

Bill No. 4708

Ordinance No. \_\_\_\_\_

Requested by: Michael Hurlbert

Sponsored by: Council as a Whole

AN ORDINANCE AUTHORIZING THE COUNTY EXECUTIVE TO EXECUTE AN AMENDMENT TO THE AGREEMENT WITH NORTH EAST COMMUNITY ACTION CORPORATION (“NECAC”) TO ACT AS GRANT SUBRECIPIENT IN MANAGING HOUSING CHOICE VOUCHERS ASSIGNED TO THE ST. CHARLES COUNTY HOUSING ASSISTANCE PROGRAM

WHEREAS, St. Charles County has entered into an Annual Contributions Contract with the U.S. Department of Housing and Urban Development (“HUD”) which provides that St. Charles County is responsible for Housing Choice Vouchers assigned by HUD to the County; and

WHEREAS, under this contract, the County is responsible for management of housing issues related to Housing Choice Vouchers, a part of the Section Eight program of Title II of the 1937 Housing Act for 715 Housing Choice Vouchers program; and

WHEREAS, the County requires the services of an administrative agency experienced in and fully able to manage the program under the direct supervision and control of St. Charles County; and

WHEREAS, North East Community Action Corporation is a fully functioning housing authority, highly regarded for its responsible and efficient operation of the voucher program; and

WHEREAS, pursuant to the agreement amendment attached hereto as **EXHIBIT A**, NECAC will act as grant subrecipient for operation of the Housing Choice Voucher Program in St. Charles County; and

WHEREAS, St. Charles County and NECAC have agreed to the Amendment of the original Agreement which was approved pursuant to Ordinance 16-109.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNTY COUNCIL OF ST. CHARLES COUNTY, MISSOURI, AS FOLLOWS:

Section 1. The County Council of St. Charles County hereby authorizes the County Executive or his designee to enter into an Amended Agreement with North East Community Action Corporation (NECAC) for NECAC to act as grant subrecipient for operation of the Housing Choice Voucher Program assigned to the County by the U.S. Department of Housing and Urban Development.

Section 2. The Amended Agreement between the County and North East Community Action Corporation shall be substantially the same in form and content as that attached hereto as **EXHIBIT A**.

Section 3. Compliance with the terms of this agreement shall be the responsibility of the Director of Community Development.

Section 4. This ordinance shall be in full force and effect from and after the date of its passage and approval and shall be valid upon the lawful execution of the agreement by the appropriate officials of NECAC.

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DATE PASSED

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DATE APPROVED BY COUNTY EXECUTIVE

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CHAIR OF THE COUNCIL

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COUNTY EXECUTIVE

ATTEST:

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COUNTY REGISTRAR

CERTIFICATE OF DIRECTOR OF FINANCE

I certify that there is a balance otherwise unencumbered to the credit of the appropriation to which this ordinance is chargeable, and a cash balance otherwise unencumbered in the treasury to the credit of the fund from which payment is to be made, each sufficient to meet this obligation.

\_\_\_\_\_  
Director of Finance

\_\_\_\_\_  
Date

**EXHIBIT A**

**AMENDMENT TO AGREEMENT BETWEEN ST. CHARLES COUNTY  
AND THE NORTH EAST COMMUNITY ACTION CORPORATION  
ENGAGING THE CORPORATION  
TO ACT AS THE GRANT SUB-RECIPIENT FOR OPERATION OF THE  
HOUSING CHOICE VOUCHER PROGRAM IN  
ST. CHARLES COUNTY**

This Amendment to Agreement is made and entered into by St. Charles County and North East Community Action Corporation (hereinafter "NECAC") on the date last executed by a party.

WHEREAS, St. Charles County is a Charter County and Political Subdivision of the State of Missouri; and

WHEREAS, St. Charles County (also referred to as "the County") and the Department of Housing and Urban Development have entered an Annual Contributions Contract for the Housing Choice Voucher program, part of the Section Eight program of Title II of the 1937 Housing Act for 715 Housing Choice Vouchers; and

WHEREAS, North East Community Action Corporation ("NECAC") is a duly organized and existing community action corporation; and

WHEREAS, on December 20, 2016, the County and NECAC entered an Agreement (the "Agreement") engaging NECAC to act as the County's Agent for operation of the program, and the parties now wish to amend that Agreement to clarify that NECAC shall serve as Grant Sub-Recipient; and

WHEREAS, the County has conferred with NECAC and the parties understand that NECAC shall perform as Grant Sub-Recipient within the parameters of the Department of Housing and Urban Development ("HUD"); and

WHEREAS, NECAC shall fulfill its obligations to HUD and shall further oversee the Housing Choice Voucher program.

**EXHIBIT A**

NOW THEREFORE, the parties hereby mutually agree to amend the Agreement as follows:

1. The County and NECAC agree to amend Article I of the Agreement to include the additional, underlined language and to delete the stricken language, as follows:

**ARTICLE ONE. RELATIONSHIP OF THE PARTIES**

St. Charles County hereby names NECAC as the County's administrator **and Grant Sub-Recipient** of the Housing Choice Voucher program. The County and NECAC hereby mutually agree that the County, pursuant to and in accordance with the rules of the Section Eight Program, shall set the policies and be responsible for the program and its outcomes and that NECAC shall act as the day-to-day agent of the County and shall apprise the St. Charles County Executive of the activities of NECAC as administrator and consult with the County Executive to obtain direction with regard to policy considerations. The County and NECAC hereby agree that NECAC shall provide regular reporting to the County Executive as set forth herein. The parties further acknowledge that the Housing Choice Voucher program is a program under Section Eight of Title II of the 1937 Housing Act, as amended, and must be operated in compliance with HUD's laws, regulations and policies for such program.

2. The County and NECAC agree to amend Article II of the Agreement to include the additional, underlined language and to delete the stricken language, as follows:

**ARTICLE TWO. ADMINISTRATION OF THE PROGRAM**

The Housing Choice Voucher program (hereinafter "the Program") requires certain services be performed by the administering entity. NECAC shall perform all the necessary services to administer the Program and to report to the County concerning such service delivery, including but not limited to:

- A. **Development, Preparation and Submission of the Administrative Plan.** NECAC shall develop and prepare the draft of the Administrative Plan in accordance with HUD's laws, regulations and guidelines, and shall, after approval of the draft of the Administrative Plan by the County Executive

## EXHIBIT A

submit that Administrative Plan to HUD for its approval. NECAC shall inform the County Executive of any changes required by HUD in the Administrative Plan and obtain his approval of those changes.

- B. Staffing. NECAC shall provide the necessary staff to fulfill the requirements of the Section Eight Housing Voucher Program, including but not limited to an In-County Administrator (ICA) who shall have responsibility to operate the Program day-to-day. All staff in the chain of command shall ultimately report to the County Executive, such that the ICA shall report directly to the Section Eight Rent-Assistant Program Director, then to Chief Executive Officer of NECAC and then to the St. Charles County Executive.
- C. Establish, Administer and Periodically Update the Waiting List. Current persons on the waiting list shall be entitled to remain on the waiting list for the Lincoln County **Public** Housing **Public** Agency or may choose to be on the St. Charles County waiting list established in the Administration Plan for St. Charles County as referred to herein or may choose to be on both lists as set forth in the Administrative Plans of each housing agency, or to have their names removed if they so request in writing.

The waiting list shall be reviewed regularly, normally every six months, and compared to the anticipated need for households in the next six-month period. Pursuant to 42 CFR 982.207(b), and in addition to other priorities set forth in the approved Administrative Plan, preference for the award of housing vouchers shall be given to those residing in St. Charles County and those who work or have been hired to work in St. Charles County.

NECAC shall ~~be allowed and~~ have the authority, subject to the approval of HUD and the Lincoln County Public Housing Agency ("LCPHA"), to issue, administer, and operate Housing Choice Vouchers issued by HUD to the LCPHA ("LCPHA Vouchers") within St. Charles County (excluding the City of St. Charles, Missouri) during the duration of this Agreement. The issuance and operation of LCPHA Vouchers within St. Charles County will be at the sole discretion of NECAC based upon availability of LCPHA Vouchers not being utilized by the LCPHA and the need for additional Housing Choice Vouchers in St. Charles County. All LCPHA Vouchers

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issued, administered and operated by NECAC in St. Charles County during the duration of this Agreement will at no time be transferred to St. Charles County, but will remain as Housing Choice Vouchers issued by HUD to the LCPHA.

All LCPHA Vouchers issued and operated by NECAC in St. Charles County will be administered pursuant to the terms and conditions of this Agreement. NECAC shall be paid, as its sole compensation for issuing, administering, and operating the LCPHA Vouchers in St. Charles County as detailed herein, all administrative fees established by HUD in the ACC between the LCPHA and HUD for the Housing Choice Vouchers.

In the event of the termination of this Agreement for any reason, all LCPHA Vouchers issued in St. Charles County by NECAC will continue to be operated and administered by NECAC in St. Charles County until such time the participant tenant utilizing a LCPHA Voucher no longer participates in the Section Eight Program. At the time of the expiration of each LCPHA Voucher issued and operated in St. Charles County by NECAC, NECAC will withdraw the expiring LCPHA Voucher from St. Charles County and reissue the Housing Choice Voucher to a new participant tenant within any of the LCPHA eligible participating counties at the time.

- D. **Determine Eligibility and Selection of Households.** NECAC shall determine eligibility and selections of households in accordance with the requirements of HUD and as set forth in the approved Administrative Plan.

As required by the approved Administrative Plan, NECAC shall:

1. Interview all eligible families and brief them regarding the portability of vouchers; the determination of the Housing Assistance Payment; the incentive for selecting a unit renting for less than the payment standards; the minimum rent the family must pay; all applicable Fair Housing and Equal Opportunity laws; Housing Quality Standards; and tenant responsibilities under the program.
2. Verify all information relative to gross family income and assets, using



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to the extent feasible, Enterprise Income Verification (EIV) methods to verify client income. Additional verification methods as set forth in the Administrative Plan may also be used. NECAC shall investigate and resolve substantial differences between EIV income and income reported through other methods. Resolution may include using a repayment agreement and/or termination of assistance. All information relative to previous housing, gross family income, assets and preference rating will be verified.

3. Verify information and determine the following in accordance with the Administrative Plan: eligibility of the applicant as an eligible type of household; eligibility of the applicant with respect to income limits for admission; size of unit required for the family; preference category to which the family belongs and urgency of family's need for housing; security deposit and estimated rent; citizenship status; transfer from waiting list; criminal history information; family composition; income, assets and expenses; elderly/disabled status; and regulatory deductions.
4. Provide any family receiving a voucher, a Voucher Holder's packet as set forth in the Administrative Plan.
5. Determine as the Family share of Rent the Total Tenant Payment (TTP). The family share may be the TTP or a higher amount, depending on the unit the family selects. For purposes of calculating the TTP, HUD regulations define what income is to be included and excluded. In determining the TTP NECAC shall include all income not specifically excluded by HUD regulations.
6. Use reasonable efforts, in accordance with the Administrative Plan, to prevent those with unacceptable criminal history or substance abuse problems or history from being issued a voucher, including but not limited to providing tenant information to the ~~Sheriff's~~ **St. Charles County Police** Department **or Tenmast** in sufficient detail for the Department **or Tenmast** to run a criminal record check for each new applicant, and NECAC shall also submit required fingerprints to the Missouri State Highway Patrol for a background check for those

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applicants whose name search indicated the existence of a record, and further on an on-going basis, communicate with the identified **Sheriff's St. Charles County Police** Department representative as necessary to review and evaluate information provided by the **Sheriff's St. Charles County Police** Department which indicates such unacceptable criminal or substance abuse behavior is occurring. **How background checks are conducted can be amended from time to time as further agreed to by the parties.**

7. Deny participation or terminate assistance under the Housing Choice Voucher Program in accordance with the Administrative Plan as it relates to criminal activity.
  8. Make determinations whether to deny or terminate assistance because of action, or failure to act, by the family as set forth in the standards in the Administrative Plan.
- E. Perform Approval of the Initial Lease. As set forth in the Administrative Plan, acquire the necessary documents, including the lease and the Tenancy Addendum, conduct the initial unit inspection, and conduct rental approval to determine that the rent is reasonable, including the Rent Reasonableness Summary and Certification Form.
- F. Provide Tenants and Landlords Clear Guidance on Tenant and Landlord Responsibilities. As set forth in the Administrative Plan, NECAC shall provide clear notice of tenant responsibilities, including but not limited to timely payment of rent; timely reporting of a change in household income; timely reporting of a change in household size; the need to keep tenant paid utilities in service; the need to make the dwelling unit available for inspections upon reasonable notice; responding to NECAC in a timely manner, avoiding interference with others, including neighbors, right to peaceful enjoyment of their premises, etc.

NECAC shall also provide clear notice to landlords of their responsibilities, including but not limited to maintenance of the unit in accordance with the Housing Quality Standards; keeping landlord paid utilities in service; abiding

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by requirements imposed by the Housing Assistance Payments Contract, law or regulation; timely reporting move-outs, pay all lawful taxes and assessments, etc.

- G. Provide Annual and Interim Reviews and Recertification. NECAC shall schedule clients to be recertified at least sixty (60) days prior to the expiration of their lease. Clients are certified annually, or more often if necessary by the termination of their unit. NECAC, as set forth in the Administrative Plan, shall provide a cooperating client at least thirty (30) days to complete all steps necessary to receive, or to continue to receive, rental assistance. In addition to the annual unit inspection, NECAC shall inspect units which have been the subject of complaints.
- H. Conduct Fraud and Program Abuse Review. Whenever NECAC suspects, or receives credible information, of tenant fraud, NECAC shall conduct an investigation concerning the matter, and shall determine if fraud has been committed. If evidence indicated that fraud has occurred, in accordance with the Administrative Plan the caseworker shall send out a proposed termination form, giving the client a right to a hearing.

Similarly, whenever NECAC suspects, or receives credible information, of landlord fraud, NECAC shall conduct an investigation concerning the matter, and shall determine if fraud has been committed. If evidence indicated that fraud has occurred, in accordance with the Administrative Plan the caseworker shall attempt to recoup overpayment by agreement or, if necessary, by prosecution. NECAC shall also refer the matter to the Regional Inspector General for Investigations, United States Department of Housing and Urban Development. The caseworker shall also take action for landlord disapproval pursuant to the Administrative Plan.

- I. Hearings. Provide Hearings on applicant or participant denial or termination of assistance. In accordance with the Administrative Plan, conduct all hearings required by this agreement or the Plan.
- J. Attendance at Commission on Housing Assistance Meetings. Attend meetings of the County's Commission on Housing Assistance, and provide that

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Commission staff assistance.

K. Other Functions. Provide other functions and services as required by the ACC, the Administrative Plan, and/or HUD related statutes or regulations.

L. Notification of Change in NECAC Corporate Structure. NECAC shall notify the County Executive in writing of any change in its corporate status.

**M. 1. NECAC shall provide the following information, or assist the County in providing the following information, and any modifications thereto, to the County to ensure County compliance with the requirements of 2 C.F.R. Section 200.331(a):**

**NECAC's unique entity identifier;**

**Federal award identification number (FAIN);**

**Federal award date (i.e., the date of the federal agency's award to the County);**

**Subaward period of performance start and end date;**

**Amount of federal funds obligated to the NECAC by the County's action;**

**Total amount of federal funds obligated to NECAC by the County, including the current obligation;**

**Total amount of the federal award committed to NECAC by the County;**

**Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA);**

**Name of federal awarding agency, St. Charles County, and the County's awarding official;**

**CFDA number and name, the dollar amount made available under each federal award, and the CFDA number at the time of disbursement;**

**Identification of whether the award is Research and Development (R&D);**

**Indirect cost rate for the federal award (including if the de minimis rate is charged).**

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2. NECAC shall provide the following information, or assist the County in providing the following information, and any modifications thereto, to the County to ensure County compliance with the requirements of 2 C.F.R. Sections 200.331(b) through (g):

All requirements imposed by the County on NECAC so that the award is used in accordance with federal statutes, regulations, and the terms and conditions of the federal award.

Any additional requirements imposed by the County in order for the County to meet its own responsibility to the federal awarding agency, including identification of any required financial and performance reports.

3. NECAC shall permit the County and auditors to have access to records and financial statements in order for the County to meet Uniform Guidance requirements.

The County must evaluate NECAC's risk of noncompliance with federal statutes, regulations, and the terms and conditions of the subaward for the purpose of determining the appropriate monitoring of NECAC, which may include the consideration of factors contained in 2 C.F.R. Sections 200.331(b)(1) through (4).

The County must monitor the activities of NECAC as necessary to ensure that the federal subaward is used for authorized purposes in compliance with federal statutes, regulations, and the terms and conditions of the subaward, and that subaward performance goals are achieved. Such monitoring must include the actions contained in 2 C.F.R. Sections 200.331(d)(1) through (3).

Depending upon the County's assessment of the risk posed by NECAC, the County must consider using monitoring tools such as those contained in 2 C.F.R. Sections 200.331(e)(1) through (3) to ensure proper accountability and compliance with program

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### requirements and achievement of performance goals.

**The County must verify that NECAC is audited as required by the Uniform Guidance when it is expected that NECAC's federal awards expended during the fiscal year equaled or exceeded \$750,000. The County must consider whether the results of NECAC's audits, on-site reviews, or other monitoring indicate conditions that necessitate adjustments to the County's records. The County must consider taking enforcement action against a noncompliant NECAC as described in 2 C.F.R. Section 200.338 and in program regulations.**

3. The County and NECAC agree to amend Article IV of the Agreement to delete the stricken language, as follows:

### **ARTICLE FOUR. COMPENSATION**

The administrative fees established by HUD in the ACC between St. Charles County and HUD shall be the sole compensation to NECAC for all services performed under this Agreement. St. Charles County agrees to pay NECAC the administrative fee established by HUD in the ACC between St. Charles County and HUD as compensation for services performed by NECAC pursuant to this Agreement. St. Charles County will accept into its bank account ("ACC Account") ~~in St. Charles County~~ the funds paid by HUD to St. Charles County, pursuant to the ACC, and upon receipt from HUD, the County shall transfer such funds to NECAC for payments for operating the Housing Choice Voucher Program and the administrative fee as follows: (a) if funds are received by 3 p.m. Central Time on a business day, such funds shall be transmitted to NECAC by wire transfer on that day; (b) if funds are received after 3 p.m. Central Time on a business day, such funds shall be transmitted to NECAC by wire transfer on the following day. Funds received on a non-business day shall be transmitted the next business day. St. Charles County, will instruct and authorize the bank in writing to wire transfer all funds deposited by HUD in the ACC Account to NECAC's designated bank Account ~~in Pike County, Missouri~~. NECAC shall provide to St. Charles County an accounting on a monthly basis for each payment made by NECAC utilizing the

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funds transferred from the ACC Account to NECAC's designated bank Account ~~in Pike County, Missouri~~. The County shall have the responsibility and authority to reconcile the ACC Account with the assistance of NECAC on at least an annual basis, with NECAC agreeing to return all funds transferred from the ACC Account to NECAC not utilized by NECAC in the operation and administration of the Housing Voucher Program in St. Charles County pursuant to this Agreement to St. Charles County at the end of each calendar year.

Pursuant to HUD regulations and requests by HUD, NECAC agrees that it will work with HUD and demonstrate to HUD's satisfaction its expenses justifying the administrative fee paid to NECAC by St. Charles County pursuant to the ACC between HUD and St. Charles County, Missouri.

4. The County and NECAC agree to amend Article V of the Agreement to delete the stricken language, as follows:

### ARTICLE FIVE. LIABILITY

INSURANCE. NECAC agrees to carry the necessary insurance through MoHAPCI or similar insuring entity in the following minimum amounts:

1. NECAC agrees to procure, and maintain in force during the term of the Agreement, a policy or policies of Comprehensive General Liability insurance, naming the County, its officers, directors, executives, departments, divisions and subsidiaries as additional insureds, in amounts sufficient to cover the annually adjusted Sovereign Immunity limits of the State of Missouri. Errors and Omissions for the acts of NECAC officers, directors, executives and employees covered by this Agreement shall be included as part of, or separately written, the policy. All coverage shall be written through an insurance company licensed to do business in the State of Missouri ~~and shall specifically state that the coverage, as it pertains to the County, shall be primary; that any or all insurance carried by an additional insured is strictly excess and secondary, and will not contribute with NECAC's policy~~. If the Errors and Omissions coverage is underwritten on a claims made basis, there must be a mutually agreed

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upon retroactive date.

2. NECAC will maintain a policy of statutory Workers Compensation coverage and Employer's Liability coverage for its employees, or be a qualified self-insurer, as defined by the Statutes of the State of Missouri. Employer's Liability limits shall be in an amount not less than \$500,000. A waiver of subrogation for the benefit of the County shall be included.
3. NECAC shall further carry an Employee Dishonesty/Crime policy covering any employee with job duties that require or authorizes them to handle funds paid pursuant to this program.
4. NECAC agrees to notify the County, in writing, thirty (30) days in advance of any material change(s), cancellation or restrictive amendment(s) to their policy(s). Certificate of Insurance evidencing the above coverage are to be forwarded prior to, or at the time of, execution of this Agreement.
5. The terms of this Amendment to Agreement shall be deemed effective as of October 1, 2018, and continuing throughout the life of the Agreement.
6. All remaining terms of the Agreement shall remain in full force and effect.

Executed by the COUNTY EXECUTIVE of ST. CHARLES COUNTY, MISSOURI, this \_\_\_\_\_ day of \_\_\_\_\_, 2019 pursuant to Ordinance 19-\_\_\_\_\_ passed and approved \_\_\_\_\_ 2019.

Executed by the PRESIDENT AND CEO of NORTH EAST COMMUNITY ACTION CORPORATION (NECAC) this \_\_\_\_\_ day of \_\_\_\_\_, 2019.