

SERC-NAHRO FALL WORKSHOP 2018



Presenter Introduction

- Torri Armstrong, *Attorney Baker Donelson*
- Lee Hill, *Attorney Baker Donelson*

Public Housing Authority 101

What is a Public Housing Agency (PHA)?

A PHA is a partnership of State, Local, and Federal law.

▪State

- ❖ The State enacts authorizing legislation for PHAs.
 - **Model Act** -- In each town, city, and county there is hereby created a public body corporate and politic to be known as a "housing authority."

▪Local

- ❖ PHAs have no power until the governing body of the town, city, or county declares there is a need for such housing authority by proper resolution.
 - **Model Act** -- Such authority shall not transact any business or exercise its powers hereunder until or unless the governing body of the town or city or county by proper resolution declares at any time that there is a need for an authority to function in such town, city, or county

▪Federal

- ❖ PHAs are federally funded.
- ❖ HUD administers federal aid to public housing authorities that manage housing for low income residents at rents they can afford.

State Laws that Matter to PHAs

❖ Open Meetings

- **State laws generally** -- Official meetings of public bodies should be open to the public at all times unless declared an executive session.
- Minutes
- Executive Session



❖ Open Records

- **State laws generally** -- PHA records must be available for inspection by any person.

State Laws that Matter to PHAs

❖ Attorney General Opinions

- **Who?** – State agencies and public officials
- **How?** – By written request in the form of a letter to the Attorney General
- **Effect?** – Formal advice that protects against civil and criminal liability
- **Process** – Varies by State



❖ State Procurement Laws

- Vary but generally – not applicable to PHAs
- Must follow federal procurement laws and PHAs own procurement policy

❖ State Tort Claims Act

- Set of statutes that define when, how, and whether someone can bring suit against a governmental entity

Federal Guidance that Matters to PHAs

❖ Federal Regulations

❖ HUD Guidance

- HUD interprets laws handed down by Congress and develops regulations to guide PHAs
- HUD Handbooks
- HUD Notices

❖ Contracts

- Annual Contributions Contract (Public Housing and Section 8)

❖ Federal Procurement Laws

❖ Other Laws...

Case Study – Service and Comfort Animals

Two Different Contexts:

1. Title I of the ADA, which covers private employment

2. Titles II and III of the ADA, which cover public/government employment and places of public accommodation like restaurants, hotels, retail establishments, and public areas of commercial facilities

Definition of “Service Animal” Under Titles II and III of the ADA

Service animals are defined as dogs that are individually trained to do work or perform tasks for people with disabilities.

Examples of such work or tasks include guiding people who are blind, alerting people who are deaf, pulling a wheelchair, alerting and protecting a person who is having a seizure, reminding a person with mental illness to take prescribed medications, calming a person with Post Traumatic Stress Disorder (PTSD) during an anxiety attack, or performing other duties.

“Service Animals” Can Be Dogs or . . .

. . . Wait for it!



“Service Animals” Can Be Dogs or . . .

. . . Wait for it!



“Service Animals” Can Be Dogs or Miniature Horses

- Current ADA regulations have a provision about miniature horses that have been individually trained to do work or perform tasks for people with disabilities.
- Miniature horses generally range in height from 24 inches to 34 inches measured to the shoulders and generally weigh between 70 and 100 pounds.
- Entities covered by the ADA must modify their policies to permit miniature horses where reasonable.

“Service Animals” Can Be Dogs or Miniature Horses

The ADA regulations set out four assessment factors to assist entities in determining whether miniature horses can be accommodated in their facility:

- (1) whether the miniature horse is housebroken;
- (2) whether the miniature horse is under the owner's control;
- (3) whether the facility can accommodate the miniature horse's type, size, and weight; and
- (4) whether the miniature horse's presence will not compromise legitimate safety requirements necessary for safe operation of the facility.

“Service Animals” versus “Comfort Animals”

Dogs and miniature horses whose sole function is to provide comfort or emotional support do not qualify as service animals under Titles II and III of the ADA.



“Service Animals” versus “Comfort Animals”

And remember, only properly trained **DOGS** and **MINIATURE HORSES** can be service animals under Titles II and III of the ADA.



What Must “Service Animals” Be Permitted to Do Under Titles II and III of the ADA?

Generally, Title II and Title III entities must permit service animals to accompany people with disabilities in all areas where members of the public are allowed to go.



What Questions Can Companies Ask People with Service Animals Under Titles II and III of the ADA?

When it is not obvious what service an animal provides, only limited inquiries are allowed.

Two questions are permitted:

- (1) Is the service animal required because of a disability?
- (2) What work or task has it been trained to perform?

They cannot ask about the person's disability, require medical documentation, require a special identification card or training documentation for the animal, or ask that the animal demonstrate its ability to perform the work or task.

Board of Commissioners and other PHA Roles

- **Board of Commissioners**
- **Executive Director**
- **Executive Staff**



Board Roles and Responsibilities

- Selects and appoints the Executive Director
- Reviews, approves, and sets policy
- Monitors performance of implemented policies
- Signs or authorizes key documents to HUD
- Understands PHA's programs and financial statements

Board Roles and Responsibilities

- Reviews annual reports to HUD
 - Annual reports are prepared by the Executive Director and reviewed by the Board
- Follows laws and regulations, and supports what is in the best interest of PHA and the public
- Maintains positive relationships with HUD
- Attends PHA trainings, as needed

Before Board Meetings

A board member....

- Prepares for and attends all meetings
 - ❑ Reviews financial reports
 - ❑ Reviews and understands appropriate documentation prior to making decisions
 - ❑ When needed, requests additional information prior to the meeting to arrive informed, ready to be informed, and participate

At Board Meetings

A board member...

- Ensures meetings begin on time
- Actively engages in discussions
- Sticks to the Agenda
- Cooperates with members
 - Cooperation presents a united front to the public
 - Avoid split votes and split decisions when possible
- Compromises
- Works toward consensus
- Avoids using the meeting as a forum for politics

Monitoring of PHA by the Board

- Finances & the bottom line
- Vacancies
- Modernization process
- Section 8 utilization
- Resident programs
- Project-based issues
- Executive Director
- Annual reports to HUD
- Audits and financial statements

Board's Role in Preventing Fraud and Abuse

- Board must ensure that policies support the establishment of sound management controls and prevent against fraud and abuse.
- Areas in which the Board should pay particular attention:
 - Bookkeeping and Accounting
 - Personnel and Hiring
 - Procurement and Contracts
 - Ethics and Standards of Conduct
 - Tenant Integrity
 - Independent Audits and HUD Reviews
 - Credit Cards

Issues Outside Board's Scope of Authority

- Supplying candidates for hire or applicants for residency
- Sending acquaintances for contracts with PHA
- Asking for personal favors
- Using position for political purposes
- Intimate involvement with employees and tenants
- Managing day-to-day operations of PHA

Board's Role as Advocate

- ✓ Promotes the Agency
- ✓ Goes to Civic Clubs
- ✓ Attends neighborhood meetings
- ✓ Informs the Executive Director of needs
 - Executive Director is the point of contact
 - Open line of communication between the Board and the Executive Director
- ✓ Knows what to say and what not to say

PHA's Roles and Responsibilities

- The Executive Director and staff...
 - Facilitate day-to-day operations
 - Facilitate the complaint process

Executive Director Roles

- ✓ Executive Director is the Board's only employee
- ✓ Executive Director has only one boss – the Board
 - ❑ The collective Board, not individual Board members
- ✓ Vital part of the Board team
- ✓ Does not want a “rubber stamp”
- ✓ Has a fiduciary duty
- ✓ There is only one Executive Director.

Executive Director Responsibilities

- Helps the Board do their job
- Responsible for day-to-day management of PHA
- Implements policies
- Represents PHA
- Handles personnel matters
- Hires, directs, supervises, evaluates, and disciplines all PHA staff
- Prepares and manages PHA budget
- Manages finances
- Prepares reports
- Oversees assets

Executive Director Responsibilities

- Makes recommendations
- Plans operations
- Makes reports
- Informs the Board about PHA's status
- Reports on results of Board actions
- Facilitates the complaint process
- Administers PHA programs
- Makes regular reports to the Board on PHA programs and needs
- Prepares annual reports

Evaluation of Executive Director

The Board...

- Uses the evaluation as a positive effort to communicate with the Executive Director
- Avoids using the evaluation as a tool for documenting errors
- Awards good performance
- Constructively provides feedback and avenues of correction on performance

The Board and the Staff

The Board....

- Is concerned about the staff
- Trusts and allows the staff to do their job
- Makes personnel policy changes as required or as needed
 - Remembers that the Executive Director implements policy
- Avoids becoming involved in staff problems

When the Board Receives Complaints

The Board...

- Refers all complaints to the Executive Director
- Reminds residents and employees to consult with the Executive Director
- Avoids making promises to complainants
- Notifies the Executive Director of public complaints and issues

Questions (& Answers)

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Tax Credit 101



Community Development

HUD - Building stronger and more resilient communities by supporting infrastructure, economic development projects, installation of public facilities, community centers, housing rehabilitation, public services, clearance/acquisition, microenterprise assistance, code enforcement, homeowner assistance and many other identified needs.



Community Development and Economic Development

HHS/Office of Community Services - A process by which a community uses resources to attract capital and increase physical, commercial, and business development and job opportunities for its residents.



Low Income Housing Tax Credit – More than just Housing



Low Income Housing Tax Credit – More than just Housing



Low Income Housing Tax Credit – More than just Housing

midtownpartners.org



Leveraged Finance: $2 + 2 = 5$

Leverage
It makes all the difference!



Low Income Housing Tax Credit – Section 42 I.R.C.

- 9% (70%) or 4% (30%) of Project Costs
- Building
- Qualified Low-Income Housing Project
 - 20%+ at 50% AMI
 - 40%+ at 60% AMI
 - Income Averaging
- Restricted Rental Rates
 - Max of 30% of Max Income Earner based off AMGI
 - Assuming 1.5 persons/bedroom
 - Less a Utility Allowance



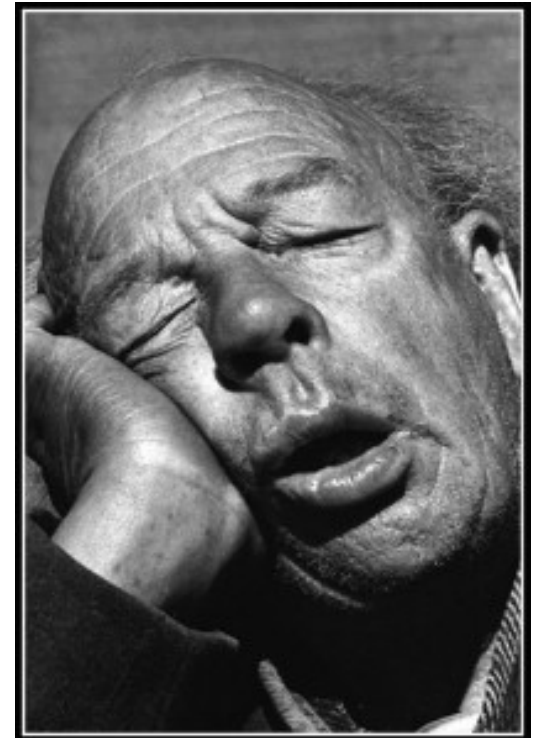
Low Income Housing Tax Credit – Section 42 I.R.C.

- Eligible Basis/Qualified Basis
 - Unit Fraction
 - Floor Space Fraction
- Acquisition and Construction
- Compliance Period
 - 15 year
 - Extended Use Period
- 10 Year Earnings Period
 - Placed in Service (Building)



Partnership Tax Refresher (or Primer)

- Pass-Through Entities
- Distributive Share
- Substantial Economic Effect



Partnership Tax Refresher (or Primer)

- Lemonade Stand
- 2 partners - \$10/each
- \$100 profit
- Hold it with the thought that we might need it to grow or as a reserve
- How much tax is due?
- By whom?



Partnership Tax Refresher (or Primer)

- Lemonade Stand
- 2 partners - \$10/each
- \$100 loss
- Because we have no discipline
- How much tax loss?
- By whom?

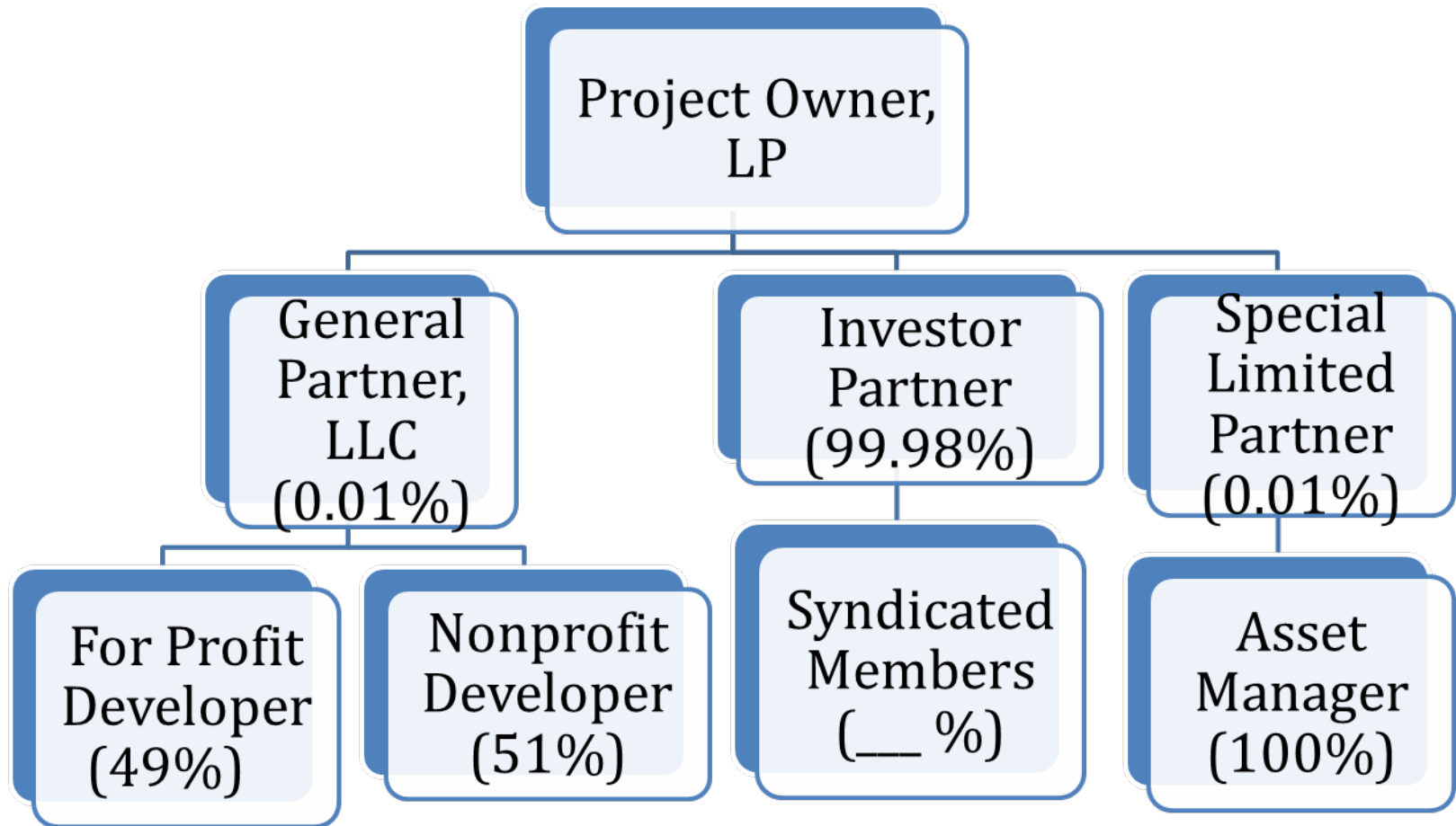


Partnership Tax Refresher (or Primer)

- Lemonade Stand grew into an Ice Cream Parlor
- Buy a land and a building
- 5 years of break-even operations
- Was there a taxable event?
- Why or Why not?
- For whom?



Affordable Housing: Low Income Housing Tax Credit – IRC Section 42



Low Income Housing Tax Credit – \$6,749,325 towards a \$10,000,000 Development

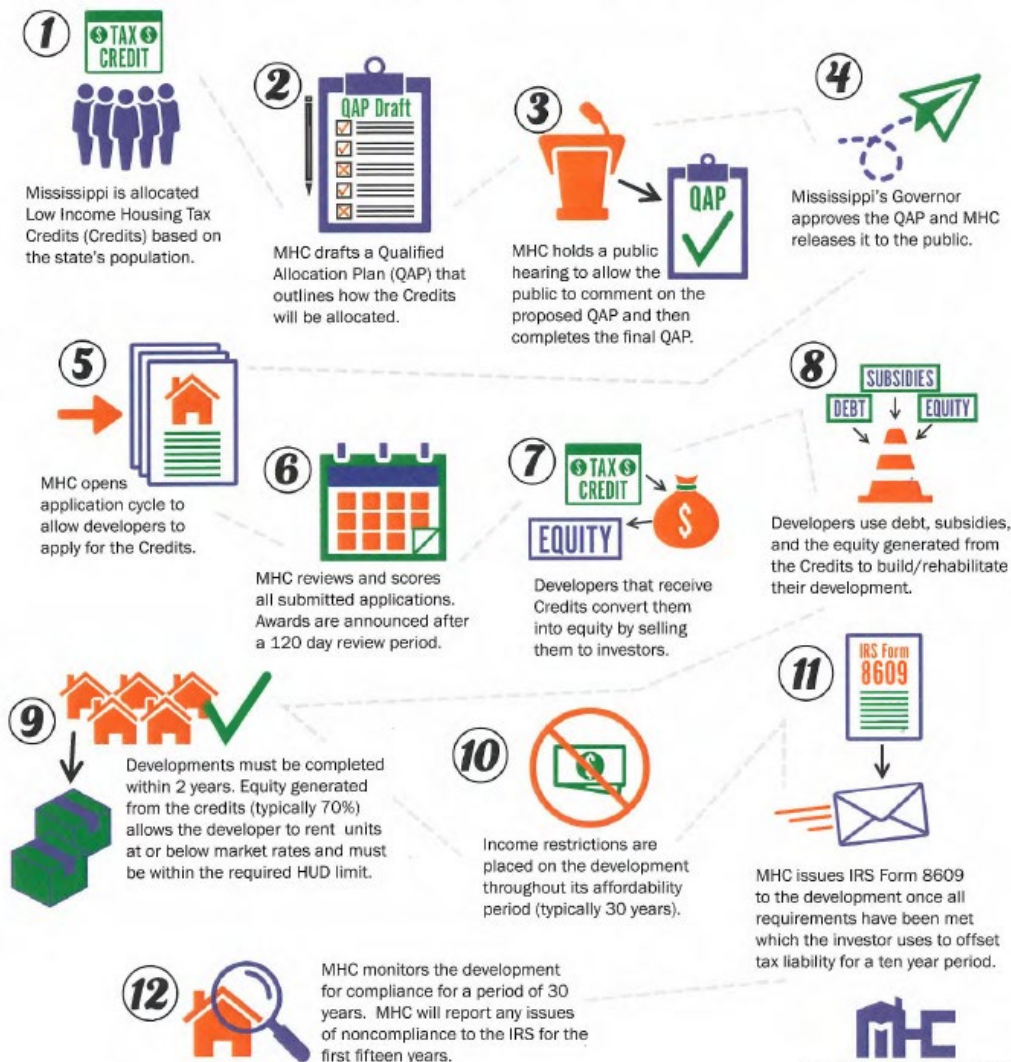
- Calculating the Value of the Credit
 - 9% or 4% of Taxpayers Adjusted Basis in the Project
 - Multiply by a 10-year period
 - Apply the “Purchase Price”
- Example:
 - \$10,000,000 in Adjusted Basis and 9% LIHTCs
 - \$13,000,000 after 30% Basis Boost
 - $\$13,000,000 \times 9\% = \$1,170,000$ (mindful of QAP limits, e.g., \$750,000)
 - $\$750,000 \times 10 = \$7,500,000$
 - $\$7,500,000 \times 99.99\% = \$7,499,250$
 - $\$0.9 / \$1.00 \times \$7,499,250 = \$6,749,325$

Low Income Housing Tax Credit – 86 Unit Substantial Rehab RAD Transaction

Source	Amount	Priority
Investor Equity	\$ 6,135,000	n/a
Permanent Debt (non-recourse)	\$ 885,300	1
Deferred Developer Fee	\$ 97,000	2
HOME Loan	\$ 750,000	3
PHA Capital Funds / Permanent Financing	\$ 1,250,000	4
AHP Funds	\$ 460,000	5
Total Perm. Financing	\$ 9,577,300	

The Housing Tax Credit Program

Here's How It Works...



Questions (& Answers)

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Public Housing Development 101



HUD Influence on PHA Partnerships

- **Public and Private Partnerships:** HUD has encouraged the formation of public and private partnerships to ensure long term sustainability of public housing developments and the leveraging of public and private resources to transform communities.
- **Potential Issues:** PHA relationships with affiliated housing development entities and nonprofit organizations can cause PHAs to violate their ACC and other federal regulations if they are not careful.
- **Affiliates vs. Instrumentalities:** Two types of entities through which the PHA may accomplish its public housing development activities are: **1) Affiliates** and **2) Instrumentalities**.
- **Why does this distinction matter?**
 - **Affiliate** is treated as an unrelated third party contractor.
 - **Instrumentality** is treated as an extension of the PHA itself.

Mixed Finance Development – Leveraging Public Housing Funds

- New public and private partnerships to ensure long-term sustainability of public housing developments and the leveraging of public and private resources to transform communities into vibrant and sustainable "mixed-income" communities.
- Goal – mix public, private, and non-profit funds to develop and operate housing developments
- Variety of housing types: rental, homeownership, private, subsidized, and public housing
- Mixed income

Mixed Finance Development – Leveraging Public Housing Funds

- Assemble the team
- Craft the Project
 - Design / Funding / Site
 - Project in the CFP 5-Year Action Plan
- Section 18 Demo/Dispo Application to SAC
- Site and Neighborhood Review by FHEO
- Request for Expenditure of Predevelopment Funds
 - In 24 CFR 905.612(a):
 - prior to submission of a Development Proposal to HUD for approval
 - prior to a PHA expending public housing funds
- Development Proposal
 - Rental Term Sheet / Development Calculator

Mixed Finance Development – Leveraging Public Housing Funds

- Units Continue to Operate as PH Units
 - Operating/Capital Fund Subsidy
- Key Documents
 - Release of HUD DOT
 - Revised DOT/DORC
 - Mixed Finance Amendment to the ACC
 - Regulatory and Operating Agreement

Rental Assistance Demonstration - RAD

- Goal – Preserve housing stock by converting to long-term Section 8 Rents
- “Public housing has been neglected for so long that the approximately 1.1 million public housing units nationwide need \$49 billion in repairs. As a result of these significant needs, approximately 10,000 public housing units are lost each year.”
www.shelterforce.org (July 30, 2018)



RAD – Major Documents

- Commitment to Enter Into a Housing Assistance Payments Contract (CHAP)
 - HUD Award Letter
 - Sets forth the major issues: units to be converted, contract rents
- Financing Plan
 - PBRA vs. PBV
 - Physical Condition Assessment (PCA)
 - Scope of Work
 - Relocation Plan
 - Proposed Financing
 - Development Budget and Development Team



RAD – Major Documents, Cont'd

- Rental Conversion Commitment (RCC)
 - “Soft” Final Approval
 - Reserve Requirements
 - Timeline for Completion of Work
 - Special Conditions required prior to closing
- Use Agreement
 - Recorded in Land Records at Financial Closing/Conversion
 - Priority Lien
 - Not Forecloseable
- HAP Contract
 - 20 year term
 - Mandatory Renewals



RAD – PBV or PBRA

- PBV

- Appropriation Risk (termination or absorption)
- Contract Rent Increases (OCAF: limited by reasonable rent)
- Choice Mobility (12 months)

- PBRA

- Appropriation Risk (never happened)
- Contract Rent Increases (OCAF)
- Choice Mobility (24 months) (can be limited)

RAD – PBV or PBRA

- PBV

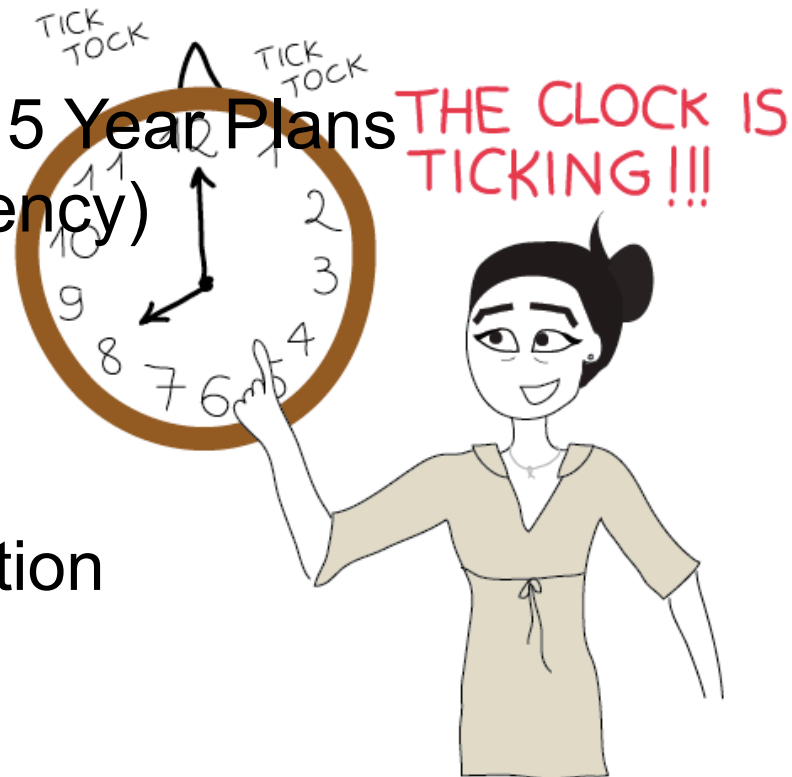
- REAC (none)
(exception - FHA
loan)
- MORs (none)
- Choice Mobility (12
months)

- PBRA

- Subject to REAC
- Subject to MORs
- Choice Mobility (24
months) (can be
limited)

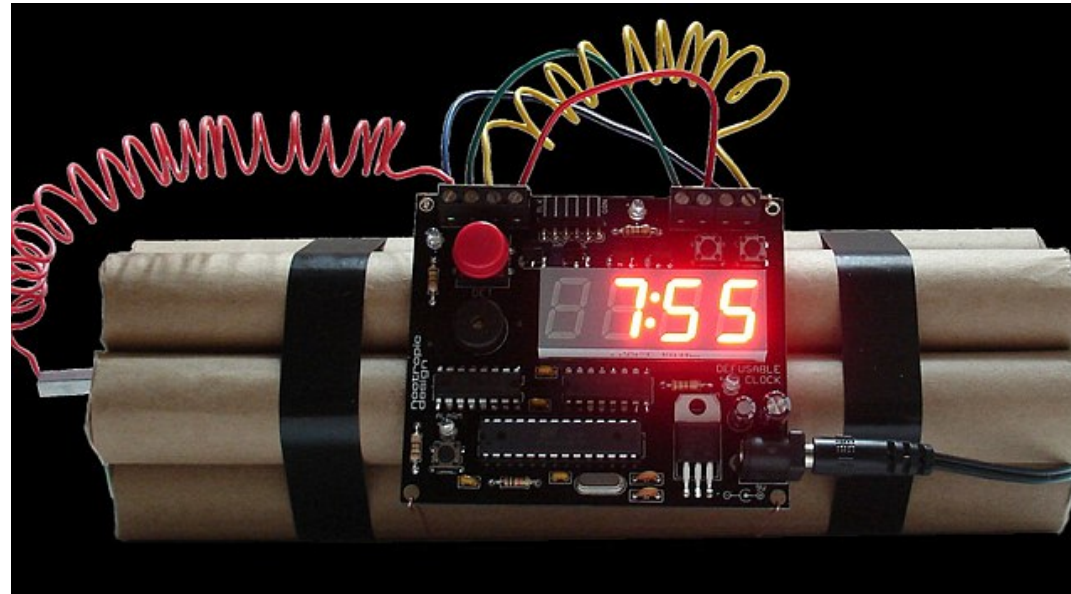
RAD – CHAP Milestones

- 30 Days
 - Lender Engagement / Commitment Letter
 - Development Team Capacity
- 60 Days
 - Amendment of Annual and 5 Year Plans
 - PBRA or PBV (voucher agency)
- 90 Days
 - Due Diligence Certification
- 150 Days
 - Firm Commitment Certification



RAD – CHAP Milestones, Cont'd

- 180 Days
 - Financing Plan
- 320 Days
 - Firm Commitment:
 - Issuance of RCC
- 30 Days of RCC
 - Signed and returned
- 90 Days of RCC
 - Close (360 Days from CHAP issuance)



RAD – To Do List

- Assemble a Team
 - Developers
 - Accountants
 - Financial Advisors
 - Lawyers
- Examine the Numbers, Closely
 - “Lean Not on Your Understanding...” nor merely on those who stand to gain
- Start eating the elephant
 - Relocation Notices
 - Resident Consultations / Notice of Lease Termination
 - Title
 - Begin Regular Conversations with the Transaction Manager



RAD – Relocation Requirements

❖ RAD Information Notice (RIN)

- Very beginning of RAD process – overview of info
- Sent whether or not relocation is anticipated
- Sent prior to 1st of the 2 required pre-application resident meetings

❖ Notification of Return

- Notification to residents timing of move back to the property
- In advance of the return by 15% of the duration of temporary relocation or 90 days, whichever is less

RAD – Relocation Requirements

- ❖ General Information Notice (GIN)
 - URA determines when it is required – not all cases
 - To be sent “as soon as feasible” (30 days after the CHAP) when there will be acquisition, rehab or demolition
 - PHAs may choose to send the GIN with the RIN.
- ❖ Notice of Relocation
 - Details the relocation plans for each specific household
 - Can be sent after RCC effective date or issuance of a NOIA, whichever comes first
- ❖ Notice of Lease Termination
 - 30-days prior to HAP Effective Date (or lease conversion)

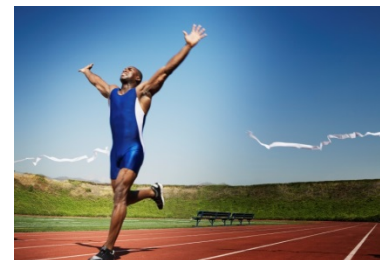
RAD – Final Thoughts

- Benefits
 - Easier Leverage
 - Fixed Rent Floor Levels adjusted by OCAF
 - Expedited Review and Approval (No SAC or SLR and TM)
 - Cash Flow: increase, predictable, few limitations on use, new sources (e.g., PBV management fees)
 - Relaxed Procurement
- Considerations
 - Clear title issues early; pay for a survey, if necessary
 - PHA preserve an interest in the property
 - Be aware of Choice Mobility and Additional Resident Rights (organize, more lenient lease termination provisions)
 - Be prepared to work through the CHAP Milestones



RAD – Final Thoughts

- Know the PHA's Roles in LIHTC Projects
 - Ground Lessor or Seller Financier
 - Lender
 - Subsidy Provider / Contract Administrator
 - Part of the Ownership Structure
 - Property Manager
 - Co-Developer: risk and reward
 - Fees
 - Co-Guarantor (Cost overruns, Credit Recapture, Operating Deficits)



Questions (& Answers)

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Public Housing Development 201



Tax Exempt Housing Bonds – Section 142 I.R.C.

- Bond Basics
 - Bonds are debt of the project
 - Bonds are administered by a Trustee
 - Issuers authorized to issue bonds by the State
 - Paired with the 4% LIHTC

Tax Exempt Housing Bonds – Section 142 I.R.C.

- Bond Basics Continued

- Participants

- Issuer
 - Trustee
 - Bond Purchaser/Underwriter
 - Borrower
 - Collateral Lender
 - Developers/Guarantors
 - Volume Cap Agency

Tax Exempt Housing Bonds – Section 142 I.R.C.

- Structuring Basics
 - Public v. Private offering
 - Fixed or Variable Interest Rates
 - Credit Enhancement
 - Underlying Mortgages
 - Letters of Credit
 - Reserve Funds

Tax Exempt Housing Bonds – Section 142 I.R.C.

- Procedural Basics
 - Bond Inducement (60-day lookback)
 - TEFRA Hearing
 - Tax Credit Application
 - Volume Cap Allocation
 - Issuer Approval of Documents and Sale
 - Pricing/Sale of Offered Bonds
 - Validation
 - Closing

Tax Exempt Housing Bonds – Section 142 I.R.C.

- Basic Limitations/Requirements
 - Minimum Unit Set-Aside (20/50 or 40/60)
 - Qualified Project Period = the entire period for which the project must maintain its minimum set-aside requirements; land use restrictions will attach to the project
 - Restrictions on Qualified Bond-Financed Property
 - Land Acquisition = 25% Limit
 - Existing Facilities = 15% Rehabilitation Requirement
 - 95% Test - Good Costs/Bad Costs Test
 - "Bad Costs" are limited to 5% of bond proceeds.
 - 2% Limitation on Bond-Financing Issuance Costs
 - Economic Life Limitations - The project must have sufficient remaining economic life relative to the term of the bonds
 - Volume Cap Allocation
 - 50% Test
 - 50% of land and building costs are financed by tax-exempt bonds from the state's bond allocation

Tax Exempt Housing Bonds – Cash Collateral Sources

- HUD 221(d)(4)
 - construction or substantial rehabilitation of multifamily properties
 - 40-year fixed and fully amortizing interest rates
- HUD 223(f)
 - purchase or refinancing of detached, semi-detached, row, walkup, and elevator-type multifamily properties
 - 35 years fixed and fully amortizing interest
- USDA 538
 - Construction, improvement and purchase of multi-family rental housing for low to moderate income families and individuals
 - Minimum term of 25 years and maximum term of 40 years
- PHA Funds
 - Reserves, CFFP, Etc.

Additional Soft Monies

- Affordable Housing Program Funds
- Housing Trust Funds
- HOME Funds
- CDBG Funds
- PHA Funds



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Fall Workshop 2018

Open Session



Moderated Discussion

❖ Topics to be determined

Questions (& Answers)

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Procurement and Ethics



Applicable Regulations and Guidance

- 2 CFR Part 200
- HUD Procurement Handbook for PHAs 7460.8 (REV 2) dated March 2007
- PHA's Procurement Policies and Procedures
- State and Local Laws regarding Procurement
- In the event of a conflict between Federal law and State and Local law, the more stringent law will apply (*See* Section 1.3 of the HUD Procurement Handbook)

Administrative Requirements

- PHAs must establish and use their own procurement policy and procedures, which reflect applicable federal, state, and local laws and regulations
- Maintain a contract administration system
- Maintain a written code of standard of conduct governing performance in the award and administration of contracts
- Make awards only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement
- Maintain records sufficient to detail the significant history of procurement
- Have protest procedures in place to handle and resolve disputes related to procurement

PHA Procurement Policy

- PHAs must establish and follow a written Procurement Policy (See Sample Procurement Policy, Appendix 1 of HUD Procurement Handbook)
- A PHA's Procurement Policy need not contain detailed working-level procedures, but should require establishment of such procedures to carry out the Policy
- PHAs are not required to submit Procurement Policies for HUD approval; but, if a PHA wishes to be exempt from prior HUD approval of certain individual procurement actions, the PHA may have its Procurement Policy reviewed/approved by HUD



Contracting Officer

- The Procurement Policy (as approved by the Board of Commissioners) should delegate procurement responsibilities to a Contracting Officer, who is generally the Executive Director of the PHA
- The Contracting Officer has authority to assign all or a portion of his or her responsibility to positions or individuals based on organization and staffing of the PHA
- The Contracting Officer should:
 - Use sound judgment in accomplishing the procurement activities of the PHA;
 - Ensure that bidders and contractors receive fair, impartial, and equitable treatment;
 - Ensure that contract actions comply with all applicable Federal, State, and Local laws and the PHA's approved procurement policy;
 - Seek the best value and greatest overall benefit for the PHA in response to the needs desired



Roles and Responsibilities

Board of Commissioners

- Provides general oversight of procurement activities
- Not directly involved in vendor/contractor selection
- May approve contracts/agreements which exceed a threshold or address a condition specifically outlined under the PHA's Procurement Policy

Executive Director (or Contracting Officer)

- Full authority to procure and execute contracts on behalf of the PHA
- May delegate authority to staff
- Delegations must specify monetary limits and types of actions allowed

Types of Proposals

- **Sealed Bidding**
 - A PHA publicly solicits bids and awards a firm, fixed-price contract to the responsible bidder whose bid is the lowest in price as long as the bid conforms with all the material terms and conditions of the invitation for bids
- **Competitive Proposals**
 - A PHA publicly solicits bids, but unlike sealed bidding, the PHA considers technical factors other than price (i.e., RFPs and RFQs)
- **Noncompetitive Proposals**
 - Sole Source: A PHA solicits an offer from one source
 - Single Source: A PHA solicits an offer from multiple sources but receives only one offer or the competition is determined to be inadequate

Procurement Documentation

- The PHA must maintain records sufficient to detail the significant history of each procurement action
- The PHA must retain the records for three (3) years after final payment and all matters pertaining to the contract are closed
- The records shall include:
 - Rationale for the method of procurement selected
 - The solicitation
 - Selection of contract pricing arrangement (if not apparent)
 - Information regarding contractor selection or rejection
 - Basis for contract price
 - Contract administration issues/actions



Ethics in Procurement

- **Written Code of Standards**
 - Standards included in PHA's Procurement Policy
- **Conflicts of Interest**
 - No PHA employee, officer, or agent shall participate in the selection, award or administration of a contract supported by Federal funds
- **Gratuities, Kickbacks, and Confidential Information**
 - Protect the integrity of the system and ensure that contracts are fairly awarded
- **Sanctions**
 - Provide for sanctions in PHA's Procurement Policy



Questions (& Answers)

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