

GOVERNING BOARD ACTION FORM

SUBJECT: TRANSFER OF SECTION 8 HOUSING CHOICE VOUCHER PROGRAM

BACKGROUND:

At the January 11, 2011, City Council meeting, the City Council directed staff to initiate proceedings to relinquish the City's Section 8 Housing Choice Voucher Program to the Department of Housing and Urban Development (HUD), with recommendations as to which regional housing authority might best be suited to take over the administration of the City of Ames' vouchers. This action grew out of discussions over the last two years pertaining to administrative budget shortfalls for the program. It was projected that beginning in FY 2011/12 there would be a shortfall of approximately \$150,000 between the administrative reimbursement provided by HUD and the actual cost needed for the City to effectively staff and administer the program.

Other funding sources were discussed by the Council. However, it was determined that the shortfall could not be covered on a long-term basis. At that Council meeting, staff presented information regarding four area Housing Authorities that could be likely candidates to take over the administration of the program within the Ames jurisdiction. However, because the Governing Board has the final authority over the program, staff is bringing this information from the City Council to the Governing Board.

Among the four regional Housing Authorities that were presented at the January meeting, it appeared most feasible to contact the Central Iowa Regional Housing Authority (CIRHA) due to the following factors:

- They currently administer this same program in the balance of Story County.
- They have background policies that currently exceed Ames policies.
- They have "standard" or "high" performance ratings for Section 8 Management Assessment Program (SEMAP). SEMAP is a HUD-mandated, 15-indicator performance rating system for Housing Authorities administering a Section 8 Housing Program.
- They have a larger number of vouchers and support staff, so absorbing additional vouchers should enhance their financial stability.

Staff has had extensive discussions with the CIRHA Executive Director and has met with the CIRHA Executive Board. CIRHA is very interested in absorbing the vouchers and in administering the program within the Ames jurisdiction.

The first step in moving towards having CIRHA become the Housing Authority in the Ames jurisdiction is to sign a 28-E intergovernmental agreement. A proposed agreement is attached. Such an agreement is required to be executed to allow an entity outside of the

Ames jurisdiction to operate a program within the corporate limits of Ames. In addition to the basic information that is required in a 28-E agreement, staff has discussed including the following additional provisions:

1. **PARTICIPANT ELIGIBILITY STANDARDS:** CIRHA agrees to maintain criminal background policies and procedures for its participants which are at least as stringent as those currently in effect for the City's program.
2. **LOCAL MEETINGS:** During the times that New Enrollments and Voucher Briefing Sessions are being taken, CIRHA agrees to hold an enrollment meeting at least one day per month in Ames and the City agrees to provide space for this purpose at no cost to CIRHA.
3. **TRANSITIONAL PROVISIONS:** This Agreement will be conditioned upon the execution by the parties of a separate Memorandum of Understanding which is needed to confirm temporary provisions regarding the transfer of assets and other terms applicable only during the transitional period.

Item 3 of the Agreement, "Transitional Provisions," covers execution of a Memorandum of Understanding (MOU) that would outline in more detail how the parties would agree to transfer the day-to-day program administration and transfer of fund balances. The most important details would be the communication on how to make this a smooth and orderly process for the current program participants, property owners, and other interested human service agencies. The transfer considerations that City staff intends to negotiate with CIRHA include the following elements:

1. CIHRA would agree that applicants currently on the City of Ames Housing Authority waiting list will receive first priority for selection to fill current openings based on the Ames Housing Authority Administrative Plan for preferences until the list is exhausted.
2. CIHRA would agree to maintain the high standards of the Ames Housing Authority with the same intent and purpose as instructed by HUD and the Annual Contributions Contract.
3. The City of Ames would agree to provide support staff, technical assistance, equipment, and office space located in the Planning & Housing Department commencing on execution of this agreement and continuing until June 30, 2011.
4. CIRHA would agree to reimburse the City for all expenses associated with providing support staff, technical assistance and the use of office space and equipment during the transitional period.

Staff will work with CIRHA to fine-tune and finalize the MOU and bring it for final approval by the Governing Board on March 22, 2011. Once the 28-E agreement and the MOU are finalized, HUD will be notified and they will begin their process to officially transfer the vouchers to CIRHA.

HUD is currently giving the City of Ames the opportunity to take the lead on recommending which Housing Authority takes over the administration, as long as this occurs expeditiously.

At this time the Governing Board is being asked to acknowledge the City Council's action and authorize staff to proceed with negotiations to transfer administration of the Section 8 Housing Choice Voucher Program to CIRHA.

ALTERNATIVES:

1. The Governing Board can direct staff to proceed with negotiations of the 28-E Agreement and MOU to transfer the administration of the Section 8 Housing Choice Voucher Program to CIRHA.
2. The Governing Board can direct staff to not proceed with negotiations of the 28-E Agreement and MOU to transfer the administration of the Section 8 Housing Choice Voucher Program to CIRHA.
3. The Governing Board can refer the matter back to staff for other options for program administration.

MANAGER'S RECOMMENDED ACTION:

Because of the financial challenges related to this program locally, the City Council reluctantly decided not to continue local subsidization of the Section 8 Housing Choice Voucher Program. However, by transferring this program to CIRHA, the program can still be provided to those who need these services in our community without local subsidy. It is understood that a major drawback is that the City will lose control over the eligibility requirements for program participants and other discretionary policies.

Therefore, it is the recommendation of the City Manager that the Governing Board adopt Alternative #1, thereby directing staff to proceed with the negotiations of the 28-E Agreement and the MOU to transfer the administration of the Section 8 Housing Choice Voucher Program to CIRHA, and to bring back the final documents back to the Governing Board for action on March 22.

AGREEMENT BETWEEN THE CITY OF AMES, IOWA AND
CENTRAL IOWA REGIONAL HOUSING AUTHORITY
FOR ADMINISTRATION OF THE SECTION 8 HOUSING CHOICE VOUCHER
PROGRAM IN THE CITY OF AMES, IOWA

THIS AGREEMENT is made and entered into between the CITY OF AMES, IOWA (“City”) and the CENTRAL IOWA REGIONAL HOUSING AUTHORITY (“CIRHA”) pursuant to the provisions of Iowa Code Chapter 28E.

WHEREAS the City has established a municipal housing authority and exercised its powers pursuant to Iowa Code Section 403A.5, including the operation and administration of a Section 8 Housing Choice Voucher program within the City; and

WHEREAS the City has determined that the administration and operation of its Housing Choice Voucher program should be turned over to a larger agency; and

WHEREAS CIRHA is established and operates a regional housing authority in Story County outside the Ames corporate limits as well as in five other nearby counties, and said agency is willing and able to assume all functions of the City’s voucher program,

NOW THEREFORE the parties hereto mutually agree as follows:

1. **PURPOSE:** The purpose of this agreement is to authorize CIRHA to provide the Tenant-based Section 8 Housing Choice Voucher program within the jurisdiction of the City of Ames, Iowa, located in Story County, based on funding from the United States Department of Housing and Urban Development. CIRHA agrees to administer the program within the City of Ames in accordance with applicable federal regulatory requirements addressing such administrative procedures.
2. **FINANCING:** CIRHA shall be fully financed through the Department of Housing and Urban Development and the provision of services will require no funding or ongoing in-kind support from the City of Ames other than those specifically provided for during the program transition.
3. **DURATION:** This agreement shall be in full force and effect until such time as it is amended or terminated by either party.
4. **TERMINATION:** Either party to this agreement may terminate this agreement by providing written notice of intent to terminate at least 30 days prior to the intended date of termination. Termination is completed by passage of a termination resolution and delivering by certified mail a copy of the termination resolution to the other party. A copy of such resolution shall be attached hereto and made part of this agreement.

5. **LEGAL OR ADMINISTRATIVE ENTITY CREATED:** No new legal or administrative entity is created by this agreement.
6. **FILING AND RECORDING:** Pursuant to Iowa Code 28E.8, a copy of this agreement shall be filed with the Secretary of State and with the Story County Recorder.
7. **BOARD PARTICIPATION:** In consideration of CIRHA operating in the Ames jurisdiction, it is agreed that the City of Ames shall have membership on the CIRHA Board of Commissioners.
8. **PARTICIPANT ELIGIBILITY STANDARDS:** CIRHA agrees to maintain criminal background policies and procedures for its participants which are at least as stringent as those currently in effect for the City's program.
9. **LOCAL MEETINGS:** During the times that new enrollments and Voucher Briefing sessions are occurring, CIRHA agrees to hold an enrollment meeting at least one day per month in Ames and the City agrees to provide space for this purpose at no cost to CIRHA.
10. **TRANSITIONAL PROVISIONS:** This Agreement shall be conditioned upon the execution by the parties of a separate Memorandum of Understanding which shall memorialize the temporary provisions regarding the transfer of assets, and other terms applicable only during the transitional period.
11. The undersigned hereby execute and enter into this agreement. Each signatory represents that he or she has been authorized in accordance with state law to sign and bind the agency represented

Dated this _____ day of March, 2011.

THE CITY OF AMES, IOWA

CENTRAL IOWA REGIONAL
HOUSING AUTHORITY

By: _____

By: _____

Ann H. Campbell, Mayor

ATTEST:

By: _____

By: _____

Diane R. Voss, City Clerk

Notary Public