

CHARLES CITY HOUSING & REDEVELOPMENT AUTHORITY

AGENDA

August 21, 2014, 7:00 a.m.

at

501 Cedar Terrace South, Charles City, IA 50616

- I. Roll Call – Call Meeting to Order
- II. Public Comments
- III. Amend-Approve Minutes of July 17, 2014 and August 13, 2014..... 1-2
- IV. Approval of Bills for August 2014 3
- V. Communications 4-7
 - 1. Capital Fund Program Update
 - 2. Rehab Update
 - 3. Physical Needs Assessment
 - 4. Section 8 HQS Inspections
 - 5. Monthly Rental Status Update
 - 6. End of Participation Tracker
- VI. Hearing – Adoption of Rent Increase 8-9
 - 1. Open Hearing
 - 2. Filing of Affidavit of Publication – 06/30/2014
 - 3. Written Comments or Objections _____
 - 4. Oral Comments or Objections _____
 - 5. Motion to Close Hearing _____ Second _____
Vote: Ayes: _____
Nays: _____
- VII. Old Business
- VIII. New Business
 - 1. Review Financial Reports 10-13
 - 2. Board Training..... 14
 - 3. Discuss Payment in Lieu of Taxes 15
- IX. Move to Adjourn

Next regular meeting scheduled for September 18, 2014, 7:00 a.m., CCHRA Office

MINUTES
CHARLES CITY HOUSING AND REDEVELOPMENT AUTHORITY
July 17, 2014 7:00 a.m.

Members Present:, Jeremy Heyer, Jill Streich, and Susan Andersen. Absent: Nancy Heiter and Trey Becker. Others present: Heidi Nielsen, staff.

Call to Order. Vice-Chairperson Heyer called the meeting to order at 7:05 a.m.

Public Comments. None.

Amend-Approve Minutes of June 19, 2014. Streich moved, Andersen seconded the motion to approve the minutes of June 19, 2014 as presented. Ayes: 3, Nays: 0. Motion carried.

Approval of Bills. Streich moved, Andersen seconded the motion to approve payment of the revised bill listing totaling \$103,000.88. The listing was revised to include the annual payments made to the City for the Community Oriented Police Officer and accounting work. Ayes: 3, Nays: 0. Motion carried.

Communications. Items under Communications were reviewed but no action was taken.

Old Business. None

New Business.

Review Financial Reports. Monthly operating reports were reviewed. Nielsen stated that we ended the year in good condition as expected. There were no other comments.

Consider Approval of Proposal for Annual Audit. Nielsen explained that while there was a proposal submitted, the City Council directed us to contact additional local CPA firms to determine if there is any interest in submitting a proposal for the audit. Streich requested that we table the decision until the additional local firms are contacted. At that time we can either schedule a special meeting or discuss the matter at the next regular monthly Board Meeting.

Being no further business, Streich moved, Andersen seconded the motion to adjourn. Ayes: 3, Nays: 0. Motion carried.

Charles City Housing and Redevelopment Authority

Trey Becker, Chairperson

ATTEST:

Heidi Nielsen, Director

MINUTES
CHARLES CITY HOUSING AND REDEVELOPMENT AUTHORITY
August 13, 2014 7:30 a.m.
SPECIAL MEETING

Members Present: Jeremy Heyer, Jill Streich, Susan Andersen, Trey Becker and Nancy Heiter. Absent: None. Others present: Heidi Nielsen, staff.

Becker called the meeting to order at 7:30 a.m.

Old Business.

Review Audit Proposals and Make Recommendation to Council. The additional proposals from Kronlage & Olson and Dennis Donovan were discussed. The Board agreed with Nielsen that based on the levels of each firm's experience with housing authority audits in combination with the cost proposed by each firm that the proposal that appears to be most beneficial is the proposal from TD&T. Streich made a motion to recommend acceptance to the City Council of TD&T's audit proposal. Andersen seconded the motion. Ayes: 5, Nays: 0. Motion carried.

New Business.

Review quotes for Washers/Dryers and Approve Purchase. Nielsen explained to the Board that the request for bids was sent to five different companies and the list consisted of certified suppliers of Speed Queen machines. The existing washers are Speed Queen and we have had very good luck with them. The requests allowed for the companies to submit quotes for an alternate brand that was equal in value. This was necessary to allow for comparison of the bids. The low bid was from Coin Mach for \$17,621.69. The second low bid was from T-J Service for \$19,180.00. Nielsen stated that according to City Policy the bid from the local business will be awarded if their bid is within 10% of the low bid. Nielsen requested approval of the bid for T-J Service because it not only meets the 10% requirement, it also allows for a more beneficial labor warranty. Streich asked where Coin Mach was located and said that we also need to be concerned with downtime on the machines waiting for service. Heiter made a motion to approve the purchase from T-J Service for \$19,180.00. Heyer seconded the motion. Ayes: 5, Nays: 0. Motion carried.

Being no further business, Streich moved, Heyer seconded the motion to adjourn. Ayes: 5. Nays: 0. Motion carried.

Charles City Housing and Redevelopment Authority

Trey Becker, Chairperson

ATTEST:

Heidi Nielsen, Director

Charles City Housing
Monthly Bill Listing
August 2014

Customer	Description	Amount
Bluhms Cedar Valley Electric 2008	#2206 converted smoke detectors	1,266.00
Business Card	computer backup/lead training expenses	332.96
C.Naber & Associates	accounting fees	375.00
CEC	security camera repairs	582.00
CenturyLink	phone service previous month	177.96
Charles City Press	ads for Charles City guide book	643.64
Cintas	rug service	102.92
City of Charles City	water/sewer/URPS/S8 inspections	3,773.05
Dale Bunston	tree removal service	675.00
Don's Repair	mower maintenance	52.20
GE Capital	copier lease	240.51
HAPS	Aug. 1 HAPS	48,132.32
Heidi Nielsen	meal reimbursement from lead training	41.63
Iowa Department of Transportation	fuel	113.52
Iowa Department of Transportation	fuel	160.53
Jendro Sanitation	trash service	601.00
Marco, Inc.	stapels for copier	204.28
Mick Gage Plumbing & Heating	water heater service call	85.20
Mid American Energy	electric/gas/URPS	4,985.68
Nan McKay	master book revisions	573.00
Pitney Bowes	meter lease	47.74
Plunkett's Pest Control	service treatment	50.00
Purchase Power	postage	300.00
Ron's Plumbing	maintenance items	80.90
Schueth Ace Hardware	maintenance items	341.27
Sherwin Williams	paint	154.90
Stock Glass	screen repairs	65.00
T-J Service	maitenance items	159.98
Tressa Lloyd	security deposit refund	38.00
US Cellular	cell phone service	71.47
YARDI	criminal background checks	63.00
		64,490.66

REQUESTED ACTION: None - for your information only.

1. Capital Fund Update. Other than the washers and dryers there are no other active projects. What we need to do next is hire an architect to look at the buildings and give us some options and costs for adding the four additional handicap accessible units that we need, in addition to changing our existing ones to meet new requirements. There are two other projects that we should also address. The HUD inspector cited us for holes in the siding at Morningside so I would like to install new siding that is more durable. I would also like to see what options we have to change out the windows at South Cedar Terrace to make them easier for the residents to open and the windows at North Cedar Terrace are functional but they are aluminum and the painted finish has worn off of them and they don't look very nice.
2. Rehab Update. The first project in the second phase or the fourth home is complete. Work will be beginning on the next home, the week of the 18th of August. So we are on track to be finished with the second phase by October 1st.
3. Physical Needs Assessment. I contacted Nelrod about not being able to access the reports and they sent me a new disk. It still didn't open on my computer so I tried the disk on Julie's computer and the files opened. She has the full professional version of Microsoft Office on her computer and I don't. So I am working on upgrading the version of Office on my computer to include Access.
4. Section 8 HQS Inspections. I have had no further emails from Steve Diers regarding our arrangement for the inspections. I have given him the lead based paint regulations he needs to make an informed decision about who will ultimately be responsible for the lead requirements. In addition, I have finished doing the quality control inspections and have shared the results with both him and Mike Wendel.
5. HUD REAC Inspection. We had our HUD inspection on July 28th. Overall the inspection went well. We did not have any Life Threatening Deficiencies. However, we were cited for a tripping hazard in the parking lot at Morningside and one GFCI had a broken reset button on it. These are both considered health and safety violations and cost us a 6.8 point deduction from our score and dropped us from an A rating to a B. All other things noted were minor and amounted to a two point deduction. The things noted were interior doors with small holes or that didn't latch properly, holes in the siding at Morningside, and some small holes in screens. Our final score was 91b.
6. **Monthly Rental Status Update.**

Month of July 2014	Total Leased 7/1/14	New Leases	Removed Or Moved	Total Leased 7/31/14	Total On Waiting List	Offered Assistance	Removed
Terraces 132 Units	131	1	0	132	37	5	5
Morningside 16 Units	15	1	1	15	4	3	0
Section 8 197 Units	158	7	8	157	62	12	5

Declined Assistance (8) Over Income () Denied () Insufficient Address ()
Did not attend Briefing/Information Not Returned (2) Criminal Background Check ()
Voucher Expired (4) Purged ()
Terminations: PH (1) S8 (3)
Port Out: (1)

7. End of Participation Tracker. See attachment

Inspection Summary Report (POA) for Inspection #528348

Score Summary					
Area	Possible Points	Deductions(Excluding H&S)	Pre H&S Points	H&S Deductions	Final Points
Site	18.42	0.00	18.42	5.76	12.67
Building Exterior	16.75	0.19	16.56	0.00	16.56
Building Systems	18.86	0.04	18.83	0.00	18.83
Common Area	1.73	0.01	1.73	0.00	1.73
Unit	44.23	1.77	42.46	1.04	41.42
Total	100.00	2.00	98.00	6.80	91.20

Score Version: 1

Score Date: 07/28/2014

Final Score: 91b

Proof of Publication

JUL 1 2014 AM 10:49

STATE OF IOWA
Floyd County,

I, Christopher J. Hall, Publisher, (Editor) of the CHARLES CITY PRESS, in said county, do hereby state that I certify under penalty of perjury and pursuant to the laws of the State of Iowa that a notice, which is a true copy, has been printed and published each week for 1 consecutive weeks in the regular daily issues of said paper commencing with the issue of Monday on the 30th day of June A.D., 2014 and ending with the issue of, , 20 .

Legal Notice

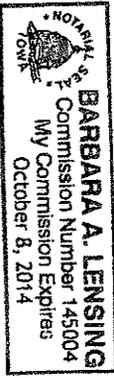
The Charles City Housing and Redevelopment Authority will be amending its flat rent policies to comply with the statutory changes contained within Public Law 113-76, the Fiscal Year 2014 Appropriation Act. The information is available for review at the Authority's Office, 501 Cedar Terrace South, Charles City, IA 50616. The Authority's hours of operation are 8:00 a.m. - 4:30 p.m., M-F. In addition, a public hearing will be held at the office of the Authority on August 21, 2014 at 7:00 a.m. The public is invited to attend to comment or may submit written comments to the Authority's office by that date.

No. 16785
06/30/14

Acknowledgement and charges for above services \$ 6⁷⁸

Subscribed and sworn to before me this 30th day of June A.D., 2014

Barbara A. Lensing
Notary Public in and for the State of Iowa



RESOLUTION NO. 08-14

ADOPTION OF FLAT RENT INCREASES AND APPROVAL OF SIGNIFICANT AMENDMENT TO AGENCY PLAN AS OF JULY 1, 2104

Charles City Housing and Redevelopment Authority

WHEREAS, the Charles City Housing and Redevelopment Authority provides housing for low income families through various programs which are funded primarily through agreements with the United States Department of Housing and Urban Development; and

WHEREAS, the Sections 210 and 243 of Title II of P.L 113-76 of the Consolidated Appropriations Act of 2014 requires all Flat Rents to be set at no less than 80 percent of the applicable Fair Market Rent; and

WHEREAS, HUD has determined that compliance with this requirement is considered a significant amendment to the Annual Plan requiring a public hearing, which will be held on August 21, 2014 during the regular monthly meeting; and

WHEREAS, the following flat rents have been set according to the 2014 Fair Market Rents for Floyd County, Iowa as directed by HUD in notice PIH 2014-12 (HA) to be offered to residents beginning October 1, 2014:

Flat Rents for units 1-128 at North and South Cedar Terrace

1 Bedroom - \$360
2 Bedroom - \$465

Flat Rents for units 129-132 at North Cedar Terrace and Morningside Apartments

1 Bedroom - \$240
2 Bedroom - \$325
3 Bedroom - \$475

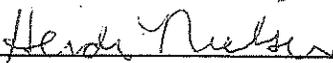
NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Charles City Housing and Redevelopment Authority that they have reviewed the preceding rent changes and authorize their approval for implementation beginning October 1, 2014.

PASSED AND APPROVED BY THE CHARLES CITY HOUSING AND REDEVELOPMENT AUTHORITY ON THIS 19TH DAY OF JUNE 2014.



Trey Becker, Chairperson

ATTEST:



Heidi Nielsen, Director

MEETING DATE: 8/21/14

RE: Review Financial Statements

REQUESTED ACTION: Review monthly operating reports.

Comments: The July 2014 operating reports are attached for your review.

CITY OF CHARLES CITY
REVENUE & EXPENSE REPORT
CALENDAR 7/2014, FISCAL 1/2015

ACCOUNT NUMBER	ACCOUNT TITLE	TOTAL BUDGET	MTD BALANCE	YTD BALANCE	PER CENT EXPENDED	UNEXPENDED
173-532-4300	INTEREST-PUBLIC HOUSING	23,500.00	2,089.30	2,089.30	8.89	21,410.70
173-532-4504	FRAUD-PUBLIC HOUSING	4,000.00	.00	.00	.00	4,000.00
173-532-4506	DWELLING RENT-PUBLIC HOUSING	425,000.00	34,027.00	34,027.00	8.01	390,973.00
173-532-4507	EXCESS UTILITY-PUBLIC HOUSING	9,500.00	571.00	571.00	6.01	8,929.00
173-532-4508	CONTRIB-OTHER-PUBLIC HOUSING	13,500.00	984.75	984.75	7.29	12,515.25
173-532-4710	REIMBURSED EXP-PUBLIC HOUSING	1,500.00	.00	.00	.00	1,500.00
173-532-4781	OPER SUBSIDY-PUBLIC HOUSING	180,000.00	15,680.00	15,680.00	8.71	164,320.00
	PUBLIC HOUSING TOTAL	657,000.00	53,352.05	53,352.05	8.12	603,647.95
173-910-4830	TRANSFER IN - PUBLIC HOUSING	.00	.00	.00	.00	.00
	TRANSFERS IN/OUT TOTAL	.00	.00	.00	.00	.00
173-532-6010	SALARY - PUBLIC HOUSING	76,500.00	9,731.55	9,731.55	12.72	66,768.45
173-532-6040	OVERTIME SALARY-PUBLIC HOUSING	2,000.00	.00	.00	.00	2,000.00
173-532-6070	LABOR/MAINT-PUBLIC HOUSING	.00	.00	.00	.00	.00
173-532-6110	FICA - PUBLIC HOUSING	6,500.00	674.67	674.67	10.38	5,825.33
173-532-6130	IPERS - PUBLIC HOUSING	8,300.00	869.04	869.04	10.47	7,430.96
173-532-6150	HEALTH INS - PUBLIC HOUSING	28,527.00	2,380.08	2,380.08	8.34	26,146.92
173-532-6151	LIFE INS - PUBLIC HOUSING	300.00	25.24	25.24	8.41	274.76
173-532-6160	WORK COMP - PUBLIC HOUSING	2,500.00	.00	.00	.00	2,500.00
173-532-6170	UNEMPLOYMENT - PUBLIC HOUSING	600.00	.00	.00	.00	600.00
173-532-6198	EMP BEN MAINT-PUBLIC HOUSING	.00	.00	.00	.00	.00
173-532-6199	EMPLOYEE BEN-PUBLIC HOUSING	.00	.00	.00	.00	.00
173-532-6230	STAFF TRAINING-PUBLIC HOUSING	5,000.00	.00	.00	.00	5,000.00
173-532-6370	GAS - PUBLIC HOUSING	38,000.00	1,976.40	1,976.40	5.20	36,023.60
173-532-6371	UTILITIES - PUBLIC HOUSING	49,000.00	3,111.08	3,111.08	6.35	45,888.92
173-532-6374	WATER - PUBLIC HOUSING	16,500.00	1,499.67	1,499.67	9.09	15,000.33
173-532-6379	OTH UTIL-PUBLIC HOUSING -SEWER	23,000.00	1,760.96	1,760.96	7.66	21,239.04
173-532-6401	ACCOUNTING FEES-PUBLIC HOUSING	3,000.00	165.00	165.00	5.50	2,835.00
173-532-6408	TORT LIABILITY - PUBLIC HOUSING	24,000.00	.00	.00	.00	24,000.00
173-532-6411	LEGAL FEES - PUBLIC HOUSING	2,500.00	.00	.00	.00	2,500.00
173-532-6415	COPIER LEASE - PUBLIC HOUSING	2,800.00	240.51	240.51	8.59	2,559.49
173-532-6420	CONTRACT SERVICES - PUBLIC HOUSING	16,000.00	1,089.66	1,089.66	6.81	14,910.34
173-532-6441	TENANT SERVICES-PUBLIC HOUSING	2,000.00	.00	.00	.00	2,000.00
173-532-6442	PILOT-PUBLIC HOUSING	34,000.00	.00	.00	.00	34,000.00
173-532-6516	REFUNDS-PUBLIC HOUSING	1,000.00	.00	.00	.00	1,000.00
173-532-6518	SUNDRY-OFF EXP-PUBLIC HOUSING	25,000.00	508.14	508.14	2.03	24,491.86
173-532-6599	MAINT MATERIALS-PUBLIC HOUSING	50,000.00	5,042.62	5,042.62	10.09	44,957.38
173-532-6725	CAP OUTLAY-EQUI-PUBLIC HOUSING	.00	.00	.00	.00	.00
173-532-6750	CAP IMPR BLDG-PUBLIC HOUSING	.00	.00	.00	.00	.00
	PUBLIC HOUSING TOTAL	417,027.00	29,074.62	29,074.62	6.97	387,952.38
173-536-6010	SALARY - PH MAINT	73,000.00	8,045.27	8,045.27	11.02	64,954.73
173-536-6040	OVERTIME SALARY - PH MAINT	3,100.00	166.62	166.62	5.37	2,933.38
173-536-6110	FICA - PH MAINT	5,660.00	602.99	602.99	10.65	5,057.01

CITY OF CHARLES CITY
REVENUE & EXPENSE REPORT
CALENDAR 7/2014, FISCAL 1/2015

ACCOUNT NUMBER	ACCOUNT TITLE	TOTAL BUDGET	MTD BALANCE	YTD BALANCE	PER CENT EXPENDED	UNEXPENDED
173-536-6130	IPERS - PH MAINT	6,500.00	733.33	733.33	11.28	5,766.67
173-536-6150	HEALTH INS - PH MAINT	7,014.00	1,319.10	1,319.10	18.81	5,694.90
173-536-6151	LIFE INS - PH MAINT	100.00	8.37	8.37	8.37	91.63
173-536-6160	WORK COMP - PH MAINT	1,800.00	.00	.00	.00	1,800.00
173-536-6170	UNEMPLOYMENT - PH MAINT	550.00	.00	.00	.00	550.00
173-536-6181	UNIFORM ALLOWANCE - PH MAINT	450.00	450.00	450.00	100.00	.00
	PUBLIC HOUSING MAINTENANC TOTA	98,174.00	11,325.68	11,325.68	11.54	86,848.32
173-910-6910	TRANSFER OUT - PUBLIC HOUSING	34,000.00	1,989,835.30	1,989,835.30	5,852.46	1,955,835.30-
	TRANSFERS IN/OUT TOTAL	34,000.00	1,989,835.30	1,989,835.30	5,852.46	1,955,835.30-
	PUBLIC HOUSING TOTAL	107,799.00	1,976,883.55-	1,976,883.55-	1,833.86-	2,084,682.55

CITY OF CHARLES CITY
 REVENUE & EXPENSE REPORT
 CALENDAR 7/2014, FISCAL 1/2015

ACCOUNT NUMBER	ACCOUNT TITLE	TOTAL BUDGET	MTD BALANCE	YTD BALANCE	PER CENT EXPENDED	UNEEXPENDED
174-533-4300	INTEREST - SECTION 8	500.00	81.58	81.58	16.32	418.42
174-533-4440	STATE GRANT-SEC 8	.00	.00	.00	.00	.00
174-533-4504	FRAUD-SEC 8	4,500.00	703.00	703.00	15.62	3,797.00
174-533-4505	HUD CONTRIB-SEC 8	600,000.00	49,853.00	49,853.00	8.31	550,147.00
174-533-4509	ADMIN FEE/HTH-SEC 8	90,000.00	5,775.00	5,775.00	6.42	84,225.00
174-533-4710	REIMBURSED EXP-SEC 8	1,000.00	.00	.00	.00	1,000.00
174-533-4715	REFUNDS-SEC 8	1,000.00	.00	.00	.00	1,000.00
	SECTION 8 VOUCHER TOTAL	697,000.00	56,412.58	56,412.58	8.09	640,587.42
174-910-4830	TRANSFER IN - SECTION 8 VOUCH	.00	.00	.00	.00	.00
	TRANSFERS IN/OUT TOTAL	.00	.00	.00	.00	.00
174-533-6010	SALARY - SEC 8	33,000.00	3,675.11	3,675.11	11.14	29,324.89
174-533-6040	OVERTIME SALARY - SECTION 8	.00	.00	.00	.00	.00
174-533-6110	FICA - SECTION 8	3,000.00	257.99	257.99	8.60	2,742.01
174-533-6130	IPERS -SECTION 8	3,000.00	328.17	328.17	10.94	2,671.83
174-533-6150	HEALTH INS - SECTION 8	19,018.00	1,586.72	1,586.72	8.34	17,431.28
174-533-6151	LIFE INS - SECTION 8	200.00	16.83	16.83	8.42	183.17
174-533-6160	WORK COMP - SECTION 8	1,680.00	.00	.00	.00	1,680.00
174-533-6170	UNEMPLOYMENT - SECTION 8	400.00	.00	.00	.00	400.00
174-533-6199	EMPLOYEE BEN-SEC 8	.00	.00	.00	.00	.00
174-533-6230	STAFF TRAINING - SECTION 8	1,500.00	60.00	60.00	4.00	1,440.00
174-533-6380	UTILITY ALLOT - SECTION 8	15,000.00	846.00	846.00	5.64	14,154.00
174-533-6401	ACCOUNTING FEES - SECTION 8	3,000.00	210.00	210.00	7.00	2,790.00
174-533-6420	CONTRACT SERVICES - SECTION 8	9,000.00	784.50	784.50	8.72	8,215.50
174-533-6423	SPECIAL SERVICE - SECTION 8	300.00	.00	.00	.00	300.00
174-533-6445	HC VOUCHER PAY-SEC 8	600,000.00	48,063.06	48,063.06	8.01	551,936.94
174-533-6516	REFUND INTEREST-SEC 8	.00	.00	.00	.00	.00
174-533-6518	SUNDRY-OFF EXP-SEC 8	3,000.00	56.79	56.79	1.89	2,943.21
	SECTION 8 VOUCHER TOTAL	692,098.00	55,885.17	55,885.17	8.07	636,212.83
174-910-6910	TRANSFER OUT - SECTION 8 VOUCH	5,000.00	65,956.72	65,956.72	1,319.13	60,956.72-
	TRANSFERS IN/OUT TOTAL	5,000.00	65,956.72	65,956.72	1,319.13	60,956.72-
	SECTION 8 VOUCHER TOTAL	98.00-	65,429.31-	65,429.31-	6,764.60	65,331.31

REQUESTED ACTION: Discuss HUD training available to Board Members.

Comments: HUD has developed some training for housing boards and has posted it on YouTube. It looks like the entire training is approximately 6 hours but it is broken up into eight different modules. The modules include ethics, financial viability, public housing facilities management, fundamentals of PHA governance, asset management, Section 8 Housing Choice Vouchers, procurement, and governing documents.

We can forward the link to anyone who is interested. It isn't mandatory, but you may find it interesting. Because the City Code limits some of our authority as compared to a stand-alone agency, some of the content may not apply to us. However, the basic information covered would be helpful in understanding the Board's role in the agency.

REQUESTED ACTION: Discuss payment in lieu of taxes (PILOT).

Comments: Each year we make a payment to the city and county in lieu of taxes. The amount due each year is 10% of the rental revenue less utility expense. We paid a percentage of the pilot or .8919 to the City for the North and South Cedar Terrace and .1081 to the County for Morningside Apartments. I wasn't able to find anyone who knew why or when this arrangement came about because the PILOT is supposed to all go to the County. Last summer when I was looking through the old minutes, I found the authorization from the County for the City to retain the money and the rationale behind the split.

However, the PILOT was only to be waived for North and South Cedar Terrace as long as the following conditions were met: (1) the project provided housing for the elderly or handicapped (low-income housing does not qualify), and (2) The original mortgage has not been paid in full or expired. For all other units designated for family use; the PILOT was to go directly to the County. In 2005 HUD removed the elderly/handicapped only designation and HUD has forgiven the balance on the loans made on the projects. So neither of the conditions are being met. The reason the PILOT was waived was to allow the City to use the money for maintenance on the buildings. What I don't understand is why the money was going into the City's general fund and not being retained by the housing authority for use on building maintenance.

Because of this, it is my opinion that no additional PILOT payments be made to the City. The entire amount should go to the county. I would like to take this one step further and request the county to waive the entire PILOT payment. North Iowa Regional Housing Authority requests that Floyd County waive their PILOT each year and they are granted the waiver.

This year our PILOT is \$31,921.33; and if you apply the percentages, \$28,470.63 was to go to the City and \$3,450.70 was to go to the County. The main reason I would like to get the waiver from the County is because if we no longer pay the portion to the City, they will need to make up the reduction in their budget and we will likely see a substantial increase in what they, the City, are charging us for services. They had asked for an \$18,000 increase for this year and because of the PILOT and Foster Grandparent space I was successfully able to argue that we are contributing more than we should and our compensation for services remained at \$9,000. If the County doesn't grant the waiver, we will more than likely be paying twice as much because we would have to pay the entire PILOT to the County and an increased compensation to the City for their services.