds in accounts that are fully collateralized by United States government securities.

Cash amounts in excess of the \$250,000, FDIC limit, insured by the government were collateralized by government securities and held in the pledging financial institutions' trust departments in the Authority's name. Indiana Public Deposit Insurance Fund also provides additional coverage in excess of the FDIC limit to the Authority's depository financial institution. The Authority is also in compliance with all state and local laws and regulations regarding cash equivalents. Of the total cash on hand at March 31, 2019, \$4,714,086 was unrestricted and \$606,066 was restricted, as shown below:

Total Unrestricted Cash	\$	4,714,086
Tenant Security Deposits		144,209
Housing Assistance Payment		148,373
FSS and Homeowner Escrow		117,129
Mod Rehab		194,355
Total Restricted Cash		<u>604,066</u>
Total Cash	\$	<u><u>5,318,152</u></u>

**Note 4 - Investments and Escrows**

At March 31, 2019, investments totaled \$2,539,422 which consisted of money market accounts and government securities. The fair values and unrealized gain/loss at March 31, 2019, are summarized as follows:

Description	Category 1		Unrealized Gain/(Loss)
	Book Value	Market Value	
Money Market	\$ 88,130	\$ 88,130	\$ -
Government Securities	2,451,292	2,451,292	-
<b>Total Investments</b>	<u><u>\$ 2,539,422</u></u>	<u><u>\$ 2,539,422</u></u>	<u><u>\$ -</u></u>

Category 1 - Certificates of deposit investments are insured by the Federal Depositor Insurance Corporation and are further fully collateralized by government security and held in the pledging financial institution's trust department in the Authority's name.

Money market and government security accounts are amounts held in escrows invested by the trustee in federal securities and U.S. Treasury Obligations money market funds. The Authority is currently not exposed to custodial credit risk or concentration risk, as defined in GASB 40.

**HOUSING AUTHORITY OF THE CITY OF GARY, INDIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**

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Restricted investments totaled \$2,451,292, as follows:

<b>Description</b>	<b>Money Market</b>	<b>Government Securities</b>	<b>Total</b>
Small Farms - Bonds	\$	\$ 1,349,129	\$ 1,349,129
GHA LLC - Reserve		1,102,163	1,102,163
Unrestricted Investments	88,130		88,130
<b>Total</b>	<b>\$ 88,130</b>	<b>\$ 2,451,292</b>	<b>\$ 2,539,422</b>

Investments were restricted for the following uses:

The Small Farms Development Corporation (Small Farms) - (a nonprofit corporation created as an agency and instrumentality of the Authority) investments are restricted for future bond payments. Small Farms issued mortgage revenue bonds (FHA Insured Mortgage - Section 8 Assisted Projects) totaling \$5,465,000 on April 1, 1979.

On October 15, 1991, Small Farms entered into an agreement with a bank to act as escrow deposit trustee. Investments totaling \$4,182,627 were deposited with the trustee. Escrows were required to be invested in Federal securities. Bond holder payments are to be made June 1 and December 1 until maturity of December 1, 2021. Bonds outstanding at March 31, 2019 were \$1,525,000. **(See Note 15)**

Escrow reserve accounts were established in association with the Duneland loan, for future repairs. Total funds available at March 31, 2019, totaled \$1,102,163.

**Note 5 - Accounts Receivable**

At March 31, 2019, accounts receivable totaled \$809,716 and consisted of the following:

<b>Description</b>	<b>Amount</b>
Tenant Accts. Receivable	\$ 207,051
Allowance for Doubtful Accounts	(124,941)
Accounts Receivable - HUD	26,741
Accounts Receivable - Other	700,865
<b>Total Accounts Receivable</b>	<b>\$ 809,716</b>

The Authority reviews the accounts receivable periodically. During the year \$104,914 was charged to bad debts.

**Note 6 - Prepaid Expenses**

Prepaid expenses totaled \$114,055, at March 31, 2019, and consisted of prepaid insurance and vendor services.

**HOUSING AUTHORITY OF THE CITY OF GARY, INDIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**

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**Note 7 - Material Inventories - Net**

Material inventories totaled \$196,517, at March 31, 2019. Material inventories are stated at the lower of cost or market. Material inventories were not reviewed for obsolescence or adjusted during the 2019 fiscal year.

**Note 8 -Notes and Accrued Interest Receivable**

Notes receivable at March 31, 2019, totaled \$13,220,226 and represented amounts due from various component units. Total notes receivable along with accrued interest are shown below:

<b>Description</b>	<b>Notes</b>	<b>Interest</b>	<b>Total</b>
Duneland Village Associates, L.P.	\$ 3,116,000	\$ 3,698,861	\$ 6,814,861
Horace Mann Associates, L.P.	5,221,060	246,400	5,467,460
Gary Housing Development Corp.	500,000	437,905	937,905
<b>Total Notes and Interest Receivable</b>	<b>\$ 8,837,060</b>	<b>\$ 4,383,166</b>	<b>\$ 13,220,226</b>

The Authority established the various entities to fulfill its goal of affordable housing. The component units loaned funds to developers to build these units. Notes receivable primarily consist of amounts due from developers of mixed income properties. The repayment of these notes is based on net cash flow. As of March 31, 2019, no payments had been made.

**The Housing Authority of the City of Gary, Indiana (GHA) Duneland Village Associates, L.P.**

The Authority provided a 57 year construction loan of \$3,116,000, to Duneland Village Associate LLC. The loan is secured by a second priority leasehold mortgage and security agreement. The note bears interest at a rate of 5.08% compounded annually until all amounts are paid in full.

These funds originated from the HOPE VI grant. During the life of the note, principal and interest are payable only from Net Available Cash Flow, Net Proceeds, or Condemnation Proceeds, as defined in the loan agreement. Net Available Cash Flow is defined as Surplus Cash, defined by the Project Regulatory Agreement, generated after the Project initially achieves 90% occupancy, less any other reasonable and necessary Project expenses for the borrower. Net Proceeds are defined as all proceeds received from the sale or refinancing of the Project, less (i) repayment of the first Mortgage Loan, (ii) costs of sale or refinancing, and (iii) any re-syndication or refinancing proceeds reinvested in the Project are unavailable for distributions. Duneland pays 55% of the first \$140,000 of Net Available Cash Flow, adjusted for inflation each year, and 75% of the Net Available Cash Flow of the Project in excess of \$140,000. The loan matures on September 1, 2060. The amount outstanding at March 31, 2019 is \$3,116,000 plus accrued interest of \$3,698,861.

**The Housing Authority of the City of Gary, Indiana (the Authority) - Horace Mann Associates, L.P.**

**HOUSING AUTHORITY OF THE CITY OF GARY, INDIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**

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The Authority provided a 45.5 year construction loan of \$5,221,060, to Horace Mann Associates, L. P. The loan matures on December 31, 2051. Maximum interest was \$246,400.

The loan is secured by a third priority leasehold mortgage and security agreement. Principal and interest are payable only from Net Available Cash Flow, Net Proceeds, or Condemnation Proceeds, as defined in the loan agreement. Net Available Cash Flow is defined as Surplus Cash, defined by the Project Regulatory Agreement, generated after the Project initially achieves 90% occupancy, less any other reasonable and necessary Project expenses for the Borrower. Net Proceeds are defined as all proceeds received from the sale or refinancing of the Project, less (i) repayment of the First Mortgage Loan and the Second Mortgage Loan, (ii) costs of sale or refinancing, (iii) any re-syndication of refinancing proceeds reinvested in the Project are unavailable for distribution, and (iv) repayment of any Project related advances.

Thirty-six percent of Net Available Cash Flow is paid annually as long as the Second Mortgage is outstanding. The Partnership will pay the Authority 57% of Net Available Cash Flow of the Project. The loan matures on December 31, 2051. Principal outstanding at March 31, 2019 was \$5,221,060. Accrued interest was \$246,400.

**Gary Housing Development Corporation (GHDC) - Horace Mann Associates, L.P.**

GHDC (a wholly owned not for profit organization) provided a 39.5 year construction loan of \$500,000 to Horace Mann Associates, L. P. The loan matures on December 31, 2046. The interest rate of the loan is 4.57% annually.

Principal and interest are payable only from Net Available Cash Flow, Net Proceeds, or Condemnation Proceeds. Until maturity, 21% of Net Available Cash Flow is paid annually. Net Available Cash Flow is defined as Surplus Cash, defined by the Project Regulatory Agreement, generated after the Project initially achieves 90% occupancy, less any other reasonable and necessary Project expense for the Borrower. Net Proceeds are defined as all proceeds received from the sale or refinancing of the project, less (i) repayment of the First Mortgage Loan, (ii) costs of sale or refinancing, (iii) any re-syndication of refinancing proceeds reinvested in the Project are unavailable for distribution, and (iv) repayment of any Project related advances. The amount outstanding at March 31, 2019 is \$500,000. Accrued interest totaled \$437,905.

**HUD IG Audit**

Based on an audit performed by the office of the HUD Inspector General, the Authority has entered into an agreement to repay disallowed costs back to the Section 8 Program. According to the agreement, the Low Income program must make annual reimbursement payments through December 31, 2053. At March 31, 2019 the Section 8 receivable was \$966,402.

**HOUSING AUTHORITY OF THE CITY OF GARY, INDIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**

This loan is eliminated on balance sheet because they are inter-funds. Monies are owed from the low income program to the section 8 program, and thus low income fund has a payable of \$966,402 and the section 8 fund has an equal receivable, at March 31, 2019. (See Note 14)

**Note 9 - Land, Structures and Equipment**

The changes in land, structures and equipment for the year ended March 31, 2019, were as follows:

	<b>March 31, 2018</b>	<b>Additions / Deletions</b>	<b>March 31, 2019</b>
Land and Structures	\$ 66,759,245	\$	\$ 66,759,245
Leasehold Improvements	58,647,869	4,747,964	63,395,833
Equipment and Furniture	7,697,019		7,697,019
Construction in Progress	7,511,509	(387,246)	7,124,263
Less Accum. Depreciation	(68,076,037)	(1,466,550)	(69,542,587)
<b>Total Capital Assets</b>	<b>\$ 72,539,605</b>	<b>\$ 2,894,168</b>	<b>\$ 75,433,773</b>

Changes in land, structures and equipment during the audit period consisted of increases in construction in progress, equipment purchased, property sold, and depreciation expense. Capital improvement closed during the year totaled \$7,124,263. Capital additions totaled \$4,360,718 and there were no dispositions. Depreciation expense for the year totaled \$1,466,550.

**Note 10 - Accounts Payable**

Accounts payable totaled \$1,347,793, at March 31, 2019, which consisted of the following:

<b>Description</b>	<b>Amount</b>
Accounts Payable - Vendors	\$ 1,018,173
Tenant Security Deposits	142,619
Prepaid Rents	63,047
Accounts Payable - Other	123,954
<b>Total Accounts Payable</b>	<b>\$ 1,347,793</b>

**Note 11 - Accrued Liabilities**

Accrued liabilities totaled \$400,774, at March 31, 2019, and represented amounts due for accrued salary and vacation leave as follows:

<b>Description</b>	<b>Amount</b>
Accrued Liabilities	\$ 291,829
Compensated Absences	108,945
<b>Total Accrued Payables</b>	<b>\$ 400,774</b>

**HOUSING AUTHORITY OF THE CITY OF GARY, INDIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**

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Accrued compensated absences were \$108,945 as indicated below:

Accrued Comp. Abs - Current	\$	40,769
Accrued Comp. Abs - Non-Current		68,176
Total Accrued Compensated Abs.	\$	<u>108,945</u>

It is the Authority's policy to compensate employees for accumulated vacation leave upon termination. The Authority recognizes leave taken as a current year's salary expense during the year in which the leave is taken. Vacation is accrued for and recognized in the financial statements as an accrued liability.

**Note 12-Escrow Deposits**

The Gary Housing Authority, LLC. (GHA LLC) a limited liability company, created as an instrumentality of the Authority, entered into an agreement in September 2003, with the developers of Duneland Village, to fund the operating reserve escrow of \$258,000 and the operating reserve of \$250,000, required by the Indiana Housing Finance Authority, as a condition of tax credits. At March 31, 2019, escrow deposits amounts for these reserves totaled \$1,119,736.

Homeowners	\$	5,024
FSS		117,035
GHA LLC		997,677
Total Escrow Deposits	\$	<u>1,119,736</u>

**Note 13 - Unearned Revenue**

At March 31, 2019, unearned revenue totaled \$4,481,707, and consisted of accrued interest, tenant prepaid rents, and other unearned revenue, as shown below: **(See Note 8)**

Duneland Note - Due Authority	\$	3,698,861
Horance Mann Note - Due Authority		246,400
Horance Mann Note - Due GHDC		437,905
Total Accrued Interest		<u>4,383,166</u>
Unearned Revenue		98,541
Total Other Deferrals		<u>98,541</u>
<b>Total Unearned Revenue</b>	<b>\$</b>	<b><u>4,481,707</u></b>

Due to the uncertainty created by the length of time preceding the payment of interest and the provisions of certain notes that interest payments are contingent upon the existence of surplus cash, the collectability of interest earned has been deferred and is uncertain.

**HOUSING AUTHORITY OF THE CITY OF GARY, INDIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**

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**Note 14 - Notes Payable - IG**

The Authority has entered into an agreement with the Office of the HUD Inspector General to repay costs disallowed because of an audit. At March 31, 2019 the low income fund owed the Section 8 fund \$966,402 as follows: **See Note 8**

Current Balance	\$	57,902
Non-Current Balance		908,500
Total	\$	<u>966,402</u>

The receivable and the related payable have been eliminated.

**Note 15 - Bonds Payable**

The Small Farms, an agency of the Authority, has bonds outstanding totaling \$1,185,000.

Interest earned and payable is 7.4 percent. The bonds mature in 2021. As discussed in note 4, the Authority has accumulated escrow deposits of \$1,349,129 toward the payment of principal and interest. Current and non-current payments are as shown below: **(See Note 4)**

<b>Description</b>	<b>Amount</b>
Current Portion	\$ 365,000
Long-Term Portion	820,000
<b>Total Bonds Payables</b>	<b>\$ <u>1,185,000</u></b>

Future payment amounts are as follows:

<b>Fiscal Year End</b>	<b>Principal Payment</b>	<b>Interest Payment</b>	<b>Total</b>
3/31/2020	\$ 365,000	\$ 87,690	\$ 452,690
3/31/2021	395,000	60,680	455,680
3/31/2022	425,000	31,450	456,450
<b>Total Bond Payable</b>	<b>\$ <u>1,185,000</u></b>	<b>\$ <u>179,820</u></b>	<b>\$ <u>1,364,820</u></b>

**Note 16 - Employee Benefit Plans**

The Authority established a defined contribution plan ("Plan") administered by a third-party "Billings and Company, Inc." under the City of Gary's eligibility rules and regulations for the employee benefit plans. The Plan is governed by the Code and the Treasury regulations issued there under (as they might be amended from time to time). To the extent not preempted by the Federal law, the provisions of this Plan is construed, enforced and administered according to the laws of the State of Indiana.



**HOUSING AUTHORITY OF THE CITY OF GARY, INDIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**

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The Plan covers all regular employees who work for at least 180 days. The required contribution is 13.75% of the employee's monthly salary. Participants' benefits are fully vested after five years of participation and are determined solely by the provisions of the Government Agency Retirement Plan and Trust. Besides retirement benefits, the Plan offers life insurance where participants receive 100% of one year's salary up until the age of 65 when the benefit is reduced by 35%.

The normal retirement date is the participants' 65<sup>th</sup> birthday. Participants may elect to retire anytime after their 55<sup>th</sup> birthday, at which time they are 100% vested regardless of years of service. The amount a participant receives at early, normal, or postponed retirement is based on the amount accumulated in their account. Although no employee contributions are required, employees may make voluntary contributions not to exceed 10% of their annual salary. The Authority's total payroll expense was \$3,394,387. The Authority made all required contributions to the Plan.

Plan assets totaled \$2,477,317, at March 31, 2019, as follows:

<b>Description</b>	<b>Amount</b>
Beginning Balance @ 04/01/2018	\$ 2,392,755
Contributions	287,621
Withdrawals	(356,706)
Earnings	153,647
<b>Ending Balance @ 03/31/2019</b>	<b>\$ 2,477,317</b>

**Note 17 - Operating Lease Commitments**

The Authority does not have any operating leases for office equipment.

**Note 18 - Commitments and Contingencies**

The Authority receives financial assistance from federal government agencies in the form of grants and operating subsidies. Disbursements of funds received under these programs require compliance with terms and conditions specified in the agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Authority. In the opinion of management, any such disallowed claims would not have a material effect on the overall financial position of the Authority.

The Authority has certain contingent liabilities resulting from litigations, claims, and commitments incident to the ordinary course of business. Management expects the final resolution of such contingencies will not have a material adverse effect on the financial position of the Authority. Below is the current status of those potential material cases:

**HOUSING AUTHORITY OF THE CITY OF GARY, INDIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**

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**Case #1**

A Plaintiff's filed an E.E.O.C. case on March 30, March 30, 2017. On July 26, 2018, the case was dismissed. The Plaintiff is a former employee of GHA who claims he was terminated wrongfully in retaliation for his exercising statutory rights under the Family Medical Leave Act (FMLA) and Indiana workers' compensation statutes.

GHA plans to file a Motion for Summary Judgment, following the close of discovery. They expect a reasonable likelihood of success on this Motion; if the Motion is successful, there will be no liability on GHA's part other than the cost of litigation. If, however, the Motion is unsuccessful, they would aggressively pursue defense of the case unless a reasonable settlement agreement could be reached which is acceptable to GHA. Should this matter proceed to trial, GHA's potential liability could reasonably approach \$300,000 to \$350,000.

**Case #2**

In a complaint file on July 11, 2016, Plaintiff claims that she was injured when she slipped and fell on ice which had accumulated outside the door of her residence. On March 3, 2015, Plaintiff claims that GHA was negligent in its failure to properly salt the area. Discovery has been completed.

GHA has filed a Motion to Dismiss in this matter as a result of Plaintiff's failure to properly name GHA in the lawsuit. That matter has been set for hearing in January of 2020. If the matter is not dismissed at that time, GHA intends to file a Motion for Summary Judgment. They expect a reasonable likelihood of success on this Motion; if the Motion is successful, there will be no liability on GHA's part other than the cost of litigation. If, however, the Motion is unsuccessful, they would aggressively pursue defense of the case unless a reasonable settlement agreement could be reached which is acceptable to GHA. Should this matter proceed to trial, GHA's potential liability could reasonably exceed \$100,000.

**Note 19 - Administrative Fees**

The Authority receives an "Administrative Fee" as part of each of the annual contributions contract from HUD to cover the costs (including overhead) of administering the Housing Choice Voucher Housing Assistance programs.

**Note 20 - Allocation of Cost**

The Authority uses the direct cost method to recognize the expenses of each project and program. The central office charges the projects and programs a management fee. This fee is recognized as income for the central office and as an expense for the projects and programs. These fees between the projects and central office are eliminated during the reporting process. Fees from the programs are not eliminated and are recognized as revenue to central office and an expense to the program. Management considers this to be an equitable method of allocation.

**HOUSING AUTHORITY OF THE CITY OF GARY, INDIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**

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**Note 21 – Subsequent Events**

Management has performed an analysis of activities and transactions subsequent to March 31, 2019, to determine the need for any adjustments to and/or disclosure within the audited financial statements for the year ended March 31, 2019. Management has performed their analysis through December 9, 2019, the date the financial statements were issued.

## **SUPPLEMENTAL INFORMATION**

**HOUSING AUTHORITY OF THE CITY OF GARY, INDIANA  
SCHEDULE EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED MARCH 31, 2019**

**EXHIBIT D**

FEDERAL GRANTOR	CFDA #	FEDERAL AWARDS EXPENDED	TOTAL PROGRAM EXPENDITURES
<b>Major Federal Programs - U S Department of Housing and Urban Development</b>			
<u>Low-Income Rental Housing Programs</u>			
Public and Indian Housing	14.850	\$ 7,008,622	\$ 14,357,715
Public Housing Capital Fund	14.872	6,433,619	6,433,619
Total Major Federal Program		13,442,241	20,791,334
<b>Non-Major Federal Program - U S Department of Housing and Urban Development</b>			
<u>Housing Choice Voucher Cluster</u>			
Section 8 Housing Choice Voucher Program	14.871	12,515,433	13,044,456
<u>Section 8 Project Based Cluster</u>			
Lower Income Housing Assistance Prog._Sec. 8 Moderate Rehabilitation	14.856	416,789	493,712
<u>Other Non-Major Programs</u>			
Resident Opportunity and Self Sufficiency	14.870	50,951	50,951
Total Non-Major Federal Program		12,983,173	13,589,119
<b>Total All Programs - U S Department of Housing and Urban Development</b>		<b>\$ 26,425,414</b>	<b>\$ 34,380,453</b>

**HOUSING AUTHORITY OF THE CITY OF GARY, INDIANA**  
**NOTES TO THE SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED MARCH 31, 2019**

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**Note 1 – Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Housing Authority of the City of Gary, Indiana (the Authority), and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the Authority's financial statements.

The schedule summarizes the federal funds expended by the Authority under programs of the federal government during the year ended March 31, 2019. The awards are classified into major and non-major program categories in accordance with the provisions of the Uniform Guidance. The schedule of expenditures of federal awards displays the Authority's expenditures charged to federal programs for the year ended March 31, 2019, and should be read in conjunction with the Authority's consolidated financial statements.

The Authority has not elected to use the 10% de minimis direct cost rate as allowed under the Uniform Guidance.

**Note 2 – Sources of Funding**

The schedule includes all grants and contracts entered into directly between the Authority and agencies and departments of the federal government, as well as federal funds passed-through to the Authority by primary recipients. The Authority provided no part of its direct grant federal dollars to sub-recipients.

**Note 3 – Sub-recipients**

There were no sub-recipients for the year ended March 31, 2019.

**Note 4 – Loans Outstanding**

There were no federal loans outstanding for the year ended March 31, 2019.

**Note 5 – Non-Cash Assistance**

The Authority provided no non-cash assistance for the year ended March 31, 2019.

**Note 6 – Insurance**

The Authority had no federal insurance for the year ended March 31, 2019.

**HOUSING AUTHORITY OF THE CITY OF GARY, INDIANA  
STATEMENT OF CAPITAL FUND PROGRAM COST UNCOMPLETED  
FOR THE YEAR ENDED MARCH 31, 2019**

**EXHIBIT E**

**ANNUAL CONTRIBUTION CONTRACT C - 348**

**PHASES IN36PO11 -501-13, 501-14, 501-15, AND 501-16 & IN36R011501-12**

	501-12R	501-13	501-14	501-15	501-16	501-17	Total
Funds Approved	\$ 392,701	\$ 2,899,400	\$ 3,022,998	\$ 2,989,290	\$ 3,057,687	\$ 3,685,250	\$ 16,047,326
Funds Expended	<u>150,000</u>	<u>2,686,543</u>	<u>3,022,998</u>	<u>2,954,446</u>	<u>2,751,365</u>	<u>1,105,575</u>	<u>12,670,927</u>
Excess\ (Deficit) of Funds Approved	<u>\$ 242,701</u>	<u>\$ 212,857</u>	<u>\$ -</u>	<u>\$ 34,844</u>	<u>\$ 306,322</u>	<u>\$ 2,579,675</u>	<u>\$ 3,376,399</u>
Funds Advanced	\$ 150,000	\$ 2,686,543	\$ 2,747,151	\$ 2,954,446	\$ 2,751,365	\$ 1,105,575	\$ 11,289,505
Funds Expended	<u>150,000</u>	<u>2,686,543</u>	<u>3,022,998</u>	<u>2,954,446</u>	<u>2,751,365</u>	<u>1,105,575</u>	<u>11,565,352</u>
Excess\ (Deficit) of Funds Advanced	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (275,847.00)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (275,847.00)</u>

- 1 Capital Fund Program costs for Phases IN 36P-501-13, 501-14, 501-15, 501-16, 501-17 and IN 36R-501-12 are shown above.
- 2 Cost additions during this fiscal year, totaled \$8,154,274, and were audited by VB&C.

**HOUSING AUTHORITY OF THE CITY OF GARY, INDIANA  
STATEMENT OF CAPITAL FUND PROGRAM COST COMPLETED  
FOR THE YEAR ENDED MARCH 31, 2019**

**EXHIBIT F**

ANNUAL CONTRIBUTION CONTRACT C - 348 PHASES IN36PO11 - 501-09, 501-10, 501-11, 501-12
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	501-09	501-10	501-11	501-12	Total
Funds Approved	\$ 4,616,580	\$ 4,601,056	\$ 3,798,787	\$ 3,026,819	\$ 16,043,242
Funds Expended	<u>4,616,580</u>	<u>4,601,056</u>	<u>3,798,787</u>	<u>3,026,819</u>	<u>16,043,242</u>
Excess\ (Deficit) of Funds Approved	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Funds Advanced	\$ 4,616,580	\$ 4,601,056	\$ 3,798,787	\$ 3,026,819	\$ 16,043,242
Funds Expended	<u>4,616,580</u>	<u>4,601,056</u>	<u>3,798,787</u>	<u>3,026,819</u>	<u>16,043,242</u>
Excess\ (Deficit) of Funds Advanced	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

- 1 The total costs of the Modernization costs of the Mordernization grant is shown above.
- 2 All Modernization work in connection with the Modernization have been completed.
- 3 The entire actual modernization costs or liabilities therefore incurred by the Authority have been fully paid;
- 4 There are no undischarges mechanics', laborers contractors', or material-men leins against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work; and
- 5 The time in which such lein could be filed has expired.



## **SINGLE AUDIT REPORTS**

**Report on Internal Control Over Financial Reporting and on Compliance and  
Other Matters Based on an Audit of Financial Statements Performed  
In Accordance with Government Auditing Standards**

Board of Commissioners  
Housing Authority of the City of Gary, Indiana  
Gary, Indiana

U.S. Department of Housing and Urban  
Development  
Indianapolis Office  
Minton-Capehart Federal Building  
575 North Pennsylvania, Room 655  
Indianapolis, Indiana 46204

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the Housing Authority of the City Gary, Indiana (Authority), as of and for the year ended March 31, 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated December 9, 2019.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses or significant deficiencies.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Velma Butler & Company, Ltd.  
Chicago, Illinois

December 9, 2019

**Report on Compliance for Each Major Program; and Report on  
Internal Control Over Compliance; and Report on the Schedule of  
Expenditures of Federal Awards Required by the Uniform Guidance**

**INDEPENDENT AUDITOR'S REPORT**

Board of Commissioners  
Housing Authority of the City of Gary, Indiana  
Gary, Indiana

U.S. Department of Housing and Urban  
Development  
Indianapolis Office  
Minton-Capehart Federal Building  
575 North Pennsylvania, Room 655  
Indianapolis, Indiana 46204

**Report on Compliance for Each Major Federal Program**

We have audited the Housing Authority of the City of Gary, Indiana (the Authority)'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended March 31, 2019. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Authority's compliance.

### **Opinion on Each Major Federal Program**

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct material effect on each of its major federal programs for the year ended March 31, 2019.

### **Report on Internal Control Over Compliance**

Management of the Authority is responsible for establishing and maintaining effective internal controls over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal controls over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

#### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the Authority as of and for the year ended March 31, 2019, and have issued our report thereon dated December 9, 2019, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purpose of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in dark ink, appearing to read "Velma Butler & Company, Ltd.", is positioned above the printed name.

Velma Butler & Company, Ltd.  
Chicago, Illinois

December 9, 2019



**THE HOUSING AUTHORITY OF THE CITY OF GARY, INDIANA  
SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED MARCH 31, 2019**

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**Section II - Financial Statement Findings and Questioned Costs**

There were no reportable findings for the fiscal year ended March 31, 2019.

**Section III - Federal Award Findings and Questioned Costs**

There were no reportable findings for the fiscal year ended March 31, 2019.



THE HOUSING AUTHORITY OF THE CITY OF GARY, INDIANA  
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED MARCH 31, 2019

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<u>Prior Year Findings</u>	<u>Status</u>	<u>Page Number</u>
<b>Financial Statement Findings and Questioned Cost</b>		
1. None	Closed	50
<b>Federal Award Findings and Questioned Cost</b>		
1. Section 8 Wait List, 2018-001	Closed	50

THE HOUSING AUTHORITY OF THE CITY OF GARY, INDIANA  
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED MARCH 31, 2019

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**Section II – Financial Statement Findings and Questioned Costs**

There were no reportable findings for the fiscal year ended March 31, 2018.

**Section III – Federal Award Findings and Questioned Costs**

**Finding 2018 - 001     Selection from the Waiting List**

**Information on the Federal Program:**

U.S. Department of Housing and Urban Development

CFDA 14.871 – Housing Choice Voucher Cluster:

Federal Award ID and Year: April 1, 2017 – March 31, 2018

**Condition:**

The Authority did not maintain documentation to assure compliance with the wait list guidelines in their administrative plan.

We tested (28) participants listed on the waiting list and noted the following:

- One file did not contain an initial letter notifying the participant of their eligibility for the housing choice voucher program and thus an offer was made out of order according to wait list guidelines.

**Criteria or Requirement:**

According to 2 CFR, part 200, subpart F §200.507, 3(iii), the PHA must have written policies in its HCVP administrative plan for selecting applicants from the waiting list and PHA documentation must show that the PHA follows these policies when selecting applicants for admission from the waiting list. GHA guidelines state, “families will be selected from the waiting list strictly in numerical sequence, regardless of family size and subject to income targeting requirements.”

**Cause:**

GHA did not always maintain proper documentation demonstrating compliance with waiting list selections according to HCV administrative plan.

**Effect:**

Inadequate documentation resulted in non-compliance to federal requirements, which may result in penalties and fines.

**Prevalence:**

**THE HOUSING AUTHORITY OF THE CITY OF GARY, INDIANA  
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED MARCH 31, 2019**

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This appeared to be isolated instances based on the judgmental sample selected.

**Prior Year Identification:**

None

**Recommendation:**

We recommend that the Authority adequately review files to assure that the required documentation is retained to assure adherence to HCV administrative guidelines.

**Authority's Action Plan:**

The GHA concurs with the Auditor's recommendation. Eustace Kamanja, the Finance Director, has directed the Section 8 Director to review every file that a waiting list prospect has been called for interview and make sure all compliances are met and supporting documents are properly filed. (To Be Completed By: 3.31.19)

**THE HOUSING AUTHORITY OF THE CITY OF GARY, INDIANA  
STATEMENT OF COMPLIANCE WITH  
SECTION 8 MANAGEMENT ASSESSMENT PROGRAM  
FOR THE YEAR ENDED MARCH 31, 2019**

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Velma Butler & Company, Ltd. audited the Authority's compliance with the Section 8 Housing Management Assessment Program, and did not observe any material instances of noncompliance.

**THE HOUSING AUTHORITY OF THE CITY OF GARY, INDIANA  
STATEMENT OF COMPLIANCE WITH  
PUBLIC HOUSING ASSESSMENT SYSTEM  
FOR THE YEAR ENDED MARCH 31, 2019**

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Velma Butler & Company, Ltd. audited the Authority's compliance with the Public Housing Assessment System Program and did not note any material instances of noncompliance.

# ATTACHMENT 2

# **PROCEDURES**

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## **General**

Residents are encouraged to bring to the attention of GHA personnel at the site where the Resident resides; any issues which they feel adversely affect their tenancy. GHA staff will make every effort to resolve any differences orally, prior to initiation of the Grievance Policy. If an issue is not resolved to the satisfaction of the Resident, the head or co-head of the household, may invoke the Grievance Policy through compliance with the following procedures.

## **Informal Settlement Of Grievances**

The grievance shall be personally presented, in writing, to GHA, at the office of the development in which the resident resides, within ten (10) days of the action or failure to act, which the resident is disputing. A grievance request form shall be available at all development offices and utilized by Residents to initiate the Grievance Procedures.

Upon presentation of the grievance request form, GHA site personnel shall date stamp said form. The Site Manager will review the request, assuring that the Grievance Policy applies to said request. If the request involves any of the exclusions identified above, the Site Manager will notify the Resident in writing within five (5) days from receipt of the request for a grievance that the grievance is not subject to GHA's Grievance Policy.

If the request is subject to GHA's Grievance Policy, the Site Manager shall arrange an informal interview with the resident, within ten (10) days from the date of receipt of the request, to discuss the grievance and attempt to settle it without a formal hearing. At the informal interview, the Site Manager shall make every attempt to settle the dispute to the satisfaction of both parties.

A summary of such discussion shall be prepared within five (5) days from the date of the informal interview. This summary shall contain the following information:

- names of the participants in the interview;
- date of the meeting;
- the proposed disposition of the grievance;
- the justification for the disposition action;
- the right of the Resident to request a formal hearing if they are not satisfied with outcome of the informal meeting.

A copy of the summary shall be given to the resident, and one retained in the file at the development where the tenant resides.

## **Formal Grievance Hearings**

## **Procedures to Obtain a Formal Hearing**

Upon receipt of the summary of the informal meeting discussed above, the tenant may request a hearing if they were not satisfied with the decision of the Site Manager. Such request must be submitted in writing to the development management office within ten (10) days after receipt of the written summary. The written request shall specify (1) the reasons for the grievance and (2) the action or relief sought.

## **Selection of Hearing Panel**

A formal hearing panel shall be appointed by GHA in accordance with the following guidelines:

- The hearing panel shall consist of five (5) member board (impartial parties). Three members (outside GHA) and two members (GHA) which are appointed by GHA's Executive Director.

## **Failure to Request a Hearing**

If the Complainant does not request a hearing in accordance with GHA policy, then GHA's disposition of the grievance under the policy shall become final. The failure to request a hearing shall not constitute a waiver by the Complainant of his right thereafter to contest GHA's action in disposing of the complaint in an appropriate judicial proceeding.

\* Please Note: Grievance Hearing should be requested before the judiciary hearing has occurred.

## **Hearing Prerequisite**

All grievances shall be personally presented either orally or in writing pursuant to the informal procedure prescribed in above section as a condition precedent to a hearing under this section. If the Complainant shall show good cause why he failed to proceed in accordance with GHA policy to the hearing panel, the provisions of this subsection may be waived by the hearing panel.

## **Scheduling Of Hearings**

Upon Complainant's compliance with the above paragraphs, a hearing shall be scheduled by the hearing panel for a time and place reasonably convenient to both the Complainant and GHA. A written notification specifying the time, place and procedures governing the hearing shall be delivered to Complainant and Complainant's representative if GHA has been notified that the Complainant will have a representative at the hearing and the appropriate GHA official. The hearing shall take place not later than ninety (90) days after presentation of the written request for hearing. If the hearing is not conducted within such ninety (90) day period, or by such later date as may be requested by the Complainant in writing, then the grievance shall be resolved in accordance with the position stated by the Complainant in the written request for hearing. Any grievance resolved in the Complainant's favor as a result of GHA's failure to schedule a hearing in accordance with this paragraph shall be final and binding upon GHA and no appeal will be permitted therefrom.



## **PROCEDURES GOVERNING THE HEARING**

The hearing shall be held before a hearing panel.

The Complainant shall be afforded a fair hearing which shall include:

The complainant will have the opportunity to examine before the grievance hearing any GHA documents, including records and regulations that are directly relevant to the hearing. The Complainant shall be allowed to copy any such document at Complainant's expense. If GHA does not make the document available for examination upon request by the Complainant, GHA may not rely on such document at the grievance hearing.

- ✚ The complainant has the right to be represented by counsel or other person chosen as the Complainant's representative and to have such person make statements on the Complainant's behalf.
- ✚ The right to a private hearing unless the Complainant requests a public hearing.
- ✚ The right to present evidence and arguments in support of Complainant's complaint, to controvert evidence relied upon by GHA or project management, and to confront and cross-examine all witnesses upon whose testimony or information GHA or project management relies; and
- ✚ A decision based solely and exclusively upon the facts presented at the hearing.

The hearing panel may render a decision without proceeding with the hearing, if the hearing panel determines that the issue has been previously decided in another proceeding.

If the Complainant or GHA fails to appear at a scheduled hearing, the hearing panel may make a determination to postpone the hearing for a period not to exceed five (5) business days or may make a determination that the party has waived his right to a hearing. Both the Complainant and GHA shall be notified of the determination by the hearing panel. A determination that the Complainant has waived his right to a hearing shall not constitute a waiver of any right the Complainant may have to contest GHA's disposition of the grievance in an appropriate judicial proceeding.

At the hearing, the Complainant must first make a showing of an entitlement to the relief sought and thereafter GHA must sustain the burden of justifying GHA's action or failure to act against which the complaint is directed.

The hearing shall be conducted informally by the hearing panel and oral or documentary evidence pertinent to the facts and issues raised by the complaint may be received without regard to admissibility under the Rules of Evidence applicable to judicial proceedings. The hearing panel shall require GHA, the Complainant, counsel and other participants or spectators to conduct themselves in orderly fashion. Failure to comply with the directions of the hearing panel

to obtain order may result in exclusion from the proceedings or in a decision adverse to the interests of the disorderly party and granting or denial of the relief sought, as appropriate, in the sole and absolute discretion of the hearing officer.

The Complainant or GHA may arrange, in advance at the expense of the party making the arrangement, for a transcript of the hearing. Any interested party may purchase a copy of such transcript.

If the Complainant has given GHA advance notice of the Complainant's need for accommodation as a person having disabilities, GHA shall provide reasonable accommodation for such person so as to permit that person to participate in the hearing. Reasonable accommodation shall include, but shall not be limited to, qualified sign language interpreters, readers, accessible locations, or attendants. If the Complainant is visually impaired, and has given advance notice to GHA of such impairment, any notice to Complainant which is required under this grievance procedure shall be in an accessible format.

## **HEARING PROCEEDINGS**

Because the grievance procedure is not a judicial proceeding, it shall not be necessary for any of the witnesses to be sworn. However, to ensure the integrity of the proceedings, all witnesses shall be cautioned that they are expected to tell the truth, the whole truth and nothing but the truth.

**OPENING STATEMENT:** Both the Complainant, or Complainant's representative, and GHA shall be afforded a maximum of five (5) minutes for opening statements.

## **PRESENTATION OF EVIDENCE AND WITNESSES:**

### **COMPLAINTS UNRELATED TO PROPOSED - EVICTIONS:**

**COMPLAINANT:** At the onset of the hearing, it will be the Complainant's responsibility to make a showing of an entitlement to the relief sought. During this time, all evidence shall be presented, and witnesses called.

Upon completion of the testimony, GHA shall have an opportunity to cross-examine the witnesses of the Complainant. Upon completing the cross-examination, the Complainant shall be afforded an opportunity to present redirect testimony.

Upon completion of the redirect testimony, the hearing panel shall be afforded an opportunity to ask questions to clarify information.

Once the testimony of the Complainant is completed, it will then become the responsibility of GHA to sustain the burden of proof in justifying the action against which the complaint is directed. During this time, all evidence shall be presented and witnesses called.

Upon completion of the testimony, the Complainant shall have an opportunity to cross-examine the witnesses of GHA. Upon completing the cross-examination, GHA shall be afforded an opportunity to present redirect testimony.

Upon completion of the redirect testimony, the hearing panel shall be afforded an opportunity to ask questions to clarify information.

**COMPLAINANT:** Once the testimony of GHA is completed, the Complainant may call rebuttal witnesses who shall testify as described under Section C (1) (a).

### **COMPLAINTS INVOLVING EVICTION OR OTHER ADVERSE ACTION**

Where the complaint concerns GHA's notice of termination of tenancy or other adverse action, GHA shall present its evidence first. The hearing shall proceed generally as described above, and GHA shall have the right to call rebuttal witnesses.

**CLOSING ARGUMENT:** After all evidence and witnesses have been presented, each side shall be afforded a maximum of ten (10) minutes for closing arguments. Closing argument shall be presented first by the party presenting its evidence first. There shall be no rebuttal argument allowed.

### **DECISION OF THE HEARING PANEL**

The hearing panel shall prepare a written decision, together with the reasons therefore, within ten (10) days after the hearing unless such time is extended by agreement of the Complainant and GHA. A copy of the decision shall be sent to the Complainant and GHA. GHA shall retain a copy of the decision in the Complainant's folder. A copy of such decision, with all names and identifying references deleted, shall also be maintained on file by GHA and made available for inspection by a prospective Complainant, his representative, or the hearing panel. In the event the hearing panel shall not prepare a written decision within ten (10) days as required by this paragraph, the Complainant may, at his election, be afforded a new hearing before a new hearing panel, or serve written notice upon GHA that a written decision has not been issued in accordance with the provisions of this paragraph. If the Complainant elects to invoke his right to a new hearing, GHA shall schedule such hearing within ten (10) days. GHA's failure to conduct a hearing within such ten (10) day period shall result in a disposition of the grievance in favor of the Complainant in accordance with the Complainant's written request for hearing. If Complainant elects to give written notice of the hearing panel's failure to prepare a written decision, and such failure shall not be corrected within ten (10) days of the receipt by GHA of such written notice, then the Complainant's grievance shall be resolved in favor of the Complainant as stated in the Complainant's written request for hearing.

The decision of the hearing panel shall be binding on GHA which shall take all actions, or refrain from any actions, necessary to carry out the decision within forty-five (45) days from the date thereof unless GHA's Executive Director determines and notifies the Complainant within the forty-five (45) day period of its determination, that

The grievance does not concern GHA action or failure to act in accordance with or involving the Complainant's lease or GHA regulations, which adversely affect the Complainant's rights, duties, welfare or status;

The decision of the hearing panel is contrary to applicable federal, state or local law, HUD regulations or requirements of the Annual Contributions Contract between HUD and GHA.

A decision by the hearing panel in favor of GHA or which denies the relief requested by the Complainant in whole or in part shall not constitute a waiver of, nor affect in any manner whatever, any rights the Complainant may have to a trial de novo or judicial review in any judicial proceedings, which may thereafter be brought in the matter.

# ATTACHMENT 3



## **PROCEDURES FOR SELECTING PROJECT BASED VOUCHER (PBV) PROPOSALS**

When implementing a Project-Based Voucher (PBV) Proposal program, the Gary Housing Authority (GHA) will use both the competitive and non-competitive selection process, in accordance to the selection procedures defined in 24 CFR 983.51, HUD Notice PIH 2017-21 (HA) Implementation Guidance: Housing Opportunity Through Modernization Act of 2016 (HOTMA)—Housing Choice Voucher (HCV) and Project-Based Voucher (PBV) Provisions (referenced at Sec. 106 (a)(9), which adds Sec. 8(o)(13)(N) to the Act), and as additionally described herein.

### Selection Based on Non-Competitive/Previous Competition Process

The GHA may select, without competition, a proposal for housing assisted under a federal, State, or local government housing assistance, community development, or supportive services program that required competitive selection of proposals (e.g. HOME, and units for which competitively awarded low-income housing tax credits (LIHTCs) have been provided), where the proposal has been selected in accordance with such program's competitive selection requirements with 3 years of the PBV proposal selection date, and the earlier competitively selected housing assistance proposal did not involve any consideration that the project would receive PBV assistance.

HOTMA adds section 8(o)(13)(N) to the Act, which allows a PHA to attach PBV assistance to units in a project in which the PHA has an ownership interest or over which the PHA has control without following a competitive process. In order to exercise this authority, the PHA must be engaged in an initiative to improve, develop, or replace a public housing property or site.

- (1) PHA ownership interest. A project does not have to meet the definition of PHA-owned in order for the PHA to have an ownership interest in the project and to be covered by this HOTMA provision. An ownership interest means that the PHA or its officers, employees, or agents are in an entity that holds *any direct or indirect interest* in the project in which the units are located, including, but not limited to, an interest as: titleholder; lessee; stockholder; member, or general or limited partner; or member of a limited liability corporation. For purposes of this authority, a PHA ownership interest also includes a scenario in which the PHA is the lessor of the



ground lease for the land upon which the PBV project to improve, develop, or replace the public housing property is located or will be constructed. Units that meet the definition of “PHA-owned” as defined here qualify for this exception. Alternatively, just having an ownership interest for the purpose of this provision does not equate with meeting the definition of PHA-owned as defined in Attachment A.

(2) Conditions for non-competitive selection. In order to be subject to this non-competitive exception, the following conditions must be met:

- (a) The PHA must be engaged in an initiative to improve, develop, or replace the public housing properties or sites. The public housing properties or sites may be in the public housing inventory or they may have been removed from the public housing inventory through any available legal removal tool (which may include but is not limited to disposition or demolition under Section 18 of the Act, voluntary conversion under Section 22 of the Act, or required conversion under Section 33 of the Act) within 5 years<sup>2</sup> of the date on which the PHA entered into the AHAP or HAP pursuant to the non-competitive selection.
- (b) If the PHA plans rehabilitation or new construction, a minimum threshold of \$25,000 in hard costs per-unit is required.
- (c) If a PHA plans to replace public housing by attaching project-based assistance to existing housing in which the PHA has an ownership interest or over which the PHA has control, then the \$25,000 per-unit minimum threshold does not apply as long as the existing housing substantially complies with HUD’s housing quality standards. The PHA’s Administrative Plan must describe what it means to “substantially comply with HUD’s housing quality standards.”

#### Selection Based on Competitive Process

The GHA will issue public notice (e.g. legal advertisement in local newspaper(s) of general circulation, the GHA’s website and other websites of industry-related agencies, direct solicitation of other federal, state and local agencies, etc.), of an opportunity to offer formal Request for Proposals (RFP) inviting owners to submit projects that meet the GHA’s project-based voucher program goals. The GHA will describe the selection/evaluation criteria within the RFP, which may include, but are not limited to:

- Number of PBVs being made available;
- Submission deadline, if applicable;



- Required format for proposals;
- Desired Housing types (e.g. new construction, rehab)
- Desired Resident types (e.g. senior, family, etc.
- Minimum/Maximum PBV units in project;
- Term of Housing Assistance Payment contract;
- Other special requirements (e.g. Labor Standards/Davis-Bacon, environmental review, and Housing Quality Standards requirements).

The GHA cannot and will not limit proposals to a single site or impose restrictions that explicitly or practically preclude owner submission of proposals for PBV housing on different sites, in accordance to 24 CFR 983.51(b)(1).

The competitive selection process of PBV proposals is not mandatory and the GHA may only use the competitive selection process and procedures when non-competitive selection is not applicable.

#### Deconcentrating Poverty and Site Selection Standards

The GHA's standard for deconcentrating poverty and expanding housing and economic opportunities are as defined by HUD, and as described, in 24 CFR 983.57 (b)(1).

**24 CFR 983.57 (b) (1): "Project-based assistance for housing at the selected site is consistent with the goal of deconcentrating poverty and expanding housing and economic opportunities. The standard for deconcentrating poverty and expanding housing and economic opportunities must be consistent with the PHA Plan under 24 CFR 903 and the HA Administrative Plan."**

In determining if a project meets the GHA's goal of deconcentrating poverty and expanding housing and economic opportunities, the GHA will select a proposal or proposals for existing, new construction or newly rehabilitated housing on a site or sites, and enter into a HAP contract for those units meeting some, most and/or all the following general criteria:

- The proposed PBV development will be located in a HUD-designated Enterprise Zone, Economic Community, Renewal Community and/or Opportunity Zone;
- The concentration of assisted units will be or has decreased as a result of public housing demolition and HOPE VI redevelopment;





- The area in which the proposed PBV development will be located is undergoing significant revitalization as a result of federal, state, and/or local dollars invested in the area;
- Federal, State and/or local dollars have been or are being invested in the area to achieve the deconcentrating of poverty and expansion of housing and/or economic opportunity;
- New market rate units are being developed where such market rate units will positively impact the poverty rate in the area;
- The GHA should consider whether there has been an overall decline in the poverty rate within the past five years;
- Whether there are meaningful opportunities for educational and economic advancement and proximity to community services, such as health centers and public transportation;
- Educational opportunity including adult education, vocational school, state or community college;
- Economic advancement opportunities including retail, other businesses offering entry-level job opportunities and Section 3 qualified residents and Business Concerns;

Prior to selection of any project for PBV proposals, the GHA will conduct the following site inspections: General site inspection and Housing Quality Standards (HQS) as outlined by 24 CFR 982.401 (unit inspections will be for rehabilitation and existing units only). Site and Neighborhood Standards review per HUD regulations at 24 CFR 983.57.

Existing and Rehabilitated Housing Site and Neighborhood Standards [24 CFR 983.57(d)]

The GHA will not consider a PBV Proposed site for existing or rehabilitated housing until it has determined that the site complies with the HUD required site and neighborhood standards. The site must:

- Be adequate in size, exposure, and contour to accommodate the number and type of units proposed;
- Have adequate utilities and streets available to service the site;
- Promote a greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons;
- Be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services equivalent to those found in neighborhoods consisting largely of unassisted similar units; and



- Be located so that travel time and cost via public transportation or private automobile from the neighborhood to places of employment is not excessive.

#### New Construction Site and Neighborhood Standards [24 CFR 983.57(e)]

The GHA will not consider a PBV Proposed site for newly constructed housing until it has determined that the site complies with the HUD required site and neighborhood standards. The site must:

- Be adequate in size, exposure, and contour to accommodate the number and type of units proposed;
- Have adequate utilities and streets available to service the site;
- Must not be located in an area of minority concentration unless the PHA determines that sufficient, comparable opportunities exist for housing for minority families in the income range to be served by the proposed project outside areas of minority concentration or that the project is necessary to meet overriding housing needs that cannot be met in that housing market area;
- Must not be located in a racially mixed area if the project will cause a significant increase in the proportion of minority to non-minority residents in the area.
- Must promote a greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons;
- Must not be one that is seriously detrimental to family life or in which substandard dwellings or other undesirable conditions predominate;
- Must be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services equivalent to those found in neighborhoods consisting largely of unassisted similar units; and
- Except for new construction, housing designed for elderly persons, the housing must be located so that travel time and cost via public transportation or private automobile from the neighborhood to places of employment is not excessive.

#### ENVIRONMENTAL REVIEW [24 CFR 983.58]

PBV selected sites under the PBV program are subject to HUD environmental regulations in 24 CFR parts 50 and 58. The *responsible entity* is responsible for performing the federal environmental review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.). The GHA will not enter into an agreement to enter into a HAP contract nor enter into a HAP contract until the Owner has complied with the environmental review requirements.



In the case of existing housing, the responsible entity that is responsible for the environmental review under 24 CFR part 58 must determine whether or not PBV

assistance is categorically excluded from review under the National Environmental Policy Act and whether or not the assistance is subject to review under the laws and authorities listed in 24 CFR 58.5.

The GHA will not enter into an agreement to enter into a HAP contract or a HAP contract with an owner, and the PHA, the owner, and its contractors may not acquire, rehabilitate, convert, lease, repair, dispose of, demolish, or construct real property or commit or expend program or local funds for PBV activities under this part, until the environmental review is completed.

The GHA will require the owner to carry out mitigating measures required by the responsible entity (or HUD, if applicable) as a result of the environmental review.

#### Selection of Applicants for PBV Units

The GHA shall select tenants for PBV Units in accordance to HUD regulations and guidelines as described in 24 CFR 983.251.

#### Tenant Screening

The GHA shall comply with tenant screening in accordance to HUD regulations and guidelines as described in 24 CFR 983.255.

#### Family Occupancy of Wrong-Size or Accessible Units

The GHA standard for overcrowded, under-occupied and accessible units is in accordance to HUD regulations and guidelines as described in 24 CFR 983.260.

# ATTACHMENT 4



## **Gary Housing Authority**

RAB (Resident Advisory Board) Meeting  
Julian Marsh, Executive Director

### AGENDA

Meeting Date:	Thursday, January 9, 2020
Meeting Time:	1:00 p.m.
Meeting Location:	Gary Housing Authority Central Office 578 Broadway, Conference Room 2 <sup>nd</sup> Floor Gary, IN 46402

1. Brenda Parker: 2020-2024 5-Year and Annual PHA and CFP Plan
2. Inventory Removal via Section 18 of:
  - Broadway Manor (Demolition)
  - Concord Village 4 (Disposition)
3. Updates:
  - Washing Machine & Dryer Contract's
  - Coming out of Receivership/Trouble
4. Questions and Concerns
5. Adjournment

# Gary Housing Authority

## Resident Advisory Board

Regena Y. Gaines, RAB President

Date: 1-14-2020

Time: 10:00 AM

Name	Department/AMP	Contact Number
1. <u>Regena Y. Gaines</u>	<u>Concord Village</u>	<u>219-670-3566</u>
2. <u>Dorothy Taylor</u>	<u>Concord Village</u>	<u>219-201-0013</u>
3. <u>Xicki XEX</u>	<u>Carol Mest</u>	<u>219-238-5846</u>
4. <u>Evelyn Johnson</u>	<u>Glen Park Highrise</u>	<u>773-459-0631</u>
5. <u>Jennifer Jones</u>	<u>Glen Park Highrise</u>	<u>219-980-2496</u>
6. <u>Tayl X Bonds</u>	<u>COCC</u>	<u>(219) 881-7919</u>
7. <u>Jose Ibarra</u>	<u>COCC</u>	<u>(219) 881-5098</u>
8. _____		
9. _____		
10. _____		
11. _____		
12. _____		
13. _____		
14. _____		
15. _____		
16. _____		
17. _____		
18. _____		



**January 14, 2020**  
**2020-2024 5-Year and Annual PHA & CFP Plan**  
**RESIDENT ADVISORY BOARD**  
**QUESTIONS AND COMMENTS**

- 1) How are we looking financially? Are doing good or bad?  
The GHA is doing pretty good financially. We just finished and received our audit and it came back without any audit findings. We are currently building a budget forecasting tool to help us better make these major, long term decisions going forward.
- 2) Where and when will you start on capital improvement for developments that will not be RAD?  
At this point, it appears that the GHA will not be placing any of our developments under the RAD program, with the exception of the 45 and 49 units located at Horace Mann and Duneland Village Hope VI. The rest of the portfolio will more than likely be submitted as Section 18 applications. For now, we will be starting at Al Thomas, Carolyn Mosby, Broadway Manor and Concord Village 4.
- 3) Is there something in the plan for mold?  
Mold is not necessarily listed in the PHA or CFP plan, and must be taken care of immediately as needed.
- 4) When will the relocation process start?  
Technically, it cannot start until at minimum, 90 days after HUD approval.
- 5) Is the ROSS program eliminated?  
No.

# RAB BOARD

2020- 2024

5-Year Plan

Comments/Questions  
Form



*I think that this 5-year plan is a  
good plan. In my opinion this  
plan will help to build our city  
back up, to make people proud to  
say they live here. Ms. Jennifer Jones  
Secretary Tenant Council - Glen Park Highrise*



# ATTACHMENT 5

2020 – 2024 5-Year & Annual  
PHA & CFP Plan  
Public Hearing Meeting Agenda

Monday, December 16, 2019

11:00 am- 12:00 pm

Genesis Towers

Board Room

578 Broadway, 2<sup>nd</sup> Floor, Gary IN 46402

- Welcome and Introductions
- Purpose of Meeting
- Overview of Section 18
- Impact on Current Residents
- Project Schedule
- Concerns, Questions and/or Comments
- Next Steps

# 5YR. & ANNUAL PHA & CFP PLAN

## SIGN IN SHEET



PRINT NAME	SIGNATURE	PHONE NUMBER	EMAIL	DATE
Brenda Freese	Brenda Freese	(219) 881-6424	bfreesegaryhousing.org	Dec. 16, 2019
Frank Bonds	Frank Bonds	(219) 881-7919	fbonds@garyhousing.org	12/16/19
Leandra Kendall	Leandra Kendall	(219) 881-6411	lrkendall@garyhousing.org	12-16-19
Willie Cook	Willie Cook	219 881-6440	wcook@garyhousing.org	12-16-19
Muhammed Ibrahim	Muhammed Ibrahim	219-881-6551	muhammedibrahim@garyhousing.org	12/16/19
Judy Nava	Judy Nava	219.616.5540	jnava@garyhousing.org	12/16/19
Debra Leach	Debra Leach	219.238-4681	dleach@garyhousing.org	12-16-19
Terry Mums	Terry Mums	219-881-6422	tmums@garyhousing.org	12-16-19
K.S. JOHNSON	K.S. JOHNSON	219-293-3001	kendrasjohnson2020@yahoo.com	12/16/2019

2020 – 2024 5-Year & Annual  
PHA & CFP Plan  
Public Hearing Meeting Agenda

Wednesday, January 8, 2019

11:00 am- 12:00 pm

Genesis Towers

Board Room

578 Broadway, 2<sup>nd</sup> Floor, Gary IN 46402

- Welcome and Introductions
- Purpose of Meeting
- Overview of Section 18
- Impact on Current Residents
- Project Schedule
- Concerns, Questions and/or Comments
- Next Steps



## Gary Housing Authority

### PUBLIC HEARING 5YR. & ANNUAL PHA & CFP PLAN SIGN IN SHEET

Date: JANUARY 8, 2020

Time: 11:00am

PRINT NAME	SIGNATURE	EMAIL ADDRESS/PHONE
1. DOMINIA LEAH	<i>[Signature]</i>	dleah@garyhousing.org
2. Tiffany Mason	<i>[Signature]</i>	tmason@garyhousing.org
3. Tayl L Bonds	<i>[Signature]</i>	tbonds@garyhousing.org
4.		
5.		
6.		
7.		
8.		
9.		
10.		
11.		

# ATTACHMENT 6

**Certification by State or Local  
Official of PHA Plans Consistency  
with the Consolidated Plan or  
State Consolidated Plan  
(All PHAs)**

U. S Department of Housing and Urban Development  
Office of Public and Indian Housing  
OMB No. 2577-0226  
Expires 2/29/2016

**Certification by State or Local Official of PHA Plans  
Consistency with the Consolidated Plan or State Consolidated Plan**

I, Karen Freeman-Wilson, the Mayor  
*Official's Name* *Official's Title*

certify that the 5-Year PHA Plan and/or Annual PHA Plan of the

Gary Housing Authority  
*PHA Name*

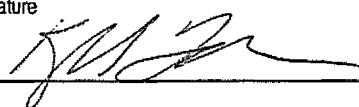
is consistent with the Consolidated Plan or State Consolidated Plan and the Analysis of  
Impediments (AI) to Fair Housing Choice of the

City of Gary  
*Local Jurisdiction Name*

pursuant to 24 CFR Part 91.

Provide a description of how the PHA Plan is consistent with the Consolidated Plan or State  
Consolidated Plan and the AI. The Gary Housing Authority's 5-Year and Annual Plan is  
consistent with the City of Gary's Comprehensive Plan.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official	Title
<u>Karen Freeman-Wilson</u>	<u>Mayor</u>
Signature 	Date <u>12/16/2019</u>

# ATTACHMENT 7



<b>Certifications of Compliance with PHA Plans and Related Regulations</b> <i>(Standard, Troubled, HCV-Only, and High Performer PHAs)</i>	<b>U.S. Department of Housing and Urban Development</b> Office of Public and Indian Housing <b>OMB No. 2577-0226</b> <b>Expires 02/29/2016</b>
--	---

**PHA Certifications of Compliance with the PHA Plan and Related Regulations including  
Required Civil Rights Certifications**

*Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairman or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the   X   5-Year and/or   X   Annual PHA Plan for the PHA fiscal year beginning 4/1/2020, hereinafter referred to as "the Plan", of which this document is a part and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:*

1. The Plan is consistent with the applicable comprehensive housing affordability strategy (or any plan incorporating such strategy) for the jurisdiction in which the PHA is located.
2. The Plan contains a certification by the appropriate State or local officials that the Plan is consistent with the applicable Consolidated Plan, which includes a certification that requires the preparation of an Analysis of Impediments to Fair Housing Choice, for the PHA's jurisdiction and a description of the manner in which the PHA Plan is consistent with the applicable Consolidated Plan.
3. The PHA has established a Resident Advisory Board or Boards, the membership of which represents the residents assisted by the PHA, consulted with this Resident Advisory Board or Boards in developing the Plan, including any changes or revisions to the policies and programs identified in the Plan before they were implemented, and considered the recommendations of the RAB (24 CFR 903.13). The PHA has included in the Plan submission a copy of the recommendations made by the Resident Advisory Board or Boards and a description of the manner in which the Plan addresses these recommendations.
4. The PHA made the proposed Plan and all information relevant to the public hearing available for public inspection at least 45 days before the hearing, published a notice that a hearing would be held and conducted a hearing to discuss the Plan and invited public comment.
5. The PHA certifies that it will carry out the Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990.
6. The PHA will affirmatively further fair housing by examining their programs or proposed programs, identifying any impediments to fair housing choice within those programs, addressing those impediments in a reasonable fashion in view of the resources available and work with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement and by maintaining records reflecting these analyses and actions.
7. For PHA Plans that includes a policy for site based waiting lists:
  - The PHA regularly submits required data to HUD's 50058 PIC/IMS Module in an accurate, complete and timely manner (as specified in PIH Notice 2010-25);
  - The system of site-based waiting lists provides for full disclosure to each applicant in the selection of the development in which to reside, including basic information about available sites; and an estimate of the period of time the applicant would likely have to wait to be admitted to units of different sizes and types at each site;
  - Adoption of a site-based waiting list would not violate any court order or settlement agreement or be inconsistent with a pending complaint brought by HUD;
  - The PHA shall take reasonable measures to assure that such a waiting list is consistent with affirmatively furthering fair housing;
  - The PHA provides for review of its site-based waiting list policy to determine if it is consistent with civil rights laws and certifications, as specified in 24 CFR part 903.7(c)(1).
8. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.
9. The PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
10. The PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135.
11. The PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.

12. The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).
13. The PHA will provide the responsible entity or HUD any documentation that the responsible entity or HUD needs to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58 or Part 50, respectively.
14. With respect to public housing the PHA will comply with Davis-Bacon or HUD determined wage rate requirements under Section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.
15. The PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.
16. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act, the Residential Lead-Based Paint Hazard Reduction Act of 1992, and 24 CFR Part 35.
17. The PHA will comply with the policies, guidelines, and requirements of OMB Circular No. A-87 (Cost Principles for State, Local and Indian Tribal Governments), 2 CFR Part 225, and 24 CFR Part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments).
18. The PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the regulations and included in its Plan.
19. All attachments to the Plan have been and will continue to be available at all times and all locations that the PHA Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the PHA in its PHA Plan and will continue to be made available at least at the primary business office of the PHA.
22. The PHA certifies that it is in compliance with applicable Federal statutory and regulatory requirements, including the Declaration of Trust(s).

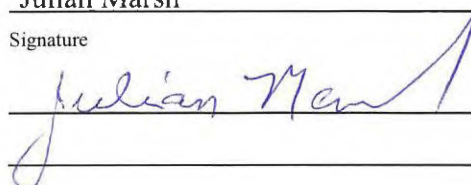
Gary Housing Authority  
PHA Name

IN011  
PHA Number/HA Code

X Annual PHA Plan for Fiscal Year 2020

X 5-Year PHA Plan for Fiscal Years 2020 - 2024

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. **Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802).

Name of Authorized Official	Title
<u>Julian Marsh</u>	<u>Executive Director</u>
Signature	Date
	<u>01/07/2020</u>

# ATTACHMENT 8

## Gary Housing Authority Sustainability Plan

							Report Date (as of): 1/16/2020
Item No.	Subject	Current Condition, Deficiency, or Requirement	Desired Outcome	Required Action	Target Completion Dates	Primary GHA Point of Contact	Comments/Completion Date
<b>Area: Governance</b>							
1	Advisory Committee	The Mayor designated seven community members to serve on GHA's Advisory Committee.	GHA's Advisory Committee members are fully engaged in governance and knowledgeable of expectations and GHA's housing programs and portfolio.	The Advisory Committee shall participate in ongoing periodic training on governance, housing programs, and GHA's portfolio.	Duration of the Sustainability Plan	Marsh	
<b>Area: Organization and Central Office</b>							
2	Leadership Team	GHA has recently filled or plans to fill key leadership positions.	GHA has stable leadership and sustains performance and continuity throughout the term of HUD's possession.	GHA's Executive Director shall consult the HUD Recovery Administrator prior to taking any actions that affect key leadership positions and/or the persons and contractors filling those positions, including removal, hiring, outsourcing, incurring, and restructuring. Key leadership positions include the Deputy Director, Chief Counsel, and the directors of finance, procurement, development, modernization, resident services, human resources, and Section 8 functions.	Duration of the Sustainability Plan	Marsh	
3	System of Record	GHA is updating its system of record, Yardi.	GHA's system of record software meets its needs.	GHA shall establish a timeline to upgrade its software.	12/31/2019	Randall	90% up to date. Still need corrections to 58 for CSSR portion and HCV waitlist
4	Financial Management	GHA is reviewing and assessing	GHA will develop and maintain effective financial management policies and procedures.	GHA's Executive Director shall receive the report assessment on GHA Financial Management and make necessary changes to address identified deficiencies.	4/30/2020	Marsh	Assessment of Finance Department is expected to start Feb 1.
<b>Area: Finance</b>							
5	Annual Unaudited FDS Submission	GHA is required to submit an unaudited Financial Data Schedule (FDS) no later than 2 months following the end of each fiscal year.	GHA complies with HUD requirements.	GHA shall submit the unaudited FDS to HUD timely.	5/31/2020	Kamanja	The 2019 FDS was "rejected" and resubmitted on 09/09/2019 to account for the new AMP configuration - currently "under review" with REAC. Audited version will be submitted 12-19-19
6	Annual Audit	GHA is required to be audited annually and submit the audit and audited Financial Data Schedule (FDS) no later than 9 months following the end of each fiscal year.	GHA complies with HUD requirements.	GHA shall complete and submit the audit and the audited FDS to HUD timely.	12/31/2019 12/31/2020	Kamanja	The entrance conference was held on 10/07/2019. GHA received a draft audit the first week of December with no findings.
7	Independent Auditor	GHA's current independent auditor has reached the end of term under their contract.	GHA complies with HUD requirements.	GHA shall take actions to procure an independent auditor and complete its audit timely.	8/31/2019	Bonds	Completed 09/03/2019
8	Internal Controls	GHA has four open audit findings, including two repeat findings since 2009, in the area of finance.	GHA has controls and processes in place and prevents future audit findings.	GHA shall report on its progress to close its open audit findings and measures taken to prevent a recurrence.	Duration of the Sustainability Plan	Kamanja	Completed 08/20/2019
9	HCV Finance	GHA has an open financial review (QAD) finding in the area of Housing Choice Voucher (HCV) program finance requiring a repayment agreement.	GHA has resolved past improper payments.	GHA shall sign a repayment agreement with HUD and close the open finding.	9/30/2019	Kamanja	Completed 09/19/2019
10	Annual Budget	GHA is required to submit to HUD balanced annual operating budgets, approved by the Board of Commissioners, no later than the beginning of each fiscal year.	GHA complies with HUD requirements and implements sound, balanced operating budgets.	GHA shall develop and submit a balanced budget to HUD timely.	3/31/2020 3/31/2021	Kamanja	Plan to have a draft budget for February meeting
<b>Area: Asset Management</b>							
11	Occupancy	GHA's FY 2018 overall Management Assessment Subsystem (MASS) score was 11 of 25.	GHA serves more families in its existing units.	GHA shall establish improving occupancy goals for each AMP for FY 2020.	9/30/2019 10/31/2019	Parker	
12	Tenant Accounts Receivable	GHA's FY 2018 overall Management Assessment Subsystem (MASS) score was 11 of 25.	GHA collects more rent from its existing residents.	GHA shall establish improving TARs goals for each AMP for FY 2020.	9/30/2019 10/31/2019	Parker	

## Gary Housing Authority Sustainability Plan

Item No.	Subject	Current Condition, Deficiency, or Requirement	Desired Outcome	Required Action	Target Completion Dates	Primary GHA Point of Contact	Comments/Completion Date
13	Physical Condition	GHA's FY 2018 overall Physical Assessment Subsystem (PASS) score was 17 of 40.	GHA improves the quality of its housing units.	GHA shall establish PASS goals for each AMP for FY 2020.	9/30/2019-10/31/2019	Parker	
<b>Area: Modernization</b>							
14	Obligations	GHA is required to meet obligation deadlines for its Capital Fund Program (CFP) grants.	GHA complies with HUD requirements.	GHA shall properly obligate 90% of its open CFP grants, as required by HUD.	8/15/2019-5/28/2020	Jain/Tipton	GHA met the 2017 CFP Grant obligation deadline.
15	Expenditures	GHA is required to meet expenditure deadlines for its Capital Fund Program (CFP) grants.	GHA complies with HUD requirements.	GHA shall properly expend 100% of its open CFP grants, as required by HUD.	4/12/2020	Jain/Tipton	
16	Capital Budget	GHA is required to submit to capital budget, approved by the Board of Commissioners, no later than the beginning of each fiscal year.	GHA complies with HUD requirements and implements sound capital budgets.	GHA shall develop and submit a capital budget to HUD timely.			
<b>Area: Resident Issues</b>							
17				GHA shall update and revise its Agency Wide Residential Relocation Plan.	10/31/2019	Parker	Plan approval by FHEO
18	Resident Relocation	GHA is required to implement relocation plans for residents it displaces due to repositioning.	GHA complies with HUD requirements.	GHA shall properly relocate residents impacted by repositioning.	Duration of the Sustainability Plan or until completion	Parker	
19	Community Service Requirement	As of 5/1/2019, GHA has 344 residents who are required to perform community service, however, only 178 residents (51.7%) are meeting this requirement.	GHA complies with HUD requirements to enforce the Community Service and Self-Sufficiency Requirement (CSSR).	GHA shall increase the percentage of residents complying with CSSR by 16 percentage points by the end of each calendar year.	12/31/2019-12/31/2020	Ibarr/Asset Management	GHA is working to resolve a Yardi-PIC issue to correct the actual count. Yardi is reflecting progress and 67%.
<b>Area: Section 8 Housing Choice Voucher Program</b>							
20	SEMAP	GHA is required to submit Section 8 Management Assessment Program (SEMAP) data to HUD and certify its submission no later than 60 days following the end of each fiscal year.	GHA complies with HUD requirements.	GHA shall submit its SEMAP data to HUD and certify timely.	5/30/2020-5/30/2021	Jones/Marsh	Second date was removed, because it is beyond the term of the TCEA.
<b>Area: Monitoring and Reporting</b>							
21	Reporting	GHA's Advisory Committee has been granted specific powers of authority and responsibility over certain areas of planning and oversight of GHA.	The Advisory Committee remains informed of the status of the Sustainability Plan, Portfolio Transformation Plan, and other requests, requirements, submissions, and deadlines.	For the duration of HUD's possession, GHA shall report on the status of open items of the Sustainability Plan and Portfolio Transformation Plan to the Advisory Committee in the monthly Board packet.	Duration of the Sustainability Plan	Marsh	
22	Meetings	HUD maintains possession and operational oversight of GHA.	The HUD Transition Administrator remains informed of the status of the Sustainability Plan, Portfolio Transformation and other requests, requirements, submissions, and deadlines.	Change	Duration of the Sustainability Plan	Marsh	GHA has now scheduled a monthly meeting for 1 pm CDT on the day of the board meeting.

# ATTACHMENT 9

# Capital Fund Program- Five-Year Action Plan

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
OMB No. 2577-0226  
Expires 08/30/2011

## Part I: Summary

PHA Name/Number: Gary Housing Authority / IN36P011		Locality: City of Gary/Lake County/Indiana		<input checked="" type="checkbox"/> Original 5-Year Plan	<input type="checkbox"/> Revision No:	
A.	Development Number and Name	Work Statement for Year 1 / FFY 2020	Work Statement for Year 2 / FFY 2021	Work Statement for Year 3 / FFY 2022	Work Statement for Year 4 / FFY 2023	Work Statement for Year 5 / FFY 2024
B.	Physical Improvements Subtotal	\$2,025,000	\$1,750,000	\$1,725,000	\$2,075,000	\$2,300,000
C.	Management Improvements (PHA-Wide)	\$41,923	\$16,923	\$26,923	\$16,923	\$26,923
D.	PHA-Wide Non-dwelling Structures and Equipment	\$275,000	\$450,000	\$90,000	\$100,000	\$145,000
E.	Administration	\$591,703	\$591,703	\$591,703	\$591,703	\$591,703
F.	Fees & Costs	\$100,000	\$100,000	\$100,000	\$250,000	\$250,000
G.	Operations	\$1,183,406	\$1,183,406	\$1,183,406	\$1,183,406	\$1,183,406
H.	Relocation	\$225,000	\$225,000	\$100,000	\$100,000	\$100,000
I.	Demolition	\$1,000,000	\$1,500,000	\$2,000,000	\$1,250,000	\$1,000,000
J.	Development	\$400,000	\$100,000	\$100,000	\$300,000	\$300,000
K.	RAD Funds Pre-Closing	\$25,000	\$0	\$0	\$0	\$0
L.	RAD	\$50,000	\$0	\$0	\$50,000	\$20,000
M.	Capital Fund Financing – Debt Service	\$0	\$0	\$0	\$0	\$0
N.	Total CFP Funds	\$5,917,032	\$5,917,032	\$5,917,032	\$5,917,032	\$5,917,032
O.	Total Non-CFP Funds	\$0	\$0	\$0	\$0	\$0
P.	Grand Total	\$5,917,032	\$5,917,032	\$5,917,032	\$5,917,032	\$5,917,032

# Capital Fund Program- Five-Year Action Plan

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
OMB No. 2577-0226  
Expires 08/30/2011

## Part II: Supporting Pages - Physical Needs Work Statement(s)

Work Statement for Year 1 / FFY 2020				Work Statement for Year 2 / FFY 2021			
Development Number/Name General Description of Major Work Categories		Quantity	Estimated Cost	Development Number/Name General Description of Major Work Categories		Quantity	Estimated Cost
1480	Dwelling Unit Exterior Comprehensive Modernization & Vacancy Reduction	PHA-Wide	\$600,000	Dwelling Unit Exterior Comprehensive Modernization & Vacancy Reduction	PHA-Wide		\$500,000
1480	Dwelling Unit Interior Comprehensive Modernization & Vacancy Reduction	PHA-Wide	\$600,000	Dwelling Unit Interior Comprehensive Modernization & Vacancy Reduction	PHA-Wide		\$500,000
1480	Genesis Towers Roof Replacement/Repair	1	\$300,000	Genesis Towers Roof Replacement/Repair	1		\$400,000
1480	Glen Park HVAC Replacement	1	\$275,000	Glen Park HVAC Replacement	1		\$300,000
1480	Genesis Towers UST Removal	1	\$200,000	Dwelling Unit Site Work	PHA-Wide		\$50,000
1480	Dwelling Unit Site Work	PHA-Wide	\$50,000	PHA-Wide			
	Subtotal Improvements		\$2,025,000	Subtotal Improvements			\$1,750,000
1480	Relocation	PHA-Wide	\$225,000	Relocation	PHA-Wide		\$225,000
1408	Management Improvements	PHA-Wide	\$41,923	Management Improvements	PHA-Wide		\$16,923
1480	Non-Dwelling Structures & Equipment	PHA-Wide	\$275,000	Non-Dwelling Structures & Equipment	PHA-Wide		\$450,000
1410	Administration	1	\$591,703	Administration	1		\$591,703
1406	Operations	1	\$1,183,406	Operations	1		\$1,183,406
1480	Fees & Costs	PHA-Wide	\$100,000	Fees & Costs	PHA-Wide		\$100,000
1480	Demolition	PHA-Wide	\$1,000,000	Demolition	PHA-Wide		\$1,500,000
1480	Development	PHA-Wide	\$400,000	Development	PHA-Wide		\$100,000
1480	RAD Funds Pre-Closing	PHA-Wide	\$25,000	RAD Funds Pre-Closing	PHA-Wide		\$0
1501	RAD	PHA-Wide	\$50,000	RAD	PHA-Wide		\$0
FY 2020 Subtotal of Estimated Cost			\$5,917,032	FY 2021 Subtotal of Estimated Costs			\$5,917,032



# Capital Fund Program- Five-Year Action Plan

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
OMB No. 2577-0226  
Expires 08/30/2011

## Part II: Supporting Pages - Physical Needs Work Statement(s)

Work Statement for Year 1 / FFY 2022				Work Statement for Year 2 / FFY 2023			
	Development Number/Name General Description of Major Work Categories	Quantity	Estimated Cost	Development Number/Name General Description of Major Work Categories	Quantity	Estimated Cost	
1480	Dwelling Unit Exterior Comprehensive Modernization & Vacancy Reduction	PHA-Wide	\$500,000	Dwelling Unit Exterior Comprehensive Modernization & Vacancy Reduction	PHA-Wide	\$600,000	
1480	Dwelling Unit Interior Comprehensive Modernization & Vacancy Reduction	PHA-Wide	\$500,000	Dwelling Unit Interior Comprehensive Modernization & Vacancy Reduction	PHA-Wide	\$600,000	
1480	Genesis Towers Façade Replace & Repair	1	\$200,000	Genesis Towers Façade Replace & Repair	1	\$200,000	
1480	Genesis Towers HVAC Replace & Repair	1	\$250,000	Genesis Towers HVAC Replace & Repair	1	\$225,000	
1480	Glen Park Window Replacement	1	\$250,000	Glen Park Window Replacement	PHA-Wide	\$400,000	
1480	Dwelling Unit Site Work	PHA-Wide	\$25,000	Dwelling Unit Site Work	PHA-Wide	\$50,000	
	Subtotal Improvements		\$1,725,000	Subtotal Improvements		\$2,075,000	
1480	Relocation	PHA-Wide	\$100,000	Relocation	PHA-Wide	\$100,000	
1408	Management Improvements	PHA-Wide	\$26,923	Management Improvements	PHA-Wide	\$16,923	
1480	Non-Dwelling Structures & Equipment	PHA-Wide	\$90,000	Non-Dwelling Structures & Equipment	PHA-Wide	\$100,000	
1410	Administration	1	\$591,703	Administration	1	\$591,703	
1406	Operations	1	\$1,183,406	Operations	1	\$1,183,406	
1480	Fees & Costs	PHA-Wide	\$100,000	Fees & Costs	PHA-Wide	\$250,000	
1480	Demolition	PHA-Wide	\$2,000,000	Demolition	PHA-Wide	\$1,250,000	
1480	Development	PHA-Wide	\$100,000	Development	PHA-Wide	\$300,000	
1480	RAD Funds Pre-Closing	PHA-Wide	\$0	RAD Funds Pre-Closing	PHA-Wide	\$0	
1501	RAD	PHA-Wide	\$0	RAD	PHA-Wide	\$50,000	
FY 2022 Subtotal of Estimated Cost			\$5,917,032	FY 2023 Subtotal of Estimated Costs			\$5,917,032

Capital Fund Program- Five-Year Action Plan

Part II: Supporting Pages - Physical Needs Work Statement(s)		
Work Statement for Year 2 / FFY 2024		
Development Number/Name General Description of Major Work Categories	Quantity	Estimated Cost
Dwelling Unit Exterior Comprehensive Modernization & Vacancy Reduction	PHA-Wide	\$700,000
Dwelling Unit Interior Comprehensive Modernization & Vacancy Reduction	PHA-Wide	\$700,000
Genesis Towers Façade Replace & Repair	1	\$250,000
Glen Park HVAC Replace & Repair	1	\$200,000
Glen Park Window Replacement	1	\$350,000
Dwelling Unit Site Work	PHA-Wide	\$100,000
Subtotal Improvements		\$2,300,000
Relocation	PHA-Wide	\$100,000
Management Improvements	PHA-Wide	\$26,923
Non-Dwelling Structures & Equipment	PHA-Wide	\$145,000
Administration	1	\$591,703
Operations	1	\$1,183,406
Fees & Costs	PHA-Wide	\$250,000
Demolition	PHA-Wide	\$1,000,000
Development	PHA-Wide	\$300,000
RAD Funds Pre-Closing	PHA-Wide	\$0
RAD	PHA-Wide	\$20,000
FY 2024 Subtotal of Estimated Costs		\$5,917,032

**U.S. Department of Housing and Urban Development**

**OMB No. 2577-0226**  
**Expires 08/30/2011**

Work Statement for Year 1 / FFY 2020			Work Statement for Year 2 / FFY 2021		
Development Number/Name Description of Major Work	General Categories	Estimated Cost	Development Number/Name Description of Major Work	General Categories	Estimated Cost
<b>Subtotal of Estimated Cost</b>		<b>\$0</b>	<b>Subtotal of Estimated Costs</b>		<b>\$0</b>

## U.S. Department of Housing and Urban Development

**Office of Public and Indian Housing**  
**OMB No. 2577-0226**  
**Expires 08/30/2011**

Work Statement for Year 3 / FFY 2022			Work Statement for Year 4 / FFY 2023			
	Development Number/Name Description of Major Work	General Categories	Estimated Cost	Development Number/Name Description of Major Work	General Categories	Estimated Cost
				</		

# ATTACHMENT 10



**CAPITAL FUND PROGRAM  
STATEMENT OF SIGNIFICANT AMENDMENT**

For the purposes of the 2020-2024 Capital Fund Program Annual and 5-Year Action plan, the Gary Housing Authority's *Statement of Significant Amendment* is as follows:

The Gary Housing Authority's criteria for determining whether an amendment or modification is significant is any proposed demolition, disposition, homeownership, Capital Fund Financing, development, or mixed finance proposal; as also considered by HUD, based on the Capital Fund Final Rule.

If the amendment or modification is considered to be significant, as defined above, the amendment or modification will not be adopted until approved by the Board of Commissioners in a meeting that is open to the public, and provided to and approved by HUD in accordance with HUD's plan review procedures.