

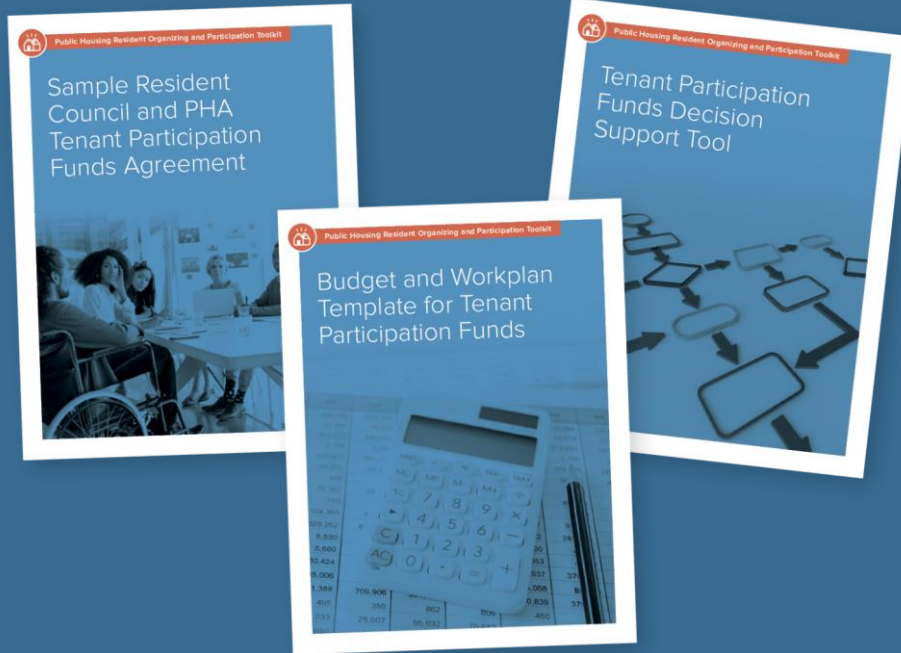


Guide 9: Tenant Participation Funds

Part 1: Understanding Resident Councils and TP Funds



Tenant Participation Funds — Tools



- Sample Resident Council and PHA Tenant Participation Funds Agreement
- Budget and Workplan Template for Tenant Participation Funds
- Tenant Participation Funds Decision Support Tool



Training Overview

What are tenant participation funds (TP Funds)

How are TP Funds distributed to resident councils, including jurisdiction-wide resident councils

Resident Council–PHA Tenant Participation Funds Agreement

Dispute resolution process for resident councils and PHAs

Allowable activities

- Stipends for resident council board members

Housing agency expenses

Reasonable expenses, unallowable expenses, and best uses

Jurisdiction wide resident councils and TP Funds

Mixed income communities

Part 2: Roles and responsibilities related to TP Funds, financial management of TP funds, and resources.



Key Points

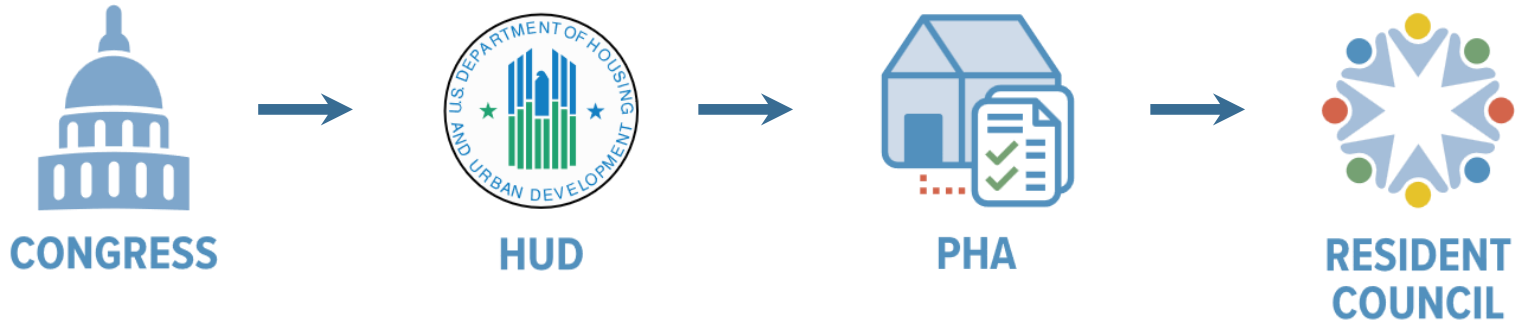


To support resident participation, HUD provides funding to PHAs for resident participation activities. Part of this funding is reserved for resident councils.

- The PHA and resident council must have a written agreement that establishes how funds will be used and distributed.
- Tenant participation funds can be used to support a range of resident council operations and activities.
- When both property-based resident council(s) and a jurisdiction-wide council exist, the housing agency and the councils must agree on how to divide the tenant participation funds.
- Resident councils will need to work with the PHA to develop policies related to financial management of tenant participation funds



The Funding Process



Tenant participation funds provide support to **duly-elected resident councils** to improve residents' quality of life and support residents in creating a positive living environment.



PHA Support to Resident Council



Funds for the resident council may go to:

- The duly elected resident council, or
- A jurisdiction-wide council, or
- Be shared between the two groups.

Funding can only be provided to a resident council through a written agreement between the housing agency and resident council.

The PHAs remains responsible for supporting tenant participation activities beyond funding.



Written Agreement

A written agreement between the PHA and resident council regarding Tenant Participation funds is required. It should:

Establish each party's role related to the funds.

Govern decisions on how tenant participation funds are spent.

Spell out how these funds are disbursed and audited.

Include a budget.

Assure that all expenses will be made following the law.

Assure that all expenses will promote "serviceability, efficiency, economy and stability."

Require the resident council to account to the PHA for the use of the funds.

Permit the PHA to audit the resident council's financial records.



Written Agreement — Best Practice



Best practice: include remedies (such as stricter future oversight or repayment agreements) if funds are misspent.



The Sample Resident Council and PHA Tenant Participation Funds Agreement provides a template that your resident council can customize.



Resolution of Disputes

1. Residents and the housing agency are encouraged to work to resolve any disputes related to TP Funds
2. Conflict resolution mediator
3. Refer to HUD Field Office
4. Further negotiations with a neutral party of Field Office (90 days)
5. Refer to HUD Headquarters
6. HUD - review underlying policies and may prescribe corrective actions.
(Note: HUD cannot overturn actions that are in line with regulations.)
7. Field Office will monitor prescribed corrective actions



Resident Council Allowable Activities

Tenant participation funds must be used to fulfill the mission of resident councils — resident council operations and activities to improve residents' quality of life, and satisfaction, and create a positive living environment.

Examples of expenses that support the operation of the resident council include:

- An enclosed bulletin board to post resident council notices.
- Training of resident leaders, including training with local and national organizations.



Resident Council Allowable Activities Continued

Examples of activities that support resident quality of life, satisfaction, and self-help initiatives include:

Youth activities such as homework help.

Violence prevention programs.

Childcare for any eligible event.



Maintaining a community garden.

Computer lab and/ or classes.



Knowledge Check



What is the minimum amount per occupied unit that the PHA must provide to the duly-elected resident council each year (assuming full Congressional funding)?

- a. \$15 per unit annually
- b. \$15 per unit to each resident council and \$10 per unit to jurisdiction-wide resident councils
- c. \$25 per unit annually
- d. No minimum amount.



Knowledge Check



a. \$15 per unit annually



Knowledge Check



What is the first step in resolving disputes between a resident council and PHA related to tenant participation funds?

- a. Contact HUD to mediate
- b. Contract a conflict resolution mediator
- c. Residents and the housing agency should work to resolve any disputes
- d. Ask the HUD field office to look at underlying policies.



Knowledge Check



- c. Residents and the housing agency should work to resolve any disputes



Stipends

HUD encourages stipends to support residents in volunteering as resident council officers.

Resident Council and PHA can decide amount

Up to \$200 / month for each officer

Come from the resident council portion of TP funds

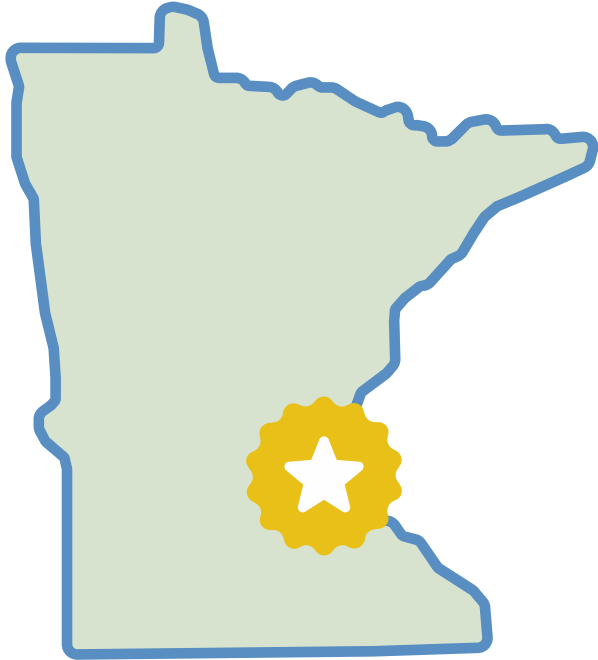
Not considered income. Do not affect rent.

Paid after the work has been done.

Some resident councils do not provide stipends and instead reimburse officers for direct expenses.



Examples of Stipends



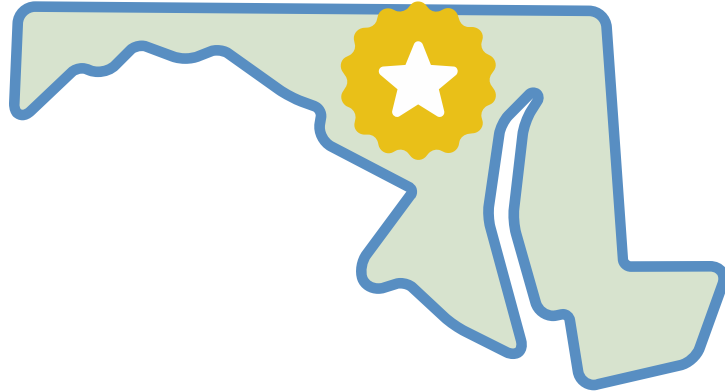
St Paul, MN

- Resident council officers receive stipends of \$10 to \$25 per month.
- QuickBooks Peers, resident leaders who support other resident councils with financial management, receive up to \$50 per month.



Examples of Stipends

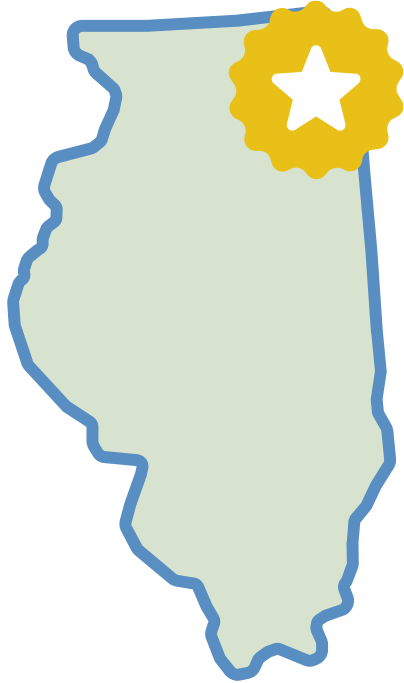
Baltimore, MD



- Officers for the resident councils do not receive stipends.
- Representations to the jurisdiction-wide resident council, the Resident Advisory Board, receive a stipend of \$15 for each 2 hour meeting they participate in for transportation and to encourage participation.
- RAB representatives can also receive a \$25 stipend for at least 4 hours of secretarial work.



Examples of Stipends



Chicago, IL

- Stipends are provided only to members of the jurisdiction-wide resident council who represent multiple resident councils.
- To receive a stipend they must volunteer for at least 20 hours.
- The stipends range up to \$200 per month for the president.



Housing Agency Specific Activities

The PHA may use their portion of TP Funds to support the operation and work of the resident councils by:



Helping tenants form a resident council — hiring a facilitator or trainer, paying for some staff time for outreach or capacity building



Providing office space and meeting facilities.



Conducting elections and recalls, or arbitration to resolve disputes.

Tenant participation funding can only be used for PHA staff time directly related to tenant participation activities.



Reasonable Expenses

Expenses must be “reasonable” and clearly necessary for the group to meet its goals and carry out the activities in the TP Funds agreement.

Cost should not exceed what a reasonable person would pay under the same circumstances. Consider the following when determining if a cost is reasonable:

- Is the cost ordinary and necessary to operate?
 - » Ex: Printing signs to guide people to a training — Yes; Valet parking — No
- Were sound business practices used including arms-length bargaining, and following all laws and regulations?
 - » Ex: A board member’s private company may have a conflict of interest.



Reasonable Expenses Continued



Is the cost the same or less than the market price in that geographic area?



Did the people involved act cautiously and consider their responsibilities?



Were multiple bids received?
And conflicts of interest avoided?



Did the group follow its own practices and policies?



Unallowable Expenses

Tenant participation funds may not be used for activities:

- That are not within the scope of the PHA - Resident Council agreement, or
- Are not in line with HUD requirements in the regulations.

Example of expenses that are not allowed:

- Any activities prohibited by fair housing, non-discrimination laws.
- Alcoholic beverages
- Entertainment, diversion, social activities, and gambling
- Organized fundraising



Use the Tenant Participation Funds Decision Support Tool to decide how to use tenant participation funds.



Best Use of Funds

Evaluate whether an expense is good use of limited tenant participation funds.

*Look at previous years activities and ask:
what was the impact of expense or activity?
How many residents benefitted?
Did it benefit a diverse group of residents?
What did residents learn or gain from
an activity?*



Best Use of Funds



*Could we achieve the same outcome
but spend less?*

Could we get donations?

Could a resident provide the service?

***Is there another activity or expense
that would benefit residents more?***



Jurisdiction-wide Resident Councils



The PHA and resident councils must agree on how to divide the tenant participation funds between resident councils and a jurisdiction-wide council.

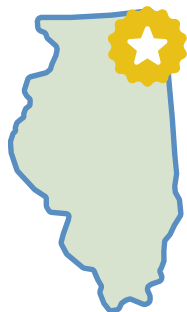
A resident council may also transfer their funds to another eligible resident council or a jurisdiction-wide council as long as this is allowed under the agreement with the housing agency.



Examples: TP Funds for Jurisdiction-Wide Resident Councils



In Cincinnati, OH, the housing agency does not retain any TP funds. It provides \$10 per unit to the jurisdiction-wide resident council and \$15 per unit to building resident councils.



In Chicago, IL, the jurisdiction-wide resident council administers the tenant participation funds and passes on \$3 per month per unit for resident activities to the Local Advisory Councils, which represent the family properties and groups of senior properties.



Knowledge Check



How can a resident council determine if an activity is a good use of tenant participation funds?

- a. Look at whether they could do the same activity for free or by spending less money?
- b. Look at how many residents benefited?
- c. Look at what residents learned or gained from the activity?
- d. All of the above



Knowledge Check



d. All of the above

- Look at whether they could do the same activity for free or by spending less money?
- Look at how many residents benefited?
- Look at what residents learned or gained from the activity?



Knowledge Check



Which of the following activities would not be a permitted use of tenant participation funds:

- a. Printing flyers for a resident council meeting
- b. Renting a space to hold a fundraiser for the resident council
- c. Paying for a training for resident council board members
- d. All of the above.



Knowledge Check



- b. Renting a space to hold a fundraiser for the resident council



Knowledge Check



True/ false: A resident council must provide a percentage of their tenant participation funds to a jurisdiction-wide resident council.



Knowledge Check



False.



Mixed Income Communities



Public housing residents in mixed-income communities are eligible to use tenant participation funds.

HUD recommends that the amount of tenant participation funds that are used for an eligible activity be proportional to the amount of public housing residents.

Example: If half of the residents in a building are public housing residents, then tenant participation funds could pay for half of the expense for an activity.



Absence of a Resident Council

No duly elected resident council, the PHA

- Should let residents know about the availability of tenant participation funds.
- Should use its portion of the funds, up to \$10 per unit annually, for tenant participation activities, including training and supporting residents to establish and run a resident council.
- May engage a jurisdiction-wide council, or another local council to carry out activities at a development without a resident council using that properties TP Funds. Remaining funds can then be provided to the new council.



St Paul, MN, experienced resident leaders can apply for a stipend position as Peer Advisors to help form a new resident council or assist new board members.



Continue to Part 2:
Roles, Responsibilities,
and Management of
TP Funds

