



2023

Annual Plan



<b>Annual PHA Plan</b> <i>(Standard PHAs and Troubled PHAs)</i>	U.S. Department of Housing and Urban Development Office of Public and Indian Housing	OMB No. 2577-0226 Expires: 03/31/2024
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**Purpose.** The 5-Year and Annual PHA Plans provide a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA's operations, programs, and services, including changes to these policies, and informs HUD, families served by the PHA, and members of the public of the PHA's mission, goals and objectives for serving the needs of low- income, very low- income, and extremely low- income families.

**Applicability.** The 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 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, that owns or manages less than 250 public housing units and any number of vouchers where the total combined units exceed 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 exceed 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>Fargo Housing and Redevelopment Authority</u> <b>PHA Code:</b> <u>ND014</u>  <b>PHA Type:</b> <input type="checkbox"/> Standard PHA <input checked="" type="checkbox"/> Troubled PHA  <b>PHA Plan for Fiscal Year Beginning:</b> (MM/YYYY): <u>01/2023</u>  <b>PHA Inventory</b> (Based on Annual Contributions Contract (ACC) units at time of FY beginning, above)  <b>Number of Public Housing (PH) Units</b> <u>478</u> <b>Number of Housing Choice Vouchers (HCVs)</b> <u>1997</u> <b>Total Combined Units/Vouchers</b> <u>2475</u>  <b>PHA Plan Submission Type:</b> <input checked="" type="checkbox"/> Annual Submission <input type="checkbox"/> Revised Annual Submission         </p> <p> <b>Availability of Information.</b> PHAs must have the elements listed below readily available to the public. A PHA must identify the specific location(s) where the proposed PHA Plan, PHA Plan Elements, and all information relevant to the public hearing and proposed PHA Plan are available for inspection by the public. At a minimum, PHAs must post PHA Plans, including updates, at each Asset Management Project (AMP) and main office or central office of the PHA. PHAs are strongly encouraged to post complete PHA Plans on their official website. PHAs are also encouraged to provide each resident council a copy of their PHA Plans.         </p> <p> <input type="checkbox"/> <b>PHA Consortia:</b> (Check box if submitting a Joint PHA Plan and complete table below)         </p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th rowspan="2" style="width: 25%;">Participating PHAs</th> <th rowspan="2" style="width: 10%;">PHA Code</th> <th rowspan="2" style="width: 25%;">Program(s) in the Consortia</th> <th rowspan="2" style="width: 20%;">Program(s) not in the Consortia</th> <th colspan="2" style="width: 20%;">No. of Units in Each Program</th> </tr> <tr> <th style="width: 10%;">PH</th> <th style="width: 10%;">HCV</th> </tr> </thead> <tbody> <tr> <td>Lead PHA:</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td> </td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td> </td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td> </td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Participating PHAs	PHA Code	Program(s) in the Consortia	Program(s) not in the Consortia	No. of Units in Each Program		PH	HCV	Lead PHA:																							
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B.	Plan Elements
B.1	<p><b>Revision of Existing 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 type="checkbox"/> <input checked="" type="checkbox"/> Homeownership Programs.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Community Service and Self-Sufficiency Programs.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Safety and Crime Prevention.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Pet Policy.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Asset Management.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Substantial Deviation.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Significant Amendment/Modification</p> <p>(b) If the PHA answered yes for any element, describe the revisions for each revised element(s): See attachment B.1: Statement of Housing Needs and Strategy, eligibility policy regarding length of time for Marijuana charges from 3 to 1 year. Rent determination, Payment standards, flat rents, and utility allowances for 2023. FSS action Plan for Family Self-Sufficiency</p> <p>(c) The PHA must submit its Deconcentration Policy for Field Office review.</p>
B.2	<p><b>New Activities.</b></p> <p>(a) Does the PHA intend to undertake any new activities related to the following in the PHA's current Fiscal Year?</p> <p>Y N</p> <p><input 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 type="checkbox"/> <input checked="" type="checkbox"/> Designated Housing for Elderly and/or Disabled Families.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Conversion of Public Housing to Tenant-Based Assistance.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Conversion of Public Housing to Project-Based Rental Assistance or Project-Based Vouchers 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 type="checkbox"/> <input checked="" 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 type="checkbox"/> <input checked="" type="checkbox"/> Other Capital Grant Programs (i.e., Capital Fund Community Facilities Grants or Emergency Safety and Security Grants).</p> <p>(b) If any of these activities are planned for the current Fiscal Year, describe the activities. For new demolition activities, describe any public housing development or portion thereof, owned by the PHA for which the PHA has applied or will apply for demolition and/or disposition approval under section 18 of the 1937 Act under the separate demolition/disposition approval process. If using Project-Based Vouchers (PBVs), provide the projected number of project-based units and general locations, and describe how project basing would be consistent with the PHA Plan. <b>Demolition of Existing high rise 14-001. Mixed Finance development of Lashkowitz Riverfront 110 Units. Project Based Vouchers: complete Lantern Light PBV (23 Supportive Housing PBV) and Silver Lining PBV (10 VASH)</b></p>
B.3	<p><b>Progress Report.</b></p> <p>Provide a description of the PHA's progress in meeting its Mission and Goals described in the PHA 5-Year and Annual Plan. <b>See attachment B.3</b></p>

B.4	<p><b>Capital Improvements.</b> Include a reference here to the most recent HUD-approved 5-Year Action Plan in EPIC and the date that it was approved.</p> <p><b>Last approved Capital Plan was on 12/21/2020 in EPIC. New 5-year Capital Plan attached for submittal into EPIC.</b></p>
B.5	<p><b>Most Recent Fiscal Year Audit.</b></p> <p>(a) Were there any findings in the most recent FY Audit?</p> <p>Y N  <input checked="" type="checkbox"/> <input type="checkbox"/></p> <p>(b) If yes, please describe: .5 point lost for Rent reasonableness in Public Housing, .5 point lost for approving 2020 budget in 2021. 2022 and 2023 were approved on time. 24 out of 25 points received.</p>
<p><b>C. Other Document and/or Certification Requirements.</b></p>	
C.1	<p><b>Resident Advisory Board (RAB) Comments.</b></p> <p>(a) Did the RAB(s) have 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>
C.2	<p><b>Certification by State or Local Officials.</b></p> <p><a href="#">Form HUD 50077-SL</a>, <i>Certification by State or Local Officials of PHA Plans Consistency with the Consolidated Plan</i>, must be submitted by the PHA as an electronic attachment to the PHA Plan.</p>
C.3	<p><b>Civil Rights Certification/ Certification Listing Policies and Programs that the PHA has Revised since Submission of its Last Annual Plan.</b></p> <p>Form HUD-50077-ST-HCV-HP, <i>PHA Certifications of Compliance with PHA Plan, Civil Rights, and Related Laws and Regulations Including PHA Plan Elements that Have Changed</i>, must be submitted by the PHA as an electronic attachment to the PHA Plan.</p>
C.4	<p><b>Challenged Elements.</b> If any element of the PHA Plan is challenged, a PHA must include such information as an attachment with a description of any challenges to Plan elements, the source of the challenge, and the PHA's response to the public.</p> <p>(a) Did the public challenge any elements of the Plan?</p> <p>Y N  <input type="checkbox"/> <input checked="" type="checkbox"/></p> <p>If yes, include Challenged Elements.</p>
C.5	<p><b>Troubled PHA.</b></p> <p>(a) Does the PHA have any current Memorandum of Agreement, Performance Improvement Plan, or Recovery Plan in place?</p> <p>Y N N/A  <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p>(b) If yes, please describe:</p> <p>For fiscal year ending 2018 FHRA was designated as Troubled by HUD's Real Estate Assessment Center. A Recovery Agreement was executed on July 20, 2021, and an Action Plan was put into place to address areas of performance, as well as a sustainability plan. All action items have been addressed and submitted to HUD for review and approval. At this time, RHA is waiting for re-scoring to occur from the Real Estate Assessment Center, for the period ending December 21, 2022</p>

<b>D.</b>	<b>Affirmatively Furthering Fair Housing (AFFH).</b>					
<b>D.1</b>	<p><b>Affirmatively Furthering Fair Housing (AFFH).</b></p> <p>Provide a statement of the PHA’s strategies and actions to achieve fair housing goals outlined in an accepted Assessment of Fair Housing (AFH) consistent with 24 CFR § 5.154(d)(5). Use the chart provided below. (PHAs should add as many goals as necessary to overcome fair housing issues and contributing factors.) Until such time as the PHA is required to submit an AFH, the PHA is not obligated to complete this chart. The PHA will fulfill, nevertheless, the requirements at 24 CFR § 903.7(o) enacted prior to August 17, 2015. See Instructions for further detail on completing this item.</p> <table border="1" data-bbox="180 661 1456 1113"> <tr> <td data-bbox="180 661 1456 703"><b>Fair Housing Goal:</b></td> </tr> <tr> <td data-bbox="180 703 1456 1113"><i>Describe fair housing strategies and actions to achieve the goal</i></td> </tr> </table> <table border="1" data-bbox="180 1138 1456 1554"> <tr> <td data-bbox="180 1138 1456 1180"><b>Fair Housing Goal:</b></td> </tr> <tr> <td data-bbox="180 1180 1456 1554"><i>Describe fair housing strategies and actions to achieve the goal</i></td> </tr> </table> <table border="1" data-bbox="180 1575 1456 1619"> <tr> <td data-bbox="180 1575 1456 1619"><b>Fair Housing Goal:</b></td> </tr> </table>	<b>Fair Housing Goal:</b>	<i>Describe fair housing strategies and actions to achieve the goal</i>	<b>Fair Housing Goal:</b>	<i>Describe fair housing strategies and actions to achieve the goal</i>	<b>Fair Housing Goal:</b>
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## Instructions for Preparation of Form HUD-50075-ST Annual PHA Plan for Standard and Troubled PHAs

### A. PHA Information. All PHAs must complete this section. (24 CFR §903.4)

A.1 Include the full PHA Name, PHA Code, PHA Type, PHA Fiscal Year Beginning (MM/YYYY), PHA Inventory, Number of Public Housing Units and or Housing Choice Vouchers (HCVs), PHA Plan Submission Type, and the Availability of Information, specific location(s) of all information relevant to the public hearing and proposed PHA Plan. (24 CFR §903.23(4)(e))

**PHA Consortia:** Check box if submitting a Joint PHA Plan and complete the table. (24 CFR §943.128(a))

### B. Plan Elements. All PHAs must complete this section.

#### B.1 Revision of Existing PHA Plan Elements. PHAs must:

Identify specifically which plan elements listed below that have been revised by the PHA. To specify which elements have been revised, mark the "yes" box. If an element has not been revised, mark "no." (24 CFR §903.7)

**Statement of Housing Needs and Strategy for Addressing Housing Needs.** Provide a statement addressing the housing needs of low-income, very low-income and extremely low-income families and a brief description of the PHA's strategy for addressing the housing needs of families who reside in the jurisdiction served by the PHA and other families who are on the public housing and Section 8 tenant-based assistance waiting lists. The statement must identify the housing needs of (i) families with incomes below 30 percent of area median income (extremely low-income); (ii) elderly families (iii) households with individuals with disabilities, and households of various races and ethnic groups residing in the jurisdiction or on the public housing and Section 8 tenant-based assistance waiting lists based on information provided by the applicable Consolidated Plan, information provided by HUD, and other generally available data. The statement of housing needs shall be based on information provided by the applicable Consolidated Plan, information provided by HUD, and generally available data. The identification of housing needs must address issues of affordability, supply, quality, accessibility, size of units, and location. Once the PHA has submitted an Assessment of Fair Housing (AFH), which includes an assessment of disproportionate housing needs in accordance with 24 CFR §5.154(d)(2)(iv), information on households with individuals with disabilities and households of various races and ethnic groups residing in the jurisdiction or on the waiting lists no longer needs to be included in the Statement of Housing Needs and Strategy for Addressing Housing Needs. (24 CFR §903.7(a)).

The identification of housing needs must address issues of affordability, supply, quality, accessibility, size of units, and location. (24 CFR §903.7(a)(2)(i)) Provide a description of the ways in which the PHA intends, to the maximum extent practicable, to address those housing needs in the upcoming year and the PHA's reasons for choosing its strategy. (24 CFR §903.7(a)(2)(ii))

**Deconcentration and Other Policies that Govern Eligibility, Selection, and Admissions.** PHAs must submit a Deconcentration Policy for Field Office review. For additional guidance on what a PHA must do to deconcentrate poverty in its development and comply with fair housing requirements, see 24 CFR 903.2. (24 CFR §903.23(b)) Describe the PHA's admissions policy for deconcentration of poverty and income mixing of lower-income families in public housing. The Deconcentration Policy must describe the PHA's policy for bringing higher income tenants into lower income developments and lower income tenants into higher income developments. The deconcentration requirements apply to general occupancy and family public housing developments. Refer to 24 CFR §903.2(b)(2) for developments not subject to deconcentration of poverty and income mixing requirements. (24 CFR §903.7(b)) Describe the PHA's procedures for maintain waiting lists for admission to public housing and address any site-based waiting lists. (24 CFR §903.7(b)). A statement of the PHA's policies that govern resident or tenant eligibility, selection and admission including admission preferences for both public housing and HCV. (24 CFR §903.7(b)) Describe the unit assignment policies for public housing. (24 CFR §903.7(b))

**Financial Resources.** A statement of financial resources, including a listing by general categories, of the PHA's anticipated resources, such as PHA operating, capital and other anticipated Federal resources available to the PHA, as well as tenant rents and other income available to support public housing or tenant-based assistance. The statement also should include the non-Federal sources of funds supporting each Federal program, and state the planned use for the resources. (24 CFR §903.7(c))

**Rent Determination.** A statement of the policies of the PHA governing rents charged for public housing and HCV dwelling units, including applicable public housing flat rents, minimum rents, voucher family rent contributions, and payment standard policies. (24 CFR §903.7(d))

**Operation and Management.** A statement of the rules, standards, and policies of the PHA governing maintenance and management of housing owned, assisted, or operated by the public housing agency (which shall include measures necessary for the prevention or eradication of pest infestation, including cockroaches), and management of the PHA and programs of the PHA. (24 CFR §903.7(e))

**Grievance Procedures.** A description of the grievance and informal hearing and review procedures that the PHA makes available to its residents and applicants. (24 CFR §903.7(f))

**Homeownership Programs.** A description of any Section 5h, Section 32, Section 8y, or HOPE I public housing or Housing Choice Voucher (HCV) homeownership programs (including project number and unit count) administered by the agency or for which the PHA has applied or will apply for approval. (24 CFR §903.7(k))

**Community Service and Self Sufficiency Programs.** Describe how the PHA will comply with the requirements of (24 CFR §903.7(l)). Provide a description of: **1)** Any programs relating to services and amenities provided or offered to assisted families; and **2)** Any policies or programs of the PHA for the enhancement of the economic and social self-sufficiency of assisted families, including programs subject to Section 3 of the Housing and Urban Development Act of 1968 (24 CFR Part 135) and FSS. (24 CFR §903.7(l))

**Safety and Crime Prevention (VAWA).** Describe the PHA's plan for safety and crime prevention to ensure the safety of the public housing residents. The statement must provide development-by-development or jurisdiction wide-basis: (i) A description of the need for measures to ensure the safety of public housing residents; (ii) A description of any crime prevention activities conducted or to be conducted by the PHA; and (iii) A description of the coordination between the PHA and the appropriate police precincts for carrying out crime prevention measures and activities. (24 CFR §903.7(m)) A description of: **1)** Any activities, services, or programs provided or offered by an agency, either directly or in partnership with other service providers, to child or adult victims of domestic violence, dating violence, sexual assault, or stalking; **2)** Any activities, services, or programs provided or offered by a PHA that helps child and adult victims of domestic violence, dating violence, sexual assault, or stalking; and **3)** Any activities, services, or programs provided or offered by a public housing agency to prevent domestic violence, dating violence, sexual assault, and stalking, or to enhance victim safety in assisted families. (24 CFR §903.7(m)(5))

**Pet Policy.** Describe the PHA's policies and requirements pertaining to the ownership of pets in public housing. (24 CFR §903.7(n))

**Asset Management.** State how the agency will carry out its asset management functions with respect to the public housing inventory of the agency, including how the agency will plan for the long-term operating, capital investment, rehabilitation, modernization, disposition, and other needs for such inventory. (24 CFR §903.7(q))

**Substantial Deviation.** PHA must provide its criteria for determining a "substantial deviation" to its 5-Year Plan. (24 CFR §903.7(r)(2)(i))

**Significant Amendment/Modification.** PHA must provide its criteria for determining a "Significant Amendment or Modification" to its 5-Year and Annual Plan. For modifications resulting from the Rental Assistance Demonstration (RAD) program, refer to the 'Sample PHA Plan Amendment' found in Notice PIH-2012-32 REV-3, successor RAD Implementation Notices, or other RAD Notices.

If any boxes are marked "yes", describe the revision(s) to those element(s) in the space provided.

PHAs must submit a Deconcentration Policy for Field Office review. For additional guidance on what a PHA must do to deconcentrate poverty in its development and comply with fair housing requirements, see 24 CFR 903.2. (24 CFR §903.23(b))

**B.2 New Activities.** If the PHA intends to undertake any new activities related to these elements in the current Fiscal Year, mark "yes" for those elements, and describe the activities to be undertaken in the space provided. If the PHA does not plan to undertake these activities, mark "no."

**HOPE VI or Choice Neighborhoods.** **1)** A description of any housing (including project number (if known) and unit count) for which the PHA will apply for HOPE VI or Choice Neighborhoods; and **2)** A timetable for the submission of applications or proposals. The application and approval process for Hope VI or Choice Neighborhoods is a separate process. See guidance on HUD's website at:

[https://www.hud.gov/program\\_offices/public\\_indian\\_housing/programs/ph/hope6](https://www.hud.gov/program_offices/public_indian_housing/programs/ph/hope6) . (Notice PIH 2011-47)

**Mixed Finance Modernization or Development.** **1)** A description of any housing (including project number (if known) and unit count) for which the PHA will apply for Mixed Finance Modernization or Development; and **2)** A timetable for the submission of applications or proposals. The application and approval process for Mixed Finance Modernization or Development is a separate process. See guidance on HUD's website at:

[https://www.hud.gov/program\\_offices/public\\_indian\\_housing/programs/ph/hope6/mfph#4](https://www.hud.gov/program_offices/public_indian_housing/programs/ph/hope6/mfph#4)

**Demolition and/or Disposition.** With respect to public housing only, describe any public housing development(s), or portion of a public housing development projects, owned by the PHA and subject to ACCs (including project number and unit numbers [or addresses]), and the number of affected units along with their sizes and accessibility features) for which the PHA will apply or is currently pending for demolition or disposition approval under section 18 of the 1937 Act (42 U.S.C. 1437p); and **2)** A timetable for the demolition or disposition. This statement must be submitted to the extent that approved and/or pending demolition and/or disposition has changed as described in the PHA's last Annual and/or 5-Year PHA Plan submission. The application and approval process for demolition and/or disposition is a separate process. Approval of the PHA Plan does not constitute approval of these activities. See guidance on HUD's website at: [http://www.hud.gov/offices/pih/centers/sac/demo\\_dispo/index.cfm](http://www.hud.gov/offices/pih/centers/sac/demo_dispo/index.cfm). (24 CFR §903.7(h))

**Designated Housing for Elderly and Disabled Families.** Describe any public housing projects owned, assisted or operated by the PHA (or portions thereof), in the upcoming fiscal year, that the PHA has continually operated as, has designated, or will apply for designation for occupancy by elderly and/or disabled families only. Include the following information: **1)** development name and number; **2)** designation type; **3)** application status; **4)** date the designation was approved, submitted, or planned for submission, **5)** the number of units affected and; **6)** expiration date of the designation of any HUD approved plan. **Note:** The application and approval process for such designations is separate from the PHA Plan process, and PHA Plan approval does not constitute HUD approval of any designation. (24 CFR §903.7(i)(C))



**Conversion of Public Housing under the Voluntary or Mandatory Conversion programs.** Describe any public housing building(s) (including project number and unit count) owned by the PHA that the PHA is required to convert or plans to voluntarily convert to tenant-based assistance; 2) An analysis of the projects or buildings required to be converted; and 3) A statement of the amount of assistance received to be used for rental assistance or other housing assistance in connection with such conversion. See guidance on HUD's website at:

<http://www.hud.gov/offices/pih/centers/sac/conversion.cfm>. (24 CFR §903.7(j))

**Conversion of Public Housing under the Rental Assistance Demonstration (RAD) program.** Describe any public housing building(s) (including project number and unit count) owned by the PHA that the PHA plans to voluntarily convert to Project-Based Rental Assistance or Project-Based Vouchers under RAD. See additional guidance on HUD's website at: [Notice PIH 2012-32 REV-3, successor RAD Implementation Notices, and other RAD notices.](#)

**Occupancy by Over-Income Families.** A PHA that owns or operates fewer than two hundred fifty (250) public housing units, may lease a unit in a public housing development to an over-income family (a family whose annual income exceeds the limit for a low income family at the time of initial occupancy), if all the following conditions are satisfied: (1) There are no eligible low income families on the PHA waiting list or applying for public housing assistance when the unit is leased to an over-income family; (2) The PHA has publicized availability of the unit for rental to eligible low income families, including publishing public notice of such availability in a newspaper of general circulation in the jurisdiction at least thirty days before offering the unit to an over-income family; (3) The over-income family rents the unit on a month-to-month basis for a rent that is not less than the PHA's cost to operate the unit; (4) The lease to the over-income family provides that the family agrees to vacate the unit when needed for rental to an eligible family; and (5) The PHA gives the over-income family at least thirty days notice to vacate the unit when the unit is needed for rental to an eligible family. The PHA may incorporate information on occupancy by over-income families into its PHA Plan statement of deconcentration and other policies that govern eligibility, selection, and admissions. See additional guidance on HUD's website at: [Notice PIH 2011-7. \(24 CFR 960.503\)](#) (24 CFR 903.7(b))

**Occupancy by Police Officers.** The PHA may allow police officers who would not otherwise be eligible for occupancy in public housing, to reside in a public housing dwelling unit. The PHA must include the number and location of the units to be occupied by police officers, and the terms and conditions of their tenancies; and a statement that such occupancy is needed to increase security for public housing residents. A "police officer" means a person determined by the PHA to be, during the period of residence of that person in public housing, employed on a full-time basis as a duly licensed professional police officer by a Federal, State or local government or by any agency of these governments. An officer of an accredited police force of a housing agency may qualify. The PHA may incorporate information on occupancy by police officers into its PHA Plan statement of deconcentration and other policies that govern eligibility, selection, and admissions. See additional guidance on HUD's website at: [Notice PIH 2011-7. \(24 CFR 960.505\)](#) (24 CFR 903.7(b))

**Non-Smoking Policies.** The PHA may implement non-smoking policies in its public housing program and incorporate this into its PHA Plan statement of operation and management and the rules and standards that will apply to its projects. See additional guidance on HUD's website at: [Notice PIH 2009-21 and Notice PIH-2017-03. \(24 CFR §903.7\(e\)\)](#)

**Project-Based Vouchers.** Describe any plans to use Housing Choice Vouchers (HCVs) for new project-based vouchers, which must comply with PBV goals, civil rights requirements, Housing Quality Standards (HQS) and deconcentration standards, as stated in 983.57(b)(1) and set forth in the PHA Plan statement of deconcentration and other policies that govern eligibility, selection, and admissions. If using project-based vouchers, provide the projected number of project-based units and general locations, and describe how project-basing would be consistent with the PHA Plan ([24 CFR §903.7\(b\)](#)).

**Units with Approved Vacancies for Modernization.** The PHA must include a statement related to units with approved vacancies that are undergoing modernization in accordance with [24 CFR §990.145\(a\)\(1\)](#).

**Other Capital Grant Programs** (i.e., Capital Fund Community Facilities Grants or Emergency Safety and Security Grants).

For all activities that the PHA plans to undertake in the current Fiscal Year, provide a description of the activity in the space provided.

**B.3 Progress Report.** For all Annual Plans following submission of the first Annual Plan, a PHA must include a brief statement of the PHA's progress in meeting the mission and goals described in the 5-Year PHA Plan. ([24 CFR §903.7\(r\)\(1\)](#))

**B.4 Capital Improvements.** PHAs that receive funding from the Capital Fund Program (CFP) must complete this section ([24 CFR §903.7\(g\)](#)). To comply with this requirement, the PHA must reference the most recent HUD approved Capital Fund 5 Year Action Plan in EPIC and the date that it was approved. PHAs can reference the form by including the following language in the Capital Improvement section of the appropriate Annual or Streamlined PHA Plan Template: "See Capital Fund 5 Year Action Plan in EPIC approved by HUD on XX/XX/XXXX."

**B.5 Most Recent Fiscal Year Audit.** If the results of the most recent fiscal year audit for the PHA included any findings, mark "yes" and describe those findings in the space provided. ([24 CFR §903.7\(p\)](#))

### C. Other Document and/or Certification Requirements.

**C.1 Resident Advisory Board (RAB) comments.** If the RAB had comments on the annual plan, mark "yes," submit the comments as an attachment to the Plan and describe the analysis of the comments and the PHA's decision made on these recommendations. ([24 CFR §903.13\(c\)](#), [24 CFR §903.19](#))

**C.2 Certification by State of 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. ([24 CFR §903.15](#)). Note: A PHA may request to change its fiscal year to better coordinate its planning with planning done under the Consolidated Plan process by State or local officials as applicable.

**C.3 Civil Rights Certification/ Certification Listing Policies and Programs that the PHA has Revised since Submission of its Last Annual Plan.** Provide a certification that the following plan elements have been revised, provided to the RAB for comment before implementation, approved by the PHA board, and made available for review and inspection by the public. This requirement is satisfied by completing and submitting form HUD-50077 ST-HCV-HP, *PHA Certifications of Compliance with PHA Plan, Civil Rights, and Related Laws and Regulations Including PHA Plan Elements that Have Changed*. Form HUD-50077-ST-HCV-HP, *PHA Certifications of Compliance with PHA Plan, Civil Rights, and Related Laws and Regulations Including PHA Plan Elements that Have Changed* must be submitted by the PHA as an electronic attachment to the PHA Plan. This includes all certifications relating to Civil Rights and related regulations. A PHA will be considered in compliance with the certification requirement to affirmatively further fair housing if the PHA



fulfills the requirements of §§ 903.7(o)(1) and 903.15(d) and: (i) examines its programs or proposed programs; (ii) identifies any fair housing issues and contributing factors within those programs, in accordance with 24 CFR 5.154 or 24 CFR 5.160(a)(3) as applicable; (iii) specifies actions and strategies designed to address contributing factors, related fair housing issues, and goals in the applicable Assessment of Fair Housing consistent with 24 CFR 5.154 in a reasonable manner in view of the resources available; (iv) works with jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement; (v) operates programs in a manner consistent with any applicable consolidated plan under 24 CFR part 91, and with any order or agreement, to comply with the authorities specified in paragraph (o)(1) of this section; (vi) complies with any contribution or consultation requirement with respect to any applicable AFH, in accordance with 24 CFR 5.150 through 5.180; (vii) maintains records reflecting these analyses, actions, and the results of these actions; and (viii) takes steps acceptable to HUD to remedy known fair housing or civil rights violations. impediments to fair housing choice within those programs; addresses those impediments in a reasonable fashion in view of the resources available; works with the local jurisdiction to implement any of the jurisdiction's initiatives to affirmatively further fair housing; and assures that the annual plan is consistent with any applicable Consolidated Plan for its jurisdiction. (24 CFR §903.7(o)).

**C.4 Challenged Elements.** If any element of the Annual PHA Plan or 5-Year PHA Plan is challenged, a PHA must include such information as an attachment to the Annual PHA Plan or 5-Year PHA Plan with a description of any challenges to Plan elements, the source of the challenge, and the PHA's response to the public.

**C.5 Troubled PHA.** If the PHA is designated troubled, and has a current MOA, improvement plan, or recovery plan in place, mark "yes," and describe that plan. Include dates in the description and most recent revisions of these documents as attachments. If the PHA is troubled, but does not have any of these items, mark "no." If the PHA is not troubled, mark "N/A." (24 CFR §903.9)

#### **D. Affirmatively Furthering Fair Housing (AFFH).**

**D.1 Affirmatively Furthering Fair Housing.** The PHA will use the answer blocks in item D.1 to provide a statement of its strategies and actions to implement each fair housing goal outlined in its accepted Assessment of Fair Housing (AFH) consistent with 24 CFR § 5.154(d)(5) that states, in relevant part: "To implement goals and priorities in an AFH, strategies and actions shall be included in program participants' ... PHA Plans (including any plans incorporated therein) ... Strategies and actions must affirmatively further fair housing ...." Use the chart provided to specify each fair housing goal from the PHA's AFH for which the PHA is the responsible program participant – whether the AFH was prepared solely by the PHA, jointly with one or more other PHAs, or in collaboration with a state or local jurisdiction – and specify the fair housing strategies and actions to be implemented by the PHA during the period covered by this PHA Plan. If there are more than three fair housing goals, add answer blocks as necessary.

Until such time as the PHA is required to submit an AFH, the PHA will not have to complete section D., nevertheless, the PHA will address its obligation to affirmatively further fair housing in part by fulfilling the requirements at 24 CFR 903.7(o)(3) enacted prior to August 17, 2015, which means that it examines its own programs or proposed programs; identifies any impediments to fair housing choice within those programs; addresses those impediments in a reasonable fashion in view of the resources available; works with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement; and maintain records reflecting these analyses and actions. Furthermore, under Section 5A(d)(15) of the U.S. Housing Act of 1937, as amended, a PHA must submit a civil rights certification with its Annual PHA Plan, which is described at 24 CFR 903.7(o)(1) except for qualified PHAs who submit the Form HUD-50077-CR as a standalone document.

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This information collection is authorized by Section 511 of the Quality Housing and Work Responsibility Act, which added a new section 5A to the U.S. Housing Act of 1937, as amended, which introduced the 5-Year and Annual PHA Plan.

Public reporting burden for this information collection is estimated to average 7.52 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. HUD may not collect this information, and respondents are not required to complete this form, unless it displays a currently valid OMB Control Number.

**Privacy Act Notice.** The United States Department of Housing and Urban Development is authorized to solicit the information requested in this form by virtue of Title 12, U.S. Code, Section 1701 et seq., and regulations promulgated thereunder at Title 12, Code of Federal Regulations. Responses to the collection of information are required to obtain a benefit or to retain a benefit. The information requested does not lend itself to confidentiality.

## **B.1 Revision of Existing PHA Plan Elements**

## **B.1 - 2023 Statement of Housing Needs and Strategy for Addressing Housing Needs**

The Fargo Housing and Redevelopment Authority (FHRA) also known as “Fargo Housing” currently owns and operates a total of 727 units of housing, provides property management and maintenance for an additional 62 units and maintenance only for 20 units and a shelter. Further, Fargo Housing administers 1,997 Housing Choice and Mainstream Vouchers. These programs provide housing for up to 2,724 families. However, needs in Fargo continue to grow and in response we endeavor to provide additional sources of low-income housing alternatives. Moreover, we are participating in several housing needs studies sponsored by the City of Fargo. Following is a series of strategic initiatives whose purpose is to increase the level of service to our residents and increase the aggregate amount of affordable housing.

Elliott Place, new construction for 55 years of age and older facility will be opening in November 2022. This 84-unit multifamily building will additionally provide voluntary supportive services for its residents. The building was financed with 4% & 9% LIHTC, HTF, and Home funds.

The 247-unit public housing Lashkowitz High-rise. Originally constructed in the late 1960’s it has become functionally and physically obsolete. Failing potable water and wastewater systems paired with undersized units with 7-foot ceilings have caused this property to be scheduled for demolition and redevelopment. The redevelopment will total 110 units of one, two, and three-bedroom residential units. FHRA’s original Section 18 approval for disposition has been modified to include demolition. The costs to abate invasive amounts of asbestos along with demolition would restrict any reasonable attempts to redevelop the property. With the modification of the Section 18 application to include demolition, FHRA has been able to fund roughly \$4.3 million of the anticipated \$5.8 million of abatement and demolition costs. A Request for Proposals (RFP) for abatement and demolition has been published. A contractor will be selected, and demolition activities are anticipated to commence in early 2023.

The 14-4 Project. Through analysis FHRA has identified for redevelopment a single 3-acre parcel of land with 14 public housing duplexes with various levels of deferred maintenance. A physical needs assessment was completed and revealed that repair costs were greater than the combined value of the buildings. All environmental studies have been completed and have been submitted for approval. Upon approval of the Environmental Assessment FHRA will submitting its Section 18 application for Demolition and Disposition to HUD with the intent to redevelop a minimum of 42 units onsite.

Burrell and Colonial. While not currently in our short-range plan we have identified significant capital needs for both properties. There has been interest in restoring the Burrell with its historical architecture and original woodwork. Albeit, the Colonial is nearly the same age it does not have the same historic attributes of the Burrell and being considered for redevelopment along with adjoining surface parking lots. NDSU Architecture students did complete a design

project centered on redevelopment of the Colonial. Once the 14-4 project has entered design phase these properties should be moved into our Five-Year Plan.

System wide Physical Needs Assessment and associated 5-year Capital Plan. In 2022 FHRA contracted a Public Housing wide Physical Needs Assessment (PNA). The final report of this assessment is a 20-year planning document estimating the physical improvements needed for sustainable operation. These improvements were categorized into immediate, short-term, and long-term. Results were incorporated into FHRA's new 2023-2027 Capital Plan. The Capital plan details the projects and uses for the capital improvement dollars received from HUD. A capital improvement is defined as large scale improvements needed outside of normal maintenance.

Voucher Administration: FHRA continues to grow this program applying for additional vouchers when Notice of Funding Opportunity (NOFO) are published. This program currently has allotted 1,908 vouchers, a net increase of 61 over the past year. We anticipate an increase in November and December of an additional 12 Housing Choice and 30 Mainstream Vouchers, respectively. This totals a year-end total of 1,950 vouchers, a net increase of 103 units or families. Further, this arm of FHRA services housing certificates through the Continuum of Care grant (CoC). This grant isn't based on units but is based on available funding. We expect, if current trends hold, upwards to 50 certificates may be issued on an annual basis.

Transformation to resident and landlord facing online services. FHRA has instituted the use of rentcafé an online software module of our financial and property management system. This online portal allows individuals to apply for housing, lease, pay rent, request maintenance, and recertify annually. All needed interactions with FHRA may be completed remotely. Not only does improve our sustainability during pandemics. But it allows for streamlining our processes with the result of being more efficient in response to client's needs.

In 2023 FHRA is committed to continuing these efforts reported above along with goals and metrics listed in our strategic plan. Moreover, FHRA will persist to build community relationships with organizations committed to increase affordable housing such as the Cass Clay Community Land Trust. Additionally, continue in partnership with the city to meet their housing goals and initiatives. Lastly, review and begin process to revise existing 2020 to 2024 strategic plan as needed to meet the needs of FHRA. Investigate if a rolling strategic plan needs to be developed.

#### **12-IV.E. DECONCENTRATION**

##### **FHRA Policy**

If subject to deconcentration requirements, the FHRA will consider its deconcentration goals when transfer units are offered. When feasible, families above the Established Income Range will be offered a unit in a development that is below the Established Income Range, and vice versa, to achieve the FHRA's deconcentration goals. A deconcentration offer will be considered a "bonus" offer; that is, if a resident refuses a deconcentration offer, the resident will receive one additional transfer offer.

#### **12-IV.F. REEXAMINATION POLICIES FOR TRANSFERS**

##### **FHRA Policy**

The reexamination date will be changed to the first of the month in which the transfer took place.



## 2023 Payment Standards - Cass County\*/Clay County

Effective 01/01/2023

0 Bedroom	\$634
1 Bedroom	\$749
2 Bedroom	\$911
3 Bedroom	\$1295
4 Bedroom	\$1550
5 Bedroom	\$1784
6 Bedroom	\$2017

\*\*\*\*\*

### How Much Does This Unit Cost?

Your payment standard is \$ \_\_\_\_\_

Rent Amount Charged by Landlord \$ \_\_\_\_\_

Utility Allowance (Only utilities paid by tenant) + \$ \_\_\_\_\_

**Rent Amount plus Utility Allowance = \$ \_\_\_\_\_**

Heating \$ \_\_\_\_\_

Cooking \$ \_\_\_\_\_

Other Electric/Lights \$ \_\_\_\_\_

Air Conditioner \$ \_\_\_\_\_

Water \$ \_\_\_\_\_

Sewer \$ \_\_\_\_\_

Trash \$ \_\_\_\_\_

Other Charges\*\* \$ \_\_\_\_\_

**TOTAL \$ \_\_\_\_\_**

\*Contact FHRA for 58104 Payment Standards

\*\*You must add the monthly charge for electric and/or natural gas if you are responsible for paying any utility that is electric and/or natural gas.



## 2023 Payment Standards - 58104

Effective 01/01/2023

0 Bedroom	\$760
1 Bedroom	\$900
2 Bedroom	\$1090
3 Bedroom	\$1550
4 Bedroom	\$1860

\*\*\*\*\*

### How Much Does This Unit Cost?

Your payment standard is \$ \_\_\_\_\_

Rent Amount Charged by Landlord \$ \_\_\_\_\_  
 Utility Allowance (Only utilities paid by tenant) + \$ \_\_\_\_\_  
**Rent Amount plus Utility Allowance = \$ \_\_\_\_\_**

Heating \$ \_\_\_\_\_  
 Cooking \$ \_\_\_\_\_  
 Other Electric/Lights \$ \_\_\_\_\_  
 Air Conditioner \$ \_\_\_\_\_  
 Water \$ \_\_\_\_\_  
 Sewer \$ \_\_\_\_\_  
 Trash \$ \_\_\_\_\_  
 Other Charges\*\* \$ \_\_\_\_\_

**TOTAL** \$ \_\_\_\_\_

*\*\*You must add the monthly charge for electric and/or natural gas if you are responsible for paying any utility that is electric and/or natural gas.*



# Utility Allowance Schedule

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

OMB Approval  
No. 25577-0169  
exp.7/31/2022

See Public Reporting and Instructions on back.

The following allowances are used to determine the total cost of tenant-furnished utilities and appliances.

Date (mm/dd/yyyy):

Locality: **Fargo Housing and Redevelopment Authority, ND**

Unit Type: **Apartment**

Utility or Service:

**0 BR**

**1 BR**

**2 BR**

**3 BR**

**4 BR**

**5 BR**

Monthly Dollar Allowances

## Heating

a. Natural Gas	\$42.00	\$50.00	\$59.00	\$68.00	\$77.00	\$85.00
b. Bottle Gas/Propane	\$88.00	\$105.00	\$123.00	\$142.00	\$162.00	\$176.00
c. Electric (avg)	\$25.00	\$29.00	\$40.00	\$51.00	\$62.00	\$73.00
d. Electric Heat Pump (avg)	\$22.00	\$26.00	\$31.00	\$34.00	\$38.00	\$42.00
e. Oil	\$137.00	\$161.00	\$191.00	\$220.00	\$249.00	\$279.00

## Cooking

a. Natural Gas	\$4.00	\$4.00	\$6.00	\$8.00	\$10.00	\$12.00
b. Bottle Gas/Propane	\$7.00	\$7.00	\$12.00	\$17.00	\$22.00	\$25.00
c. Electric (avg)	\$4.00	\$5.00	\$8.00	\$10.00	\$12.00	\$15.00

## Other Electric & Cooling

Other Electric (Lights & Appliances)(avg)	\$17.00	\$20.00	\$28.00	\$35.00	\$43.00	\$51.00
Air Conditioning (avg)	\$3.00	\$3.00	\$4.00	\$5.00	\$6.00	\$8.00

## Water Heating

a. Natural Gas	\$9.00	\$12.00	\$17.00	\$21.00	\$26.00	\$31.00
b. Bottle Gas/Propane	\$20.00	\$25.00	\$34.00	\$42.00	\$54.00	\$64.00
c. Electric (avg)	\$13.00	\$15.00	\$19.00	\$23.00	\$27.00	\$31.00
d. Oil	\$29.00	\$34.00	\$54.00	\$68.00	\$83.00	\$103.00

## Water, Sewer, Trash Collection

Water (avg)	\$30.00	\$31.00	\$40.00	\$48.00	\$57.00	\$65.00
Sewer (avg)	\$24.00	\$24.00	\$27.00	\$30.00	\$33.00	\$33.00
Trash Collection (avg)	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00

## Tenant-supplied Appliances

Range / Microwave Tenant-supplied	\$11.00	\$11.00	\$11.00	\$11.00	\$11.00	\$11.00
Refrigerator Tenant-supplied	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00

## Other--specify: Monthly Charges

Electric Charge \$13.50 (avg)	\$14.00	\$14.00	\$14.00	\$14.00	\$14.00	\$14.00
Natural Gas Charge \$24.28	\$24.00	\$24.00	\$24.00	\$24.00	\$24.00	\$24.00

## Actual Family Allowances

To be used by the family to compute allowance. Complete below for the actual unit rented.

Name of Family	Utility or Service	per month cost
	Heating	\$
Address of Unit	Cooking	\$
	Other Electric	\$
	Air Conditioning	\$
	Water Heating	\$
Number of Bedrooms	Water	\$
	Sewer	\$
	Trash Collection	\$
	Range / Microwave	\$
	Refrigerator	\$
	Other	\$
	Other	\$
	<b>Total</b>	\$



# Utility Allowance Schedule

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OMB Approval  
No. 25577-0169  
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See Public Reporting and Instructions on back.

The following allowances are used to determine the total cost of tenant-furnished utilities and appliances.

Date (mm/dd/yyyy):

Locality: **Fargo Housing and Redevelopment Authority, ND**

Unit Type: **Semi-Detached/Duplex**

Utility or Service:	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Monthly Dollar Allowances						
<b>Heating</b>						
a. Natural Gas	\$53.00	\$62.00	\$72.00	\$83.00	\$94.00	\$104.00
b. Bottle Gas/Propane	\$110.00	\$127.00	\$149.00	\$174.00	\$196.00	\$216.00
c. Electric (avg)	\$35.00	\$42.00	\$55.00	\$69.00	\$82.00	\$96.00
d. Electric Heat Pump (avg)	\$27.00	\$31.00	\$37.00	\$42.00	\$46.00	\$51.00
e. Oil	\$171.00	\$200.00	\$235.00	\$269.00	\$308.00	\$342.00
<b>Cooking</b>						
a. Natural Gas	\$4.00	\$4.00	\$6.00	\$8.00	\$10.00	\$12.00
b. Bottle Gas/Propane	\$7.00	\$7.00	\$12.00	\$17.00	\$22.00	\$25.00
c. Electric (avg)	\$4.00	\$5.00	\$8.00	\$10.00	\$12.00	\$15.00
<b>Other Electric &amp; Cooling</b>						
Other Electric (Lights & Appliances)(avg)	\$21.00	\$25.00	\$35.00	\$44.00	\$54.00	\$64.00
Air Conditioning (avg)	\$3.00	\$3.00	\$5.00	\$7.00	\$9.00	\$11.00
<b>Water Heating</b>						
a. Natural Gas	\$12.00	\$14.00	\$21.00	\$26.00	\$32.00	\$39.00
b. Bottle Gas/Propane	\$25.00	\$29.00	\$42.00	\$54.00	\$66.00	\$81.00
c. Electric (avg)	\$16.00	\$18.00	\$23.00	\$29.00	\$34.00	\$39.00
d. Oil	\$39.00	\$44.00	\$64.00	\$88.00	\$108.00	\$127.00
<b>Water, Sewer, Trash Collection</b>						
Water (avg)	\$30.00	\$31.00	\$40.00	\$48.00	\$57.00	\$65.00
Sewer (avg)	\$24.00	\$24.00	\$27.00	\$30.00	\$33.00	\$33.00
Trash Collection (avg)	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00
<b>Tenant-supplied Appliances</b>						
Range / Microwave Tenant-supplied	\$11.00	\$11.00	\$11.00	\$11.00	\$11.00	\$11.00
Refrigerator Tenant-supplied	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00
<b>Other--specify: Monthly Charges</b>						
Electric Charge \$13.50 (avg)	\$14.00	\$14.00	\$14.00	\$14.00	\$14.00	\$14.00
Natural Gas Charge \$24.28	\$24.00	\$24.00	\$24.00	\$24.00	\$24.00	\$24.00
<b>Actual Family Allowances</b>			Utility or Service		per month cost	
To be used by the family to compute allowance. Complete below for the actual unit rented.			Heating		\$	
			Cooking		\$	
Name of Family			Other Electric		\$	
			Air Conditioning		\$	
			Water Heating		\$	
			Water		\$	
			Sewer		\$	
Address of Unit			Trash Collection		\$	
			Range / Microwave		\$	
			Refrigerator		\$	
			Other		\$	
Number of Bedrooms			Other		\$	
			Total		\$	



# Utility Allowance Schedule

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

OMB Approval  
No. 25577-0169  
exp.7/31/2022

See Public Reporting and Instructions on back.

The following allowances are used to determine the total cost of tenant-furnished utilities and appliances.

Date (mm/dd/yyyy):

Locality: **Fargo Housing and Redevelopment Authority, ND**

Unit Type: **Single-Family Detached House/Mobile Home**

Utility or Service:	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
	Monthly Dollar Allowances					
<b>Heating</b>						
a. Natural Gas	\$60.00	\$71.00	\$83.00	\$96.00	\$109.00	\$122.00
b. Bottle Gas/Propane	\$125.00	\$147.00	\$174.00	\$201.00	\$228.00	\$255.00
c. Electric (avg)	\$60.00	\$70.00	\$83.00	\$95.00	\$107.00	\$120.00
d. Electric Heat Pump (avg)	\$31.00	\$37.00	\$44.00	\$49.00	\$54.00	\$60.00
e. Oil	\$196.00	\$230.00	\$274.00	\$313.00	\$357.00	\$396.00
<b>Cooking</b>						
a. Natural Gas	\$4.00	\$4.00	\$6.00	\$8.00	\$10.00	\$12.00
b. Bottle Gas/Propane	\$7.00	\$7.00	\$12.00	\$17.00	\$22.00	\$25.00
c. Electric (avg)	\$4.00	\$5.00	\$8.00	\$10.00	\$12.00	\$15.00
<b>Other Electric &amp; Cooling</b>						
Other Electric (Lights & Appliances)(avg)	\$25.00	\$29.00	\$40.00	\$52.00	\$63.00	\$74.00
Air Conditioning (avg)	\$2.00	\$2.00	\$5.00	\$8.00	\$11.00	\$14.00
<b>Water Heating</b>						
a. Natural Gas	\$12.00	\$14.00	\$21.00	\$26.00	\$32.00	\$39.00
b. Bottle Gas/Propane	\$25.00	\$29.00	\$42.00	\$54.00	\$66.00	\$81.00
c. Electric (avg)	\$16.00	\$18.00	\$23.00	\$29.00	\$34.00	\$39.00
d. Oil	\$39.00	\$44.00	\$64.00	\$88.00	\$108.00	\$127.00
<b>Water, Sewer, Trash Collection</b>						
Water (avg)	\$30.00	\$31.00	\$40.00	\$48.00	\$57.00	\$65.00
Sewer (avg)	\$24.00	\$24.00	\$27.00	\$30.00	\$33.00	\$33.00
Trash Collection (avg)	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00
<b>Tenant-supplied Appliances</b>						
Range / Microwave Tenant-supplied	\$11.00	\$11.00	\$11.00	\$11.00	\$11.00	\$11.00
Refrigerator Tenant-supplied	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00
<b>Other--specify: Monthly Charges</b>						
Electric Charge \$19.08 (avg)	\$19.00	\$19.00	\$19.00	\$19.00	\$19.00	\$19.00
Natural Gas Charge \$24.28	\$24.00	\$24.00	\$24.00	\$24.00	\$24.00	\$24.00
<b>Actual Family Allowances</b>						
To be used by the family to compute allowance. Complete below for the actual unit rented.	Utility or Service	per month cost				
	Heating	\$				
Name of Family	Cooking	\$				
	Other Electric	\$				
	Air Conditioning	\$				
	Water Heating	\$				
	Water	\$				
Address of Unit	Sewer	\$				
	Trash Collection	\$				
	Range / Microwave	\$				
	Refrigerator	\$				
	Other	\$				
	Number of Bedrooms	Other	\$			
	Total	\$				



## 2023 Flat Rents

Effective 1/1/2023

	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
143		547	789	969
144		535	807	
145		535	807	
146	525			
147		541	821	

## 2023 Utility Allowances

	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
143		181	247	272
144		193	229	
145		193	229	
146	74			
147		187	215	

If any household member is currently engaged in, or has engaged in any of the following criminal activities other than marijuana, with in the past 3 years the family will be denied assistance. If any household member is currently engaged in, or engaged in use of Marijuana in the past 12 months the family will be denied assistance.

FARGO HOUSING AND  
REDEVELOPMENT AUTHORITY  
(FHRA)

FSS Action Plan  
for the  
Family Self-Sufficiency Program

Product # 308-017

July 1, 2022



1810 Gillespie Way, Suite 202

El Cajon, CA 92020

800.783.3100

[www.nanmckay.com](http://www.nanmckay.com)

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**Fargo Housing and Redevelopment Authority**

**FSS Action Plan  
TABLE OF CONTENTS**

**CHAPTER 1**

**THE FAMILY SELF-SUFFICIENCY PROGRAM AND THE FSS ACTION PLAN**

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## Chapter 1

### THE FAMILY SELF-SUFFICIENCY PROGRAM AND THE FSS ACTION PLAN

#### INTRODUCTION

This chapter provides an overview of the family self-sufficiency (FSS) program and FSS action plan, including the purpose, organization, and required contents of the FSS action plan.

Part I: The Family Self-Sufficiency (FSS) Program and FSS Action Plan: This part provides an overview of the family self-sufficiency program and the purpose of the FSS action plan.

Part II: Requirements of the FSS Action Plan: This part covers action plan requirements, including development, revision, and contents of the action plan. It also contains information on family demographics, which is part of the required contents of the action plan.

#### PART I: THE FAMILY SELF-SUFFICIENCY (FSS) PROGRAM AND FSS ACTION PLAN

##### 1-I.A. OVERVIEW OF THE FAMILY SELF-SUFFICIENCY PROGRAM

The origins of the FSS program are in two pilot projects implemented in 1986 and 1990, Project Self-Sufficiency and Operation Bootstrap, respectively. These projects were set up to test self-sufficiency programs for families with housing subsidies, and both demonstrated that families needed essential services to move toward economic self-sufficiency. These services include childcare, transportation, medical care, and long-term education and training.

In the wake of the successful demonstration of these projects, family self-sufficiency became one of the initiatives under the Homeownership and Housing Opportunities for People Everywhere (HOPE) program enacted in 1990, and the FSS program was subsequently created under the National Affordable Housing Act the same year.

FSS built upon and refined both Project Self-Sufficiency and the Bootstrap program. It remained a voluntary program in 1991 and 1992 but became mandatory in 1993 for any new increments of funding issued to PHAs. The 1993 regulations were further modified by the Quality Housing and Work Responsibility Act of 1998 (QHWRA). In 2018, expansive changes were made to the FSS program by the Economic Growth, Regulatory Relief, and Consumer Protection Act known as “the Economic Growth Act” or “the Act.”

The purpose of the FSS program is to coordinate housing assistance with public and private resources to enable assisted families to achieve economic self-sufficiency. The purpose and basic requirements of the FSS program are further elaborated upon in Chapter 2.

This family self-sufficiency program is administered by the Fargo Housing Authority for the jurisdiction of City of Fargo and County of Cass and Clay.

### **1-I.B. APPLICABLE REGULATIONS**

Applicable regulations for Section 8 and public housing FSS programs include:

- 24 CFR Part 5: General Program Requirements
- 24 CFR Part 8: Nondiscrimination
- 24 CFR Part 902: Public Housing Assessment System
- 24 CFR Part 903: Public Housing Agency Plans
- 24 CFR Part 945: Designated Housing
- 24 CFR Part 960: Public Housing Admission and Occupancy Policies
- 24 CFR Part 965: PHA-Owned or Leased Projects—General Provisions
- 24 CFR Part 966: Public Housing Lease and Grievance Procedures
- 24 CFR Part 982: Section 8 Tenant-Based Assistance: Housing Choice Voucher Program
- 24 CFR Part 984: Section 8 and Public Housing Family Self-Sufficiency Program

### **1-I.C. THE FAMILY SELF-SUFFICIENCY ACTION PLAN**

The family self-sufficiency (FSS) action plan is required by HUD. The purpose of the FSS action plan is to establish policies for conducting the family self-sufficiency program in a manner consistent with HUD requirements and local goals and objectives contained in the PHA's Agency Plan. This FSS action plan is a supporting document to the PHA Agency Plan and is available for public review as required by 24 CFR Part 903.

This family self-sufficiency action plan is set forth to define the PHA's local policies for operation of the program in the context of federal laws and regulations. All issues related to FSS not addressed in this document are governed by such federal regulations, HUD handbooks and guidebooks, notices, and other applicable laws. The policies in this FSS action plan have been designed to ensure compliance with the consolidated ACC and all HUD-approved applications for program funding.

The PHA is responsible for complying with all changes in HUD regulations pertaining to the FSS program. If such changes conflict with this plan, HUD regulations will take precedence.

Administration of the FSS program and the functions and responsibilities of PHA staff shall comply with the PHA's personnel policy and HUD's family self-sufficiency regulations, as well as all Section 8 and public housing regulations, in addition to federal, state, and local fair housing laws and regulations.

## **PART II: REQUIREMENTS OF THE FSS ACTION PLAN**

### **1-II.A. OVERVIEW**

A PHA must have a HUD-approved action plan before implementing an FSS program, regardless of whether the FSS program is a mandatory or voluntary program. Further, this action plan must comply with the requirements specified for the plan in the regulations [24 CFR 984.201(a)].

The regulatory requirements dealing specifically with the FSS action plan itself largely involve the development, revision, and required contents of the action plan. This part covers those requirements.

### **1-II.B. HUD APPROACH TO POLICY DEVELOPMENT**

In developing policy for the FSS action plan, PHAs need to be aware of the distinction HUD makes between mandatory and discretionary policies.

- *Mandatory policies* are those driven by legislation, regulations, current handbooks, notices, and legal opinions.
- *Discretionary policies* consist of those developed for areas in which the PHA has regulatory discretion, or regarding optional, nonbinding guidance including guidebooks, notices that have expired, and recommendations from individual HUD staff.

HUD expects PHAs to develop policies and procedures that are consistent with mandatory regulations and to make clear the optional policies the PHA has adopted. The PHA's FSS action plan is the foundation of those policies and procedures for the FSS program. HUD's directions require PHAs to make policy choices that provide guidance to staff and consistency to program applicants and participants.

Following HUD guidance, even though it is not mandatory, provides a PHA with a "safe harbor." HUD has already determined that the recommendations and suggestions it makes are consistent with mandatory policies. If a PHA adopts an alternative strategy, it must make its own determination that the alternative approach is consistent with legislation, regulations, and other mandatory requirements. There may be very good reasons for adopting a policy or procedure that is different than HUD's safe harbor, but PHAs should carefully consider those decisions.

## **1-II.C. FSS ACTION PLAN DEVELOPMENT AND REVISION**

### **Development of Action Plan [24 CFR 984.201(b) and (c)]**

When developing an FSS action plan, a PHA must do so in consultation with the chief executive officer of the applicable unit of general local government and the program coordinating committee (PCC).

For all voluntary or mandatory FSS programs, the PHA must submit its action plan and obtain HUD approval of the plan before it can implement the FSS program. This includes a voluntary program established because the PHA chose to implement an FSS program that exceeds the minimum size for a mandatory program (see Section 2-II.A. for a discussion of mandatory versus voluntary FSS programs).

### **Single Action Plan [24 CFR 984.201(f)]**

PHAs implementing both a Section 8 FSS program and a public or Indian housing FSS program may submit one action plan. In cases where the PHA decides to submit one plan for more than one program, the policies contained in the action plan would apply to both programs.

#### FHRA Policy

FHRA is implementing both a public housing and Section 8 FSS program, which may include tenant-based and project-based Section 8, HCV Homeownership, Moderate Rehabilitation, Moderate Rehabilitation Single Room Occupancy, Family Unification Program (FUP), and Foster Youth to Independence Initiative (FYI). FHRA will submit one action plan, in which the policies apply to both programs.

### **Revision to the FSS Action Plan [24 CFR 984.201(c)(2)]**

Following HUD's initial approval of the action plan, no further approval of the action plan is required unless the PHA proposes to make policy changes to the action plan, increase the size of a voluntary program, or revise the FSS action plan as needed to comply with changes in HUD regulations. The PHA must submit any changes to the action plan to HUD for approval.

#### FHRA Policy

FHRA will review and update the action plan at least once a year, and more often if needed, to reflect changes in regulations, FHRA operations, or when needed to ensure staff consistency in operation.

## **1-II.D. CONTENTS OF THE PLAN [24CFR 984.201(d)]**

HUD regulations state that there are several components that must be included in the FSS action plan. At a minimum, the action plan must cover the policies and procedures of the PHA for operation of a local FSS program as follows:

- Family demographics, including a description of the number, size, characteristics, and other demographics such as racial and ethnic data, in addition to the supportive service needs of the families expected to participate in the program. (Chapter 1)
- Estimate of participating families, which means the number of families which can reasonably be expected to receive supportive services under the FSS program. (Chapter 2)
- Eligible families from any other local self-sufficiency program who are expected to agree to executing an FSS contract of participation. (Chapter 2)
- A statement of the PHA's FSS family selection procedures, including a description of how the procedures ensure that families are selected without regard to race, color, religion, disability, sex, familial status, or national origin. (Chapter 4)
- A description of the incentives that the PHA intends to offer to families to encourage participation in the FSS program (an incentives plan), including the establishment of the escrow account. (Chapter 4)
- Outreach efforts, which include a description of the PHA's efforts to recruit eligible families, the actions the PHA will take to ensure that both minority and nonminority groups are informed about the FSS program, and how the PHA will make this information known. (Chapter 4)
- A description of the FSS activities and supportive services to be provided by both public and private resources to FSS families, and identification of these public and private resources. (Chapter 4)
- A description of the PHA's method for identifying family support needs, including how the PHA will identify the needs and deliver the services. (Chapter 4)
- A description of the PHA's policies regarding program termination or withholding of services based on a family's failure to comply with the FSS contract, and available grievance procedures. (Chapter 5)
- Assurances of noninterference with rights of non-participating families which state that a family's election to not participate in the FSS program will not affect the family's admission to the Section 8 or public housing program, nor will it affect their right to occupancy in accordance with its lease. (Chapter 4)
- A timetable for implementation of the FSS program, including the schedule for filling FSS slots with eligible FSS families. (Chapter 2)

- A certification that development of the services and activities under the FSS program has been coordinated with programs under Title I of the Workforce Innovation and Opportunity Act, other relevant employment, childcare, transportation, training, education, and financial empowerment programs in the area, and will continue to be coordinated to avoid duplication of services and activities.

**Optional Additional Information [24 CFR 984.201(d)(13)].**

- HUD encourages additional information in the action plan that would help to determine the soundness of the PHAs proposed FSS program.

FHRA Policy

FHRA will submit additional optional information in this action plan that will help HUD determine the soundness of the proposed FSS program.

This information includes:

Policies related to the modification of goals in the ITSP. (Chapter 5)

Policies on the circumstances in which an extension of the contract of participation may be granted. (Chapter 5)

Policies on the interim disbursement of escrow, including any limitations on the use of the funds. (Chapter 6)

Policies regarding eligible uses of forfeited escrow funds by families in good standing. (Chapter 6)

Policies regarding the re-enrollment of previous FSS participants, including graduates and those who exited the program without graduating. (Chapter 4)

Policies on requirements for documentation for goal completion. (Chapter 4)

Policies on documentation of the household's designation of the "head of FSS family." (Chapter 4)

Policies for providing an FSS selection preference for porting families if the PHA elects to offer such a preference. (Chapter 7)

### 1-II.E. FAMILY DEMOGRAPHICS [24 CFR 984.201(d)(1)]

As part of the required contents of the FSS action plan, family demographics of the Section 8 and public housing program participants serve to provide a description of the number, size, characteristics, and other descriptive data (including racial and ethnic data of those participants). These data may later be used to help the housing authority and the program coordinating committee (PCC) to identify supportive service needs of the families expected to participate in the FSS program.

FHRA Policy

<b>Section 8 and Public Housing</b>	<b>Total Families</b>	<b>Percent of Total</b>
<b>All Families</b>	<b>1712</b>	
Single	1102	65%
Female HOH	422	25%
Male HOH	1290	75%
<b>Race</b>		
White	1199	70%
Black/African American	328	19%
American Indian/Alaska Native	105	6%
Asian	40	2%
Native Hawaiian/Other Pacific Islander	0	0
<b>Ethnicity</b>		
Hispanic or Latino	<b>92</b>	5%
Not Hispanic or Latino	<b>1620</b>	95%
<b>Income</b>		
Extremely Low-Income	1429	83%
Very Low-Income	231	14%
Low-Income	39	2%
HOH Income from Wages	\$20617	
Other Member Income from Wages	574	34%
HOH Income from TANF	87	5%
Other Member Income from TANF	1114	65%
HOH Income from SSI	314	18%
Other Member Income from SSI	71	4%
<b>Total Number of Family Members</b>		
1-2	1319	77%
3-4	244	14%
5 or more	146	9%
<b>Persons with Disabilities</b>		
HOH Person w/ Disabilities (HUD)	329	19%
Family Members w/ Disabilities	681	40%



## Chapter 2

### PURPOSE, SCOPE, AND APPLICABILITY OF THE FAMILY SELF-SUFFICIENCY PROGRAM

#### INTRODUCTION

This chapter contains information about the FSS program's purpose, size, and measurable objectives as well as information on program operation. This includes potential participant demographics, the program timetable, the number of families to be served, and the size of the PHA's voluntary FSS program. This chapter also contains definitions of the key terms in this FSS action plan.

Part I: The Purpose and Basic Requirements of the FSS program: This part includes a description of the purpose of the FSS program on a national level—its intent, goal, and major strategies.

Part II: The Scope of the FSS program: This part contains information about housing assistance programs eligible to participate in FSS, the size of the PHA's FSS program, an estimate of participating families, eligible families from other self-sufficiency programs, and eligibility for combined FSS programs.

Part III: Program Operation: This part specifies the requirements for FSS program operation, including voluntary FSS program implementation.

Part IV: The Definitions of Terms Used in the PHA's FSS program: This section contains both HUD and PHA definitions for terms used in this policy document.



## **PART I: PURPOSE AND BASIC REQUIREMENTS OF THE FSS PROGRAM**

### **2-I.A. PURPOSE**

The purpose of the family self-sufficiency (FSS) program is to promote the development of local strategies to coordinate the use of Section 8 and public housing assistance programs with public and private resources enabling families eligible to receive assistance under these programs to achieve economic independence and self-sufficiency [984.101(a)(1)].

In addition to this broader national goal of the FSS program, the PHA also establishes a local goal consistent with the PHA's mission statement to serve as a guide for establishing policy and implementing the FSS program.

#### FHRA Policy

FHRA's goal in operating an FSS program is to match housing-assisted families with existing services so that they may reduce their dependency on housing, welfare, and other government subsidies and complete the contract of participation.

### **2-I.B. PROGRAM OBJECTIVES [24 CFR 984.102]**

In order to reach the FSS national program goal, HUD has defined its FSS program objective as to reduce the dependency of low-income families on welfare assistance and on housing subsidies. Under the FSS program, low-income families are provided opportunities for education, job training, counseling, and other forms of social service assistance while living in assisted housing so that they may obtain the education, employment, business and social skills necessary to achieve self-sufficiency. As with the goals of the program, FSS program objectives are defined on the national level through FSS regulation, and on the local level by PHA policy.

#### FHRA Policy

On the local level, FHRA will achieve the national program objective by offering low-income families a broad range of services through partnering with the program coordinating committee (PCC). These services will provide long-term education, job training, counseling, and other forms of social service assistance so that families may achieve economic self-sufficiency, as defined in Section 2-I.A. of this document.

### **2-I.C. BASIC REQUIREMENTS OF THE FSS PROGRAM [24 CFR 984.104]**

An FSS program established under 24 CFR Part 984 must operate in conformity with the regulations and this FSS action plan (as required in 24 CFR 984.201, provide comprehensive supportive services as defined in 24 CFR 984.103, and operate in compliance with nondiscrimination and equal opportunity requirements.



## **PART II: SCOPE OF THE FSS PROGRAM**

### **2-II.A. HOUSING-ASSISTED FAMILIES ELIGIBLE TO PARTICIPATE IN FSS**

The Section 8 and public housing programs through which families are eligible to participate in the FSS program was expanded by the 2018 Economic Growth Act to allow participants in HCV Homeownership, Moderate Rehabilitation, Moderate Rehabilitation Single Room Occupancy, and Family Unification Program (FUP), including the Foster Youth to Independence (FYI) Initiative.

### **2-II.B. PHAs REQUIRED TO OPERATE AN FSS PROGRAM**

Each PHA that received funding for public housing units under the FY 1991 and FY 1992 FSS incentive award competitions must operate a public housing FSS program. Each PHA that received funding for Section 8 rental certificates or vouchers under the combined FY 1991/1992 FSS incentive award competition also must operate a Section 8 FSS program.

In addition, unless the PHA receives an exemption under 24 CFR 984.105, each PHA for which HUD reserved funding (budget authority) for additional rental certificates or vouchers in FY 1993 through October 20, 1998, must operate a Section 8 FSS program. Each PHA for which HUD reserved funding (budget authority) to acquire or construct additional public housing units in FY 1993 through October 20, 1998, must operate a public housing FSS program as well.

Every PHA that was required to administer an FSS program on May 24, 2018 (the enactment date of the Economic Growth, Regulatory Relief, and Consumer Protection Act) must continue to operate that FSS program for the total number of families determined by HUD on that date unless the PHA receives an exception as described in 24 CFR 984.105(d).

#### **Mandatory Minimum Program Size (MMPS) [24 CFR 984.105]**

PHAs that are required to operate an FSS program under 24 CFR 984.101 are subject to a minimum program size requirement.

##### FHRA Minimum Program Size

FHRA has no mandatory minimum program size requirement and operates a voluntary FSS program.

##### *Maintaining Mandatory Minimum Program Size*

Although the discretion to do so ultimately rests with the PHA, mandatory minimum program size can decrease as FSS participants successfully complete the program. Per the regulation, for each family that completes the program by fulfilling its FSS contract of participation on or after May 24, 2018, the mandatory minimum program size for a PHA's FSS program is reduced by one slot. However, if an FSS slot is vacated by a family that has not completed its FSS contract of participation obligations, the slot must be filled by a replacement family which has been selected in accordance with the FSS family selection procedures [24 CFR 984.105(b)(2)].

##### FHRA Policy

FHRA will reduce the FSS mandatory minimum program size by one for each family that graduates from the program by completing their obligations under the contract and increase the voluntary program size by one for each reduction to maintain an overall FSS program size of 100.

### ***Option to Operate Larger FSS Program***

A PHA may choose to operate an FSS program of a larger size than the minimum required by HUD [24 CFR 984.105(a)(3)].

#### **FHRA Policy**

FHRA has no mandatory minimum program size and operates a voluntary FSS program of up to 100 families.

### ***Exception to Program Operation [24 CFR 984.105(c)]***

The requirement to establish and carry out an FSS program may be waived with approval from HUD. In order to waive the requirement, the PHA must provide a certification to HUD that the establishment and operation of an FSS program is not feasible because of a lack of accessible supportive services funding, a lack of the availability of programs under the Workforce Innovation and Opportunity Act, a lack of funding for reasonable administrative costs, a lack of cooperation by other units of state or local government, or a lack of interest in participating in the FSS program on the part of eligible families.

An exception will not be granted if HUD determines that local circumstances do not preclude the PHA from effectively operating an FSS program that is smaller than the minimum program size.

### ***Reduction in Program Size***

Rather than a full exception to program operation, a PHA may also be permitted to operate an FSS program that is smaller than the minimum program size. As with the full exception, HUD may grant the PHA such a partial exception if the PHA provides to HUD a certification that the operation of an FSS program of the minimum program size is not feasible because of a decrease in or lack of accessible supportive services [24 CFR 984.105(d)].

### ***Expiration of Exception***

The approval for a full or partial exception to the FSS minimum program size requirement expires five years from the date of HUD approval of the exception. If a PHA seeks to continue an exception after its expiration, the PHA must submit a new request and a new certification to HUD for consideration [24 CFR 984.105(e)].

### **2-II.C. COOPERATIVE AGREEMENTS [24 CFR 984.106]**

A PHA may enter into a Cooperative Agreement with one or more multifamily-assisted housing owners to voluntarily make the PHA's FSS program available to the owner's housing tenants. The Cooperative Agreement must include all the requirements for such agreements found in 24 CFR 984.106 and 24 CFR 887.107.

#### FHRA Policy

FHRA will not enter into a Cooperative Agreement with multifamily-assisted housing owners to voluntarily make its FSS program available to those owner's housing residents.

### **2-II.D. ESTIMATE OF PARTICIPATING FAMILIES [24 CFR 984.201(d)(2)]**

The PHA must state the number of eligible FSS families who can reasonably be expected to receive supportive services under the FSS program based on available and anticipated federal, tribal, state, local, and private resources.

#### FHRA Policy

One Hundred eligible FSS families can reasonably be expected to receive supportive services under the FSS program, based on available and anticipated federal, tribal, state, local, and private resources.

### **2-II.E. ELIGIBLE FAMILIES FROM OTHER SELF-SUFFICIENCY PROGRAMS [24 CFR 984.201(d)(3)]**

If applicable, the PHA must enter the number of families, by program type, who are participating in any other local housing self-sufficiency program who are expected to agree to execute an FSS contract of participation.

#### FHRA Policy

FHRA operates the ROSS program for public housing in which families are enrolled. Of those families enrolled, less than 10% are expected to agree to execute an FSS contract of participation. To avoid duplication of services, those entering a FSS Contract of Participation would typically cease the ROSS program.

## **2-II.F. ELIGIBILITY OF A COMBINED PROGRAM [24 CFR 984.201(e)]**

A PHA that wishes to operate a joint FSS program with other PHAs or owners of multifamily-assisted housing may combine its resources with one or more of these entities to deliver supportive services under a joint action plan that will provide for the establishment and operation of a combined FSS program that meets the requirements of this part.

### FHRA Policy

FHRA will not combine its resources with any other PHA to deliver support services, have a joint action plan, or establish or operate a combined FSS Program.



## **PART III: PROGRAM OPERATION**

### **2-III.A. OVERVIEW**

Federal regulations specify requirements for FSS program operation regarding deadlines for program start-up and when the PHA is expected to have attained full enrollment. A timetable illustrating when the PHA intends to meet these deadlines is included as part of the required contents of the action plan.

### **2-III.B. PROGRAM IMPLEMENTATION DEADLINE**

The deadlines for program implementation differ depending on whether the FSS program is voluntary or mandatory.

#### **Voluntary Program [24 CFR 984.301(a)]**

There is no deadline for implementation of a voluntary program. However, a voluntary program may not be implemented before the requirements specified in 24 CFR 984.201 have been satisfied (see Sections 1-II.A.–1-II.D.).

**2-III.C. TIMETABLE FOR PROGRAM IMPLEMENTATION [24 CFR 984.201(d)(13)]**

A timetable for implementation of the FSS program is part of the required contents of the FSS action plan.

FHRA Policy

FHRA has an existing FSS program and will continue implementing it according to this FSS action Plan.

## **PART IV: DEFINITIONS**

### **2-IV.A. DEFINITIONS [24 CFR 984.103]**

The terms *1937 Act*, *fair market rent*, *HUD*, *low-income family*, *public housing*, *public housing agency (PHA)*, *secretary*, and *Section 8*, as used in this document are defined in the 24 CFR Part 5.

The term *very low-income family* is defined in 24 CFR 813.102 and 24 CFR 913.102.

The terms used in this document have the following definitions as defined by 24 CFR 984.103 and this family self-sufficiency action plan.

*Baseline annual earned income* means the FSS family's total annual earned income from wages and business income (if any) as of the effective date of the FSS contract. When calculating baseline annual earned income, all applicable exclusions of income must be applied, *except for* any disregarded earned income or other adjustments associated with self-sufficiency incentives that may apply to the determination of annual income.

*Baseline monthly rent* means 1) the FSS family's total tenant payment (TTP), as of the effective date of the FSS contract, for families paying an income-based rent as of the effective date of the FSS contract; or 2) the amount of the flat or ceiling rent (which includes the applicable utility allowance), and including any hardship discounts, as of the effective date of the FSS contract. For families paying a flat or ceiling rent this is as of the effective date of the FSS contract.

#### FHRA Policy

*Benefits* means a government benefit of money or monetary value given to an individual by a federal, state, or local government agency for purposes of financial assistance, including but not limited to, Medicaid, supplemental nutritional assistance program benefits and Social Security, Temporary Assistance for Needy Families, and unemployment compensation benefits.

#### FHRA Policy

*Benefits cliff* means the sudden and often unexpected decrease in public benefits that can occur with a small increase in earnings. When income increases, families sometimes lose some or all economic supports.

#### FHRA Policy

*Certain interim goals* means the family has met all its obligations under the CoP to date, including completion of the ITSP interim goals and tasks to date.

*Certification* means a written assertion based on supporting evidence, provided by the FSS family or the PHA or owner, which must be maintained by the PHA or owner in the case of the family's certification, or by HUD in the case of the PHA's or owner's certification. These must be made available for inspection by HUD, the PHA or owner, and the public, when appropriate. In addition, these will be considered accurate unless the Secretary or the PHA or owner, as applicable, determines otherwise after inspecting the evidence and providing due notice and opportunity for comment.

*Chief executive officer (CEO)* means the CEO of a unit of general local government who is the elected official or the legally designated official having primary responsibility for the conduct of that entity's governmental affairs.

*Contract of participation (CoP)* means a contract in a form approved by HUD, entered into between a participating FSS family and a PHA operating an FSS program that sets forth the terms and conditions governing participation in the FSS program. The contract of participation includes all individual training and services plans entered in between the PHA and all members of the family who will participate in the FSS program, and which plans are attached to the contract of participation as exhibits. For additional detail, see 24 CFR 984.303.

*Current annual earned income* means the FSS family's total annual earned income from wages and business income (if any) as of the most recent reexamination of income, which occurs after the effective date of the FSS contract. When calculating current annual earned income, all applicable exclusions of income will apply, including any disregarded earned income and other adjustments associated with self-sufficiency incentives or other alternative rent structures that may be applicable to the determination of annual income.

*Current monthly rent* means either the FSS family's TTP as of the most recent reexamination of income, which occurs after the effective date of the FSS contract, for families paying an income-based rent as of the most recent reexamination of income; or the amount of the flat rent, including applicable utility allowance or ceiling rent. This amount must include any hardship discounts, as of the most recent reexamination of income, which occurs after the effective date of the FSS contract, for families paying a flat rent or ceiling rent as of the most recent reexamination of income.

*Earned income* means income or earnings included in annual income from wages, tips, salaries, other employee compensation, and self-employment. Earned income does not include any pension or annuity, transfer payments, any cash or in-kind benefits, or funds deposited in or accrued interest on the FSS escrow account established by a PHA on behalf of a participating family.

*Effective date of contract of participation* means the first day of the month following the month in which the FSS family and the PHA entered into the contract of participation.

*Eligible families* for the FSS program means current participants in Section 8, residents of public housing, or residents in multifamily-assisted housing if a Cooperative Agreement exists.

#### FHRA Policy

*Enhance the effectiveness of the FSS program* means a demonstrable improvement in the quality of an FSS program in which the enrollment ratio, escrow balance average, and graduation rate is at or above the national average as measured in HUD's Composite Scores in FR Notice 11/15/18.

*Enrollment* means the date that the FSS family entered the contract of participation with the PHA.

*Family self-sufficiency program* or *FSS program* means the program established by a PHA within its jurisdiction to promote self-sufficiency among participating families, including the provision of supportive services to these families, as authorized by section 23 of the 1937 Act.

*FSS escrow account* means the FSS escrow account authorized by section 23 of the 1937 Act.

*FSS escrow credit* means the amount credited by the PHA to the participating family's FSS account.

*FSS family* means a family that receives Section 8 assistance or resides in public housing (section 9), that elects to participate in the FSS program, and whose designated adult member (head of FSS family) has signed the CoP.

*FSS family in good standing* means an FSS family that is in compliance with their FSS CoP, has either satisfied or are current on any debts owed the PHA or owner, and is in compliance with the regulations in 24 CFR Part 5 regarding participation in the relevant rental assistance program.

*FSS-related service program* means any program, publicly or privately sponsored, that offers the kinds of supportive services described in the definition of *supportive services*.

*FSS slots* refer to the total number of public housing units or the total number of rental vouchers that comprise the minimum size of a PHA's respective Section 8 and public housing FSS program.

*FSS Program Coordinator* means the person(s) who runs the FSS program. This may include (but is not limited to) performing outreach, recruitment, and retention of FSS participants; goal setting and case management/coaching of FSS participants; collaborating with the community and service partners; and tracking program performance.

*FY* means federal fiscal year (starting with October 1, and ending September 30, and designated by the calendar year in which it ends).

*Head of FSS family* means the designated adult family member of the FSS family who has signed the CoP. The head of FSS family may, but is not required to be, the head of the household for purposes of determining income eligibility and rent.

*Individual Training and Services Plan (ITSP)* means a written plan that is prepared by the PHA or owner in consultation with a participating FSS family member (the person with for and whom the ITSP is being developed), and which describes the final and interim goals for the participating FSS family member, the supportive services to be provided to the participating FSS family member, the activities to be completed by that family member, and the agreed upon completion dates for the goals, and activities. Each ITSP must be signed by the PHA or owner and the participating FSS family member and is attached to and incorporated as part of the CoP. An ITSP must be prepared for each adult family member who elects to participate in the FSS program, including the head of FSS family who has signed the CoP.

### FHRA Policy

*Knowledgeable professional* means a person who is knowledgeable about the situation, has training, education, certification, or licensure provided by recognized professional associations and institutions that legitimizes their professional opinion, is competent to render a professional opinion, and is not able to gain, monetarily or otherwise, from FHRA FSS program decision in the area to which they are certifying.

*Multifamily-assisted housing, also known as project-based rental assistance (PBRA)*, means rental housing assisted by a Section 8 Housing Payments Program, pursuant to 24 CFR Parts 880, 881, 883, 884, and 886.

### FHRA Policy

*Other costs related to achieving obligations in the contract of participation* means any costs necessary to complete an interim goal, a final goal, or tasks related to such in the ITSP.

*Owner* means the owner of multifamily-assisted housing.

*Participating family* is defined as *FSS family* in this section.

*Program coordinating committee (PCC)* means the committee described in 24 CFR 984.202.

*Public housing* means housing assisted under the 1937 Act, excluding housing assisted under Section 8 of the 1937 Act.

*Section 8* means assistance provided under Section 8 of the 1937 Act (42 U.S.C. 1437f). Specifically, multifamily-assisted housing, as defined in this section; tenant-based and project-based rental assistance under section 8(o) of the 1937 Act; the HCV homeownership option under section 8(y) of the 1937 Act; Family Unification Program (FUP) assistance under section 8(x) of the 1937 Act; and the Section 8 Moderate Rehabilitation (Mod Rehab) for low-income families and Moderate Rehabilitation Single Room Occupancy (Mod Rehab SRO) for homeless individuals under 24 CFR part 882.

*Self-sufficiency* means that an FSS family is no longer receiving Section 8, public housing assistance, or any federal, state, or local rent or homeownership subsidies or welfare assistance. Achievement of self-sufficiency, although an FSS program objective, is not a condition for receipt of the FSS account funds.

### FHRA Policy

*Supports* means, but is not limited to, transportation, testing fees, employment preparation costs, other costs related to achieving obligations outlined in the CoP, and training for FSS Program Coordinator.

*Supportive services* mean those appropriate services that a PHA will coordinate on behalf of an FSS family under a CoP. These may include child care of a type that provides sufficient hours of operation and serves an appropriate range of ages; transportation necessary to enable a participating family to receive available services or to commute to their places of employment; remedial education; education for completion of secondary or post-secondary schooling; job training, preparation, and counseling; job development and placement; follow-up assistance after job placement and completion of the contract of participation; substance/alcohol abuse treatment and counseling; training in homemaking and parenting skills; and personal welfare services that include substance/alcohol abuse treatment and counseling, and health, dental, mental health and health insurance services; household management; money management; counseling regarding homeownership or opportunities available for affordable rental and homeownership in the private housing market (including information on an individual's rights under the Fair Housing Act) and financial empowerment that may include financial literacy, coaching, asset building, money management; and any other services and resources, including case management and reasonable accommodations for individuals with disabilities, that the PHA may determine to be appropriate in assisting FSS families to achieve economic independence and self-sufficiency.

*Unit size or size of unit* refers to the number of bedrooms in a dwelling unit.

*Very low-income family* is defined as set out in 24 CFR 813.102

*Welfare assistance* means (for purposes of the FSS program only) income assistance from federal or state welfare programs and includes only cash maintenance payments designed to meet a family's ongoing basic needs. Welfare assistance does not include nonrecurrent, short-term benefits that are designed to deal with a specific crisis situation or episode of need, or are not intended to meet recurrent or ongoing needs and will not extend beyond four months; work subsidies (i.e., payments to employers or third parties to help cover the costs of employee wages, benefits, supervision, and training); supportive services such as child care and transportation provided to families who are employed; refundable earned income tax credits; contributions to, and distributions from, individual development accounts under TANF; services such as counseling, case management, peer support, child care information and referral, transitional services, job retention, job advancement and other employment-related services that do not provide basic income support; transportation benefits provided under a Job Access or Reverse Commute project, pursuant to section 404(k) of the Social Security Act, to an individual who is not otherwise receiving assistance; amounts solely directed to meeting housing expenses; amounts for health care; food stamps and emergency rental and utilities assistance; and SSI, SSDI, or social security.





## Chapter 3

### PROGRAM ADMINISTRATION

#### INTRODUCTION

This chapter discusses administrative policies and practices as they are relevant to the activities covered in this plan. The policies and practices are discussed in two parts:

Part I: Staffing, Fees and Costs, and On-Site Facilities: This part describes identifying appropriate staff and contractors to operate the FSS program and provide the necessary direct services to FSS families. In addition, it describes how administrative fees, costs, and supportive services will be funded, and defines the use of on-site facilities.

Part II: The Program Coordinating Committee: This part covers the establishment of a program coordinating committee (PCC), which is a regulatory requirement in all FSS programs other than multifamily housing assistance. It describes required and recommended PCC membership, in addition to the option for an alternative committee.

#### **PART I: STAFFING, FEES AND COSTS, AND ON-SITE FACILITIES**

##### **3-I.A. OVERVIEW**

Several functions of program administration are crucial to running an FSS program. A PHA may need to employ a program coordinator or decide to contract with another organization to administer the program. In addition to staffing issues, PHAs should understand how program funding and expenses work to keep the program running smoothly. Finally, PHAs need to sort out whether and how to make common areas or unoccupied units available to provide supportive services.

##### **3-I.B. PROGRAM ADMINISTRATION STAFF AND CONTRACTORS [24 CFR 984.301(b)]**

PHAs have the choice between hiring their own staff and contracting with an outside organization to administer their FSS program. If the PHA should choose to employ its own staff, the staffing levels should be appropriate, and may include one or more FSS coordinators. If the PHA chooses to contract with an outside organization, the organization's staffing levels must likewise be appropriate to establish and administer the FSS program, and whether the organization's responsibilities would include managing the FSS account in accordance with federal regulations.

##### FHRA POLICY

FHRA will employ appropriate staff, including one or more FSS coordinators or program coordinators to administer its FSS program and may contract with an appropriate organization to establish and administer the FSS program.

### **3-I.C. FSS PROGRAM COORDINATOR RESPONSIBILITIES**

#### **Primary Role of the FSS Program Coordinator**

The FSS Program Coordinator is responsible for building partnerships with service providers in the community, working with the Program Coordinating Committee (PCC) and local service providers to ensure that FSS program participants are linked to the supportive services they need to achieve self-sufficiency, preparing an Individual Training and Services Plan (ITSP) for the head of the FSS family and each adult member of the FSS family who elects to participate in the FSS program, making certain that the services included in the participants' CoP are provided on a regular, ongoing, and satisfactory basis, ensuring FSS participants are fulfilling their responsibilities under the CoPs, monitoring progress of participants, and establishing and properly maintaining FSS escrow accounts for eligible families. FSS coordinators may also provide outreach, recruitment, goal setting, case management and coaching for FSS participants, and tracking of FSS program performance.

FSS Program Coordinators funded under the FSS Coordinator Notice of Funding Opportunity (NOFO) may not perform the routine public housing or Section 8 program functions of housing eligibility, leasing, rent calculation, and portability that are funded through Section 8 administrative fees or public housing operating funds unless doing so would enhance the effectiveness of the program. If conducting these functions would enhance the effectiveness of the FSS program, the PHA must seek prior approval from HUD of those enhancements to the FSS program and certify that doing so will neither interfere with the FSS Coordinator's ability to fulfill their primary role nor be used to balance or fill in for gaps in traditional staffing.

Performance of routine Section 8 or public housing functions for non-FSS families does not enhance the effectiveness of the FSS program and is therefore an ineligible use of FSS funds [2021 FSS NOFO, p. 36].

#### **FHRA POLICY**

FHRA will request and provide the rationale to the HUD Field Office to require the FSS Program Coordinator to perform the routine Section 8 or public housing program functions: such as interims, annuals, transfers and rent increase adjustments. Doing this improves FSS coordinator and participant relations and trust and streamlines the reporting process by having a single point of contact.

### **3-I.D. ADMINISTRATIVE FEES AND COSTS**

The Consolidated Appropriations Act of 2014 combined funding streams for the Section 8 and public housing FSS programs. FSS funding is now awarded through one NOFO. Use of this funding is no longer restricted to the applicable program and funding now may be used to serve both Section 8 and public housing FSS participants. Funding for FSS Coordinators salary, benefits, and training as well as limited administrative costs is awarded through a Grant Agreement and disbursed through HUD's Line of Credit Control System (LOCCS), rather than as an amendment to the PHA's Annual Contributions Contract (ACC). These funds are separate from other available funds that may be used.

#### **Section 8 FSS Program**

In the Section 8 programs, administrative fees are paid to PHAs for HUD-approved costs associated with the operation of an FSS program. These administrative fees are established by Congress and subject to appropriations [24 CFR 984.302(b)].

In addition, administrative fees for HUD-approved costs not specifically related to the operation of the FSS program may be used to cover these costs associated with the administration of FSS [see Notice PIH 93-24 E-7 and E-8].

See 24 CFR 982.152 and PIH 2022-18 for details on the eligible use of administrative fees.

#### **Public Housing FSS Program**

For public housing FSS programs, the performance funding system (PFS), provided under section 9(a) of the 1937 Act, provides for the reasonable and eligible administrative costs that the PHA incurs in carrying out the program only when funds have been appropriated. However, a PHA may use other resources for this purpose [24 CFR 984.302(a)].

In other words, the PHA may fund reasonable and eligible administrative costs in the FSS program from the Operating Fund. However, these expenses will only be reimbursed in the operating subsidy when a current appropriations act allows it. In addition, the PHA may fund reasonable and eligible administrative costs from the Capital Fund. Administrative staffing costs may also be funded through HUD or other grant or foundation sources. This includes FSS Coordinator grants when available.

#### **FHRA POLICY**

FHRA will make funds available from the Section 8 administrative fees, unrestricted net position, or public housing operating fund to provide administrative costs to the FSS program.

### **3-I.E. SUPPORTIVE SERVICES FEES AND COSTS**

#### **Section 8 FSS Supportive Services**

In the Section 8 program, the PHA may fund reasonable and eligible FSS supportive service costs in the FSS program from unrestricted net position [see Notice PIH 93-24, E-3].

The PHA may seek additional funds from HUD through submitting grant applications or seek grants from other sources when available.

In addition to unrestricted net position and other grant sources, the FSS forfeited escrow account can fund FSS supportive services. See Section 6-I.E. for eligible supportive services costs.

#### **Public Housing FSS Supportive Services**

In public housing, the PHA may fund reasonable and eligible FSS supportive service costs in the FSS program from the Operating Fund. However, the costs of FSS supportive services are only reimbursed through the operating subsidy when appropriations allow it.

FSS public housing supportive services can also be funded through other HUD grants or related government and foundation grants, when available.

#### **FHRA POLICY**

FHRA will not make funds available from the Section 8 unrestricted net position or public housing operating fund to provide supportive services costs to the FSS program.

### **3-I.F. USE OF FORFEITED ESCROW ACCOUNTS FUNDS**

In addition to Section 8 unrestricted net assets, public housing operating funds, and other grant sources, the FSS forfeited escrow account funds must be used for the benefit of FSS participants, which includes supports and other costs for FSS participants in good standing. HUD does not provide an exhaustive list of these supports. However, the supports include, but are not limited to, transportation, childcare, training, testing fees, employment preparation costs, and other costs related to achieving obligations outlined in the contract of participation as well as training for FSS Program Coordinators.

#### FHRA Policy

The forfeited escrow funds remaining from terminated participants will be collected in a general fund and may be disbursed evenly among participants in “good standing” on a regular basis. Good Standing for the purposes of the FSS program is defined in Section 2-IV.A. of this Action Plan.

### **3-I.G. ON-SITE FACILITIES**

Each PHA may, subject to the approval of HUD, make available and utilize common areas or unoccupied dwelling units in public housing projects to provide supportive services under an FSS program. This includes using such areas for participants in a Section 8 FSS program.

#### **FHRA POLICY**

FHRA will make facility space available to provide support services under the FSS public housing and Section 8 programs.

## **PART II: PROGRAM COORDINATING COMMITTEE**

### **3-II.A. OVERVIEW**

As another integral part of FSS program administration, each participating PHA must establish a program coordinating committee (PCC) whose functions will be to assist the PHA in securing commitments of public and private resources for the operation of the FSS program within the PHA's jurisdiction, including assistance in developing the action plan and in implementing the program [24 CFR 984.202(a)].

The PCC must consist of specific members, which are dependent upon whether the PHA is operating Section 8, public housing, or multifamily assisted housing FSS programs. In addition to these required members, the PCC may also include additional members recommended by regulation.

### **3-II.B. PROGRAM COORDINATING COMMITTEE MEMBERSHIP**

#### **Required PCC Membership [24 CFR 984.202(b)(1)]**

The PCC required members consist of representatives of the PHA, including at least one FSS Program Coordinator, and one or more participants from each HUD rental assistance program (Section 8, public housing, or multifamily assisted housing) served by the PHA's FSS program.

#### **FHRA POLICY**

FHRA representative to the program coordinating committee (PCC) will be an FSS coordinator.

#### **Assistance in Identifying Potential PCC Members [24 CFR 984.202(b)(1)]**

The PHA may seek assistance from area-wide, city-wide, or development-based resident councils, the resident management corporation, or the Resident Advisory Board, in identifying potential PCC members.

#### **FHRA POLICY**

FHRA will seek assistance in identifying potential members of the PCC from area-wide, city-wide, and development-based resident councils, the resident management corporation, or the Resident Advisory Board.

### **Recommended PCC Membership [24 CFR 984.202(b)(2)]**

Membership on the PCC also may include representatives of the unit of general local government served by the PHA, local agencies (if any) responsible for carrying out employment training programs or programs funded under the Workforce Innovation and Investment Act, and other organizations, such as other state, local, or tribal welfare and employment agencies, public and private education or training institutions, child care providers, nonprofit service providers, private business, and any other public and private service providers with resources to assist the FSS program.

#### **FHRA POLICY**

FHRA's FSS program coordinating committee membership will include leadership from the following organizations:

Moorhead Public Schools, Fargo and West Fargo Public Schools, Freedom Resource Center, Lakes and Prairies, SENDCAA, Job Service, Moorhead Public Housing, Clay County Housing Authority, TRIO, Public Housing resident, and HCV participant.

### **3-II.C. ALTERNATIVE PCC COMMITTEE [24 CFR 984.202(c)]**

It is also possible for the PHA, in consultation with the chief executive officer of the unit of general local government served by the PHA, to use an existing entity as the PCC, if the membership of the existing entity consists or will consist of the individuals required by regulation (See section 3-II.B. above).

#### **FHRA POLICY**

FHRA will coordinate a PCC in partnership with Clay County housing Authority and Moorhead Public Housing.



## Fargo Housing and Redevelopment Authority FSS PCC Membership Chart

<b>Organization or Service Type</b>	<b>Organization Name</b>	<b>PCC Member Title</b>	<b>PCC Member Name</b>
Housing	Fargo Housing and Redevelopment Authority	FSS Coordinator FSS Coordinator ROSS Coordinator Resident Representative	Rose K. Contracted to Community Options Ashley M. Ashley B.
Housing	Moorhead Housing Authority	Director ROSS Coordinator	Alyssa Whiting
Housing	Clay County Housing and Redevelopment Authority	FSS Coordinator Service Coordinator at Hogue Estates	Elaine Martinson Jill Grotluschen
Educational	Moorhead Public Schools-Adult Basic Education	Director of Adult Basic Education	Tammy Schatz

Educational	UND TRIO-Educational Opportunity Center	Advisor	Lori Mattison
Social Service Funding and Coordination Organizations	Lakes & Prairies Community Action Partnership	Director of Head Start	Becky Johnson
Disability Services	Freedom Resource Center for Independent Living, Inc.	Program Director	Cindy Gabbert
Educational	Fargo Public Schools	Fargo Adult Learning Center	Jennifer Frueh

## Chapter 4

### SELECTING AND SERVING FSS FAMILIES

#### INTRODUCTION

FSS regulations require that the PHA include in its action plan a statement indicating how it will select families for participation in the FSS program. This includes outreach, waiting list management, and other selection procedures. When followed, the PHA's selection procedures ensure that families will be selected without regard to race, color, religion, sex, handicap, familial status, or national origin.

Once selected for participation in the FSS program, families are to be provided various activities and supportive services so that they may obtain the education, employment, business, and social skills necessary to achieve self-sufficiency. A description of such activities and supportive services is also a requirement of the FSS action plan.

This chapter contains three parts:

Part I: Incentives, Outreach, and Assurance of Noninterference: This part describes the incentives the PHA will offer and the outreach efforts the PHA will use to encourage participation and recruit eligible families for the FSS program and contains the required assurance of noninterference with the rights of nonparticipating families.

Part II: Family Selection: This part covers whether the PHA will use preferences for family selection and which preferences the PHA will employ if they choose to do so. In addition, this part describes the selection factors the PHA will use in screening families for participation in the FSS program.

Part III: Activities and Support Services: This part lists the activities and supportive services to be provided to families through both public and private resources, describes the method the PHA will use to identify family support needs, and covers the required certification of coordination.



## **PART I: INCENTIVES, OUTREACH, AND ASSURANCE OF NONINTERFERENCE**

### **4-I.A. OVERVIEW**

The FSS program offers incentives such as the FSS escrow account, case management, coaching, and other supportive services that not only encourage participation, but also help families achieve self-sufficiency. In addition to encouraging program participation through such incentives, PHAs also conduct outreach to recruit FSS participants from among eligible families. As part of this process, families need to know that their choice as to whether to participate in the FSS program will not affect their admission to the Section 8 or public housing programs, nor will it affect their right to occupancy. This part describes the PHA's policies regarding these issues, all of which are required aspects of the FSS action plan.

**4-I.B. INCENTIVES FOR PARTICIPATION [24 984.201(d)(5)]**

By regulation, the FSS action plan must include a PHA’s incentives plan—a description of the incentives that the PHA intends to offer eligible families to encourage their participation in the FSS program. The incentives plan provides for the establishment of the FSS escrow account and any other incentives designed by the PHA.

FHRA Policy

FHRA will offer the following services, as needed to complete obligations in the contract, to its FSS participants as incentives to participate in FSS.

<b>Incentive</b>	<b>Provided By</b>	<b>Description</b>
FSS escrow account	FSS coordinator	Per FSS program guidelines
Case management/Coaching	FSS coordinator	Per FSS program guidelines
Information and referrals to services	FSS coordinator	Timely Referrals to outside agencies
Funds to complete a goal or task from the ITSP	FSS coordinator	Requesting an interim disbursement from participants escrow.

**4-I.C. OUTREACH EFFORTS [24 CFR 984.201(d)(6)(i)(ii)]**

In addition to offering incentives for FSS participation, PHAs also conduct outreach to recruit more FSS participants from eligible families. The FSS action plan must include a description of these efforts to recruit FSS participants, including notification and outreach, the actions the PHA will take to assure that both minority and nonminority groups are informed about the FSS program, and how the PHA will make this information known.

**FHRA Policy**

FHRA will notify eligible families about the FSS program using the following outreach locations, activities, methods, and languages, where appropriate. These points of contact and methods have been selected to ensure that both minority and nonminority groups are informed about the FSS program. Translation is provided upon request.

<b>Location/Activity</b>	<b>Staff/Partner</b>	<b>Method</b>	<b>Language</b>
Briefings/Orientations	FHRA Staff Specialist	Flyer Presentation	English
Interims/Recertifications	FHRA Staff Specialist	Flyer Posters Referral Form	English
Transfers/Portability	FHRA Staff Specialist	Flyer Posters Presentation Referral Form	English
Lobby	FHRA Staff Receptionist	Flyer Posters Referral Form Video	English
Inspections	FHRA Staff Inspector	Flyer Presentation	English
FHRA Website Social Media	FHRA Staff	Video Presentation Success stories	English
Community-Based organizations	FHRA Staff Specialist	Flyer	English
Welcome packets	FHRA Staff Specialist	Flyer mailings	English

#### **4-I.D. ASSURANCE OF NONINTERFERENCE WITH THE RIGHTS OF NONPARTICIPATING FAMILIES [24 CFR 984.201(d)(10)]**

A family's housing assistance or admission into assisted housing should never depend on whether they choose to participate in the FSS program, and PHAs need to make this known as part of the recruitment process. For this reason, the PHA's action plan must include an assurance that a family's decision to not participate in the FSS program will not affect the family's admission to the Section 8 or public housing programs, nor will it affect the family's right to occupancy in accordance with the lease.

##### FHRA Policy

Participation in the FSS program is strictly voluntary. Section 8 participants and public housing residents will be notified in all literature and media presentations related to the FSS program that should they decide not to participate in the FSS program, it will not affect their Section 8 or public housing assistance. This material will also specify that the family will retain the right to occupancy according to their lease and family obligations contract.



## **PART II: FAMILY SELECTION**

### **4-II.A. OVERVIEW**

The FSS action plan is required to contain a statement indicating the procedures for selecting families for FSS program participation, including a description of how the PHA will do so without regard to race, color, religion, sex (including actual or perceived gender identity), familial status, or national origin. This part describes these procedures, considering whether the PHA will use preferences for family selection and which preferences the PHA will employ if they choose to do so, in addition to defining the factors the PHA will use in screening families for program participation.

### **4-II.B. FSS SELECTION PREFERENCES**

As part of the process for selecting families for participation in the FSS program, the PHA may choose whether to employ the use of preferences. If the PHA so chooses, it has the option of giving a selection preference for up to 50 percent of its FSS program slots to eligible families who have one or more family members currently enrolled in an FSS-related service program or who are on the waiting list for such a program. Such a preference may be further limited to participants in and applicants for one or more specific eligible FSS-related service programs.

Should the PHA choose to adopt such a preference, it would need to include the following information in its action plan:

- The percentage of FSS slots, not to exceed 50 percent of the total number of FSS slots for each of its FSS programs, for which it will give a selection preference
- The FSS related service programs to which it will give a selection preference to the programs' participants and applicants
- The method of outreach to and selection of families with one or more members participating in the identified programs [24 CFR 984.203(a)]

A PHA may wish to adopt additional selection preferences as well [Notice PIH 93-24].

#### FHRA Policy

FHRA has elected not to establish preferences for admission into the FSS program. Admission is on a first-come, first-served basis determined by the FHRA date stamp on the initial participant FSS application. A family's decision not to participate in the FSS program does not affect the family's participation in the HCV or public housing programs.

The PHA may use either of the following to select among applicants on the FSS waiting list with the same preference status [24 CFR 984.203(b)]:

- Date and time of application to the FSS program; or
- A drawing or other random choice technique.

FHRA Policy

FHRA will use the date and time of application the family expressed an interest in participating in the FSS program to fill the FSS slots.

**4-II.C. SELECTION FACTORS**

Many factors contribute to whether a PHA may choose to select a family for participation in the FSS program. These selection factors can help the PHA screen families for admission, and ultimately contribute to the PHA’s decision to either allow or deny a family’s admission into the FSS program.

**Motivation Selection Factors [24 CFR 984.203(d)(1)]**

A PHA may screen families for interest and motivation to participate in the FSS program provided that the factors utilized by the PHA are those which solely measure the family’s interest and motivation to participate in the FSS program. For this reason, PHAs must only apply motivational screening factors that are permissible under the regulations.

***Permissible Motivation Selection Factors***

Permitted motivational factors include requiring attendance at FSS orientation sessions or pre-selection interviews or assigning certain tasks indicating the family’s willingness to undertake the obligations that may be imposed by the FSS contract of participation. However, any tasks assigned should be readily accomplishable by the family based on the family members’ educational level, abilities, or disabilities, if any. Reasonable accommodations must be made for individuals whose disability (mobility, manual, sensory, speech impairments, mental, or developmental disabilities) creates a barrier to accomplishing the tasks [24 CFR 984.203(d)(2)].

FHRA Policy

FHRA will not screen families for interest and motivation to participate in the FSS program.

### ***Prohibited Motivation Selection Factors***

Prohibited motivational screening factors include the family’s educational level, educational or standardized motivational test results, previous job history or job performance, credit rating, marital status, number of children, or other factors, such as sensory or manual skills, and any factors which may result in discriminatory practices or treatment toward individuals with disabilities or minority or nonminority groups [24 CFR 984.203(d)(3)].

### **Other Selection Factors**

In addition to motivational screening, FHRA may also wish to screen families for the following additional factors.

#### ***PHA Debt Selection Factor***

The PHA may deny FSS participation to a family if the family owes the PHA, or another PHA, money in connection with Section 8 or public housing assistance [Notice PIH 93-24, B-18].

##### FHRA Policy

FHRA will deny FSS participation to a family if the family owes FHRA, or another PHA, money in connection with Section 8 or public housing assistance. Families that owe money to FHRA who have entered into a repayment agreement and are current on that repayment agreement will not be denied FSS participation.

#### ***Unavailable Support Services Selection Factor***

If the PHA determines, after consulting with the family, that a missing service is essential to the family’s needs, the PHA may skip that family (and other similar families) and offer the FSS slot to the next family for which there are available services [Notice PIH 93-24, B-8].

##### FHRA Policy

FHRA will not skip a family unless other criteria determine we must.

#### ***Previous Participation Selection Factor***

A PHA may refuse to select a family for participation in the FSS program a second time if that family previously participated unsuccessfully (i.e., the family participated, did not meet its FSS obligations, and was terminated from the FSS program) [Notice PIH 93-24, B-14].

##### FHRA Policy

FHRA will not refuse to select a family for participation in the FSS program a second time if that family previously participated and did not complete the program.

FHRA will not enroll a family for participation in the FSS program a second time if that family previously participated, completed the CoP, and received a final distribution of their escrow account.

#### **4-II.D. SELECTION OF HEAD OF HOUSEHOLD**

Each eligible family that is selected to participate in an FSS program must enter a contract of participation with the PHA. There will be no more than one contract at any time for each family. There may be an ITSP for as many members of the family who wish to participate. The contract shall be signed by a representative of the PHA and the head of FSS family, as designated by the family. This head of FSS family does not have to be the same as the official head of household for rental assistance purposes [24 CFR 984.303(a)].

##### FHRA Policy

FHRA will meet with the family and detail the obligations, rights, and privileges that pertain to the FSS head of household and require each adult family member to certify their agreement as to their designated head of the FSS family. These certifications will be a permanent part of the FSS family's record and will be updated with each change of head of household.

## **PART III: ACTIVITIES AND SUPPORT SERVICES**

### **4-III.A. OVERVIEW**

Once families are admitted to the FSS program, the PHA becomes responsible for making sure these families are adequately served. The purpose of the family self-sufficiency (FSS) program is to promote the development of local strategies to coordinate the use of Section 8 and public housing assistance programs with public and private resources, to enable families eligible to receive assistance under these programs to achieve economic independence and self-sufficiency. As such, upon selection, families are matched with the appropriate activities and supportive services so that they may obtain the education, employment, and business and social skills necessary to achieve self-sufficiency. This is a vital element of the FSS program. The PHA must make a good faith effort to replace the obtained services from another agency.

### **4-III.B. METHOD OF IDENTIFYING FAMILY SUPPORT NEEDS**

**[24 CFR 984.201(d)(8)]**

Before a PHA can determine the services and activities it will provide to FSS families, it must identify the services and activities appropriate to each family. The action plan must contain a description of how the program will identify the needs of FSS families and deliver the services and activities according to these needs.

#### FHRA Policy

Supportive services needs will be identified by completion of an informal needs assessment with the FSS coordinator or case manager or coach before completion of the initial individual training and services plan and signing of the contract of participation. After enrollment in FHRA's FSS program, a formal needs assessment, including vocational assessment and counseling, educational assessment and counseling, and employment planning, will be conducted as needed by the following partners on the PCC:

- Public Schools
- Mental Health and substance/alcohol treatment centers
- Job Service
- SENDCAA
- Government agencies
- First Link (2-1-1)

These results are used to modify the ITSP, in mutual agreement with the family.

**4-III.C. FSS ACTIVITIES AND SUPPORT SERVICES DESCRIPTION**  
**[24 CFR 984.201(d)(7)]**

As part of the required contents of the action plan, PHAs must both describe the activities and supportive services to be provided by public and private resources to FSS families and identify the public and private resources that are expected to provide the supportive services.

Of course, this task assumes that the PHA has first identified the needed activities and supportive services.

FHRA Policy

FHRA’s FSS program, through its partners on the program coordinating committee, will provide the following activities and support services to FSS families:

<b>Support Service General</b>	<b>Support Service Specific</b>	<b>Source/Partner</b>
<b>Assessment</b>	Vocational Assessment Educational Assessment Vocational Planning Educational Planning Disability Assessment Disability Vocational Assessment/Planning Disability Educational Assessment/Planning Drug/Alcohol Assessment Drug/Alcohol Planning	Adult Basic Education Career Center Community College Community Based Organizations Career Center Community College Vocational Rehabilitation Health Department Career Center Community-based Organizations
<b>Education</b>	High School English as a Second Language GED Post-secondary College	High School Adult Basic Education Community College University TRIO
<b>Training</b>	Skills Training Emerging Technologies Training Biomedical Training On-the-Job Training Functional Context Training	Adult Basic Education Community College University Community-based Organizations Workforce Innovation/American Job Centers

<b>Support Service General</b>	<b>Support Service Specific</b>	<b>Source/Partner</b>
<b>Job Search Assistance</b>	Resume Preparation Interviewing Skills Workplace Skills Job Development Job Placement	Adult Basic Education Community College University Community-based Organizations Workforce Innovation/American Job Centers
<b>Transportation</b>	Bus	MAT Bus Valley Senior Services Bus Handi-Wheels Metro Senior Ride
<b>Child Care</b>	Infant Care Toddler Care Preschool Care Afterschool Care Homework Assistance	Child Care Resource Parks and Recreation Boys and Girls Club Schools
<b>Financial Literacy</b>	Financial Education Financial Coaching Debt Resolution Credit Repair	Adult Basic Education Community College Better Business Bureau Community-based Organizations
<b>Legal Services</b>	Representation Document Review Counsel or Advice	The Village
<b>Child/Adult Protective Services</b>	Needs Assessment Case Planning Information Referral Crisis Management	Senior Services Adult Services In-home Support Services Adult Abuse Hotline Child Abuse Hotline Foster Care Adoption Services
<b>Crisis Services</b>	Crisis Assessment Crisis Intervention Crisis Management Crisis Resolution	Crisis Team (2-1-1) Senior Crisis Team Poison Center Domestic Violence Shelter

<b>Support Service General</b>	<b>Support Service Specific</b>	<b>Source/Partner</b>
<b>Mentoring</b>	Mentoring Match	Adult Basic Education Community College Workforce Investment Act Youth Programs Community-based Organizations
<b>Homeownership</b>	Training Planning Debt Resolution	Housing Counseling Organization Community-based Organizations
<b>Individual Development Accounts</b>	Match Savings Accounts Distribution of IDA Funds	Public Housing Authority TANF Office of Community Services in DHHS SENDCAA Presentation Partners Community-based Organizations



#### **4-III.D. CERTIFICATION OF COORDINATION [24 CFR 984.201(D)(12)]**

The FSS action plan is required to contain a certification that the development of the activities and services under the FSS program has been coordinated with the JOBS program (now Welfare to Work under TANF), the programs under title I of the Workforce Innovation and Opportunity Act, and any other relevant employment, childcare, transportation, training, and education programs in the applicable area. The implementation of the FSS program's activities and services must continue to be coordinated as such to avoid duplication of activities and services.

##### FHRA Policy

FHRA certifies that its FSS program has developed its services and activities in coordination with programs under Title I of the Workforce Innovation and Opportunity Act, Workforce Investment Board and American Job Centers (also known as Workforce Centers or One Stop Career Centers), and any other relevant employment, childcare, transportation, training, and education programs in the applicable area. The implementation of these activities and services will continue to be coordinated in this manner to avoid duplication of activities and services.



## Chapter 5

### CONTRACT OF PARTICIPATION

#### INTRODUCTION

Each family that is selected to participate in an FSS program must enter into a contract of participation with the PHA. This contract, which is signed by the head of the FSS family, sets forth the principal terms and conditions governing participation in the FSS program, including the rights and responsibilities of the FSS family and of the PHA, the services to be provided to the head of the FSS family and each adult member of the family who elects to participate in the program, and the activities to be completed by them. The contract also incorporates the individual training and services plan [24 CFR 984.303].

This chapter contains two parts:

Part I: Overview and Family Obligations: This part provides an overview of the form and content of the contract of participation and describes what the contract requires of FSS families.

Part II: Contract Specifications: This part explains the specifications of the contract, including terms and conditions, contract modification, contract terminations, and grievance procedures.

#### PART I: OVERVIEW AND FAMILY OBLIGATIONS

##### 5-I.A. OVERVIEW

The purpose of the FSS contract of participation is to set forth the principal terms and conditions governing participation in the FSS program, including the incorporation of the individual training and services plan (ITSP) as part of the contract's required contents. The ITSP is meant to establish goals the FSS family will meet along the family's way to completing the contract and becoming self-sufficient. In addition to the goals specified in the ITSP, the contract also lists the responsibilities of the family and the PHA. This part covers the ITSP as part of the required contents of the contract of participation, and the family's obligations under the contract.

## **5-I.B. CONTENTS OF THE CONTRACT OF PARTICIPATION**

### **Individual Training and Services Plan**

There will only ever be one FSS contract of participation (CoP) at any time for each FSS family. As part of the required contents of the FSS contract of participation (CoP), the individual training and services plan (ITSP) establishes specific interim and final goals by which the PHA and the family measure the family's progress toward fulfilling its obligations under the contract of participation and becoming self-sufficient. Interim and final goals will differ depending on the family's individual needs. Regulations require the establishment of a final goal that includes both employment for the head of the FSS family and independence from welfare assistance for all family members regardless of age.

#### ***Interim Goals [24 CFR 984.303(b)(2)]***

PHAs must work with each participant to establish realistic and individualized goals and may not include additional mandatory goals or mandatory modifications of the two mandatory goals.

#### ***Individual Training and Service Plans for Other than FSS Head [24 CFR 984.103]***

An individual training and services plan is required for the head of the FSS family and all adults choosing to participate. ITSPs must be prepared for each adult family member participating. ITSPs are prepared by the PHA, in consultation with the participating family member [Notice PIH 93-24, G-16.

## **5-I.C. FAMILY OBLIGATIONS**

### **Compliance with Lease Terms [24 CFR 984.303(b)(3)]**

One of the obligations of the FSS family according to the contract of participation is to comply with the terms and conditions of the Section 8 or public housing lease.

Inability to comply with the lease represents an inability to comply with the contract, therefore regulations regarding noncompliance with the FSS contract apply [see 24 CFR 984.303(b)(5)]. It is up to the PHA to determine the plan of action for FSS families found in noncompliance with the lease and how the PHA will precisely define the term *comply with the lease*. All considerations allowed for other assisted residents regarding violations of the lease, must also be allowed for FSS participants.

#### FHRA Policy

FHRA will define *comply with the lease* to mean the FSS family has not been evicted for repeated or serious violations of the lease as defined in the Section 8 Administrative Plan and public housing Admissions and Continued Occupancy Policy; or if they have been evicted for repeated and serious violations of the lease, the family has pursued their right to grieve, and the family has prevailed in either the grievance hearing or the informal hearing process.

FHRA's FSS program will not terminate the FSS contract of participation for failure to comply with the terms of the lease unless housing assistance has been terminated.

### **Employment Obligation [24 CFR 984.303 (b)(4)]**

Another obligation set forth by the contract of participation is for the head of the FSS family to *seek and maintain suitable employment* during the term of the contract and any extension. Although other members of the FSS family may seek and maintain suitable employment during the term of the contract, it is only a requirement for the head of the FSS family.

The obligation for the head of the FSS family to *seek employment* is defined in the regulatory language as meaning that the head of the FSS family has searched for jobs, applied for employment, attended job interviews, and has otherwise followed through on employment opportunities. However, this definition still leaves room for policy decisions on the part of the PHA because it does not define the level of activity involved in “seeking.”

There is no regulatory definition of *maintain suitable employment*. For this reason, it is up to the PHA to define the term. However, there can be no minimum period of time that the head of the FSS family must work.

With the agreement of the FSS family member, the PHA makes a determination of what it means to maintain suitable employment based on the skills, education, and job training of the FSS head of household, receipt of other benefits of the family member, and the available job opportunities within the jurisdiction served by the PHA. This means that the PHA must consult with the family member and agreement must be reached as to what *maintain suitable employment* is for that family member [24 CFR 984.303 (b)(4), Notice PIH 93-24, G-3].

#### FHRA Policy

For purposes of FHRA’s FSS program, *seek employment* means the head of household has applied for employment, attended job interviews, and otherwise followed through on employment opportunities as outlined in the individual training and services plan of their contract of participation.

*Maintain suitable employment* means that the head of household will complete all the obligations outlined in the individual training and services plan of his or her contract of participation (CoP) and be employed on the last effective day of the CoP.

## **5-I.D. CONSEQUENCES OF NONCOMPLIANCE WITH THE CONTRACT**

Consequences apply for families who do not meet the terms and conditions of the contract. The regulations require that the contract of participation specify that if the FSS family fails to comply, without good cause, with the terms and conditions of the contract (including compliance with the Section 8 or public housing lease), the PHA may:

- Withhold supportive services
- Terminate the family's participation in the FSS program

PHAs are not permitted to terminate a family's housing assistance due to the family's failure to meet its obligations under the contract of participation [24 CFR 984.101(d)].

### FHRA Policy

The contract of participation (CoP) will be terminated before the expiration of the contract term if the participant fails to meet, without "good cause," their obligations as outlined in the CoP. If the participant fails to meet its obligations outlined in the CoP, the FSS coordinator, or their designee, will first meet with the family to reassess the need for supportive services or a change in the individual training and services plan (ITSP).

If a reassessment of supportive services and a change in the ITSP is not successful in bringing the family in to compliance, the FSS coordinator will reassess the need for, and availability of, supportive services and refer the participant to a knowledgeable professional for a formal assessment of the challenges leading to the noncompliance.

The FSS Coordinator will use this formal assessment to identify and refer to resources that remove the challenge, so the participant is able to meet their obligations outlined in the CoP.

Finally, if neither of these alternatives is successful, the FSS coordinator will terminate the CoP for failure to complete the tasks, interim goals, or final goals of the ITSP in a timely manner, and thus failure to complete the obligations outlined in the CoP.

The FSS coordinator will make an exception to the actions in terminating the CoP if the participant can, with the assistance of the FSS Coordinator, demonstrate "good cause" for the failure to meet its obligations as outlined in the CoP.

For purposes of the FHRA's FSS program, good cause includes circumstances beyond the control of the FSS family.

For purposes of the FHRA's FSS program, *good cause* includes circumstances beyond the control of the FSS family:

Family circumstances

Death in the family

Serious illness

Medical emergency

Mandatory court appearances

Involuntary loss of employment

Loss of head of household through death, incarceration, or removal from lease

Change in the ITSP improving progress toward economic self-sufficiency

Community circumstances

Significant reduction in workforce (over 20 percent reduction in employment field)

Significant interruption in service delivery (over 3 months interruption)

Provider noncompliance with regulation

Provider unable or unwilling to provide service

Provider offering inferior service

Active pursuit of a current or additional self-sufficiency goal

Resolution of a barrier to employment

Completion of a college degree or technical training

Completion of a work-related certification

Credit repair towards homeownership readiness



## **PART II: CONTRACT SPECIFICATIONS**

### **5-II.A. OVERVIEW**

In addition to making clear the family's obligations under the program, the contract of participation contains specific terms and conditions, including those governing contract modifications, terminations, and grievance procedures. This part describes those specifications and associated policy.

### **5-II.B. CONTRACT TERM [24 CFR 984.303(c)]**

The contract term is five years. This means that the family has no more than five years from the effective date of the contract of participation (CoP) to fulfill their obligations as specified in the contract. This five year term requirement will be specified in the CoP.

### **Contract Extension [24 CFR 984.303(d)]**

While the term set forth in the contract of participation is for five years, contract extensions are available. According to regulation, PHAs must for "good cause" extend the term of the contract for a period not to exceed two years for any FSS family that requests an extension of the contract in writing or verbally. The family's written or verbal (documented by the FSS Coordinator) request for an extension must include a description of the need for the extension. *Good cause* means circumstances beyond the control of the FSS family, as determined by the PHA, such as a serious illness or involuntary loss of employment (further defined by PHA policy in Section 5-I.D.). Extension of the contract of participation will entitle the FSS family to continue to have amounts credited to the family's FSS account.

### **5-II.C. MODIFICATION OF THE CONTRACT**

The contract of participation (CoP) may be modified, as long as the PHA and the FSS family mutually agree to modify it. This includes modifications in writing with respect to the individual training and services plans (ITSPs), the contract term (See Section 5-II.B. above), and designation of the head of the family [24 CFR 984.303(f)]. The conditions under which the PHA will modify the contract are set forth in the policy below.

#### **FHRA Policy**

In FHRA's FSS program, the CoP will be modified by mutual agreement between FHRA and the FSS head of household:

When modifications to the ITSP improve the participant's ability to complete their obligations in the CoP or progress toward economic self-sufficiency.

When the actual end date of the CoP is determined by the effective date of the FSS family's first reexamination changes the end date of the CoP.

When the designated head of the FSS family ceases to reside with other family members in the assisted unit, and the remaining family members, designate another family member to be the FSS head of household and receive escrow funds.

When an FSS family moves to the jurisdiction of a receiving PHA that does not have an FSS program and the family may not continue participation in the FSS program, and modification of the FSS contract will allow the family to complete the contract and receive an escrow disbursement or terminate the contract with escrow disbursement.

### **5-II.D. COMPLETION OF THE CONTRACT**

By regulation, the contract of participation is considered to be completed when the head of household is employed and the FSS family has fulfilled all of its obligations under the contract of participation, including all family members' ITSPs, on or before the expiration of the contract term, including any extension thereof.

Policies on verifying completion of the contract of participation can be found in Section 6-I.C. of this action plan.

### **5-II.E. TRANSITIONAL SUPPORTIVE SERVICE ASSISTANCE**

Even after a family has completed the contract of participation, a PHA may continue to offer appropriate FSS supportive services to a former completed FSS family. If the family still resides in Section 8 or public housing, these supportive services would be offered for becoming self-sufficient. If the family no longer resides in Section 8 or public housing, these supportive services would be offered for becoming self-sufficient or remaining self-sufficient. Transitional services for families who no longer reside in Section 8 or public housing, may only be offered using sources that are not HUD funds or HUD restricted funds [24 CFR 984.303(j)].

#### FHRA Policy

The FSS coordinator may not continue to offer supportive services but may act as a referral source to a former FSS family who has completed its contract of participation.

## **5-II.F. TERMINATION OF THE CONTRACT**

### **Termination of the Contract with Escrow Distribution [24 CFR 984.303(k)]**

The contract of participation will be terminated with escrow distribution before the expiration of the contract term, during any extension of the contract, or at end of the term of the contract if all obligations under such have not been met, when:

- Services that the PHA and the FSS family have agreed are integral to the FSS family's advancement towards self-sufficiency are unavailable, as described in Section 5-II.H. of this Action Plan. This type of termination is also referred to as "nullification" in the FSS regulations at 24 CFR 984.
- The head of the FSS family becomes permanently disabled and unable to work during the period of the contract, unless the PHA and the FSS family determine that it is possible to modify the contract to designate a new head of the FSS family; or
- An FSS family in good standing moves outside the jurisdiction of the PHA (in accordance with portability requirements at 24 CFR 982.353) for good cause and continuation of the CoP after the move or completion of the CoP prior to the move is not possible. PHAs must be consistent in their determinations of whether a family has good cause for a termination with FSS escrow disbursement.

### **Termination of the Contract without Escrow Distribution [24 CFR 984.303(h)]**

The contract of participation may be terminated before the expiration of the contract term and any extension of the contract by the following:

- Mutual consent of the parties
- Failure of the FSS family to meet its obligations under the contract of participation without good cause, including in a Section 8 FSS program the failure to comply with the contract requirements because the family has moved outside the jurisdiction of the PHA
- The family's withdrawal from the FSS program
- Such other act as is deemed inconsistent with the purpose of the FSS program
- Operation of law

## FHRA Policy

The CoP will be terminated before the expiration of the contract term, and any extension thereof, for any of the following reasons

Mutual consent of the parties.

Family's withdrawal from the FSS program.

Failure of the FSS family to meet its obligations under the contract of participation without good cause. *Good cause* for the purposes of the FSS program is also defined in Section 5-I.D. of this Action Plan.

Such other act as is deemed inconsistent with the purpose of the FSS program.

Operation of law.

The head of the FSS family becomes permanently disabled and other family members will not participate in FSS as the head of the FSS family.

In a Section 8 FSS program, failure to comply with the contract requirements because the family has moved outside the jurisdiction of the PHA under portability without continued FSS participation.

If the FSS family faces termination due to failing to meet, without good cause, its obligations under the CoP, the PHA will follow the relevant policy specified in Section 5-I.D. of this action plan.

**Note:** If the family is unable to meet the requirements of the contract of participation because essential services are not available, the contract is *nullified*, not terminated.

In addition, the contract of participation is automatically terminated if the family's housing assistance is terminated in accordance with HUD requirements [24 CFR 984.303(h)].

### **5-II.G. OPTION TO WITHHOLD SUPPORTIVE SERVICE [24 CFR 984.303(b)(5)(i)]**

As touched upon in Section 5-I.D. of this action plan, the PHA has the option to withhold supportive services or the FSS family's participation in the FSS program if the PHA determines that the FSS family has failed to comply without good cause with the requirements of the contract of participation.

PHAs are not permitted to terminate Section 8 assistance to a family due to the family's failure to meet its obligations under the contract of participation [24 CFR 984.101(d)].

### **5-II.H. PHA OBLIGATION TO MAKE GOOD FAITH EFFORT TO REPLACE UNAVAILABLE SUPPORT SERVICES [24 CFR 984.303(e)]**

PHAs must make an extensive good faith effort to replace services that community agencies either cannot or will not provide. If all of the steps below are exhausted without the provision of an integral service, the contract of participation can be ended ahead of time as a result. This, however, should only occur as a last resort. The PHAs good faith effort must be demonstrated by taking the following steps:

- If a social service agency fails to deliver the supportive services pledged under an FSS family member's individual training and services plan (ITSP), the PHA must make a good faith effort to obtain these services from another agency.
- If the PHA is unable to obtain the services from another agency, the PHA must reassess the family member's needs and determine whether other available services would achieve the same purpose.
- If other available services would not achieve the same purpose, the PHA shall determine whether the unavailable services are integral to the FSS family's advancement or progress toward self-sufficiency.
- If the unavailable services are not integral to the FSS family's advancement toward self-sufficiency, the PHA must revise the ITSP, delete these services, and modify the contract of participation to remove any obligation on the part of the FSS family to accept the unavailable services.
- If the unavailable services *are* determined to be integral to the FSS family's advancement toward self-sufficiency (which may be the case if the affected family member is the head of the FSS family), the PHA shall terminate the contract of participation and follow the requirements in Section 5-II.F. of this Action Plan.

Termination of the contract of participation based on unavailability of supportive services shall never be grounds for termination of Section 8 or public housing assistance.

## **5-II.I. GRIEVANCE PROCEDURES**

When adverse action is taken by the PHA against a family, the PHA is required to provide a grievance hearing in the public housing program, or an informal hearing in the Section 8 program [24 CFR 966 subpart B, 24 CFR 982.554].

According to regulatory requirements, the FSS action plan must contain the grievance and hearing procedures available for FSS families against whom the PHA has taken adverse action with regards to FSS [24 CFR 984.201(d)(9)].

### FHRA Policy

The grievance and informal hearing procedures for the FSS program will be the same as the grievance and hearing procedures adopted for the Section 8 and public housing programs in FHRA's admissions and continued occupancy policy and administrative plan. (See Chapter 14 for Both *Public Housing and Section 8*).

Adverse actions taken within the FSS program include:

- Denial of admission into the FSS program
- Denial of request for supportive services
- Denial of request to change the ITSP
- Denial of request to change the head of household
- Denial of request for interim disbursement of the escrow account
- Denial of request to complete the CoP
- Denial of a request for extension to the FSS CoP
- Denial of request for either interim or final distribution of escrow account
- Withholding of support services
- Termination of the FSS CoP
- Denial of request for termination with escrow
- Denial of transitional services





## Chapter 6

### ESCROW ACCOUNT

#### INTRODUCTION

The establishment of an escrow account is offered as a support and financial incentive to families for participation in the FSS program. Generally, under this incentive, the amount of an increase in family rent resulting from an increase in earned income is escrowed. That is, usually a family's rent or share of the rent goes up when the family experiences an increase in earned income. In the FSS program, this is still the case, and the part of the rent representing the increase is deposited into an account as an escrow credit. The funds from this escrow account then become available to FSS families upon successful completion of their contracts of participation and may become available earlier at the housing authority's option.

This chapter explains how the FSS escrow account works, including calculating the amount of the escrow credit, disbursing the funds, and the proper way for the PHA to manage and report on the account.

This chapter contains two parts:

Part I: The Escrow Account: This part provides an overview of how the escrow account works, including calculating the escrow credit and disbursing the funds upon completion of the contract of participation.

Part II: Escrow Fund Accounting and Reporting: This part describes the requirements for managing the escrow account, including both accounting and reporting requirements.

#### PART I: THE ESCROW ACCOUNT

##### 6-I.A. OVERVIEW

As an integral incentive to the FSS program, it is especially important to have clear-cut policy spelling out how the escrow account works. This includes policy regarding the calculation of the FSS credit amount, the disbursement of FSS account funds, the use of account funds for homeownership, and forfeiture of the FSS escrow account.

## **6-I.B. CALCULATING THE FSS CREDIT AMOUNT**

### **Determination of Baseline Annual Earned Income and Baseline Monthly Rent**

When determining the family's baseline annual earned income and the baseline monthly rent amounts for purposes of computing the FSS escrow credit, the PHA must use the amounts on the family's most recent income reexamination in effect.

For purposes of determining the FSS credit, baseline monthly rent for families paying an income-based rent is the family's Total Tenant Payment (TTP) as of the most recent reexamination of income, which occurs after the effective date of the FSS contract.

For families in public housing who are paying either flat or ceiling rent, family rent is the amount of the flat rent (including the applicable utility allowance) or ceiling rent (including any hardship discounts) as of the most recent reexamination of income, which occurs after the effective date of the FSS contract [24 CFR 984.103(b)].

### **Determination of the Escrow Credit**

To calculate the FSS credit, the PHA must accurately determine the family's baseline earned income and baseline monthly rent and compare those figures with the family's current earned income and current monthly rent. The FSS credit is the lesser of 30 percent of one-twelfth or 2.5 percent of the amount by which the family's current annual earned income exceeds the family's baseline annual earned income; or the increase in the family's monthly rent. The increase in the family's monthly rent is the lower of either the amount by which the family's current monthly rent exceeds the family's baseline monthly rent, or for Section 8 families, the difference between the baseline monthly rent and the current gross rent (*i.e.*, rent to owner plus any utility allowance) or the payment standard, whichever is lower [24 CFR 984.305(b)(2)].

### **Determination of Escrow Credit for Families Who Are Not Low Income**

FSS families who are not low-income families are not entitled to any FSS credit [24 CFR 984.305(b)(2)].

### **Increases in FSS Family Income [24 CFR 984.304]**

As described in the FSS credit calculations above, any increases in family earned income resulting in increases in family rent are deposited in the escrow account. For this reason, and because of the nature of the FSS account, any increase in the earned income of an FSS family during its participation in an FSS program may not be considered as income or an asset for purposes of eligibility of the FSS family for other benefits, or amount of benefits payable to the FSS family, under any other program administered by HUD.

### **Cessation of FSS Credit [24 CFR 984.305(b)(4)]**

The PHA will not make any additional credits to the FSS family's FSS account when the family has completed the contract of participation, when the contract of participation is terminated, when the family is not low-income, or during the time a Section 8 family is in the process of moving to a new unit.

## **6-I.C. DISBURSEMENT OF FSS ACCOUNT FUNDS**

### **Disbursement Before Completion of Contract**

The PHA may at its sole option disburse FSS account funds before completion of the contract if the family needs a portion of the funds for purposes consistent with the contract of participation and the PHA determines that the FSS family has fulfilled certain interim goals established in the contract of participation. These interim disbursements could include using the funds to assist the family in meeting expenses related to completion of higher education (e.g., college, graduate school) or job training, or to meet start-up expenses involved in creation of a small business [24 984.305(c)(2)(ii)].

#### FHRA Policy

FHRA will disburse a portion of the FSS escrow account funds before completion of the CoP when the family has met certain interim goals, which means the family has met all its obligations under the CoP to date, including completion of the ITSP interim goals and tasks to date, and requested funds are needed to complete an interim goal or task within the CoP and are not ongoing expenses.

### **Disbursement at Completion of Contract [24 CFR 984.305(c)(1) and 24 984.305(c)(2)(i)]**

When the contract has been completed, at or before the expiration date, according to regulation, the amount in the FSS account in excess of any amount the FSS family owes to the PHA will be paid to the head of the FSS family. To receive the disbursement, the head of the FSS family must submit a certification (as defined in 24 CFR 984.103) to the PHA at the time of contract completion that, to the best of his or her knowledge and belief, no member of the FSS family is a recipient of welfare assistance.

### **Disbursement at Contract Termination [24 CFR 984.305(c)(3)]**

The PHA must disburse to the family its FSS escrow account funds in excess of any amount owed to the PHA when the contract has been terminated in certain circumstances. These circumstances include services are not available to the family that the PHA and the FSS family have agreed are integral to the FSS family's advancement towards self-sufficiency, when the head of the FSS family becomes permanently disabled and unable to work during the period of the contract (unless the PHA and the FSS family determine that it is possible to modify the contract to designate a new head of the FSS family), or when an FSS family moves outside the jurisdiction of the PHA and continuation of the CoP after the move is not possible according to the regulations. In circumstances where a family is not able to continue in FSS after the move, it is also possible for the PHA and the family to determine if the contract can be modified to make completion and receipt of the escrow monies, possible. PHAs must be consistent in their determinations of whether a family has good cause for a termination with FSS escrow disbursement.

### **Verification of Family Certification at Disbursement**

The PHA must verify that the family has met the requirements of either interim, final, or termination of contract with escrow. Interim disbursement may only occur after the family has completed certain interim goals and funds are needed to complete other interim goals. Final disbursement can only occur after the family has completed the contract of participation and all members are welfare-free as defined by regulation. Disbursement at contract termination only occurs if the family circumstances involve an integral missing service, the disability of the FSS head of household, or an FSS family porting out of the jurisdiction of the PHA and HUD regulations do not allow continuation of the FSS contract. In each of these circumstances, it follows that the PHA may require verification for the completion of interim goals or the contract of participation.

At interim disbursement and before final disbursement of the FSS account funds to the family, the PHA must verify that the FSS family is no longer a recipient of welfare assistance by requesting copies of any documents which may indicate whether the family is receiving any welfare assistance, and by contacting welfare agencies [24 CFR 984.305(c)(4)].

HUD provides verification guidance in Notice PIH 2018-18. This guidance is mandatory for the Section 8 and public housing programs. The PHA's Administrative Plan or ACOP must contain verification policies following the hierarchy in this notice. The policies contained in the PHA's ACOP and Administrative Plan cover verification policies related to the FSS program in general. However, determining the need for interim disbursements may require more clarification as to what constitutes an acceptable third-party source.

### FHRA Policy

FHRA will require verification that the FSS family has completed certain interim goals, has completed the contract of participation, has met the requirements for termination with disbursement of escrow and that the FSS family is no longer a recipient of welfare assistance, as relevant, before making interim and final disbursements.

FHRA will follow HUD's verification hierarchy set forth in Notice PIH 2018-18 to make these verifications, including the guidance therein regarding documentation. However, FHRA will use a *knowledgeable professional* as a third-party source to verify the need for interim disbursements.

### **Succession to FSS Account [24 CFR 984.305(d)]**

FSS account funds should be disbursed to the head of the FSS family. However, if the head of the FSS family no longer resides with the other family members in Section 8 or public housing, the remaining members of the FSS family, after consultation with the PHA, have the right to designate another family member to receive the funds.

### **6-I.D. USE OF FSS ACCOUNT FUNDS FOR HOMEOWNERSHIP**

According to regulation, a Section 8 or public housing FSS family may use their the final distribution of FSS account funds for the purchase of a home, including the purchase of a home under one of HUD's homeownership programs, or other federal, state, or local homeownership programs, unless the use is prohibited by the statute or regulations governing the particular homeownership program [24 CFR 984.305(e)].

Homeownership is just one option for use of the FSS account funds. PHAs may not restrict the use of escrow funds at contract completion [Notice PIH 93-24, C-13].

### **6-I.E. USE OF FORFEITURE OF FSS ACCOUNT FUNDS**

Amounts in the FSS account will be forfeited when the contract of participation is terminated without escrow disbursement, or when the contract of participation is completed by the family (see Section 5-II.D. of this action plan) but the FSS family is receiving welfare assistance at the time of expiration of the term of the contract of participation, including any contract extension [24 CFR 984.305(f)(1)].

Use of forfeited escrow accounts is described in detail in Section 3-I.F. of this FSS Action Plan.

#### **Treatment of Forfeited FSS Account Funds**

FSS escrow account funds forfeited by the FSS family must be used by the PHA for the benefit of the FSS participants. These funds may only be used for support for FSS participants in good standing. These supports include transportation, childcare, training, testing fees, employment preparation costs, and other costs related to achieving obligations outlined in the CoP; or training for FSS Program Coordinator(s). Forfeited FSS escrow accounts may not be used for salary and fringe benefits of FSS Program Coordinators, general administrative costs of the FSS program, for housing assistance payments (HAP) expenses or public housing operating funds.

## **PART II: ESCROW FUND ACCOUNTING AND REPORTING**

### **6-II.A. OVERVIEW**

Regulations set forth specific requirements involving the accounting and reporting for the FSS escrow account. This part describes those requirements and the PHA policy necessary for managing the account from the PHA perspective.

### **6-II.B. ACCOUNTING FOR FSS ACCOUNT FUNDS**

When establishing FSS escrow accounts, the PHA must deposit the FSS account funds of all families participating in the PHA's FSS program into a single depository account for each (Section 8 or public housing) program. These funds are determined at each reexamination after the effective date of the contract and must be deposited each month to each family's subsidiary line item in the PHAs escrow account. In addition, the funds held in this account must be invested in one or more of the HUD-approved investments [24 CFR 984.305].

#### **Crediting the Escrow Account [24 CFR 984.305(a)(2)(i)]**

The total of the combined FSS account funds will be supported in the PHA accounting records by a subsidiary ledger showing the balance applicable to each FSS family. During the term of the contract of participation, the PHA must credit the amount of the FSS credit (see Section 6-I.B.) to each family's FSS account every month.

#### **Proration of Investment Income [24 CFR 984.305(a)(2)(ii)]**

Because the FSS account funds are to be invested, the investment income for those funds in the FSS account will also need to be credited to each family's account subsidiary line item. By regulation, these funds are to be prorated and credited to each family's FSS account based on the balance in each family's FSS account at the end of the period for which the investment income is credited.

#### FHRA Policy

Each quarter the full amount of the investment income for funds in the Public Housing and Section 8 FSS accounts will be prorated and credited to each family's subsidiary line item after the deduction of unpaid rent and other amounts due under the Public Housing and Section 8 lease.

#### **Reduction of Amounts Due by FSS Family [24 CFR 984.305(a)(2)(iii)]**

If the FSS family has not paid the family contribution towards rent, or other amounts, if any, due under the public housing or Section 8 lease, the balance in the family's FSS account shall be reduced by that amount (as reported by the owner to the PHA in the Section 8 FSS program) at the time of final disbursement of FSS escrow funds. If the FSS family has underreported income after the baseline annual income is set, the amount credited to the FSS account will be based on the income amounts originally reported by the FSS family.

If the FSS family is found to have under-reported income in the reexamination used to set the baseline, the escrow for the entire period of the CoP will be recalculated using the correct income to set the baseline and then calculate subsequent escrow amounts.

## **6-II.C. REPORTING ON THE FSS ACCOUNT**

Each PHA must make a report, at least once annually, to each FSS family on the status of the family's FSS account.

At a minimum, the report must include [24 CFR 984.305(a)(3)]:

- The balance at the beginning of the reporting period
- The amount of the family's rent payment that was credited to the FSS account, during the reporting period
- Any deductions made from the account for amounts due the PHA before interest is distributed
- The amount of interest earned on the account during the year
- The total in the account at the end of the reporting period

### FHRA Policy

FHRA will provide FSS participants an annual statement on the status of their FSS escrow account.



## Chapter 7

### PORTABILITY IN SECTION 8 FSS PROGRAMS

#### INTRODUCTION

PHAs operating Section 8 FSS programs must be familiar with the rules and regulations regarding portability under the Section 8 program. As with the case of portability in the Section 8 program in general, the FSS family may move outside the initial PHA jurisdiction under portability procedures after the first 12 months of the FSS contract of participation [24 CFR 984.306].

In the event that an FSS family chooses to exercise portability, certain special requirements regarding the FSS program would apply. This chapter describes the obligations of the initial PHA, the receiving PHA, and the FSS family under portability, in addition to any special stipulations regarding portability in the FSS context.

This chapter contains two parts:

Part I: Portability in the FSS Program: This part provides a general overview of portability in the FSS program, including the residency requirements for FSS portability and management of the contract of participation when a family moves into or from another PHA's jurisdiction.

Part II: The Effects of Portability on FSS Regulations and Policy: This part describes the specific ways in which portability affects different aspects of the FSS program, including the escrow account, program termination, loss of the FSS account, and termination of Section 8 program assistance.

#### PART I: PORTABILITY IN THE FSS PROGRAM

##### 7-I.A. OVERVIEW

Portability is a statutory feature of the Section 8 program—it is included in the law. As such, PHAs operating an Section 8 FSS program need to understand the effects that portability will have on Section 8 FSS families and program operation. This part provides a general overview of portability in the FSS program, including the residency requirements for FSS portability and management of the contract of participation when a family moves into or from another PHA's jurisdiction.

## **7-I.B. DEFINITIONS**

For the purposes of portability with regards to the FSS program, the following definitions will be used [24 CFR 982.4, 24 CFR 984.306].

- *Initial PHA* means both:
  1. A PHA that originally selected a family that later decides to move out of the jurisdiction of the selecting PHA; and
  2. A PHA that absorbed a family that later decides to move out of the jurisdiction of the absorbing PHA.
- *Receiving PHA* means a PHA that receives a family selected for participation in the tenant-based program of another PHA. The receiving PHA either absorbs the family into its program, including issuing a voucher and providing rental assistance to the family, or bills the initial PHA for the family's housing assistance payments and the fees for administering the family's voucher.
- *Relocating FSS Family* refers to an FSS family that moves from the jurisdiction of a PHA at least 12 months after signing its contract of participation.

## **7-I.C. RESIDENCY REQUIREMENTS**

Families participating in a Section 8 FSS program are required to lease an assisted unit within the jurisdiction of the PHA that selected the family for the FSS program for a minimum period of 12 months after the effective date of the contract of participation. However, the initial PHA may approve a family's request to move outside its jurisdiction under portability during this period if the move is in accordance with the regulations at 24 CFR 982.353 [24 CFR 984.306(a)(1)].

### FHRA Policy

FHRA will approve a family's request to move outside its jurisdiction under portability during the first 12 months after the effective date of the contract of participation if the move is in accordance with the regulations for such moves at 24 CFR 982.353.

After the first 12 months of the FSS contract of participation, the FSS family may move outside the initial PHA jurisdiction under portability procedures regardless of PHA approval [24 CFR 984.306(a)(2)].

## **7-I.D. PORTABILITY REQUIREMENTS FOR FSS PARTICIPANTS**

### **Receiving PHA Administers an FSS Program [24 CFR 984.306(b)]**

Whether the receiving PHA bills the initial PHA or absorbs the FSS family into its Section 8 program, the receiving PHA must enroll an FSS family in good standing in its FSS program. However, if the receiving PHA is already serving the number of FSS families identified in its FSS Action Plan and determines that it does not have the resources to manage the FSS contract or the receiving PHA, the initial PHA may agree to the FSS family's continued participation in the initial PHA's FSS program. Prior to the PHAs agreeing to the continued participation, the initial PHA must determine that the relocating FSS family has demonstrated that, notwithstanding the move, it will be able to fulfill its responsibilities under the initial or a modified contract at its new place of residence.

#### FHRA Policy

FHRA, as the initial housing authority, will agree to the participant's continued participation in their FSS program so long as the relocating family has demonstrated, with the assistance of the FSS Coordinator, that it will be able to fulfill its responsibilities under the initial or a modified contract at its new place of residence.

Where continued FSS participation is not possible, the initial PHA **must** clearly discuss the options that may be available to the family. Depending on the family's specific circumstances, these options include modification of the FSS contract, locating a receiving housing authority that has the capacity to enroll the family in its FSS program, termination with FSS escrow disbursement in accordance with 24 CFR 984.303(k)(1)(iii), or termination of the FSS contract and forfeiture of escrow.

#### FHRA Policy

FHRA will clearly discuss the options that are available to the family where continued FSS participation is not possible. Depending on the family's specific circumstances, these options include modification of the FSS contract, locating a receiving housing authority that has the capacity to enroll the family in its FSS program, termination with FSS escrow disbursement, or termination of the FSS contract and forfeiture of escrow.

### **Receiving PHA Does Not Administer an FSS Program [24 CFR 984.306(c)]**

If the receiving PHA does not administer an FSS program, the FSS family may not continue participation in the FSS program. The initial PHA must clearly discuss the options that may be available to the family. These may include, but are not limited to, modification of the FSS contract, locating a receiving PHA that administers an FSS program, termination of the FSS contract with FSS escrow disbursement, or termination of the FSS contract and forfeiture of escrow.

#### FHRA Policy

FHRA will, as stated above, clearly discuss the options that may be available to the family where continued FSS participation is not possible. Depending on the family's contract specific circumstances, these options include modification of the FSS contract, locating a receiving housing authority that has the capacity to enroll the family in its FSS program, termination with FSS escrow disbursement in accordance with 24 CFR 984.303(k)(1)(iii), or termination of the FSS contract and forfeiture of escrow.

### **Single Contract of Participation**

If the FSS family enrolls in the receiving PHA's FSS program, the receiving PHA will enter a new contract with the FSS family for the term remaining on the contract with the initial PHA. The initial PHA will end its contract with the family.

If the FSS family remains in the FSS program of the initial PHA, pursuant to this section, the contract executed by the initial PHA will remain as the contract in place.

### **Termination of FSS contract and Forfeiture of Escrow Account [984.306(e)]**

If an FSS family relocates to another jurisdiction and is unable to fulfill its obligations under the contract, including any modifications, the PHA, which is a party to the contract, **must terminate the FSS family from the FSS program**. The family's FSS escrow account will be forfeited.

Termination of FSS program participation and forfeiture of FSS escrow must be used only as a last resort after the PHA determines, in consultation with the family, that the family would be unable to fulfill its obligations under the contract after the move, that locating another receiving housing authority with a FSS program is not possible, that the current contract cannot be modified to allow for completion prior to porting, and that the current contract cannot be terminated with FSS escrow disbursement. When termination is the only option, the PHA must clearly notify the family that the move will result in the loss of escrow funds. The PHA must follow its policy for clearly notifying the FSS family of the forfeiture.

## **7-I.E. NEW FSS ENROLLMENT INTO RECEIVING PHA'S FSS PROGRAM**

### **Administering and Billing of the Voucher**

If the receiving PHA bills the initial PHA, the receiving PHA may, consistent with the receiving PHA's FSS enrollment policies, enroll a family that was not an FSS participant at the initial PHA into its FSS program, but only if the initial PHA manages an FSS program and agrees to such enrollment. If the receiving PHA bills the initial PHA, but the initial PHA does not manage an FSS program, the family may not enroll in the receiving PHA's FSS program.

#### FHRA Policy

FHRA will clearly discuss the options that are available to the family where continued FSS participation is not possible. Depending on the family's specific circumstances, these options include modification of the FSS contract, locating a receiving housing authority that has the capacity to enroll the family in its FSS program, termination with FSS escrow disbursement, or termination of the FSS contract and forfeiture of escrow.

### **Absorption of the Voucher**

If the receiving PHA absorbs the family into its Section 8 program, the receiving PHA may, consistent with the receiving PHA's FSS enrollment policies, enroll a family that was not an FSS participant at the initial PHA into its FSS program.



## **PART II: REPORTING**

### **7-II.A. OVERVIEW**

Each PHA that carries out an FSS program shall submit to HUD, in the form prescribed by HUD, a report regarding its FSS program.

### **7-II.B. CONTENTS OF THE FSS REPORT [24 CFR 984.401]**

The report submitted to HUD must include a description of the activities carried out in the FSS program; a description of the effectiveness of the program in assisting families to achieve economic independence and self-sufficiency, including the number of families enrolled and graduated and the number of established escrow accounts and positive escrow balances; a description of the effectiveness of the program in coordinating resources of communities to assist families to achieve economic independence and self-sufficiency; and any recommendations by the PHA or the appropriate local Program Coordinating Committee for legislative or administrative action that would improve the FSS program and ensure the effectiveness of the program.

### **7-II.C. FAMILY SELF-SUFFICIENCY GRANT PROGRAM REVIEW PHA SELF-ASSESSMENT**

HUD provides a detailed checklist for PHAs to conduct their own self-assessment of their FSS program. The form is administered by the local field office and allows each PHA to gather concrete and comprehensive data covering aspects of the program from FSS Action Plans and Composite Scores through FSS program size, participants, and graduations to reductions in FSS grants and current Memoranda of Agreement with community partners. The detailed example of the FSS Self-Assessment is available at HUD's FSS Resource page, which can be located by searching "HUD FSS" on any browser.





## B.2 New Activities

## Lashkowitz Riverfront (110 Unit Residential)

- HUD Special Application Center has approved Modification of Section 18 Disposition Application to include Demolition
- Project Schedule and Funding
  - Lashkowitz anticipates a \$1.9M Funding Gap
  - Schedule strategy
    - Divide project into 3 segments
      - Decommissioning by removing combustibles and all actions to allow for disconnection of utilities
      - Asbestos abatement
      - Demolition
    - Will re-apply with NDHFA for HTF and HIF funding
      - If successful EPA funding will no longer be needed
    - Roughly \$4.3M available FHRA Capital and Operating funds into 2023
      - Using \$600k of 2023 Capital Funds
- 14-4 Demo/Disposition application for repositioning of 14 duplexes (18<sup>th</sup> St & 25<sup>th</sup> Ave S).
  - Dominion Group completed an obsolescence study
    - Total cost of Rehabilitation \$1.45M, assessed value of building \$788k
    - Project will be eligible for 25% TPV or 7 total TPV's
    - Anticipating final NEPA document to be available by end of August
    - Submit application for demolition to SAC following September board meeting.

## B.3 Progress Report

The 2020 to 2024 Fargo Housing Five Year Plan contained a total of 7 goals and objectives. Following are each listed goal and a status updates FHRA has achieved over the past year and the existing status of each.

1. Return and maintain “High Performer” status in Public Housing:

FHRA has completed all goals outlined in its PHAS Recovery Plan. Vacancy rates have significantly increased for all Asset Management Projects (AMP). One vacancy data outlier should be noted. In AMP 14-4 FHRA is currently pursuing a Section 18 Demolition – Disposition application for 14 duplexes (28 units), these units are not being reoccupied as they become vacant. The purpose is to minimize impacts to families when the application is approved. All other performance indicators: Tenant Accounts Receivables (TAR), Accounts Payable (AP), Financial Assessment Subsystem (FASS), Capital Fund Program (CAP), Management Assessment Subsystem (MASS), Physical Assessment Subsystem (PASS) have increased. Albeit, continued improvement is needed to return to High Performer. FHRA has completed systematic changes and is anticipated to be classified as a standard performer during the next assessment period. As part of increase the Physical score FHRA has been modernizing existing Public Housing units. In 2022 a total of 12 scattered sites units and 6 units in Pioneer. Along with 19 scatter site units and an additional 6 units in pioneer in 2021. This represents 18.9% of all units have been modernized or under contract in the last 2 years.

2. Complete the disposition application, apply and received 247 Tenant Protection Vouchers (TPV) and relocate all Lashkowitz High-rise tenants to new unit:

The disposition application was approved in March 2020, 247 TPV’s were received, and the last tenant was re-housed in January 2022. **This goal has been achieved.**

3. Increase community outreach and engagement that educates our partners and the community on a regular basis as well as updating the website to mirror any changes. Use “cooperative messaging” for multiple realms, including political conversations, community education, etc. Create and maintain a data driven dashboard on the website that will be available to the public and recognized as up-to-date factual information. Become recognized as an essential partner to the City State & federal stakeholders.:

FHRA continues to expand it public and private presence. As mundane as continued updates to updates to it multi-functional webpage and activities to its social media accounts. To substantial impact with the addition of Yardi Rentcafe to provided residents and landlords with online facing services. FHRA has instituted the use of rentcafé an online software module of our financial and property management system. This online portal allows individuals to apply for housing, lease, pay rent, request maintenance, and recertify annually. All needed interactions with FHRA may be completed remotely. Not only does improve our sustainability during pandemics. But it allows for streamlining our processes with the result of being more efficient in response to client’s needs.

Staff have expanded its national presence with participation and membership in National Association of Housing and Rehabilitation Officials (NAHRO) committees such as the Board of Governors, Board of Commissioners, Community Revitalization and Development Committee and Elections and Nominations committee. Along with membership on both the North Dakota NAHRO and Mountain Plains NAHRO. Moreover, staff is participating locally in expanding supportive services at cooper house through FHRA's DHS grant, sitting on the Community Development committee for the city of Fargo, participating in Metro wide housing needs study, and working with NDSU Architecture program to provide real life design projects.

4. Analyze each "property" (and potential new developments) with strong "goggles" to identify marketability to create a long-term plan for each. Commit to rehabilitation or sales of each in to realize its highest possible value. Dispose and demolish the current older duplexes and use the footprint for affordable senior housing: All properties needs were analyzed by inspection. We evaluated each on profitability, deferred maintenance, long term potential. While all properties are currently cash flowing. Therefore, there are no immediate needs to dispose of any property. Staff did identify an opportunity to sell the Graver Parking lot at a price of appraised value plus 10 years income. Additionally, we have identified both the Burrell and Colonial properties along with associated parking lots as at risk, needing to be either rehabilitated or redeveloped in the 5-to-10-year timeframe. Project 14-4, 14 duplexes, is in process of redeveloped. The 14-4 property is discussing in Goal #7.
  
5. Create a comprehensive organization plan (HR related) with succession planning integrated to account for the retirement of our Chief Deputy:  
The Chief Deputy was appointed Executive Director (ED) and Chief Executive Officer (CEO) upon the resignation of Matthew Pike in March 2021. In March of 2022 the ED/CEO was split and a CEO was appointed. FHRA Board of Commissioners completed the succession planning and reorganization for the retirement of now Executive Director at its August 2022 meeting. The new organizational structure consists of a single CEO directing FHRA overseeing two division heads each for Public Housing/Vouchers and Affordable Housing. These division heads are the ED and Chief Financial Officer (CFO). **This goal is completed and achieved.**
  
6. Create new financial revenue stream based on our areas of expertise and quality of services:  
FHRA has increased revenue streams from both property management and maintenance. In the last year FHRA has started both activities for the Jerimiah Program and maintenance only for the YWCA properties. Additionally, FHRA continues to grow its voucher program. At end for fiscal year 2022 FHRA should be administering 1,950 total vouchers. This is a 103-unit growth a 5.6% increase along with an increase in administrative funding.
  
7. Create new affordable senior housing, family housing and vulnerable housing with a variety of supportive services. Each as a separate project with services that correspond to their needs:

FHRA currently has 3 properties in various stages of development and working with the City of Fargo on a potential use of Faircloth to Rad conversion for the SRO building. The three

properties under development are Elliott Place, Lashkowitz Riverfront, and 14-4 Project. Elliott Place is currently under construction the building will be 55 years of age and older facility and will be opening in November 2022. This 84-unit multifamily building will additionally provide voluntary supportive services for its residents. The building was financed with 4% & 9% LIHTC, HTF, and Home funds. Lashkowitz Riverfront is the redevelopment of the 247-unit public housing Lashkowitz High-rise. Originally constructed in the late 1960's it has become functionally and physically obsolete. Failing potable water and wastewater systems paired with undersized units with 7-foot ceilings have caused this property to be scheduled for demolition and redevelopment. The redevelopment will total 110 units of one, two, and three-bedroom residential units. FHRA's original Section 18 approval for disposition has been modified to include demolition. The costs to abate invasive amounts of asbestos along with demolition would restrict any reasonable attempts to redevelop the property. With the modification of the Section 18 application to include demolition, FHRA has been able to fund roughly \$4.3 million of the anticipated \$5.8 million of abatement and demolition costs. A Request for Proposals (RFP) for abatement and demolition has been published. A contractor will be selected, and demolition activities are anticipated to commence in early 2023. Lastly, the 14-4 Project. Through analysis FHRA has identified for redevelopment a single 3-acre parcel of land with 14 public housing duplexes with various levels of deferred maintenance. A physical needs assessment was completed and revealed that repair costs were greater than the combined value of the buildings. All environmental studies have been completed and have been submitted for approval. Upon approval of the Environmental Assessment FHRA will submitting its Section 18 application for Demolition and Disposition to HUD with the intent to redevelop a minimum of 42 units onsite.

## B.4 Capital Improvements

Capital Fund Program - Five-Year Action Plan

Status: Draft

Approval Date:

Approved By:

<b>Part I: Summary</b>						
<b>PHA Name :</b> Fargo Housing and Redevelopment Authority			<b>Locality (City/County &amp; State)</b>			
<b>PHA Number:</b> ND014			<input checked="" type="checkbox"/> <b>Original 5-Year Plan</b>		<input type="checkbox"/> <b>Revised 5-Year Plan (Revision No: )</b>	
<b>A.</b>	<b>Development Number and Name</b>	<b>Work Statement for Year 1 2023</b>	<b>Work Statement for Year 2 2024</b>	<b>Work Statement for Year 3 2025</b>	<b>Work Statement for Year 4 2026</b>	<b>Work Statement for Year 5 2027</b>
	AUTHORITY-WIDE	\$120,000.00	\$120,000.00	\$120,000.00	\$120,000.00	\$120,000.00
	LASHKOWITZ HIGH RISE (ND014000001)	\$650,000.00				
	PIONEER MANOR (ND014000002)	\$76,000.00	\$210,000.00	\$135,000.00	\$140,000.00	\$112,000.00
	FARGO SCATTERED SITE (ND014000003)	\$177,000.00	\$310,000.00	\$458,000.00	\$455,500.00	\$491,000.00
	FARGO SCATTERED SITE (ND014000004)	\$177,000.00	\$560,000.00	\$487,000.00	\$484,500.00	\$477,000.00



<b>Part II: Supporting Pages - Physical Needs Work Statements (s)</b>				
<b>Work Statement for Year</b>				
	1	2023		
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
	AUTHORITY-WIDE (NAWASD)			\$120,000.00
ID0001	Administration(Administration (1410)-Salaries)	Tasks involved in Administration of Capital program		\$120,000.00
	LASHKOWITZ HIGH RISE (ND014000001)			\$650,000.00
ID0006	Lashkowitz Demolition Activities(Dwelling Unit - Demolition (1480))	Abatement of Asbestos and Demolition of the Lashkowitz High Rise		\$650,000.00
	PIONEER MANOR (ND014000002)			\$76,000.00
ID0008	Exterior Lighting(Dwelling Unit-Exterior (1480)-Exterior Lighting)	Replace/Upgrade Exterior lighting at Pioneer		\$7,000.00
ID0009	Unit Modernization(Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks,Dwelling Unit-Interior (1480)-Commodes,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Kitchen Cabinets,Dwelling Unit-Interior (1480)-Kitchen Sinks and Faucets,Dwelling Unit-Interior (1480)-Tubs and Showers)	Rehab and remodeling of individual units. Kitchen, bathrooms, walls, paint, doors, flooring. \$15k per unit at Pioneer		\$59,000.00

Capital Fund Program - Five-Year Action Plan

<b>Part II: Supporting Pages - Physical Needs Work Statements (s)</b>				
<b>Work Statement for Year 1 2023</b>				
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
ID0019	Flooring - Common Area - Replace(Non-Dwelling Interior (1480)-Common Area Flooring)	Replace flooring in common areas		\$10,000.00
	FARGO SCATTERED SITE (ND014000003)			\$177,000.00
ID0022	Landscaping(Dwelling Unit-Site Work (1480)-Landscape)	Improve exterior landscaping and ensure positive drainage from foundation		\$10,000.00
ID0023	Roofing(Dwelling Unit-Exterior (1480)-Roofs,Dwelling Unit-Exterior (1480)-Soffits,Dwelling Unit-Exterior (1480)-Gutters - Downspouts)	roofing, soffits, gutters - 20k each		\$40,000.00
ID0025	Water Heater - Replace(Dwelling Unit-Interior (1480)-Plumbing)	Replace water heater \$700ea		\$7,000.00
ID0026	Unit Modernization (Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks,Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Commodes,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Kitchen Cabinets,Dwelling Unit-Interior (1480)-Kitchen Sinks and Faucets)	Unit Modernization \$40k/unit		\$120,000.00
	FARGO SCATTERED SITE (ND014000004)			\$177,000.00

<b>Part II: Supporting Pages - Physical Needs Work Statements (s)</b>				
<b>Work Statement for Year</b>				
1	2023			
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
ID0027	Landscaping(Dwelling Unit-Site Work (1480)-Landscape)	Improve exterior landscaping and ensure positive drainage from foundation		\$10,000.00
ID0028	Roofing(Dwelling Unit-Exterior (1480)-Roofs,Dwelling Unit-Exterior (1480)-Soffits,Dwelling Unit-Exterior (1480)-Gutters - Downspouts)	roofing, soffits, gutters - 20k each		\$40,000.00
ID0030	Water Heater - Replace(Dwelling Unit-Interior (1480)-Plumbing)	Replace water heater \$700ea		\$7,000.00
ID0031	Unit Modernization (Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks,Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Commodes,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Kitchen Cabinets,Dwelling Unit-Interior (1480)-Kitchen Sinks and Faucets)	Unit Modernization \$40k/unit		\$120,000.00
	Subtotal of Estimated Cost			\$1,200,000.00

<b>Part II: Supporting Pages - Physical Needs Work Statements (s)</b>				
<b>Work Statement for Year</b>				
2		2024		
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
	AUTHORITY-WIDE (NAWASD)			\$120,000.00
ID0002	Administration(Administration (1410)-Salaries)	Tasks involved in Administration of Capital program		\$120,000.00
	FARGO SCATTERED SITE (ND014000004)			\$560,000.00
ID0007	14-4 Demolition Activities(Dwelling Unit - Demolition (1480))	Demolition of 14 Duplexes in 14-4		\$250,000.00
ID0029	Siding(Dwelling Unit-Exterior (1480)-Siding)	Replace Siding - 30k per unit		\$60,000.00
ID0032	Furnace Replacement(Dwelling Unit-Interior (1480)-Mechanical)	Replace Furnaces - 20		\$100,000.00
ID0034	Unit Modernization (Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Commodes,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Kitchen Cabinets,Dwelling Unit-Interior (1480)-Kitchen Sinks and Faucets,Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks)	Unit Modernization \$40k/unit		\$120,000.00

<b>Part II: Supporting Pages - Physical Needs Work Statements (s)</b>				
<b>Work Statement for Year</b>				
2	2024			
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
ID0035	Landscaping(Dwelling Unit-Site Work (1480)-Landscape)	Improve exterior landscaping and ensure positive drainage from foundation		\$5,000.00
ID0037	Roofing(Dwelling Unit-Exterior (1480)-Roofs,Dwelling Unit-Exterior (1480)-Soffits,Dwelling Unit-Exterior (1480)-Gutters - Downspouts)	roofing, soffits, gutters - 20k each		\$20,000.00
ID0052	Water Heater - Replace(Dwelling Unit-Interior (1480)-Plumbing)	Replace water heater \$700ea		\$5,000.00
	PIONEER MANOR (ND014000002)			\$210,000.00
ID0010	Water Heaters - Central - Pioneer(Non-Dwelling Interior (1480)-Plumbing)	Replace Central Water Heaters at Pioneer		\$15,000.00
ID0011	Replace Entry Doors - Pioneer(Non-Dwelling Exterior (1480)-Doors)	Replace/rehab vestibule exterior doors at Pioneer to include all automatic opener(6)		\$50,000.00
ID0012	Light Fixture Common Area - Replacement LED(Non-Dwelling Interior (1480)-Electrical)	Replace all common area light fixtures with LED		\$35,000.00

Capital Fund Program - Five-Year Action Plan

<b>Part II: Supporting Pages - Physical Needs Work Statements (s)</b>				
<b>Work Statement for Year</b> 2		2024		
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
ID0015	Unit Modernization(Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks,Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Commodes,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Kitchen Cabinets,Dwelling Unit-Interior (1480)-Kitchen Sinks and Faucets,Dwelling Unit-Interior (1480)-Tubs and Showers)	Rehab and remodeling of individual units. Kitchen, bathrooms, walls, paint, doors, flooring. \$15k per unit at Pioneer		\$90,000.00
ID0020	Flooring - Common Area - Replace(Non-Dwelling Interior (1480)-Common Area Flooring)	Replace flooring in common areas		\$10,000.00
ID0039	Landscaping & pavement repair(Dwelling Unit-Site Work (1480)-Asphalt - Concrete - Paving,Dwelling Unit-Site Work (1480)-Landscape)	Improve exterior landscaping and ensure positive drainage from foundation		\$10,000.00
	FARGO SCATTERED SITE (ND014000003)			\$310,000.00
ID0021	Furnace Replacement(Dwelling Unit-Interior (1480)-Mechanical)	Replace Furnaces - 20		\$100,000.00
ID0024	Siding(Dwelling Unit-Exterior (1480)-Siding)	Replace Siding - 30k per unit		\$60,000.00
ID0033	Unit Modernization (Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks,Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Commodes,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Kitchen Cabinets,Dwelling Unit-Interior (1480)-Kitchen Sinks and Faucets)	Unit Modernization \$40k/unit		\$120,000.00

<b>Part II: Supporting Pages - Physical Needs Work Statements (s)</b>				
<b>Work Statement for Year 2 2024</b>				
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
ID0036	Landscaping(Dwelling Unit-Site Work (1480)-Landscape)	Improve exterior landscaping and ensure positive drainage from foundation		\$5,000.00
ID0038	Roofing(Dwelling Unit-Exterior (1480)-Gutters - Downspouts,Dwelling Unit-Exterior (1480)-Roofs,Dwelling Unit-Exterior (1480)-Soffits)	roofing, soffits, gutters - 20k each		\$20,000.00
ID0050	Water Heater - Replace(Dwelling Unit-Interior (1480)-Plumbing)	Replace water heater \$700ea		\$5,000.00
	Subtotal of Estimated Cost			\$1,200,000.00

<b>Part II: Supporting Pages - Physical Needs Work Statements (s)</b>				
<b>Work Statement for Year</b>				
3	2025			
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
	AUTHORITY-WIDE (NAWASD)			\$120,000.00
ID0003	Administration(Administration (1410)-Salaries)	Tasks involved in Administration of Capital program		\$120,000.00
	PIONEER MANOR (ND014000002)			\$135,000.00
ID0016	Unit Modernization(Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks,Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Commodes,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Kitchen Cabinets,Dwelling Unit-Interior (1480)-Kitchen Sinks and Faucets,Dwelling Unit-Interior (1480)-Tubs and Showers)	Rehab and remodeling of individual units. Kitchen, bathrooms, walls, paint, doors, flooring. \$15k per unit at Pioneer		\$90,000.00
ID0054	Pavement and Sidewalk Repair(Dwelling Unit-Site Work (1480)-Asphalt - Concrete - Paving)	Concrete and Bituminous repair		\$30,000.00
ID0058	Common Area Modernizations(Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Other)	Update Common Areas		\$15,000.00
	FARGO SCATTERED SITE (ND014000003)			\$458,000.00



Part II: Supporting Pages - Physical Needs Work Statements (s)				
Work Statement for Year 3 2025				
Identifier	Development Number/Name	General Description of Major Work Categories	Quantity	Estimated Cost
ID0040	Furnace Replacement(Dwelling Unit-Interior (1480)-Mechanical)	Replace Furnaces - 20		\$100,000.00
ID0041	Siding(Dwelling Unit-Exterior (1480)-Siding)	Replace Siding - 30k per unit		\$90,000.00
ID0042	Unit Modernization (Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks,Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Commodes,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Kitchen Cabinets,Dwelling Unit-Interior (1480)-Kitchen Sinks and Faucets)	Unit Modernization \$40k/unit		\$160,000.00
ID0043	Landscaping(Dwelling Unit-Site Work (1480)-Landscape)	Improve exterior landscaping and ensure positive drainage from foundation		\$10,000.00
ID0044	Roofing(Dwelling Unit-Exterior (1480)-Gutters - Downspouts,Dwelling Unit-Exterior (1480)-Roofs,Dwelling Unit-Exterior (1480)-Soffits)	roofing, soffits, gutters - 20k each		\$40,000.00
ID0051	Water Heater - Replace(Dwelling Unit-Interior (1480)-Plumbing)	Replace water heater \$700ea		\$8,000.00
ID0059	Driveway and Sidewalk Repair(Non-Dwelling Site Work (1480)-Asphalt - Concrete - Paving)	Repair driveways and sidewalks		\$50,000.00

<b>Part II: Supporting Pages - Physical Needs Work Statements (s)</b>				
<b>Work Statement for Year</b>				
3	2025			
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
	FARGO SCATTERED SITE (ND014000004)			\$487,000.00
ID0045	Siding(Dwelling Unit-Exterior (1480)-Siding)	Replace Siding - 30k per unit		\$120,000.00
ID0046	Furnace Replacement(Dwelling Unit-Interior (1480)-Mechanical)	Replace Furnaces - 20		\$100,000.00
ID0047	Unit Modernization (Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks,Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Commodes,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Kitchen Cabinets,Dwelling Unit-Interior (1480)-Kitchen Sinks and Faucets)	Unit Modernization \$40k/unit		\$160,000.00
ID0048	Landscaping(Dwelling Unit-Site Work (1480)-Landscape)	Improve exterior landscaping and ensure positive drainage from foundation		\$10,000.00
ID0049	Roofing(Dwelling Unit-Exterior (1480)-Gutters - Downspouts,Dwelling Unit-Exterior (1480)-Roofs,Dwelling Unit-Exterior (1480)-Soffits)	roofing, soffits, gutters - 20k each		\$40,000.00
ID0053	Water Heater - Replace(Dwelling Unit-Interior (1480)-Plumbing)	Replace water heater \$700ea		\$7,000.00

Part II: Supporting Pages - Physical Needs Work Statements (s)				
Work Statement for Year 3 2025				
Identifier	Development Number/Name	General Description of Major Work Categories	Quantity	Estimated Cost
ID0060	Driveway and Sidewalk Repiar(Non-Dwelling Site Work (1480)-Asphalt - Concrete - Paving)	Repair driveways and sidewalks		\$50,000.00
	Subtotal of Estimated Cost			\$1,200,000.00

Capital Fund Program - Five-Year Action Plan

<b>Part II: Supporting Pages - Physical Needs Work Statements (s)</b>				
<b>Work Statement for Year</b>				
4	2026			
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
	AUTHORITY-WIDE (NAWASD)			\$120,000.00
ID0004	Administration(Administration (1410)-Salaries)	Tasks involved in Administration of Capital program		\$120,000.00
	PIONEER MANOR (ND014000002)			\$140,000.00
ID0017	Unit Modernization(Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks,Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Commodes,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Kitchen Cabinets,Dwelling Unit-Interior (1480)-Kitchen Sinks and Faucets,Dwelling Unit-Interior (1480)-Tubs and Showers)	Rehab and remodeling of individual units. Kitchen, bathrooms, walls, paint, doors, flooring. \$15k per unit at Pioneer		\$90,000.00
ID0055	Parking Lot Pole Lighting(Non-Dwelling Exterior (1480)-Lighting)	Replace Lightpoles		\$50,000.00
	FARGO SCATTERED SITE (ND014000003)			\$455,500.00
ID0062	Siding(Dwelling Unit-Exterior (1480)-Siding)	Replace Siding - 30k per unit		\$90,000.00

<b>Part II: Supporting Pages - Physical Needs Work Statements (s)</b>				
<b>Work Statement for Year</b> 4		2026		
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
ID0063	Unit Modernization (Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks,Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Commodes,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Kitchen Cabinets,Dwelling Unit-Interior (1480)-Kitchen Sinks and Faucets)	Unit Modernization \$40k/unit		\$160,000.00
ID0064	Landscaping(Dwelling Unit-Site Work (1480)-Landscape)	Improve exterior landscaping and ensure positive drainage from foundation		\$7,500.00
ID0065	Roofing(Dwelling Unit-Exterior (1480)-Gutters - Downspouts,Dwelling Unit-Exterior (1480)-Roofs,Dwelling Unit-Exterior (1480)-Soffits)	roofing, soffits, gutters - 20k each		\$40,000.00
ID0066	Water Heater - Replace(Dwelling Unit-Interior (1480)-Plumbing)	Replace water heater \$700ea		\$8,000.00
ID0067	Driveway and Sidewalk Repair(Non-Dwelling Site Work (1480)-Asphalt - Concrete - Paving)	Repair driveways and sidewalks		\$50,000.00
ID0089	Furnace Replacement(Dwelling Unit-Interior (1480)-Mechanical)	Replace Furnaces - 20		\$100,000.00
	FARGO SCATTERED SITE (ND014000004)			\$484,500.00

<b>Part II: Supporting Pages - Physical Needs Work Statements (s)</b>				
<b>Work Statement for Year 4 2026</b>				
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
ID0068	Siding(Dwelling Unit-Exterior (1480)-Siding)	Replace Siding - 30k per unit		\$120,000.00
ID0069	Furnace Replacement(Dwelling Unit-Interior (1480)-Mechanical)	Replace Furnaces - 20		\$100,000.00
ID0070	Unit Modernization (Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks,Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Commodes,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Kitchen Cabinets,Dwelling Unit-Interior (1480)-Kitchen Sinks and Faucets)	Unit Modernization \$40k/unit		\$160,000.00
ID0071	Landscaping(Dwelling Unit-Site Work (1480)-Landscape)	Improve exterior landscaping and ensure positive drainage from foundation		\$7,500.00
ID0072	Roofing(Dwelling Unit-Exterior (1480)-Gutters - Downspouts,Dwelling Unit-Exterior (1480)-Roofs,Dwelling Unit-Exterior (1480)-Soffits)	roofing, soffits, gutters - 20k each		\$40,000.00
ID0073	Water Heater - Replace(Dwelling Unit-Interior (1480)-Plumbing)	Replace water heater \$700ea		\$7,000.00
ID0074	Driveway and Sidewalk Repiar(Non-Dwelling Site Work (1480)-Asphalt - Concrete - Paving)	Repair driveways and sidewalks		\$50,000.00

Part II: Supporting Pages - Physical Needs Work Statements (s)				
Work Statement for Year 4 2026				
Identifier	Development Number/Name	General Description of Major Work Categories	Quantity	Estimated Cost
	Subtotal of Estimated Cost			\$1,200,000.00

<b>Part II: Supporting Pages - Physical Needs Work Statements (s)</b>				
<b>Work Statement for Year 5 2027</b>				
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
	AUTHORITY-WIDE (NAWASD)			\$120,000.00
ID0005	Administration(Administration (1410)-Salaries)	Tasks involved in Administration of Capital program		\$120,000.00
	PIONEER MANOR (ND014000002)			\$112,000.00
ID0013	Trash Compactors - Replace(Non-Dwelling Interior (1480)-Mechanical)	Replace trash compactors		\$12,000.00
ID0014	Dumpster Enclosure - Replace(Dwelling Unit-Site Work (1480)-Dumpsters and Enclosures)	Replace dumpster enclosure		\$10,000.00
ID0056	Unit Modernization(Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks,Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Commodes,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Kitchen Cabinets,Dwelling Unit-Interior (1480)-Kitchen Sinks and Faucets,Dwelling Unit-Interior (1480)-Tubs and Showers)	Rehab and remodeling of individual units. Kitchen, bathrooms, walls, paint, doors, flooring. \$15k per unit at Pioneer		\$90,000.00
	FARGO SCATTERED SITE (ND014000003)			\$491,000.00



<b>Part II: Supporting Pages - Physical Needs Work Statements (s)</b>				
<b>Work Statement for Year</b> 5		2027		
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
ID0075	Furnace Replacement(Dwelling Unit-Interior (1480)-Mechanical)	Replace Furnaces - 20		\$100,000.00
ID0076	Siding(Dwelling Unit-Exterior (1480)-Siding)	Replace Siding - 30k per unit		\$90,000.00
ID0077	Unit Modernization (Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Commodes,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks,Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Kitchen Cabinets,Dwelling Unit-Interior (1480)-Kitchen Sinks and Faucets)	Unit Modernization \$40k/unit		\$160,000.00
ID0079	Roofing(Dwelling Unit-Exterior (1480)-Gutters - Downspouts,Dwelling Unit-Exterior (1480)-Roofs,Dwelling Unit-Exterior (1480)-Soffits)	roofing, soffits, gutters - 20k each		\$40,000.00
ID0080	Water Heater - Replace(Dwelling Unit-Interior (1480)-Plumbing)	Replace water heater \$700ea		\$8,000.00
ID0081	Driveway and Sidewalk Repair(Non-Dwelling Site Work (1480)-Asphalt - Concrete - Paving)	Repair driveways and sidewalks		\$50,000.00
ID0090	Garage - New Construction(Non-Dwelling Construction-New Construction (1480)-Other,Non-Dwelling Construction-New Construction (1480)-Shop)	Construct garage for 4 bedroom homes in 14-3		\$43,000.00

Part II: Supporting Pages - Physical Needs Work Statements (s)				
Work Statement for Year		2027		
Identifier	Development Number/Name	General Description of Major Work Categories	Quantity	Estimated Cost
	FARGO SCATTERED SITE (ND014000004)			\$477,000.00
ID0082	Siding(Dwelling Unit-Exterior (1480)-Siding)	Replace Siding - 30k per unit		\$120,000.00
ID0083	Furnace Replacement(Dwelling Unit-Interior (1480)-Mechanical)	Replace Furnaces - 20		\$100,000.00
ID0084	Unit Modernization (Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks,Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Commodes,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Kitchen Cabinets,Dwelling Unit-Interior (1480)-Kitchen Sinks and Faucets)	Unit Modernization \$40k/unit		\$160,000.00
ID0086	Roofing(Dwelling Unit-Exterior (1480)-Gutters - Downspouts,Dwelling Unit-Exterior (1480)-Roofs,Dwelling Unit-Exterior (1480)-Soffits)	roofing, soffits, gutters - 20k each		\$40,000.00
ID0087	Water Heater - Replace(Dwelling Unit-Interior (1480)-Plumbing)	Replace water heater \$700ea		\$7,000.00
ID0088	Driveway and Sidewalk Repiar(Non-Dwelling Site Work (1480)-Asphalt - Concrete - Paving)	Repair driveways and sidewalks		\$50,000.00

<b>Part II: Supporting Pages - Physical Needs Work Statements (s)</b>				
<b>Work Statement for Year</b> 5		2027		
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
	Subtotal of Estimated Cost			\$1,200,000.00

<b>Part III: Supporting Pages - Management Needs Work Statements (s)</b>	
<b>Work Statement for Year</b> 1	2023
<b>Development Number/Name General Description of Major Work Categories</b>	<b>Estimated Cost</b>
Housing Authority Wide	
Administration(Administration (1410)-Salaries)	\$120,000.00
Subtotal of Estimated Cost	\$120,000.00

<b>Part III: Supporting Pages - Management Needs Work Statements (s)</b>	
<b>Work Statement for Year</b> 2	2024
<b>Development Number/Name General Description of Major Work Categories</b>	<b>Estimated Cost</b>
Housing Authority Wide	
Administration(Administration (1410)-Salaries)	\$120,000.00
Subtotal of Estimated Cost	\$120,000.00

<b>Part III: Supporting Pages - Management Needs Work Statements (s)</b>	
<b>Work Statement for Year</b> 3	2025
<b>Development Number/Name General Description of Major Work Categories</b>	<b>Estimated Cost</b>
Housing Authority Wide	
Administration(Administration (1410)-Salaries)	\$120,000.00
Subtotal of Estimated Cost	\$120,000.00

<b>Part III: Supporting Pages - Management Needs Work Statements (s)</b>	
<b>Work Statement for Year</b> 4	2026
<b>Development Number/Name General Description of Major Work Categories</b>	<b>Estimated Cost</b>
Housing Authority Wide	
Administration(Administration (1410)-Salaries)	\$120,000.00
Subtotal of Estimated Cost	\$120,000.00

<b>Part III: Supporting Pages - Management Needs Work Statements (s)</b>	
<b>Work Statement for Year</b> 5	2027
<b>Development Number/Name General Description of Major Work Categories</b>	<b>Estimated Cost</b>
Housing Authority Wide	
Administration(Administration (1410)-Salaries)	\$120,000.00
Subtotal of Estimated Cost	\$120,000.00



## B.5 Most Recent Fiscal Year Audit

**FARGO HOUSING AND REDEVELOPMENT AUTHORITY  
FARGO, NORTH DAKOTA**

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners  
Fargo Housing and Redevelopment Authority  
Fargo, North Dakota

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component unit of Fargo Housing and Redevelopment Authority (the Authority) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

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 unit of Fargo Housing and Redevelopment Authority as of December 31, 2021, 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.

#### *Basis for Opinions*

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Fargo Housing and Redevelopment Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The combining schedules and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 combining schedules 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 September 30, 2022, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Authority's 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 Authority's internal control over financial reporting and compliance.



**BRADY, MARTZ & ASSOCIATES, P.C.  
GRAND FORKS, NORTH DAKOTA**

September 30, 2022

**FARGO HOUSING AND REDEVELOPMENT AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

As management of the Fargo Housing and Redevelopment Authority (the Authority), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the year ended December 31, 2021. Please read it in conjunction with the Authority's financial statements, which follow this section.

**FINANCIAL HIGHLIGHTS**

- The assets of the Authority exceeded its liabilities at the close of the recent fiscal year by \$25,674,042 (net position). Of this amount, \$18,010,155 (unrestricted net position) may be used to meet the Authority's ongoing obligations to citizens and creditors.
- The Authority's cash and cash equivalents balance at December 31, 2021 was \$9,722,577, representing an increase of \$1,670,965 from December 31, 2020.
- The Authority had HUD Grant revenue of \$13,128,752, an increase of \$2,705,954 from that received in 2020.
- The change in net position was \$38,124.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The Authority is a special purpose governmental entity and accounts for its financial activities as an enterprise fund. The financial statements are prepared on the accrual basis of accounting. Therefore, revenues are recognized when earned and expenses are recognized when incurred. Capital assets are capitalized and depreciated, except for land, over their useful lives. See notes to the financial statements for a summary of the Authority's significant accounting policies and practices.

**AUTHORITY ACTIVITY HIGHLIGHTS**

*Revenues and Expenses*

The following is a summary of the results of operations of the Authority for the years ended December 31, 2021 and 2020:

	2021	2020
Revenues		
HUD PHA grants	\$ 12,137,243	\$ 10,117,743
HUD capital grants	991,509	305,055
Other governmental grants	28,741	24,578
Rental income	1,436,772	1,742,556
Management fees	185,992	130,350
Interest income	418,347	431,127
Gain on disposal of capital assets	130,000	-
Other income	583,597	725,021
Total Revenue	15,912,201	13,476,430



**FARGO HOUSING AND REDEVELOPMENT AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	2021	2020
Expenses		
Housing assistance payments	8,760,486	7,740,001
Administrative	2,750,001	2,694,609
Ordinary maintenance and operation	1,296,235	1,345,758
Depreciation	609,046	628,323
Utilities	345,622	371,066
Tenant services	208,294	145,960
Loss on note receivable forgiveness	1,309,468	-
Other	594,925	415,248
Total expenses	15,874,077	13,340,965
Total net position, beginning of year	25,635,918	25,500,453
Total net position, end of year	\$ 25,674,042	\$ 25,635,918

Total revenues increased by \$2,435,771 and total expenses increased by \$2,533,112 due to a significant increase in the Section 8 Housing Choice Voucher and Public Housing Capital Fund programs. Federal grants totaled \$13,128,752 for the year ended December 31, 2021 and \$10,422,798 for the year ended December 31, 2020.

The following table shows housing units managed by the Authority for the years ended December 31, 2021 and 2020:

	2021	2020
Owned by the Authority	475	475
Units under vouchers	1,908	1,719
Managed Tax Credit Units	161	161
Total housing units managed	2,544	2,355

**CHANGES IN NET POSITION**

Total net position increased from the previous year by \$38,124. The largest component of net position is *unrestricted*. Unrestricted net position increased from the previous year by \$937,394.

**FARGO HOUSING AND REDEVELOPMENT AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**FINANCIAL POSITION**

The statement of net position presents the financial position of the Authority at the end of the year. The statement includes all assets and liabilities, and net position of the Authority. Net position is the difference between total assets and total liabilities; and is an indicator of the current fiscal health of the Authority. The following is a summarized comparison of the Authority's assets, liabilities, and net position at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Current assets	\$ 10,742,034	\$ 9,311,318
Other assets	12,801,638	11,583,142
Capital assets	<u>9,323,767</u>	<u>10,051,615</u>
Total assets	<u>32,867,439</u>	<u>30,946,075</u>
Current liabilities	5,285,578	3,123,319
Long-term liabilities	<u>1,907,819</u>	<u>2,186,838</u>
Total liabilities	<u>7,193,397</u>	<u>5,310,157</u>
Net position		
Net investment in capital assets	7,615,259	8,052,523
Restricted	48,628	510,634
Unrestricted	<u>18,010,155</u>	<u>17,072,761</u>
Total net position	<u>\$ 25,674,042</u>	<u>\$ 25,635,918</u>
Total liabilities and net position	<u>\$ 32,867,439</u>	<u>\$ 30,946,075</u>

**CAPITAL ASSETS**

Capital assets are the largest asset reflected on the Authority's statement of net position. The following is a summary of capital assets owned by the Authority at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Land	\$ 2,316,860	\$ 3,516,860
Construction in progress	127,871	15,400
Building and improvements	21,274,980	20,531,419
Furniture, equipment and machinery	<u>3,516,243</u>	<u>3,291,078</u>
	27,235,954	27,354,757
Less accumulated depreciation	<u>(17,912,187)</u>	<u>(17,303,142)</u>
Capital assets, net	<u>\$ 9,323,767</u>	<u>\$ 10,051,615</u>

Additional information on the Authority's capital assets can be found in Note 5 of this report.

**FARGO HOUSING AND REDEVELOPMENT AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**DEBT ADMINISTRATION**

The following is a table of outstanding notes payable as of December 31, 2021 and 2020:

	<u>Amount Outstanding 2021</u>	<u>Amount Outstanding 2020</u>
US Bank		
Promissory note - 4.37% interest rate due January 2022 with a balloon payment, secured by property	\$ -	\$ 333,062
Bell State Bank		
Promissory note - variable interest rate due October 2027 with a balloon payment, secured by property	239,627	246,862
Bell State Bank		
Promissory note - variable interest rate due October 2027 with a balloon payment, secured by property	296,100	305,062
Bell State Bank		
Promissory note - variable interest rate due October 2027 with a balloon payment, secured by property	250,357	257,915
Wells Fargo Bank North Dakota		
Promissory note - 6.61% interest rate due October 2023, secured by property	19,282	29,077
Bell State Bank & Trust		
Promissory note - 3.75% interest rate, due January 2023, secured by property	<u>7,254</u>	<u>14,520</u>
Total long-term debt	812,620	1,186,498
Less current maturities	<u>42,423</u>	<u>144,443</u>
Total long-term debt, net of current maturities	<u>\$ 770,197</u>	<u>\$ 1,042,055</u>

Additional information on the Authority's long-term debt can be found in Note 7 of this report.

**FARGO HOUSING AND REDEVELOPMENT AUTHORITY**  
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED  
FOR THE YEAR ENDED DECEMBER 31, 2021

**ECONOMIC FACTORS**

The Authority continues to convert parts of its public housing portfolio and develop new affordable housing using Low Income Housing Tax Credit (LIHTC) units and various other federal and state programs. The New Horizons Manor (formerly 14-2) RAD conversion was the first such project. It received an allocation of 9% low-income housing tax credits in December 2016 and began rehabilitation construction in November of 2017. It is now operated as a LIHTC property with project-based vouchers, following a full lease-up at the end of 2018 and final construction completion in early 2019.

Working with development consultants, the Authority continues to coordinate with the City of Fargo toward implementation of the City's Comprehensive Housing Study, specifically with regard to addressing the pressing needs of an aging public housing stock in need of significant rehabilitation or replacement, as well as the need for new affordable housing for a growing population of senior residents.

Following an award of 9% & 4% tax credits, federal Housing Trust Funds, and state Housing Incentive Funds late 2018, the Authority began development of Elliott Place, a new 84-unit affordable residence for seniors. That project is expected to begin construction in July 2021 and be completed in late 2022.

In the first-quarter of 2020, HUD approved the Authority's Section 18 application for disposition of the Lashkowitz High Rise (14-1). The Authority is now focused on successful relocation of those residents through the award of Tenant-Protection Vouchers for each qualified residence, while also partnering with the City of Fargo to formulate a comprehensive strategy for the future of that building and site.

Finally, the Authority continues to expand its voucher portfolio, particularly in the specialty areas, like the Mainstream and Emergency Housing Voucher Programs.

**REQUESTS FOR INFORMATION**

The annual financial report is designed to provide a general overview of the Authority finances for all those with an interest in the Authority finances. Questions concerning any information provided in this report or requests for additional information should be addressed to Jill Elliott, Executive Director, and Chris Brungardt, CEO, Fargo Housing and Redevelopment Authority, 325 Broadway, Fargo, North Dakota, 58102.

**FARGO HOUSING AND REDEVELOPMENT AUTHORITY**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2021**

	<u>Primary Government</u>	<u>Discretely Presented Component Unit</u>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 9,229,236	\$ 305,415
Restricted cash		
Tenant security deposits	89,486	19,404
FSS escrow	157,740	-
HUD	246,115	-
Tax Escrow	-	24,504
Insurance Escrow	-	20,485
Replacement Reserve	-	241,504
Operating Reserve	-	254,987
Accounts receivable		
HUD	467,674	-
Tenants	181,250	1,329
Allowance for doubtful accounts-tenants	(58,037)	-
Due from related party	376,106	-
Other	52,464	-
Prepaid expenses	-	107,071
Total current assets	<u>10,742,034</u>	<u>974,699</u>
Other Assets		
Investments	26,612	-
Note receivables	10,530,249	-
Interest on note receivables	<u>2,244,777</u>	<u>-</u>
Total other assets	<u>12,801,638</u>	<u>-</u>
Capital assets		
Construction in progress	127,871	
Land	2,316,860	20,613
Structures and equipment	24,791,223	14,237,917
Accumulated depreciation	<u>(17,912,187)</u>	<u>(1,067,946)</u>
Total capital assets	<u>9,323,767</u>	<u>13,190,584</u>
Total noncurrent assets	<u>22,125,405</u>	<u>13,190,584</u>
Total assets	<u>32,867,439</u>	<u>14,165,283</u>

See Notes to the Financial Statements

**FARGO HOUSING AND REDEVELOPMENT AUTHORITY**  
**STATEMENT OF NET POSITION - CONTINUED**  
**DECEMBER 31, 2021**

	<u>Primary Government</u>	<u>Discretely Presented Component Unit</u>
<b>LIABILITIES AND NET POSITION</b>		
Current liabilities		
Current portion of notes payable	\$ 42,423	\$ 22,977
Accounts payable		
Vendors	82,090	127
Other	8,730	-
Accrued wages payable	119,786	-
Accrued compensated absences	14,295	-
Tenant security deposits	89,486	19,404
Accrued interest payable	29,679	14,369
Accrued payments in lieu of taxes	224,726	5,280
Special assessments	44,657	-
Due to related party	-	760,765
Unearned revenue - ground lease	4,492,464	-
Unearned revenue	137,242	9,145
Total current liabilities	<u>5,285,578</u>	<u>832,067</u>
Long-Term Liabilities		
Accrued compensated absences	128,651	-
FSS escrow accounts	157,740	-
Special assessments	851,231	-
Notes payable - net of current portion	770,197	6,549,551
Total long-term liabilities	<u>1,907,819</u>	<u>6,549,551</u>
Total liabilities	<u>7,193,397</u>	<u>7,381,618</u>
Net position		
Net investment in capital assets	7,615,259	6,403,045
Restricted	48,628	541,480
Unrestricted	18,010,155	(160,860)
Total net position	<u>\$ 25,674,042</u>	<u>\$ 6,783,665</u>

See Notes to the Financial Statements

**FARGO HOUSING AND REDEVELOPMENT AUTHORITY**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Primary Government</u>	<u>Discretely Presented Component Unit</u>
Operating revenues:		
Dwelling rents	\$ 1,436,772	\$ 383,794
HUD operating grants	12,105,941	359,495
Other governmental grants	28,741	-
Fraud recovery	170,237	-
Management fees	185,992	-
Other	<u>413,360</u>	<u>53,212</u>
Total operating revenues	<u>14,341,043</u>	<u>796,501</u>
Operating expenses:		
Administrative	2,750,001	192,346
Tenant services	208,294	-
Utilities	345,622	133,594
Ordinary maintenance and operation	1,296,235	127,345
General expense	521,241	56,833
Depreciation	609,046	375,097
Housing assistance payments	<u>8,760,486</u>	<u>-</u>
Total operating expenses	<u>14,490,925</u>	<u>885,215</u>
Operating income (loss)	<u>(149,882)</u>	<u>(88,714)</u>
Nonoperating revenues (expenses):		
Interest received from note receivable	410,289	-
Loss on note receivable forgiveness	(1,309,468)	-
Gain on sale of capital assets	130,000	-
Distributions	-	(24,296)
Interest expense	(73,684)	(280,364)
Interest earned on investments	<u>8,058</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>(834,805)</u>	<u>(304,660)</u>
Income (Loss) before capital contributions	<u>(984,687)</u>	<u>(393,374)</u>
Capital contributions		
HUD capital grants	<u>1,022,811</u>	<u>-</u>
Total capital contributions	<u>1,022,811</u>	<u>-</u>
Change in net position	38,124	(393,374)
Net position, beginning of year	<u>25,635,918</u>	<u>7,177,039</u>
Net position, end of year	<u>\$ 25,674,042</u>	<u>\$ 6,783,665</u>

See Notes to the Financial Statements

**FARGO HOUSING AND REDEVELOPMENT AUTHORITY**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

Cash flows from operating activities:	
Rental receipts	\$ 1,559,967
HUD operating grants	11,882,888
Other government grants	5,068,296
Management fees	185,992
Housing assistance payments	(8,760,486)
Payments to suppliers	(6,103,097)
Payments to employees	<u>(960,220)</u>
Net cash provided (used) by operating activities	<u>2,873,340</u>
Cash flows from capital and related financing activities:	
HUD capital grants proceeds	991,509
Principal payments of long-term debt	(373,878)
Interest on long-term debt	(73,684)
Acquisition of capital assets	<u>(1,089,097)</u>
Net cash provided (used) by capital and related financing activities:	<u>(545,150)</u>
Cash flows from investing activities:	
Payments received on behalf of component unit	968,419
Purchase of investments	1,994
Proceeds from sale of capital assets	1,337,900
Advances on notes receivable	(3,814,033)
Principal payments received on notes receivable	776,727
Interest payments received on note receivable	63,711
Interest income received	<u>8,057</u>
Net cash provided (used) by investing activities	<u>(657,225)</u>
Net increase (decrease) in cash and cash equivalents	1,670,965
Cash and cash equivalents - beginning of year	<u>8,051,612</u>
Cash and cash equivalents - end of year	<u>\$ 9,722,577</u>
Reconciliation of cash and cash equivalents, and restricted cash	
Cash and cash equivalents	\$ 9,229,236
Restricted cash	<u>493,341</u>
Total	<u>\$ 9,722,577</u>

See Notes to the Financial Statements



**FARGO HOUSING AND REDEVELOPMENT AUTHORITY**  
**STATEMENT OF CASH FLOWS - CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

Reconciliation of operating loss to net cash used for operating activities	
Operating loss	\$ (118,580)
Adjustments to reconcile operating loss to net cash used from operating activities	
Depreciation	609,046
Changes in assets and liabilities	
Accounts receivable - HUD	118,051
Accounts receivable - tenants	19,360
Accounts receivable - other	(11,655)
Accounts payable	(554)
Accrued wages	58,439
Accrued interest payable	(138)
Accrued compensated absences	(66,742)
Payments in lieu of taxes	41,818
Special assessments	83,294
Unearned revenue	(266,970)
Unearned revenue - ground lease	2,454,746
FSS escrow	(21,328)
Security deposits	<u>(25,447)</u>
Cash flows from operating activities	<u>\$ 2,873,340</u>

See Notes to the Financial Statements

**FARGO HOUSING AND REDEVELOPMENT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Operations**

**General**

Fargo Housing and Redevelopment Authority (the Authority) uses available federal, state and local resources to serve the residents of Fargo, North Dakota by upgrading and maintaining the existing housing stock, encouraging the construction of new housing affordable to low and moderate income households, and providing low and moderate income families and senior households with decent, safe and affordable rental housing opportunities.

The Authority is governed by a five-member Board of Commissioners.

The accounting policies of the Authority conform to accounting principles generally accepted in the United States of America.

**Reporting Entity**

The Authority's financial statements include the accounts of all Authority operations. The criteria for including organizations as component units within the Authority reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board's (GASB) Codification of Government Accounting and Financial Reporting Standards, include whether:

- The organization is legally separated (can sue and be sued in their own name).
- The Authority holds the corporate powers of the organization.
- The Authority appoints a voting majority of the organization's board.
- The Authority is able to impose its will on the organization.
- The organization has the potential to impose a financial benefit/burden on the Authority.
- There is fiscal dependency by the organization on the Authority.

Based on the aforementioned criteria, the Fargo Housing and Redevelopment Authority is not includable as a component unit within another reporting entity.

**Discretely Presented Component Unit**

The discretely presented component unit in the accompanying financial statements is Fargo New Horizons, LLLP. Fargo New Horizons, LLLP was organized in 2017 to acquire, own, construct, and operate a 98-unit low-income housing tax credit project in Fargo, North Dakota. As the sole member of the general partner in Fargo New Horizons, LLLP, the Authority has the day-to-day management responsibilities. The financial statements of Fargo New Horizons, LLLP are presented in a separate column to emphasize that it is legally separate from the Authority.

**Program Accounting**

The accounts of the Authority are organized on the basis of programs, each of which is considered a separate accounting entity. The operations of each program are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, net position, revenues and expenses. The Authority classifies its programs as proprietary.

**FARGO HOUSING AND REDEVELOPMENT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2021**

**Basis of Accounting**

The Department of Housing and Urban Development (HUD) Real Estate Assessment Center (REAC) assesses the financial condition of Public Housing Authorities (PHA's). To uniformly and consistently assess the PHA's, REAC requires that PHA's financial statements conform to Generally Accepted Accounting Principles (GAAP).

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All proprietary funds are accounted for using the economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the statement of net position. Net position is segregated into invested in capital assets, restricted and unrestricted components. The statements of revenues, expenses and changes in net position present increases (e.g., revenues) and decreases (e.g., expenses) in total net position. The statements of cash flows present the cash flows for operating activities, investing activities, capital and related financing activities and non-capital financing activities.

**Cash and Cash Equivalents**

The Authority's cash deposits can only be invested in HUD approved investments: direct obligations of the Federal Government backed by the full faith and credit of the United States, obligations of government agencies, securities of government sponsored agencies, demand and savings deposits, time deposits, repurchase agreements, and other securities approved by HUD.

For the purpose of the statement of cash flows, the Authority considers cash deposits and highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

**Accounts Receivable**

Accounts receivable from tenants represent rents and charges currently due from tenants. Payments on accounts receivable are applied to specific months. Management reviews accounts receivable and charges operations with those considered uncollectible. All remaining accounts receivable from tenants are considered collectible.

**Investments**

Instruments are reported at fair value. These amounts are invested to the extent available in various securities as authorized by state law.

**Notes and Other Receivables**

Notes and other receivables are carried at amounts advanced, net of a reserve for uncollectible accounts, if any. As of December 31, 2021, the Authority considered all notes and other receivables to be fully collectible.

**Business and Credit Risk**

The Authority provides housing on account to tenants which are located primarily in Fargo, North Dakota.

**FARGO HOUSING AND REDEVELOPMENT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2021**

**Fraud Recovery**

HUD requires the Authority to account for monies recovered from tenants who committed fraud or misrepresentation in the application process for rent calculations and now owe additional rent for prior periods or retroactive rent as fraud recovery. The monies recovered are shared by HUD and the local authority.

**Capital Assets**

Land, buildings and improvements, and equipment are recorded at cost, including indirect development costs. The Authority uses a capitalization threshold of \$2,500. Donated fixed assets are valued at their acquisition value on the date donated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend lives are not capitalized.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Buildings	40 years
Leasehold improvements	15 - 20 years
Vehicles	20 - 40 years
Furniture, equipment and machinery	5 - 7 years

Long-lived assets held and used by an entity are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. No impairment loss has been recognized for the year ended December 31, 2021.

**Unearned Revenue**

As of December 31, 2021, the Authority has unearned revenue of \$137,242, which represents prepaid tenant rent and deferred service fee revenue. The Authority also has unearned revenue related to a ground lease with its discretely presented component unit. See Note 13 for additional details.

**Accumulated Accrued Compensated Absences**

Accumulated accrued compensated absences are accrued in the period incurred. Employees are permitted to accumulate a limited amount of earned but unused vacation benefits which will be paid to employees upon separation from Authority service.

Sick leave accumulated after ten years of employment is paid to employees at 44% of their normal pay. The liability for accumulated sick leave is accrued in the period earned.

**Operating Revenues and Expenses**

The Authority considers all revenues and expenses as operating items with the exception of HUD capital grants, interest expense, interest revenue, and gain/loss on disposal of capital assets which are considered non-operating for financial reporting purposes.

**FARGO HOUSING AND REDEVELOPMENT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2021**

**Allocating Indirect Expenses**

The Authority has expenses which by their nature impact several of the Authority's programs. The Authority allocates expenses to these programs based upon a cost study conducted on the Authority's behalf. Expenses that are allocated include, but are not limited to, salaries and benefits, legal and audit fees, maintenance and protective services and insurance.

**Restricted and Unrestricted Resources**

The Authority applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**Components of Net Position**

Components of net position include the following:

- *Net Investment in Capital Assets* – Consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of debt issued to finance the acquisition, improvement, or construction of those assets.
- *Restricted Net Position* – Consists of assets less related liabilities reported in the statement of net position that are subject to restraints on their use by HUD.
- *Unrestricted Net Position* – consists of assets less related liabilities reported in the statement of net position that are not subject to restraints on their use.

**Budgetary**

The Authority prepares budgets for each program annually which is approved by the Board of Commissioners. The Authority is required to submit to HUD only the budget related to the Public Housing subsidy. Revisions to the budgets are approved by the Board of Commissioners.

**Accounting Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**FARGO HOUSING AND REDEVELOPMENT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2021**

**NOTE 2 DEPOSITS AND INVESTMENTS**

**Deposits – Custodial Credit Risk**

In accordance with North Dakota Century Code, the Authority maintains deposits at those depository banks and brokerages authorized by the Authority Commission, all of which are covered by Federal Depository Insurance or Securities Investor Protection. Century Code requires that all Authority deposits be protected by insurance, collateral or surety bond. The market value of the collateral pledged must be equal to or greater than 110% of the deposits not covered by insurance or bonds. As of December 31, 2021, the Authority's deposits were either fully insured or properly collateralized, and have no custodial credit risk.

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of investments. The Authority does not have a formal policy that limits investments maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Beyond what is stated in the Century Code, the Authority does not have a formal policy to further limit exposure to credit risk.

**Concentration of Credit Risk**

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investments in a single issuer. The Authority places no limit on the amount which may be invested with a single issuer.

**Investments**

Debt and equities classified in Level 1 of the fair value hierarchy are valued directly from the predetermined primary external pricing vendor. Assets classified in Level 2 are subject to pricing by an alternative pricing source due to lack of information available by the primary vendor. Alternative investments classified in Level 3, due to lack of an independent pricing source, are valued using an internal fair value as provided by the investment manager.

Investments held by the Authority at December 31, 2021 broken down by maturity and fair value are as follows:

Investment Type	Total	Fair Value Measurements Using					Moody's Rating			
		Less than One Year	1-5 Years	6-10 Years	More than Ten Years	Quoted Prices in Active Markets for Identical Assets (Level 1)		Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Debt Securities										
US Government Bonds	\$ 26,612	\$ -	\$ -	\$ 26,362	\$ 250	\$ 26,612	\$ -	\$ -		AAA

**FARGO HOUSING AND REDEVELOPMENT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2021**

**NOTE 3 RESTRICTED CASH**

Restricted cash consists of funds that are restricted to comply with HUD requirements for the home ownership program. In addition, the Authority has restricted cash for tenant security deposits. Excess HAP funds provided by HUD for the Housing Choice Voucher and Mainstream programs are considered restricted. All restricted HAP funds must be used solely for the purpose of the Voucher program HAP expenses with the exception of over-leased units.

**NOTE 4 NOTES RECEIVABLE**

**Primary Government**

The Authority has advanced funds to various organizations for the purchase of run-down property to be renovated into low income property. The notes are secured by the property. If the property is ever sold, the proceeds will be used to repay the Authority. The Authority also has receivables related to a rental assistance demonstration project. See Note 13 for additional details. As of December 31, 2021, notes and interest receivable consisted of the following:

	<u>Notes Receivable</u>	<u>Interest Receivable</u>
The Graver Limited Partnership 5.25% note receivable, yearly payments to the extent of available cash flow, unpaid principal and interest due February 2034.	\$ 700,000	\$ 376,223
Bluestem Townhomes Limited Partnership 6.5% note receivable, yearly payments to the extent of available cash flow, unpaid principal and interest due December 2036	630,000	585,843
Bluestem Homes Limited Partnership 9.5% note receivable, yearly payments to the extent of available cash flow, unpaid principal and interest due December 2037	468,446	892,074
Sunrise North Limited Partnership 4.72% note receivable, yearly payments to the extent of available cash flow, unpaid principal and interest due December 2037	145,841	4,652
Fargo Elliott Place Four, LLLP - See Note 13 Capital lease obligation	2,388,461	4,983
Fargo Elliott Place Nine, LLLP - See Note 13 Capital lease obligation	644,245	1,344
Fargo New Horizons Limited Partnership - See Note 13 2.86% mortgage note receivable (Program Funds Loan) \$2,838,498, annual payments to the extent of available cash, unpaid principal and interest due December 2059	2,838,498	312,820
Fargo New Horizons Limited Partnership - See Note 13 Capital lease obligation	<u>2,714,758</u>	<u>66,838</u>
	10,530,249	2,244,777
Less current portion	<u>-</u>	<u>-</u>
	<u>\$ 10,530,249</u>	<u>\$ 2,244,777</u>

**FARGO HOUSING AND REDEVELOPMENT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2021**

**NOTE 5 CAPITAL ASSETS**

**Primary Government**

Capital asset activity for the year ended December 31, 2021 was as follows:

	Beginning Balance 1/1/2021	Additions	Retirements	Transfers	Ending Balance 12/31/2021
Capital assets, not being depreciated:					
Construction in progress	\$ 15,400	\$ 177,847	\$ (7,900)	\$ (57,476)	\$ 127,871
Land	3,516,860	-	(1,200,000)	-	2,316,860
Total capital assets not being depreciated	<u>3,532,260</u>	<u>177,847</u>	<u>(1,207,900)</u>	<u>(57,476)</u>	<u>2,444,731</u>
Capital assets, being depreciated:					
Buildings and improvements	20,531,419	686,085	-	57,476	21,274,980
Furniture, equipment and machinery - dwellings	1,463,309	-	-	-	1,463,309
Furniture, equipment, and machinery - administrative	997,827	48,592	-	-	1,046,419
Leasehold improvements	829,942	176,573	-	-	1,006,515
Total capital assets being depreciated	<u>23,822,497</u>	<u>911,250</u>	<u>-</u>	<u>57,476</u>	<u>24,791,223</u>
Less accumulated depreciation for:					
Buildings and improvements	15,530,347	415,289	-	-	15,945,635
Furniture, equipment and machinery - dwellings	788,203	125,127	-	-	913,330
Furniture, equipment and machinery - administrative	862,417	19,401	-	858	882,676
Leasehold improvements	122,175	49,229	-	(858)	170,546
Total accumulated depreciation	<u>17,303,142</u>	<u>609,046</u>	<u>-</u>	<u>-</u>	<u>17,912,187</u>
Total capital assets, being depreciated - net	<u>6,519,355</u>	<u>302,204</u>	<u>-</u>	<u>57,476</u>	<u>6,879,036</u>
Total capital assets	<u>\$ 10,051,615</u>	<u>\$ 480,051</u>	<u>\$ (1,207,900)</u>	<u>\$ -</u>	<u>\$ 9,323,767</u>

Depreciation expense for 2021 was charged to the functions of the Authority as follows:

Business-type activities	
Low rent public housing	\$ 499,078
General business	36,559
Central office cost center	73,409
	<u>\$ 609,046</u>



**FARGO HOUSING AND REDEVELOPMENT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2021**

**NOTE 6 COMPENSATED ABSENCES**

**Primary Government**

Changes in compensated absences for the year ended December 31, 2021 are as follows:

Balance 1/1/2021	Additions	Retirements	Balance 12/31/2021	Current Maturities
\$ 209,688	\$ 33,699	\$ 100,441	\$ 142,946	\$ 14,295

**NOTE 7 LONG-TERM DEBT**

During the year ended December 31, 2021, the following changes occurred in long-term debt:

Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
\$ 1,186,498	\$ -	\$ 373,878	\$ 812,620	\$ 42,423

Long-Term debt as of December 31, 2021 consists of the following:

Variable rate mortgage note payable with Bell State Bank (3.95% - 4.09%), due in monthly, installments of \$1,417, unpaid principal and interest due October 10, 2027, secured by a mortgage on property	\$ 239,627
Variable rate mortgage note payable with Bell State Bank (3.95% - 4.09%), due in monthly, installments of \$1,755, unpaid principal and interest due October 10, 2027, secured by a mortgage on property	296,100
Variable rate mortgage note payable with Bell State Bank (3.95% - 4.09%), due in monthly, installments of \$1,480, unpaid principal and interest due October 10, 2027, secured by a mortgage on property	250,357
6.61% mortgage note payable with Wells Fargo Bank, due in monthly installments of \$957, unpaid interest and principal due October 15, 2023, secured by a mortgage on property	19,282
3.75% mortgage note payable with Bell State Bank & Trust, due in monthly installments of \$630, unpaid principal and interest due January 23, 2023 with a balloon payment secured by a mortgage on property	7,254
	\$ 812,620

**FARGO HOUSING AND REDEVELOPMENT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2021**

The debt requirements to maturity for long-term debt are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 42,423	\$ 32,357	\$ 74,780
2023	33,466	31,401	64,867
2024	25,602	30,230	55,832
2025	26,771	29,062	55,833
2026	27,902	27,930	55,832
2027	656,456	22,364	678,820
Totals	<u>\$ 812,620</u>	<u>\$ 173,344</u>	<u>\$ 985,964</u>

**NOTE 8 SPECIAL ASSESSMENT DEBT**

The Authority has been levied special assessments by the City of Fargo, North Dakota. The special assessments bear interest ranging from 2.62% to 6.75%. The annual requirements to amortize the special assessments at December 31, 2021 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 44,657	\$ 29,564	\$ 74,221
2023	34,794	26,864	61,658
2024	36,194	25,439	61,633
2025	37,681	23,952	61,633
2026	190,739	96,076	286,815
2027-2031	168,836	61,235	230,071
2032-2036	144,002	33,942	177,944
2037-2041	129,628	10,544	140,172
2042-2046	109,357	6,542	115,899
Totals	<u>\$ 895,888</u>	<u>\$ 314,158</u>	<u>\$ 1,210,046</u>

**NOTE 9 COMMUNITY DEVELOPMENT BLOCK GRANT**

During fiscal year 2018, The Authority entered into an agreement with the City of Fargo to provide Community Development Block Grant (CDBG) funds to be used to acquire property for the development of affordable housing. The grant agreement was for \$500,000 and has a term of 20 years. The grant is not required to be repaid by the Authority as long as the affordable housing property built using these funds is owned and operated by the Authority.

**NOTE 10 RESTRICTED NET POSITION**

As of December 31, 2021, restricted net position consisted of \$48,628 that is restricted for Section 8 Voucher and Mainstream HAP.

**NOTE 11 ANNUAL CONTRIBUTIONS CONTRACT**

The Authority has an annual contributions contract for the Section 8 Housing Choice Voucher program and adjustments vary based on requirements. The maximum contract was \$8,124,904 for the year ended December 31, 2021.

**FARGO HOUSING AND REDEVELOPMENT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2021**

**NOTE 12 PENSION PLAN**

The Authority provides pension benefits for all of its permanent employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate after working six months. The plan requires the employee to contribute five percent of taxable salary and the employer contributes seven percent of basic salary less the cost of life insurance. The total cost of the plan was \$148,993 for the year ended December 31, 2021.

**NOTE 13 RELATED PARTY TRANSACTIONS**

**Due from Related Party**

As of December 31, 2021, the Authority is owed \$376,106 from Fargo New Horizons, LLLP (New Horizons), an entity for which the Authority is the general partner. The amount owed from above is for developer fees, management fees, other operating costs of New Horizons and is net of amounts due to New Horizons for HAP payments. Operating costs of New Horizons owed to the Authority is entirely comprised of payroll expenses.

**Acquisition of Property, Lease, and Acquisition Loan – Fargo New Horizons**

Effective May 9, 2018, the Authority entered into a ground lease of real property for a term of 65 years with New Horizons for the land and buildings, which comprise the project. As consideration for the acquisition of the leasehold interest in the property, the Authority is to receive rent of \$2,960,000. Of this amount, \$740,000 has been paid in cash and the remainder of \$2,220,000 has been financed with a 2.86 percent note payable (Note 4). In addition to the payment of capitalized rent, New Horizons has agreed to pay the Authority annual ground rent in the amount of \$30,000 beginning after the passing of the 20th year of the term, subject to an annual 3% escalation, for the remainder of the term. The Authority has included \$2,014,758 as unearned revenue on the statement of net position as the initial payment represented payments for the first 20 years of the agreement, less 1 year of amortization. New Horizons is responsible for all costs associated with rehabilitating the project and other related improvements.

Future minimum lease payments under the ground lease with New Horizons are as follows:

Year Ending December 31,	Amount
2022	\$ -
2023	-
2024	-
2025	-
2026	-
Thereafter	<u>2,781,596</u>
Total	<u>\$ 2,781,596</u>

**FARGO HOUSING AND REDEVELOPMENT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2021**

**Acquisition of Property, Lease, and Acquisition Loan – Elliott Place 4 & 9**

Effective July 13, 2021, the Authority entered into separate ground leases of real property for terms of 75 years with Fargo Elliott Place Four, LLLP (EP4) and Fargo Elliott Place Nine, LLLP (EP9) for the land and buildings, which comprise the project. As consideration for the acquisition of the leasehold interest in the properties, the Authority is to receive rents of \$2,780,944 and \$1,033,089 from EP4 and EP9, respectively. Of these amounts, \$775,000 (\$387,500 each) has been paid in cash and the remaining balances of \$2,393,444 and \$645,589 have been financed with 2.28 percent notes payable (Note 4). In addition to the payment of capitalized rent, EP4 and EP9 have agreed to pay the Authority annual ground rents equal to 36 percent of each partnership's respective net operating income. The Authority has included \$1,951,361 and \$526,345 as unearned revenue for EP4 and EP9, respectively. The Partnership is responsible for all costs associated with rehabilitating the project and other related improvements.

Future minimum lease payments under the ground lease with the partnerships are as follows:

Year Ending December 31,	<u>EP4</u>	<u>EP9</u>
2022	\$ -	\$ -
2023	-	-
2024	-	-
2025	-	-
2026	-	-
Thereafter	<u>2,393,444</u>	<u>645,589</u>
Total	<u>\$ 2,393,444</u>	<u>\$ 645,589</u>

**Developer Fees**

The Authority has entered into a developer agreement with New Horizons in the amount of \$1,316,282. During the year ended December 31, 2021, New Horizons owed developer fees of \$215,011 to the Authority.

**Mortgage Notes Payable**

The Authority has entered into multiple loan agreements with New Horizons (Note 4). During the year ended December 31, 2021, New Horizons incurred interest of \$87,622 to the Authority. As of December 31, 2021, New Horizons owed the Authority accrued interest of \$312,820, and is included within the interest on note receivable balance on the statement of net position.

**FARGO HOUSING AND REDEVELOPMENT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2021**

**Cash Flow Payment Priorities**

Pursuant to the partnership agreement with New Horizons, payment of fees and other expenses contingent on Cash Flow and distributions to partners from Cash Flow is to be received in the following order of priority:

- a) First, to pay the asset management fee and any accrued and unpaid asset management fees from prior periods.
- b) Second, to pay any outstanding and unpaid Credit Deficiencies and Tax Equivalency Payments then due including, without limitation, amounts owed due to a Change in Law, together with interest thereon, if any.
- c) Third, as directed by the limited partner to pay any Default Cash Flow Priority (pursuant to Section 5.15(b)) then due, if any.
- d) Fourth, first to fund amounts payable to the replacement reserve pursuant to Exhibit A-7 and thereafter to replenish the operating reserve pursuant to Exhibit A-7, if applicable.
- e) Fifth, to the limited partner to repay any loans or other advances made by the limited partner.
- f) Sixth, to the management agent to pay an incentive property management fee equal to 3% of gross collected rents for such year.
- g) Seventh, to pay unpaid development fee (and interest thereon, if applicable).
- h) Eighth, to pay applicable principal and interest on the Authority Loan.
- i) Ninth, to the general partner or guarantor, as applicable, to repay any Development Advance, Operating Deficit Advance, Credit Adjuster Advance or Development Fee Advance then payable or any other loans made by the general partner or guarantor hereunder.
- j) Tenth, to the general partner to pay the partnership management fee, payable pursuant to the Partnership Management Agreement, for services rendered to New Horizons as set forth therein, payable in the amount set forth in such Agreement solely from and to the extent of no greater than 90% of remaining Cash Flow, if any.
- k) Eleventh, to pay applicable principal and interest on the AHP Loan and the Acquisition Loan on a pari passu basis.
- l) Twelfth, the balance to the general partner and the limited partner in accordance with their percentage interests.

To the extent that insufficient Cash Flow is available to pay any of the amounts set forth in Sections First through Ninth (except the Sixth) when due, such amount will accrue and be payable in the future when there is available Cash Flow, after prior payment of all higher priority payments from Cash Flow, as set forth above.

**Partnership Management Fee**

Pursuant to the partnership agreement, the Authority is to be paid an annual non-cumulative partnership management fee of \$25,000, payable solely from Cash Flow remaining, for services and expertise in supervising the management agent and in administration and compliance of the project. There were no partnership management fees incurred or paid during the year ended December 31, 2021.

**FARGO HOUSING AND REDEVELOPMENT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2021**

**Management Fees**

The Authority has entered into an agreement with New Horizons to provide management services. Under the terms of the agreement, the Authority is to receive management fees of 8% of gross receipts with 3% of that being allocated to an incentive management fee to be paid from available cash flow. During the year ended December 31, 2021, New Horizons incurred management fees of \$61,220 to the Authority. As of December 31, 2021, New Horizons owed the Authority \$25,435 for accrued management fees.

**Operating Deficit Guaranty**

Pursuant to the partnership agreement, the Authority is required to fund operating deficits of New Horizons up to the maximum amount of \$348,871. Obligations under this section will continue until the end of the fiscal year in which occurs the last to occur of (i) the fifth anniversary of the end of the Lease-up Period; and (ii) the fifth anniversary of the end of the Stabilization Period; provided, however, the expiration of the operating deficit obligation will be extended by one (1) fiscal year for each fiscal year during the above period that the required debt service coverage is less than 115% and thereafter until such time as the balance in the operating reserve equals or exceeds the sum of \$255,000. As of December 31, 2021, the general partner has not had to fund any operating deficits.

**Master Commercial Lease**

The Authority has entered into a master commercial lease with New Horizons with a term extending until 2033. Below are expected lease payments to be received under the lease:

Year Ending December 31,	Amount
2022	\$ 2,598
2023	2,650
2024	2,703
2025	2,757
2026	2,812
Thereafter	<u>18,094</u>
Total minimum lease payments	<u>\$ 31,614</u>

**Cell Tower Master Lease**

The Authority has entered into a cell tower master lease agreement to which New Horizons has granted the Housing Authority a lease of the cell tower for a period of 65 years.

**NOTE 14 RISK MANAGEMENT**

The Authority is exposed to various risks of losses including general liability, property damage and employee bodily injury. The insurance coverage is considered to be adequate to cover unexpected claims against the Authority. The Authority retains the responsibility to cover any settlements exceeding the specific coverage. There was no reduction in coverage from the prior year and settlements have not exceeded insurance coverage in the past three years.

**FARGO HOUSING AND REDEVELOPMENT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2021**

**NOTE 15 COMPONENT UNIT**

The Authority is the general partner of Fargo New Horizons, LLLP, which represents a 0.01% ownership percentage. Profit or loss is allocated to the partners in the partnership agreement. The partners have certain rights and obligations as outlined in the partnership agreement. The significant notes of New Horizons are as follows.

**A) Principal Business Activity, Risks, and Uncertainty**

Fargo New Horizons, LLLP (New Horizons) was formed February 6, 2017, as a limited liability limited partnership under the laws of the state of Delaware and will continue in perpetuity until terminated in accordance with Article XII of the amended and restated limited liability limited partnership agreement. It was formed for the purpose of owning and operating a 98-unit housing project in Fargo, North Dakota. Of these units, 97 are considered low-income tax credit units and one market rate unit. In addition, New Horizons has commercial space of 636 square feet that is leased under a master lease agreement. Substantially all of New Horizons's income is derived from the rental of its apartment units and commercial space. New Horizons acquired the existing building on May 9, 2018 at which time New Horizons began operations and rehab of the project.

New Horizons has qualified and been allocated low-income housing tax credits pursuant to the Internal Revenue Code Section 42, which regulates the use of the complex as to occupant eligibility and unit gross rent, among other requirements. New Horizons must meet the provisions of these regulations during each of 15 consecutive years in order to continue to qualify to receive the tax credits. Failure to comply with occupant eligibility and/or unit gross rent, or to correct noncompliance within a specified time period could result in recapture of the previously taken low-income housing tax credits plus interest. Such potential noncompliance may require an adjustment to the contributed capital by the limited partners. All units within this project are subject to the rent restrictions as required by the Low-Income Housing Tax Credit Program.



**FARGO HOUSING AND REDEVELOPMENT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2021**

**B) Restricted Deposits and Funded Reserves Replacement Reserve**

Pursuant to the terms of the partnership agreement, New Horizons is required to establish a replacement reserve of at least \$155,000 at the time of the limited partner's third capital installment into a segregated, interest bearing account at U.S. Bank, National Association (USBNA). In addition, New Horizons is to make monthly deposits of \$300 per unit per year to the account, beginning no later than one month after the date which is the last day of the Lease-up Period, as defined in the partnership agreement, or the date required for commencement of funding of the replacement reserve under the permanent mortgage (the "*Replacement Reserve Commencement Date*"). The monthly deposit is to increase by ten percent on each fifth anniversary of the *Replacement Reserve Commencement Date*. The replacement reserve is to be used to fund improvements and replacements. Any disbursements from the replacement reserve are to be made with the consent of the limited partner. As of December 31, 2021, New Horizons has established the replacement reserve with a balance of \$241,504.

**Operating Reserve**

Pursuant to the terms of the partnership agreement, New Horizons is required to establish an operating reserve in the amount of \$255,000 at the time of the limited partner's third capital installment. In addition, New Horizons is to fund the operating reserve from Cash Flow in order to maintain, to the extent possible, a balance at all times in the operating reserve of at least \$255,000. The operating reserve is to be used to fund excess operating expenses, debt service obligations, or other expenses of New Horizons. Any disbursements from the operating reserve are to be made with the consent of the limited partner. As of December 31, 2021, New Horizons had established the operating reserve with a balance of \$254,987.

**Cell Tower Reserve**

Pursuant to the partnership agreement and the Cell Tower Master Lease (Note 7), New Horizons is required to establish a cell tower reserve. The general partner is to require the Housing and Redevelopment Authority of the City of Fargo (Housing Authority) to deposit all payments received pursuant to a AT&T Cell Tower Sublease or SBA Cell Tower Sublease or otherwise from tenants thereunder into a segregated, interest-bearing account held at USBNA until the balance of the cell tower reserve is at least equal to the greater of (a) \$10,000 and (b) 110% of the amounts disbursed from such the cell tower reserve in the prior year. Proceeds held in the cell tower reserve account are to be used: (1) first, to pay any and all damages of New Horizons relating to the Cell Tower Documents, (2) second to pay the amounts specified in Section 14 of the Cell Tower Master Lease relating to property taxes, and (3) third, to pay costs and expenses relating to the Cell Tower Documents with the consent of the limited partner. Interest earned on the cell tower reserve is to be added to the cell tower reserve. Any remaining proceeds in the cell tower reserve are to be released to the Housing Authority at the close of the Compliance Period, provided the Housing Authority is not then in default under the Cell Tower Master Lease. No withdrawals may be made from the account without the approval of the limited partner.



**FARGO HOUSING AND REDEVELOPMENT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2021**

**C) Property and Equipment**

Property and equipment at December 31, 2021 consists of the following:

Land and improvements	\$	20,613
Building		14,037,191
Furniture and equipment		<u>200,726</u>
		14,258,530
Accumulated depreciation		<u>(1,067,946)</u>
		<u>\$ 13,190,584</u>

**D) Long-Term Debt**

Long-term debt as of December 31, 2021 consists of:

6.23% mortgage note payable (Permanent Financing) to the Lument Capital, LLC, due in monthly payments, unpaid principal and interest due September 2034, secured by a mortgage on all property and equipment, assignment of rents, security agreement, and fixture financing statement	\$ 2,678,500
2.86% mortgage note payable to the Authority, Program Funds Loan of \$2,838,498, annual payments to the extent of available cash flow, unpaid principal and interest due December 2059	2,838,498
0% mortgage note payable to the Bell Bank, to be funded up to \$500,000, annual payments to the extent of available cash flow, unpaid principal and interest due December 2059	500,000
Capital lease obligation - Due to Authority	700,000
Special assessments	14,240
Unamortized debt issuance costs	<u>(158,710)</u>
Total long-term debt, net of unamortized debt issuance costs	<u>6,572,528</u>
Less current maturities	
Note payable	(21,922)
Special assessments	<u>(1,055)</u>
Total	<u>\$ 6,549,551</u>

**FARGO HOUSING AND REDEVELOPMENT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2021**

**E) Partners' Equity**

The partners of the Fargo New Horizons, LLLP consist of the General Partner - Fargo New Horizons, LLC (owned by the Authority) at .01% and the Limited Partner – U.S. Bancorp Community Development Corporation at 99.99%.

Pursuant to the partnership agreement, the limited partner is required to make capital contributions totaling \$8,304,792. During the year ended December 31, 2021, the limited partner made no contributions to New Horizons. As of December 31, 2021, the limited partner has made cumulative contributions totaling \$7,996,669.

Profit or loss is allocated to the partners in the partnership agreement.

The partners have certain rights and obligations as outlined in the partnership agreement.

**F) Rental Assistance Payments**

New Horizons is party to a rental assistance payments contract with the Department of Housing and Urban Development (HUD), under a Section 8 Project Based Voucher Rent Assistance Demonstration Contract for 97 units, for a term of 20 years. The contract is administered by the Housing and Redevelopment Authority of the City of Fargo and provides direct assistance payments to New Horizons on behalf of qualified low-income tenants. The contract expires June 2038 and is renewed annually. All dwelling units subject to the Section 8 Contract must be rented to individuals eligible to receive the benefit of rental assistance payments. Contract rents are established for each unit, with the tenant paying a portion of the contract rent based on the person's income level and the balance paid by HUD. During 2021, New Horizons earned \$359,495 in rental assistance.

**F) Prepaid Expenses**

Prepaid expenses consist of prepaid insurance of \$34,773 and prepaid tax credit fees of \$72,298. Tax credit fees will be amortized over a 15 year life using the straight-line method of amortization, at December 31, 2021 accumulated amortization is \$15,218.

**NOTE 16 NEW PRONOUNCEMENTS**

GASB Statement No. 87, *Leases*, establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. This Statement requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. This Statement is effective for reporting periods beginning after June 15, 2021. Earlier application is encouraged.

**FARGO HOUSING AND REDEVELOPMENT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2021**

GASB Statement No. 91, *Conduit Debt Obligations*, provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement clarifies the existing definition of a conduit debt obligation; establishes that a conduit debt obligation is not a liability of the issuer; establishes standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improves required note disclosures. This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. Earlier application is encouraged.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, provides guidance to address accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR), most notable, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. This statement provides exceptions and clarifications regarding hedging derivative instruments for such transactions that result from the replacement of IBOR. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Earlier application is encouraged.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs) and also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The statement provides definitions of PPPs and APAs and provides uniform guidance on accounting and financial reporting for transactions that meet those definitions. A PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. An APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

GASB Statement No. 96, *Subscription-Based Information Arrangements* provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs). A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. Under this Statement, a government generally should recognize a right-to use subscription asset—an intangible asset—and a corresponding subscription liability. The requirements of this Statement will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

**FARGO HOUSING AND REDEVELOPMENT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2021**

GASB Statement No. 99, *Omnibus 2022*, provides guidance on the following accounting matters:

- Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument.
- Clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives.
- Clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset.
- Clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability.
- Extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt.
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP).
- Disclosures related to nonmonetary transactions.
- Pledges of future revenues when resources are not received by the pledging government.
- Clarification of provisions in Statement No. 34, *Basic Financial Statements— and Management’s Discussion and Analysis—for State and Local Governments*, as amended, related to the focus of the government-wide financial statement.
- Terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.
- Terminology used in Statement 53 to refer to resource flows statements.

The requirements of this statement are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

**FARGO HOUSING AND REDEVELOPMENT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2021**

- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

GASB Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*, provides guidance on accounting and financial reporting requirements for accounting changes and error corrections. Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this Statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new pronouncement. This Statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements.

This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

GASB Statement No. 101, *Compensated Absences*, provides guidance on the recognition and measurement guidance for compensated absences. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities. This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

Management has not yet determined what effect these statements will have on the Authority's financial statements.

**FARGO HOUSING AND REDEVELOPMENT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2021**

**NOTE 17 SUBSEQUENT EVENTS**

The Authority was awarded a grant through the North Dakota Department of Human Services, Behavioral Health Division, to provide permanent supportive housing services, totaling \$698,106 for January 2022 through June 2023. The Authority has entered into a contractual agreement with Community Options to help provide these permanent supportive housing services.

No other significant events occurred subsequent to The Authority's year end. Subsequent events have been evaluated through September 30, 2022, which is the date these financial statements were available to be issued.

**FARGO HOUSING AND REDEVELOPMENT AUTHORITY**  
**COMBINING BALANCE SHEET**  
**DECEMBER 31, 2021**

	Low Rent Public Housing	CARES Act Low Rent Public Housing	Section 8	CARES Act Section 8	Emergency Housing Vouchers	Mainstream Vouchers	Cares Act Mainstream Vouchers	FSS Coordinator	Mod Rehab	Continuum of Care	Ross Grant	Business Activities	Eliminations	Total
<b>ASSETS</b>														
<b>Current Assets</b>														
Cash and cash equivalents	\$ 4,084,286	\$ -	\$ 909,301	\$ -	\$ 46,386	\$ 24,161	\$ -	\$ -	\$ 359,605	\$ 874	\$ -	\$ 3,804,623	\$ -	\$ 9,229,236
Restricted cash														
Tenant security deposits	71,176	-	-	-	-	-	-	-	8,052	-	-	10,258	-	89,486
FSS escrow	68,204	-	89,110	-	-	426	-	-	-	-	-	-	-	157,740
HUD	-	-	144,413	-	101,702	-	-	-	-	-	-	-	-	246,115
Accounts receivable														
HUD	340,944	-	-	-	-	-	-	7,631	-	26,939	12,584	79,576	-	467,674
Tenants	25,136	-	83,282	-	664	8,044	-	-	2,543	544	-	61,037	-	181,250
Allowance for doubtful accounts-tenants	-	-	(49,525)	-	-	(5,449)	-	-	-	(1,342)	-	(1,721)	-	(58,037)
Due from DPCU	-	-	-	-	-	-	-	-	-	-	-	376,106	-	376,106
Other	4,130	-	81	-	-	159	-	-	-	-	-	48,094	-	52,464
Interfund balances	62,284	-	9,435	-	-	-	-	-	446,000	-	-	818,736	(1,336,455)	-
Total current assets	<u>4,656,160</u>	<u>-</u>	<u>1,186,097</u>	<u>-</u>	<u>148,752</u>	<u>27,341</u>	<u>-</u>	<u>7,631</u>	<u>816,200</u>	<u>27,015</u>	<u>12,584</u>	<u>5,196,709</u>	<u>(1,336,455)</u>	<u>10,742,034</u>
<b>Other Assets</b>														
Investments	-	-	-	-	-	-	-	-	-	-	-	26,612	-	26,612
Note receivables	-	-	-	-	-	-	-	-	-	-	-	10,530,249	-	10,530,249
Interest on note receivables	-	-	-	-	-	-	-	-	-	-	-	2,244,777	-	2,244,777
Total other assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,801,638</u>	<u>-</u>	<u>12,801,638</u>
<b>Capital assets</b>														
Construction in progress	127,871	-	-	-	-	-	-	-	-	-	-	-	-	127,871
Land	1,899,666	-	-	-	-	-	-	-	-	-	-	417,194	-	2,316,860
Structures and equipment	20,512,395	-	16,915	-	-	2,035	-	-	1,297,939	-	56,663	2,905,276	-	24,791,223
Accumulated depreciation	(16,060,527)	-	-	-	-	-	-	-	(587,145)	-	(56,663)	(1,207,852)	-	(17,912,187)
Total Capital assets	<u>6,479,405</u>	<u>-</u>	<u>16,915</u>	<u>-</u>	<u>-</u>	<u>2,035</u>	<u>-</u>	<u>-</u>	<u>710,794</u>	<u>-</u>	<u>-</u>	<u>2,114,618</u>	<u>-</u>	<u>9,323,767</u>
Total assets	<u>\$ 11,135,565</u>	<u>\$ -</u>	<u>\$ 1,203,012</u>	<u>\$ -</u>	<u>\$ 148,752</u>	<u>\$ 29,376</u>	<u>\$ -</u>	<u>\$ 7,631</u>	<u>\$ 1,526,994</u>	<u>\$ 27,015</u>	<u>\$ 12,584</u>	<u>\$ 20,112,965</u>	<u>\$ (1,336,455)</u>	<u>\$ 32,867,439</u>

**FARGO HOUSING AND REDEVELOPMENT AUTHORITY**  
**COMBINING BALANCE SHEET - CONTINUED**  
**DECEMBER 31, 2021**

	Low Rent Public Housing	CARES Act Low Rent Public Housing	Section 8	CARES Act Section 8	Emergency Housing Vouchers	Mainstream Vouchers	Cares Act Mainstream Vouchers	FSS Coordinator	Mod Rehab	Continuum of Care	Ross Grant	Business Activities	Eliminations	Total	
<b>LIABILITIES AND NET POSITION</b>															
<b>Current Liabilities</b>															
Current portion of notes payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	10,619	\$ -	\$ -	31,804	\$ -	42,423
Accounts payable															
Vendors	47,843	-	17,886	-	-	2,035	-	-	5,217	-	74	9,035	-	82,090	
HUD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other	1,362	-	2,010	-	-	-	-	-	94	-	-	5,264	-	8,730	
Accrued wages payable	-	-	-	-	-	-	-	-	-	59	-	119,727	-	119,786	
Accrued compensated absences	4,652	-	2,740	-	-	-	-	-	422	-	-	6,481	-	14,295	
Tenant security deposits	71,176	-	-	-	-	-	-	-	8,052	-	-	10,258	-	89,486	
Accrued interest payable	19,736	-	-	-	-	-	-	-	4,709	-	-	5,234	-	29,679	
Accrued payments in lieu of taxes	189,467	-	-	-	-	-	-	-	13,870	-	-	21,389	-	224,726	
Special assessments	29,136	-	-	-	-	-	-	-	5,363	-	-	10,158	-	44,657	
Interfund balances	164,909	-	122,032	-	2,356	3,257	-	171,173	14,670	4,966	43,180	809,912	(1,336,455)	-	
Unearned revenue - ground lease	-	-	-	-	-	-	-	-	-	-	-	4,492,464	-	4,492,464	
Unearned revenue	23,800	-	6,563	-	68,242	159	-	-	1,877	-	-	36,601	-	137,242	
<b>Total current liabilities</b>	<b>552,081</b>	<b>-</b>	<b>151,231</b>	<b>-</b>	<b>70,598</b>	<b>5,451</b>	<b>-</b>	<b>171,173</b>	<b>64,893</b>	<b>5,025</b>	<b>43,254</b>	<b>5,558,327</b>	<b>(1,336,455)</b>	<b>5,285,578</b>	
<b>Long-Term Liabilities</b>															
Accrued compensated absences	41,867	-	24,656	-	-	-	-	-	3,797	-	-	58,331	-	128,651	
FSS escrow accounts	68,204	-	89,110	-	-	426	-	-	-	-	-	-	-	157,740	
Special assessments	552,324	-	-	-	-	-	-	-	142,254	-	-	156,653	-	851,231	
Notes payable - net of current portion	-	-	-	-	-	-	-	-	8,663	-	-	761,534	-	770,197	
<b>Total long-term liabilities</b>	<b>662,395</b>	<b>-</b>	<b>113,766</b>	<b>-</b>	<b>-</b>	<b>426</b>	<b>-</b>	<b>-</b>	<b>154,714</b>	<b>-</b>	<b>-</b>	<b>976,518</b>	<b>-</b>	<b>1,907,819</b>	
<b>Total liabilities</b>	<b>1,214,476</b>	<b>-</b>	<b>264,997</b>	<b>-</b>	<b>70,598</b>	<b>5,877</b>	<b>-</b>	<b>171,173</b>	<b>219,607</b>	<b>5,025</b>	<b>43,254</b>	<b>6,534,845</b>	<b>(1,336,455)</b>	<b>7,193,397</b>	
<b>Net position</b>															
Net investment in capital assets	5,897,945	-	16,915	-	-	2,035	-	-	543,895	-	-	1,154,469	-	7,615,259	
Restricted	-	-	144,413	-	33,460	(129,245)	-	-	-	-	-	-	-	48,628	
Unrestricted (deficit)	4,023,144	-	776,687	-	44,694	150,709	-	(163,542)	763,492	21,990	(30,670)	12,423,651	-	18,010,155	
<b>Total net position</b>	<b>9,921,089</b>	<b>-</b>	<b>938,015</b>	<b>-</b>	<b>78,154</b>	<b>23,499</b>	<b>-</b>	<b>(163,542)</b>	<b>1,307,387</b>	<b>21,990</b>	<b>(30,670)</b>	<b>13,578,120</b>	<b>-</b>	<b>25,674,042</b>	
<b>Total liabilities and net position</b>	<b>\$ 11,135,565</b>	<b>\$ -</b>	<b>\$ 1,203,012</b>	<b>\$ -</b>	<b>\$ 148,752</b>	<b>\$ 29,376</b>	<b>\$ -</b>	<b>\$ 7,631</b>	<b>\$ 1,526,994</b>	<b>\$ 27,015</b>	<b>\$ 12,584</b>	<b>\$ 20,112,965</b>	<b>\$ (1,336,455)</b>	<b>\$ 32,867,439</b>	



**FARGO HOUSING AND REDEVELOPMENT AUTHORITY**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	CARES Act		CARES Act		Emergency	CARES Act		FSS	Mod	Continuum	Business		Total	
	Low Rent Public Housing	Low Rent Public Housing	Section 8	Section 8	Housing Vouchers	Mainstream Vouchers	Mainstream Vouchers	Coordinator	Rehab	of Care	Ross Grant	Activities		Eliminations
<b>Operating revenues</b>														
Dwelling rents	\$ 107,179	\$ -	\$ 88,322	\$ -	\$ -	\$ 60	\$ -	\$ -	\$ 110,059	\$ -	\$ -	\$ 166,542	\$ -	\$ 1,436,772
HUD operating grants	1573,306	29,620	8,387,309	359,664	173,906	709,178	12,742	124,148	175,673	306,714	86,515	167,166	-	12,105,941
Other governmental grants	-	-	1,769	-	-	-	-	-	373	-	-	26,599	-	28,741
Management fees	-	-	-	-	-	-	-	-	-	-	-	962,836	(776,844)	185,992
Other	74,443	-	142,645	-	-	-	-	-	3,666	2,718	-	290,088	(100,200)	413,360
<b>Total operating revenues</b>	<b>2,719,538</b>	<b>29,620</b>	<b>8,778,567</b>	<b>359,664</b>	<b>174,791</b>	<b>716,846</b>	<b>12,742</b>	<b>124,148</b>	<b>289,771</b>	<b>312,654</b>	<b>86,515</b>	<b>1,613,231</b>	<b>(877,044)</b>	<b>14,341,043</b>
<b>Operating expenses</b>														
Administrative	1014,837	-	832,963	316,841	8,893	30,061	7,590	129,095	66,751	16,258	81,164	1022,392	(776,844)	2,750,001
Tenant services	120,142	-	-	25,908	-	-	3,117	-	75	58,616	-	436	-	208,294
Utilities	242,210	-	-	-	-	-	-	-	30,241	-	369	72,802	-	345,622
Ordinary maintenance and operation	1004,422	29,620	1,330	-	-	-	-	-	16,629	940	236	167,993	(24,935)	1,296,235
General expense	376,827	-	89,538	-	9,882	3,620	-	-	20,399	2,088	2,365	91,787	(75,265)	521,241
Depreciation	499,078	-	-	-	-	-	-	-	36,559	-	-	73,409	-	609,046
Housing assistance payments	64,558	-	7,630,992	-	77,862	745,736	-	-	-	24,1338	-	-	-	8,760,486
<b>Total operating expenses</b>	<b>3,322,074</b>	<b>29,620</b>	<b>8,554,823</b>	<b>342,749</b>	<b>96,637</b>	<b>779,417</b>	<b>10,707</b>	<b>129,095</b>	<b>270,654</b>	<b>319,240</b>	<b>84,134</b>	<b>1,428,819</b>	<b>(877,044)</b>	<b>14,490,925</b>
<b>Operating income (loss)</b>	<b>(602,536)</b>	<b>-</b>	<b>223,744</b>	<b>16,915</b>	<b>78,154</b>	<b>(62,571)</b>	<b>2,035</b>	<b>(4,947)</b>	<b>19,117</b>	<b>(6,586)</b>	<b>2,381</b>	<b>184,412</b>	<b>-</b>	<b>(149,882)</b>
<b>No nonoperating revenues (expenses)</b>														
Interest received from note receivable	-	-	-	-	-	-	-	-	-	-	-	410,289	-	410,289
Loss on note receivable forgiveness	-	-	-	-	-	-	-	-	-	-	-	(1,309,468)	-	(1,309,468)
Gain (loss) on sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	130,000	-	130,000
Interest expense	(19,843)	-	-	-	-	-	-	-	(6,285)	-	-	(47,556)	-	(73,684)
Interest earned on investments	1487	-	2,009	-	-	-	-	-	9	-	-	4,553	-	8,058
<b>Total nonoperating revenues (expenses)</b>	<b>(18,356)</b>	<b>-</b>	<b>2,009</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6,276)</b>	<b>-</b>	<b>-</b>	<b>(812,182)</b>	<b>-</b>	<b>(834,805)</b>
<b>Income (Loss) Before Capital Contributions and Transfers</b>	<b>(620,892)</b>	<b>-</b>	<b>225,753</b>	<b>16,915</b>	<b>78,154</b>	<b>(62,571)</b>	<b>2,035</b>	<b>(4,947)</b>	<b>12,841</b>	<b>(6,586)</b>	<b>2,381</b>	<b>(627,770)</b>	<b>-</b>	<b>(984,687)</b>
<b>Capital Contributions</b>														
HUD capital grants	1022,811	-	-	-	-	-	-	-	-	-	-	-	-	1,022,811
Interfund transfers in (out)	-	-	16,915	(16,915)	-	2,035	(2,035)	-	560	-	-	(560)	-	-
<b>Total capital contributions</b>	<b>1022,811</b>	<b>-</b>	<b>16,915</b>	<b>(16,915)</b>	<b>-</b>	<b>2,035</b>	<b>(2,035)</b>	<b>-</b>	<b>560</b>	<b>-</b>	<b>-</b>	<b>(560)</b>	<b>-</b>	<b>1,022,811</b>
<b>Change in net position</b>	<b>401,919</b>	<b>-</b>	<b>242,668</b>	<b>-</b>	<b>78,154</b>	<b>(60,536)</b>	<b>-</b>	<b>(4,947)</b>	<b>13,401</b>	<b>(6,586)</b>	<b>2,381</b>	<b>(628,330)</b>	<b>-</b>	<b>38,124</b>
<b>Net position - beginning of year</b>	<b>9,519,170</b>	<b>-</b>	<b>695,347</b>	<b>-</b>	<b>-</b>	<b>84,035</b>	<b>-</b>	<b>(158,595)</b>	<b>1,293,986</b>	<b>28,576</b>	<b>(33,051)</b>	<b>14,206,450</b>	<b>-</b>	<b>25,635,918</b>
<b>Net position - end of year</b>	<b>\$ 9,921,089</b>	<b>\$ -</b>	<b>\$ 938,015</b>	<b>\$ -</b>	<b>\$ 78,154</b>	<b>\$ 23,499</b>	<b>\$ -</b>	<b>\$ (163,542)</b>	<b>\$ 1,307,387</b>	<b>\$ 21,990</b>	<b>\$ (30,670)</b>	<b>\$ 13,578,120</b>	<b>\$ -</b>	<b>\$ 25,674,042</b>

**FARGO HOUSING AND REDEVELOPMENT AUTHORITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

Federal Grantor / Pass-through Grantor / Program Title	Federal AL Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Housing and Urban Development			
Continuum of Care	14.267		\$ 306,714
Section 8 Project-based Cluster			
Section 8 Housing Assistance Payments Program	14.195		\$ 167,166
<i>Passed through the North Dakota     Housing Finance Agency</i>			
Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation	14.856	North Dakota Housing Finance Agency	<u>175,673</u>
Total Section 8 Project-based Cluster			342,839
Public and Indian Housing	14.850		1,464,313
Public and Indian Housing - CARES Act	14.850		<u>29,620</u>
Total Public and Indian Housing			1,493,933
Resident Opportunity and Supportive Services	14.870		86,515
Housing Voucher Cluster			
Section 8 Housing Choice Vouchers	14.871		8,387,309
Section 8 Housing Choice Vouchers - CARES Act	14.871		359,664
Mainstream Vouchers	14.879		709,178
Mainstream Vouchers - CARES Act	14.879		12,742
Emergency Housing Vouchers	14.871		<u>173,906</u>
Total Housing Voucher Cluster			9,642,799
Public Housing Capital Fund	14.872		1,131,804
FSS Coordinator Grant	14.896		<u>124,148</u>
Total Expenditures of Federal Awards			<u>\$ 13,128,752</u>

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported in the schedule of expenditures of federal awards (Schedule) are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 2 – INDIRECT COST RATE**

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

**NOTE 3 – BASIS OF PRESENTATION**

The accompanying Schedule includes the federal award activity of Fargo Housing and Redevelopment Authority under programs of the federal government for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

**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  
Fargo Housing and Redevelopment Authority  
Fargo, North Dakota

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 unit of Fargo Housing and Redevelopment Authority, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise Fargo Housing and Redevelopment Authority's basic financial statements and have issued our report thereon dated September 30, 2022.

### **Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Fargo Housing and Redevelopment Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Fargo Housing and Redevelopment Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Fargo Housing and Redevelopment 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2021-001, 2021-002, and 2021-003 that we consider to be material weaknesses.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Fargo Housing and Redevelopment 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 financial statements. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2021-004 and 2021-005.

### **Fargo Housing and Redevelopment Authority's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on Fargo Housing and Redevelopment Authority's responses to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Fargo Housing and Redevelopment Authority's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

### **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.



**BRADY, MARTZ & ASSOCIATES, P.C.**  
**GRAND FORKS, NORTH DAKOTA**

September 30, 2022

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

To the Board of Commissioners  
Fargo Housing and Redevelopment Authority  
Fargo, North Dakota

### Report on Compliance for Each Major Federal Program

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

We have audited Fargo Housing and Redevelopment Authority's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Fargo Housing and Redevelopment Authority's major federal programs for the year ended December 31, 2021. Fargo Housing and Redevelopment Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Fargo Housing and Redevelopment Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

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

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Fargo Housing and Redevelopment Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Fargo Housing and Redevelopment Authority's compliance with the compliance requirements referred to above.

## ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Fargo Housing and Redevelopment Authority's federal programs.

## ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Fargo Housing and Redevelopment Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Fargo Housing and Redevelopment Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Fargo Housing and Redevelopment Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Fargo Housing and Redevelopment Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Fargo Housing and Redevelopment Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## **Other Matters**

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2021-004 and 2021-005. Our opinion on each major federal program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on Fargo Housing and Redevelopment Authority's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Fargo Housing and Redevelopment Authority's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

*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 a 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2021-004 and 2021-005 to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on Fargo Housing and Redevelopment Authority's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Fargo Housing and Redevelopment Authority's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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 "Brady Martz". The signature is written in a cursive, flowing style.

**BRADY, MARTZ & ASSOCIATES, P.C.**  
**GRAND FORKS, NORTH DAKOTA**

September 30, 2022



**FARGO HOUSING AND REDEVELOPMENT AUTHORITY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**Section I-Summary of Auditor's Results**

Financial Statements

Type of auditor's report issued: Unmodified  
Internal control over financial reporting:  
Material weakness(es) identified?  x  yes   no  
Significant deficiency(ies) identified that are  
not considered to be material weaknesses?   yes  x  none reported

Non-compliance material to financial  
statements noted?   yes  x  no

Federal Awards

Internal control over major programs:  
Material weakness(es) identified?   yes  x  no  
Significant deficiency(ies) identified that are  
not considered to be material weaknesses?  x  yes   none reported

Type of auditor's report issued on compliance  
for major programs: Unmodified

Any audit findings disclosed that are  
required to be reported in accordance with  
2 CFR 200.516(a)?  x  yes   no

Identification of major programs:

AL Number(s) Name of Federal Program

14.871 & 14.879 Housing Voucher Cluster

Dollar threshold used to distinguish  
between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee?   yes  x  no

**FARGO HOUSING AND REDEVELOPMENT AUTHORITY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**Section II-Financial Statement Findings**

**2021-001      Preparation of Financial Statements and Schedule of Expenditures of Federal Awards – Material Weakness**

Criteria

An appropriate system of internal control requires the Authority to prepare financial statements and the schedule of expenditures of federal awards (SEFA) in compliance with accounting principles generally accepted in the United States of America.

Condition

The entity's personnel prepare periodic financial information for internal use that meets the needs of management and the board. However, the entity currently does not prepare financial statements, including accompanying note disclosures, as required by accounting principles generally accepted in the United States of America. The entity has elected to have the auditors assist in the preparation of the financial statements and notes.

Effect

The disclosures in the financial statements could be incomplete and there is an increased risk of material misstatement to the entity's financial statements and SEFA.

Cause

The entity has elected to not allocate resources for the preparation of the financial statements and SEFA.

Recommendation

We recommend the entity consider the additional risk of having the auditors assist in the preparation of the financial statements and note disclosures and consider preparing them in the future. As a compensating control the entity should establish an internal control policy to document the annual review of the financial statements and schedules and to review a financial statement disclosure checklist.

Views of Responsible Officials

Management recognizes the deficiency and believes it is effectively handling the reporting responsibilities given the size of the Authority.

**2021-002      Reconciliation of Significant Accounts – Material Weakness**

Criteria

A complete system of internal accounting control contemplates an adequate system for reviewing and reconciling significant accounts.

Condition

As part of our audit, it was noted that the process of reviewing and reconciling significant accounts was not consistently being performed during the year. During the testing of investments, accounts and notes receivable, capital assets, intercompany balances and accounts payable, material adjusting journal entries were needed to reconcile the balances in the general ledger to the supporting documentation.

**FARGO HOUSING AND REDEVELOPMENT AUTHORITY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

Effect

The control deficiency could result in a misstatement to the financial statements that would not be prevented or detected.

Cause

Certain account balances were either not reconciled or not reconciled in a timely manner in the Authority's system resulting in the need for material adjusting journal entries.

Recommendation

We recommend that all significant accounts balances be reconciled timely and reviewed.

Views of Responsible Officials

Management recognizes the deficiency and plans to implement the auditor's recommendation.

**2021-003      Material Adjusting Journal Entries – Material Weakness**

Criteria

A complete system of internal accounting control contemplates an adequate system for recording and processing adjusting journal entries significant to the financial statements.

Condition

As part of our audit, we proposed material audit adjustments to the financial statements that were not detected by management.

Effect

The control deficiency could result in a misstatement to the financial statements that would not be prevented or detected.

Cause

Due to oversight by management, not all adjustments or transactions were recorded to the financial statements.

Recommendation

We recommend that all necessary adjustments and transactions are recorded by management prior to our audit.

Views of Responsible Officials

Management recognizes the deficiency and plans to implement the auditor's recommendation.

**FARGO HOUSING AND REDEVELOPMENT AUTHORITY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

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

**2021-004 Special Tests and Provisions: Project-Based Budgeting and Accounting**

Federal Program

U.S. Department of Housing and Urban Development AL #14.850 – Significant Deficiency

Criteria

The Program requires the Authority to prepare an operating budget prior to the beginning of its fiscal year. The Authority's Board of Commissioners is required to review and approve the budget by resolution.

Condition

We noted the Authority's Board of Commissioners did not approve its operating budget prior to the beginning of the Authority's fiscal year.

Questioned Costs

None

Context

We reviewed the current fiscal year's operating budget and board minutes and resolutions.

Effect

Lack of timeliness in approval of operating budget leaves for potential misuse of program funds or tracking financial performance at the project level.

Cause

Turnover in staffing and lack of oversight.

Repeat Finding

See 2020-007.

Recommendation

We recommend the Authority reviews its procedures for maintaining a project-based budget and having it approved by Board resolution prior to the beginning of its fiscal year.

Views of Responsible Officials

The Authority is aware of the issue and has taken subsequent steps to ensure compliance with the requirement.

**2021-005 Special Tests and Provisions: Rent Reasonableness**

Federal Program

U.S. Department of Housing and Urban Development AL #14.871 & 14.879 – Significant Deficiency

Criteria

The Authority must maintain records to document the basis for the determination that rent to owner is a reasonable rent (initially and during the term of the HAP contract) (24 CFR sections 982.4, 982.54(d)(15), 982.158(f)(7), and 982.507).

**FARGO HOUSING AND REDEVELOPMENT AUTHORITY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

Condition

We tested compliance with the Authority's rent reasonableness forms in 40 tenant files and found that two tenants did not have a rent reasonableness form for an increase in rent. The rent was deemed reasonable by the Authority once noted by the auditors.

Questioned Costs

None

Context

We reviewed a sample of 40 of the Authority's 1,620 tenant files for rent reasonableness requirements.

Effect

HAP payments could have been paid to a tenant where rent was not considered reasonable.

Cause

Upon change in rent during the term of the HAP contracts, the tenant files did not contain forms comparing the rent of like-kind units.

Repeat Finding

Not a repeat finding.

Recommendation

We recommend there be a second party review of the file to ensure all appropriate documents are included.

Views of Responsible Officials

The Authority will have a checklist on annual certifications to ensure all appropriate documents are included in the file.

**FARGO HOUSING AND REDEVELOPMENT AUTHORITY**  
**SCHEDULE OF PRIOR YEAR FINDINGS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**2020-001 Preparation of Financial Statements and Schedule of Expenditures of Federal Awards – Material Weakness in Internal Control over Financial Reporting**

Criteria

An appropriate system of internal controls requires the Authority to prepare financial statements and the schedule of expenditures of federal awards (SEFA) in compliance with accounting principles generally accepted in the United States of America.

Condition

The entity's personnel prepare periodic financial information for internal use that meets the needs of management and the board. However, the entity currently does not prepare financial statements, including accompanying note disclosures, as required by accounting principles generally accepted in the United States of America. The entity has elected to have the auditors assist in the preparation of the financial statements and notes.

Current year status

See 2021-001

**2020-002 Reconciliation of Significant Accounts – Material Weakness in Internal Control over Financial Reporting**

Criteria

A complete system of internal accounting control contemplates an adequate system for reviewing and reconciling significant accounts.

Condition

As part of our audit, it was noted that the process of reviewing and reconciling significant accounts was not consistently being performed during the year. During the testing of cash, capital assets, and accounts payable, material adjusting journal entries were needed to reconcile the balances in the general ledger to the supporting documentation.

Current year status

See 2021-002

**2020-003 Material Adjusting Journal Entries – Material Weakness in Internal Control over Financial Reporting**

Criteria

A good system of internal control contemplates an adequate system for recording and processing adjusting journal entries significant to the financial statements.

Condition

As part of our audit, we proposed material audit adjustments to the financial statements that were not detected by management.

Current year status

See 2021-003

**FARGO HOUSING AND REDEVELOPMENT AUTHORITY**  
**SCHEDULE OF PRIOR YEAR FINDINGS - CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**2020-004 Reporting**

Federal Program

U.S. Department of Housing and Urban Development AL #14.871 & 14.879 – Significant Deficiency

Criteria

The Program requires the Authority to submit the HUD Form 52681-B, the PHA submits this form monthly to HUD electronically via the VMA. Congress has instructed HUD to use VMA data to determine renewal funding levels. HUD also uses VMA data for other funding, monitoring, and SEMAP-related decisions. HUD relies on the audit of the key line items below to determine the reasonableness of the data submitted for the purposes of calculating funding under the program.

Condition

During our review of the Authority's VMS Data Collection Report, it was noted that the November 2020 submission was not prepared accurately, causing housing assistance payment to be understated for the period.

Current year status

Corrective action has been taken and this finding has been removed.

**2020-005 Eligibility**

Federal Program

U.S. Department of Housing and Urban Development AL #14.850 – Significant Deficiency

Criteria

The Authority's internal control policy over eligibility under its Public and Indian Housing Program is to perform a quality control review over a sample of its tenant file population.

Condition

During our review of the Authority's internal control policy over Public and Indian Housing tenant files, it was noted that the Authority did not perform its internal control review over tenant files during the year.

Current year status

Corrective action has been taken and this finding has been removed.

**2020-006 Eligibility**

Federal Program

U.S. Department of Housing and Urban Development AL #14.850 – Significant Deficiency

Criteria

The Authority's adopted Admissions & Continued Occupancy Policy (ACOP) is established to ensure that only eligible families receive assistance and that no family pays more or less than its obligation under HUD regulations and FHRA policies.

**FARGO HOUSING AND REDEVELOPMENT AUTHORITY**  
**SCHEDULE OF PRIOR YEAR FINDINGS - CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

Condition

During our review of 40 tenant files, we found two files that did not properly apply the Authority's adopted minimum rent amount when calculating the total tenant payment (TTP) during the tenant's recertification process.

Current year status

Corrective action has been taken and this finding has been removed.

**2020-007 Eligibility**

Federal Program

U.S. Department of Housing and Urban Development AL #14.850 – Significant Deficiency

Criteria

The Program requires the Authority to prepare an operating budget prior to the beginning of its fiscal year. The Authority's Board of Commissioners is required to review and approve the budget by resolution.

Condition

We noted the Authority's board of Commissioners did not approve its operating budget prior to the beginning of the Authority's fiscal year.

Current year status

See 2021-004

**2020-008 Special Tests and Provisions: Public Housing Waiting List**

Federal Program

U.S. Department of Housing and Urban Development AL #14.850 – Significant Deficiency

Criteria

The Authority must have written policies for admission of tenant. The Authority's tenant selection policies must include requirements for applications and waiting lists, description of the policies for selection of applicants from the waiting lists, and policies for verifications and documentation of information relevant to acceptance or rejections of an applicant (24 CFR sections 960.202 through 960.206)

Condition

We noted applicants were not properly sorted in accordance with the policies established in the Authority's ACOP.

Current year status

Corrective action has been taken and this finding has been removed.





## CORRECTIVE ACTION PLAN FOR THE YEAR ENDED DECEMBER 31, 2021

### 2021-001

#### Contact Person

Jill Elliott, Executive Director, & Chris Brungardt, CEO

#### Corrective Action Plan

No action is planned on the finding. The Authority feels that the additional costs to the Authority would not be significantly beneficial. The Authority does mitigate this situation through the review of the draft financial statements and accompanying notes to the financial statements.

#### Planned Completion Date for CAP

None. See above.

### 2021-002

#### Contact Person

Jill Elliott, Executive Director, & Chris Brungardt, CEO

#### Corrective Action Plan

Management hired two full-time Finance Managers at the end of fiscal year 2019. After the initial onboarding and transition period, and based on the experience and expertise of the newly hired Finance Managers, as well as the Housing Authority's finance department being fully-staffed, the Authority feels that they have the proper personnel in place to mitigate these findings going forward.

#### Planned Completion Date for CAP

Ongoing

### 2021-003

#### Contact Person

Jill Elliott, Executive Director, & Chris Brungardt, CEO

#### Corrective Action Plan

Management hired two full-time Finance Managers at the end of fiscal year 2019. After the initial onboarding and transition period, and based on the experience and expertise of the newly hired Finance Managers, as well as the Housing Authority's finance department being fully-staffed, the Authority feels that they have the proper personnel in place to mitigate these findings going forward.

#### Planned Completion Date for CAP

Ongoing



**CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**2021-004**

Contact Person

Jill Elliott, Executive Director, & Chris Brungardt, CEO

Corrective Action Plan

Budgets will be presented to the board of commissioners for approval as a standard practice.

Planned Completion Date for CAP

December 31, 2022

**2021-005**

Contact Person

Jill Elliott, Executive Director, & Chris Brungardt, CEO

Corrective Action Plan

The Authority will have a checklist on annual certifications to ensure all appropriate documents are included in the file.

Planned Completion Date for CAP

December 31, 2022

C.1 Resident Advisory Board (RAB) Comments.

The FHRA Board will not act on any Annual Plan elements before they have viewed the RAB ballots. In the August and September Board of Commissioners meeting the following is presented from the Board Meeting Minutes regarding RAB:

August Meeting:

### **Review 2023 Annual Plan Elements**

Jill highlighted the elements that the Resident Advisory Board (RAB) voted on that will go into the 2023 Annual Plan.

### **Resolution #2022-8-7**

WHEREAS FHRA is determined to ensure both short- and long-term planning along with consistent strategic thought is provided, therefore it is,

RESOLVED; to adopt to 2023 Annual Plan Elements as presented.

Schuler/Jefferson

September Meeting:

### **Review 2023 Annual Plan Elements**

Jill explained the purpose of the Resident Advisory Board (RAB) meeting and how the FHRA uses the information to guide what FHRA focuses on. Chris went over his 5-year Capital Plan and where the funds are projected to be spent. Angie explained the Fair Market Rent Document and how that will be used to set the Payment Standard for vouchers. She also explained what Admin changes were proposed to RAB that would affect different parts of the Voucher program like repayments. Flat rents for Public Housing were also presented, since it is a mandatory HUD action it was given as information. Rose presented the new Family Self Sufficiency program that got an overhaul from HUD this year and highlighted some of the key points that will benefit tenants.

### **RESOLUTION #2022-9-04**

WHEREAS the Board of Commissioners is committed to providing short term planning and long-term strategic thought to the FHRA in the whole. Ensuring the continuity of programs along with compliance to regulatory agencies, therefore it is,

RESOLVED by the FHRA Board of Commissioners to approve “elements” of the FHRA’s 2023 Annual Plan as presented.

Jefferson/Horsley

The RAB will meet again in November when the Nan Mckay updates are released for ACOP along with the new HOTMA.

## Fargo HRA Resident Advisory Board (RAB) Agenda

August 9, 2022

- 1) Introductions
- 2) What is RAB?
- 3) Annual Plan 2023
  - a) Additional Affordable Housing Options:
    - a. Elliott Place Senior Living opening November 2022, 84 units with Project Based Vouchers
    - b. 30 Additional Mainstream Vouchers
    - c. Lashkowitz Riverfront Development 110 units with Project Based Vouchers
    - d. Burrel Redevelopment
    - e. Public Housing southside development 14-4 (25<sup>th</sup> Street and 18<sup>th</sup>) demolition of 28 units and redevelopment of up to 110 units
    - f. Project Based Vouchers and Management of Jeremiah Property (20 units)
    - g. Future Project Based Voucher Properties:
      - i. Silver Linings 10 Veteran Vouchers
      - ii. Lantern Light with YWCA 23 Vouchers
  - b) Voucher Admin Plan Changes
  - c) Public Housing Admission and Continued Occupancy Policy (ACOP) changes
- 4) Capital Plan 2024-2029 (Physical updates to Public Housing Properties)
- 5) Resident Participation Funds
- 6) Future Meeting on September 8<sup>th</sup>.
  - a. Family Self-Sufficiency Plan Updates
  - b. ACOP and ADMIN Updates

**Fargo HRA Resident Advisory Board Ballot Results**  
**August 9, 2022**

1. I support additional affordable housing redevelopment by FHRA.

a. Lashkowitz Riverfront Development with Project Based Vouchers

Yes \_\_\_ 4 \_\_\_\_\_

No \_\_\_ 0 \_\_\_\_\_

Comment:

- Very much needed
- Great Idea

b. Burrel/Colonial Redevelopment.

Yes \_\_\_ 4 \_\_\_\_\_

No \_\_\_ 0 \_\_\_\_\_

Comment:

- This building needs the attention
- Would like to see uniform plumbing updates

c. Public Housing southside development 14-4 (25<sup>th</sup> St. and 18<sup>th</sup>) demolition of 28 units and new development of up to 110 units.

Yes \_\_\_ 3 \_\_\_\_\_

No \_\_\_ 0 \_\_\_\_\_

Comment:

2. Approve as presented Capital Plan 2024-2029 (Physical updates to Public Housing Properties).

Comment:

- Please consider adding garages to appropriate properties in scattered sites.
- Safety first, garages provide protection from the elements and from any unstable folks
- Physical updates are much needed, but timeline may be a bit of a stretch, but it seems it is worth the wait. Elevators, remodeling of all apartments at Pioneer Manor, all floors need carpet removed. We greatly appreciate the security cameras and on-site manager.
- Build garages

3. Approve use of HUD Resident Participation Funds for the Food Distribution Center at the Neighborhood Church and Community Center in the Madison neighborhood. Along with a grocery store gift card to Public Housing residents to use for the holiday season 2022.

**Fargo HRA Resident Advisory Board Ballot Results**  
**August 9, 2022**

Yes \_\_\_\_\_ 4 \_\_\_\_\_

No \_\_\_\_\_ 0 \_\_\_\_\_

Comment:

- Agree on the funds for the distribution food and clothing. A gift card would all people to purchase what they want.
- Consider increasing funding or routing subsidies for local food shelves on site.



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**To:** Resident Advisory Board  
**From:** Chris Brungardt, CEO  
**Date:** August 8, 2022

**RE: AMENDMENT TO THE 2018 TO 2022 5-YEAR CAPITAL FUND PROGRAM**

Each year HUD provides funds to FHRA for the development, financing, and modernization of public housing developments and for management improvements. As a requirement FHRA produces a 5-year capital fund program is to identify long range planning needs. However, as the FHRA continues to analyze and evaluate our facilities and operations priorities change.

Included in this updated plan is funding for asbestos abatement and demolition of the Lashkowitz Highrise, continued modernization of units in our scattered sites and pioneer, along with assorted roof siding and landscaping projects.

Attached you will find the plan for years 2020 through 2022. As part of today's meeting, we will be asking you to approve the updated plan years as presented.



Capital Fund Program - Five-Year Action Plan

Status: Submitted

Approval Date:

Approved By:

Part I: Summary						
PHA Name : Fargo Housing and Redevelopment Authority			Locality (City/County & State)			
PHA Number: ND014			<input type="checkbox"/> Original 5-Year Plan		<input checked="" type="checkbox"/> Revised 5-Year Plan (Revision No: )	
A.	Development Number and Name	Work Statement for Year 1 2018	Work Statement for Year 2 2019	Work Statement for Year 3 2020	Work Statement for Year 4 2021	Work Statement for Year 5 2022
	FARGO SCATTERED SITE (ND014000003)	\$438,915.00	\$419,953.00	\$132,000.00		\$161,000.00
	FARGO SCATTERED SITE (ND014000004)	\$433,894.00	\$398,934.18	\$162,000.00		\$161,000.00
	AUTHORITY-WIDE	\$261,414.00	\$221,716.82	\$105,400.00		\$144,900.00
	PIONEER MANOR (ND014000002)			\$50,000.00		\$28,000.00
	LASHKOWITZ HIGH RISE (ND014000001)			\$605,000.00	\$1,093,821.00	\$855,000.00

Capital Fund Program - Five-Year Action Plan

Part II: Supporting Pages - Physical Needs Work Statements (s)				
Work Statement for Year		2020		
Identifier	Development Number/Name	General Description of Major Work Categories	Quantity	Estimated Cost
	FARGO SCATTERED SITE (ND014000003)			\$132,000.00
ID0042	Unit Modernization(Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Flooring (non routine))	remodel units		\$122,000.00
ID0082	Landscaping(Dwelling Unit-Site Work (1480)-Landscape)	Fill around foundations to aid in drainage of storm water		\$10,000.00
	FARGO SCATTERED SITE (ND014000004)			\$162,000.00
ID0045	Unit Modernization(Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical))	remodel units		\$122,000.00
ID0046	siding(Dwelling Unit-Exterior (1480)-Siding)	replace siding		\$20,000.00
ID0072	Roofing(Dwelling Unit-Exterior (1480)-Gutters - Downspouts,Dwelling Unit-Exterior (1480)-Roofs,Dwelling Unit-Exterior (1480)-Soffits)	replace roofing		\$20,000.00

<b>Part II: Supporting Pages - Physical Needs Work Statements (s)</b>				
<b>Work Statement for Year</b>				
	3	2020		
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
	AUTHORITY-WIDE (NAWASD)			\$105,400.00
ID0050	PHA wide- administration(Administration (1410)-Salaries)	administration		\$105,400.00
	PIONEER MANOR (ND014000002)			\$50,000.00
ID0074	Common Area Improvements(Non-Dwelling Interior (1480)-Common Area Finishes,Non-Dwelling Interior (1480)-Common Area Flooring,Non-Dwelling Interior (1480)-Common Area Painting,Non-Dwelling Interior (1480)-Doors)	Modernize Common Area, flooring, paint, finishes		\$10,000.00
ID0075	Unit Modernization(Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks,Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Commodes,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Kitchen Cabinets,Dwelling Unit-Interior (1480)-Kitchen Sinks and Faucets,Dwelling Unit-Interior (1480)-Plumbing,Dwelling Unit-Interior (1480)-Tubs and Showers)	Modernize dwelling unit to include: Flooring, paint, finishes, kitchen cabinets, bathroom, plumbing, electrical fixtures.		\$40,000.00
	LASHKOWITZ HIGH RISE (ND014000001)			\$605,000.00
ID0099	Lashkowitz Demo Activites(Housing Related Hazards (1480)-Hazard Controls-Lead-Based Paint,Housing Related Hazards (1480)-Hazard Controls-Asbestos,Housing Related Hazards (1480)-Hazard Controls-Other,Dwelling Unit - Demolition (1480),Housing Related Hazards (1480)-Clearance Examinations-Asbestos,Housing Related Hazards (1480)-Clearance Examinations-Lead-Based Paint,Housing Related Hazards (1480)-Clearance Examinations-Other,Housing Related Hazards (1480)-Evaluation/Risk Assessment-Asbestos,Housing Related Hazards (1480)-Evaluation/Risk Assessment-Lead-Based Paint,Housing Related Hazards (1480)-Evaluation/Risk Assessment-Other)	Abatement of hazardous materials and Demolition		\$605,000.00

Capital Fund Program - Five-Year Action Plan

Part II: Supporting Pages - Physical Needs Work Statements (s)				
Work Statement for Year 3 2020				
Identifier	Development Number/Name	General Description of Major Work Categories	Quantity	Estimated Cost
	Subtotal of Estimated Cost			\$1,054,400.00

<b>Part II: Supporting Pages - Physical Needs Work Statements (s)</b>				
<b>Work Statement for Year</b>				
4	2021			
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
	LASHKOWITZ HIGH RISE (ND014000001)			\$1,093,821.00
ID0100	Lashkowitz Demo Activites(Housing Related Hazards (1480)-Clearance Examinations-Asbestos,Housing Related Hazards (1480)-Clearance Examinations-Lead-Based Paint,Housing Related Hazards (1480)-Clearance Examinations-Other,Housing Related Hazards (1480)-Evaluation/Risk Assessment-Asbestos,Housing Related Hazards (1480)-Evaluation/Risk Assessment-Lead-Based Paint,Housing Related Hazards (1480)-Evaluation/Risk Assessment-Other,Housing Related Hazards (1480)-Hazard Controls-Asbestos,Housing Related Hazards (1480)-Hazard Controls-Lead-Based Paint,Housing Related Hazards (1480)-Hazard Controls-Other,Dwelling Unit -	Abatement of hazardous materials and Demolition		\$1,093,821.00
	Subtotal of Estimated Cost			\$1,093,821.00

<b>Part II: Supporting Pages - Physical Needs Work Statements (s)</b>				
<b>Work Statement for Year 5 2022</b>				
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
	FARGO SCATTERED SITE (ND014000003)			\$161,000.00
ID0065	exterior improvements(Dwelling Unit-Exterior (1480)-Gutters - Downspouts,Dwelling Unit-Exterior (1480)-Roofs,Dwelling Unit-Exterior (1480)-Siding,Dwelling Unit-Exterior (1480)-Soffits)	roofs, siding, soffits, and gutters		\$60,000.00
ID0102	Unit Modernization(Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks,Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Kitchen Cabinets,Dwelling Unit-Interior (1480)-Kitchen Sinks and Faucets,Dwelling Unit-Interior (1480)-Tubs and Showers)	remodel units		\$101,000.00
	FARGO SCATTERED SITE (ND014000004)			\$161,000.00
ID0067	Unit Modernization(Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks,Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Kitchen Cabinets,Dwelling Unit-Interior (1480)-Kitchen Sinks and Faucets,Dwelling Unit-Interior (1480)-Tubs and Showers)	remodel units		\$101,000.00
ID0068	exterior improvements(Dwelling Unit-Exterior (1480)-Gutters - Downspouts,Dwelling Unit-Exterior (1480)-Roofs,Dwelling Unit-Exterior (1480)-Siding,Dwelling Unit-Exterior (1480)-Soffits)	roofs, soffits, siding, and gutters		\$60,000.00
	AUTHORITY-WIDE (NAWASD)			\$144,900.00

<b>Part II: Supporting Pages - Physical Needs Work Statements (s)</b>				
<b>Work Statement for Year 5 2022</b>				
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
ID0070	PHA wide A&E fees(Contract Administration (1480)-Other Fees and Costs)	A&E fees, Capital needs assessment		\$10,000.00
ID0071	administration(Administration (1410)-Salaries)	administration		\$134,900.00
	PIONEER MANOR (ND014000002)			\$28,000.00
ID0098	Unit Modernization(Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks,Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Commodes,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Kitchen Cabinets,Dwelling Unit-Interior (1480)-Kitchen Sinks and Faucets,Dwelling Unit-Interior (1480)-Plumbing,Dwelling Unit-Interior (1480)-Tubs and Showers)	Modernize dwelling unit to include: Flooring, paint, finishes, kitchen cabinets, bathroom, plumbing, electrical fixtures.		\$28,000.00
	LASHKOWITZ HIGH RISE (ND014000001)			\$855,000.00
ID0101	Lashkowitz Demo Activites(Housing Related Hazards (1480)-Clearance Examinations-Asbestos,Housing Related Hazards (1480)-Clearance Examinations-Lead-Based Paint,Housing Related Hazards (1480)-Clearance Examinations-Other,Housing Related Hazards (1480)-Evaluation/Risk Assessment-Asbestos,Housing Related Hazards (1480)-Evaluation/Risk Assessment-Lead-Based Paint,Housing Related Hazards (1480)-Evaluation/Risk Assessment-Other,Housing Related Hazards (1480)-Hazard Controls-Asbestos,Housing Related Hazards (1480)-Hazard Controls-Lead-Based Paint,Housing Related Hazards (1480)-Hazard Controls-Other,Dwelling Unit -	Abatement of hazardous materials and Demolition		\$855,000.00
	Subtotal of Estimated Cost			\$1,349,900.00

**Resident Participation Funds**

ND014000002	Pioneer Manor	\$	1,100.00	
ND014000003	Scattered Sites	\$	1,875.00	
ND014000004	Scattered Sites	\$	<u>2,025.00</u>	
	Total	\$	5,000.00	Total HUD Funded Resident Participation Funds

**Thanksgiving Gift Cards**

200	Residents
<u>\$ 50.00</u>	Grocery Store Gift Cards for Thanksgiving
<u>\$ 10,000.00</u>	Total Residents are Requesting to Spend

Yes - Approved

No - Not Approved

**Donation to Peace Lutheran Church**

<u>\$ 500.00</u>	Total Residents are Requesting to Spend
------------------	-----------------------------------------

Yes - Approved

No - Not Approved



**Fargo HRA Resident Advisory Board Ballot Results**  
**August 9, 2022**

1. I support additional affordable housing redevelopment by FHRA.

a. Lashkowitz Riverfront Development with Project Based Vouchers

Yes \_\_\_ 4 \_\_\_\_\_

No \_\_\_ 0 \_\_\_\_\_

Comment:

- Very much needed
- Great Idea

b. Burrel/Colonial Redevelopment.

Yes \_\_\_ 4 \_\_\_\_\_

No \_\_\_ 0 \_\_\_\_\_

Comment:

- This building needs the attention
- Would like to see uniform plumbing updates

c. Public Housing southside development 14-4 (25<sup>th</sup> St. and 18<sup>th</sup>) demolition of 28 units and new development of up to 110 units.

Yes \_\_\_ 3 \_\_\_\_\_

No \_\_\_ 0 \_\_\_\_\_

Comment:

2. Approve as presented Capital Plan 2024-2029 (Physical updates to Public Housing Properties).

Comment:

- Please consider adding garages to appropriate properties in scattered sites.
- Safety first, garages provide protection from the elements and from any unstable folks
- Physical updates are much needed, but timeline may be a bit of a stretch, but it seems it is worth the wait. Elevators, remodeling of all apartments at Pioneer Manor, all floors need carpet removed. We greatly appreciate the security cameras and on-site manager.
- Build garages

3. Approve use of HUD Resident Participation Funds for the Food Distribution Center at the Neighborhood Church and Community Center in the Madison neighborhood. Along with a grocery store gift card to Public Housing residents to use for the holiday season 2022.

**Fargo HRA Resident Advisory Board Ballot Results**  
**August 9, 2022**

Yes \_\_\_\_\_ 4 \_\_\_\_\_

No \_\_\_\_\_ 0 \_\_\_\_\_

Comment:

- Agree on the funds for the distribution food and clothing. A gift card would all people to purchase what they want.
- Consider increasing funding or routing subsidies for local food shelves on site.

## **Fargo HRA Resident Advisory Board (RAB) Agenda**

**September 8, 2022**

1. 5 Year Capital Grant Plan
2. FMRS and Payment Standards
3. Flat Rents
4. FSS New Action Plan
5. Admin Plan Changes

Next meeting will be tentatively set in November.

Capital Fund Program - Five-Year Action Plan

Status: Draft

Approval Date:

Approved By:

<b>Part I: Summary</b>						
<b>PHA Name :</b> Fargo Housing and Redevelopment Authority			<b>Locality (City/County &amp; State)</b>			
<b>PHA Number:</b> ND014			<input checked="" type="checkbox"/> <b>Original 5-Year Plan</b>		<input type="checkbox"/> <b>Revised 5-Year Plan (Revision No: )</b>	
<b>A.</b>	<b>Development Number and Name</b>	<b>Work Statement for Year 1 2023</b>	<b>Work Statement for Year 2 2024</b>	<b>Work Statement for Year 3 2025</b>	<b>Work Statement for Year 4 2026</b>	<b>Work Statement for Year 5 2027</b>
	AUTHORITY-WIDE	\$120,000.00	\$120,000.00	\$120,000.00	\$120,000.00	\$120,000.00
	LASHKOWITZ HIGH RISE (ND014000001)	\$650,000.00				
	PIONEER MANOR (ND014000002)	\$76,000.00	\$210,000.00	\$135,000.00	\$140,000.00	\$112,000.00
	FARGO SCATTERED SITE (ND014000003)	\$177,000.00	\$310,000.00	\$458,000.00	\$455,500.00	\$491,000.00
	FARGO SCATTERED SITE (ND014000004)	\$177,000.00	\$560,000.00	\$487,000.00	\$484,500.00	\$477,000.00

<b>Part II: Supporting Pages - Physical Needs Work Statements (s)</b>				
<b>Work Statement for Year 1 2023</b>				
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
	AUTHORITY-WIDE (NAWASD)			\$120,000.00
ID0001	Administration(Administration (1410)-Salaries)	Tasks involved in Administration of Capital program		\$120,000.00
	LASHKOWITZ HIGH RISE (ND014000001)			\$650,000.00
ID0006	Lashkowitz Demolition Activities(Dwelling Unit - Demolition (1480))	Abatement of Asbestos and Demolition of the Lashkowitz High Rise		\$650,000.00
	PIONEER MANOR (ND014000002)			\$76,000.00
ID0008	Exterior Lighting(Dwelling Unit-Exterior (1480)-Exterior Lighting)	Replace/Upgrade Exterior lighting at Pioneer		\$7,000.00
ID0009	Unit Modernization(Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks,Dwelling Unit-Interior (1480)-Commodes,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Kitchen Cabinets,Dwelling Unit-Interior (1480)-Kitchen Sinks and Faucets,Dwelling Unit-Interior (1480)-Tubs and Showers)	Rehab and remodeling of individual units. Kitchen, bathrooms, walls, paint, doors, flooring. \$15k per unit at Pioneer		\$59,000.00

Capital Fund Program - Five-Year Action Plan

<b>Part II: Supporting Pages - Physical Needs Work Statements (s)</b>				
<b>Work Statement for Year 1 2023</b>				
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
ID0019	Flooring - Common Area - Replace(Non-Dwelling Interior (1480)-Common Area Flooring)	Replace flooring in common areas		\$10,000.00
	FARGO SCATTERED SITE (ND014000003)			\$177,000.00
ID0022	Landscaping(Dwelling Unit-Site Work (1480)-Landscape)	Improve exterior landscaping and ensure positive drainage from foundation		\$10,000.00
ID0023	Roofing(Dwelling Unit-Exterior (1480)-Roofs,Dwelling Unit-Exterior (1480)-Soffits,Dwelling Unit-Exterior (1480)-Gutters - Downspouts)	roofing, soffits, gutters - 20k each		\$40,000.00
ID0025	Water Heater - Replace(Dwelling Unit-Interior (1480)-Plumbing)	Replace water heater \$700ea		\$7,000.00
ID0026	Unit Modernization (Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks,Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Commodes,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Kitchen Cabinets,Dwelling Unit-Interior (1480)-Kitchen Sinks and Faucets)	Unit Modernization \$40k/unit		\$120,000.00
	FARGO SCATTERED SITE (ND014000004)			\$177,000.00

<b>Part II: Supporting Pages - Physical Needs Work Statements (s)</b>				
<b>Work Statement for Year</b>				
1	2023			
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
ID0027	Landscaping(Dwelling Unit-Site Work (1480)-Landscape)	Improve exterior landscaping and ensure positive drainage from foundation		\$10,000.00
ID0028	Roofing(Dwelling Unit-Exterior (1480)-Roofs,Dwelling Unit-Exterior (1480)-Soffits,Dwelling Unit-Exterior (1480)-Gutters - Downspouts)	roofing, soffits, gutters - 20k each		\$40,000.00
ID0030	Water Heater - Replace(Dwelling Unit-Interior (1480)-Plumbing)	Replace water heater \$700ea		\$7,000.00
ID0031	Unit Modernization (Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks,Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Commodes,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Kitchen Cabinets,Dwelling Unit-Interior (1480)-Kitchen Sinks and Faucets)	Unit Modernization \$40k/unit		\$120,000.00
	Subtotal of Estimated Cost			\$1,200,000.00

<b>Part II: Supporting Pages - Physical Needs Work Statements (s)</b>				
<b>Work Statement for Year</b>				
	2	2024		
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
	AUTHORITY-WIDE (NAWASD)			\$120,000.00
ID0002	Administration(Administration (1410)-Salaries)	Tasks involved in Administration of Capital program		\$120,000.00
	FARGO SCATTERED SITE (ND014000004)			\$560,000.00
ID0007	14-4 Demolition Activities(Dwelling Unit - Demolition (1480))	Demolition of 14 Duplexes in 14-4		\$250,000.00
ID0029	Siding(Dwelling Unit-Exterior (1480)-Siding)	Replace Siding - 30k per unit		\$60,000.00
ID0032	Furnace Replacement(Dwelling Unit-Interior (1480)-Mechanical)	Replace Furnaces - 20		\$100,000.00
ID0034	Unit Modernization (Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Commodes,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Kitchen Cabinets,Dwelling Unit-Interior (1480)-Kitchen Sinks and Faucets,Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks)	Unit Modernization \$40k/unit		\$120,000.00



<b>Part II: Supporting Pages - Physical Needs Work Statements (s)</b>				
<b>Work Statement for Year</b>				
	2	2024		
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
ID0035	Landscaping(Dwelling Unit-Site Work (1480)-Landscape)	Improve exterior landscaping and ensure positive drainage from foundation		\$5,000.00
ID0037	Roofing(Dwelling Unit-Exterior (1480)-Roofs,Dwelling Unit-Exterior (1480)-Soffits,Dwelling Unit-Exterior (1480)-Gutters - Downspouts)	roofing, soffits, gutters - 20k each		\$20,000.00
ID0052	Water Heater - Replace(Dwelling Unit-Interior (1480)-Plumbing)	Replace water heater \$700ea		\$5,000.00
	PIONEER MANOR (ND014000002)			\$210,000.00
ID0010	Water Heaters - Central - Pioneer(Non-Dwelling Interior (1480)-Plumbing)	Replace Central Water Heaters at Pioneer		\$15,000.00
ID0011	Replace Entry Doors - Pioneer(Non-Dwelling Exterior (1480)-Doors)	Replace/rehab vestibule exterior doors at Pioneer to include all automatic opener(6)		\$50,000.00
ID0012	Light Fixture Common Area - Replacement LED(Non-Dwelling Interior (1480)-Electrical)	Replace all common area light fixtures with LED		\$35,000.00

Capital Fund Program - Five-Year Action Plan

<b>Part II: Supporting Pages - Physical Needs Work Statements (s)</b>				
<b>Work Statement for Year</b> 2		2024		
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
ID0015	Unit Modernization(Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks,Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Commodes,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Kitchen Cabinets,Dwelling Unit-Interior (1480)-Kitchen Sinks and Faucets,Dwelling Unit-Interior (1480)-Tubs and Showers)	Rehab and remodeling of individual units. Kitchen, bathrooms, walls, paint, doors, flooring. \$15k per unit at Pioneer		\$90,000.00
ID0020	Flooring - Common Area - Replace(Non-Dwelling Interior (1480)-Common Area Flooring)	Replace flooring in common areas		\$10,000.00
ID0039	Landscaping & pavement repair(Dwelling Unit-Site Work (1480)-Asphalt - Concrete - Paving,Dwelling Unit-Site Work (1480)-Landscape)	Improve exterior landscaping and ensure positive drainage from foundation		\$10,000.00
	FARGO SCATTERED SITE (ND014000003)			\$310,000.00
ID0021	Furnace Replacement(Dwelling Unit-Interior (1480)-Mechanical)	Replace Furnaces - 20		\$100,000.00
ID0024	Siding(Dwelling Unit-Exterior (1480)-Siding)	Replace Siding - 30k per unit		\$60,000.00
ID0033	Unit Modernization (Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks,Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Commodes,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Kitchen Cabinets,Dwelling Unit-Interior (1480)-Kitchen Sinks and Faucets)	Unit Modernization \$40k/unit		\$120,000.00

<b>Part II: Supporting Pages - Physical Needs Work Statements (s)</b>				
<b>Work Statement for Year</b>				
2	2024			
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
ID0036	Landscaping(Dwelling Unit-Site Work (1480)-Landscape)	Improve exterior landscaping and ensure positive drainage from foundation		\$5,000.00
ID0038	Roofing(Dwelling Unit-Exterior (1480)-Gutters - Downspouts,Dwelling Unit-Exterior (1480)-Roofs,Dwelling Unit-Exterior (1480)-Soffits)	roofing, soffits, gutters - 20k each		\$20,000.00
ID0050	Water Heater - Replace(Dwelling Unit-Interior (1480)-Plumbing)	Replace water heater \$700ea		\$5,000.00
	Subtotal of Estimated Cost			\$1,200,000.00

<b>Part II: Supporting Pages - Physical Needs Work Statements (s)</b>				
<b>Work Statement for Year</b>		<b>3</b>	<b>2025</b>	
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
	AUTHORITY-WIDE (NAWASD)			\$120,000.00
ID0003	Administration(Administration (1410)-Salaries)	Tasks involved in Administration of Capital program		\$120,000.00
	PIONEER MANOR (ND014000002)			\$135,000.00
ID0016	Unit Modernization(Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks,Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Commodes,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Kitchen Cabinets,Dwelling Unit-Interior (1480)-Kitchen Sinks and Faucets,Dwelling Unit-Interior (1480)-Tubs and Showers)	Rehab and remodeling of individual units. Kitchen, bathrooms, walls, paint, doors, flooring. \$15k per unit at Pioneer		\$90,000.00
ID0054	Pavement and Sidewalk Repair(Dwelling Unit-Site Work (1480)-Asphalt - Concrete - Paving)	Concrete and Bituminous repair		\$30,000.00
ID0058	Common Area Modernizations(Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Other)	Update Common Areas		\$15,000.00
	FARGO SCATTERED SITE (ND014000003)			\$458,000.00

<b>Part II: Supporting Pages - Physical Needs Work Statements (s)</b>					
<b>Work Statement for Year</b>		<b>3</b>	<b>2025</b>		
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>		<b>Quantity</b>	<b>Estimated Cost</b>
ID0040	Furnace Replacement(Dwelling Unit-Interior (1480)-Mechanical)	Replace Furnaces - 20			\$100,000.00
ID0041	Siding(Dwelling Unit-Exterior (1480)-Siding)	Replace Siding - 30k per unit			\$90,000.00
ID0042	Unit Modernization (Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks,Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Commodes,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Kitchen Cabinets,Dwelling Unit-Interior (1480)-Kitchen Sinks and Faucets)	Unit Modernization \$40k/unit			\$160,000.00
ID0043	Landscaping(Dwelling Unit-Site Work (1480)-Landscape)	Improve exterior landscaping and ensure positive drainage from foundation			\$10,000.00
ID0044	Roofing(Dwelling Unit-Exterior (1480)-Gutters - Downspouts,Dwelling Unit-Exterior (1480)-Roofs,Dwelling Unit-Exterior (1480)-Soffits)	roofing, soffits, gutters - 20k each			\$40,000.00
ID0051	Water Heater - Replace(Dwelling Unit-Interior (1480)-Plumbing)	Replace water heater \$700ea			\$8,000.00
ID0059	Driveway and Sidewalk Repair(Non-Dwelling Site Work (1480)-Asphalt - Concrete - Paving)	Repair driveways and sidewalks			\$50,000.00

<b>Part II: Supporting Pages - Physical Needs Work Statements (s)</b>				
<b>Work Statement for Year</b>				
3	2025			
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
	FARGO SCATTERED SITE (ND014000004)			\$487,000.00
ID0045	Siding(Dwelling Unit-Exterior (1480)-Siding)	Replace Siding - 30k per unit		\$120,000.00
ID0046	Furnace Replacement(Dwelling Unit-Interior (1480)-Mechanical)	Replace Furnaces - 20		\$100,000.00
ID0047	Unit Modernization (Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks,Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Commodes,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Kitchen Cabinets,Dwelling Unit-Interior (1480)-Kitchen Sinks and Faucets)	Unit Modernization \$40k/unit		\$160,000.00
ID0048	Landscaping(Dwelling Unit-Site Work (1480)-Landscape)	Improve exterior landscaping and ensure positive drainage from foundation		\$10,000.00
ID0049	Roofing(Dwelling Unit-Exterior (1480)-Gutters - Downspouts,Dwelling Unit-Exterior (1480)-Roofs,Dwelling Unit-Exterior (1480)-Soffits)	roofing, soffits, gutters - 20k each		\$40,000.00
ID0053	Water Heater - Replace(Dwelling Unit-Interior (1480)-Plumbing)	Replace water heater \$700ea		\$7,000.00

<b>Part II: Supporting Pages - Physical Needs Work Statements (s)</b>				
<b>Work Statement for Year</b> 3 2025				
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
ID0060	Driveway and Sidewalk Repiar(Non-Dwelling Site Work (1480)-Asphalt - Concrete - Paving)	Repair driveways and sidewalks		\$50,000.00
	Subtotal of Estimated Cost			\$1,200,000.00

Capital Fund Program - Five-Year Action Plan

<b>Part II: Supporting Pages - Physical Needs Work Statements (s)</b>				
<b>Work Statement for Year</b>				
4	2026			
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
	AUTHORITY-WIDE (NAWASD)			\$120,000.00
ID0004	Administration(Administration (1410)-Salaries)	Tasks involved in Administration of Capital program		\$120,000.00
	PIONEER MANOR (ND014000002)			\$140,000.00
ID0017	Unit Modernization(Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks,Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Commodes,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Kitchen Cabinets,Dwelling Unit-Interior (1480)-Kitchen Sinks and Faucets,Dwelling Unit-Interior (1480)-Tubs and Showers)	Rehab and remodeling of individual units. Kitchen, bathrooms, walls, paint, doors, flooring. \$15k per unit at Pioneer		\$90,000.00
ID0055	Parking Lot Pole Lighting(Non-Dwelling Exterior (1480)-Lighting)	Replace Lightpoles		\$50,000.00
	FARGO SCATTERED SITE (ND014000003)			\$455,500.00
ID0062	Siding(Dwelling Unit-Exterior (1480)-Siding)	Replace Siding - 30k per unit		\$90,000.00



<b>Part II: Supporting Pages - Physical Needs Work Statements (s)</b>				
<b>Work Statement for Year 4 2026</b>				
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
ID0063	Unit Modernization (Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks,Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Commodes,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Kitchen Cabinets,Dwelling Unit-Interior (1480)-Kitchen Sinks and Faucets)	Unit Modernization \$40k/unit		\$160,000.00
ID0064	Landscaping(Dwelling Unit-Site Work (1480)-Landscape)	Improve exterior landscaping and ensure positive drainage from foundation		\$7,500.00
ID0065	Roofing(Dwelling Unit-Exterior (1480)-Gutters - Downspouts,Dwelling Unit-Exterior (1480)-Roofs,Dwelling Unit-Exterior (1480)-Soffits)	roofing, soffits, gutters - 20k each		\$40,000.00
ID0066	Water Heater - Replace(Dwelling Unit-Interior (1480)-Plumbing)	Replace water heater \$700ea		\$8,000.00
ID0067	Driveway and Sidewalk Repair(Non-Dwelling Site Work (1480)-Asphalt - Concrete - Paving)	Repair driveways and sidewalks		\$50,000.00
ID0089	Furnace Replacement(Dwelling Unit-Interior (1480)-Mechanical)	Replace Furnaces - 20		\$100,000.00
	FARGO SCATTERED SITE (ND014000004)			\$484,500.00

<b>Part II: Supporting Pages - Physical Needs Work Statements (s)</b>				
<b>Work Statement for Year 4 2026</b>				
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
ID0068	Siding(Dwelling Unit-Exterior (1480)-Siding)	Replace Siding - 30k per unit		\$120,000.00
ID0069	Furnace Replacement(Dwelling Unit-Interior (1480)-Mechanical)	Replace Furnaces - 20		\$100,000.00
ID0070	Unit Modernization (Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks,Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Commodes,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Kitchen Cabinets,Dwelling Unit-Interior (1480)-Kitchen Sinks and Faucets)	Unit Modernization \$40k/unit		\$160,000.00
ID0071	Landscaping(Dwelling Unit-Site Work (1480)-Landscape)	Improve exterior landscaping and ensure positive drainage from foundation		\$7,500.00
ID0072	Roofing(Dwelling Unit-Exterior (1480)-Gutters - Downspouts,Dwelling Unit-Exterior (1480)-Roofs,Dwelling Unit-Exterior (1480)-Soffits)	roofing, soffits, gutters - 20k each		\$40,000.00
ID0073	Water Heater - Replace(Dwelling Unit-Interior (1480)-Plumbing)	Replace water heater \$700ea		\$7,000.00
ID0074	Driveway and Sidewalk Repiar(Non-Dwelling Site Work (1480)-Asphalt - Concrete - Paving)	Repair driveways and sidewalks		\$50,000.00

Part II: Supporting Pages - Physical Needs Work Statements (s)				
Work Statement for Year 4 2026				
Identifier	Development Number/Name	General Description of Major Work Categories	Quantity	Estimated Cost
	Subtotal of Estimated Cost			\$1,200,000.00

<b>Part II: Supporting Pages - Physical Needs Work Statements (s)</b>				
<b>Work Statement for Year 5 2027</b>				
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
	AUTHORITY-WIDE (NAWASD)			\$120,000.00
ID0005	Administration(Administration (1410)-Salaries)	Tasks involved in Administration of Capital program		\$120,000.00
	PIONEER MANOR (ND014000002)			\$112,000.00
ID0013	Trash Compactors - Replace(Non-Dwelling Interior (1480)-Mechanical)	Replace trash compactors		\$12,000.00
ID0014	Dumpster Enclosure - Replace(Dwelling Unit-Site Work (1480)-Dumpsters and Enclosures)	Replace dumpster enclosure		\$10,000.00
ID0056	Unit Modernization(Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks,Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Commodes,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Kitchen Cabinets,Dwelling Unit-Interior (1480)-Kitchen Sinks and Faucets,Dwelling Unit-Interior (1480)-Tubs and Showers)	Rehab and remodeling of individual units. Kitchen, bathrooms, walls, paint, doors, flooring. \$15k per unit at Pioneer		\$90,000.00
	FARGO SCATTERED SITE (ND014000003)			\$491,000.00

<b>Part II: Supporting Pages - Physical Needs Work Statements (s)</b>				
<b>Work Statement for Year</b> 5		2027		
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
ID0075	Furnace Replacement(Dwelling Unit-Interior (1480)-Mechanical)	Replace Furnaces - 20		\$100,000.00
ID0076	Siding(Dwelling Unit-Exterior (1480)-Siding)	Replace Siding - 30k per unit		\$90,000.00
ID0077	Unit Modernization (Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Commodes,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks,Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Kitchen Cabinets,Dwelling Unit-Interior (1480)-Kitchen Sinks and Faucets)	Unit Modernization \$40k/unit		\$160,000.00
ID0079	Roofing(Dwelling Unit-Exterior (1480)-Gutters - Downspouts,Dwelling Unit-Exterior (1480)-Roofs,Dwelling Unit-Exterior (1480)-Soffits)	roofing, soffits, gutters - 20k each		\$40,000.00
ID0080	Water Heater - Replace(Dwelling Unit-Interior (1480)-Plumbing)	Replace water heater \$700ea		\$8,000.00
ID0081	Driveway and Sidewalk Repair(Non-Dwelling Site Work (1480)-Asphalt - Concrete - Paving)	Repair driveways and sidewalks		\$50,000.00
ID0090	Garage - New Construction(Non-Dwelling Construction-New Construction (1480)-Other,Non-Dwelling Construction-New Construction (1480)-Shop)	Construct garage for 4 bedroom homes in 14-3		\$43,000.00

<b>Part II: Supporting Pages - Physical Needs Work Statements (s)</b>				
<b>Work Statement for Year</b> 5		2027		
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
	FARGO SCATTERED SITE (ND014000004)			\$477,000.00
ID0082	Siding(Dwelling Unit-Exterior (1480)-Siding)	Replace Siding - 30k per unit		\$120,000.00
ID0083	Furnace Replacement(Dwelling Unit-Interior (1480)-Mechanical)	Replace Furnaces - 20		\$100,000.00
ID0084	Unit Modernization (Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks,Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Commodes,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Kitchen Cabinets,Dwelling Unit-Interior (1480)-Kitchen Sinks and Faucets)	Unit Modernization \$40k/unit		\$160,000.00
ID0086	Roofing(Dwelling Unit-Exterior (1480)-Gutters - Downspouts,Dwelling Unit-Exterior (1480)-Roofs,Dwelling Unit-Exterior (1480)-Soffits)	roofing, soffits, gutters - 20k each		\$40,000.00
ID0087	Water Heater - Replace(Dwelling Unit-Interior (1480)-Plumbing)	Replace water heater \$700ea		\$7,000.00
ID0088	Driveway and Sidewalk Repiar(Non-Dwelling Site Work (1480)-Asphalt - Concrete - Paving)	Repair driveways and sidewalks		\$50,000.00

Part II: Supporting Pages - Physical Needs Work Statements (s)				
Work Statement for Year 5 2027				
Identifier	Development Number/Name	General Description of Major Work Categories	Quantity	Estimated Cost
	Subtotal of Estimated Cost			\$1,200,000.00

<b>Part III: Supporting Pages - Management Needs Work Statements (s)</b>	
<b>Work Statement for Year</b> 1	2023
<b>Development Number/Name General Description of Major Work Categories</b>	<b>Estimated Cost</b>
Housing Authority Wide	
Administration(Administration (1410)-Salaries)	\$120,000.00
Subtotal of Estimated Cost	\$120,000.00



<b>Part III: Supporting Pages - Management Needs Work Statements (s)</b>	
<b>Work Statement for Year</b> 2	2024
<b>Development Number/Name General Description of Major Work Categories</b>	<b>Estimated Cost</b>
Housing Authority Wide	
Administration(Administration (1410)-Salaries)	\$120,000.00
Subtotal of Estimated Cost	\$120,000.00

<b>Part III: Supporting Pages - Management Needs Work Statements (s)</b>	
<b>Work Statement for Year</b> 3	2025
<b>Development Number/Name General Description of Major Work Categories</b>	<b>Estimated Cost</b>
Housing Authority Wide	
Administration(Administration (1410)-Salaries)	\$120,000.00
Subtotal of Estimated Cost	\$120,000.00

<b>Part III: Supporting Pages - Management Needs Work Statements (s)</b>	
<b>Work Statement for Year</b> 4	2026
<b>Development Number/Name General Description of Major Work Categories</b>	<b>Estimated Cost</b>
Housing Authority Wide	
Administration(Administration (1410)-Salaries)	\$120,000.00
Subtotal of Estimated Cost	\$120,000.00

<b>Part III: Supporting Pages - Management Needs Work Statements (s)</b>	
<b>Work Statement for Year</b> 5	2027
<b>Development Number/Name General Description of Major Work Categories</b>	<b>Estimated Cost</b>
Housing Authority Wide	
Administration(Administration (1410)-Salaries)	\$120,000.00
Subtotal of Estimated Cost	\$120,000.00



# FY 2023 FAIR MARKET RENT DOCUMENTATION SYSTEM

The FY 2023 Fargo, ND-MN MSA FMRs for All Bedroom Sizes

Final FY 2023 & Final FY 2022 FMRs By Unit Bedrooms					
Year	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
FY 2023 FMR	\$634	\$749	\$911	\$1,295	\$1,552
FY 2022 FMR	\$597	\$705	\$859	\$1,220	\$1,470

5 bdrm \$1,784  
 6 bdrm \$2,017

Cass County, ND is part of the Fargo, ND-MN MSA, which consists of the following counties: Clay County, MN; and Cass County, ND. All information here applies to the entirety of the Fargo, ND-MN MSA.

### Fair Market Rent Calculation Methodology

### Cass County, ND Advisory Small Area FMRs By Unit Bedrooms

ZIP Code	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
<u>58046</u>	\$580	\$680	\$830	\$1,170	\$1,410
<u>58047</u>	\$590	\$700	\$850	\$1,210	\$1,450
<u>58048</u>	\$580	\$680	\$830	\$1,170	\$1,410
<u>58051</u>	\$580	\$680	\$830	\$1,170	\$1,410
<u>58052</u>	\$580	\$680	\$830	\$1,170	\$1,410
<u>58059</u>	\$730	\$860	\$1,050	\$1,490	\$1,790
<u>58064</u>	\$610	\$720	\$880	\$1,250	\$1,500
<u>58068</u>	\$630	\$750	\$910	\$1,290	\$1,550
<u>58071</u>	\$580	\$680	\$830	\$1,170	\$1,410
<u>58078</u>	\$690	\$810	\$990	\$1,410	\$1,690
<u>58079</u>	\$630	\$740	\$910	\$1,280	\$1,540
<u>58102</u>	\$580	\$680	\$830	\$1,180	\$1,410
<u>58103</u>	\$610	\$720	\$880	\$1,250	\$1,500
<u>58104</u>	\$760	\$900	\$1,090	\$1,550	\$1,860
<u>58105</u>	\$580	\$680	\$830	\$1,180	\$1,410
<u>58106</u>	\$630	\$750	\$910	\$1,290	\$1,550
<u>58107</u>	\$630	\$750	\$910	\$1,290	\$1,550
<u>58108</u>	\$630	\$750	\$910	\$1,290	\$1,550
<u>58109</u>	\$630	\$750	\$910	\$1,290	\$1,550

[HUD Home Page](#) | [HUD User Home](#) | [Data Sets](#) | [Fair Market Rents](#) | [Section 8 Income Limits](#)  
[FMR/IL Summary System](#) | [Multifamily Tax Subsidy Project \(MTSP\) Income Limits](#) | [HUD LIHTC Database](#)

Technical Problems or questions? [Contact Us](#).

5 bdrm  
 \$2,139

6 bdrm  
 \$2,418



# FY 2023 FAIR MARKET RENT DOCUMENTATION SYSTEM

## The FY 2023 Fargo, ND-MN MSA FMRs for All Bedroom Sizes

Final FY 2023 & Final FY 2022 FMRs By Unit Bedrooms					
Year	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
FY 2023 FMR	\$634	\$749	\$911	\$1,295	\$1,552
FY 2022 FMR	\$597	\$705	\$859	\$1,220	\$1,470

The Fargo, ND-MN MSA consists of the following counties: Clay County, MN; and Cass County, ND. All information here applies to the entirety of the Fargo, ND-MN MSA.

### Fair Market Rent Calculation Methodology

*Show/Hide Methodology Narrative*

Fair Market Rents for metropolitan areas and non-metropolitan FMR areas are developed as follows:

1. **Calculate the Base Rent:** HUD uses 2016-2020 5-year American Community Survey (ACS) estimates of 2-bedroom adjusted standard quality gross rents calculated for each FMR area as the new basis for FY2023, provided the estimate is statistically reliable. For FY2023, the test for reliability is whether the margin of error for the estimate is less than 50% of the estimate itself and whether the ACS estimate is based on at least 100 survey cases. HUD does not receive the exact number of survey cases, but rather a categorical variable known as the count indicator indicating a range of cases. An estimate based on at least 100 cases corresponds to a count indicator of 4 or higher.

If an area does not have a reliable 2016-2020 5-year estimate, HUD checks whether the area has had at least 1 minimally reliable estimate in any of the past 3 years, or estimates that meet the 50% margin of error test described above. If so, the FY2023 base rent is the average of the inflated ACS estimates.

If an area has not had a minimally reliable estimate in the past 3 years, HUD uses the estimate for the area's corresponding metropolitan area (if applicable) or State non-metropolitan area as the basis for FY2023.

2. **Calculate the Basis for Recent Mover Adjustment Factor:** HUD has changed the calculation of the FY2023 Recent Mover Factor from previous years due to the unavailability of ACS<sub>2020</sub> 1-year estimates. The Census Bureau did not release standard 1-year estimates from the 2020 American Community Survey (ACS) due to the impacts of the COVID-19 pandemic on data collection. For FY2023, HUD uses a multi-pronged approach that includes private sources of rental data.

## PH Fair Market Rents 2023

<b>Efficiency</b>	<b>\$634 (FMR)</b>	<b>x</b>	<b>80% = \$507 (HUD FMR)</b>
<b>1 Bedroom</b>	<b>\$749(FMR)</b>	<b>x</b>	<b>80% = \$599 (HUD FMR)</b>
<b>2 Bedroom</b>	<b>\$911(FMR)</b>	<b>x</b>	<b>80% = \$728 (HUD FMR)</b>
<b>3 Bedroom</b>	<b>\$1295(FMR)</b>	<b>x</b>	<b>80% = \$1036 (HUD FMR)</b>
<b>4 Bedroom</b>	<b>\$1552(FMR)</b>	<b>x</b>	<b>80% = \$1241 (HUD FMR)</b>



## 2023 Flat Rents

Effective 1/1/2023

	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
143		547	789	969
144		535	807	
145		535	807	
146	525			
147		541	821	

## 2023 Utility Allowances

	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
143		181	247	272
144		193	229	
145		193	229	
146	74			
147		187	215	

Fargo Housing would like to implement the NanMckay model for the FSS action plan. Below are the FSS action items, Fargo housing will follow:

1. The PHA is implementing both a public housing and Section 8 FSS program, which may include tenant-based and project-based Section 8, HCV Homeownership, Moderate Rehabilitation, Moderate Rehabilitation Single Room Occupancy, Family Unification Program (FUP), and Foster Youth to Independence Initiative (FYI). The PHA will submit one action plan, in which the policies apply to both programs.
2. The PHA will review and update the action plan at least once a year, and more often if needed, to reflect changes in regulations, PHA operations, or when needed to ensure staff consistency in operation.
3. The PHA will submit additional optional policies in this action plan that will help HUD determine the soundness of the FSS program. These include:
  - Policies related to the modification of goals in the ITSP. (Chapter 5)
  - Policies on the circumstances in which an extension of the contract of participation may be granted. (Chapter 5)
  - Policies on the interim disbursement of escrow, including any limitations on the use of the funds. (Chapter 6)
  - Policies regarding eligible uses of forfeited escrow funds by families in good standing. (Chapter 6)
  - Policies regarding the re-enrollment of previous FSS participants, including graduates and those who exited the program without graduating. (Chapter 4)
  - Policies on requirements for documentation for goal completion. (Chapter 4)
  - Policies on documentation of the household's designation of the "head of FSS family." (Chapter 4)
  - Policies for providing an FSS selection preference for porting families if the PHA elects to offer such a preference. (Chapter 7)
4. The PHA's goals in operating an FSS program is to match housing-assisted families with existing services so that they may reduce their dependency on housing, welfare, and other government subsidies and complete the contract of participation.
5. On the local level, the PHA will achieve the national program objective by offering low-income families a broad range of services through partnering with the program coordinating committee (PCC). These services will provide long-term education, job training, counseling, and other forms of social service assistance so that families may achieve economic self-sufficiency, as defined in Section 2-I.A. of this document.
6. The PHA has no mandatory minimum program size requirement and operates a voluntary FSS program.
7. The PHA will reduce the FSS mandatory minimum program size by one for each family that completes the program by fulfilling its FSS contract of participation

8. The PHA has no mandatory minimum program size and operates a voluntary FSS program of up to 100 families.
9. The PHA will not enter into a Cooperative Agreement with multifamily-assisted housing owners to voluntarily make its FSS program available to those owner's housing residents.
10. Up to 100 eligible FSS families can reasonably be expected to receive supportive services under the FSS program, based on available and anticipated federal, tribal, state, local, and private resources.
11. The PHA operates the following Self Sufficiency programs: FSS and ROSS. Of those families enrolled, less than 10 % are expected to agree to execute an FSS contract of participation. To avoid duplication of services, those entering an FSS contract of participation would typically cease the ROSS program.
12. The PHA will not combine its resources with any other PHA to deliver support services, have a joint action plan, or establish or operate a combined FSS Program.
13. The PHA has completed implementation of its FSS program.
14. *Benefits* means a government benefit of money or monetary value given to an individual by a federal, state, or local government agency for purposes of financial assistance, including but not limited to, Medicaid, supplemental nutritional assistance program benefits and Social Security, Temporary Assistance for Needy Families, and unemployment compensation benefits.
15. *Benefits cliff* means the sudden and often unexpected decrease in public benefits that can occur with a small increase in earnings. When income increases, families may lose some or all economic supports.
16. *Certain interim goals* mean the family has met all its obligations under the CoP to date, including completion of the ITSP interim goals and tasks to date
17. *Enhance the effectiveness of the FSS program* means a demonstrable improvement in the quality of an FSS program in which the enrollment ratio, escrow balance average, and graduation rate is at or above the national average as measured in HUD's Composite Scores in FR Notice 11/15/18
18. *Knowledgeable professional* means a person who is knowledgeable about the situation, has training, education, certification, or licensure provided by recognized professional associations and institutions that legitimizes their professional opinion, is competent to render a professional opinion, and is not able to gain, monetarily or otherwise, from the PHA FSS program decision in the area to which they are certifying.
19. *Other costs related to achieving obligations in the contract of participation* means costs necessary to complete an interim goal, a final goal, or tasks included in the ITSP. PHA has the right to request verification.
20. *Supports* means, but is not limited to, Adult Basic Education/Literacy Classes, transportation, training, testing fees, employment preparation costs, other costs related to achieving obligations outlined in the CoP, and training for FSS Program Coordinator.

21. The PHA will employ appropriate staff, including one or more FSS coordinators or program coordinators to administer its FSS program and may contract with an appropriate organization to establish and administer the FSS program.
22. The PHA will request and provide the rationale to the HUD Field Office to require the FSS Program Coordinator to perform the routine Section 8 or public housing program functions: such as interims, annuals, transfers and rent increase adjustments. Doing this improves FSS coordinator and participant relations and trust and streamlines the reporting process by having a single point of contact.
23. The PHA will make funds available from the Section 8 administrative fees, unrestricted net position, or public housing operating fund to provide administrative costs to the FSS program.
24. The PHA will not make funds available from the Section 8 unrestricted net position or public housing operating fund to provide supportive services costs to the FSS program.
25. Forfeited escrow funds remaining from terminated participants will be collected in a general fund and may be disbursed evenly among participants in “good standing” on a regular basis.
26. Good Standing is defined as current on rent and repay agreement (If applicable), and in compliance with the PH lease and/or HAP contract and Tenant Certification.
27. The PHA will make facility space available to provide support services under the FSS public housing and Section 8 programs.
28. The PHA representative to the program coordinating committee (PCC) will be an FSS coordinator.
29. The PHA will seek assistance in identifying potential members of the PCC from area-wide, city-wide, and development-based resident councils, the resident management corporation, or the Resident Advisory Board.
30. The PHA’s FSS program coordinating committee membership will include leadership from the following organizations:
  - Moorhead Public Schools, Freedom Resource Center, Lakes and Prairies, SENDCAA, Job Service, Moorhead Public Housing, Clay County Housing Authority, TRIO, Public Housing resident, and HCV participant.
31. The PHA will coordinate a PCC in partnership with Clay County housing Authority and Moorhead Public Housing.
32. The PHA will offer the following services, as needed to complete obligations in the contract, to its FSS participants as incentives to participate in FSS.

<b>Incentive</b>	<b>Provided By</b>	<b>Description</b>
FSS escrow account	FSS coordinator	Per FSS program guidelines
Case management/Coaching	FSS coordinator	Per FSS program guidelines
Information and referrals to services	FSS coordinator	Referrals to outside agencies

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33. The PHA will notify eligible families about the FSS program using the following outreach locations, activities, methods, and languages, where appropriate. These points of contact and methods have been selected to ensure that both minority and nonminority groups are informed about the FSS program. Translation is provided upon request.
  - Orientation/initial briefing, flyers in the lobby, and coordinator offices.
34. Participation in the FSS program is strictly voluntary. Section 8 participants and public housing residents will be notified in all literature and media presentations related to the FSS program that should they decide not to participate in the FSS program, it will not affect their Section 8 or public housing. This material will also specify that the family will retain the right to occupancy according to their lease and family obligations contract.
35. The PHA has elected not to establish preferences for admission into the FSS program. Admission is on a first-come, first-served basis determined by the PHA date stamp on the initial participant FSS application. A family's decision not to participate in the FSS program does not affect the family's participation in the HCV or public housing programs.
36. The PHA will use the date and time of application the family expressed an interest in participating in the FSS program to fill the FSS slots.
37. The PHA will not screen families for interest and motivation to participate in the FSS program.
38. The PHA will deny FSS participation to a family if the family owes the PHA, or another PHA, money in connection with Section 8 or public housing assistance. Families that owe money to a PHA who have entered into a repayment agreement and are current on that repayment agreement will not be denied FSS participation.
39. The PHA will not skip a family unless other criteria determine we must.
40. The PHA will not refuse to select a family for participation in the FSS program a second time if that family previously participated and did not complete the program.
41. The PHA will not enroll a family for participation in the FSS program a second time if that family previously participated, completed the CoP, and received a final distribution of their escrow account.
42. The PHA will meet with the family and detail the obligations, rights, and privileges that pertain to the FSS head of household and require each adult family member to certify their agreement as to their designated head of the FSS family. These certifications will be a permanent part of the FSS family's record and will be updated with each change of head of household.
43. Supportive services needs will be identified by completion of an informal needs assessment with the FSS coordinator or case manager or coach before completion of the initial individual training and services plan and signing of the contract of participation. After enrollment in the PHA's FSS program, a formal needs assessment, including

vocational assessment and counseling, educational assessment and counseling, and employment planning, will be conducted as needed by the following partners on the PCC:

- Public Schools
- Mental Health and substance/alcohol treatment centers
- Job Service
- SENDCAA
- Government agencies
- First Link 211

These results are used to modify the ITSP, in mutual agreement with the family.

44. The PHA's FSS program, through its partners on the program coordinating committee will provide support services to FSS families.
45. The PHA certifies that its FSS program has developed its services and activities in coordination with programs under Title I of the Workforce Innovation and Opportunity Act, Workforce Investment Board and American Job Centers (also known as Workforce Centers or One Stop Career Centers), and any other relevant employment, childcare, transportation, training, and education programs in the applicable area. The implementation of these activities and services will continue to be coordinated in this manner to avoid duplication of activities and services.
46. The PHA will define *comply with the lease* to mean the FSS family has not been evicted for repeated or serious violations of the lease as defined in the Section 8 Administrative Plan and public housing Admissions and Continued Occupancy Policy; or if they have been evicted for repeated and serious violations of the lease, the family has pursued their right to grieve, and the family has prevailed in either the grievance hearing or the informal hearing process.
47. The PHA's FSS program will not terminate the FSS contract of participation for failure to comply with the terms of the lease unless housing assistance has been terminated.
48. For purposes of the PHA's FSS program, *seek employment* means the head of household has applied for employment, attended job interviews, and otherwise followed through on employment opportunities as outlined in the individual training and services plan of their contract of participation.
  - *Maintain suitable employment* means that the head of household will complete all the obligations outlined in the individual training and services plan of his or her contract of participation (CoP) and be employed on the last effective day of the CoP.
49. The contract of participation (CoP) will be terminated before the expiration of the contract term if the participant fails to meet, without "good cause," their obligations as outlined in the CoP. If the participant fails to meet its obligations outlined in the CoP, the FSS coordinator, or their designee, will first meet with the family to reassess the need for supportive services or a change in the individual training and services plan (ITSP).
  - If a reassessment of supportive services and a change in the ITSP is not successful in bringing the family in to compliance, the FSS coordinator will reassess the need for,

- and availability of, supportive services and refer the participant to a knowledgeable professional for a formal assessment of the challenges leading to the noncompliance.
- The FSS Coordinator will use this formal assessment to identify and refer to resources that remove the challenge, so the participant is able to meet their obligations outlined in the CoP.
  - Finally, if neither of these alternatives is successful, the FSS coordinator will terminate the CoP for failure to complete the tasks, interim goals, or final goals of the ITSP in a timely manner, and thus failure to complete the obligations outlined in the CoP.
  - The FSS coordinator will make an exception to the actions in terminating the CoP if the participant can, with the assistance of the FSS Coordinator, demonstrate “good cause” for the failure to meet its obligations as outlined in the CoP.
  - For purposes of the PHA FSS program, good cause includes circumstances beyond the control of the FSS family. Good Cause for the purposes of the FSS program is defined in Section 5-1.D or this Action Plan.
50. In the PHA’s FSS program, the CoP will be modified by mutual agreement between the PHA and the FSS head of household:
- When modifications to the ITSP improve the participant’s ability to complete their obligations in the CoP or progress toward economic self- sufficiency.
  - When the actual end date of the CoP is determined by the effective date of the FSS family’s first reexamination changes the end date of the CoP.
  - When the designated head of the FSS family ceases to reside with other family members in the assisted unit, and the remaining family members, designate another family member to be the FSS head of household and receive escrow funds.
  - When an FSS family moves to the jurisdiction of a receiving PHA that does not have an FSS program and the family may not continue participation in the FSS program, and modification of the FSS contract will allow the family to complete the contract and receive an escrow disbursement or terminate the contract with escrow disbursement.
51. The PHA will not continue to offer supportive services to a former FSS family who has completed its contract of participation.

## **Program Termination**

### **52. A Involuntary Termination**

The *PHA* may involuntarily terminate a family from FSS under the following circumstances:

- If the participant fails to meet their obligations under the Contract of Participation, the Individual Training and Services Plan and related documentation. Non-compliance includes:

- Missing scheduled meetings, failure to return phone calls, and/or maintain contact after written notification of non-compliance
- Failure to work on activities and/or goals set forth in the Individual Training and Services Plan, including employment activities
- Failure to complete activities and/or goals within the specified time frames; and/or
- If the participant's housing assistance has been terminated.

**53. B. Voluntary Termination**

Participants may also be terminated from the FSS program under the following circumstances:

- Mutual consent of the parties.
- Family's withdrawal from the FSS program.

**54. C. Termination with Escrow Disbursement**

*[Note: these policies are required by FSS regulations (see 24 CFR 984.303(k))]*

In most cases, families whose FSS contracts are terminated will not be entitled to disbursement of their accrued FSS escrowed funds. However, the CoP will be terminated with FSS disbursement when one of the following situations occurs:

- Services that the PHA and the FSS family have agreed are integral to the FSS family's advancement towards self-sufficiency are unavailable
- The head of the FSS family becomes permanently disabled and unable to work during the period of the contract, unless the **PHA** and the FSS family determine that it is possible to modify the contract to designate a new head of the FSS family.
- An FSS family in good standing moves outside the jurisdiction of the PHA (in accordance with portability requirements at 24 CFR §982.353) for good cause, as determined by the PHA, and continuation of the CoP after the move, or completion of the CoP prior to the move, is not possible.

55. The grievance and informal hearing procedures for the FSS program will be the same as the grievance and hearing procedures adopted for the Section 8 and public housing programs in the PHA's admissions and continued occupancy policy and administrative plan. (See Chapter 14 for Both *Public Housing and Section 8*).

**INTERIMS**

56. **Families** may request an interim disbursement from the escrow account once the FSS family has fulfilled at least one interim goal to pay for specific goods or services that will help the family make progress toward achieving the goals in its Individual Training and Services Plan (ITSP). Requests **MUST** be in writing. Requests may be made through the term of the Contract of Participation. Examples of potentially eligible activities include, but are not limited to, payments for post-secondary education, job training, credit repair, small business start-up costs, job start-up expenses, vehicle purchase and repairs.

- Credit repair defined as the process of hiring a company to fix your bad credit through the removal of inaccurate, negative information on your credit reports.



57. The PHA will require verification that the FSS family has completed certain interim goals, has completed the contract of participation, has met the requirements for termination with disbursement of escrow and that the FSS family is no longer a recipient of welfare assistance, as relevant, before making interim and final disbursements.
58. The PHA will follow HUD's verification hierarchy set forth in Notice PIH 2018-18 to make these verifications, including the guidance therein regarding documentation. However, the PHA will use a *knowledgeable professional* as a third-party source to verify the need for interim disbursements.
59. Each quarter the full amount of the investment income for funds in the *Public Housing and Section 8* FSS account will be prorated and credited to each family's subsidiary line item after the deduction of unpaid rent and other amounts due under the *public housing and section 8* lease.
60. The PHA will provide FSS participants an annual statement on the status of their FSS escrow account.
61. The PHA will approve a family's request to move outside its jurisdiction under portability during the first 12 months after the effective date of the contract of participation if the move is in accordance with the regulations for such moves at 24 CFR 982.353.
62. If an FSS family seeks to move to a jurisdiction that does not offer an FSS program, the **PHA** will closely examine the family's progress to determine if it would be appropriate to exercise FSS Termination with Disbursement as discussed above in the section on Termination.
63. Where continued FSS participation is not possible, **PHA** will discuss the options that may be available to the family, depending on the family's specific circumstances, which may include, but are not limited to, modification of the FSS contract, termination of the FSS contract and forfeiture of escrow, termination with FSS escrow disbursement in accordance with 24 CFR § 984.303(k)(1)(iii), or locating a receiving PHA that has the capacity to enroll the family into its FSS program.
64. When porting and enrolling: The PHA will clearly discuss the options that are available to the family where continued FSS participation is not possible. Depending on the family's specific circumstances, these options include modifications of the FSS contract, locating a receiving housing authority that has the capacity to enroll the family in its FSS program, termination with FSS escrow disbursement, or termination of the FSS contract and forfeiture of escrow.

## Admin Plan Changes

1. Annual reexaminations will be conducted by mail. Notification of the annual reexamination will be sent by first-class mail and will inform the family of the information and documentation that must be provided to the PHA, and the deadline for providing it. Documents will be accepted by mail, by email, by fax, or in-person. The PHA will, however, conduct reexams in person if requested as a reasonable accommodation or by LEP persons. Reasonable accommodation requests will be handled in accordance with policies in Chapter 2. Further, an in-person interview will be scheduled if the family requests assistance in providing information or documentation requested by the PHA or if the required paperwork is not returned timely, or if it is returned timely but is not complete.

If the reexam notice is returned by the post office with no forwarding address, a notice of termination (see Chapter 12) will be sent to the family's address of record, as well as to any alternate address provided in the family's file.

2. The PHA will not subject RAD PBV families applying for choice mobility vouchers to any additional rescreening requirements in order to receive a tenant-based voucher.
3. The PHA will not establish a choice mobility cap.
4. The owner will request a contract rent adjustment from the PHA who administers the contract within 120 days, but no less than 60 days, prior to the HAP contract anniversary date by submitting a completed OCAF rent adjustment worksheet (Form HUD-9624). The independent entity will validate the data on the form and determine whether the rent exceeds the reasonable rent charged for comparable unassisted units in the private market, in accordance with 24 CFR 983.303. If rents would be unreasonable following application of the requested OCAF, then the rent will only be increased up to the reasonable rent. The independent entity will notify the PHA who administers the contract in writing of the results of its review of the rent adjustment request. The PHA who administers the contract will retain a copy of the worksheet and any other records necessary to demonstrate how the OCAF was used to make rent adjustments for audit purposes. The approved rent adjustment will go into effect via written notice from the PHA that administers the project to the owner. This notice will constitute an amendment to the rents specified on Exhibit A of the RAD PBV HAP contract. The new rents to owner will take effect on the date of the contract anniversary.
5. Any amount owed to the PHA by an HCV family must be repaid by the family. If the family is unable to repay the debt within 30 days, the PHA will offer to enter into a repayment agreement in accordance with the policies below.
6. A family may, but will not be required to, make a down payment on the amount owed prior to entering into a repayment agreement with the PHA.

## Admin Plan Changes

7. All payments are due by the close of business on the 20<sup>th</sup> day of the month. If the 20<sup>th</sup> does not fall on a business day, the due date is the close of business on the first business day after the 20<sup>th</sup>.
8. If a payment is not received by the end of the business day on the date due, and prior approval for the missed payment has not been given by the PHA, the PHA will send the family a delinquency notice giving the family 10 business days to make the late payment. If the payment is not received by the due date of the delinquency notice, it will be considered a breach of the agreement and the PHA will terminate assistance in accordance with the policies in Chapter 12.

If a family receives three delinquency notices for unexcused late payments in a 12-month period, the repayment agreement will be considered in default, and the PHA will terminate assistance in accordance with the policies in Chapter 12.

9. The PHA has established the following thresholds for repayment of debts:
  - Amounts over \$3,000 must be repaid within 36 months.
  - Amounts between \$2,000 and \$2,999 must be repaid within 30 months.
  - Amounts between \$1,000 and \$1,999 must be repaid within 24 months.
  - Amounts under \$1,000 must be repaid within 12 months.
10. If any household member is currently engaged in, or has engaged in any of the following criminal activities other than marijuana, within the past 3 years the family will be denied assistance. If any household member is currently engaged in, or engaged in use of Marijuana in the past 12 months the family will be denied assistance.

RAB Ballot Results

September 8, 2022

1. Approve 5 Year Capital Grant Plan 2023-2027 Budget

  6   Approve

  0   Disapprove

Comments:

- Great!

2. Approve Payment Standards for Cass/Clay County along with 58104.

  6   Approve

  0   Disapprove

3. Approve Flat Rent.

  6   Approve

  0   Disapprove

4. Approve the Family Self Sufficiency action plan as written.

  6   Approve

  0   Disapprove

Comments:

- Great Plan

5. Approve Admin Plan changes.

  6   Approve

  0   Disapprove

Comments:

- Reasonable changes throughout. Impressed with FHA's greatness in these pressing issues.
- Assume meth and the making of it in the apartment would be grounds to deny assistance.

## C.2 Certification by State or Local Officials

**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, Timothy J. Mahoney, the Mayor of the City of Fargo  
*Official's Name* *Official's Title*

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

Fargo Housing & Redevelopment Authority  
*PHA Name*

is consistent with the Consolidated Plan or State Consolidated Plan and the Analysis of

Impediments (AI) to Fair Housing Choice of the


City of Fargo  
*Local Jurisdiction Name*

Pursuant to 24 CFR Part 91.

Provide a description of how the PHA Plan is consistent with the Consolidated Plan or State Consolidated Plan and the AI.

The Cities CHAS will address four major goals: Ending and Preventing homelessness,  
Affordable Housing, Neighborhood Improvements and Initiatives, Assistance for Vulnerable  
Populations.

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

Name of Authorized Official	Title
Timothy J. Mahoney	Mayor
Signature	Date
	October 5, 2022

C.3 Civil Rights Certification/Certification Listing Policies and Programs that the PHA has Revised since Submission of its Last Annual Plan

**Certifications of Compliance with  
PHA Plan and Related Regulations  
(Standard, Troubled, HCV-Only, and  
High Performer PHAs)**

**U.S. Department of Housing and Urban Development**  
Office of Public and Indian Housing  
OMB No. 2577-0226  
Expires 3/31/2024

**PHA Certifications of Compliance with PHA Plan, Civil Rights, and Related Laws and Regulations  
including PHA Plan Elements that Have Changed**

*Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairperson or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the \_\_\_ 5-Year and/or \_\_\_ Annual PHA Plan, hereinafter referred to as "the Plan", of which this document is a part, and make the following certification and agreements with the Department of Housing and Urban Development (HUD) for the PHA fiscal year beginning \_2023\_\_\_\_\_, in connection with the submission of the Plan and implementation thereof:*

1. The Plan is consistent with the applicable comprehensive housing affordability strategy (or any plan incorporating such strategy) for the jurisdiction in which the PHA is located (24 CFR § 91.2).
2. The Plan contains a certification by the appropriate State or local officials that the Plan is consistent with the applicable Consolidated Plan, which includes a certification that requires the preparation of an Analysis of Impediments (AI) to Fair Housing Choice, or Assessment of Fair Housing (AFH) when applicable, for the PHA's jurisdiction and a description of the manner in which the PHA Plan is consistent with the applicable Consolidated Plan (24 CFR §§ 91.2, 91.225, 91.325, and 91.425).
3. The PHA has established a Resident Advisory Board or Boards, the membership of which represents the residents assisted by the PHA, consulted with this Resident Advisory Board or Boards in developing the Plan, including any changes or revisions to the policies and programs identified in the Plan before they were implemented, and considered the recommendations of the RAB (24 CFR 903.13). The PHA has included in the Plan submission a copy of the recommendations made by the Resident Advisory Board or Boards and a description of the manner in which the Plan addresses these recommendations.
4. The PHA provides assurance as part of this certification that:
  - (i) The Resident Advisory Board had an opportunity to review and comment on the changes to the policies and programs before implementation by the PHA;
  - (ii) The changes were duly approved by the PHA Board of Directors (or similar governing body); and
  - (iii) The revised policies and programs are available for review and inspection, at the principal office of the PHA during normal business hours.
5. The PHA made the proposed Plan and all information relevant to the public hearing available for public inspection at least 45 days before the hearing, published a notice that a hearing would be held and conducted a hearing to discuss the Plan and invited public comment.
6. 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 (42 U.S.C. 2000d-2000d—4), the Fair Housing Act (42 U.S.C. 3601-19), Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), title II of the Americans with Disabilities Act (42 U.S.C. 12101 et seq.), and other applicable civil rights requirements and that it will affirmatively further fair housing in the administration of the program. In addition, if it administers a Housing Choice Voucher Program, the PHA certifies that it will administer the program in conformity with the Fair Housing Act, title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, title II of the Americans with Disabilities Act, and other applicable civil rights requirements, and that it will affirmatively further fair housing in the administration of the program.
7. The PHA will affirmatively further fair housing, which means that it will take meaningful actions to further the goals identified in the Assessment of Fair Housing (AFH) conducted in accordance with the requirements of 24 CFR § 5.150 through 5.180, that it will take no action that is materially inconsistent with its obligation to affirmatively further fair housing, and that it will address fair housing issues and contributing factors in its programs, in accordance with 24 CFR § 903.7(o)(3). The PHA will fulfill the requirements at 24 CFR § 903.7(o) and 24 CFR § 903.15(d). Until such time as the PHA is required to submit an AFH, the PHA will fulfill the requirements at 24 CFR § 903.7(o) promulgated prior to August 17, 2015, which means that it examines its programs or proposed programs; identifies any impediments to fair housing choice within those programs; addresses those impediments in a reasonable fashion in view of the resources available; works with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement; and maintains records reflecting these analyses and actions.
8. For PHA Plans that include a policy for site-based waiting lists:
  - The PHA regularly submits required data to HUD's 50058 PIC/IMS Module in an accurate, complete and timely manner (as specified in PIH Notice 2011-65);



- The system of site-based waiting lists provides for full disclosure to each applicant in the selection of the development in which to reside, including basic information about available sites; and an estimate of the period of time the applicant would likely have to wait to be admitted to units of different sizes and types at each site;
  - Adoption of a site-based waiting list would not violate any court order or settlement agreement or be inconsistent with a pending complaint brought by HUD;
  - The PHA shall take reasonable measures to assure that such a waiting list is consistent with affirmatively furthering fair housing; and
  - The PHA provides for review of its site-based waiting list policy to determine if it is consistent with civil rights laws and certifications, as specified in 24 CFR 903.7(o)(1).
9. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.
  10. In accordance with 24 CFR § 5.105(a)(2), HUD's Equal Access Rule, the PHA will not make a determination of eligibility for housing based on sexual orientation, gender identify, or marital status and will make no inquiries concerning the gender identification or sexual orientation of an applicant for or occupant of HUD-assisted housing.
  11. The PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
  12. The PHA will comply with the requirements of Section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135.
  13. The PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.
  14. The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).
  15. The PHA will provide the responsible entity or HUD any documentation that the responsible entity or HUD needs to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58 or Part 50, respectively.
  16. With respect to public housing the PHA will comply with Davis-Bacon or HUD determined wage rate requirements under Section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.
  17. The PHA will keep records in accordance with 2 CFR 200.333 and facilitate an effective audit to determine compliance with program requirements.
  18. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act, the Residential Lead-Based Paint Hazard Reduction Act of 1992, and 24 CFR Part 35.
  19. The PHA will comply with the policies, guidelines, and requirements of 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Financial Assistance, including but not limited to submitting the assurances required under 24 CFR §§ 1.5, 3.115, 8.50, and 107.25 by submitting an SF-424, including the required assurances in SF-424B or D, as applicable.
  20. The PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the regulations and included in its Plan.
  21. All attachments to the Plan have been and will continue to be available at all times and all locations that the PHA Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the PHA in its PHA Plan and will continue to be made available at least at the primary business office of the PHA.
  22. The PHA certifies that it is in compliance with applicable Federal statutory and regulatory requirements, including the Declaration of Trust(s).

Fargo Housing and Redevelopment Authority\_\_\_\_  
 PHA Name

ND014\_\_\_\_\_  
 PHA Number/HA Code

  x   Annual PHA Plan for Fiscal Year 2023\_\_\_\_\_

\_\_\_\_\_ 5-Year PHA Plan for Fiscal Years 20\_\_\_\_ - 20\_\_\_\_\_

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 Executive Director <i>Jill Elliott</i>  Signature <i>Jill Elliott</i> Date <i>10/11/22</i>	Name Board Chairman <i>Michael Leier</i> <i>Michael Leier</i> Signature      Date <i>10/11/22</i>
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The United States Department of Housing and Urban Development is authorized to solicit the information requested in this form by virtue of Title 12, U.S. Code, Section 1701 et seq., and regulations promulgated thereunder at Title 12, Code of Federal Regulations. Responses to the collection of information are required to obtain a benefit or to retain a benefit. The information requested does not lend itself to confidentiality. This information is collected to ensure compliance with PHA Plan, Civil Rights, and related laws and regulations including PHA plan elements that have changed.

Public reporting burden for this information collection is estimated to average 0.16 hours per year per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. HUD may not collect this information, and respondents are not required to complete this form, unless it displays a currently valid OMB Control Number.

# ORDER CONFIRMATION MEMO INVOICE

**CUSTOMER:**

FARGO HOUSING & REDEVELOPMENT  
AUTHORITY  
PO Box 430  
Fargo, ND 581070430

**DATE: 09/19/2022**

**ACCOUNT NUMBER:**

MP24900

**ACCOUNT REPRESENTATIVE:**

Molly Jasperse

**ACCOUNT REP PHONE:**

7012415509

**ACCOUNT REP EMAIL:**

legals@forumcomm.com

**PURCHASE ORDER NUMBER:**

**COMPONENT-1**

**AD ID:**

103791-1

**PUBLICATION DATES:**

The Forum of Fargo-Moorhead 09/28/2022

The Forum of Fargo-Moorhead 10/05/2022

The Forum of Fargo-Moorhead 10/12/2022

**TOTAL INSERTIONS:**

3

**CLASSIFICATION:**

ND Legals

**TAGLINE:**

Notice of Public Hearing Notice is hereb

**AD SIZE:**

1.00 x 1.85"

**COMPONENT 1 COST:**

\$46.17

**TOTAL COST:**

\$46.17

**PAID:**

\$0.00

**AMOUNT DUE:**

\$46.17

**ORDERED BY:**



Payment made by calling 701-241-5465 Forum Communications Company

or can be sent to: PO Box 2020

Fargo, ND 58107-2020

**NOTICE OF PUBLIC HEARING**

Notice is hereby given that the Fargo Housing and Redevelopment Authority (FHRA) Board of Commissioners will conduct a Public Hearing at FHRA, 325 Broadway, Fargo, North Dakota on Tuesday, October 11th, 2022, at 2:00 pm to discuss the Agency's 2023 Annual Plan and 2023 - 2027 Capital Fund. Copies of the budget and plan are available for review and inspection at the FHRA administrative offices located at 325 Broadway, Fargo. Any person interested may request virtual meeting attendance to be heard or direct written comments to the above address.

Jill Elliott, Executive Director.

(Sept. 28; Oct. 5 & 12, 2022) 103791

