



## **NOTICE AND AGENDA**

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**Board of Commissioners Meeting  
Tuesday, June 25, 2019**



**Spartanburg Housing Authority  
Regular Board Meeting  
Tuesday, June 25, 2019  
4:00 P.M.**

**NOTICE**

The Housing Authority of the City of Spartanburg will hold its regularly scheduled Board of Commissioner's meeting at 4:00 P.M., Tuesday, June 25, 2019, in the Executive Board Room at the Spartanburg Housing Authority offices, located at 2271 S. Pine St., Spartanburg, S.C., 29302.

**AGENDA**

**CALL MEETING TO ORDER**

**I. Moment of Silence**

**II. Roll Call**

**III. Approval of Agenda**

**IV. Approval of Minutes:**

A. Regular Board Meeting, May 28, 2019

**V. Commissioner Comments**

**VI. Public/Staff Comments**

**VII. Special Presentation – Rubino & Company (Philippe Lindsay)**

A. Housing Authority of the City of Spartanburg FY 2018 Independent Audit Board Presentation

**VIII. Action Items and Resolutions:**

A. Resolution #2019-21 - Audit FY2018

B. Resolution #2019-22 - Summer Place Townhomes Right-Of-Way and Easement

C. Resolution #2019-23 - Approval of Annual and Five Year Plan

D. Resolution #2019-24 - Authorization of Public Housing Flat Rents for Vista Managed Properties

**IX. Monthly Reports:**

- A. Interim CEO Monthly Report (verbal report) - Reginal Barner
- B. Finance Report – Jose Calicdan
- C. SHA Program Dashboard
  - 1. Asset Management – Jessica Holcomb
  - 2. Capital Fund and Development – Joseph Jackson
  - 3. Housing Choice Voucher – Tiffany Askew
  - 4. Community and Supportive Services – Jessica Holcomb

**X. Other Business**

**XII. Adjournment**



**Approval of Minutes –  
Regular Board Meeting  
May 28, 2019**

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**Board of Commissioners Meeting  
Tuesday, June 25, 2019**



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**MINUTES OF THE REGULAR BOARD MEETING OF THE COMMISSIONERS OF  
THE HOUSING AUTHORITY OF THE CITY OF SPARTANBURG  
SPARTANBURG, SOUTH CAROLINA  
May 28, 2019**

**MEETING CALLED TO ORDER:** The meeting was held in the Executive Board Room of the Spartanburg Housing Authority, 2271 South Pine Street, Spartanburg, SC 29302.

Following proper advance notice, the regular meeting of the Board of Commissioners of the Housing Authority for the City of Spartanburg was called to order at 4:03 P.M.

**I. Moment Of Silence:** Observed.

**II. Roll Call:** Matthew Myers, Brenda Thomas, Andy Poliakoff\*, and Ralph Settle were present.

**\*Commissioner Poliakoff excused himself from the meeting at 4:48 P.M.**

**III. ABSENT:** John Fairey and Chuck White.

**IV. Approval of Agenda:** Commissioner Thomas made a motion to approve the agenda. The motion was seconded by Commissioner Settles and unanimously carried.

**V. Approval of Minutes:**

A. A motion to accept the minutes of the regular board meeting of April 23, 2019 as presented was made by Commissioner Settle. The motion was seconded by Commissioner Thomas and unanimously carried.

**VI. Commissioner Comments**

None.

**VII. Public/Staff Comments**

Public comments: None.

Staff comments: None.

**VIII. Information Item:**

A. Jessica Holcomb presented information regarding two 2019 NAHRO Awards of Merit received by Spartanburg Housing Authority. The awards will be presented at the upcoming NAHRO conference on July 11, 2019 in Boston. The first award was received for SHA's partnership with ReGenesis Healthcare to eliminate healthcare barriers. The second award was received for partnering with the Shepherd's Center to provide healthy outcomes for seniors.

B. Jessica Holcomb presented information regarding the 2019 HUD Strong Families Initiative, the goal of which is to strengthen, empower, and improve the quality of life for families



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living in HUD assisted housing. An event will be held on June 15th, 2019 from 11:00 to 2:00 during the Spartanburg Juneteenth celebration.

**IX. Action Items and Resolutions:**

**A. #2019-17 - IT Service Provider**

After completion of the RFP process, this resolution requests authorization for the Interim CEO to award a contract in the amount of up to \$70,200 to Cyber Solutions for the provision of IT services beginning June 2019 for a period of one year. The contract may be renewed each year at the discretion of the CEO for a maximum of four years.

Questions raised by the board were addressed. Commissioner Settle made a motion to approve Resolution 2019-17. The motion was seconded by Commissioner Poliakoff and unanimously carried.

RESOLUTION NO. 2019-17

ADOPTED BY THE BOARD OF COMMISSIONERS OF  
THE HOUSING AUTHORITY OF THE CITY OF SPARTANBURG  
May 28, 2019

**B. Resolution #2019-18 - Plumbing Maintenance and Repair Services**

After completion of the RFP process, this resolution is to authorize the Interim CEO to award contracts for plumbing maintenance and repairs to (1) CB Smith Plumbing and (2) Ray Lee Construction & Rooter Man Plumbing in the amount of up to \$40,000 per contract beginning June 2019 for a period of one year. These contracts may be renewed each year at the discretion of the CEO for a maximum of four years.

Questions raised by the board were addressed. Commissioner Poliakoff made a motion to approve Resolution 2019-18. The motion was seconded by Commissioner Thomas and unanimously carried.

RESOLUTION NO. 2019-18

ADOPTED BY THE BOARD OF COMMISSIONERS OF  
THE HOUSING AUTHORITY OF THE CITY OF SPARTANBURG  
May 28, 2019

**C. Resolution #2019-19 - Marche Gault Scholarship Fund**

This resolution requests approval for revisions to the current Marche Gault Scholarship Fund which include amending the current corpus amount from \$75,000 to \$10,000, expanding the application pool from public housing residents only to both public housing residents and



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HCV participants, and amending the annual cap from \$2,000 per recipient to \$5,000 per recipient.

Questions raised by the board were addressed. Commissioner Poliakoff made a motion to table Resolution 2019-19 pending the results of further research. The motion to table was seconded by Commissioner Thomas and unanimously carried.

#### **D. Resolution #2019-20 - Vehicle Disposition and/or Purchase**

This resolution is to authorize the Interim CEO to dispose of real property valued in excess of \$20,000 at a public auction and to purchase by state contract a new 15 passenger wheelchair accessible bus with capacity for three wheelchairs.

Questions raised by the board were addressed. Commissioner Settle made a motion to approve Resolution 2019-20. The motion was seconded by Commissioner Thomas and unanimously carried.

RESOLUTION NO. 2019-20

ADOPTED BY THE BOARD OF COMMISSIONERS OF

THE HOUSING AUTHORITY OF THE CITY OF SPARTANBURG

May 28, 2019

#### **X. Monthly Reports**

- A. The CEO monthly report was presented and reviewed by Interim CEO Reginal Barner, with further information regarding potential property development presented by Commissioner Settle. Questions and comments raised by the Board were addressed.
- B. The Finance Report was presented and reviewed by Jose Calicdan. Questions and comments raised by the Board were addressed.
- C. SHA Program Dashboard
  - 1. The Asset Management report was presented and reviewed by Jessica Holcomb.
  - 2. The Capital Fund and development report was presented and reviewed by Joseph Jackson.
  - 3. The Housing Choice Voucher Program report was presented and reviewed by Tiffany Askew. Questions raised by the Board were addressed.
  - 4. The Community and Supportive Services Program report was presented and reviewed by Jessica Holcomb. Questions raised by the Board were addressed.

#### **XI. Other Business**

- A. Jessica Holcomb provided information about Spartanburg Housing Authority providing a right-of-way and easement agreement adjacent to Summer Place Apartments for a walking trail being built by Partners for Active Living. Questions and comments raised by the Board were addressed.



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**XII. Adjournment**

The meeting was adjourned at 5:23 P.M. with a motion by Commissioner Settle to adjourn.  
The motion was seconded by Commissioner Thomas and unanimously carried.

Respectfully Submitted,  
The Housing Authority of the City of Spartanburg





**Special Presentation – Rubino & Company**

**Housing Authority of the City of Spartanburg  
FY2018 Independent Audit  
Board Presentation**

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**Board of Commissioners Meeting  
Tuesday, June 25, 2019**

**HOUSING AUTHORITY OF THE  
CITY OF SPARTANBURG**

**FINANCIAL STATEMENTS  
AND SUPPLEMENTAL INFORMATION  
WITH INDEPENDENT AUDITORS' REPORT**

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**Year Ended September 30, 2018**

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## INDEPENDENT AUDITORS' REPORT

Board of Commissioners  
Housing Authority of the City of Spartanburg  
Spartanburg, South Carolina

### Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of the Housing Authority of the City of Spartanburg (the Authority) as of and for the year ended September 30, 2018, 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 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.

### Auditors' Responsibility

Our responsibility is to express an opinion 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 from 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 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 opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the Authority as of September 30, 2018, and the respective changes in financial position and cash flows thereof for the year then 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 Management's Discussion and Analysis and Post-Employment Benefit Schedules on pages 4 – 9 and 43 – 46 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. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

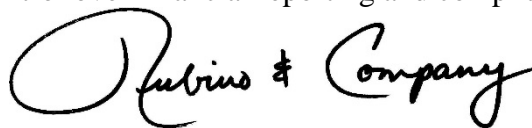
### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The Financial Data Schedule, Statement and Certification of Actual Capital Fund Program Costs, and Statement are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and is not a required part of the basic financial statements.

The Financial Data Schedule, Statement and Certification of Actual Capital Fund Program Costs, Statement and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting data 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. In our opinion, the Financial Data Schedule, Statement and Certification of Actual Capital Fund Program Costs, and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2019 on our consideration of the Authority's internal control over financial reporting and 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 the 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.

A handwritten signature in black ink that reads "Rubino & Company". The signature is written in a cursive, flowing style.

Bethesda, Maryland  
June 20, 2019

**HOUSING AUTHORITY OF THE CITY OF SPARTANBURG**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**September 30, 2018**

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**Management's Discussion and Analysis**

The management of the Housing Authority of the City of Spartanburg (the Authority or SHA) offers the readers of the Authority's financial statements this narrative overview and analysis of the Authority's financial activities for the year ended September 30, 2018. This discussion and analysis is designed to assist the reader in focusing on significant financial issues, provide an overview of the Authority's financial activity, identify changes in the Authority's financial position, and identify individual program issues or concerns. Readers should consider the information presented here in conjunction with the Authority's financial statements to obtain a full understanding of its financial position. The major focus of this MD&A relates to the primary government and as such excludes those items that relate to the statements of the Discrete Component unit that are presented in a separate column of the upper level financial statements.

This Management's Discussion and Analysis is presented in accordance with the requirements of the Governmental Accounting Standards Board Statement No. 34 (GASB 34) to allow the reader to gain an adequate understanding of the Authority's annual operating results and financial position as of September 30, 2018.

Questions concerning the information provided in this discussion or requests for additional information should be addressed to the Authority's Executive Director.

**Financial Highlights**

- The assets of the Authority exceeded its liabilities at the close of the most recent fiscal year by \$40,560,880 (net position) as compared to \$45,073,634 for the prior fiscal year.
- The Authority's cash and investments balance as of September 30, 2018 was \$8,695,198, representing an increase of \$1,451,259 from the September 30, 2017 balance of \$7,243,939. The increase was primarily a result of developer fees received during the current year.
- The Authority had total operating revenues of \$20,809,028 and total operating expenses of \$23,395,243 for the year ended September 30, 2018. Substantially all of the excess of expenses over revenues related to noncash items including depreciation, pension expenses and the unfunded retiree health care expenses for the current year.
- As part of the transition to GASB 75, the Authority was required to recognize the unfunded liability of \$2,057,218 related to providing post-employment health care benefits for retirees.
- As a result of participation in the South Carolina Retirement System (SCRS), the Authority's unfunded pension liability also increased to \$4,063,315 which represents an increase of \$83,340 from the to \$4,146,653 balance as of September 30, 2017.

**HOUSING AUTHORITY OF THE CITY OF SPARTANBURG**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**September 30, 2018**

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**Overview of the Financial Reports**

The following outline describes the integral parts of this financial presentation and is a guideline for understanding its components:

- I. Management's Discussion and Analysis (MD&A) - Serves as an introduction to the Authority's basic financial statements
- II. Basic Financial Statements - Authority-wide financial statements & notes to the financial statements
- III. Other Supplementary Information

The financial statements in this report are those of a special purpose governmental entity engaged in a business type activity. The following statements are included:

- Statement of Net Position – presents information about the Authority's assets and liabilities and is similar to a balance sheet. The Statement of Net Position reports all financial and capital resources for the Authority. The statement is presented in the format where assets, minus liabilities, equal "Net Position", formerly known as equity. Assets and liabilities are presented in order of liquidity and are classified as "current" (convertible to cash within one year), and "non-current." Increases or decreases in net position will serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.
- Statement of Revenues, Expenses & Changes in Net Position – reports the Authority's revenues by source and type and its expenses by category to substantiate the change in net position for the fiscal year.
- Statement of Cash Flows – discloses net cash provided by, or used for operating activities, non-capital financing activities, and capital and related financing activities.

Our analysis of the Authority as a whole follows with the most important question, "Has the Authority's financial health improved or worsened as a result of the year's activities?" The following analysis of entity-wide net position, revenues, and expenses is provided to assist with answering the above question. This analysis includes all assets and liabilities using the accrual method of accounting, which recognizes revenue when earned and expenses when incurred regardless of when cash is received or paid.



**HOUSING AUTHORITY OF THE CITY OF SPARTANBURG**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**September 30, 2018**

**Analysis of Authority-wide Net Position (Statement of Net Position)**

**Housing Authority of the City of Spartanburg**  
**Comparative Statement of Net Position**  
**TABLE I**

	2018	2017	Total Change	% Change
Current Assets	\$ 9,020,208	\$ 7,921,312	\$ 1,098,896	13.87%
Capital Assets	13,741,976	15,644,677	(1,902,701)	-12.16%
Other Non-current Assets	24,415,347	24,703,317	(287,970)	-1.17%
Deferred Outflow of Resources	<u>1,802,284</u>	<u>2,757,515</u>	<u>(955,231)</u>	-34.64%
<b>Total Assets &amp; Deferred Outflows</b>	<b><u>\$ 48,979,815</u></b>	<b><u>\$ 51,026,821</u></b>	<b><u>\$ (2,047,006)</u></b>	<b>-4.01%</b>
Current Liabilities	\$ 1,407,714	\$ 1,091,758	\$ 315,956	28.94%
Noncurrent Liabilities	6,831,748	4,643,669	2,188,079	47.12%
Deferred Inflow of Resources	<u>179,473</u>	<u>217,760</u>	<u>(38,287)</u>	-17.58%
<b>Total Liabilities &amp; Deferred Inflows</b>	<b><u>8,418,935</u></b>	<b><u>5,953,187</u></b>	<b><u>2,465,748</u></b>	<b>41.42%</b>
Investment in Capital Assets	13,378,194	15,258,906	(1,880,712)	-12.33%
Restricted	24,287,476	24,614,974	(327,498)	-1.33%
Unrestricted	<u>2,895,210</u>	<u>5,199,754</u>	<u>(2,304,544)</u>	-44.32%
<b>Total Net Position</b>	<b><u>40,560,880</u></b>	<b><u>45,073,634</u></b>	<b><u>(4,512,754)</u></b>	<b>-10.01%</b>
<b>Total Liabilities, Deferred Inflows &amp; Net Position</b>	<b><u>\$ 48,979,815</u></b>	<b><u>\$ 51,026,821</u></b>	<b><u>\$ (2,047,006)</u></b>	<b>-4.01%</b>

Total assets decreased by \$2,047,006 or 4.01%. This decrease was comprised primarily of a decrease in non-current assets consisting of: a decrease of \$1,902,701 in capital assets due to property dispositions and depreciation expense; a decrease in other assets of \$305,521; and a reduction in deferred outflows of \$955,231 related to the pension liability. The increase in cash balances from \$7,243,939 in FY2017 to \$8,695,198 or \$1,451,259 helped to offset some of the decrease in total assets.

Total liabilities and deferred inflows increased by \$2,465,748 or 42.96%. Current liabilities increased by \$315,956 (or 28.94%) as primarily due to higher A/P HUD amounts outstanding of \$746,481 in relation to FY2017 offset by a reduction of \$384,160 in accounts payable-vendors. in Noncurrent liabilities increased \$2,188,079 due directly to the \$2,057,218 unfunded OPEB liability and increases in Pension liability.

**HOUSING AUTHORITY OF THE CITY OF SPARTANBURG**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**September 30, 2018**

Total Net Position decreased by \$4,512,754 or 10.01%, which is outlined in detail on the Statement of Revenues, Expenses and Changes in Net Position.

**Analysis of Entity-Wide Revenue and Expenses (Statement of Revenues, Expenses and Change in Net Position)**

The following table illustrates changes in revenues and expenses from FY 2017 to FY 2018:

**Housing Authority of the City of Spartanburg**  
**Comparative Statement of Revenues and Expenses**  
**TABLE II**

	<u>2018</u>	<u>2017</u>	<u>Total Change</u>	<u>% Change</u>
Tenant Revenue	\$ 1,859,969	\$ 1,815,949	\$ 44,020	2.42%
Operating Subsidies	17,757,518	18,115,785	(358,267)	-1.98%
Capital Grants	341,060	27,818	313,242	1126.04%
Fraud Income	26,848	21,552	5,296	24.57%
Interest Income	5,620	-	5,620	N/M
Other Income	1,161,791	916,966	244,825	26.70%
Gain/(Loss) on dispositions	(343,778)	3,380,780	(3,724,558)	-110.17%
<b>Total Revenue</b>	<b><u>20,809,028</u></b>	<b><u>24,278,850</u></b>	<b><u>(3,469,822)</u></b>	<b><u>-14.29%</u></b>
Administrative	4,569,570	4,878,764	(309,194)	-6.34%
Tenant Services	89,037	145,439	(56,402)	-38.78%
Utilities	1,029,967	1,063,132	(33,165)	-3.12%
Maintenance	1,999,652	2,288,184	(288,532)	-12.61%
Protective Services	13,016	12,076	940	7.78%
Insurance	209,985	261,149	(51,164)	-19.59%
General	1,337,941	1,661,679	(323,738)	-19.48%
Housing Assistance Payments	12,496,245	12,429,735	66,510	0.54%
Depreciation	1,649,830	1,216,689	433,141	35.60%
<b>Total Expenses</b>	<b><u>23,395,243</u></b>	<b><u>23,956,847</u></b>	<b><u>(561,604)</u></b>	<b><u>-2.34%</u></b>
Change in Net Position	(2,586,215)	322,003	(2,908,218)	-903.16%
Prior Period Adjustment/Special Item	(1,926,539)	333,472	(2,260,011)	0.00%
Beginning Net Position	45,073,634	44,418,159	655,475	1.48%
<b>Ending Net Position</b>	<b><u>\$ 40,560,880</u></b>	<b><u>\$ 45,073,634</u></b>	<b><u>\$ (4,512,754)</u></b>	<b><u>-10.01%</u></b>

**HOUSING AUTHORITY OF THE CITY OF SPARTANBURG**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**September 30, 2018**

**Analysis of Entity-Wide Revenue and Expenses (Statement of Revenues, Expenses and Change in Net Position)**

During the year, total revenue decreased from \$24,278,850 to \$20,809,028 which represents a decrease of \$3,469,822, or 14.29%. This decrease was primarily a function of the \$3,380,780 gain on dispositions recognized from the RAD disposition transaction during FY2017. Grant revenue was materially similar to FY2017 levels (\$45,025 lower or 0.25%) while other revenue was \$244,825 higher due to developer fees received during the year and Tenant revenues were \$44,020 or 2.42% higher.

Total expenses decreased by \$561,604 or 2.34% from FY 2017 to FY 2018. Administrative costs decreased by \$309,194 or 6.34%. This decrease was primarily a function of a \$294,737 reduction in other administrative expenses due to cost savings efforts. Resident services expenses decreased from \$145,439 to \$89,037 or \$56,402 (38.78%) due primarily to lower Youthbuild expenses to coincide with reduced funding of this program in the current year. Utilities decrease \$33,165 or 3.12%. Maintenance and operations decreased by \$288,532 (12.61%) due primarily to lower material costs of \$125,631 and a reduction of \$186,814 in contract cost expenses (14.78%). Protective services increased by \$940 or 7.78% partially due to no longer using residents for these services. Housing assistance payments were \$66,510 higher (0.54%) due to higher utilization levels as a result of the new RAD communities now being on-line for the entire fiscal year. Depreciation expense increased by \$433,141, or 35.60%. General expenses were \$323,738 lower than last year (a 40.60% decrease) as expenses in 2016 were higher than normal due to remittances to developers related to RAD transaction funding.

In closing, the loss reflected in the financial statements of \$2,586,215 includes the non-cash items of depreciation of \$1,649,830, \$1,000,281 of pension expenses and \$130,681 of OPEB expenses. Exclusive of these items, which are largely beyond the agencies control, additional activities resulted in \$194,577 of increases in net position for the year.

**Capital Assets**

During FY 2018, the Authority had total capital asset additions of \$489,458, net dispositions of \$748,127 primarily due to the disposition of the remaining units at Cammie Clagett Homes and depreciation expense was \$1,649,830.

**Housing Authority of the City of Spartanburg**  
**Comparative Statement of Capital Assets**  
**TABLE III**

	<u>2018</u>	<u>2017</u>	<u>Total Change</u>	<u>% Change</u>
Land	\$ 5,063,983	\$ 5,158,843	\$ (94,860)	-1.84%
Buildings & improvements	33,551,256	34,481,498	(930,242)	-2.70%
Equipment	<u>1,467,855</u>	<u>1,338,016</u>	<u>129,839</u>	9.70%
	40,216,177	41,068,737	(852,560)	-2.08%
Accumulated Depreciation	<u>(26,474,201)</u>	<u>(25,424,060)</u>	<u>(1,050,141)</u>	4.13%
<b>Total Capital Assets</b>	<b>\$ <u>13,741,976</u></b>	<b>\$ <u>15,644,677</u></b>	<b>\$ <u>(1,902,701)</u></b>	<b>-12.16%</b>

**HOUSING AUTHORITY OF THE CITY OF SPARTANBURG**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**September 30, 2018**

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**Debt Outstanding**

As of the year-end, the Authority had outstanding debt of \$636,782, which was a reduction of \$21,989 from last year's balance of \$385,771. There were no new note obligations during the year. Additional details regarding long-term debt can be found in the Notes to the Financial Statements accompanying this report.

**Economic Factors**

Several significant economic factors are present that may impact the Authority in the future.

- Congressional funding of the Department of Housing and Urban Development, including any subsidy proration.
- Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental income.
- Inflationary pressure on utility rates, supplies and other costs.
- Health care and other insurance costs are expected to increase dramatically over the next several years especially due to the Affordable Care Act.
- In response to the \$2,057,218 unfunded OPEB liability, the Authority reduced the Employer contribution percentage from 75% to 0%. This change is anticipated to have an estimated positive impact of \$1.75 million for FY2019.

**Financial Contact**

Questions concerning any of the information provided in this Management's Discussion & Analysis should be addressed to:

Reggie Barner, Interim Executive Director  
Housing Authority of the City of Spartanburg  
2271 South Pine Street  
Spartanburg, South Carolina 29302  
(864) 598-6102

**HOUSING AUTHORITY OT THE CITY OF SPARTANBURG**  
**Spartanburg, South Carolina**

**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2018**

**ASSETS AND DEFERRED OUTFLOWS OF RESOURCES**

**Current Assets**

Cash & cash equivalents - unrestricted	\$ 5,591,432
Cash & cash equivalents - restricted	3,103,766
Accounts receivable	150,626
Prepaid expenses	114,584
Assets held for sale	<u>59,800</u>
 Total Current Assets	 <u>9,020,208</u>

**Noncurrent Assets**

Capital Assets:

Land & improvements	5,063,983
Buildings	33,517,415
Furniture & equipment	1,501,696
Construction in progress	<u>133,083</u>
	40,216,177
Less: Accumulated depreciation	<u>(26,474,201)</u>
 Total Capital Assets	 <u>13,741,976</u>

Other Noncurrent Assets:

Notes receivable	22,439,047
Developer fees receivable	1,881,344
Other assets	<u>94,956</u>
 Total Noncurrent Assets	 <u>38,157,323</u>

Deferred outflows of resources	<u>1,802,284</u>
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<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<b>\$ <u><u>48,979,815</u></u></b>
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The accompanying notes are an integral part of these financial statements.

**HOUSING AUTHORITY OT THE CITY OF SPARTANBURG**  
**Spartanburg, South Carolina**

**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2018**

**LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION**

**Current Liabilities**

Accounts payable	\$ 1,108,854
Accrued liabilities	131,493
Other current liabilities	10,766
Unearned revenue	8,503
Notes payable	18,229
Tenant security deposits/escrow deposits	<u>129,869</u>
 Total Current Liabilities	 <u>1,407,714</u>

**Noncurrent Liabilities**

Long-term debt	345,553
Unfunded pension/OPEB liabilities	6,203,875
Accrued compensated absences	127,779
Trust deposits	<u>154,541</u>
 Total Noncurrent Liabilities	 <u>6,831,748</u>

TOTAL LIABILITIES	<u>8,239,462</u>
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DEFERRED INFLOWS OF RESOURCES	<u>179,473</u>
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**NET POSITION**

Net Investment in Capital Assets	13,378,194
Restricted	24,287,476
Unrestricted	<u>2,895,210</u>
 TOTAL NET POSITION	 <u>40,560,880</u>

<b>TOTAL LIABILITIES, NET POSITION &amp; DEFERRED INFLOWS</b>	<b>\$ <u><u>48,979,815</u></u></b>
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The accompanying notes are an integral part of these financial statements.

**HOUSING AUTHORITY OT THE CITY OF SPARTANBURG**  
**Spartanburg, South Carolina**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

**Operating Revenues**

Dwelling rent	\$ 1,859,969
Governmental grants & subsidy	17,728,903
Other income	1,188,639
<b>Total Operating Revenues</b>	<b>20,777,511</b>

**Operating Expenses**

Administration	4,569,570
Tenant services	89,037
Utilities	1,029,967
Maintenance & operations	1,999,652
Protective services	13,016
General expense	1,544,427
Housing assistance payments	12,496,245
Depreciation expense	1,649,832
<b>Total Operating Expense</b>	<b>23,391,746</b>

<b>Net Operating Income/(Loss)</b>	<b>(2,614,235)</b>
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**Nonoperating Revenues/(Expenses)**

Investment income	5,620
Interest/financing expense	(3,497)
Gain/(Loss) on disposition of assets	(343,778)
<b>Net Nonoperating Revenues/(Expenses)</b>	<b>(341,655)</b>

<b>Net Income/(Loss) before capital contributions</b>	<b>(2,955,890)</b>
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Capital grants	369,675
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<b>Increase/(Decrease) in Net Position</b>	<b>(2,586,215)</b>
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Prior period adjustment - GASB 75 OPEB Liability	(1,926,539)
Total Net Position - beginning	45,073,634

<b>Total Net Position - ending</b>	<b>\$ 40,560,880</b>
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The accompanying notes are an integral part of these financial statements.

**HOUSING AUTHORITY OT THE CITY OF SPARTANBURG**  
**Spartanburg, South Carolina**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts from customers and users	\$ 1,188,639
Governmental grants & subsidy - operations	20,777,511
Payments to suppliers	(6,684,087)
Payments for housing assistance	(12,496,245)
Payments to employees	<u>(4,229,299)</u>

NET CASH PROVIDED/(USED) FROM OPERATING ACTIVITIES	<u>1,443,481</u>
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**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest received	<u>5,620</u>
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NET CASH PROVIDED/(USED) FROM INVESTING ACTIVITIES	<u>5,620</u>
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**CASH FLOWS FROM CAPITAL AND  
RELATED FINANCING ACTIVITIES**

Grant revenue - Capital Fund grants	369,675
Acquisition of capital assets - Capital Fund grants	(369,675)
Acquisition of capital assets - operations	(119,783)
Proceeds from disposition of capital assets	150,000
Payment of interest on debt obligations - net	(3,497)
Repayment of debt obligations	<u>(21,989)</u>

NET CASH PROVIDED/(USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>4,731</u>
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NET INCREASE/(DECREASE) IN CASH CASH EQUIVALENTS	1,453,832
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>7,241,366</u>

CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u><u>\$ 8,695,198</u></u>
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The accompanying notes are an integral part of these financial statements.



**HOUSING AUTHORITY OT THE CITY OF SPARTANBURG**  
**Spartanburg, South Carolina**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net Income/(Loss) from operations	\$ (2,614,235)
Adjustments to reconcile net loss to net cash provided by operating activities:	
Prior period adjustments   OPEB/Pension non cash items	1,382,070
Depreciation & Amortization	1,649,832
Decrease (Increase) in accounts receivable	352,743
Decrease (Increase) in prepaid expenses	(380)
Decrease (Increase) in other assets	285,414
Increase (Decrease) in accounts payable	364,894
Increase (Decrease) in accrued liabilities	30,594
Increase (Decrease) in unearned revenue	(694)
Increase (Decrease) in other current liabilities	(59,914)
Increase (Decrease) in security/trust deposits	<u>53,157</u>
 NET CASH PROVIDED/(USED) FROM OPERATING ACTIVITIES	 \$ <u><u>1,443,481</u></u>

The accompanying notes are an integral part of these financial statements.

**HOUSING AUTHORITY OF THE CITY OF SPARTANBURG**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2018**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Introduction**

The financial statements of the Housing Authority of the City of Spartanburg (the "Authority") have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to local governmental units. The more significant accounting policies of the Authority are described below.

**Organization**

The Authority is a public body and a body corporate and politic organized under the laws of the State of South Carolina for the purpose of providing adequate housing for qualified low-income individuals. The Authority is a separate non-profit corporation with a Board of Commissioners. The applicable jurisdictions appoint the Board of Commissioners. However, the Authority has complete legislative and administrative authority and it recruits and employs personnel. The Authority adopts a budget that is approved by the Board of Commissioners. Additionally, the Authority has entered into annual contribution contracts with the U. S. Department of Housing and Urban Development ("HUD") to be the administrator of the housing and housing related programs described herein. The Authority has substantial legal authority to control its affairs without local government approval; therefore, all operations of the Authority are a separate reporting entity as reflected in this report. The authority is responsible for its debts and is entitled to surpluses.

**Reporting Entity**

The accompanying basic financial statements include all accounts of all Authority operations and its blended component units. These statements do not include any City agencies, and the Authority is not a component unit of the City under the definitions of Government Accounting Standards Board (GASB) Statement Number 62.

*Financial Accountability* - The Authority is responsible for its debts, does not impose a financial burden on Spartanburg and is entitled to all surpluses. No separate agency receives a financial benefit nor imposes a financial burden on the Authority.

*Appointment of a Voting Majority* - The Authority is governed by a Board of Commissioners and has governance responsibilities over all activities related to all housing activities within Spartanburg. The Board of Commissioners has decision making authority and the power to designate management. The members do not serve at the discretion of the City; i.e., they can be removed only for cause. The Authority's Board elects its own chairperson.

**HOUSING AUTHORITY OF THE CITY OF SPARTANBURG**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2018**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

*Imposition of Will* -The City has no influence over the management, budget, or policies of the Authority. The Authority's Board of Commissioners has the responsibility to significantly influence the Authority's operations. This includes, but is not limited to, adoption of the budget, personnel management, sole title to, and residual interest in all assets (including facilities and properties), signing contracts, issuing bonds, and deciding which programs are to be provided.

The Authority operated the following programs under its Annual Contributions Contracts with HUD:

*Low Rent Public Housing Program*- The objective of this program is to provide decent safe and sanitary housing and related facilities for eligible low-income families and the elderly. The Authority currently operates 507 Public Housing units located in twelve (12) communities throughout the City of Spartanburg.

*Capital Fund Program* - The objective of this program is to improve the physical condition of the Low-Income Public Housing units and upgrade the management of the program.

*Housing Choice Voucher Program* - This program provides rental assistance to help low-income families afford decent, safe and sanitary rental housing. The Authority provides rental assistance in the form of a Housing Assistance Payment to a landlord on behalf of the tenant. SHA currently has an allocation of 1,952 vouchers.

*Multifamily Housing Service Coordinators* - This program provides funding for the employment of Service Coordinators in insured and assisted apartment housing that is designed for the elderly and persons with disabilities.

*YouthBuild Program* - This program assists low-income young people ages 16-24 work toward their GEDs or high school diplomas while learning job skills by building affordable housing for homeless and low-income people and participating in leadership development activities in their communities.

*Resident Opportunities and Supportive Services (ROSS)* - This program provides public housing residents with supportive services, resident empowerment activities, and assistance in becoming economically self-sufficient.

**HOUSING AUTHORITY OF THE CITY OF SPARTANBURG**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2018**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

*Section 8 Moderate Rehabilitation Programs* - The Section 8 Moderate Rehabilitation programs are funded by the U.S. Department of Housing and Urban Development. These programs aid very low-income families in obtaining decent safe and sanitary housing by providing housing assistance payments to landlords on behalf of the tenant. SHA currently has an allocation of 226 vouchers.

*Section 8 New Construction and Substantial Rehabilitation Programs* - This program provide rental assistance in connection with the development of newly constructed or substantially rehabilitated privately owned rental housing financed with any type of construction or permanent financing, including the applicable FHA Multifamily Mortgage Insurance Programs.

*Blended Component Unit - Spartanburg Leased Housing Corporation (SLHC)* - This entity is a member in Cedar Springs Place, LLC, and its primary purpose is to acquire, construct, own, finance, lease and operate 48 elderly low-income housing tax credit units located in a building at 324 Cedar Springs Road, Spartanburg, SC. SLHC was created solely for the financial benefit and convenience of the Housing Authority. While the entity was dissolved by the State of South Carolina in 2016, it continues for Internal Revenue Service purposes only.

**Board Information**

The Board is made up of seven members with the following terms:

Matthew Myers, Chair	September 30, 2018
John Fairey, Vice-Chair	September 30, 2022
Andrew Poliakoff	September 30, 2020
Brenda Thomas	September 30, 2019
Charles White	September 30, 2020
D. Ralph Settle, II	August 31, 2024

**Basis of Presentation, Basis of Accounting, and Measurement Focus-** The basic financial statements (i.e. the statements of net position, the statements of revenues, expenses, and changes in net position, and the statements of cash flows for the proprietary fund) report information on all of the activities of the Authority except for its discretely presented component units. Separate fund financial statements are provided for the component units.

**Description of Funds-** A Fund is an independent fiscal and accounting entity with a self-balancing set of accounts comprised of its assets, deferred outflow of resources, liabilities, deferred inflow of resources, net position, revenues, and expenses. The funds maintained by the Authority allow compliance and financial accountability by separate functions and activities.

**HOUSING AUTHORITY OF THE CITY OF SPARTANBURG**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2018**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

The Authority's operating activities are maintained in accordance with the principles of enterprise fund accounting to ensure the observance of limitations and restrictions on the resources available. GASB Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, was issued to incorporate GASB and AICPA guidance into GASB authoritative literature. HACS has elected not to follow any FASB guidance not included in GASB 62.

HUD requires all Public Housing Agencies meeting certain criteria to account for financial activity by projects referred to as the asset management projects (AMPs) since fiscal year 2008. The Authority is required to report financial activity by AMPs as well as by fund through HUD's on-line reporting system.

**Basis of Accounting and Measurement Focus**

The basis of accounting for the funds used by the Authority is determined by measurement focus. The flow of economic resources measurement focus and the accrual basis of accounting are used to account for the Authority's funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. All assets and liabilities associated with the operation of these funds are included on the Statements of Net Position.

Net position in enterprise fund financial statements is classified as net investment in capital assets, restricted, and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, granters, or laws and regulations of other governments. The Authority's restricted net position consists of escrows held for debt service, investment in joint ventures, program income, reserve accounts, and excess housing assistance payments.

Separate statements are also included for the discretely presented component units as shown in the table of contents. The discretely presented component units are separate legal entities from the Authority.

**Use of Estimates in Preparing Financial Statements**

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, liabilities, revenues and expenses in the financial statements and in the disclosures of contingent assets and liabilities. Actual results could differ from those estimates.

**HOUSING AUTHORITY OF THE CITY OF SPARTANBURG**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2018**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Budgets**

The Authority adopts budgets on the basis of accounting consistent with the basis of accounting for the fund to which the budget applies. The Authority prepares annual operating budgets that are formally adopted by its Governing Board of Commissioners. The budgets for programs funded by HUD form the basis of the Federal Financial Assistance received through HUD.

**Cash, Cash Equivalents, and Investments**

The Authority's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with an original maturity of three months or less when purchased to be cash equivalents.

Investments are stated at fair market value, except for U.S. Treasury Bills, which are reported at amortized cost. The Authority reports all money market investments having a remaining maturity at time of purchase of one year or less at amortized cost. Investment securities are normally held to mature at par value and adjustments are made to the investment portfolio to reflect increases/(decreases) in gains made.

**Accounts Receivable**

Accounts receivable consists of payments due from HUD and related affiliates, rent payments from tenants and other miscellaneous receivables arising from the normal course of operations. A reserve for uncollectible accounts is established based on management's estimates. Collection losses on accounts receivable are expended, in the appropriate Fund, on the specific write-off method.

**Inventories**

Inventories are recorded at the lower of cost or market. The consumption method is used to account for inventories. Under the consumption method, inventories are charged to expense when consumed.

**HOUSING AUTHORITY OF THE CITY OF SPARTANBURG**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2018**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Capital Assets and Depreciation**

Capital assets are stated at historical cost, less accumulated depreciation. Donated capital assets are stated at their fair value on the date donated. This includes site acquisition and improvement, structures and equipment. All infrastructure assets are capitalized at the end of development activities and then dedicated to the County for maintenance and repairs. Depreciation of exhaustible capital assets used by proprietary funds is computed on the straight-line method and charged as an expense against operations, and accumulated depreciation is reported on the Statement of Net Position. Assets are capitalized if they have a useful life beyond one year and an original cost greater than \$5,000.

The estimated useful lives for each major class of depreciable capital assets are as follows:

Buildings & Improvements	20 years
Furniture, fixtures, & equipment	5 years

Proceeds from the disposal of capital assets are recognized in the period received. Proceeds from the sale of property acquired or significantly improved with HUD or other grant funds are refunded to HUD or the applicable grantor as required by contract, or retained and used for special purposes as approved by HUD or the grantor.

**Notes Receivable**

A significant portion of notes receivables represent loans to related party Owner-Entities and developers for Development Projects. The Authority subordinated these loans in conjunction with financing arrangements related to the development of mixed-income, multi-family rental communities. Such loans are interest-bearing and are payable from cash flow from the property owned by each respective Project. Such loans are typically funded from various programs and Capital Fund grants, representing a significant portion of the construction costs associated with the Authority assisted component of the mixed-income rental property. Interest and principal on these loans are subordinated and are contingent on cash flow from the property; however, interest income is accrued as it occurs. Based on the status of the previous mixed-financing projects and the contingent nature of the payments, management elected to establish an allowance based on the expected amount the Authority intends to collect.

**HOUSING AUTHORITY OF THE CITY OF SPARTANBURG**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2018**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Compensated Absences**

Compensated absences are absences for which employees will be paid, i.e., sick leave, vacation, and other approved leaves. In accordance with GASB Statement No.16, *Accounting for Compensated Absences*, the Authority accrues the liability for those absences that the employee has earned the rights to the benefits. Accrued amounts are based on the current salary rates. Full-time, permanent employees are granted vacation and sick leave benefits in varying amounts to specified maximums depending on tenure with the Authority. Vacation and sick pay is recorded as an expense and related liability in the year earned by employees.

**Net Position**

Net position is displayed in three components:

*Net Investment in Capital Assets:* This component of net position consists of all capital assets, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

*Restricted Net Position:* This component of net position consists of restricted resources when constraints are placed on the resource by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc. This also includes investments in joint ventures.

*Unrestricted Net Position:* This component of net position consists of resources that do not meet the definition of "Net Investment in Capital Assets" or "Restricted Net Position."

Certain assets including cash and investments may be classified in restricted net position on the Statements of Net Position because their use is restricted for specific purposes. It is the Authority's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

**Revenues and Expenses**

Revenues and expenses are recognized on the accrual basis of accounting. Revenues relating to the Authority's operating activities include rental related income, interest income and other sources of revenues that are recognized in the accounting period in which they are earned. Other major sources of revenues include the operating subsidy from HUD and other HUD funding for capital and operating expenses.



**HOUSING AUTHORITY OF THE CITY OF SPARTANBURG**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2018**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Operating Revenue**

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 principal operating revenues of the Authority are charges to customers for rents. 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.

Subsidies received from HUD or other grantor agencies, for operating purposes, are recorded as operating revenue in the operating statement while capital grant funds are added to the net position in the no operating revenue and expense. Pursuant to the Annual Contributions Contract HUD contributes an operating subsidy approved in the operating budget. For the year ended September 30, 2018, the subsidy paid was \$2,311,724.

**Taxes**

Under Federal, State and City laws, the Authority is exempt from income, property and excise taxes. Housing authorities are, however, required to make payments in lieu of taxes (PILOT) in accordance with the provisions of agreements with local taxing authorities.

**Insurance**

The primary technique used for risk financing is the purchase of insurance policies from commercial insurers that include a large deductible amount. The use of a large deductible clause reduces the cost of insurance, but, should losses occur, the portion of the uninsured loss is not expected to be significant with respect to the financial position of the Authority. The Authority secures required insurance coverage through the competitive bid process. As of the date of the fieldwork, the Authority had the required coverage in force.

**New Accounting Pronouncements**

GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions is effective for periods beginning after June 15, 2017 with earlier application encouraged. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). This Statement replaces the requirements of Statements No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple Employer Plans, for OPEB. With the adoption of this pronouncement, the Authority recognized a

**HOUSING AUTHORITY OF THE CITY OF SPARTANBURG**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2018**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

liability of \$2,057,218 as of September 30, 2018 and also recognized a prior period adjustment of \$1,926,539 to record the liability for prior periods that was not previously included in the financial statements. Additional details regarding this liability are included in Note 12.

Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, establishes new accounting and financial reporting requirements for OPEB plans. This Statement requires the liability of employers and non-employer contributing entities to employees for defined benefit OPEB (net OPEB liability) to be measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position. See Note 12 for comprehensive information about the Authority's OPEB plan.

GASB Statement No. 83, Certain Asset Retirement Obligations is effective for periods beginning after June 15, 2018 with earlier application encouraged. This Statement will enhance comparability of financial statements among governments by establishing uniform criteria for the recognition and measurement of certain Asset Retirement Obligations. The Authority has no such obligations, and therefore the Statement has no impact on the financial statements.

GASB Statement No. 84, Fiduciary Activities is effective for periods beginning after December 15, 2018 with earlier application encouraged. This Statement will establish specific criteria for identifying activities that should be reported as fiduciary activities and clarify whether and how business-type activities should report their fiduciary activities. As the Authority currently does not undertake the activities defined in this Statement, there is no material effect on the financial statements.

GASB Statement No. 85, Omnibus 2017 is effective for periods beginning after June 15, 2017 with earlier application encouraged. This Statement addresses practice issues that have been identified during the implementation and application of certain GASB statements. It addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits. There is no change in the Authority's presentation of blended component units under this Statement. All OPEB related provisions have been adopted and are reflected in Note 11.

GASB Statement No. 86, Certain Debt Extinguishment Issues is effective for periods beginning after June 15, 2017 with earlier application encouraged. This Statement improves consistency in reporting in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources are placed in an irrevocable trust for the sole purpose of extinguishing debt. The Authority has no such transactions so there is no impact on the financial statements.

**HOUSING AUTHORITY OF THE CITY OF SPARTANBURG**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2018**

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**2. CASH AND CASH EQUIVALENTS**

All the deposits of the Authority are either insured or collateralized by using the Dedicated Method whereby all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Authority's agents in these units' names. The Authority has no policy regarding custodial credit risk for deposits.

At September 30, 2018, the Authority's Primary Government cash and cash equivalents had a carrying amount of \$8,695,198 and bank balances of \$8,817,766. Of the bank balances held in various financial institutions, \$250,000 was covered by federal depository insurance and the remainder was covered by collateral held under the dedicated method.

*Inherent rate risk* – The Authority's formal investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from interest rate volatility.

*Credit Risk* – The Authority has no policy regarding credit risk.

*Custodial credit risk* – For an investment, the custodial risk is the risk that in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that in the possession of an outside party. The Authority's policy is to limit credit risk by adherence to the list of HUD permitted investments, which are backed by the full faith and credit of or a guarantee of principal and interest by the U.S. Government.

*Concentration of credit risk* – The Authority placed no limit on the amount that it may invest in certificates of deposits. The Authority has no policy regarding credit risk.

*Collateralization* – In addition to the above-mentioned FDIC insurance, BB&T Bank participates in public funds of pooled securities for the Authority. As of September 30, 2018, there was \$9,720,649 of specified pledged security for the Authority.

**HOUSING AUTHORITY OF THE CITY OF SPARTANBURG**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2018**

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**2. CASH AND CASH EQUIVALENTS (continued)**

**Restricted Cash and Cash Equivalents:**

Restricted cash and cash equivalents were comprised of the following as of September 30, 2018:

HCVP program - housing assistance payment equity	\$ 455,327
Security deposits	129,869
Restricted deposits - Moderate Rehabilitation program	266,717
Restricted deposits and funded reserves - JC Bull (New Construction)	1,951,270
Restricted deposits - Homeownership funds	138,339
FSS participants escrow accounts	<u>162,244</u>
	<u><u>\$ 3,103,766</u></u>

**3. ACCOUNTS RECEIVABLE**

Accounts receivable at September 30, 2018 consisted of the following:

Accounts receivable - tenants - dwelling rents (net of allowance of \$11,440)	\$ 6,947
Accounts receivable - HUD	95,997
Fraud Recovery (net of allowance of \$78,583)	392
Due from Affiliate - (net of allowance of \$123,940)	0
Accounts receivable - Closing cost reimbursements	24,948
Accounts receivable - DOL (Youthbuild)	4,442
Accounts receivable – Section 8 portables	886
Accounts receivable – miscellaneous	<u>17,014</u>
	<u><u>\$ 150,626</u></u>

**4. PREPAID EXPENSES & OTHER CURRENT ASSETS**

Prepaid charges and other assets at September 30, 2018 consisted of the following:

Prepaid insurance expenses	\$ 114,584
Assets held for sale	<u>59,800</u>
	<u><u>\$ 174,384</u></u>

**HOUSING AUTHORITY OF THE CITY OF SPARTANBURG**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2018**

**5. CAPITAL ASSETS**

A summary of changes in capital assets is as follows:

	<u>Balance at</u> <u>10/1/2017</u>	<u>Additions</u>	<u>Transfers/</u> <u>Disposals</u>	<u>Depreciation</u>	<u>Balance at</u> <u>9/30/2018</u>
<b>Enterprise Activities</b>					
<b>Capital assets not being depreciated:</b>					
Land	\$ 5,158,843	\$ -	\$ (94,860)	\$ -	\$ 5,063,983
<b>Construction in progress</b>	<u>90,380</u>	<u>369,675</u>	<u>(326,972)</u>		<u>133,083</u>
<b>Total capital assets not being depreciated</b>	<u>5,249,223</u>	<u>369,675</u>	<u>(421,832)</u>	<u>-</u>	<u>5,197,066</u>
Buildings & improvements	34,481,498	-	(930,242)	-	33,551,256
Furniture & equipment	<u>1,338,016</u>	<u>119,783</u>	<u>10,056</u>	<u>-</u>	<u>1,467,855</u>
<b>Total capital assets being depreciated</b>	<u>35,819,514</u>	<u>119,783</u>	<u>(920,186)</u>	<u>-</u>	<u>35,019,111</u>
Less:					
<b>Total accumulated depreciation</b>	<u>(25,424,060)</u>	<u>-</u>	<u>593,891</u>	<u>(1,644,032)</u>	<u>(26,474,201)</u>
<b>Total capital assets being depreciated</b>	<u>10,395,454</u>		<u>(748,127)</u>		<u>8,544,910</u>
<b>Enterprise activity capital assets, net</b>	<u>\$ 15,644,677</u>				<u>\$ 13,741,976</u>

**6. NOTES RECEIVABLE**

Notes Receivable at September 30, 2018 consisted of the following:

<u>Entity/Partnership</u>	<u>Notes</u> <u>Receivable</u>	<u>Accrued</u> <u>Interest</u>	<u>Total</u> <u>Receivable</u>	<u>Allowance for</u> <u>Doubtful Accts</u>	<u>Net</u> <u>Receivable</u>
Spartanburg Housing, LP	\$ 1,000,000	\$ 997,041	\$ 1,997,041	\$ (997,041)	\$ 1,000,000
Spartanburg Housing 2, LP	335,000	-	335,000	-	335,000
CS1, LLC	10,697,421	259,147	10,956,568	(259,147)	10,697,421
HC1, LLC	780,000	798,546	1,578,546	(798,546)	780,000
SHA 7	8,244,574	844,068	9,088,642	(844,068)	8,244,574
Highland Avenue LLC	350,000	17,964	367,964	(17,964)	350,000
Cedar Springs Place, LLC	914,375	320,513	1,234,888	(320,513)	914,375
Homeowners Notes Receivable	<u>744,082</u>	<u>-</u>	<u>744,082</u>	<u>(626,405)</u>	<u>117,677</u>
Total notes receivable	<u>\$23,065,452</u>	<u>\$3,237,279</u>	<u>\$26,302,731</u>	<u>\$ (3,863,684)</u>	<u>\$22,439,047</u>

**Notes Receivable - Spartanburg Housing Limited Partnership**, (affiliate) consists of the following loans made to the Partnership, a related party, by the Authority for the development of the project:

Second mortgage note ("Hope VI Loan") in the amount of \$800,000. The note bears interest at the Applicable Federal Rate (AFR) applicable to long-term loans with annual compounding for December 2001, which equals 5.05 percent. The interest rate will remain stable throughout the life

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**6. NOTES RECEIVABLE (continued)**

of the note. The loan is secured by an investment in real property. The principal amount and any unpaid accrued interest will be payable only from net available cash flow, net proceeds, or condemnation proceeds, as defined. The note matures on November 30, 2031. The balance of the note as of September 30, 2018, was \$800,000 and accrued interest receivable as of September 30, 2018 was \$801,844. An allowance for doubtful accounts of \$801,844 has been recognized to fully reserve all accrued interest as of September 30, 2018.

Third mortgage note ("CFP Loan") in the amount of \$200,000. The note bears interest at the Applicable Federal Rate (AFR) applicable to long-term loans with annual compounding for December 2001, which equals 5.05 percent. The interest rate will remain stable throughout the life of the loan. The note is secured by an investment in real property. The principal amount and any unpaid accrued interest will be payable only from net available cash flow, net proceeds or condemnation proceeds, as defined. The note matures on November 30, 2031. The balance of the note as of September 30, 2018, was \$200,000. Accrued interest receivable as of September 30, 2018 was \$195,197. An allowance for doubtful accounts of \$195,197 has been recognized to fully reserve all accrued interest as of September 30, 2018.

**Notes Receivable - SHA 2 ('Stabilization Reserve')** - the Authority has a note receivable from SHA2, LP for the stabilization reserve in the amount of \$335,000. The loan is non-interest bearing and payable from available cash flow beginning in 2021. The note has a final maturity of September 30, 2053 at which time all principal and other outstanding sums shall be due and payable in full. As of September 30, 2018, the balance is \$335,000.

**Notes Receivable- CS1, LLC**, affiliate consists of the following loans made to the Partnership, a related party, by the Authority for the development of the project:

CS1, LLC, has a permanent loan from the Housing Authority. The loan bears interest at a rate equal to the Bond Market Association Index (BMA) plus 198 basis points and is guaranteed by the Managing Member and its affiliate. This loan was used to fund construction of the Project. On March 9, 2011, this loan converted to a permanent loan under the same terms, after a principal pay down of \$635,021. Principal and interest payments are due monthly. This loan is secured by all property, security agreements and assignments of rents and matures in 2040.

The balance of the loan as of September 30, 2018, was \$3,445,000. This loan is a conduit obligation in which proceeds will be used to repay the Spartanburg Multifamily Housing Revenue Bonds, Series 2007 and therefore it is not included in the financial statements of the Authority.

Cedar Springs 1, LLC, has 42-year non-recourse Hope VI loan from the Housing Authority. The loan does not bear interest and is subordinate to the bond loan. This loan was used to fund the construction of the Project. No payments are due until maturity. All principal is due on March 14, 2049. The loan is secured by the property. The balance of the loan as of September 30, 2018 was \$7,768,309.

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**6. NOTES RECEIVABLE (continued)**

Cedar Springs 1, LLC, has a 42-year non-recourse program income fund loan from the Housing Authority. The loan does not bear interest and is subordinate to the bond loan. This loan was used to fund the construction of the Project. No payments are due until maturity. All principal is due on February 28, 2049. The loan is secured by the property. The balance of the loan as of September 30, 2018 was \$2,308,443.

Cedar Springs 1, LLC, has a 42-year non-recourse state loan from the Housing Authority. The loan bears interest at 5.23% and is subordinate to the bond loan. This loan was used to fund construction costs. No payments are due until maturity. All principal is due on March 13, 2049. The loan is secured by the property. The balance of the loan as of September 30, 2018 was \$620,669. Accrued interest receivable as of September 30, 2018 was \$259,147. An allowance for doubtful accounts of \$259,147 has been recognized to fully reserve all accrued interest as of September 30, 2018.

**Notes Receivable- HC 1, LLC**, affiliate consists of the following loans made to the Partnership, a related party, by the Authority for the development of the project:

HC1, LLC ("SHA Loan") - The Partnership and the Authority entered into a non-recourse construction and permanent loan in the amount of \$300,000. The note bears interest at 8.0% and is secured by an investment in real property. The principal amount and any unpaid accrued interest will be payable from available cash flows after the repayment of the senior mortgage loans, junior mortgage loans, and all reserves required by the partnership agreement have been fully funded. The note matures in July 2037. The balance of the note as of September 30, 2018 was \$300,000. Noncurrent interest receivable as of September 30, 2018 was \$296,215. An allowance for doubtful accounts of \$296,215 has been recognized to fully reserve all accrued interest as of September 30, 2018.

HC1, LLC ("SHA Acquisition Loan") - The Partnership has a non-recourse construction and permanent loan entered into by the Partnership and the Authority in the amount of \$480,000. The note bears interest at 8.0% and is secured by an investment in real property. The principal amount and any unpaid accrued interest will be payable from available cash flows after the repayment of the senior mortgage loans, junior mortgage loans, and all reserves required by the partnership agreement have been fully funded. The note matures in July 2037. The balance of the note as of September 30, 2018 was \$480,000. Noncurrent interest receivable as of September 30, 2018 was \$502,331. An allowance for doubtful accounts of \$502,331 has been recognized to fully reserve all accrued interest as of September 30, 2018.

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**6. NOTES RECEIVABLE (continued)**

**Notes Receivable** – SHA 7, LLC, affiliate consists of the following loans made to the properties that transitioned to stand alone entities under the Rental Assistance Demonstration, a related party, by the Authority for the redevelopment of seven properties that were formerly ACC units under the Low Income Public Housing Program:

SHA 7, LLC (“Carryback Loan”) - The Authority issued a \$7,244,574 note to assist in the acquisition funding of the RAD properties during January 2016. The note accrues interest at 2.65% and matures in January 2059 and interest payment are repayable from cash flow only. As of September 30, 2018, the outstanding balance was \$7,244,578. An allowance for doubtful accounts of \$591,341 representing accrued interest on the loan has been recorded as of September 30, 2018 and all amounts are considered non-current.

SHA 7, LLC (“Reserve Loan”) - The Authority issued a \$1,000,0000 note which represented cash loans to SHA7 to provide replacement reserves for these developments. The note accrues interest at 7.8% and matures in January 2059 and interest payment are repayable from cash flow only. As of September 30, 2018, the outstanding balance was \$1,000,000. An allowance for doubtful accounts of \$252,727 representing accrued interest on the loan has been recorded as of September 30, 2018 and all amounts are considered non-current.

**Highland Avenue, LLC** - The Partnership and the Authority entered into a non-recourse construction and permanent loan in the amount of \$350,000. The note bears interest at the applicable federal rate (AFR) (1.9% at September 30, 2018) and is secured by an investment in real property. The principal amount and any unpaid accrued interest will be payable from available cash flows after the repayment of the senior mortgage loans, junior mortgage loans, and all reserves required by the partnership agreement have been fully funded.

The note matures in April, 2050. The balance of the note as of September 30, 2018 was \$350,000. Noncurrent interest receivable as of September 30, 2018 was \$17,964. An allowance for doubtful accounts of \$17,964 has been recognized to fully reserve all accrued interest as of September 30, 2018.



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**6. NOTES RECEIVABLE (continued)**

**Notes Receivable - Cedar Springs Place, LLC**, affiliate consists of the following loans made to the Partnership, a related party, by the Authority for the development of the project:

Cedar Springs Place, LLC entered into a fourth mortgage loan payable with the Authority on October 12, 2007 in the original amount of \$414,375. The note bears interest at the greatest of (a) 4.77% per annum or (b) an annual interest rate equal to the applicable Federal long-term rate (AFR) as defined in Section 1274(d) of the Internal Revenue Code of 1986. The note shall be repaid in a single payment including all unpaid principal and accrued interest with net available cash flow and at the end of the first mortgage on the property. The mortgage is collateralized by a fourth mortgage on the property. As of September 30, 2018, the loan balance was \$414,375 and accrued interest totaled \$184,149. An allowance for doubtful accounts of \$184,149 has been recognized to fully reserve all accrued interest as of September 30, 2018.

Cedar Springs Place, LLC entered into a fifth mortgage loan payable with Spartanburg Leased Housing Corporation (a blended component unit of the Authority) on March 28, 2007 in the original amount of \$300,000. The note bears interest at the greater of (a) 4.7% per annum or (b) an annual interest rate equal to the applicable Federal long-term rate (AFR) as defined in Section 1274(d) of the Internal Revenue Code of 1986. The note shall be repaid in a single payment including all unpaid principal and accrued interest on the 30th anniversary of disbursement of the proceeds of the loan. The mortgage is collateralized by a fifth mortgage on the property. As of September 30, 2018, the loan balance was \$300,000 and accrued interest totaled \$136,364. An allowance for doubtful accounts of \$136,364 has been recognized to fully reserve all accrued interest as of September 30, 2018.

Pursuant to the Operating Agreement, Cedar Springs Place, LLC was advanced \$200,000 for additional funds to be repaid from surplus cash. This amount has been treated as a notes receivable but is non-interest bearing.

**Notes Receivable- Homebuyers-** the Authority has issued primary loans to assist qualified residents in the purchase of homes. The Authority entered into a \$1,000,000 Loan Agreement with BB&T Bank to finance these primary loans. Mortgage loans held by the Authority are collateralized by single-family residences. As of September 30, 2018, the outstanding mortgage balances was \$744,082. An allowance for doubtful accounts of \$626,405 has been recorded as of September 30, 2018. All amounts are considered non-current.

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**7. OTHER NONCURRENT ASSETS**

Other noncurrent assets consisted of the following as of September 30, 2018:

<u>Description</u>	<u>Amount</u>
Developer Fees Receivable - tax credit properties	\$ 2,562,415
Less allowance for doubtful accounts	(680,661)
Other assets - Investments in Tax credit entities	94,546
	<u>\$ 1,976,300</u>

The Tax Credit Properties included in the above are the CS1, LLC, HS1, LLC, SHA 7, LLC, Spartanburg Housing, LP and the Spartanburg Housing 2, LP.

**8. ACCOUNTS PAYABLE AND CURRENT LIABILITIES**

Accounts payable and current liabilities as September 30, 2018 consisted of the following:

Vendors and contractors payable	\$ 229,164
Accrued wages/payroll taxes payable	51,454
Accrued compensated absences – current	24,297
Account payable - HUD	879,690
Unearned revenue – prepaid rents	8,503
Long-term debt – current portion	18,229
Security deposits	129,869
Accrued liabilities/utilities payable	66,508
	<u>\$ 1,407,714</u>

**9. NON-CURRENT LIABILITIES**

Non-current liabilities at September 30, 2018 consisted of the following:

	Balance at October 1, 2017	Increases	Decreases	Balance at September 30, 2018	Current Portion of Balance
Long-term debt	\$ 385,771	\$ -	\$ (21,989)	\$ 363,782	\$ 18,229
Unfunded Pension liability	4,063,315	83,342	-	4,146,657	-
Unfunded OPEB liability	-	2,057,218	-	2,057,218	-
Compensated absences	119,768	42,927	(10,619)	152,076	24,297
FSS Escrow Accounts	101,501	109,197	(48,454)	162,244	7,703
	<u>\$ 4,670,355</u>	<u>\$ 2,292,684</u>	<u>\$ (81,062)</u>	<u>\$ 6,881,977</u>	<u>\$ 50,229</u>

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**10. LONG TERM DEBT OBLIGATIONS**

Long term debt obligations as of September 30, 2018 consisted of the following:

In May of 2014, the Authority obtained a \$110,154 loan from Branch Banking and Trust Company to fund the development of three duplexes (six low income rental units). The loan is secured by the land and buildings. Interest is charged at the One Month LIBOR Rate, and is payable monthly. The outstanding balance as of September 30, 2018 was \$68,240.

Two-year maturities are as follows:

	Principal	Interest	Total
2019	18,229	5,369	23,598
2020	50,010	4,156	54,166
	<u>68,239</u>	<u>17,566</u>	<u>113,175</u>

During fiscal year 2009, the Authority obtained a \$295,542 loan from the South Carolina State Housing Finance and Development Authority to fund the development of three duplexes (six low income rental units). The loan is secured by the land and buildings. The loan bears no interest and is forgivable. The outstanding balance as of September 30, 2018 was \$295,542, with all amounts considered non-current.

Interest charges expensed on all debts during the year totaled \$3,497 for the fiscal year.

**11. DEFINED BENEFIT PENSION PLAN**

**Plan Description**

The Authority is a participant in the South Carolina Retirement System (SCRS), a cost-sharing multiple employer defined benefit pension plan, joining the plan effective October 1, 2015. The plan was established July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for employees of the state, its public school districts, and political subdivisions. Membership requirements are prescribed in Title 9 of the South Carolina Code of Laws. Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the system with an effective date of membership prior to July 1, 2012, is a class two member. An employee member of the system with an effective date of membership after July 1, 2012, is a class three member. SCRS is administered by the South Carolina Public Benefit Authority (PEBA).

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**11. DEFINED BENEFIT PENSION PLAN (continued)**

**Contributions**

Contributions are prescribed in Title 9 of the South Carolina Code of Laws. The PEBA Board may increase the SCRS employer and employee contribution rates on the basis of the actuarial valuations, but any such increase may not result in a differential between the employee and the employer contribution rate that exceeds 2.9 percent of earnable compensation for the SCRS. An increase in the contribution rates adopted by the board may not provide for an increase of more than one-half of one percent in any one year. If the scheduled employee and employer contributions provided in statute or the rates last adopted by the board are insufficient to maintain a thirty year amortization schedule of the unfunded liabilities of the plan, the board shall increase the contribution rates in equal percentage amounts for the employer and employee as necessary to maintain the thirty-year amortization period; and, this increase is not limited to one-half of one percent per year. For the year ended June 30, 2017, the employer contribution rates were 10.75% of member's compensation and .15% of member's compensation for incidental death benefits. Total employer expense for the year ending June 30, 2017 were \$1,254,885.

PEBA issues a Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for the System's Pension Trust Funds. The CAFR is publically available through the Retirement Benefits link on PEBA's website at [www.peba.sc.gov](http://www.peba.sc.gov), or a copy may be obtained by submitting a request to PEBA, PO Box 11960, Columbia, SC, 29211-1960. PEBA is considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial statement information is also included in the comprehensive annual financial report of the state.

**Actuarial Assumptions**

Actuarial Assumptions involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples included assumptions about future employment, mortality, and future salary increases. Amounts determined during the valuation process are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. The next experience study is scheduled to be conducted after the June 30, 2018 annual valuation is complete.

The total pension liability for the South Carolina Public Employee Benefit Authority was determined based on the most recent actuarial valuation, which was conducted using membership data as of July 1, 2017, projected forward to the end of the fiscal year, and financial information as of June 30, 2018, using generally accepted actuarial procedures.

The financial reporting actuarial valuation as of July 1, 2017, used the following actuarial methods and assumptions, applied to all periods included in this measurement:

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**11. DEFINED BENEFIT PENSION PLAN (continued)**

Valuation Date	July 1, 2016
Experience Study	July 1, 2010
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Pay
Amortization Period	30 years, open
Asset Valuation Method	20% Difference Recognition
Inflation	2.75%
Salary Increase	3.50% plus step-rate increases for members with less than 25 years of service
Investment Rate of Return	7.25%

The rates of mortality for the period after service retirement are according to RP-2000 Mortality Table projected by the Society of Actuaries. The multipliers used in the table are adjusted according to plan experience.

The long-term expected rate on return of pension plan investments is based upon the thirty year capital market outlook at the end of the fourth quarter of 2013. The long-term expected rate of return represents assumptions developed using an arithmetic building block approach, reflecting observable inflation and interest rate information available in the fixed income markets as well as Consensus Economics forecasts. The most recent experience study is outlined in the report and dated July 1, 2010. The expected returns, along with expected inflation rate, form the basis for the target asset allocation adopted for fiscal year 2015. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and by adding expected inflation. For actuarial purposes, the 7.25% assumed annual investment rate of return used in the calculation of the total pension liability includes a 4.50% real rate of return and a 2.75% inflation component.

**Discount Rate**

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, the Systems fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term, expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The Schedule of Deferred Inflows and Outflows, and Pension Expense include only certain categories of deferred outflows of resources and deferred inflows of resources. These include differences between expected and actual experience, changes of assumptions and differences between projected and actual earnings on plan investments. The Schedule does not include

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**11. DEFINED BENEFIT PENSION PLAN (continued)**

deferred outflows/inflows of resources for changes in the employer's proportionate share of contribution or employer contributions made subsequent to the measurement date. Deferred outflows and inflows related to differences between projected and actual earnings on plan investments and projected and actual experience are netted and amortized over a closed five-year period.

**Sensitivity Analysis**

In accordance with GASB 68 regarding the disclosure of the sensitivity of the Net Pension Liability to changes in the discount rate, the below table presents the Net Pension Liability calculated using the discount rate of 7.25%, as well as what the Net Pension Liability would be if it were calculated using a discount rate that is 1.00% lower (6.25%) or 1.00% higher (8.25%) than the current rate.

	<b>1.0% Decrease (6.25%)</b>	<b>Current Discount Rate (7.25%)</b>	<b>1.0% Increase (8.25%)</b>
SHA's Net Pension Liability	\$5,302,155	\$4,146,653	\$3,318,773

**Summary of Significant Accounting Policies**

Employee, employer, and state-appropriated contributions are recognized in the period in which they are due, pursuant to formal commitments as well as statutory requirements. Substantially all contributions receivable are collected within thirty days of year end.

**Basis of Accounting**

All funds are accounted for using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. Benefit and refund expenses are recognized when due and payable in accordance with the terms of the plan.

**Use of Estimates**

The preparation of the Schedules in conformity with GAAP requires management to make estimates and assumptions that affect certain amounts and disclosures. PEBA accrues employer contributions using estimates based on historical data. Actual results could differ from those estimates.

**Net Pension Liability**

In accordance with GASB Statement 68, Accounting and Financial Reporting for Pensions, employers are required to recognize and report certain amounts associated with their participation in the South Carolina Retirement System (SCRS). Statement 68 became effective June 30, 2015 and includes requirements to record and report their proportionate share of the collective Net Pension Liability, Pension Expense, Deferred Inflows and Deferred Outflows of resources associated with pensions.

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**11. DEFINED BENEFIT PENSION PLAN (continued)**

	<u>Net Pension Liability</u> <u>as of 6/30/17</u>	<u>Net Pension Liability</u> <u>as of 6/30/18</u>	<u>Percent of</u> <u>Collective NPL</u>
Employer			
Proportionate Share	\$4,063,315	\$4,146,653	0.0182864%

At June 30, 2018, the employer recorded a liability of \$4,146,653 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2017, and the Total Pension Liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of July 1, 2017. The employer's proportion of the Net Pension Liability was based on the employer's contributions received by SCRS during the measurement period July 1, 2016, through June 30, 2017, relative to the total employer contributions received from all of SCRS' participating employers. At June 30, 2018, the employer's proportion was 0.0182864%.

*Changes in actuarial assumptions and methods:* There were no changes in assumptions or other inputs that affected the measurement of the Total Pension Liability.

*Changes in benefit terms:* There have been no changes in benefit terms since the previous measurement date.

*Changes in proportionate share:* There were no changes between the measurement date of the collective Net Pension Liability and the employer's reporting date that are expected to have a significant effect on the employer's proportionate share of the collective NPL.

**Deferred Inflows and Outflows**

For fiscal year 2018, the employer reported its proportionate share of SCRS' deferred outflows of resources and deferred inflows of resources related to SCRS from the following sources:

	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Differences between expected and actual results	\$ 8,930	\$ 24,109
Changes of assumptions	-	-
Changes in assumptions	165,825	-
Net difference between projected and actual earnings on		
Plan investments	205,935	139,861
Changes in proportion and differences between Authority		
contributions and proportionate share of contributions	1,308,499	15,503
Authority contributions subsequent to the measurement date	113,095	-
Total	<u>\$ 1,802,284</u>	<u>\$ 179,473</u>

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**11. DEFINED BENEFIT PENSION PLAN (continued)**

Amounts reported as deferred outflows of resources related to pensions resulting from employers' contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability for the year ended June 30, 2017. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in Pension Expense as follows:

For the Year Ended	Recognition of Existing Deferred Outflow (Inflow)
June 30:	of Resources, Net
2019	\$1,012,859
2020	\$501,101
2021	\$1,874
2022	\$(6,117)

In addition to the above plan, the Authority provides pension benefits for employees that did not elect to participate in the state plan through a defined contribution plan. The plan is administered by Mutual of America. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The Authority contributes 5% of the employees' covered salaries, while the employees are not required to contribute to the plan. During fiscal year 2018, the Authority made the required contributions in the amount of \$27,603 based upon total payroll wage coverage of \$552,060.

**12. OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

As part of the conversion to GASB 75, The Authority has an actuarial study performed to determine the liability associated with employer- provided retiree health care benefits through the South Carolina Employee Benefit Authority Plans. With the adoption of this pronouncement, the Authority recognized a liability of \$2,057,218 as of September 30, 2018 and recognized a prior period adjustment of \$1,926,539 to record the liability for prior periods that was not previously included in the financial statements. Required supplementary information is included

Several key drivers of plan costs and liabilities are:

- Premiums for Post 65 (Medicare integrated) plans - represent 90.35% of the total plan liabilities Age at which plan participants retire
- Percentage of plan participants who elect coverage for themselves and/or a spouse
- Medical care cost inflation rate - We currently assume medical costs increase at 5.00% per year for non-Medicare integrated plans and 4.50% per year for Medicare integrated plans.



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**12. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)**

- Discount Rate (3.75%) – Higher discount rates yield lower liabilities and vice versa
- Cost Sharing

Discount Rate Determinants

- Employer Current and Future Benefit Payments
- Municipal Bond Rate – The municipal bond rate was 3.64% as of September 30, 2018.
- Current Asset Level – The Authority had \$0 of assets as of September 30, 2018.

Key Metrics

Additional Required Supplementary Information included on pages 47-48.

Valuation Date	October 1, 2017
Measurement Date & Period Ending	September 30, 2018
Reporting Date/Fiscal Year End	September 30, 2018
Total OPEB Liability	2,057,218
Per Eligible Active Plan Participant	39,094
Per Retiree/Spouse Plan Participant	115,640
Total Annual Service Cost (annual benefit accrual)	113,067
Per Eligible Active Plan Participant	4,349
Expected Employer Share of Retiree Costs	57,797
Per Retiree/Spouse Plan Participant	6,422
Net OPEB Liability as a % of Payroll	90.70%
Average Annual Medical Plan Premium (Single Coverage)	5,412
Average Annual Medical Plan Premium (Family Coverage)	13,856
<u>Projected 2022 Excise Tax Thresholds</u>	
Annual Medical Plan Premium (Single Coverage)	12,511
Annual Medical Plan Premium (Family Coverage)	32,676

**HOUSING AUTHORITY OF THE CITY OF SPARTANBURG**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2018**

**12. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)**

Valuation Date	1-Oct-17
For the Measurement Period ending on the Measurement Date of:	30-Sep-18
For the Reporting Period & Fiscal Year ending on:	30-Sep-18
<b>Source of Deferred Inflow/Outflow</b>	
I. Deferred (Inflow)/Outflow from Actual vs. Expected Experience	0
II. Deferred (Inflow)/Outflow from Investment Experience	0
III. Deferred (Inflow)/Outflow from Changes in Benefit Terms	0
IV. Deferred (Inflow)/Outflow from Changes in Assumptions	0
<b>Change in Deferred Inflow/Outflow</b>	
I. Deferred Outflow at the beginning of the period	0
II. Deferred Outflow created during the period	0
III. Deferred Outflow recognized during the period	0
IV. Change in Deferred Outflow (II. - III. )	0
V. Deferred Outflow at end of the period (I. + IV. )	0
VI. Deferred Inflow at the beginning of the period	0
VII. Deferred Inflow created during the period	0
VIII. Deferred Inflow recognized during the period	0
IX. Change in Deferred Inflow (VII. - VIII. )	0
X. Deferred Inflow at end of the period (VI. + IX. )	0
<b>Net OPEB Liability</b>	
I. Net OPEB Liability at beginning of period	1,926,537
II. Service Cost	113,067
III. Interest on Total OPEB Liability, Service Cost, and Payments	75,411
IV. Projected Investment Income	0
V. Total Employer Contributions	-57,797
VI. Net OPEB Expense - Before Recognition of Deferred (Inflow)/Outflow (II. + III. + IV. + V. )	130,681
VII. Deferred Outflow created during the period	0
VIII. Deferred Inflow created during the period	0
IX. Net OPEB Liability at end of period (I. + VI. + VII. + VIII. )	2,057,218
<b>Net OPEB Expense</b>	
I. Service Cost	113,067
II. Interest on Total OPEB Liability, Service Cost, and Payments	75,411
III. Projected Investment Income	0
IV. Recognition of Deferred (Inflow)/Outflow	0
V. Financial Statement Expense (I. + II. + III. + IV. )	188,478
VI. Benefit Payments	-57,797
VII. Contributions to Trust	0
VIII. Total Employer Payments (VI. + VII. )	-57,797
IX. Total Net OPEB Expense under GASB 75 (V. + VIII. )	130,681

**HOUSING AUTHORITY OF THE CITY OF SPARTANBURG**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2018**

**12. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)**

The OPEB liability is based on the current discount rate of 3.75%. Changes in that value yield the following changes in the total OPEB liability and related service cost:

<b>Impact of a 1% Change in the Discount Rate as of the 09/30/2018</b>			
	<b>Measurement Date</b>		
	<b>1%</b>	<b>Current</b>	<b>1%</b>
	<b>Decrease</b>	<b>Discount</b>	<b>Increase</b>
		<b>Rate</b>	
I. Total OPEB Liability	2,406,689	2,057,218	1,778,911
II. Fiduciary Net Position	0	0	0
III. Net OPEB Liability (Asset) [I.-II.]	<u>2,406,689</u>	<u>2,057,218</u>	<u>1,778,911</u>
IV. Service Cost	<u>146,611</u>	<u>113,067</u>	<u>88,147</u>

The OPEB valuation was conducted by Odyssey Advisors and was issued on May 24, 2019. Additional details regarding this report can be obtained by contacting Joe C. Calicdan, Finance Manager, Housing Authority of the City of Spartanburg, 2271 South Pine Street, Spartanburg, SC 29203 or by email at [jcalicdan@shasc.org](mailto:jcalicdan@shasc.org).

**13. RELATED PARTY TRANSACTIONS**

In March of 2007, the Authority issued \$13,900,000 of Multi-Family Tax Exempt Bonds to finance a portion of the construction and rehabilitation of the Spartanburg Southside Project, consisting of four low income housing rental unit projects located in the Spartanburg area, and owned by CS1, LLC, and an affiliated limited liability company. Other financing sources of the Southside Project mixed financing arrangement consisted primarily of CSI, LLC tax credit equity, state and local grants, and HOPE VI funds. Upon issuance, the \$13,900,000 bond funds were loaned to CS1, LLC, and secured by the Southside Project property.

According to the loan agreement, \$10,295,000 has been repaid from Investor Member contributions and a balance exists on the Bonds of \$3,445,000. Neither the notes receivable from CS1, LLC or the Bonds payable is recorded on the Housing Authority books. This is considered to be a conduit debt obligation. The mortgage note receivable is explained in Note 6 to the financial statements.

As stated in Note 6, Notes Receivable, and Note 7, Other Noncurrent Assets, there exist amounts invested in and loaned to affiliated tax credit properties. The transactions have been stated in these notes to the financial statements and are not restated in the note for related parties. Additionally, that has been surplus cash funds in the amount of \$219,142 received during the year from excess cash from certain tax credit properties. Each of the tax credit properties are managed by private management companies and not the Housing Authority.

**HOUSING AUTHORITY OF THE CITY OF SPARTANBURG**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2018**

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**14. ECONOMIC DEPENDENCY**

The PHA Owned Housing Program is economically dependent on annual contributions and grants from HUD. The program operates at a loss prior to receiving the contributions and grants.

**15. COMMITMENTS & CONTINGENCIES**

The Authority is exposed to various risks of losses related to torts; theft or, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Claims & liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. The Authority utilizes insurance to mitigate this risk and \$93,736 of casualty losses were expensed during the audit period.

**Legal**

The Authority was named in a class action lawsuit related to the existence of bed bugs in one of the properties. The status of the claim is such that no outcome is determinable at this time. Management believes the potential adverse impact of this claim would not be material to the financial statements of the Authority.

**Grants and Contracts**

The Authority participates in various federally-assisted grant programs that are subject to review and audit by the grantor agencies. Entitlement to these resources is generally conditional based upon compliance with terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a federal audit may become a liability of the Authority. There were no such liabilities recorded as of September 30, 2018.

**Operating Leases**

During November 2015, SHA entered into an operating lease agreement effective January 1, 2016. Future minimum lease payments under the operating lease are as follows:

2019	\$ 142,673
2020	142,673
2021	<u>35,688</u>
	<u>\$ 321,034</u>

**Property Taxes**

In addition to the above, the Authority is responsible for property taxes to be reimbursed to the landlord in December each year.

**HOUSING AUTHORITY OF THE CITY OF SPARTANBURG**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2018**

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**16. RESTRICTED NET POSITION**

Restricted Net Position (equity) as of September 30, 2018, consisted of the following:

HCVP program - housing assistance payment equity	\$ 455,327
Restricted deposits and funded reserves - JC Bull (New Construction)	1,951,270
Long-term Notes Receivable	<u>22,441,603</u>
	<u>\$ 24,848,200</u>

**17. INTER-PROGRAM ELIMINATIONS**

The following amounts have been eliminated in the preparation of the financial statements:

Inter-program Notes Receivable	\$ 190,541
Interfund Due to/from	<u>553,065</u>
Statement of Net Position Totals	<u><u>\$ 743,606</u></u>
Management fees	\$ 825,559
Bookkeeping fees	78,720
Front-line Service fees	93,328
Asset Management fees	<u>261,922</u>
Statement of Revenue, Expense and Changes in Net Position Totals	<u><u>\$ 1,259,529</u></u>

**18. SUPPLEMENTARY INFORMATION**

The supplementary information has been included in order to show the financial statements of the Housing Authority on the GAAP basis of accounting but in the format of the HUD Handbook 7476.3, Audit Guide. This is due to the fact that some supplementary information is reviewed by the field office and provides greater detail concerning the operations of the Authority.

**19. SUBSEQUENT EVENTS**

**OPEB Liability** -Subsequent to the Measurement Date the Authority amended retiree cost sharing such that retirees pay 100% of premiums effective April 1, 2019. Had this change been reflected, the Net OPEB Liability would have been reduced by approximately \$1.75 million. This plan design change will be reflected in the valuation for the fiscal year ending September 30, 2019 and will immediately be recognized in the OPEB Expense.

Management for the primary government has evaluated subsequent events after September 30, 2018, and through June 20, 2019, the date which the financial statements were available to be issued, and no events were identified that would require recognition or disclosure within these financial statements except for the item noted above.

**HOUSING AUTHORITY OF THE CITY OF SPARTANBURG**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**SOUTH CAROLINA PUBLIC EMPLOYEE BENEFIT AUTHORITY**  
**September 30, 2018**

	South Carolina Retirement System			Police Officers Retirement System		
	2018	2017	2016	2018	2017	2016
Authority's proportion of the net pension liability	0.018284%	0.017732%	0.013270%	0.001758%	0.002610%	0.001940%
Authority's proportionate share of the net pension liability	\$4,096,837	3,991,758	2,419,430	\$ 49,816	\$ 71,557	\$ 49,106
Authority's covered-employee payroll	\$1,811,077	\$1,824,268	\$1,133,744	\$ 22,728	\$ 35,179	\$ 25,424
Authority's proportionate share of the net pension liability as a percentage of its covered-employee payroll	226.2%	218.8%	213.4%	219.2%	203.4%	193.1%
Plan fiduciary net position as a percentage of the total pension liability	54.1%	53.3%	52.9%	61.7%	60.9%	60.4%

**Note:** Schedule is intended to show information for the last 10 fiscal years.  
Additional years will be displayed as they become available as the  
Authority did not join the plans until October 1, 2015.

**HOUSING AUTHORITY OF THE CITY OF SPARTANBURG**  
**SCHEDULE OF CONTRIBUTIONS**  
**SOUTH CAROLINA PUBLIC EMPLOYEE BENEFIT AUTHORITY**  
**September 30, 2018**

	<u>South Carolina Retirement System</u>			<u>Police Officers Retirement System</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 245,582	\$ 206,819	\$ 121,311	\$ 3,691	\$ 5,010	\$ 3,392
Contributions in relation to the contractually required contribution	\$ 245,582	\$ 206,819	\$ 121,311	\$ 3,691	\$ 5,010	\$ 3,392
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's covered-employee payroll	\$1,811,077	\$1,824,268	\$1,133,744	\$22,728	\$35,179	\$25,424
Contributions as a percentage of covered-employee payroll	13.6%	11.3%	10.7%	16.2%	14.2%	13.3%

**Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available as the Authority did not join the plans until October 1, 2015.**

**HOUSING AUTHORITY OF THE CITY OF SPARTANBURG**  
**Spartanburg, South Carolina**

**EXHIBIT B**

**REQUIRED SUPPLEMENTARY INFORMATION**

(As of the September 30, 2018 Measurement Date)

Notes to Required Supplementary Information:

Valuation Date: of	Actuarially Determined Contribution was calculated as October 1, 2017.
Actuarial Cost Method:	Individual Entry Age Normal
Asset-Valuation Method:	Market Value of Assets as of the Measurement Date, September 30, 2018.
<u>Actuarial Assumptions:</u>	
Investment Rate of Return: inflation.	6.50%, net of OPEB plan investment expense, including inflation.
Municipal Bond Rate	3.64% as of September 30, 2018 (source: S&P Municipal Bond 20-Year High Grade Index – SAPIHG)
Single Equivalent Discount Rate: inflation. Inflation:	3.75%, net of OPEB plan investment expense, including 2.75% as of September 30, 2018 and for future periods
Salary Increases:	3.00% annually as of September 30, 2018 and for future periods
Cost of Living Adjustment:	Not Applicable
Pre-Retirement Mortality:	RP-2014 Employees Mortality Table adjusted to 2006 and projected generationally with scale MP-2018
Post-Retirement Mortality:	RP-2014 Healthy Annuitant Mortality Table adjusted to 2006 and projected generationally with scale MP-2018
Disabled Mortality:	RP-2000 Healthy Annuitant Mortality Table projected generationally with Scale BB and a base year 2012 for males and females



**HOUSING AUTHORITY OF THE CITY OF SPARTANBURG**  
**Spartanburg, South Carolina**

**EXHIBIT B**

**REQUIRED SUPPLEMENTARY INFORMATION**

(As of the September 30, 2018 Measurement Date)

Notes to Required Supplementary Information (Continued):

Plan Membership

At October 1, 2017, OPEB plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits:	9
Active Employees:	<u>26</u>
Total:	35

Events Subsequent to the Measurement Date

Subsequent to the Measurement Date the Authority amended retiree cost sharing such that retirees pay 100% of premiums effective April 1, 2019. Had this change been reflected, the Net OPEB Liability would have been reduced by approximately \$1.75 million. This plan design change will be reflected in the valuation for the fiscal year ending September 30, 2019 and will immediately be recognized in the OPEB Expense.

Changes in Assumptions: From October 1, 2015 to September 30, 2018

✓ N/A Contributions:

The contribution requirements of plan members and the Authority are established and may be amended through Authority ordinances. The Authority contributed \$0 beyond the pay-as-you-go cost for the period ending on the September 30, 2018 Measurement Date. For the year ending on the September 30, 2018 Measurement Date total Authority premiums plus implicit costs for the retiree medical program were \$57,797. \$11,657 of the \$57,797 represents implicit cost.

Spartanburg Housing Authority  
Spartanburg, South Carolina

FINANCIAL DATA SUBMISSION SUMMARY  
NET POSITION ACCOUNTS  
SEPTEMBER 30, 2018

Account Description	Low-Rent Public Hsg 14.850	Housing Choice Vouchers 14.871	Business Activities	Multifamily Housing Service Coordinators 14.191	YouthBuild Program 17.274	ROSS 14.87	Section 8 Moderate Housing Assistance 14.856	Blended Component Unit	Discrete Component Unit	New Construction Section 8 Programs 14.182	State/Local	COCC	Elimination	TOTAL
<b>ASSETS:</b>														
CURRENT ASSETS:														
Cash:														
Cash - unrestricted	\$ 4,294,400	\$ 268,999	\$ 0	\$ 0	\$ 0	\$ 0	\$ 70,931	\$ 0	\$ 0	\$ 215,285	\$ 0	741,817	\$ 0	\$ 5,591,432
Cash - restricted	35,982	581,512	138,416	0	0	0	266,717	0	0	1,951,270	0	0	0	2,973,897
Cash - tenant security deposits	92,809	0	6,519	0	0	0	0	8,218	0	22,323	0	0	0	129,869
Total Cash	4,423,191	850,511	144,935	0	0	0	337,648	8,218	0	2,188,878	0	741,817	0	8,695,198
	0	0	0	0	0	0		0	0	0	0	0	0	
Accounts and notes receivables:														
Accounts receivable - HUD	33,188	0	0	37,924	0	24,885	0	0	0	0	0	0	0	95,997
Accounts receivable - other government	0	886	0	0	4,442	0	0	0	0	0	0	0	0	5,328
Accounts receivable - miscellaneous	1,680	5,126	365	0	0	0	0	123,940	0	0	0	34,791	0	165,902
Accounts receivable - tenants rents	12,993	0	0	0	0	0	4,820	0	0	348	0	0	0	18,161
Allowance for doubtful accounts-tenants	(6,790)	0	0	0	0	0	(4,076)	0	0	(348)	0	0	0	(11,214)
Allowance for doubtful accounts-other	0	0	0	0	0	0	0	(123,940)	0	0	0	0	0	(123,940)
Notes Receivable - current	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fraud Recovery	0	78,975	0	0	0	0	0	0	0	0	0	0	0	78,975
Allowance for doubtful accounts - fraud	0	(78,583)	0	0	0	0	0	0	0	0	0	0	0	(78,583)
Total receivables - net	41,071	6,404	365	37,924	4,442	24,885	744	0	0	0	0	34,791	0	150,626
Current investments:														
Prepaid expenses and other assets	6,298	0	0	0	0	0	0	15,897	0	0	0	92,389	0	114,584
Assets held for sale	0	0	59,800	0	0	0	0	0	0	0	0	0	0	59,800
Interprogram due from	0	0	0	0	5,680	0	0	0	0	0	0	547,385	(553,065)	0
TOTAL CURRENT ASSETS	4,470,560	856,915	205,100	37,924	10,122	24,885	338,392	24,115	0	2,188,878	0	1,416,382	(553,065)	9,020,208
NONCURRENT ASSETS:														
Capital Assets:														
Land	2,534,474	0	1,877,571	0	0	0	0	243,320	0	408,618	0	0	0	5,063,983
Buildings	26,595,624	0	1,875,183	0	0	0	0	1,933,373	0	3,110,009	0	3,226	0	33,517,415
Furniture & equipment - dwellings	536,446	0	0	0	0	0	0	0	0	223,057	0	0	0	759,503
Furniture & equipment - administration	0	133,977	0	0	0	0	0	47,211	0	0	0	561,005	0	742,193
Work in process	133,083	0	0	0	0	0	0	0	0	0	0	0	0	133,083
Accumulated depreciation	(20,537,114)	(133,977)	(451,275)	0	0	0	0	(1,567,142)	0	(3,255,092)	0	(529,601)	0	(26,474,201)
Total capital assets - net	9,262,513	0	3,301,479	0	0	0	0	656,762	0	486,592	0	34,630	0	13,741,976
Notes receivable - noncurrent														
Notes receivable - noncurrent	8,244,574	0	13,894,473	0	0	0	0	300,000	0	190,541	0	0	(190,541)	22,439,047
Other assets	0	0	1,788,219	0	0	0	0	93,125	0	0	0	0	0	1,881,344
Investment in joint ventures	47,146	0	47,810	0	0	0	0	0	0	0	0	0	0	94,956
TOTAL NONCURRENT ASSETS	17,554,233	0	19,031,981	0	0	0	0	1,049,887	0	677,133	0	34,630	(190,541)	38,157,323
DEFERRED OUTFLOWS OF RESOURCES														
DEFERRED OUTFLOWS OF RESOURCES	472,278	239,526	0	0	0	0	0	0	0	30,321	0	1,060,159	0	1,802,284
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 22,497,071	\$ 1,096,441	\$ 19,237,081	\$ 37,924	\$ 10,122	\$ 24,885	\$ 338,392	\$ 1,074,002	\$ 0	\$ 2,896,332	\$ 0	2,511,171	\$ (743,606)	\$ 48,979,815

Spartanburg Housing Authority  
Spartanburg, South Carolina

FINANCIAL DATA SUBMISSION SUMMARY  
NET POSITION ACCOUNTS  
SEPTEMBER 30, 2018

Account Description	Low-Rent Public Hsg 14.850	Housing Choice Vouchers 14.871	Business Activities	Multifamily Housing Service Coordinators 14.191	YouthBuild Program 17.274	ROSS 14.87	Section 8 Moderate Housing Assistance 14.856	Blended Component Unit	Discrete Component Unit	New Construction Section 8 Programs 14.182	State/Local	CDBG	HOME	COCC	Elimination	TOTAL
LIABILITIES AND NET POSITION:																
LIABILITIES:																
CURRENT LIABILITIES:																
Accounts payable < 90 days	\$ 109,522	\$ 1,724	\$ 1,612	77	\$ 0	\$ 236	\$ 0	\$ 24,189	\$ 0	\$ 12,870	\$ 0	\$ 0	\$ 0	\$ 78,934	\$ 0	\$ 229,164
Accrued salaries/payroll withholding	23,778	11,211	177	1,549	2,356	1,839	0	389	0	3,394	0	0	0	6,761	0	51,454
Accrued compensated absences	5,719	5,576	0	483	1,165	1,294	0	0	0	1,829	0	0	0	8,231	0	24,297
Accounts payable - HUD PHA programs	612,973	0	0	0	0	0	266,717	0	0	0	0	0	0	0	0	879,690
Tenant security deposits	92,809	0	6,519	0	0	0	0	8,218	0	22,323	0	0	0	0	0	129,869
Unearned revenue	2,560	4,842	195	0	0	0	0	339	0	567	0	0	0	0	0	8,503
Current portion of L-T debt - capital projects	0	0	18,229	0	0	0	0	0	0	0	0	0	0	0	0	18,229
Other current liabilities	5,816	0	0	0	0	0	0	0	0	0	0	0	0	4,950	0	10,766
Accrued liabilities - other	33,958	4,228	0	0	0	46	0	0	0	0	0	0	0	17,510	0	55,742
Interprogram (due to)	0	0	131,186	35,650	0	21,470	0	364,759	0	0	0	0	0	0	(553,065)	0
TOTAL CURRENT LIABILITIES	887,135	27,581	157,918	37,759	3,521	24,885	266,717	397,894	0	40,983	0	0	0	116,386	(553,065)	1,407,714
								2								0
NONCURRENT LIABILITIES:																
Long-term debt, net of current	0	0	345,553	0	0	0	0	0	0	0	0	0	0	0	0	345,553
Loan liability - non-current	0	0	190,541	0	0	0	0	0	0	0	0	0	0	0	(190,541)	0
Accrued comp. absences - long term	32,407	31,599	0	165	6,601	0	0	0	0	10,364	0	0	0	46,643	0	127,779
Accrued pension liability	1,625,691	824,502	0	0	0	0	0	0	0	104,375	0	0	0	3,649,307	0	6,203,875
Noncurrent liabilities - other	28,356	126,185	0	0	0	0	0	0	0	0	0	0	0	0	0	154,541
TOTAL NONCURRENT LIABILITIES	1,686,454	982,286	536,094	165	6,601	0	0	0	0	114,739	0	0	0	3,695,950	(190,541)	6,831,748
TOTAL LIABILITIES	2,573,589	1,009,867	694,012	37,924	10,122	24,885	266,717	397,894	0	155,722	0	0	0	3,812,336	(743,606)	8,239,462
														495,147		
DEFERRED INFLOWS OF RESOURCES	47,030	23,852	0	0	0	0	0	0	0	3,019	0	0	0	105,572	0	179,473
NET POSITION:																
Net Investment in Capital Assets	9,262,513	0	2,937,697	0	0	0	0	656,762	0	486,592	0	0	0	34,630	0	13,378,194
Restricted	8,247,130	455,327	13,333,749	0	0	0	0	300,000	0	1,951,270	0	0	0	0	0	24,287,476
Unrestricted	2,366,809	(392,605)	2,271,623	0	0	0	71,675	(280,654)	0	299,729	0	0	0	(1,441,367)	0	2,895,210
TOTAL NET POSITION	19,876,452	62,722	18,543,069	0	0	0	71,675	676,108	0	2,737,591	0	0	0	(1,406,737)	0	40,560,880
TOTAL LIABILITIES AND NET POSITION	\$ 22,497,071	\$ 1,096,441	\$ 19,237,081	\$ 37,924	\$ 10,122	\$ 24,885	\$ 338,392	\$ 1,074,002	\$ 0	\$ 2,896,332	\$ 0	\$ 0	\$ 0	\$ 2,511,171	\$ (743,606)	\$ 48,979,815

Spartanburg Housing Authority  
Spartanburg, South Carolina

FINANCIAL DATA SUBMISSION SUMMARY  
REVENUES, EXPENSES, AND CHANGES IN NET POSITION ACCOUNTS  
FOR THE PERIODS ENDED SEPTEMBER 30, 2018

Account Description	Low-Rent Public Hsg 14.850	Housing Choice Vouchers 14.871	Business Activities	Multifamily Housing Service Coordinators 14.191	YouthBuild Program 17.274	ROSS 14.87	Section 8 Moderate Housing Assistance 14.856	Blended Component Unit	Discrete Component Unit	New Construction Section 8 Programs 14.182	State/Local	COCC	Elimination	TOTAL
REVENUES:														
Net tenant rental revenue	\$ 1,185,361	\$ 0	\$ 84,675	\$ 0	\$ 0	\$ 0	\$ 0	\$ 109,690	\$ 0	\$ 322,014	\$ 0	\$ 0	\$ 0	\$ 1,701,740
Tenant revenue - other	146,316	0	9,056	0	0	0	0	1,167	0	1,690	0	0	0	158,229
Total tenant revenue	1,331,677	0	93,731	0	0	0	0	110,857	0	323,704	0	0	0	1,859,969
			0											
HUD PHA grants - operating	2,378,931	12,750,650	0	66,181	0	135,191	1,432,091	0	0	490,205	0	0	0	17,253,249
HUD PHA grants - capital	369,675	0	0	0	0	0	0	0	0	0	0	0	0	369,675
Management fee	0	0	0	0	0	0	0	0	0	0	0	825,559	(825,559)	0
Asset management fee	0	0	0	0	0	0	0	0	0	0	0	78,720	(78,720)	0
Bookkeeping fee	0	0	0	0	0	0	0	0	0	0	0	261,922	(261,922)	0
Other government grants	0	0	0	0	353,560	0	0	122,094	0	0	0	93,328	(93,328)	475,654
Investment income - unrestricted	0	0	0	0	0	0	0	0	0	5,620	0	0	0	5,620
Fraud income	0	26,292	0	0	0	0	556	0	0	0	0	0	0	26,848
Other revenue	172,659	44,373	38,558	0	0	60	0	380	0	48,176	0	857,585	0	1,161,791
Gain/(loss) on disposition	(345,808)	0	0	0	0	0	0	0	0	0	0	2,030	0	(343,778)
TOTAL REVENUES	\$ 3,907,134	\$ 12,821,315	\$ 132,289	\$ 66,181	\$ 353,560	\$ 135,251	\$ 1,432,647	\$ 233,331	\$ 0	\$ 867,705	\$ 0	\$ 2,119,144	\$ (1,259,529)	\$ 20,809,028
EXPENSES:														
Administrative														
Administrative salaries	\$ 460,943	\$ 409,932	\$ 9,017	\$ 49,334	\$ 135,521	\$ 95,424	\$ 22,217	\$ 3,100	\$ 0	\$ 88,043	\$ 0	\$ 826,338	\$ 0	\$ 2,099,869
Auditing fees	21,125	3,958	0	0	0	0	2,266	1,359	0	4,808	0	9,735	0	43,251
Management fees	416,157	302,232	10,838	0	0	0	28,104	20,375	0	61,777	0	0	(825,559)	13,924
Bookkeeping fees	42,593	188,895	1,500	0	7,200	0	17,565	2,820	0	8,550	0	0	(261,922)	7,201
Advertising & marketing	0	0	0	0	0	0	0	0	0	0	0	3,895	0	3,895
Employee benefits - administrative	509,126	235,185	4,180	15,972	57,093	35,400	7,250	1,584	0	53,496	0	636,592	0	1,555,878
Office expense	236,098	80,741	9,413	0	0	0	18,688	0	0	10,938	0	271,489	0	627,367
Legal expense	27,559	83	562	0	0	0	0	4,541	0	0	0	42,910	0	75,655
Travel expense	3,506	2,121	2,869	15	375	15	0	192	0	988	0	17,501	0	27,582
Other operating - administrative	10,157	46,095	4,855	6,301	19,131	0	36	9,025	0	19,348	0	0	0	114,948
Total Administrative Expense	1,727,264	1,269,242	43,234	71,622	219,320	130,839	96,126	42,996	0	247,948	0	1,808,460	(1,087,481)	4,569,570
			0							16,828				
Asset management fee	60,840	0	2,040	0	0	0	0	3,840	0	12,000	0	0	(78,720)	0
			0											
Tenant services			0											
Tenant services - salaries	0	0	0	0	0	21,504	0	0	0	0	0	0	0	21,504
Relocation costs	1,458	0	0	0	0	0	0	0	0	0	0	5,000	0	6,458
Employee benefits - tenant services	0	0	0	0	0	2,159	0	0	0	0	0	0	0	2,159
Other tenant services	31,130	0	0	0	20,949	0	0	497	0	6,340	0	0	0	58,916
Total Tenant Services	32,588	0	0	0	20,949	23,663	0	497	0	6,340	0	5,000	0	89,037
Utilities			0											
Water	124,718	0	8,190	0	1,489	0	0	7,055	0	19,321	0	1,193	0	161,966
Electricity	346,746	0	327	0	146	0	0	16,019	0	52,687	0	13,747	0	429,672
Gas	176,028	0	0	0	1,603	0	0	14,587	0	40,177	0	3,036	0	235,431
Sewer	170,317	0	3,205	0	0	0	0	6,917	0	21,920	0	539	0	202,898
Total Utilities Expense	817,809	0	11,722	0	3,238	0	0	44,578	0	134,105	0	18,515	0	1,029,967
Ordinary Maintenance & Operation														
Labor	321,391	0	2,807	0	0	0	0	3,754	0	71,015	0	0	0	398,967
Materials	170,087	5,808	2,831	0	29,062	0	0	8,196	0	30,110	0	32,487	0	278,581
Employee benefit contributions	126,664	0	843	0	0	0	0	1,996	0	21,419	0	0	0	150,922
Contract costs	572,110	13,338	82,789	0	64,358	0	404	32,151	0	208,451	0	197,173	(93,328)	1,077,446
Total Ordinary Maintenance & Operation	1,190,252	19,146	89,270	0	93,420	0	404	46,097	0	330,995	0	229,660	(93,328)	1,905,916
			0							2,125				
Protective services			0											
Other protective services	12,920	0	0	0	0	0	0	0	0	96	0	0	0	13,016
Total Protective Services	12,920	0	0	0	0	0	0	0	0	96	0	0	0	13,016
			0											
Insurance Premiums			0											

Spartanburg Housing Authority  
Spartanburg, South Carolina

FINANCIAL DATA SUBMISSION SUMMARY  
REVENUES, EXPENSES, AND CHANGES IN NET POSITION ACCOUNTS  
FOR THE PERIODS ENDED SEPTEMBER 30, 2018

Account Description	Low-Rent Public Hsg 14.850	Housing Choice Vouchers 14.871	Business Activities	Multifamily Housing Service Coordinators 14.191	YouthBuild Program 17.274	ROSS 14.87	Section 8 Moderate Housing Assistance 14.856	Blended Component Unit	Discrete Component Unit	New Construction Section 8 Programs 14.182	State/Local	COCC	Elimination	TOTAL
Property/Liability insurance	33,312	18,630	1,074	2,091	8,865	6,084	1,029	19,818	0	6,193	0	47,900	0	144,996
Workmen's compensation	19,443	10,872	768	1,215	5,169	3,555	600	252	0	3,588	0	19,527	0	64,989
Total Insurance Premiums	52,755	29,502	1,842	3,306	14,034	9,639	1,629	20,070	0	9,781	0	67,427	0	209,985
General Expenses			0											
Other general expense	380,151	0	3,757	0	3,355	0	522	417	0	2,125	0	16,376	0	406,703
Compensated absences	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Payments in lieu of taxes	22,831	0	3,478	0	0	0	0	6,119	0	1,961	0	22,452	0	56,841
Bad debt - tenant rents	47,336	0	0	0	86,250	40,995	0	0	0	2,088	0	0	0	176,669
Bad debt - other	0	0	694,229	0	0	0	0	0	0	0	0	0	0	694,229
Total General Expenses	450,318	0	701,464	0	89,605	40,995	522	6,536	0	6,174	0	38,828	0	1,334,442
Financial Expenses			0											
Interest expense - Mortgage Payable	0	0	3,497	0	0	0	0	0	0	0	0	0	0	3,497
Total Financial Expenses	0	0	3,497	0	0	0	0	0	0	0	0	0	0	3,497
TOTAL OPERATING EXPENSE	4,344,746	1,317,890	853,069	74,928	440,566	205,136	98,681	164,614	0	747,439	0	2,167,890	(1,259,529)	9,155,430
EXCESS OPERATING REVENUE	(437,612)	11,503,425	(369,944)	(8,747)	(87,006)	(69,885)	1,333,966	68,717	0	120,266	0	(48,746)	0	11,653,598
Other Expenses			0											
Casualty losses	89,827	0	0	0	0	0	0	0	0	0	0	3,909	0	93,736
Housing assistance payments	0	11,233,954	0	0	0	0	1,262,291	0	0	0	0	0	0	12,496,245
Depreciation expense	1,087,240	0	146,586	0	0	0	0	399,031	0	8,800	0	8,175	0	1,649,832
Total Other Expenses	1,177,067	11,233,954	146,586	0	0	0	1,262,291	399,031	0	8,800	0	12,084	0	14,239,813
TOTAL EXPENSES	\$ 5,521,813	\$ 12,551,844	\$ 999,655	\$ 74,928	\$ 440,566	\$ 205,136	\$ 1,360,972	\$ 563,645	\$ 0	\$ 756,239	\$ 0	\$ 2,179,974	\$ (1,259,529)	\$ 23,395,243
EXCESS OF REVENUE OVER EXPENSES	\$ (2,119,518)	\$ 269,471	\$ (867,366)	\$ (8,747)	\$ (87,006)	\$ (69,885)	\$ 71,675	\$ (300,000)	\$ 0	\$ (16,481)	\$ 0	\$ 223,289	\$ 0	\$ (3,091,054)
Transfer of equity	0	0	3,139,432	8,747	87,006	69,885	0	0	0	0	(3,139,432)	(165,638)	0	0
Prior priod adjustment - OPEB	(504,839)	(256,039)								(32,413)		(1,133,248)		(1,926,539)
Operating transfers	0	0	198,933	0	0	0	0	0	0	0	0	(198,933)	0	0
Beginning Net Position	21,995,970	49,290	\$ 16,072,070	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,006,422	\$ 0	\$ 2,658,538	\$ 3,139,432	\$ 151,912	0	45,073,634
Ending Net Position	\$ 19,371,613	\$ 62,722	\$ 18,543,069	\$ 0	\$ 0	\$ 0	\$ 71,675	\$ 676,108	\$ 0	\$ 2,737,591	\$ 0	\$ (1,406,737)	\$ 0	40,056,041
Administrative Fund Equity	0	(392,605)	0	0	0	0	0	0	0	0	0	0	0	(392,605)
Housing Choice Voucher Equity	0	455,327	0	0	0	0	0	0	0	0	0	0	0	455,327

**HOUSING AUTHORITY OF THE CITY OF SPARTANBURG**  
**Spartanburg, South Carolina**

**STATEMENT AND CERTIFICATION OF ACTUAL CAPITAL FUND PROGRAM COSTS**  
**SEPTEMBER 30, 2018**

**Grant Year SC16R003502-14**

- 1 The Actual Program Costs of Phase SC16R003502-14 are as follows:

Funds Approved	\$ 284,182
Funds Expended	<u>284,182</u>
Excess of Funds Approved	<u>\$ -</u>
Funds Advanced	\$ 284,182
Funds Expended	<u>284,182</u>
Excess of Funds Advanced	<u>\$ -</u>

- 2 There were \$108,079 of additions during the fiscal year that were audited by Rubino and Company.
- 3 The total program costs as stated on the Annual Statement/Performance and Evaluation Report is in agreement with the signed Actual Modernization Cost Certificate dated November 19, 2018 received from HUD for approval is in agreement with the PHA's records.
- 4 All Capital Fund Program costs have been paid and all related liabilities have been discharged through payment.

**INDEPENDENT AUDITOR'S 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***

To the Board of Commissioners of the  
Housing Authority of the City of Spartanburg  
Spartanburg, South Carolina

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 business-type activities and the discretely presented component units of the Housing Authority of the City of Spartanburg (the Authority) as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated June 20, 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2018-001 that we consider to be a material weakness.

## **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. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Housing Authority of the City of Spartanburg's Response to Findings**

The Housing Authority of the City of Spartanburg's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Housing Authority of the City of Spartanburg's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

We noted certain matters that we reported to management of the Authority in a separate letter dated June 20, 2019.

## **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 results 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.

Bethesda, Maryland  
June 20, 2019

A handwritten signature in cursive script that reads "Rubins & Company". The signature is written in dark ink and is positioned to the right of the typed address.



## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Commissioners of the  
Housing Authority of the City of Spartanburg  
Spartanburg, South Carolina

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

We have audited the Housing Authority of the City of Spartanburg's (the Authority) 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 September 30, 2018. 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 and material effect on each of its major federal programs for the year ended September 30, 2018.

## **Report on Internal Control over Compliance**

Management of the Authority is responsible for establishing and maintaining effective internal control 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 internal control 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.

A handwritten signature in black ink that reads "Rubins & Company". The signature is written in a cursive, flowing style.

Bethesda, Maryland  
June 20, 2019

**HOUSING AUTHORITY OF THE CITY OF SPARTANBURG**  
**Spartanburg, South Carolina**

**SCHEDULE OF EXPENDITURES OF FEDERAL FINANCIAL AWARDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	<u>Type</u>	<u>Federal CFDA #</u>	<u>Total Federal Expenditures</u>
<b><u>FEDERAL GRANTOR</u></b>			
<b><u>U.S. DEPARTMENT OF HOUSING &amp; URBAN DEVELOPMENT:</u></b>			
<b>Public Housing:</b>			
Low Rent Public Housing Operating fund	A - Major	14.850	\$ 2,311,724
Capital Fund Program	B - Nonmajor	14.872	436,882
Resident Opportunities and Self Sufficiency	B - Nonmajor	14.870	135,191
<b>Housing Choice Voucher Cluster</b>			
Housing Choice Voucher	A - Major	14.871	12,750,650
<b>Section 8 Project-Based Cluster</b>			
New Construction S/R Section 8 Programs ( <i>Cluster</i> )	B - Non-major	14.182	490,205
Moderate Rehabilitation Program ( <i>Cluster</i> )	A - Non-major	14.856	1,432,091
Vocational Funds (South Carolina State pass-through)	B - Nonmajor	14.195	-
<b>Multifamily Housing Service Coordinators</b>			
Multifamily Housing Elderly Service Coordinators	B - Nonmajor	14.191	66,181
<b><u>U.S. DEPARTMENT OF LABOR:</u></b>			
<b>YouthBuild Program:</b>			
YouthBuild Program	B - Major	17.274	<u>353,560</u>
<b>TOTAL FEDERAL FINANCIAL AWARDS</b>			<b>\$ <u>17,976,484</u></b>
<b>Threshold for Type A &amp; Type B</b>			<b>\$ <u>750,000</u></b>

The accompanying notes are an integral part of this statement.

**HOUSING AUTHORITY OF THE CITY OF SPARTANBURG**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the year ended September 30, 2018**

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**1. BASIS OF PRESENTATION**

The *Schedule of Expenditures of Federal Awards* is presented using the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Uniform Guidance, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Therefore, some amounts presented in the schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**2. SIGNIFICANT ACCOUNTING POLICY**

The Authority recognizes grant revenue when earned on an accrual basis; that is, activities prerequisite to obtaining benefit have been completed, such as, complying with the terms and conditions of the grant agreement.

**3. SUBRECIPIENTS**

The Housing Authority of the City of Spartanburg provided no federal awards to subrecipients during the fiscal year ending September 30, 2018.

**4. FINDINGS AND QUESTIONED COSTS**

Any findings and questioned costs identified in connection with the 2018 Single Audit would be disclosed in Schedule I and status of prior year findings and questioned costs would be disclosed in Schedule II.

HUD has conducted several reviews of the Authority and has issued their reports on the results of some of these reviews. The Authority has responded to the reviews for which reports have been issued.

**5. COST RATES**

The Authority has not elected to use the 10% de minimis cost rate.

**HOUSING AUTHORITY OF THE CITY OF SPARTANBURG**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the year ended September 30, 2018**

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**SECTION I – SUMMARY OF AUDITOR’S RESULTS**

**Financial Statements**

Type of auditor’s report issued:	Unmodified
Internal control over financial reporting:	
a. Material weakness(es) identified?	Yes
b. Significant deficiency(ies) identified that are not considered to be material weakness(es)?	None reported
Noncompliance material to financial statements noted?	No

**Federal Awards**

Internal control over major programs:	
a. Material weakness(es) identified?	No
b. Significant deficiency(ies) identified that are not considered to be material weakness(es)?	No

Type of auditor’s report issued on compliance for major programs:	Unmodified
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6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
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7. Identification of Major Programs:

<u>Federal Grantor/Program Title</u>	<u>CFDA No.</u>
--------------------------------------	-----------------

U.S. Department of Housing and Urban Development (HUD):

Low Rent Public Housing Operating Fund	14.850	2,311,724
Housing Choice Voucher Program	14.871	12,750,650
Youth Build Program	17.274	490,205

8. Dollar threshold used to distinguish between Type A and Type B programs:	750,000
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9. Auditee qualified as low-risk auditee?	No
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**HOUSING AUTHORITY OF THE CITY OF SPARTANBURG**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the year ended September 30, 2018**

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

**Finding 2018-001 Inadequate Controls Over Financial Reporting**  
*Material Weakness in Internal Control*

**Condition:** The Authority did not have adequate controls over the financial reporting process to detect material misstatements. As a result, several material adjustments were posted including adjustments related to deferred revenue, casualty losses and capital assets that were not reported on either the initial filing with HUD’s Real Estate Assessment System nor on the resubmission that was required since the original submission was rejected. In addition, other entries were recorded (including recording of the \$1.9 million GASB 75 OPEB liability as of September 30, 2018 and the related \$2.1 million prior period effect as proposed by the Authority).

The Authority did not have adequate internal controls related to preparing the unaudited financial data system (FDS) filing as it relates to the information in the Authority's trial balance and general ledger. As a result, several adjustments had to be made to the audited FDS filing to make it agree to the general ledger. In addition, other audit adjustments had to be made to the audited FDS filing for it to be accurate. We also noted that manual journal entries prepared subsequent to the refiling of the rejected unaudited submission were not given to the Authority to post so the general ledger may not agree to the final audited FDS filing.

**Criteria:** The Authority should have the necessary controls over the financial reporting process to detect material misstatements without Auditor detection.

**Questioned Cost:** None.

**Effect:** As a result of the audit and Authority adjustments, total assets and deferred outflows of resources decreased \$3,285,082; total liabilities increased \$1,753,905; net position decreased \$5,018,372 (including a prior period adjustment of \$2,057,220 to correct the OPEB liability, capital asset adjustments of \$1,725,675 and pension adjustments of \$1,000,281); total revenue decreased \$290,595; total expenses increased \$2,024,114; and the change in net position decreased \$2,819,584.

**Cause:** The Authority did not have the necessary controls over the financial reporting process to detect material misstatements.

**Recommendation:** The Authority should establish controls to ensure that appropriate year-end adjustments are recorded so that the financial statements are fairly presented.

**HOUSING AUTHORITY OF THE CITY OF SPARTANBURG**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the year ended September 30, 2018**

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**SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)**

**Views of Responsible Officials of the Auditee:** We concur with the recommendation. Due to the untimely departure of the Director of Finance – who was responsible for the appropriate year-end adjustments and program reporting for the unaudited financial data system (FDS) made it difficult to have enough controls in place to ensure accurate reporting. We are in the process of procuring resources to establish controls so that the September 30, 2019 financial statements are fairly presented.

**Contact Person:** Joe Calicdan, Controller, 864-598-6041.

**Target Completion Date:** September 30, 2019.

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None Reported.

**HOUSING AUTHORITY OF THE CITY OF SPARTANBURG  
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
For the year ended September 30, 2018**

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**SECTION I – PRIOR YEAR FINANCIAL STATEMENT FINDINGS**

There were no findings reported for the year ended September 30, 2017.

**SECTION II – PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

There were no findings reported for the year ended September 30, 2017.





**Action Items & Resolution  
2019-21**

**Audit FY2018**

---

**Board of Commissioners Meeting  
Tuesday, June 25, 2019**



**HONORABLE MEMBERS IN SESSION:**

**SUBJECT:**  
**AUDIT FY2018**  
**Resolution #2019-21**

**RECOMMENDATION:**

Staff recommends that the Board of Commissioners accept and approve **Resolution 2019-21** for the audit of FY2018 as presented.

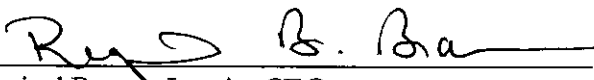
**CONTACT PERSON:**

Reginal Barner CEO  
864-598-6010

**POLICY CONSIDERATIONS:**

Pursuant to the Code of Federal Regulations (CFR), Title 2, Subtitle A, Chapter II, Part 200, Subpart F; Audit Requirements, non-Federal entities that expend \$750,000 or more during the non-Federal entity's fiscal year in Federal awards must have a single or program-specific audit conducted for that year. Reporting is done in accordance with Generally Accepted Accounting Principles (GAAP) as promulgated by the Government Accounting Standards Board (GASB). All PHAs report the results of their audits electronically through HUD's FASS-PH system.

Respectfully Submitted,

  
Reginal Barner, Interim CEO  
The Housing Authority of the City of Spartanburg



**RESOLUTION NO. 2019-21  
ADOPTED BY THE BOARD OF COMMISSIONERS  
OF THE SPARTANBURG HOUSING AUTHORITY**

**June 25, 2019**

**RESOLUTION**

**WHEREAS**, the Commissioners of the Housing Authority of the City of Spartanburg have received and reviewed the audit for the period of 10/01/2017 through 09/30/2018.

**NOW THEREFORE, BE IT RESOLVED**, that the Board of Commissioners of The Housing Authority of Spartanburg, Spartanburg, South Carolina, accept and approve the audit as presented.

**RECORDING OFFICER'S CERTIFICATION**

I, Matthew Myers, the duly appointed Chairman of The Housing Authority of the City of Spartanburg, do hereby certify that this resolution was properly adopted at a regular meeting of The Spartanburg Housing Authority held on June 25, 2019.

ATTEST:

\_\_\_\_\_  
Matthew Myers, Chair

\_\_\_\_\_  
SECRETARY,  
FOR CLERK USE ONLY  
RESOLUTION NO. 2019-21  
DATE ADOPTED: June 25, 2019



**RESOLUTION NO. 2019-21**

**ADOPTED BY THE BOARD OF COMMISSIONERS  
OF THE SPARTANBURG HOUSING AUTHORITY**

**June 25, 2019**

**BE IT RESOLVED BY THE BOARD OF COMMISSIONERS  
OF THE SPARTANBURG HOUSING AUTHORITY**

Staff recommends adoption of Resolution No. 2019-21. The Board of Commissioners accepts and approves the audit as presented.

---

Matthew Myers, Chair

ATTEST:

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SECRETARY

---

FOR CLERK USE ONLY

RESOLUTION NO. 2019-21

DATE ADOPTED: June 25, 2019



## **Action Items & Resolution 2019-22**

**Summer Place Townhomes  
Right-Of-Way and Easement**

---

**Board of Commissioners Meeting  
Tuesday, June 25, 2019**



**June 25, 2019**

**The Housing Authority of the City of Spartanburg  
Spartanburg, SC 29306**

**HONORABLE MEMBERS IN SESSION:**

**SUBJECT:**

**Summer Place Townhomes Right-Of-Way and Easement  
Resolution #2019-22**

**RECOMMENDATION:**

Authorize the Interim CEO to release and grant the right-of-way and easement along Summer Place Townhomes to the City of Spartanburg.

**CONTACT PERSON:**

Joseph Jackson  
864-598-6052  
Deputy Director Capital Funds and Development

**PURPOSE:**

This recommendation would allow Partners for Active Living to expand the Mary Black Foundation Rail Trail to one of their twelve miles of disconnected trails.

**Background:**

Partners for Active Living, in conjunction with the City of Spartanburg and Spartanburg County and in coordination with a committee of private and public leaders, are working to expand their trail system, adding 20 new miles of trail to our existing 12 miles of currently disconnected trails. Using public and private funding, they are working on segments in the Lawsons Fork corridor, extending the Mary Black Foundation Rail Trail through downtown to VCOM and the westside as well as east to Glendale. This will help connect neighborhoods to destinations such as parks, schools, historic areas and downtown.

Current projects include the construction of a trail from the current Spartanburg High School up Lawsons Fork to Drayton and Mary Black Hospital, connecting from Drayton into Beaumont and downtown, and connecting our most used trail, the Mary Black Foundation Rail Trail, to Barnet Park. The most recently completed segment is on the west side connecting the Wadsworth Trail across Westview Elementary property to Oak Grove Road. The trails will be

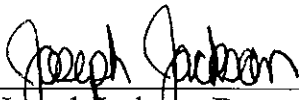
owned and maintained by either the City of Spartanburg or Spartanburg County depending on location.

The segment concerning the Summer Place townhomes will connect from WO Ezell along Vanderbilt Road to Wofford Street and into the Northside and the Butterfly Branch. From VCOM it will connect to Barnet Park, downtown, the Rail Trail and Glendale. Portions will run along the Fairforest Creek and one of its small tributaries and eventually connecting to the Downtown Airport and further west.

Construction will begin this fall.

**Financial Impact:**


Funding for the trail system will come from Spartanburg County, the City of Spartanburg and the Mary Black Foundation. Therefore, this project will not have any financial impact on SHA.


Respectfully Submitted,   
\_\_\_\_\_  
Joseph Jackson, Deputy Director Capital Fund and Development  
Housing Authority of the City of Spartanburg




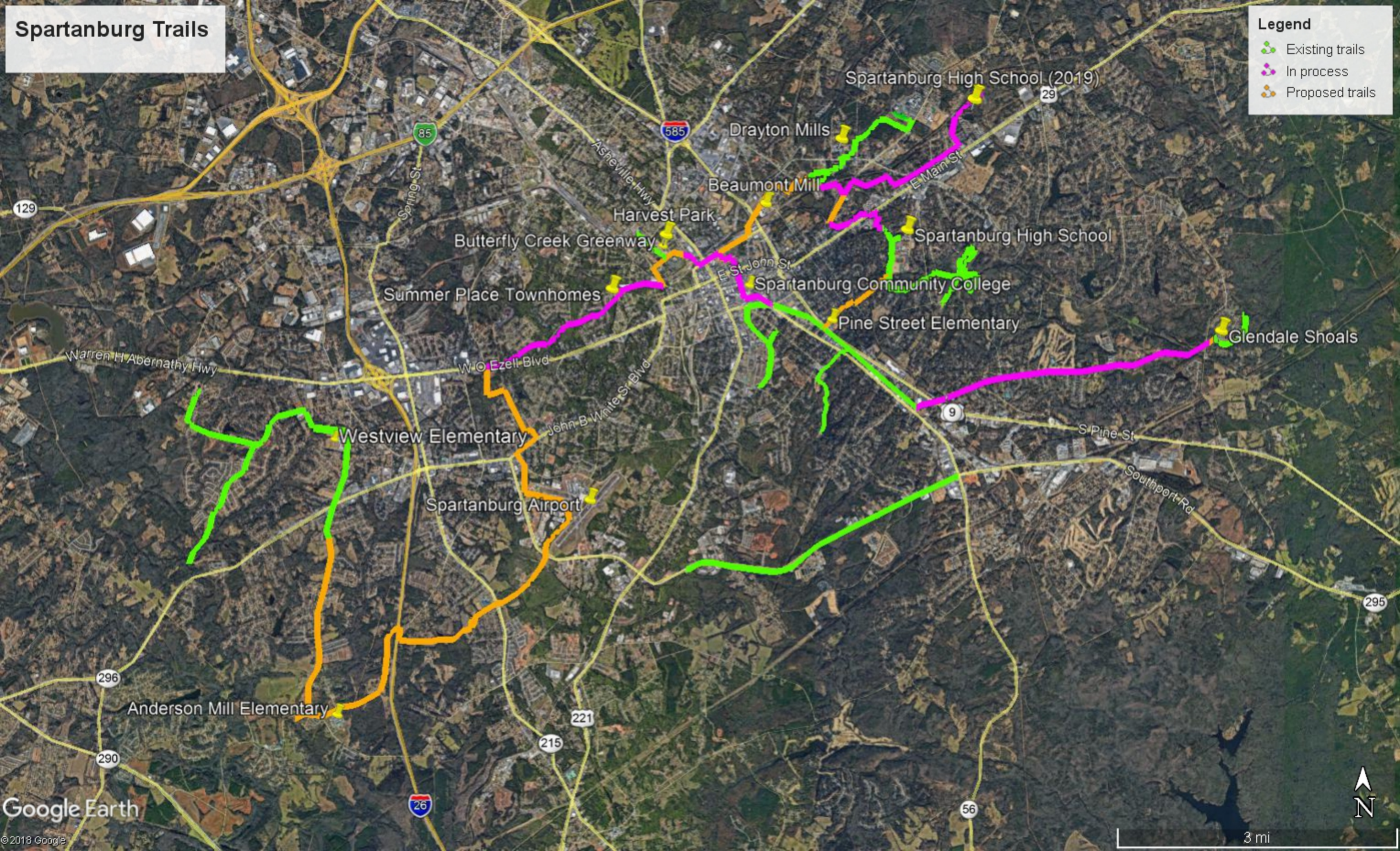
# Spartanburg Trails

Legend

 Existing trails

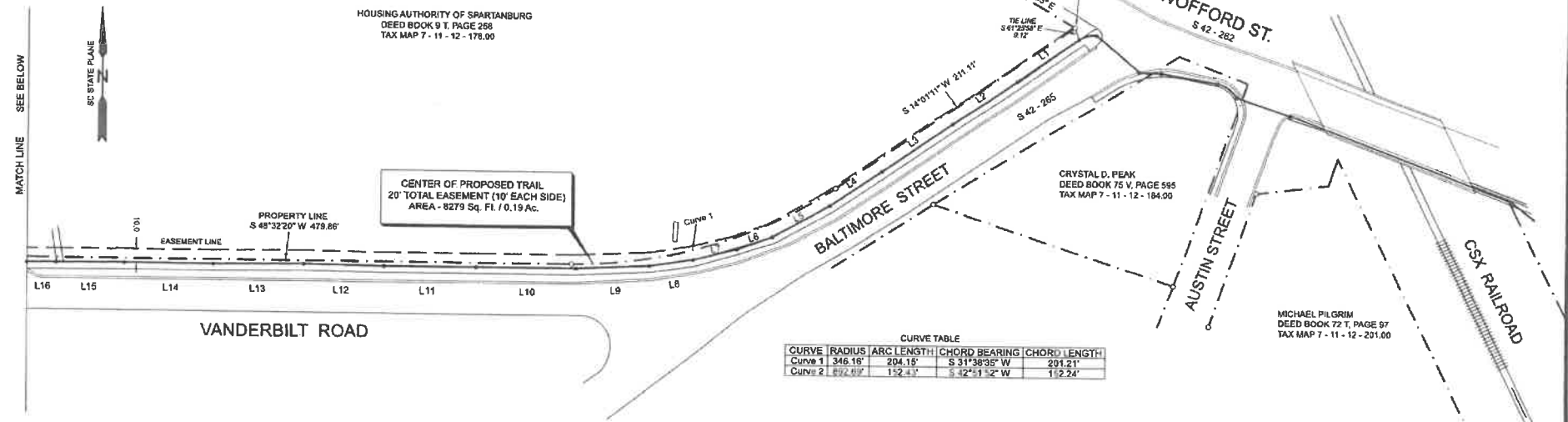
 In process

 Proposed trails



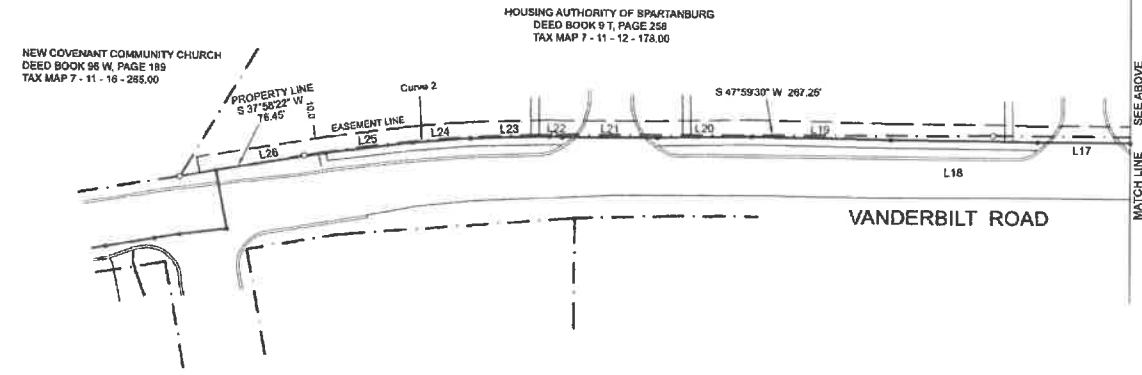


HORIZONTAL DATUM: NAD83 2011  
VERTICAL DATUM: NAVD83 GEOID 12B



CURVE TABLE

CURVE	RADIUS	ARC LENGTH	CHORD BEARING	CHORD LENGTH
Curve 1	346.16'	204.15'	S 31°38'35" W	201.21'
Curve 2	622.67'	152.43'	S 42°51'52" W	112.24'



TRAIL CENTERLINE

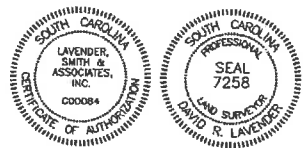
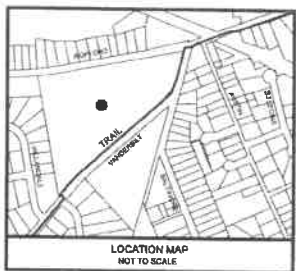
LINE	BEARING	DISTANCE
L1	S 13°42'49" W	54.66'
L2	S 14°10'00" W	56.69'
L3	S 14°03'41" W	61.47'
L4	S 14°47'05" W	45.97'
L5	S 19°04'53" W	48.04'
L6	S 28°16'41" W	27.22'
L7	S 34°01'35" W	31.15'
L8	S 39°48'48" W	31.89'
L9	S 45°46'36" W	33.78'
L10	S 48°34'11" W	72.77'
L11	S 48°28'53" W	66.89'
L12	S 49°10'05" W	89.91'
L13	S 47°50'57" W	85.73'
L14	S 48°17'53" W	64.70'
L15	S 48°11'11" W	49.39'
L16	S 48°13'38" W	21.40'
L17	S 48°28'33" W	59.47'
L18	S 48°43'31" W	89.47'
L19	S 49°13'25" W	84.93'
L20	S 47°09'55" W	57.43'
L21	S 48°08'55" W	67.48'
L22	N 50°09'47" E	11'
L23	S 46°33'29" W	47.65'
L24	S 43°23'45" W	36.34'
L25	S 40°45'02" W	3.04'
L26	N 38°35'24" E	67.59'

EASEMENT SURVEY FOR  
CITY OF SPARTANBURG  
WEST SIDE CONNECTOR  
CITY OF SPARTANBURG  
SPARTANBURG COUNTY, SOUTH CAROLINA  
SCALE 1" = 50' OCTOBER 31, 2018



LAVENDER, SMITH & ASSOCIATES, INC.  
LAND SURVEYORS & MAPPERS  
2000 EAST MAIN STREET  
SPARTANBURG, S.C. 29307  
PHONE 894 579 0067  
EMAIL: Lsuesurvey@bellsouth.net

HOUSING AUTHORITY OF SPARTANBURG



NOTE: Property corners noted as found were recovered during an actual field survey. Other corners are calculated or copied from records. This map was prepared for the purpose of right of way and/or easement acquisition only, and is not intended to be a boundary survey of the property shown hereon. This map was prepared under my supervision.

David R. Lavender, S.C. Lic. 7258 / N.C. Lic. L-2808

Drawing: Easement Survey, 11/07/2018, LSA-2018-0001

STATE OF SOUTH CAROLINA ) **RIGHT-OF-WAY AND EASEMENT**  
 )  
COUNTY OF SPARTANBURG ) TMS #: P/O 7-11-12-178.00

**KNOW ALL MEN BY THESE PRESENTS** that **Housing Authority of Spartanburg** ("**Grantor**"), for and in consideration of the sum of Ten and no/100 (\$10.00) Dollar(s) in hand paid to the undersigned at and before the sealing of these presents by the City of Spartanburg (receipt of which is hereby acknowledged) has granted, bargained, sold and released, and by these presents does grant, bargain, sell and release to the City of Spartanburg, its successors and assigns forever:

**A PERPETUAL RIGHT-OF-WAY & EASEMENT**, 20 feet in width, over, upon, under and across, certain property owned by the Grantor(s) herein located in the County of Spartanburg, State of South Carolina.

**SAID RIGHT-OF-WAY & EASEMENT** is shown on an exhibit made for the City of Spartanburg by Lavender Smith & Associates, Inc., a copy of which is attached hereto and made a part hereof as Exhibit A.

For a more full and particular description, reference is hereby specifically made to the above referenced exhibit and records thereof. Derivation: Book 9T, page 258.

The City of Spartanburg shall clear and grub the entire width of said perpetual right-of-way and easement along its entire length.

Said right-of-way and easement is granted for the purpose of enabling the City of Spartanburg to construct, lay, maintain, operate, renew, enlarge, replace, repair and remove a hiking/biking Trail, together with all necessary appurtenances, which Trail shall be used for scenic and recreational purposes, with the right at any and all times for the City of Spartanburg to enter upon the strip of land included within the above described right-of-way for any purpose in connection with the inspection, maintenance, operation, renewal,

enlargement, replacement or repairing of the said Trail or any appurtenances of any of them and with the right to do all necessary excavation, installation, construction and maintenance work. .

The Grantor(s) covenant(s) and agree(s) for them and their heirs and assigns, which covenant shall be a covenant running with the land over which said right-of-way and easement is granted, that (1) Grantor(s) will not engage in, and will not permit the engaging in, any activities or uses of the Right-of-Way and Easement area such as the excavation, blasting, use of explosives, or other usage of the said strip of land which would damage or tend to damage or injure or obstruct said Trail or interrupt or interfere with the normal and usual service or operation of said recreational use; (2) the area included in the Right-of-Way hereby granted shall not be filled over, filled in or cut down in any manner which would cause the raising or lowering of the ground grade level beyond the elevation or elevations which exist at the time of completion of construction of the Trail in said right-of-way; and (3) no building or buildings or structure or structures of any kind, either temporary or permanent, shall at any time be placed or constructed within the area embraced within the right-of-way hereby granted.

Further, Grantor grants to the City of Spartanburg its successors and assigns, a non-exclusive perpetual easement over the Easement Area to be used by the public for recreational purposes only, including walking, biking, cycling, nature study and viewing of scenic sites. No use by motorized vehicles shall be permitted except for Grantee's or third-party contractors' service vehicles for construction and maintenance of the Trail, law enforcement and emergency services.

The word "Grantor" herein and pronouns relating to Grantor shall include all genders, the singular and plural, and persons or corporations.

**TO HAVE AND TO HOLD** all and singular the said right-of-way and easement hereby granted to the City of Spartanburg, its successors and assigns forever, and the Grantor does hereby bind the Grantor and the Grantor's heirs, executors, administrators, successors and assigns to warrant and forever defend all and singular the said premises unto the Grantee and the Grantee's successors and assigns against the Grantor and the Grantor's heirs and successors, and against every person whosoever lawfully claiming or to claim the same or any part thereof.

**WITNESS** the Grantor's hand and seal this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

SIGNED, SEALED AND DELIVERED  
IN THE PRESENCE OF:

Housing Authority of Spartanburg

\_\_\_\_\_

Print name: \_\_\_\_\_

\_\_\_\_\_

Print name: \_\_\_\_\_

\_\_\_\_\_(SEAL)

Print Name: \_\_\_\_\_

Its: \_\_\_\_\_

STATE OF SOUTH CAROLINA   )  
  )  
COUNTY OF SPARTANBURG   )     ACKNOWLEDGMENT

I, the undersigned Notary Public for South Carolina, do hereby certify that \_\_\_\_\_, a duly authorized agent for Housing Authority of Spartanburg personally appeared before me this day and acknowledged the due execution of the foregoing instrument; and further, that the subscribing witnesses are not a party to this transaction.

WITNESS my hand and seal this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

\_\_\_\_\_(SEAL)  
Print name: \_\_\_\_\_  
Notary Public for S. C. \_\_\_\_\_  
My commission expires: \_\_\_\_\_



**RESOLUTION NO.2019-22**

**ADOPTED BY THE BOARD OF COMMISSIONERS OF  
THE HOUSING AUTHORITY OF THE CITY OF SPARTANBURG**

**June 25, 2019**

**BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF  
THE HOUSING AUTHORITY OF THE CITY OF SPARTANBURG**

Staff recommends adoption of Resolution No.2019-22, authorizing the interim Chief Executive Officer to release and grant the right-of-way and easement along Summer Place Townhomes to the City of Spartanburg.

---

Matthew Myers, CHAIR

ATTEST:

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SECRETARY

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FOR CLERK USE ONLY

RESOLUTION NO. 2019-22

DATE ADOPTED: June 25, 2019



## **Action Items & Resolution 2019-23**

**Approval of Annual and Five Year Plan**

---

**Board of Commissioners Meeting  
Tuesday, June 25, 2019**



June 25, 2019

Spartanburg Housing Authority  
Spartanburg, SC 29302

**HONORABLE MEMBERS IN SESSION:**

**SUBJECT:**

**Approval of Annual and Five-Year Plan  
Resolution 2019-23**

**RECOMMENDATION:**

Authorize the Interim CEO to approve and adopt the PHA plan, which was made available during the public comment period. Upon approval and execution of all appropriate documents, the Interim CEO will submit the plan to HUD by the July 18, 2019 deadline.

**CONTACT PERSON:**

Reginal Barner  
Interim CEO  
864-598-6010

**SUMMARY:**

PHAs must update the 5-year plan and submit Annual Plan for the year that Capital Funds will be utilized. The plan is prepared by staff and provided to Resident Advisory Board as well as to the public through public notice and public hearing. A Resident Advisory Board Meeting was held on Tuesday, April 16, 2019 and a Public Hearing was held on Friday, June 14, 2019. Comments from both have been incorporated into the Annual Plan Submission. In addition, during the April 23, 2019 board meeting SHA staff provided recommendations to the plan to the Board of Commissioners. The plan identifies what projects the SHA will complete with Capital Grant funds for the next year and provides a 5-Year plan for the next five years. In addition, the plan includes changes to the HCV Administrative Plan. The plan allows for changes to the ACOP, which will be incorporated in the coming months.

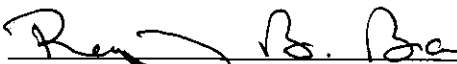
**FINANCIAL CONSIDERATIONS:**

Plan incorporates 2019 Capital Funding, 2019 Replacement Housing Factor funding, status reports on all open Capital Fund programs and the 5-Year Plan for Capital Funds.

**POLICY CONSIDERATIONS:**

Plan was completed and provided for review in accordance with HUD regulations.

Respectfully Submitted,

  
\_\_\_\_\_  
Reginal Barner, Interim CEO  
Spartanburg Housing Authority



**RESOLUTION NO. 2019-23**

**ADOPTED BY THE BOARD OF COMMISSIONERS OF  
THE SPARTANBURG HOUSING AUTHORITY**

**June 25, 2019**

**BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF  
THE SPARTANBURG HOUSING AUTHORITY**

Staff recommends adoption of Resolution No. 2019-23, authorizing the Interim CEO to approve and adopt the PHA plan, which was made available during the public comment period. Upon approval and execution of all appropriate documents, the Interim CEO will submit the plan to HUD by the July 18, 2019 deadline.

---

Matthew Myers, CHAIR

ATTEST:

---

SECRETARY

---

FOR CLERK USE ONLY

RESOLUTION NO. 2019-23

DATE ADOPTED: June 25, 2019

# Annual PHA Plan (Standard PHAs and Troubled 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. The plans inform 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 Asset Management 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>The Housing Authority of the City of Spartanburg</u></p> <p><b>PHA Code:</b> <u>SC003</u></p> <p><b>PHA Type:</b> <input checked="" type="checkbox"/> Standard PHA <input type="checkbox"/> Troubled PHA</p> <p><b>PHA Plan for Fiscal Year Beginning:</b> (MM/YYYY): <u>10/2019</u></p> <p><b>PHA Inventory</b> (Based on Annual Contributions Contract (ACC) units at time of FY beginning, above)</p> <p><b>Number of Public Housing (PH) Units</b> <u>638</u> <b>Number of Housing Choice Vouchers (HCVs)</b> <u>2,330</u> <b>Total Combined Units/Vouchers</b> <u>2,968</u></p> <p><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"> <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> </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:																	
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:																											

<b>B.</b>	<b>Annual Plan Elements</b>																																								
<b>B.1</b>	<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 checked="" type="checkbox"/> <input type="checkbox"/> Deconcentration and Other Policies that Govern Eligibility, Selection, and Admissions.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Financial Resources.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Rent Determination.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Operation and Management.</p> <p><input type="checkbox"/> <input checked="" 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 checked="" type="checkbox"/> <input type="checkbox"/> Safety and Crime Prevention.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Pet Policy.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Asset Management.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Substantial Deviation. Need to review (review HUD's definition)</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Significant Amendment/Modification</p> <p><b>Statement of Housing Needs and Strategy for Addressing Housing Needs</b></p> <p>The Spartanburg Housing Authority (SHA) strives to assist in addressing the needs of low-income, very low-income and extremely low-income families in the City of Spartanburg and Spartanburg County. SHA does this through its Asset Management Program, Housing Choice Voucher (HCV) Program, Mod Rehab Program, and other Affordable / Moderate Income Programs and HUD's Rental Assistance Demonstration (RAD) program.</p> <p>There continues to be a need for affordable housing programs provided by the PHA as evidenced by occupancy rates in assisted housing as well as by response to wait list openings for Public Housing, HCV and Affordable Housing within the jurisdiction.</p> <p>SHA serves over 3,661 families under its various housing programs (See Table 1 below):</p> <p>Table 1</p> <table border="1"> <thead> <tr> <th>Housing Programs</th> <th>Units</th> <th>Vouchers</th> </tr> </thead> <tbody> <tr> <td>Public Housing</td> <td>638</td> <td></td> </tr> <tr> <td>Housing Choice Voucher (HCV) HCV (Voucher Program)</td> <td></td> <td>1,992</td> </tr> <tr> <td>Mod Rehab</td> <td></td> <td>226</td> </tr> <tr> <td>Affordable/Moderate Income</td> <td>345</td> <td></td> </tr> <tr> <td>RAD</td> <td></td> <td>338</td> </tr> <tr> <td><b>Total</b></td> <td><b>983</b></td> <td><b>2,556</b></td> </tr> </tbody> </table> <p>Families served are within the maximum income limit of the 80% median family income for Spartanburg County. Rent payments are based on adjusted annual income. There are currently waiting lists for admission. (See Table 2)</p> <p>Table 2</p> <table border="1"> <thead> <tr> <th>Waiting List by Program</th> <th></th> </tr> </thead> <tbody> <tr> <td>Asset Management</td> <td>3,343</td> </tr> <tr> <td>HCV</td> <td>1,422</td> </tr> <tr> <td>Mod Rehab</td> <td>7</td> </tr> <tr> <td>Project Base</td> <td>45</td> </tr> <tr> <td>Affordable/Moderate Income</td> <td>1,415</td> </tr> <tr> <td>RAD</td> <td>11,157</td> </tr> </tbody> </table>						Housing Programs	Units	Vouchers	Public Housing	638		Housing Choice Voucher (HCV) HCV (Voucher Program)		1,992	Mod Rehab		226	Affordable/Moderate Income	345		RAD		338	<b>Total</b>	<b>983</b>	<b>2,556</b>	Waiting List by Program		Asset Management	3,343	HCV	1,422	Mod Rehab	7	Project Base	45	Affordable/Moderate Income	1,415	RAD	11,157
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The 2018 Median Income for the Spartanburg, SC MSA is \$61,200. Income Limits are based on the family size or number of persons in the family. Forty-one percent of SHA households consist of one member only. Thirty percent of area median income limit (AMI) in the Spartanburg, SC, MSA (Metropolitan Statistical Area) for a family with three is \$20,780. Eighty six percent of families in the Asset Management programs fall below this limit. The Housing Choice Voucher (HCV) participants are at 98% AMI. The Mod Rehab program participants are at 99% of AMI other Affordable Housing Programs in Spartanburg are at 85.3% AMI.

In 2018, SHA opened the HCV waiting list to families. Families were placed on the list utilizing a lottery drawing system.

Households of various races and ethnic groups of families on our waiting lists for Asset Management account as 27.99% White, 65.83% Black, ..14% Asian, and 5.5% Hispanic. Housing Choice Voucher (HCV) Program waiting lists total as 22% White, 71% Black, , 5% Hispanic and other 2%.

#### Affordability

Like many South Carolina communities, affordability is by far the largest housing problem in Spartanburg. The most recent Census estimates show 45.7% of renters and 23.2% of homeowners pay more than 30% of their income on housing costs (2015 American Community Survey).

#### Supply

As of February 2019, there were 17,389 households on the Spartanburg Housing Authority's waiting lists. There is a significantly high unmet demand for assisted housing in Spartanburg. Current funding levels simply do not allow supply to meet the demand.

#### Quality

Quality affordable units that are both decent and safe are needed throughout the jurisdiction.

#### Accessibility

SHA complies with the Americans with Disabilities Act (ADA) requirements by having 5% of its housing stock meet the accessibility requirements.

#### Size of Units

SHA's Asset Management units are comprised of various sizes and types of units which include duplexes, garden style apartments, townhouses, high-rise apartments and range from efficiencies to five bedrooms.

#### Location

Factors that must be considered in developing housing include location, services, amenities, proximity to health care, shopping, affordability, transportation and schools.

### **Strategies for Addressing the Housing Needs**

1. SHA intends to maintain the availability of decent, safe and affordable housing needs by:
  - a. One for one replacement of units repositioned due to RAD.
  - b. Leveraging private or other public funds as available to create additional affordable housing opportunities by:
    - i. Continue to support and to seek partnerships and alliances with non-profit and for-profit developers
    - ii. Identify opportunities, Low-Income Housing Tax Credits (LIHTC) RAD, Project-Based Vouchers, HOME or other grants supporting rehabilitation or development
    - iii. Consider utilizing bonding capacity
  - c. Utilize Demolition or Disposition Transitional Funding (formerly Replacement Housing Factor Funds) and or development fees as available.
  - d. Review opportunities to acquire or build units or developments.
  - e. Use LIHTC program (both 4% & 9% credits) when available to rehabilitate existing, or to construct new affordable rental property. Support efforts by the City of Spartanburg and the Highland Community in the development of a Master Plan for Highland Area.
  - f. Maintain a minimum of 98% occupancy rate. Maintain vacant unit turnover time at or below 20 days.
  - g. Improve housing management monitoring and internal reporting tools. Maintain a high level of accountability, while implementing timely tracking, scheduling, and follow-up for rent collection efforts, vacancy turnover management, and new leases.
2. Review applications for additional vouchers through the NOFA process.
  - a. The Housing Choice Voucher (HCV) HCV Program issued an RFP for project based vouchers, or will utilize PBV's in accordance with RAD guidance in an effort to support the increase of affordable assisted housing within the community. HCV will review published NOFAs to determine eligibility and capacity.

The City's Consolidated Plan reflects a lack of affordable housing as a potential barrier. SHA entered into a MOU with the City of Spartanburg and the County of Spartanburg to address the HUD, Affirmatively Furthering Fair Housing protocol. SHA participates in the United Way, Financial Stability and Housing Task Force, and continues to work with community partners to identify and address issues involving affordable housing. SHA will seek replacement of public housing units lost in the inventory by demolition. SHA will market the Housing Choice Voucher (HCV) program among owners, particularly those outside of areas of minority and poverty concentration.

#### Homeownership

SHA will review request by public housing residents occupying single family homes who wish to purchase. This option will no longer be available once the units have converted to RAD. The HCV program will continue to support homeownership utilizing the HCV vouchers.

### **Deconcentration and Other Policies that Govern Eligibility, Selection, and Admissions**

PHA Policies Governing Eligibility, Selection, Admissions Policy, including De-concentration and Wait List Procedures. [24 CFR Part 903.7 (b)]

The following eligibility requirements apply to applicant families seeking Asset Management and HCV assistance:

1. A family as defined by HUD and the SHA:

- a. Heads of household where at least one member of the household is either a citizen or eligible non-citizen. (24 CFR Part 5, Subpart E).
  - b. Has an Annual Income at the time of admission that does not exceed the low-income limit for occupancy established by HUD and posted separately in the SHA offices.
  - c. Provides a Social Security number for all family members, age 6 or older, or will provide written certification that they do not have Social Security numbers;
  - d. Meets or exceeds the tenant Selection and Suitability Criteria as set forth in this policy.
2. All applicants will be processed in accordance with HUD's regulations (24 CFR Part 960) and sound management practices. Applicants will be required to demonstrate ability to comply with essential provisions of the lease or program requirements.
3. SHA will permanently deny admission to lifetime sex offenders and persons convicted of manufacturing or producing methamphetamine on the premises of the assisted housing project in violation of any Federal or State law. "Premises" is defined as the building or complex in which the dwelling unit is located, including common areas and grounds. SHA will not waive this requirement.
4. SHA will make unit offers based on time and date of application, needed bedroom size, and any local preferences. Two offers are made based on unit availability. The HCV program selects applicants based on a lottery system.
5. SHA purges its waiting list through letters to applicants every year. Applicants must then login to their portal to declare their status within 30 days.
6. SHA will consider mitigating circumstance when considering denial of assistance based on criminal activity.

Implementation of the following activities will assist the residents in increasing their income levels. This will potentially impact those families currently residing in communities with a concentration of poverty, as well as helping residents overcome the barriers of transportation, education and child care.

1. SHA is administering its Family Self-sufficiency Program as a tool for assisting residents and participants in increasing their wage earning capacity.
2. SHA will continue to administer ROSS grants promoting job training and employment opportunities to families residing in Asset Management properties through our Connections Program. Other grants assist senior and disabled residents to live more independently in assisted units.
3. Training, Case Management and Referrals, Counseling and Job Placement.
4. SHA will seek other Department of Labor funded grant opportunities.
5. SHA will comply with HUD regulations concerning income mixing in Asset Management properties.
6. Preferences have been implemented for homeless and veterans. The preference will permit homeless veterans to receive additional points when waitlists are open. SHA's HCV program is currently administering a TBRA (tenant based rental assistance program) which provides rental assistance to homeless veterans. Approximately 12-15 veterans will be served in unincorporated areas of the county SHA will administer a second TBRA program from Spartanburg County,

which will assist 12-15 families that are elderly, disabled or working. Four Hundred and Sixteen Thousand dollars have been provided by HOME funds, through Spartanburg County.

7. SHA will seek replacement of public housing units lost in inventory through demolition. SHA will market the Housing Choice Voucher (HCV) program among owners, particularly those outside of areas of minority and poverty concentration.

## Financial Resources

	FY2015	FY2016	FY2017	FY2018
<b>FEDERAL FUNDS</b>				
Low Rent Public Housing Operating Fund	\$4,009,834.00	\$3,832,102.00	\$ 3,516,444.00	\$ 2,378,931.00
Capital Fund	\$1,264,876.00	\$2,849,950.00	\$27,818.00	\$369,675.00
Housing Choice Voucher	\$9,925,980.00	\$10,467,607.00	\$11,712,040.00	\$12,750,650.00
Multifamily Housing Elderly Service Coordinators	\$48,843.00	\$71,365.00	\$72,760.00	\$66,181.00
YouthBuild Program	\$ 475,134.00	\$599,562.00	\$ 450,798.00	\$353,560.00
Resident Opportunities and Self Sufficiency	\$262,696.00	\$251,690.00	\$291,797.00	\$ 135,191.00
Moderate Rehabilitation Program (Cluster)	\$1,870,210.00	\$1,751,371.00	\$1,460,679.00	\$ 1,432,091.00
Blended Component unit				\$122,094.00
New Construction S/R Section 8 Programs (Cluster)	\$469,189.00	\$497,366.00	\$494,015.00	\$ 490,205.00
CDBG Funds (pass-through from City of Spartanburg)	\$ 113,675.00	\$9,219.00	\$ 2,396.00	\$ -
HOME Funds (pass-through from City of Spartanburg)	\$ 79,026.00	\$677,397.00	\$-	\$ -
Choice Neighborhood Planning Grant	\$43,919.00	\$ -	\$ -	\$ -
Special Allocation - Vocational Funds (SC state pass-through)	\$ -	\$ 102,977.00	\$114,856.00	\$ -
Total Federal Grants	\$ 18,563,382.00	\$ 21,110,606.00	\$ 18,143,603.00	\$18,098,578.00
<b>OTHER INCOME</b>				
Dwelling Rents	\$ 1,889,465.00	\$1,741,706.00	\$1,681,564.00	\$ 1,701,740.00
Tenat revenue -other	\$ 183,575.00	\$152,953.00	\$134,385.00	\$ 158,229.00
Gain on disposition of assets	\$ 646,192.00	\$ (4,507,325.00)	\$2,779,281.00	\$ (343,778.00)
Other income	\$ 1,013,820.00	\$ 4,087,551.00	\$ -	\$ 1,161,791.00
<b>TOTAL RESOURCES</b>	<b>\$ 22,296,434.00</b>	<b>\$ 22,585,491.00</b>	<b>\$ 22,738,833.00</b>	<b>\$ 20,776,560.00</b>

## Rent Determination

Rent is determined by establishing the household's total tenant payment (TTP) in accordance with 24 CFR 5.628.

HUD regulations specify the formula for calculating the total tenant payment (TTP) for a tenant family. TTP is the highest of the following amounts, rounded to the nearest dollar:

- 30% of the family's monthly adjusted income (adjusted income is defined in Part II)
- 10% of the family's monthly gross income (annual income, as defined in Part I, divided by 12)
- The welfare rent (in as-paid states only)
- A minimum rent of \$50 has been established by SHA.

The SHA has authority to suspend and exempt families from minimum rent when a financial hardship exists, as defined in section 6-III.B of the ACOP.

SHA will submit a Letter of Intent for Moving to Work Cohorts based around Rent Reform.

## **Homeownership Programs**

SHA has an approved Section 32 Homeownership Program with 15 remaining PHA Scattered Site homes. Existing public housing residents may purchase the homes until SHA has received a RAD, CHAP and approval from HUD. At that time the homes will be sold to the public at the appraised value.

SHA may elect to negotiate with the City of Spartanburg for the sale or offer of these homes to be rehabilitated with NSP or other funds and sold to city residents. Alternately, SHA may receive a grant from the Department of Mental Health which may permit rehabilitation of the homes. In this case, SHA will seek permission to provide these homes to persons with mental health disabilities.

### Public Housing Program

SHA will continue to seek opportunities for participants in the area of homeownership.

1. SHA has recently submitted a Rental Assistance Demonstration (RAD) Grant for AMP 40 which includes all of the scattered site single family homes in the Section 32 Program. If approved SHA plans to dispose of the majority of these homes by selling them as is to any individual, the sale would not be restricted to low-income buyers.
2. Review Lease Purchase Program to increase success in low-income families to becoming first time homeowners.

### Housing Choice Voucher Program

Housing Choice Voucher (HCV) HCV Program will continue with its Homeownership Program.

This Homeownership option will be available to up to 150 participants utilizing the voucher.

### Housing Choice Voucher Waitlist

The Spartanburg Housing Authority will utilize a lottery system to place applicants on the waiting list for the Housing Choice Voucher Program.

Once the application deadline expires and the waitlist is closed, SHA will conduct a lottery to randomly assign a lottery number to all pre-applications in the preliminary applicant pool. The pre-applications will then be placed on the HCV waitlist in sequential order based on the assigned lottery number, and then sorted by preference(s) to determine the position on the waitlist.

SHA will determine the total number of families to be placed on the wait list. The total number of families on the waitlist should not exceed a reasonable estimated wait time to be selected from the waitlist. Applicants selected for placement on the waitlist will be notified. Those applications not selected for the waitlist will received a notice and must reapply when the waiting list reopens.

SHA will amend the HCV waitlist to include a local preference. SHA will adopt a local residency preference for all Housing Choice Voucher waitlists. Local Preferences are used to give a priority to serving applicants on the waitlist that qualify for the preference. Once an applicant is on the waitlist, additional points from any preferences chosen are applied. These additional points move the application to a higher position on the waitlist, allowing the applicant to be served sooner. The local residency preference will be given to applicants who are a resident of Spartanburg County. All other applicants will be required to lease within Spartanburg County for at least 12 months before requesting portability.

SHA has adopted a Displaced by PHA- RAD preference. This preference has the highest point value.



SHA will open the HCV waiting list to veterans who currently live in Spartanburg County. Families who apply must meet the local residency and veteran preference.

## **Community Service and Self-Sufficiency Programs**

The Spartanburg Housing Authority will continue to provide resident services through the utilization of HUD funds and grants to Public Housing communities. We will support Resident Councils and Resident Advisory Boards, and will work to increase their awareness and participation in community services and activities. SHA will partner with community organizations to provide supportive services to our residents and participants. SHA will continue to administer our Self-Sufficiency Program for both public housing residents and Housing Choice Voucher recipients. SHA administers a ROSS Grant for public housing residents, promoting job training and employment opportunities through the Connections Program. This program consists of job readiness assistance training, case management, and referral services. These activities may assist the agency in increasing the income levels of residents currently residing in communities. Additionally, the activities will help the residents overcome the barriers of transportation, education, and/or child care. Non-Public Housing Families who live in RAD communities will be assisted in accordance with HUD regulations. SHA partners with local colleges and businesses to offer education, training and employment opportunities to residents.

SHA has computer labs based in all public housing communities, which allow residents internet access to search for jobs, do homework or research information self-sufficiency tools. The SHA encourages and teaches public housing residents about Homeownership. Other grants employ Service Coordinators to assist senior and disabled residents to live longer independently in their own apartments.

SHA has become a sponsor for the Summer Food Service Program (SFSP). SFSP is administered at the Federal level by the Food and Nutrition Service, an agency of the United States Department of Agriculture. SHA plans to help feed children in our PHA sites as well as other sites within the community during the summer months to help fill the gap when school is out.

SHA will apply to become a sponsor for the Child and Adult Care Food Program (CACFP) through the Department of Social Services (DSS). The CACFP will allow SHA to provide a nutritious dinner and snack to children in PHA sites as well as other children in the community that are a part of an after-school program.

SHA partners with a local college to offer reading skills and increase interest in literacy activities to children ages 5-18 that reside in PHA sites. This program is being established to enrich children's lives through reading so they can become strong, enthusiastic and independent readers while enjoying engaging activities within their housing community.

## **Safety and Crime Prevention**

All of the Spartanburg Housing Authority's public housing properties are within the City Limits of the City of Spartanburg. All of these properties are under the jurisdiction of the Spartanburg Police Department. The SHA portfolio contains units in the County of Spartanburg, the jurisdiction of the Spartanburg County Sheriff. SHA regularly communicates with both agencies regarding community security issues. SHA will continue its efforts to effectively engage with Spartanburg Police Department (SPD).

1. SHA, through its agreement with SPD receive daily reports of calls for service and weekly reports of incidents within public housing sites or crimes committed by persons residing within public housing.
2. SPD has established a "HOTLINE" for residents to anonymously report any criminal activities.

There is a "Hotspot" form that we pass out to residents to anonymously report crime.

3. The Archibald Rutledge Hi-Rise property has established a resident-staffed Reception Desk, seven days a week, during daytime hours, whereby entry into the building is monitored.
4. SHA maintains agreement with SPD to, provide supplemental patrols as needed, develop, and implement crime prevention strategies.
5. SHA will check criminal history using Yardi credit screening, for all applicants who are 18 years of age or older, to determine whether any family member has engaged in violent or drug-related criminal activity.
6. SHA will check criminal history for all applicants, residents, and participants who are 18 years of age or older. HUD requires denial of assistance to persons convicted as lifetime sexual offenders and for production of methamphetamines. SHA will consider mitigating circumstances in accordance with HUD guidance for other offenses.
7. To respond to the needs of child and adult victims of domestic violence, dating violence, sexual assault, or stalking, SHA will comply with all HUD VAWA regulations.
8. SHA will seek to install additional security measures at all public housing sites.

SPD, as part of its agreement with SHA, provides officers as needed to testify, provides training, and assists in preparing documents for court, to ensure corrective measures are taken.

#### Asset Management Security Improvements:

- a. SHA continues to partner with community groups and Neighborhood Watch organizations.
- b. New signage was purchased for all sites in compliance with the SC Code of Laws Section 16-11-620 regarding trespassing on SHA property.
- c. New security camera upgrades were completed at Archibald Hi-Rise.

#### VAWA

The SHA is in compliance with the VAWA provisions.

### **Asset Management**

SHA manages its AMP's in accordance with HUD's Asset Management principals.

#### DECONCENTRATION AND INCOME TARGETING

##### 1. Background

Included in Quality Housing and Work Responsibility Act of 1998 (QHWRA or Housing Reform Act) is a requirement that PHA's submit, with their Agency Plans, an admissions policy designed to promote income-mixing within Asset Management complexes. The U.S. Department of Housing and Urban Development (HUD) established "income-mixing" rules and tools for evaluation of the current income-mix. The procedures are delineated, "Rule to Deconcentrate Poverty and Promote Integration in Public Housing; Final Rule", published in the Federal Register as 24 CFR Part 903 and dated 22 December 2000.

##### 2. Deconcentration Policy

It is the Spartanburg Housing Authority's (SHA) policy to provide for deconcentration of poverty and encourage income mixing with a goal of bringing higher income families into lower income complexes, and lower income families into higher income complexes. SHA will ensure that all marketing of our

	<p>housing is targeted to all eligible income groups. Lower income residents will not be steered toward lower income complexes; higher income residents will not be steered toward higher income complexes. Instead, residents decide where they would like to live. Each applicant that reaches the top of the waiting list will be offered the first available unit. However, if they do not wish to accept this unit offer, they will be given up to two additional offers. If an applicant declines three unit offers without good cause, that applicant will be cancelled from the waiting list.</p> <p><b>3. Income Targeting</b> The Housing Authority will follow the statutory requirement that at least 40% of newly admitted families in any fiscal year should have an annual income at or below 30% of the area median income. To ensure this requirement is met, the Housing Authority will monitor incomes of newly admitted families.</p> <p><b>4. Fair Housing</b> In March 2017, the City of Spartanburg, Spartanburg County, and the Spartanburg Housing Authority entered into a collaborative partnership to prepare an Assessment of Fair Housing (AFH) Study. Spartanburg County's Community and Economic Development Department has lead the effort in support of SHA and the City to select consultant Mosaic Community Planning, LLC to prepare the study. Over the last nine months the three partners have gathered information from stakeholders, over 250 resident surveys, and six public meetings.</p> <p>The completed document, the Joint Analysis of Impediments to Fair Housing Choice is required to be submitted to the U.S. Department of Housing and Urban Development – Fair Housing Division for review.</p> <p>The document is a requirement as part of the partner's efforts to receive federal funds for housing, community development, and economic development. The completed document provides the partners with six (6) impediments that should be addressed over the next 3-5 years.</p> <ol style="list-style-type: none"> <li>1. IMPEDIMENT #1: LACK OF GEOGRAPHIC DIVERSITY IN AFFORDABLE HOUSING CHOICES</li> <li>2. IMPEDIMENT #2: NEIGHBORHOODS NEED PLACE-BASED COMMUNITY INVESTMENTS</li> <li>3. IMPEDIMENT #3: NEED FOR CONTINUED AND EXPANDED FAIR HOUSING ACTIVITIES</li> <li>4. IMPEDIMENT #4: AFFORDABLE HOUSING PLANNING LACKS EQUITY FOCUS</li> <li>5. IMPEDIMENT #5: LIMITED HOUSING OPTIONS FOR PEOPLE WITH DISABILITIES</li> <li>6. IMPEDIMENT #6: WEAK JOBS-TRANSIT CONNECTION</li> </ol>
<p><b>B.2</b></p>	<p><b>New Activities.</b> (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 type="checkbox"/> <input checked="" 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 Asset Management 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>Mixed Finance Modernization of Development</b></p> <p>The Spartanburg Housing Authority has an approved Rental Assistance Demonstration Program (RAD) award for a portion of its portfolio. The award for Southside Projects and Country Garden Estates has been extended. A LIHTC application was submitted in 2019 for Victoria Gardens and Archibald Rutledge. SHA intends to convert its entire remaining public housing portfolio utilizing the RAD process.</p>

The Public Housing units will convert to Project Based Vouchers under the RAD Program. SHA has received a Commitment to Enter into a Housing Assistance Payments Contract (CHAP) for these properties and anticipates RAD conversion closing in 2019 and 2020.

EXISTING MIXED FINANCE PROPERTIES	TOTAL UNITS	RAD PROJECT BASED VOUCHERS	RAD CONVERSION STRATEGY
Country Garden Estates	50	10	Refinancing
Collins Park	100	24	Convert “as is”
The Ridge at Southport	78	54	Convert “as is”
Cottage Grove	8	8	Convert “as is”
Cammie Clagett Phase II	78	78	Transfer of Assistance
Single Family Houses	15	15	Deminimis Disposition
<b>TOTAL</b>	<b>339</b>	<b>192</b>	

*Collins Park, The Ridge at Southport and Cottage Grove* will convert under the RAD Program with no new financing.

*Country Garden Estates* will convert through refinancing. The initial 15-year Tax Credit compliance period has expired and SHA will exercise its first right of refusal to acquire the property as sole owner. A conventional loan will be utilized to pay off the existing first mortgage and fund some rehabilitation work.

*Cammie Clagett Phase II* – Phase II of the Cammie Clagett RAD conversion will consist of a Transfer of Assistance (TOA) to another site. SHA has partnered with the City of Spartanburg, the Northside Development Group and Spartanburg Housing Partners, a for profit developer, to transfer the remaining 78 RAD replacement units from the Cammie Clagett development to new construction sites.

*Single Family Homes* – The single-family homes will be disposed of under a portfolio “diminimus” disposition and will not convert to RAD units. SHA will sell the units at fair market value under an open bid process. Alternately, SHA may elect to partner with South Carolina Department of Mental Health to position these units for housing for persons with disabilities.

Phase III – The final Phase of the RAD conversion includes the properties listed in the chart below. SHA will procure Development Partners to assist in the redevelopment of these properties. The proposed strategy for each property is summarized below.

PROPERTY	RAD CONVERSION UNITS	RAD CONVERSION STRATEGY
Archibald Rutledge	150	Rehabilitation of the existing units; SHA anticipates a “Twinning” concept; Once the 9% application is approved a 4% application will be submitted; Application submitted under 9% LIHTC in March 2019.
Archibald Village	50	Pending
Camp Croft Courts	96	Phased demolition and redevelopment under 4% LIHTC and bond transaction. SHA may seek a 9% also.
Victoria Gardens	80	Rehabilitation with phase’s construction; 9% LIHTC submitted in March 2019.
<b>NEW MIXED INCOME PARTNERSHIP</b>		
Prince Hall Apartments	100	Pending
<b>TOTAL</b>	<b>476</b>	

*Archibald Rutledge*– SHA submitted a 9% Low Income Housing Tax Credit application in 2019 which if successful, will combine with a 4% LIHTC transaction to rehabilitate 106 of the existing 150 units. 44 remaining units will transfer assistance to another location. SHA may seek to leverage capital that may become available for Opportunity Zones.

*Victoria Gardens* – The RAD conversion strategy for Victoria Gardens is substantial rehabilitation with submission of a 9% Low Income Housing Tax Credit application in March 2019. The rehab would be done using phases construction to minimize off-site relocation. SHA may seek to leverage capital that may become available for Opportunity Zones.

*Camp Croft Courts, Archibald Village, Prince Hall* – Plans are being reviewed to determine the best possible options for these sites.

### **Non-smoking Policies**

Smoking is prohibited in the common areas and the dwelling units at all SHA public housing properties as of July 30, 2018. Designated Smoking Areas were implemented at the Archibald Hi-Rise and Village, 25 feet away from all entrances.

US Department of Housing and Urban Development 24CFR part 965 “Instituting Smoke Free Public Housing”. SHA requires all residents to comply with no smoking in any public housing and sign the board approved Smoke Free Policy.

### **Project-Based Vouchers**

As part of the redevelopment strategy and to improve the overall quality of the housing stock offered to the residents of Spartanburg County, SHA may project base up to 25% of its baseline voucher allocation. Preference for Project Based Vouchers will be combined with RAD vouchers for Transfer of Assistance conversion identified above.

The Transfer of Assistance to Project Based Vouchers will be assigned to the following properties:

- Country Gardens Estate

- Collins Park

- The Ridge at Southport

- Cottage Grove

- Cammie Clagett Courts

- Other SHA approved properties

### **RAD RESIDENT PROTECTION**

Upon conversion to Project Based Vouchers, the Authority will adopt the RAD resident rights, participation, waiting list and grievance procedures as described below. Additionally, the Spartanburg Housing Authority is currently compliant with all Fair Housing and Civil Rights requirements and is not under a Voluntary Compliance Agreement.

RAD was designed by HUD to assist in addressing the capital needs of Public housing by providing SHA with access to private sources of capital to repair and preserve its affordable housing assets.

**SHA certifies that all RAD locations, including new locations selected for transfer of assistance shall meet all Site and Neighborhood requirements and shall comply with the following requirements.**

- Site selection requirements set forth at 24 CFR 983.57;
- The Fair Housing Act;
- Title VI of the Civil Rights Act of 1964 including implementing regulations at 24 CFR 1.4(b)(3);
- Section 504 of the Rehabilitation Act of 1973 including implementing regulations at 24 CFR 8.4(b)(5); and
- The Americans with Disabilities Act.

#### Significant Amendment Definition

As part of the Rental Assistance Demonstration (RAD), the Housing Authority is redefining the definition of a substantial deviation from the PHA Plan to reflect exclusion of the following RAD-specific items:

- Changes to the Capital Fund Budgets produced as a result of each approved RAD conversion, regardless of whether the proposed conversion will include use of additional Capital Funds;
- Changes to the construction and/or rehabilitation plan for each approved RAD conversion; and
- Changes to the financing structure for each approved RAD conversion.

#### Resident Rights and Participation

1. *No Re-screening of Tenants upon Conversion.* Pursuant to the RAD statute, at conversion, current households are not subject to rescreening, income eligibility, or income targeting provisions. Consequently, current households will be grandfathered for conditions that occurred prior to conversion but will be subject to any ongoing eligibility requirements for actions that occur after conversion. For example, a unit with a household that was over-income at time of conversion would continue to be treated as an assisted unit. Thus, 24 CFR § 982.201, concerning eligibility and targeting, will not apply for current households. Once that remaining household moves out, the unit must be leased to an eligible family.

2. *Right to Return.* Any residents that may need to be temporarily relocated to facilitate rehabilitation or construction will have a right to return to an assisted unit at the development once rehabilitation or construction is completed. Where the transfer of assistance to a new site is warranted and approved (see Section 1.6.B.7 and Section 1.7.A.8 on conditions warranting a transfer of assistance), residents of the converting development will have the right to reside in an assisted unit at the new site once rehabilitation or construction is complete.

Residents of a development undergoing conversion of assistance may voluntarily accept a PHA or Owner's offer to permanently relocate to another assisted unit, and thereby waive their right to return to the development after rehabilitation or construction is completed.

3. *Renewal of Lease.* Under current regulations at 24 CFR § 983.257(b) (3), upon lease expiration, a PHA can choose not to renew the lease, without good cause. In such a case, the regulatory consequence is the loss of the assisted unit. Under RAD, the PHA must renew all leases upon lease expiration, unless cause exists. Consequently, 24 CFR §983.257(b) (3) will not apply. This provision must be incorporated by the PBV owner into the tenant lease or tenancy addendum, as appropriate.

4. *Phase-in of Tenant Rent Increases.* If a tenant's monthly rent increases by more than the greatest of 10 percent or \$25 purely as a result of conversion, the rent increase will be phased in over 3 years. To implement this provision, HUD is waiving section 3(a) (1) of the Act, as well as 24 CFR § 983.3 (definition of "total tenant payment" (TTP)) only to the extent necessary to allow for the phase-in of tenant rent increases.

The below method explains the set percentage-based phase-in an owner must follow according to the phase-in period established. For purposes of this section “standard TTP” refers to the TTP calculated in accordance with regulations at 24 CFR §5.628 and the “most recently paid TTP” refers to the TTP recorded on line 9j of the family’s most recent HUD Form 50058

Three Year Phase-in:

- Year 1: Any recertification (interim or annual) performed prior to the second annual recertification after conversion – 33% of difference between most recently paid TTP and the standard TTP
- Year 2: Year 2 Annual Recertification (AR) and any Interim Recertification (IR) prior to Year 3 AR – 66% of difference between most recently paid TTP and the standard TTP
- Year 3: Year 3 AR and all subsequent recertification’s – Full standard TTP

*Please Note:* Once the standard TTP is equal to or less than the previous TTP, the phase-in ends and tenants will pay full TTP from that point forward.

5. *Public Housing Family Self Sufficiency (PH FSS) and Resident Opportunities and Self Sufficiency Service Coordinator (ROSS-SC) programs.* Current PH FSS participants will continue to be eligible for FSS once their housing is converted under RAD, and PHAs will be allowed to use any PH FSS funds granted previously or pursuant to the FY 2013 PH FSS NOFA, to serve those FSS participants who live in units converted by RAD and who will as a result be moving to the HCV FSS program, subject to the following:

- a. If a PHA has an HCV FSS program, a PHA must convert the PH FSS program participants at the covered project to their HCV FSS program. SHA will comply with all notices and regulatory advises pertaining to RAD and HCV.
- b. **If** a PHA does not have an HCV FSS program, the PHA must establish an HCV FSS program and convert the PH FSS program participants at the covered project into their HCV FSS program. PHAs are not required to offer enrollment in FSS to residents in converting projects and other HCV participants, other than to residents in converting projects that were enrolled in the PH FSS program. Please see future FSS Notices of Funding Availability and other guidance for additional details, including FSS coordinator funding eligibility of PHAs under a RAD conversion.

All PHAs will be required to administer the FSS program in accordance with FSS regulations at 24 CFR Part 984 and in accordance with the participants’ contracts of participation. However, residents who were converted from the PH FSS program to the HCV FSS program through RAD may not be terminated from the HCV FSS program or have HCV assistance withheld due to the participant’s failure to comply with the contract of participation. Consequently, 24 CFR984.303 (b) (5) (iii) does not apply to FSS participants in converted properties.

Current ROSS-SC grantees will be able to finish out their current ROSS-SC grants once their housing is converted under RAD. However, once the property is converted, it will no longer be eligible to be counted towards the unit count for future public housing. ROSS-SC grants, nor will its residents are eligible to be served by future Public housing ROSS-SC grants.

6. *Resident Participation and Funding.* In accordance with Attachment 1B, residents of covered projects converting assistance to PBVs will have the right to establish and operate a resident organization for the purpose of addressing issues related to their living environment and be eligible for resident participation funding.

7. *Resident Procedural Rights.* The following items must be incorporated into both the HCV Administrative Plan and the owner's lease, which includes the required tenancy addendum, as appropriate. Evidence of such incorporation may be requested by HUD for purposes of monitoring the program.

a. Termination Notification. HUD is incorporating additional termination notification requirements to comply with section 6 of the Act for public housing projects that convert assistance under RAD. In addition to the regulations at 24 CFR § 983.257, related to owner termination of tenancy and eviction, as modified by the waiver in Section 1.6(C)(3) above, the termination procedure for RAD conversions to PBV will require that PHAs provide adequate written notice of termination of the lease which shall not be less than:

- i. A reasonable period of time, but not to exceed 30 days:
  - If the health or safety of other tenants, PHA employees, or persons residing in the immediate vicinity of the premises is threatened; or
  - In the event of any drug-related or violent criminal activity or any felony conviction;
- ii. 14 days in the case of nonpayment of rent; and
- iii. 30 days in any other case, except that if a State or local law provides for a shorter period of time, such shorter period shall apply.

b. Grievance Process. HUD is incorporating additional procedural rights to comply with the requirements of section 6 of the Act. For issues related to tenancy and termination of assistance, PBV program rules require the PHA to provide an opportunity for an informal hearing, as outlined in 24CFR § 982.555. RAD will waive 24 CFR § 982.555(b) in part, which outlines when informal hearings are not required, and require that:

- i. In addition to reasons that require an opportunity for an informal hearing given in 24 CFR § 982.555(a) (1) (i)-(vi), an opportunity for an informal hearing must be given to residents for any dispute that a resident may have with respect to a PHA (as owner) action in accordance with the individual's lease or the contract administrator in accordance with RAD PBV requirements that adversely affect the resident's rights, obligations, welfare, or status.
  - For any hearing required under 24 CFR § 982.555(a) (1) (i)-(vi), the contract administrator will perform the hearing, as is the current standard in the program.
  - For any additional hearings required under RAD, the PHA (as owner) will perform the hearing.
- ii. An informal hearing will not be required for class grievances or to disputes between residents not involving the PHA (as owner) or contract administrator.
  - This hearing requirement shall not apply to and is not intended as a forum for initiating or negotiating policy changes between a group or groups of residents and the PHA (as owner) or contract administrator.
- iii. The PHA (as owner) give residents notice of their ability to request an informal hearing as outlined in 24 CFR § 982.555(c) (1) for informal hearings that will address circumstances that fall outside of the scope of 24 CFR § 982.555(a) (1) (i)-(vi).



- iv. The PHA (as owner) provides opportunity for an informal hearing before an eviction.

Current PBV program rules require that hearing procedures must be outlined in the PHA's HCV Administrative Plan.

8. *Earned Income Disregard (EID)*. Tenants who are employed and are currently receiving the EID exclusion at the time of conversion will continue to receive the EID after conversion, in accordance with regulations at 24 CFR § 5.617. Upon the expiration of the EID for such families, the rent adjustment shall not be subject to rent phase-in, as described in Section 1.6.C.4; instead, the rent will automatically rise to the appropriate rent level based upon tenant income at that time.

Under the Housing Choice Voucher program, the EID exclusion is limited to only persons with disabilities (24 CFR § 5.617(b)). In order to allow all tenants (including non-disabled persons) who are employed and currently receiving the EID at the time of conversion to continue to benefit from this exclusion in the PBV project, the provision in section 5.617(b) limiting EID to only disabled persons is waived. The waiver and resulting alternative requirement only applies to tenants receiving the EID at the time of conversion.

No other tenant (e.g., tenants who at one time received the EID but **are** not receiving the EID exclusion at the time of conversion (e.g., due to loss of employment); tenants that move into the property following conversion, etc.) is covered by this waiver.

#### PBV: Other Miscellaneous Provisions

1. *Access to Records, Including Requests for Information Related to Evaluation of Demonstration*. PHAs must agree to any reasonable HUD request for data to support program evaluation, including but not limited to project financial statements, operating data, Choice-Mobility utilization, and rehabilitation work. Please see Appendix IV for reporting units in Form HUD-50058.

2. *Additional Monitoring Requirement*. The PHA's Board must approve the operating budget for the covered project annually in accordance with HUD requirements.

3. *Davis-Bacon Act and Section 3 of the Housing and Urban Development Act of 1968 (Section 3)*. Under existing PBV program rules, projects that qualify as "existing housing" under 24 CFR § 983.52(a) are not subject to Davis-Bacon (prevailing wages, the Contract Work Hours and Safety Standards Act, and other related regulations, rules, and requirements) or Section 3 (24 CFR Part 135). However, the Davis-Bacon Act and Section 3 shall apply to all initial repairs that are identified in the Financing Plan to the extent that such repairs qualify as construction or rehabilitation, regardless of whether the project qualifies as "existing housing."

Developmental requirements under 24 CFR §983.154 and fair housing provisions under 24 CFR § 983.152(c) (vi) continue to apply.

4. *Establishment of Waiting List*. In establishing the waiting list for the converted project, the PHA shall utilize the project-specific waiting list that existed at the time of conversion, unless the assistance is being transferred to another neighborhood. If a project-specific waiting list does exist, but the PHA is transferring the assistance to another neighborhood, the PHA must notify applicants on the wait-list of the transfer of assistance, and on how they can apply for residency at the new project site or other sites. Applicants on a project-specific waiting list for a project where the assistance is being transferred shall have priority on the newly formed waiting list for the new project site in accordance with the date and time of their application to the original project's waiting list. In addition, the waiting list must be established and maintained in accordance with PBV program requirements.

If a project-specific waiting list for the project does not exist, the PHA shall establish a waiting list in accordance 24 CFR § 903.7(b)(2)(ii)-(iv) to ensure that applicants on the PHA's Asset Management community-wide waiting list have been offered placement on the converted project's initial waiting list. For the purpose of establishing the initial waiting list, PHAs have the discretion to determine the most appropriate means of informing applicants on the Asset Management waiting list given the number of applicants,

PHA resources and community characteristics of the proposed conversion under RAD. Such activities should be pursuant to the PHA's policies for waiting list management, including the obligation to affirmatively further fair housing.

A PHA may consider contacting every applicant on the public housing waitlist via direct mailing; advertising the availability of housing to the population that is less likely to apply, both minority and non-minority groups, through various forms of media (e.g., radio stations, posters, newspapers) within the marketing area, informing local non-profit entities and advocacy groups (e.g., disability rights groups); and conducting other outreach as appropriate. Applicants on the agency's centralized Asset Management waiting list who wish to be placed onto the newly-established waiting list are done so in accordance with the date and time of their original application to the centralized Asset Management waiting list.

Any activities to contact applicants on the Asset Management waiting list must be conducted accordance with the requirements for effective communication with persons with disabilities at 24 CFR § 8.6 and the obligation to provide meaningful access for persons with limited English proficiency (LEP).

To implement this provision, HUD is waiving 24 CFR § 983.251(c) (2). However, after the initial waiting list has been established, the PHA shall administer its waiting list for the converted project in accordance with 24 CFR § 983.251(c).

5. *Mandatory Insurance Coverage.* The project shall maintain at all times commercially available property and liability insurance to protect the project from financial loss and, to the extent insurance proceeds permit, promptly restore, reconstruct, and/or repair any damaged or destroyed property of a project, except with the written approval of HUD to the contrary.

6. *Agreement Waiver.* For Asset Management conversions to PBV, there will be no Agreement to Enter into a Housing Assistance Payments (AHAP) contract. Therefore, all regulatory references to the Agreement (AHAP), including regulations under 24 CFR Part 983 Subpart D are waived.

7. *Future Refinancing.* Owners must receive HUD approval for any refinancing or restructuring of permanent debt within the HAP contract term to ensure the financing is consistent with long-term preservation. (Current lenders and investors are also likely to require review and approval of refinancing of the primary permanent debt.)

8. *Administrative Fees for Asset Management Conversions.* For the initial Calendar Year in which a project's assistance has been converted, RAD PBV projects will be funded with Asset Management money. Since the Asset Management funding will not have been transferred to the TBRA account and since this funding is not HCV assistance the annual contributions contract (ACC) between the PHA and HUD will cover the project units, but be for zero dollars.

For this transition period, the ACC will primarily serve as the basis for covering the units and requiring PHA compliance with HUD requirements, but it will not be (as it is in the regular PBV program) the funding vehicle for the PBV RAD vouchers. Given this, and given the fact that PHAs will be receiving full Asset Management funding for the PBV units during this transition period, PHAs will not receive

ongoing HCV administrative fee funding during this time.

Generally, PHAs receive ongoing administrative fees for units under a HAP contract, consistent with recent appropriation act references to "HCV(q) of the [United States Housing Act of 1937] and related appropriations act provisions in effect immediately before the Quality Housing and Responsibility Act of 1998" and 24 CFR 982.152(b). During the transition period mentioned in the preceding paragraph, these provisions are waived, and PHAs will not receive HCV ongoing administrative fees for PBV RAD units.

After this transition period, the ACC will be amended to include HCV funding that corresponds to the units covered by the ACC. At that time, the regular HCV administrative fee funding provisions will apply.

### **Other Capital Grant Programs**

Currently SHA does not have any funded Capital Fund Community Facilities Grants or Emergency Safety and Security Grants. However, SHA reserves the right to submit these.

SHA also has several years of Replacement Housing Factor (RHF) funds. SHA has committed \$541,000 to the Northside, as a financial tool in closing a gap in the 70 RAD units to be constructed in the Northside. An additional \$200,000 has been committed to the Northside project funded from the sale of Cammie Clagett. Funding may be adjusted depending on board approval. SHA may seek to develop one or more units of affordable housing in the City of Spartanburg area with remaining RHF, Capital or RAD funds. In addition, SHA will utilize RHF funds for RAD purposes, including expenses for RAD Physical Condition Assessments for properties where SHA has been issued Commitment of Housing Assistance Payments (CHAPs). Fees and services associated with RAD, payment of RAD consultant fees, and in supporting financial gaps in the portfolio transition.

The Spartanburg Housing Authority has an approved Rental Assistance Demonstration Program (RAD) award for a portion of its portfolio. The conversion of all Asset Management Properties to Project Based Vouchers is being completed in three phases.

#### Phase I

The first Phase of RAD consists of 8 properties with a total of 410 units. The RAD conversion transaction for Phase I closed in 2016.

#### Phase II

The second Phase of RAD consists of the 7 properties below. These properties are existing mixed finance communities that were developed under SHA's former HOPE VI program(s). The total units in each property include both Public Housing and Non-Public Housing units.

The Public Housing units will convert to Project Based Vouchers under the RAD Program. SHA has received a Commitment to Enter into a Housing Assistance Payments Contract (CHAP) for these properties and anticipates a RAD conversion closing in 2019 and 2020.

<b>EXISTING MIXED FINANCE PROPERTIES</b>	<b>TOTAL UNITS</b>	<b>RAD PROJECT BASED VOUCHERS</b>	<b>RAD CONVESION STRATEGY</b>
Cedar Springs Place	44	19	Convert "as is"
Country Garden Estates	50	10	Refinancing
Collins Park	100	24	Convert "as is"
The Ridge at Southport	78	54	Convert "as is"

Cottage Grove	8	8	Convert “as is”
Cammie Clagett Phase II	78	78	Transfer of Assistance
Single Family Houses	15	15	Deminimis Disposition
<b>TOTAL</b>	<b>383</b>	<b>221</b>	

*Cedar Springs Place—A transfer of assistance of 19 will be provided for a 9% tax credit property known as Drayton at Parkside.*

SHA will seek to develop through sale or development financial partnerships for the 130 acres of property at Page Lake.

SHA will seek potential partnerships through Opportunity Zones and the SC Housing Finance and Development Authority Small Rental Development Program for development of land owned by the Agency. .

SHA intends to donate the Cammie Clagett office building to the City of Spartanburg in order to complete the transition of the property. The remaining units have been sold and have been demolished by the City of Spartanburg.

**B.3 Civil Rights Certification.**

Form HUD-50077-CRT-SM, *PHA Certifications of Compliance with the PHA Plans and Related Regulations*, must be submitted by the PHA as an electronic attachment to the PHA Plan.

**B.4 Most Recent Fiscal Year Audit.**

(a) Were there any findings in the most recent FY Audit?

Y N  
☒ ☐

**B.5 Progress Report.**

Report on the progress the PHA has made in meeting the goals and objectives described in the previous 5-Year Plan

**1. HUD Strategic Goal: Increase the availability of decent, safe, and affordable housing.**

1. Leverage:

2. Acquire or build

SHA may acquire new properties or build new units at Collins Park, Camp Croft, or other vacant land owned by the agency as it repositions its portfolio to RAD.

3. Improve the quality of assisted housing

SHA contributed to an improved quality of life for our residents by purchasing appliances to include, ranges, refrigerators, PTAC units, and water heaters. Additionally, SHA has completed roof replacements at Camp Croft Courts.

4. Voucher Management (SEMAP Scores)

SHA shall continue to maintain sufficient points for a High Performing Designation in the Housing Choice Voucher (HCV) Section 8 HCV Management Assessment Program (SEMAP) through monthly monitoring and increased staff training. SHA will continue to administer the

HCV program in a manner that results in points necessary for designation as a High Performer.

5. Customer Service

SHA will provide excellent customer service by continued staff development and training.

6. Outreach to landlords and homeownership programs

SHA has operated a voucher homeownership program now for a number of years. Since the beginning of our program, we have helped more than 63 families purchase homes through the voucher program.

The SHA will conduct owner outreach to ensure that owners are familiar with the program and its advantages. The SHA will actively recruit property owners with property located outside areas of poverty and minority concentration and develop a working relationship with the Real Estate Brokers Association.

SHA has a HUD approved Section 32 Homeownership Plan and intends to employ strategies which support the sale of the homes. The SHA will continue to develop homeownership opportunities. The SHA will seek to amend the approved Section 32 plan.

SHA has held owner interest meetings and participates in the United Way Housing Task Force. SHA staff attends the local Realtors Association meetings.

7. Asset Management :

- a. All of our Public Housing sites have site-based waiting lists.
- b. In November of 2016, SHA launched an electronic application portal allowing applicants the opportunity to apply on-line.
- c. SHA also launched an electronic payment system, WIPS via the Yardi system of record. All payments accepted must now be done via WIPS or Auto draft.
- d. The maintenance staff is managing work orders via smart phones. This technology has increased response time and efficiency.
- e. Beginning in CY2019 residents will begin to utilize the resident portal to turn in documentation needed for their recertifications. SHA will make accommodations for those residents unable to comfortably access this portal.

**2. HUD Strategic Goal: Improve community quality of life and economic vitality**

1. SHA is administering its Family Self-Sufficiency Program. We seek to increase the wage earning capacity of low income families within targeted communities and promote self-sufficiency. In March 2019, the SHA graduated 13 FSS participants with a total escrow earnings of over \$91,000.
2. During the past year the SHA administered ROSS grants promoting job training and employment opportunities to families residing in public housing through our Connections Program. Other grants assist senior and disabled residents to live in their own homes. SHA administers ROSS grants promoting self-sufficiency through the Connections Program designed to assist our households with increased education and job readiness programs. Elderly and disabled persons are served via programs supported by HUD subsidy. The SHA is currently partnering with the United Way of the Piedmont to employ the Connections Coordinator.
3. During this past year the SHA has engaged in several partnerships adding to the quality of life of our residents and their children. Our partnership with Wofford College resulted in the successful implementation of the Let's Read program at Victoria Gardens. This program focuses on engaging children ages 5-18 to enjoy reading in an interactive environment within their

residential community. The SHA also partnered with Wofford in intergenerational sessions led by Wofford students with elderly and disabled residents at JC Bull, Camp Croft and Archibald Rutledge communities. These sessions focused on bridging the age gap between generations and give the elderly an outlet and a sense of relevance. Additionally, Regenes Health Care has opened an onsite clinic at Archibald Rutledge as a proactive approach to primary care facility outside of the emergency room which helps to remove the barrier of transportation and assist in treating non-emergency medical needs. SHA in partnership with the United Way and Mary Black Foundation, offers a Born Learning Program to parents and children in the Prince Hall and Victoria Gardens communities. USC Upstate and Emerge provide activities designed to improve early childhood development. SHA is seeking to expand this program in 2019. The ROSS Connections staff will engage with partners and parents to support the success of families in this group, to include delivery of a Love Notes program, self-sufficiency activities and job training and placement assistance.

4. These activities will assist the agency in increasing the income levels of families currently residing in communities with a concentration of poverty as well as helping residents overcome the barriers of transportation, education and child care.

5. Asset Management security improvements:

SHA continues its collaboration with the Spartanburg Police Department to provide patrol services to designated SHA communities. SHA continues to partner with community groups and Neighborhood Watch organizations.

6. Designate developments or buildings

SHA continues to provide housing to Seniors at Cedar Springs Place, JC Bull Apartments, and Pake Lake Manor.

**3. HUD Strategic Goal: Promote self-sufficiency and asset development of families and individuals**

1. SHA will continue to promote self-sufficiency and asset development. Our Housing Choice Voucher (HCV) HCV and Public Housing FSS Programs will continue to be offered. Non-Public Housing FSS families are able to participate in employment readiness and educational opportunities and through the Connections Program, as grant funding permits. The YouthBuild program funded by the Department of Labor ended its current grant period on April 30, 2019. The program offered residents of Spartanburg ages 16-24 an opportunity to earn their high school diploma, or GED, learn valuable life skills, and job training. Participants earned a stipend while in the program. More importantly they participated in the building several Habitat Homes.
2. The FSS and Connections programs continue to leverage community resources which support resident activities in the areas of education, health and job readiness.
3. SHA has computer labs based in all Public Housing neighborhoods. The resident computer labs allow the residents internet access where they are able to stay up-to date with the SHA Facebook, Twitter, and Instagram accounts. Computer labs allow the residents to search for jobs, do homework and search the internet.

**4. HUD Strategic Goal: Ensure Equal Opportunity in Housing for all Americans**

SHA will adhere to all Fair Housing required regulations in its operations.

SHA will provide annual Fair Housing training to all staff members.

	<p><b>5. Other PHA Goals and Objectives: (list below)</b></p> <ol style="list-style-type: none"> <li>1. SHA will seek to administer additional Department of Labor grants.</li> <li>2. SHA will seek to leverage funds from the City of Spartanburg’s NIP funds for the demolition of dilapidated housing in our inventory.</li> <li>3. SHA will conduct market studies in association with RAD transitions.</li> <li>4. SHA will provide information to the community through the RAD Community Committee meetings.</li> <li>5. SHA may consider training some of its existing staff as the properties transition and both funding and opportunity are available.</li> <li>6. SHA will temporarily relocate residents impacted by RAD during construction or demolition.</li> <li>7. SHA may reposition or reduce staff as a result of RAD transitions.</li> <li>8. SHA will continue to work in partnership with Wofford College through an MOU where students offer stimulating conversation and discussions to the elderly and disabled residents through intergenerational sessions. These sessions allow the residents and students to share experiences, knowledge and skills that are mutually beneficial. The interaction meets the need of both by fostering growth, understanding and developing friendship between the generations.</li> <li>9. SHA will work in partnership with Wofford College through a MOU where students provide oversight and ideas for SHA’s Let’s Read program in the Victoria Garden community. Students will work with children ages 5-18 in an after-school reading program that will help children public housing develop a lifelong love of reading. This reading program will play an important role in providing literacy-related activities and events enriched reading experiences, encouraging children to read themselves, hear stories read aloud and write about what they read. SHA will continue to work in partnership with United Way to serve parents and caregivers of young children ages 0-3 in encouraging early learning through the Born Learning Initiative in which SHA has Born Learning Centers at Prince Hall and Victoria Gardens. This initiative is used as a tool for long-lasting community change that will support parents and caregivers with age-appropriate manipulatives, activity kits and a lending library.</li> <li>10. SHA will seek to relocate the Central Office Call Center (COCC)</li> <li>11. SHA will seek to apply for Moving to Work opportunities as they relate to rent reform of the HCV and public housing programs.</li> <li>12. Both HCV and public housing will strive to be High Performing on SEMAP and PHAS.</li> </ol>
<p><b>B.6</b></p>	<p><b>Resident Advisory Board (RAB) Comments.</b></p> <p>(a) Did the RAB(s) provide comments to the 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 PHA Plan. PHAs must also include a narrative describing their analysis of the RAB recommendations and the decisions made on these recommendations.</p>

B.7	<b>Certification by State or Local Officials.</b>  Form HUD 50077-SL, <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.8	<b>Troubled PHA.</b> (a) Does the PHA have any current Memorandum of Agreement, Performance Improvement Plan, or Recovery Plan in place? Y   N   N/A <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>  (b) If yes, please describe:
C.	<b>Statement of Capital Improvements.</b> Required for all PHAs completing this form that administer public housing Asset Management and receive funding from the Capital Fund Program (CFP).

C.1	<b>Capital Improvements.</b>
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**B.3 Civil Rights Certification. Form HUD-50077, PHA Certifications of Compliance with the PHA Plans and Related Regulations, must be submitted by the PHA as an electronic attachment to the PHA Plan.**

**Civil Rights Certification**  
**(Qualified PHAs)**

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
OMB Approval No. 2577-0226  
Expires 02/29/2016

**Civil Rights Certification**

**Annual Certification and Board Resolution**

*Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairman or other authorized PHA official, I approve the submission of the 5-Year PHA Plan for the PHA of which this document is a part, and make the following certification and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the public housing program of the agency and implementation thereof:*

The PHA certifies that it will carry out the public housing program of the agency 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, and will affirmatively further fair housing by examining their programs or proposed programs, identifying any impediments to fair housing choice within those program, addressing those impediments in a reasonable fashion in view of the resources available and working 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.

Housing Authority of the City of Spartanburg  
PHA Name

SC003  
PHA Number/HA Code

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 Matthew Myers

Title Chairman of the Board of Commissioners

Signature

Date 06/25/2019

#### **B.4 Most Recent Fiscal Year Audit.**

## **B.6 Resident Advisory Board (RAB) Comments.**

## Resident Advisory Board Meeting

April 16, 2019

### 2020 Annual and Five Year Plan

#### Attendees :

1. Kisha Haywood—Victoria Gardens Apartments
2. Veronica Cunningham—Archibald Rutledge
3. Douglas Salters—Archibald Rutledge
4. Sheena Solesbee—Prince Hall Apartments
5. Mary Ferguson—Camp Croft Courts
6. Polly Whiteside—Camp Croft Courts
7. Sonya Stroble--HCV
8. Latasha McElrath—RAD PBV
9. L’Kita Brown—HCV Homeownership
10. Jayne Floyd—SHA Staff
11. Ryan Grace—SHA Staff
12. Jose Calicdan—SHA Staff
13. Natalie Smith-Wells—SHA Staff
14. Lynn Levesque—SHA Staff
15. Charlotte Lyda—SHA Staff
16. Debbie Smith-Mills—SHA Staff
17. Tiffany Askew—SHA Staff
18. Jessica M. Holcomb—SHA Staff
19. Joseph Jackson—SHA Staff

#### QUESTIONS:

1. *Polly Whiteside: I want to know more about Page Lakes*

**Jessica Holcomb:** The Page Lake consists of approximately 130 acres of vacant land owned by the SHA. The SHA developed housing two years ago for seniors, consisting of 8 rental units.

2. *L’Kita Brown: Since we’re on properties, what are the apartments that are out on the east side? What are the name of those?*

**Jessica Holcomb:** That property is not associated with the Spartanburg Housing Authority. Parkside at Drayton where--we do provide some vouchers there, but it is not one of our properties.

3. *L’Kita Brown: I have another question. You know where the Cammie Clagett used to be?*

**Jessica Holcomb:** We sold that land, so that land is now owned by about five different entities. So, it's no longer Spartanburg Housing Authority's land.

4. *Joseph Jackson: As you mentioned about Highland, these are the units that were at Highland, but they are going to be at the Northside development. They have not started construction yet.*

*L’Kita Brown: They are going to be where?*

**Joseph Jackson:** There will be on Howard Street. These units will be on the left side.

5. *Kisha Haywood: Are they going to be affordable?*

**Joseph Jackson:** Yes, it's going to be a mixture. It'll be some affordable, some market rent, so it'll be a mixed use property.

Originally, it was supposed to be 78 units going to that site. But through a long process of different finance scenarios, they were only able to put 70 units in that development. So, we're seeking other sources and areas to develop the other eight units that were supposed to be going to the Northside.

6. *Kisha Haywood: What eight units are going? What area are you saying at Northside?*

**Joseph Jackson:** No, this was 70 units. Those are the ones that are going to Northside. It originally was 78. But through different financial scenarios to make the deal work, we could only put 70 units in Northside. So, the eight units remain. The housing authority now is seeking—we don't have a place for those eight units right now.

8. **Kisha Haywood:** *I have a question. Of those 70 units, what will be the combination of affordable and not affordable? Like, do you have a percentage in mind or a certain number in mind?*

**Joseph Jackson:** There are a total of 90 units going. The 70 would be the units from Cammie. I think 11 are going to be affordable. I think nine or 10 will be market rate.

9. **Kisha Haywood:** *Are these going to be towers, or going to be like townhouses or apartments? Do you know if that's how it's going to be?*

**Joseph Jackson:** They'll be kind of similar to Highland, except it'll just be a bigger development. It'll be one big development, not many different buildings. One mid-rise, one big apartment complex. It won't be you have an area to walk between or anything like that. I believe that it's going to actually have like an L shape. Part of it'll will come down Howard. Another part would go left and go down. It would be shaped like an L and I think parking will be in the back.

10. **Sonya Stroble:** *Are they going to be like the other community that's connected with Victoria Gardens? I can't think of it. Oh, you're thinking about Brawley. Are they going to be houses like that? It'd be like a smaller Archibald.*

**Joseph Jackson:** No, it won't be like Brawley. It is going to have three levels, so it could be a small Archibald on a wider scale.

**11. Parthenia Whiteside:** *I'm at the Camp Croft, so it is decided that the whole location will be demolished and rebuilt over?*

**Joseph Jackson:** That's not 100%, but that's the conversations.

**12. Parthenia Whiteside:** *Say the potential demolition happens, is it possible that redoing Camp Croft, they'll still be the duplexes instead of like apartments and everybody lives is the type of housing?*

**Joseph Jackson:** We are focusing on Victoria and Archibald. If we are awarded, we will begin construction on Archibald and Victoria. Then Camp Croft would be next on the table.

Att Archibald and Victoria, we've had meetings. We've explained to them what we've applied for. We haven't come to them yet with the plans or what we potentially think it might look like and get the voices from our residents.

To answer your question, when we get to Camp Croft next on the board, all that'll be on the table.

**13. Kisha Haywood:** *So, when do you look to have that Northside project going for those houses?*

**Joseph Jackson:** We're not the driving force behind the project. But just from being on the calls, they are anticipating a start date anywhere from I would say September until the end of the year. That's to break ground now.

**14. Kisha Haywood:** *I was just wondering, because you already have that project going, and you're still waiting on the project of Victoria Gardens. And project development is what I'm thinking of?*



**Joseph Jackson:** Correct. As far as the Northside project, we're not driving it. We're kind of more so in the back of it. But Archibald and Victoria, we are driving. So, we will be at the meetings and have updates on Northside, but it's not ours to drive.

**15. Latasha McElrath:** *Everything is going online here and at the City of Spartanburg. Can some of the residents propose that we get Wi-Fi in all of the apartments? Because the schools use computers now or the iPads, and everything you just said we have to do on computers. So, some people can't afford that, or will it be proposed like a 1% raise in your rent or whatever so you can have Wi-Fi?*

**Jessica Holcomb:** Yes, that is an excellent recommendation. We provided free Wi-Fi a couple years ago at some of our sites. The Spartanburg Housing Authority partnered with School District Seven. We applied for a grant, and we were able to provide Wi-Fi at our sites.

Currently, we have it in the office areas of our sites. So, if you're anywhere near that vicinity, it is free. However, we understand the importance of having it inside of your units. So, we did have that available. That was like a pilot program. We were one of 10 across the nation that received that. I'm sure there are other opportunities out there that we could look into to potentially have because that is a good recommendation. The school district--all of our public housing sites are within School District 7. So, those students do take home a tablet or some sort of a device that is Wi-Fi enabled. Our Connections program has a great opportunity right now for participants to have free Wi-Fi for--and a tablet for the next 18 months for the participants. We have computer labs available as well on our sites for residents to use during the day.

**16. Parthenia Whiteside:** *Concerning all that too, now you still have your elderly and disabled that don't know anything about computers. And I do know that we had programs and they did take advantage of them. I still got people asking me about learning how to get on the*

*computer, even so much as still going to school, like a book for stuff to be taught at Camp Croft. I'm seeing it again with several of the disabled and seniors. Is possible for us to get something over there? A lot of them didn't finish school.*

*Jessica Holcomb: I think its possible. With having an elderly and disabled coordinator stationed there on Tuesdays, she can teach, show, or bring people in to help provide that service.*

*17. Kisha Haywood: Can you explain to me further about the--what you were saying about the pay card utility allowances?*

*Jessica Holcomb: Residents get a utility allowance. However, at some sites--Victoria isn't one of those. But Cambridge Place and Prince Hall and then a lot of our Housing Choice Voucher participants, they actually get a reimbursement back because their allowance and their income have such a disparity that they actually get money back. And so, at those sites, we send out a check every month.*

*18. Kisha Haywood: Oh, okay. So, that's not for Victoria Gardens?*

*Jessica Holcomb: No. You get an allowance. But your minimum rent--because the utilities are not in the name of the resident. It only applies when the residents have to pay their own utilities.*

*Keisha Haywood: Okay, I got you.*

*19. Kisha Haywood: Do the public housing still do the Marche Gault scholarship?*

*Jessica Holcomb: Natalie Smith-Wells is going to touch on that in just a little bit.*

*20. Parthenia Whiteside: What time did you say the homeownership class was?*

*Tiffany Askew: The homeownership class is Thursday at 2:00.*

*21. Parthenia Whiteside: It's here?*

*Tiffany Askew: Yes, here, Thursday at 2:00.*

**22. L’Kita Brown:** *My question to you is with the voucher situation. I guess it's more of a answer than a question. My thing is there any, based on the implemented, maybe a push to get more people to buy their homes? They appreciate it more if it belongs to you.*

**Tiffany Askew:** I agree.

**23. L’Kita Brown:** *Maybe implementing a time limit on these vouchers, pushing more opportunities out there in front of them, making it a requirement for them to attend certain homeownership meetings, I just feel like there needs to be more. And then we look at the fact that we have used that are coming up in these homes, and children that see their parents that are buying things and making them their own, statistics show these children tend to do the same thing. So, is there any way to implement a system for that?*

**Tiffany Askew:** My thought is, and what I'm trying now, is this class that we're having on Thursday is the very first one. And I just decided this year this is what we were going to do, and I thank Debbie Mills for helping me with that. And she made the flyer, and so we sent it out to everybody. I mailed it out to some people. And then also, Ms. Jessica here, she even sent out a blast on our website to let everybody know about it. I'm hoping that Thursday we'll have a good turnout for that and that'll be the first one. And I'll probably have maybe another two maybe this year. So, I'm hoping with that that we could have--push that out there to everybody to let them know about the homeownership part of the voucher.

**24. Sonya Stroble:** *My questions is about homeownership. I'm all for homeownership, but sometimes things happen. Like in my situation, I've worked so many years and I got hurt working so I had to be disabled. So, that would take me out of the homeownership program?*

**Tiffany Askew:** You can be disabled. You can receive disability. The only thing that you need to do is just qualify for a loan. And what the voucher does, it counts as income towards your eligibility to qualify for a loan.

The banks take that as--if we give you \$600 a month, they take that as \$600 in income a month. So, with a person that receives just disability, they can still purchase a home. We've had people to receive disability and close on homes as well. This doesn't disqualify you.

*25. Sonya Stroble: I don't think everybody knows that. They just think if you just got a limited income that you won't be able to go to the bank and say--how are you going to pay your home mortgage and lights and whatever else if you just got this one income?*

**Tiffany Askew:** I'm hoping that these people--everybody'll come to my class and come here about it so I can tell them all about it.

*26. Parthenia Whiteside: Ms. Askew, tell us a little bit about the voucher plan. When is it, or have we missed it or whatever, to sign up for the home voucher?*

**Tiffany Askew:** So, right now we don't have a date to open up the waiting list again. But I do think that it will be soon, because right now we have about--over 180 vouchers out on the street of people looking for housing right now.

So, if they don't use the vouchers or don't find a place, then more than likely will have to utilize our entire waiting list this year. And so, it may be towards the end of the year before we open it up again. But it'll be soon, probably.

*27. Sonya Stroble: I have a question. I've heard a lot of things for the elderly or disabled, and I've heard very little about what they do for the youth. I want to know what are we doing to target the up and coming generation. We need them to be self-sufficient as well. We don't*

*want to raise another generation that's going to be under housing assistance. What is SHA doing to target this generation?*

**Natalie Smith-Wells:** We are closing out the Youth Build grant. But for the last four years and even prior to that with the Youth Build grant, we've had it four times, that is a target of age of 16 to 24 and those that have either dropped out of high school or they got up high school diploma but maybe their literacy was still low. And so, that was a major target piece for the youth.

We also--of course, adding the food program is a major portion of it as well, because tied to the food program this year, and in partnerships again, each day of the food program on our public housing sites, there will be a focus of a weekly thing. Whether that's character building, whether that's financial literacy, those will actually be going alongside with the food program. So, when children are there, they will be able to take part in that this summer.

In the past, we have done different things, again with literacy, as far as our kids being a part of the spelling bee, the (unintelligible) that sits beside you. So, throughout public housing, our children were able to basically go through the process of trying to become the spelling bee person. And then whoever our representatives were from our communities would go with Mr. Ryan and go to a statewide spelling bee competition.

I believe the last two we went to, the young man actually one both of them. SHA is looking this year to actually take that and run with it, because the people that were doing it are not doing it any longer. So, we're looking at picking that backup.

Our major partners with anything surrounding youth have been United Way and then also Wofford. There is going to be a lot of things kind of coming out. The difference is Resident Services for us is not necessarily really a department. That's just me being really honest with you.

We have service coordinators that are geared to their grant. They have grant goals, and they work towards that. And then really, it's just kind of all of us kind of putting in extra time to do extra things to make sure that there are things out there. We try to pull in our residents as much as we can to help us bring those things to the table, and then we help to support that.

**28. Tiffany Askew:** *Natalie, can you touch on the family initiative for the strong families?*

**Natalie Smith-Wells:** Each year HUD does something called Strong Families Initiative. In the last three years, you guys probably have heard us doing a fatherhood event or Father's Day initiative. Last year they started to say we needed to focus on the entire family, just not the father piece. So, this year we're going to focus on the family. Our target date is going to be June 22nd. We are going to basically almost do a Housing Authority family reunion, I mean seriously, and have different things like you're talking about, whether it's health, have days just for the kids, have things for our elderly and disabled kind of all in one day.

Our service coordinators and some of our staff will be there, and that way it gives us another connecting piece to be able to hear from you of do you like this? Is this something you would want to see more? So, our big thing is hearing what you're saying.

If we don't have people telling us, our residents saying, hey, I would like to see this and these are some ideas I have because you talk to me earlier, you help us see that because you're there every day.



**B.7 Certification by State or Local Officials. Form HUD 50077-SL, Certification by State or Local Officials of PHA Plans Consistency with the Consolidated Plan, must be submitted by the PHA as an electronic attachment to the PHA Plan.**



**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, Chris Story, the City Manager  
*Official's Name* *Official's Title*

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

Housing Authority of the City of Spartanburg, South Carolina  
*PHA Name*

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

*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.


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  
Chris Story

Title  
City Manager

Signature

Date

**C. Statement of Capital Improvements.** Required for all PHAs completing this form that administer public housing Asset Management and receive funding from the Capital Fund Program (CFP). Attached please find a copy of the Spartanburg Housing Authority's most recently HUD-approved 5-Year Action Plan (HUD-50075.2) which was approved by HUD on August 16, 2017 (copy of HUD letter attached) and by SHA's Board of Commissioners on June 26, 2017 . Copies of the Board Resolutions are also attached. Attached is a copy of the most recent HUD approved Capital Fund Budget.

With this Annual and 5-Year Plan submittal SHA is also submitting a new Capital Fund Program - Five- Year Action Plan form HUD-50075.2 for the years 2019 - 2023 for approval by HUD. Please find attached a copy of this Plan.

Capital Fund Program - Five-Year Action Plan

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
2577-0274  
07/31/2017

<b>Part I: Summary</b>						
<b>PHA Name :</b> HOUSING AUTHORITY OF SPARTANBURG		<b>Locality (City/County &amp; State)</b> <input checked="" type="checkbox"/> <b>Original 5-Year Plan</b> <input type="checkbox"/> <b>Revised 5-Year Plan (Revision No:            )</b>				
<b>PHA Number:</b> SC003						
<b>A.</b>	<b>Development Number and Name</b>	<b>Work Statement for Year 1 2018</b>	<b>Work Statement for Year 2 2019</b>	<b>Work Statement for Year 3 2020</b>	<b>Work Statement for Year 4 2021</b>	<b>Work Statement for Year 5 2022</b>
	AUTHORITY-WIDE	\$384,292.00	\$384,292.00	\$384,292.00	\$384,292.00	\$384,292.00
	CEDAR SPRINGS PLACE (SC003000170)	\$20,652.00				
	CAMBRIDGE PLACE (SC003000180)	\$26,610.00				
	ARCHIBALD RUTLEDGE (SC003000030)	\$789,360.00	\$850,018.00	\$850,018.00	\$850,018.00	\$850,018.00
	VICTORIA GARDEN APTS (SC003000120)	\$100,000.00	\$100,000.00	\$100,000.00	\$100,000.00	\$100,000.00
	PRINCE HALL APTS (SC003000080)	\$100,000.00	\$100,000.00	\$100,000.00	\$100,000.00	\$100,000.00
	COUNTRY GARDEN ESTATES (SC003000090)	\$13,396.00				

Capital Fund Program - Five-Year Action Plan

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
2577-0274  
07/31/2017

Part II: Supporting Pages - Physical Needs Work Statements (s)				
Work Statement for Year 1 2018				
Identifier	Development Number/Name	General Description of Major Work Categories	Quantity	Estimated Cost
	AUTHORITY-WIDE (NAWASD)			\$384,292.00
ID0016	RAD(RAD (1503))	RAD HAP		\$1.00
ID0059	RAD(RAD (1503))	RAD HAP		\$1.00
ID0001	Management Improvements(Management Improvement (1408)-Empowerment Activities,Management Improvement (1408)-Other,Management Improvement (1408)-Staff Training,Management Improvement (1408)-System Improvements)	Staff Training Resident JobTraining		\$142,145.00
ID0003	Administration(Administration (1410)-Salaries)	Administration Fees		\$142,145.00
ID0004	Pre-Development Cost(Contract Administration (1480)-Other,Contract Administration (1480)-Other Fees and Costs)	Architect, Engineering, Inspections, & Legal fees		\$100,000.00
	CEDAR SPRINGS PLACE (SC003000170)			\$20,652.00

Capital Fund Program - Five-Year Action Plan

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
2577-0274  
07/31/2017

Part II: Supporting Pages - Physical Needs Work Statements (s)				
Work Statement for Year 1 2018				
Identifier	Development Number/Name	General Description of Major Work Categories	Quantity	Estimated Cost
ID0005	Cedar Springs Capital Needs(Dwelling Unit-Interior (1480)-Appliances,Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Mechanical)	New Dishwasher; Replace carpet in units; Replace vinyl; HVAC condensing units; Water Heaters; Fire Extinguishers; Termite Bond; Kitchen Light Fixtures; Fire lane signs; Replacement Blinds; Bedbug treatments		\$20,652.00
	CAMBRIDGE PLACE (SC003000180)			\$26,610.00
ID0007	Cambridge Place Wall(Non-Dwelling Exterior (1480)-Foundation,Non-Dwelling Exterior (1480)-Landings and Railings)	Repair Damaged Block Retaining wall Steps & Irrigation		\$26,610.00
	ARCHIBALD RUTLEDGE (SC003000030)			\$789,360.00
ID0008	RAD Pre-Closing(RAD Funds Pre Closing (1480))	Pre-closing		\$789,360.00
	VICTORIA GARDEN APTS (SC003000120)			\$100,000.00
ID0015	VGA Plumbing & Sidewalk Repairs(Dwelling Unit-Site Work (1480)-Asphalt - Concrete - Paving,Dwelling Unit-Site Work (1480)-Sewer Lines - Mains)	Repairs to sanitary sewer lines Repairs to sidewalks covering the sanitary sewer lines		\$100,000.00

Capital Fund Program - Five-Year Action Plan

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Part II: Supporting Pages - Physical Needs Work Statements (s)				
Work Statement for Year 1 2018				
Identifier	Development Number/Name	General Description of Major Work Categories	Quantity	Estimated Cost
	PRINCE HALL APTS (SC003000080)			\$100,000.00
ID0058	Prince Hall Security Cameras(Non-Dwelling Interior (1480)-Security)	Security Cameras for the Prince Hall property		\$100,000.00
	COUNTRY GARDEN ESTATES (SC003000090)			\$13,396.00
ID0065	Country Garden Capital Needs 1(Dwelling Unit-Interior (1480)-Other,Dwelling Unit-Interior (1480)-Appliances)	Dishwashers; Stoves; Refrigerators; Garbage Disposals; Vinyl flooring; HVAC Condensing Unit; Tankless water heaters; Countertop replacement; Exterior painting		\$13,396.00
	Subtotal of Estimated Cost			\$1,434,310.00

Capital Fund Program - Five-Year Action Plan

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
2577-0274  
07/31/2017

Part II: Supporting Pages - Physical Needs Work Statements (s)				
Work Statement for Year 2 2019				
Identifier	Development Number/Name	General Description of Major Work Categories	Quantity	Estimated Cost
	AUTHORITY-WIDE (NAWASD)			\$384,292.00
ID0024	RAD(RAD (1503))	RAD		\$1.00
ID0025	RAD(RAD Investment Activity (1504))	RAD Investment Activities		\$1.00
ID0017	Management Improvements(Management Improvement (1408)-Empowerment Activities,Management Improvement (1408)-Other,Management Improvement (1408)-Staff Training,Management Improvement (1408)-System Improvements)	Staff Training Resident Training		\$142,145.00
ID0018	Pre-Development Cost(Contract Administration (1480)-Other,Contract Administration (1480)-Other Fees and Costs)	Architect, Engineering, Inspections, & Legal fees		\$100,000.00
ID0019	Administration(Administration (1410)-Salaries)	Administration Fees		\$142,145.00
	ARCHIBALD RUTLEDGE (SC003000030)			\$850,018.00

**Work Statement for Year**     **2**                                 **2019**

Form HUD-50075.2(4/2008)



Form HUD-50075.2(4/2008)

Form HUD-50075.2(4/2008)

Form HUD-50075.2(4/2008)

**Work Statement for Year**      4    2021

Form HUD-50075.2(4/2008)

Capital Fund Program - Five-Year Action Plan

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
2577-0274  
07/31/2017

Part II: Supporting Pages - Physical Needs Work Statements (s)				
Work Statement for Year 5 2022				
Identifier	Development Number/Name	General Description of Major Work Categories	Quantity	Estimated Cost
	AUTHORITY-WIDE (NAWASD)			\$384,292.00
ID0054	RAD(RAD (1503))	RAD		\$1.00
ID0055	RAD(RAD Investment Activity (1504))	RAD Investment Activities		\$1.00
ID0047	Management Improvements(Management Improvement (1408)-Other,Management Improvement (1408)-Staff Training,Management Improvement (1408)-System Improvements,Management Improvement (1408)-Empowerment Activities)	Staff Training Resident JobTraining		\$142,145.00
ID0048	Administration(Administration (1410)-Salaries)	Administration Fees		\$142,145.00
ID0049	Pre-Development Cost(Contract Administration (1480)-Other,Contract Administration (1480)-Other Fees and Costs)	Architect, Engineering, Inspections, & Legal fees		\$100,000.00
	ARCHIBALD RUTLEDGE (SC003000030)			\$850,018.00

Form HUD-50075.2(4/2008)

Capital Fund Program - Five-Year Action Plan

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
2577-0274  
07/31/2017

<b>Part III: Supporting Pages - Management Needs Work Statements (s)</b>	
<b>Work Statement for Year</b> 1	2018
<b>Development Number/Name</b> <b>General Description of Major Work Categories</b>	<b>Estimated Cost</b>
Housing Authority Wide	
RAD(RAD (1503))	\$1.00
RAD(RAD (1503))	\$1.00
Management Improvements(Management Improvement (1408)-Empowerment Activities,Management Improvement (1408)-Other,Management Improvement (1408)-Staff Training,Management Improvement (1408)-System Improvements)	\$142,145.00
Administration(Administration (1410)-Salaries)	\$142,145.00
Pre-Development Cost(Contract Administration (1480)-Other,Contract Administration (1480)-Other Fees and Costs)	\$100,000.00
Subtotal of Estimated Cost	\$384,292.00

Capital Fund Program - Five-Year Action Plan

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
2577-0274  
07/31/2017

<b>Part III: Supporting Pages - Management Needs Work Statements (s)</b>	
<b>Work Statement for Year</b> 2	2019
<b>Development Number/Name</b> <b>General Description of Major Work Categories</b>	<b>Estimated Cost</b>
Housing Authority Wide	
RAD(RAD (1503))	\$1.00
RAD(RAD Investment Activity (1504))	\$1.00
Management Improvements(Management Improvement (1408)-Empowerment Activities,Management Improvement (1408)-Other,Management Improvement (1408)-Staff Training,Management Improvement (1408)-System Improvements)	\$142,145.00
Pre-Development Cost(Contract Administration (1480)-Other,Contract Administration (1480)-Other Fees and Costs)	\$100,000.00
Administration(Administration (1410)-Salaries)	\$142,145.00
Subtotal of Estimated Cost	\$384,292.00



# Capital Fund Program - Five-Year Action Plan

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
2577-0274  
07/31/2017

Part III: Supporting Pages - Management Needs Work Statements (s)	
Work Statement for Year	3 2020
Development Number/Name General Description of Major Work Categories	Estimated Cost
Housing Authority Wide	
RAD(RAD (1503))	\$1.00
RAD(RAD Investment Activity (1504))	\$1.00
Management Improvements(Management Improvement (1408)-Empowerment Activities,Management Improvement (1408)-Other,Management Improvement (1408)-Staff Training,Management Improvement (1408)-System Improvements)	\$142,145.00
Pre-Development Cost(Contract Administration (1480)-Other,Contract Administration (1480)-Other Fees and Costs)	\$100,000.00
Administration(Administration (1410)-Salaries)	\$142,145.00
Subtotal of Estimated Cost	\$384,292.00

# Capital Fund Program - Five-Year Action Plan

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
2577-0274  
07/31/2017

Part III: Supporting Pages - Management Needs Work Statements (s)		
Work Statement for Year	4	2021
Development Number/Name General Description of Major Work Categories		Estimated Cost
Housing Authority Wide		
RAD(RAD (1503))		\$1.00
RAD(RAD Investment Activity (1504))		\$1.00
Management Improvements(Management Improvement (1408)-Empowerment Activities,Management Improvement (1408)-Other,Management Improvement (1408)-Staff Training,Management Improvement (1408)-System Improvements)		\$142,145.00
Administration(Administration (1410)-Salaries)		\$142,145.00
Pre-Development Cost(Contract Administration (1480)-Other,Contract Administration (1480)-Other Fees and Costs)		\$100,000.00
Subtotal of Estimated Cost		\$384,292.00

Capital Fund Program - Five-Year Action Plan

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
2577-0274  
07/31/2017

<b>Part III: Supporting Pages - Management Needs Work Statements (s)</b>	
<b>Work Statement for Year</b> 5	2022
<b>Development Number/Name</b> <b>General Description of Major Work Categories</b>	<b>Estimated Cost</b>
Housing Authority Wide	
RAD(RAD (1503))	\$1.00
RAD(RAD Investment Activity (1504))	\$1.00
Management Improvements(Management Improvement (1408)-Other,Management Improvement (1408)-Staff Training,Management Improvement (1408)-System Improvements,Management Improvement (1408)-Empowerment Activities)	\$142,145.00
Administration(Administration (1410)-Salaries)	\$142,145.00
Pre-Development Cost(Contract Administration (1480)-Other,Contract Administration (1480)-Other Fees and Costs)	\$100,000.00
Subtotal of Estimated Cost	\$384,292.00



**Action Items & Resolution  
2019-24**

**Authorization of  
Public Housing Flat Rents  
for Vista Managed  
Properties**

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**Board of Commissioners Meeting  
Tuesday, June 25, 2019**



**June 25, 2019**

**Spartanburg Housing Authority  
Spartanburg, SC 29302**

**HONORABLE MEMBERS IN SESSION:**

**SUBJECT:**

**Authorization of Public Housing Flat Rents for Vista Managed Properties  
Resolution 2019-24**

**RECOMMENDATION:**

Staff recommends the adoption of the Public Housing Flat Rents for Collins Park, Cottage Grove, Country Garden Estates and the Ridge at Southport units to be effective August 01, 2019.

**CONTACT PERSON:**

Jessica M. Holcomb  
Deputy Director  
864-598-6023

**SUMMARY:**

HUD regulations require the establishment of flat rents by PHAs that are based on comparable study of private sector apartments. The SHA procured The Nelrod Company to provide and update the agency's current Public Housing Flat Rent Study for all SHA managed units in 2017. Per PIH-2015-13, agencies are no longer required to use an outside company to complete Flat Rent Calculations. Vista Capital Management is requesting the following increased to the public housing flat rents of the units they manage per the guidelines of taking 80% FMR – Utility Allowances.

During the tenant's annual/interim recertification time, tenants are given the opportunity to select the rent based on 30% of their adjusted monthly income or flat rent. The proposed flat rents are:

<b>2019 Spartanburg County FMR</b>		
<b>1 BR</b>	<b>2 BR</b>	<b>3 BR</b>
\$632.00	\$758.00	\$1,013.00

<b>80% of FMR</b>		
<b>1 BR</b>	<b>2 BR</b>	<b>3 BR</b>
\$505.60	\$606.40	\$810.40

<b>Current Flat Rent</b>		
<b>1 BR</b>	<b>2 BR</b>	<b>3 BR</b>
\$435	\$470	\$610

<b>Collins Park Cottage Grove</b>
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**60% of Median Units**

<u>14</u>	<b>1BR PUBLIC HOUSING</b>
-----------	---------------------------

80% of FMR	\$505.60
Scheduled Utility Allowance	\$133.00
<b>Proposed Flat Rent</b>	<b>\$372.60</b>

**60% of Median Units**

<u>24</u>	<b>2BR PUBLIC HOUSING</b>
-----------	---------------------------

80% of FMR	\$606.40
Scheduled Utility Allowance	\$174.00
<b>Proposed Flat Rent</b>	<b>\$432.40</b>

**60% of Median Units**

<u>20</u>	<b>3BR PUBLIC HOUSING</b>
-----------	---------------------------

80% of FMR	\$810.40
Scheduled Utility Allowance	\$216.00
<b>Proposed Flat Rent</b>	<b>\$594.40</b>

**60% of Median Units**

<u>2</u>	<b>3BR PUBLIC HOUSING - SF</b>
----------	--------------------------------

80% of FMR	\$810.40
Scheduled Utility Allowance	\$272.00
<b>Proposed Flat Rent</b>	<b>\$538.40</b>

<b>Country Garden Estates I</b>
---------------------------------

**50% of Median Units**

<u>2</u>	<b>1BR PUBLIC HOUSING - SF</b>
----------	--------------------------------

80% of FMR	\$505.60
Scheduled Utility Allowance	\$155.00
<b>Proposed Flat Rent</b>	<b>\$350.60</b>

**50% of Median Units**

<u>6</u>	<b>2BR PUBLIC HOUSING - DUPLEX</b>
----------	------------------------------------

80% of FMR	\$606.40
Scheduled Utility Allowance	\$175.00
<b>Proposed Flat Rent</b>	<b>\$431.40</b>

**50% of Median Units**

<u>2</u>	<b>3BR PUBLIC HOUSING - SF</b>
----------	--------------------------------

80% of FMR	\$810.40
Scheduled Utility Allowance	\$255.00
<b>Proposed Flat Rent</b>	<b>\$555.40</b>

<b>The Ridge at Southport</b>
-------------------------------

**60% of Median Units**

<u>10</u>	<b>1BR PUBLIC HOUSING - DUPLEX</b>
-----------	------------------------------------

80% of FMR	\$505.60
Scheduled Utility Allowance	\$133.00
<b>Proposed Flat Rent</b>	<b>\$372.60</b>

**60% of Median Units**

<u>30</u>	<b>2BR PUBLIC HOUSING - DUPLEX</b>
-----------	------------------------------------

80% of FMR	\$606.40
Scheduled Utility Allowance	\$174.00
<b>Proposed Flat Rent</b>	<b>\$432.40</b>

**60% of Median Units**

<u>8</u>	<b>3BR PUBLIC HOUSING - DUPLEX</b>
----------	------------------------------------

80% of FMR	\$810.40
Scheduled Utility Allowance	\$216.00
<b>Proposed Flat Rent</b>	<b>\$594.40</b>

**60% of Median Units**

<u>2</u>	<b>3BR PUBLIC HOUSING - SF</b>
----------	--------------------------------

80% of FMR	\$810.40
Scheduled Utility Allowance	\$272.00
<b>Proposed Flat Rent</b>	<b>\$538.40</b>

**BACKGROUND:**

The FY 2014 Appropriations Act required PHAs to establish flat rents at no less than 80 percent of the applicable Fair Market Rent (FMR), and established rent increase phase-in 2 requirements to prevent family rental payments from increasing by more than 35 percent. HUD implemented these requirements through Notice PIH 2014-12. Through FAQs accompanying Notice PIH 2014-12, HUD provided flexibility to PHAs to phase-in all flat rent increases over a 3-year period, including those increases that were 35 percent or less.

The FY 2015 Appropriations Act maintained the FY 2014 rent increase phase-in requirements and amended the 2014 Act to require that flat rents be set at no less than the lower of:

1. 80 percent of the applicable FMR established under Section 8(c) of this Act; or
2. At the discretion of the Secretary, 80 percent of such other applicable FMR established by the Secretary that the Secretary determines more accurately reflects local market conditions and is based on an applicable market area that is geographically smaller than the applicable market area used for purposes of the applicable FMR under Section 8(c) of this Act (such as the applicable Small Area Fair Market Rent (SAFMR) or unadjusted rent).

**FINANCIAL CONSIDERATIONS:**

Rents from tenants for public housing is combined with subsidy. The FMRs were reviewed along with the new Flat Rents to determine the increase. The new flat rents will not increase a family's rental payment by 35%.

**POLICY CONSIDERATIONS:**

Adoption of flat rents is required by HUD to be in compliance with Sec. 210. Paragraph (2)(B)(i) of Section 3(a) of the United States Housing Act of 1937 (42 U.S.C. 1437a(a)).

Respectfully Submitted, Jessica M. Holcomb  
Jessica Holcomb, Deputy Director  
Spartanburg Housing Authority



**RESOLUTION NO. 2019-24**

**ADOPTED BY THE BOARD OF COMMISSIONERS OF  
THE SPARTANBURG HOUSING AUTHORITY**

**June 25, 2019**

**BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF  
THE SPARTANBURG HOUSING AUTHORITY**

Staff recommends adoption of Resolution No. 2019-24, adopting of the Public Housing Flat Rents for Collins Park, Cottage Grove, Country Garden Estates and the Ridge at Southport units to be effective August 01, 2019.

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Matthew Myers, CHAIR

ATTEST:

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SECRETARY

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FOR CLERK USE ONLY

RESOLUTION NO. 2019-24  
DATE ADOPTED: June 25, 2019



**Interim CEO**

**Monthly Report (verbal)**

**Reginal Barner**

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**Board of Commissioners Meeting  
Tuesday, June 25, 2019**



**Finance Report**  
**Jose Calicdan**

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**Board of Commissioners Meeting**  
**Tuesday, June 25, 2019**

SPARTANBURG HOUSING AUTHORITY													
Cash Flow													
May 31, 2019													
INFLOWS:	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	TOTAL
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	
Section 8 HAP Subsidy	953,434	578,836	950,742	964,177	964,177	956,358	956,358	959,434					7,283,516
Section 8 Admin Subsidy	99,023	102,389	102,789	102,389	109,070	103,304	103,304	103,304					825,572
Mod Rehab HAP	4,233	122,059	116,720	116,720	116,720	3,956	114,224	116,720					711,352
Mod Rehab Admin	12,162	16,670	14,416	14,416	14,416	-	14,416	14,416					100,912
Public Housing Subsidy	160,918	160,918	180,301	153,756	153,756	151,534	151,534	147,092					1,259,808
Tax Credit Properties Subsidy	33,804	33,804	37,874	31,761	31,761	31,301	31,302	30,383					261,989
TBRA-HCV	5,094	3,731	8,557	6,232	11,156	6,699	8,587	7,835					57,891
SLHC PBV Subsidy	1,469	1,238	0	0	0	0	-	-					2,707
SC State Grant for JCB	40,723	39,554	40,038	40,815	41,235	41,393	41,351	40,171					325,280
1) HUD & State Subsidy	1,310,859	1,059,199	1,451,437	1,430,265	1,442,291	1,294,545	1,421,076	1,419,355	-	-	-	-	10,829,026
ROSS	25,462	43,284	33,151	5,925	4,009	-	53,474	15,934					181,237
Youthbuild - 022-yb -NEW GRANT	10,554	12,103	12,394	13,413	13,443	12,862	20,241	6,656					101,665
CFP and RHF	53,153	18,652	22,181	56,867	11,139	50,811	33,815	40,315					286,933
2) Other Grant Revenue	89,168	74,038	67,726	76,205	28,590	63,673	107,529	62,905	-	-	-	-	569,835
Public Housing Rents	95,431	98,776	99,418	98,317	96,580	100,785	104,200	98,695					792,202
JC Bull Rents	26,680	25,799	26,311	26,830	26,708	26,574	26,962	26,650					212,514
SLHC Rents	164	(22)	(125)	0	-	-	-	-					17
3) Rent Revenue	122,275	124,552	125,604	125,147	123,288	127,359	131,162	125,345	-	-	-	-	1,004,732
4) Misc Receipts	97,686	14,897	10,732	13,353	15,311	37,248	261,517	12,671					463,415
5) Other Cash-In													
Section 8 Reserves Transfer In		250,000		-	-	-		-		-		-	250,000
	-	-	-	-	-	-		-		-	-	-	-
TOTAL CASH INFLOW	1,619,988	1,522,687	1,655,500	1,644,971	1,609,480	1,522,826	1,921,283	1,620,275	-	-	-	-	13,117,008
1) HUD subsidy for Section 8 is based on the prior year actual costs. Public Housing Subsidy is a formula based calculation using rents, three year rolling based utility costs calculation, and other add-ons for audit, PILOT, IT, etc. This is also done annually and there will be a change in January. The SC State subsidy is for JC Bull and it is submitted monthly based on units leased. The TBRA is a grant and the funds have to be requested as needed.													
2) Other grant revenue includes Capital fund subsidies and grant revenue for the Resident Self Sufficiency and Youthbuild programs.													
3) Rent revenue consists of the tenant paid rents for the various public housing units managed by the Authority.													
4) Misc revenue includes payments for court costs, resident work orders for maintenance and repair as well as, Section 8 repayment agreements. Public Housing bad debt recovery, laundry facility rebates, tower rental, proceeds from the sale of homes, and any other miscellaneous income.													
5) Other cash-In will include transfers from reserve accounts, and any adjustment to working capital.													



**SPARTANBURG HOUSING AUTHORITY**  
**AGENCY WIDE INCOME STATEMENT -CORE PROGRAMS**

Actual to Budget Variance Comparison

For eight (8) months ending May, 2019

	Month To Date				Period to Date				Annual Budget		
	MTD Actual	MTD Budget	\$ Variance	% Variance	PTD Actual	PTD Budget	\$ Variance	% Variance	% Used PTD	Annual Target	
<b>1 Public Housing</b>											
Total Revenue	\$ 263,151	\$ 263,125	\$ 26	0%	\$ 2,175,540	\$ 2,105,000	\$ 70,540	3%	3,157,458	68.9%	66.7%
Total Operating Expenses	255,396	264,933	(9,538)	-4%	2,012,174	2,138,448	(126,274)	-6%	3,181,812	63.2%	66.7%
<b>Reserve transfer out (in)</b>		(5,272)				(42,176)			(63,264)		
↑ Net Operating Income	\$ 7,756	\$ 3,464	\$ 4,292	124%	\$ 163,366	\$ 8,728	\$ 154,638	1772%	38,910		
*Operating expenses under budget. No concerns at this time.											
<b>2 HCV Program - HAP only</b>											
Total Revenue	\$ 960,840	\$ 970,776	\$ (9,936)	-1%	\$ 7,302,488	\$ 7,766,208	\$ (463,720)	-6%	11,649,310	62.7%	66.7%
Total Expenses	\$ 941,434	\$ 969,859	(28,425)	-3%	\$ 7,368,452	\$ 7,758,872	(390,420)	-5%	11,638,310	63.3%	66.7%
← Net Operating Income (loss)	\$ 19,406	\$ 917	\$ 18,489	2016%	\$ (65,964)	\$ 7,336	\$ (73,300)	-999%	11,000		
Staff continues to monitor the HAP program utilizing the two year tool provided by HUD. An additional 30 vouchers were issued in May ( below 41) to offset prior under utilization . SHA is expecting more vouchers to be issued in the ensuing months.											
<b>3 HCV Program - Admin only</b>											
Total Revenue	\$ 104,710	\$ 91,406	\$ 13,304	15%	\$ 869,336	\$ 731,248	\$ 138,088	19%	1,096,862	79.3%	66.7%
Total Expenses	\$ 94,016	\$ 100,181	(6,165)	-6%	\$ 745,938	\$ 803,448	(57,510)	-7%	1,202,904	62.0%	66.7%
<b>Reserve transfer out (in)</b>	\$ -	\$ (8,837)			\$ -	\$ (70,695)			(106,042)		
← Net Operating Income (loss)	\$ 10,695	\$ 62	\$ 10,633	17196%	\$ 123,397	\$ (1,505)	\$ 124,903	-8297%	-		
*PHA's received notice that HCV Admin will be funded at a 76% proration for CY2018. Admin program was budgeted conservatively at zero income or break even by using the reserve of \$106K to offset the expenses due to HUD unpredictable allocation by using a lower pro-ration rate at 70%. As of May, 2019 -SHA shows a net income of \$123K due to HUD increased in pro-ration rate at 80%.											
<b>4 Mod Rehab Program - HAP only</b>											
Total Revenue	117,589	103,469	\$ 14,120	14%	936,186	827,752	\$ 108,434	13%	1,241,625	75.4%	66.7%
Total Expenses	86,970	103,468	(16,498)	-16%	831,453	827,744	3,709	0%	1,241,625	67.0%	66.7%
↑ Net Operating Income	\$ 30,619	\$ 1	\$ 30,618		\$ 104,733	\$ 8	\$ 104,725		0		
* HUD is funding the program at the budget level. Annual cash settlements report is submitted to HUD. As of May, 2019, SHA received \$105K as excess disbursements due to voucher underutilization.											
<b>5 Mod Rehab Program - Admin only</b>											
Total Revenue	\$ 14,416	\$ 13,570	\$ 846	6%	\$ 113,074	\$ 108,560	\$ 4,514	4%	162,841	69.4%	66.7%
Total Expenses	9,222	8,560	662	8%	68,077	68,080	(3)	0%	102,411	66.5%	66.7%
↑ Net Operating Income (loss)	\$ 5,194	\$ 5,010	\$ 184	4%	\$ 44,997	\$ 40,480	\$ 4,517	11%	60,430		
*Calculated as percentage allocation of HCV Admin budget. Operating with no concerns.											
<b>6 COCC Program Only</b>											
Total Revenue	\$ 93,150	\$ 121,422	\$ (28,272)	-23%	\$ 971,780	\$ 971,376	\$ 404	0%	1,501,617	64.7%	66.7%
Total Expenses	\$ 129,842	\$ 141,632	\$ (11,790)	-8%	\$ 1,009,942	\$ 1,138,845	\$ (128,903)	-11%	1,718,752	58.8%	66.7%
<b>Reserve transfer out (in)</b>	\$ -	\$ (18,333)			\$ -	\$ (146,667)			(220,000)	0.0%	
← Net Operating Income	\$ (36,692)	\$ (1,877)	\$ (34,815)	1855%	\$ (38,161)	\$ (20,802)	\$ (17,359)	83%	2,865		
*Operating expenses under budget. No concerns at this time.											
<b>7 JC BULLS ( 100 units)</b>											
Total Revenue	\$ 73,508	\$ 67,811	\$ 5,697	8%	\$ 552,407	\$ 542,488	\$ 9,919	2%	813,728	67.9%	66.7%
Total Operating Expenses	\$ 42,883	\$ 59,094	\$ (16,211)	-27%	\$ 369,209	\$ 474,597	\$ (105,388)	-22%	711,437	51.9%	66.7%
↑ Net Operating Income	\$ 30,625	\$ 8,717	\$ 21,908	251%	\$ 183,198	\$ 67,891	\$ 115,307	170%	102,291		
*Operating expenses under budget. No concerns at this time.											
<b>8 OVERALL RESULTS</b>											
Net Operating Income	\$ 67,602				\$ 515,566	\$ 102,136	\$ 413,431	404.79%			

**SPARTANBURG HOUSING AUTHORITY**  
**Asset Management Financials- Per AMP**

Actual to Budget Variance Comparison  
For eight (8) months ending May, 2019

	Month To Date				Period to Date				Annual Budget					
	MTD Actual	MTD Budget	\$ Variance	% Variance	PTD Actual	PTD Budget	\$ Variance	% Variance	% Used PTD	Annual Target				
<b>1 Cambridge/Brawley</b>														
Total Revenue	\$ 1,107	\$ 2,348	\$ (1,241)	-53%	\$ 17,176	\$ 18,784	\$ (1,608)	-9%	28,165	61.0%	66.7%		8.3333333	67%
Total Operating Expenses	2,573	2,160	413	19%	25,049	17,528	7,521	43%	26,123	95.9%	66.7%			
Net Operating Income	\$ (1,466)	\$ 188	\$ (1,654)	-880%	\$ (7,873)	\$ 1,256	\$ (9,129)	-727%	2,043					
<b>2 Scattered Sites</b>														
Total Revenue	\$ 4,075	\$ 4,426	\$ (351)	-8%	\$ 35,559	\$ 35,408	\$ 151	0%	53,109	67.0%	66.7%			
Total Expenses	\$ 3,152	\$ 6,806	(3,654)	-54%	27,215	55,631	(28,416)	-51%	73,886	36.8%	66.7%			
Reserve transfer out (in)		(1,731)				(13,851)			(20,777)			monthlybudget	1,731.43	20,777.10
Net Operating Income (loss)	\$ 924	\$ (649)	\$ 1,572	-242%	\$ 8,345	\$ (6,372)	\$ 14,716	-231%	-			# of months	8	
<b>3 Prince Hall</b>														
Total Revenue	\$ 54,619	\$ 53,287	\$ 1,332	2%	\$ 440,546	\$ 426,296	\$ 14,250	3%	639,445	68.9%	66.7%			
Total Expenses	\$ 46,618	\$ 52,459	(5,841)	-11%	377,012	421,591	(44,579)	-11%	631,751	59.7%	66.7%			
Net Operating Income (loss)	\$ 8,001	\$ 828	\$ 7,173	866%	\$ 63,534	\$ 4,705	\$ 58,829	1250%	7,694					
<b>4 Victoria Gardens</b>														
Total Revenue	50,684	49,200	1,484	3%	\$ 411,626	\$ 393,600	\$ 18,026	5%	590,401	69.7%	66.7%			
Total Expenses	65,123	47,697	17,426	37%	401,594	387,312	14,282	4%	573,842	70.0%	66.7%			
Net Operating Income	\$ (14,440)	\$ 1,503	\$ (15,943)		\$ 10,032	\$ 6,288	\$ 3,744		16,559					
<b>5 Camp Croft</b>														
Total Revenue	\$ 56,123	\$ 56,362	\$ (239)	0%	\$ 452,942	\$ 450,896	\$ 2,046	0%	676,335	67.0%	66.7%			
Total Expenses	53,073	56,104	(3,031)	-5%	447,060	457,882	(10,822)	-2%	685,344	65.2%	66.7%			
Reserve transfer out (in)	-	(751)			-	(6,006)			(9,009)			monthlybudget	750.75	9,009.00
Net Operating Income (loss)	\$ 3,050	\$ 1,009	\$ 2,041	202%	\$ 5,883	\$ (980)	\$ 6,863	-700%	(0)			# of months	8	
<b>6 Archibald Hi-Rise</b>														
Total Revenue	\$ 70,827	\$ 72,866	\$ (2,039)	-3%	\$ 603,679	\$ 582,928	\$ 20,751	4%	874,382	69.0%	66.7%			
Total Expenses	\$ 67,603	\$ 76,320	\$ (8,717)	-11%	566,233	609,604	\$ (43,371)	-7%	907,860	62.4%	66.7%			
Reserve transfer out (in)	\$ -	\$ (2,790)			\$ -	\$ (22,319)			(33,478)			monthlybudget	2789.8583	33,478.30
Net Operating Income	\$ 3,224	\$ (664)	\$ 3,888	-585%	\$ 37,446	\$ (4,357)	\$ 41,803	-959%	0			# of months	8	
<b>7 Archibald Village</b>														
Total Revenue	\$ 25,715	\$ 24,636	\$ 1,079	4%	\$ 211,636	\$ 197,088	\$ 14,548	7%	295,622	71.6%	66.7%			
Total Operating Expenses	\$ 16,847	\$ 23,387	\$ (6,540)	-28%	162,050	188,900	\$ (26,850)	-14%	283,007	57.3%	66.7%			
Net Operating Income	\$ 8,869	\$ 1,249	\$ 7,620	610%	\$ 49,587	\$ 8,188	\$ 41,399	506%	12,616					

SPARTANBURG HOUSING AUTHORITY													
Section 8 Reserved & Restricted Cash Flow													
May 31, 2019													
<b>INFLOWS:</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>June</b>	<b>July</b>	<b>Aug</b>	<b>Sept</b>	
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>TOTAL</b>
Section 8 HAP Subsidy	953,434	578,836	950,742	964,177	964,177	956,358	956,358	959,434					7,283,516
Inter fund settlement //HAP acct	-	-	-	-	-	-	-	-					-
Section 8 Admin Subsidy	99,023	102,389	102,789	102,389	109,070	103,304	103,304	103,304					825,572
Section 8 Port-In Admin Fees													-
Mod Rehab HAP	4,233	122,059	116,720	116,720	116,720	3,956	114,224	116,720					711,352
Mod Rehab Admin	12,162	16,670	14,416	14,416	14,416	-	14,416	14,416					100,912
FSS Forfeitures income													-
TBRA- HAP Earned	5,094	3,731	8,557	6,232	11,156	6,699	8,586	7,835					57,890
HCV Recovery/Interest/Refunds	3,685	3,685	2,765	18,404	2,840	2,503	3,038	3,681					40,601
<b>HUD Subsidy</b>	<b>1,077,631</b>	<b>827,370</b>	<b>1,195,989</b>	<b>1,222,338</b>	<b>1,218,379</b>	<b>1,072,820</b>	<b>1,199,926</b>	<b>1,205,390</b>	-	-	-	-	<b>9,019,843</b>
<b>OUTFLOWS:</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>June</b>	<b>July</b>	<b>Aug</b>	<b>Sept</b>	
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>TOTAL</b>
Section 8:													
Housing Assistance	920,003	915,639	924,339	906,799	920,758	896,546	942,934	941,434					7,368,452
Mod Rehab Vouchers	106,858	100,594	109,693	110,084	106,872	102,661	108,979	86,970					832,711
Sec 8 Admin Expenses	76,831	89,117	88,595	106,353	88,582	101,974	100,179	94,016					745,646
Mod Rehab Admin	6,311	7,737	7,838	9,968	8,657	8,784	9,561	9,222					68,077
TBRA - Vouchers	4,631	3,392	7,779	5,665	10,142	6,090	7,806	7,123					52,628
<b>Total Payments</b>	<b>1,114,634</b>	<b>1,116,478</b>	<b>1,138,244</b>	<b>1,138,869</b>	<b>1,135,011</b>	<b>1,116,054</b>	<b>1,169,459</b>	<b>1,138,764</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9,067,514</b>
<b>Net Inflow (Outflow)</b>	<b>(37,003)</b>	<b>(289,108)</b>	57,746	83,469	83,368	<b>(43,235)</b>	30,467	66,626	0	0	0	0	<b>(47,671)</b>
MOD Rehab settlement with HUD						129,674							
Net inflow (outflow) offset by reserve						86,439							
<b>Reserve Account INFLOW(OUTFLOW)</b>													
Net Section 8 HAP	37,116	(333,118)	29,168	75,782	46,259	62,315	16,462	21,681	-	-	-	-	
Net Mod Rehab HAP	(102,625)	21,465	7,027	6,636	9,848	(98,705)	5,245	29,750	-	-	-	-	
Section 8 Admin	22,192	13,272	14,194	(3,964)	20,488	1,330	3,125	9,288	-	-	-	-	
TBRA	463	339	778	567	1,014	609	780	712	-	-	-	-	
Mod Rehab Admin	5,851	8,933	6,578	4,448	5,759	(8,784)	4,855	5,194	-	-	-	-	
Total	(37,003)	(289,108)	57,746	83,469	83,368	(43,235)	30,467	66,626	-	-	-	-	
<b>Check</b>	<b>0.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>(0.00)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Reserve Bank Accounts</b>													
<b>Section 8 and Mod Rehab disbursement</b>	444,252	304,570	366,345	447,780	519,960	408,578	393,307	445,712					
<b>Sec 8 HAP -NRA</b>	468,656	220,377	221,825	224,114	226,764	230,119	232,453	234,071					
<b>Sec 8 - Operations -UNA</b>	177,788	177,788	177,788	177,788	177,788	177,788	177,788	177,788					
<b>Mod Rehab -ADMIN</b>	92,399	92,399	92,399	92,399	92,399	92,399	92,399	92,399					
	<b>1,183,095</b>	<b>795,134</b>	<b>858,357</b>	<b>942,081</b>	<b>1,016,911</b>	<b>908,884</b>	<b>895,947</b>	<b>949,970</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	





**Monthly Reports:  
Programs Dashboard**

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**Board of Commissioners Meeting  
Tuesday, June 25, 2019**



**JUNE 25, 2019**

**Spartanburg Housing Authority  
Spartanburg, SC 29302**

**HONORABLE MEMBERS IN SESSION:**

**SUBJECT:**

**ASSET MANAGEMENT DEPARTMENT MONTHLY REPORT—MAY 2019**

**CONTACT PERSON:**

Jessica Holcomb  
Deputy Director of Asset Management and Special Projects  
864-598-6023

**OCCUPANCY**

As part of HUD's Public Housing Utilization Project, as of May 31, 2019, Asset Management ended the month at 94.37% for all SHA managed developments. The targeted goal is to maintain an occupancy of 97% overall. Excluding the vacant units at Scattered Sites, the SHA would have a 96.27% overall occupancy. Total Vacant Units excluding Scattered Sites is 18 Units; 6 of which are off-line for extensive repairs (2 Camp Croft Courts, 1 Victoria Gardens, and 2 at Archibald Hi-Rise and 1 Prince Hall).

<b>HUD GOAL</b>	<b>SHA Actual</b>	<b>Excluding Outliers</b>	<b>VISTA Managed PH</b>
97%	94.37%	96.27%	97.50%

**TENANT ACCOUNTS RECEIVABLE REPORTS:**

The Tenant Accounts Receivable Collection rate for SHA managed developments was 81.29% for all public housing properties and 98.59% for SHA managed market units and multi-family properties. The Deputy Director of Asset Management continues to reiterate the importance of improving collections as it is a major component to the PHAS score. The Asset Management team continues to aggressively act to collect all debts. While over \$13,671.16 went uncollected for the month, there was a tremendous surge in prepaids totaling over \$8,195.43.

<b>HUD GOAL</b>	<b>SHA PH Actual</b>	<b>SHA MF and Market Actual</b>
98.5%	81.29%	98.59%



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TENANT CHARGE ANALYSIS REPORT FOR MAY 2019									
Property					AGED TENANT ACCOUNTS			YTD ACTUAL	OCCUPANCY
	CHARGED	UNPAID	TARS	PREPAYS	ACTIVE	INACTIVE	TOTAL		
Camp Croft	\$ 25,462.24	4,681.49	✗ 81.94%	825.41	\$ 3,856.08	743.57	\$4,599.65	\$5,883.00	93.75%
Archibald Village	13,964.00	1.50	✓ 106.74%	511.28	\$ (509.78)	(431.00)	\$(940.78)	\$49,587.00	98.00%
Archibald Rutledge	38,421.00	1,237.25	✓ 99.02%	2231.64	\$ (994.39)	1,371.50	\$377.11	\$37,446.00	98.00%
Scattered Sites	2,648.00	-	✓ 101.85%	48.00	\$ (48.00)	(1.00)	\$(49.00)	\$8,345.00	33.33%
Prince Hall	15,497.86	3,134.22	✗ 89.03%	2775.04	\$ 359.18	1,340.39	\$1,699.57	\$63,534.00	97.00%
Victoria Gardens	17,460.45	4,372.70	✗ 69.97%	1478.06	\$ 2,894.64	2,348.20	\$5,242.84	\$10,032.00	93.75%
Cambridge Place/Brawley	978.00	-	✓ 111.15%	109.00	\$ (109.00)	-	\$(109.00)	\$(7,873.00)	100.00%
<b>PH TOTAL</b>	<b>114,431.55</b>	<b>13,427.16</b>	<b>✗ 81.29%</b>	<b>7,978.43</b>	<b>5,448.73</b>	<b>5,371.66</b>	<b>\$10,820.39</b>	<b>\$166,954.00</b>	<b>94.37%</b>
Page Lake	3,349.00	-	✓ 100.00%	0.00	\$ -	-	\$0.00	\$6,486.00	100.00%
JC Bull	26,998.00	244.00	✓ 103.59%	187.00	\$ 57.00	(1,026.00)	\$(969.00)	\$183,197.00	95.00%
Liberty	1,827.00	-	✓ 101.64%	30.00	\$ (30.00)	-	\$(30.00)	\$1,857.00	100.00%
Appian	228.00	-	✓ 100.00%	0.00	\$ -	-	\$0.00	\$(16,436.00)	100.00%
Fisher	395.00	-	✓ 100.00%	0.00	\$ -	-	\$0.00	\$(5,823.00)	100.00%
<b>Total</b>	<b>\$ 32,797.00</b>	<b>244.00</b>	<b>✓ 98.59%</b>	<b>217.00</b>	<b>27.00</b>	<b>(1,026.00)</b>	<b>\$(999.00)</b>	<b>\$169,281.00</b>	<b>95.76%</b>

#### MILESTONES, CONCERNS, ETC.:

- On May 23, 2019 a major leak in the ceiling of a unit at Page Lake Manor caused the displacement of three residents. The leak was due to a split in the line to the sprinkler. An insurance claim was filed and two of the three residents have returned home. The unit where the leak originated is awaiting repairs.

Respectfully Submitted, Jessica M. Holcomb  
 Jessica Holcomb, Deputy Director  
 Spartanburg Housing Authority

**CAPITAL FUND TABLE**  
**REPLACEMENT HOUSING FACTOR FUNDS**  
**CAPITAL FUND**

Replacement Housing Factor Grant No. SC16R003502-15					
Original Award Amount	Obligation Deadline	Expenditure Deadline	Amount Obligated	Amount Dispersed	Amount Available
\$218,757	4/12/2020*	4/12/2022	\$58,080.34	\$58,080.34	\$160,676.66
Replacement Housing Factor Grant No. SC16R003502-16					
Original Award Amount	Obligation Deadline	Expenditure Deadline	Amount Obligated	Amount Dispersed	Amount Available
\$225,533	4/12/2021*	4/12/2023			\$225,533
Replacement Housing Factor Grant No. SC16R003502-17					
Original Award Amount	Obligation Deadline	Expenditure Deadline	Amount Obligated	Amount Dispersed	Amount Available
\$162,926	8/15/2019	8/15/2021			\$162,926
Capital Fund Program Grant No. SC16P003501-16					
Original Award Amount	Obligation Deadline	Expenditure Deadline	Amount Obligated	Amount Dispersed	Amount Available
\$1,289,642	4/12/2018	4/12/2020	\$1,244,642	\$929,160.05	\$360,481.95
Capital Fund Program Grant No. SC16P003501-17					
Original Award Amount	Obligation Deadline	Expenditure Deadline	Amount Obligated	Amount Dispersed	Amount Available
\$926,447	8/15/2019	8/15/2021	\$237,495.91	\$237,495.91	\$688,951.09
Capital Fund Program Grant No. SC16P003501-18					
Original Award Amount	Obligation Deadline	Expenditure Deadline	Amount Obligated	Amount Dispersed	Amount Available
\$1,246,092	5/28/2022	5/28/2020			\$1,246,092
Capital Fund Program Grant No. SC16P003501-19					
Original Award Amount	Obligation Deadline	Expenditure Deadline	Amount Obligated	Amount Dispersed	Amount Available
\$1,289,028	5/28/2022	5/28/2020			\$1,246,092

\*Approved extension deadlines from HUD

**Compliance/ Regulatory:** The Capital Fund is awarded by HUD annually based in part on the number of units in the PHA portfolio. SHA must submit a proposed budget to HUD for approval. Funds must be obligated within 24 months and expended within 48 months. The funds are generally approved for projects directly associated with asset management. Ten percent of the award may be committed to the COCC and categories such as "Management Improvement" may be approved by HUD. (an example would be computer upgrades which benefit the overall operation of the authority). Much of SHA's historical capital fund was used to satisfy outstanding debt (Capital Fund Financing). The RHF funds are committed to be utilized in the project on the Northside, currently underway. The expenditure date has been extended by HUD:

- 2016 Capital Fund Obligation and Disbursement End dates
  - 1) April 13, 2016 Obligation Start Date
  - 2) April 12, 2018 Obligation End Date
  - 3) April 12, 2020 Disbursement End Date
- 2017 Capital Fund Obligation and Disbursement End dates
  - 1) August 16, 2017 Obligation Start Date
  - 2) August 15, 2019 Obligation End Date
  - 3) August 15, 2021 Disbursement End Date
- 2018 Capital Fund Obligation and Disbursement End dates
  - 1) May 28, 2018 Obligation Start Date
  - 2) May 28, 2020 Obligation End Date
  - 3) May 28, 2022 Disbursement End Date
- 2019 Capital Fund Obligation and Disbursement End dates
  - 1) April 16, 2019 Obligation Start Date
  - 2) April 15, 2021 Obligation End Date
  - 3) April 15, 2023 Disbursement End Date
- Monthly reporting by the 5<sup>th</sup> of each month on the obligation and expenditure of each open Capital Fund in the Line of Credit Control System (LOCCS)

#### OUTLIERS

- Anticipating not receiving Capital Funds in 2020
- Majority of 2017 Capital Fund have been obligated for RAD
- Lack of Capital Funds to meet SHA's physical needs of the properties

#### MILESTONE

- After reviewing the Capital Fund Emergency Grant, HUD has requested an itemized breakdown of each component in the proposal for the elevator modernization at Archibald Hi-Rise

### **DEVELOPMENT**

#### COMPLIANCE/REGULATORY

- SHA must issue RFP's and RFQ's for developer and contractor activity while adhering to SHA and HUD procurement policies

#### OUTLIERS

- SHA experiences challenges in attracting interested and qualified vendors

#### MILESTONES

- Updated appraisal for Cammie Clagett office was completed and submitted to HUD field office in Columbia
- Attended the ribbon cutting for Parkside at Drayton

SHA and PGIM have started weekly calls to discuss the checklist and third party reports for the refinancing of Country Gardens. The architect has provided renderings of the necessary alterations to make another unit handicap accessible at Country Gardens. SHA and Vista Management continue to receive estimates for the critical and non-critical repairs. Bi-weekly calls continue with RECAP Real Estate Advisors as SHA continues to transition its properties to RAD.

## HOUSING CHOICE VOUCHER PROGRAM

### COMPLIANCE/REGULATORY

- The HUD requirement is that the PHA utilizes 98% of its vouchers or 98% of its allocated funding.
- The **Housing Choice Voucher Program's (HCV)** cumulative leasing and budget utilization from the 24 Month Tool.

Cumulative % Annual Leased	Cumulative % Eligibility Expended	Monthly UML %	Monthly ABA Expended %
90.0%	99.7 %	90.7%	100.2%

- The current monthly lease up rate for **HCV** which includes **Project Based Voucher (PBV)** and **Rental Assistance Demonstration (RAD)** Programs:

HCV	PBV	RAD
91%	97%	93%

- The **Mod Rehab Program (MOD)** leasing rate is 90%:

Norris Ridge	Morningside
99%	81%

- The **Tenant Based Rental Assistance Program (TBRA)**

Veterans	Working Families
100%	0%

### OUTLIERS

- The HCV Department is working to maintain leasing within our budget allocation in the HCV, RAD, PBV, and MOD Rehab programs to ensure that the program meets HUD requirements.
- The Mod Rehab Program leasing is at the required 90%. SHA is waiting for HUD to provide replacement voucher for the families at Morningside Apartments.
- The TBRA Program for veterans has sixteen (16) participants.
- The TBRA2 Program has fifteen (20) families searching for housing.

### MILESTONES

- Housing Choice Voucher Program issued thirty (33) vouchers, sixty-nine (69) families are searching for housing and twenty-two (22) vouchers expired.
- There were twenty-nine (29) new move ins.

Program	Units Allocated	Units Leased	Unused
HCV	1759	1575	184
PBV	273	267	6
RAD	338	315	23
MOD	226	215	11
<b>Totals</b>	<b>2596</b>	<b>2372</b>	<b>224</b>

## COMMUNITY AND SUPPORTIVE SERVICES-MAY 2019

Grant #	Grant Name	Closing Date	Remaining Balance	Notes
YB-28112-16-60-A-45	YouthBuild	4/30/2019	\$72,177 (Closeout Due 90 days from the grant expiration date)	YouthBuild Staff discontinued 4/30/2019
MFSC179397	MultiFamily	12/31/2018	\$0	Next Batch Funding Approximately June 2019; Position Vacant
SC003RPS11A015	ROSS	3/24/2020	\$134,486.68	Position Vacant
FSS18SC2129	FSS	2/18/2020	\$45,659.52	N/A

## MILESTONES

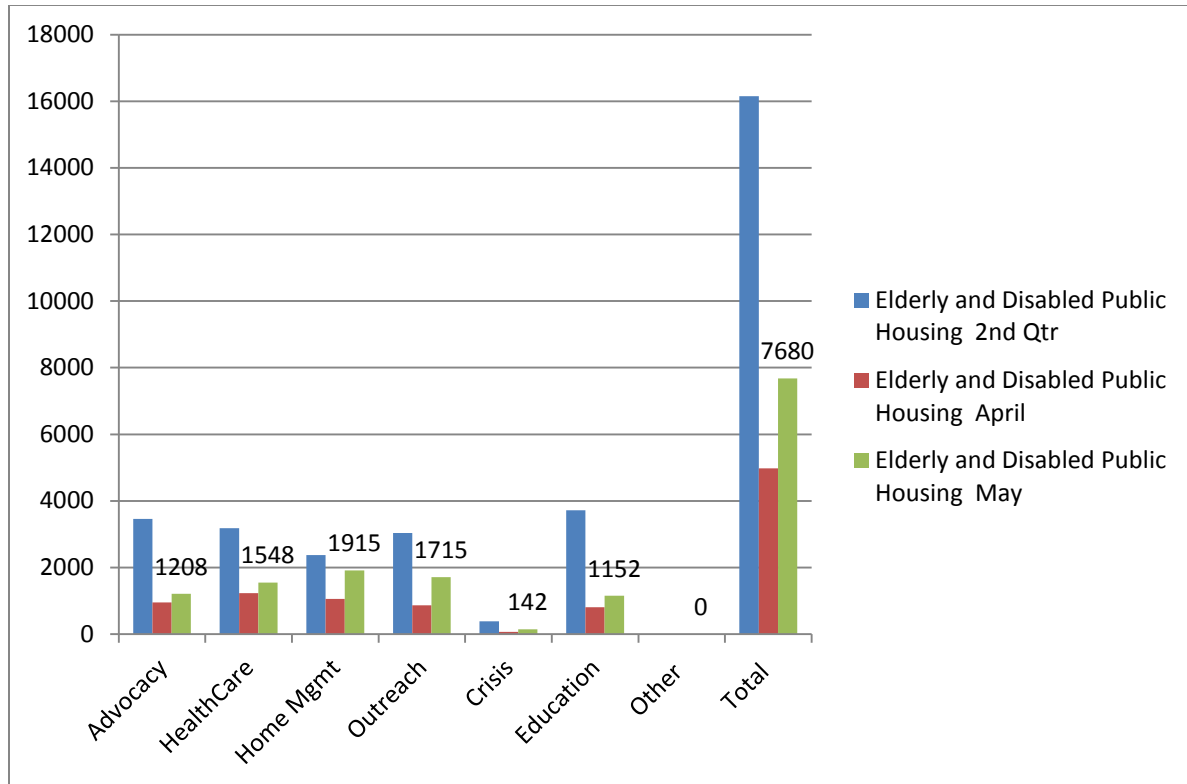
HUD Strong Families events are designed bring together partners from HUD, other federal agencies and partners in support of the event. The Housing Authority of the City of Spartanburg (SHA) collaborated with the City of Spartanburg, Spartanburg Juneteenth, The Community Group and Brothers Restoring Urban Hope for a fun-filled event for the whole family. SHA residents had the opportunity to engage in free health screenings, a college fair and a resource and job fair. There were plenty of games and activities for the youth, teenagers, adults, and the elderly. The day began with transportation provided by City of Spartanburg at each of the SHA public housing sites. Free food, a t-shirt and a family portrait were also provided to the over 200 residents in attendance.





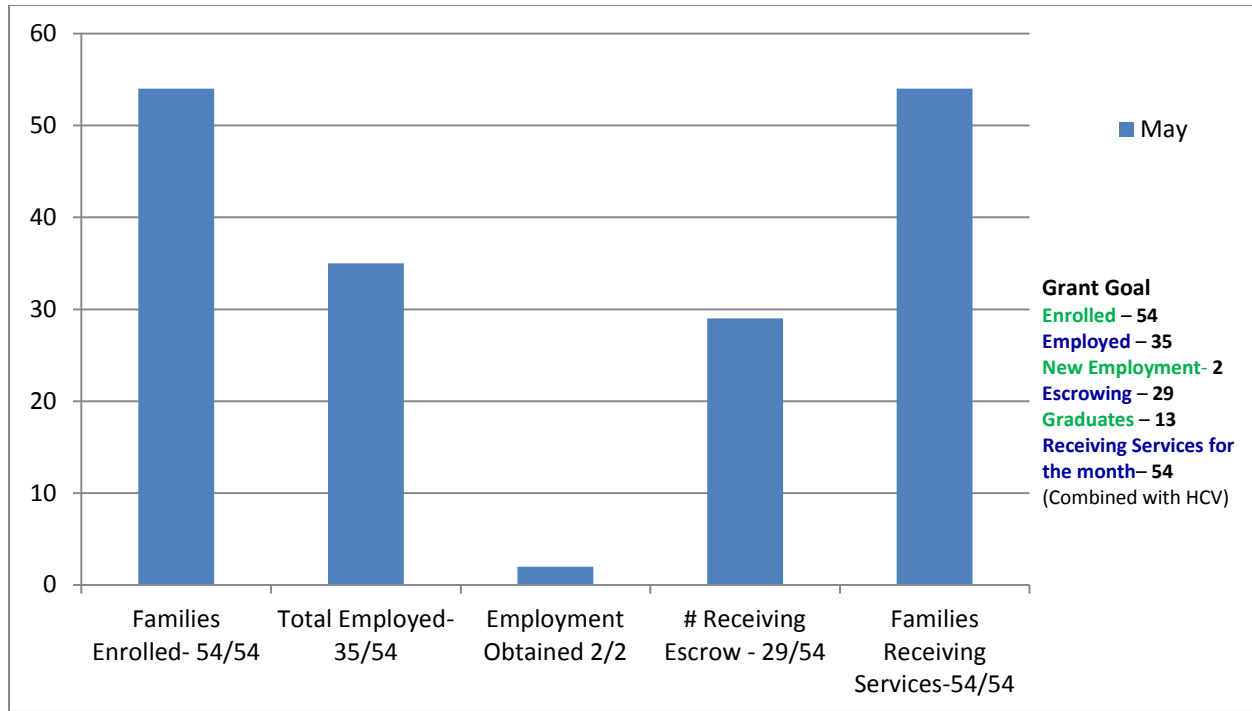


**EDSC ELDERLY AND DISABLED PROGRAM # of Services for 2019 (MAY)**  
**Archibald High Rise, Archibald Village, Camp Croft Courts,**  
**Victoria Gardens, Prince Hall**



**HCV/PH HOUSING FSS PROGRAM (MAY)**  
(Grant Period is 1/1/19 to 12/31/19)

FSS Escrow Account	As of 5/31/2019
<b>Public Housing</b>	<b>\$13,512</b>
<b>HCV</b>	<b>\$78,361</b>



Informational sessions for the FSS program were held for the month of May at SHA's COCC and CC Woodson on May 7<sup>th</sup> and May 16<sup>th</sup>.

ReGenesis facilitated budgeting workshops at SHA's COCC on May 9<sup>th</sup> and May 23<sup>rd</sup>.

Several meetings were held throughout the month for the FSS Program in order to assist participants individually with resume construction and job search assistance.

The assessment phase of the enrollment process was completed for prospective participants; they are set to be enrolled by July 1, 2019.