STAUNTON REDEVELOPMENT AND HOUSING AUTHORITY

Regular Meeting
July 21, 2026
12:00 p.m.
100 Elizabeth Miller Gardens
Staunton, Virginia

AGENDA

I. Call to Order / Roll Call

II. Approval of Minutes – June 16, 2026 (Action)

III. Public Comments

(3-minute limit per speaker)

IV. Executive Director's Report

A. Financial Reports (Action)

1. Housing Choice Voucher (HCV) Program – April 2026
2. Multi-Family (MF) Program – April 2026

B. Housing Choice Voucher (HCV) Program Report

C. Multi-Family (MF) Program Report

D. Resident Needs Assessment and Self-Sufficiency Program Report

V. Board Committee Reports

Finance Committee

Personnel Committee

Program and Community Development Committee

VI. Old Business

A. Commissioner Code of Ethics and Oath of Office

Update regarding legal counsel's preparation of a proposed Commissioner Code of Ethics and Oath of Office, as directed by the Board on June 16, 2026. Discussion may include review of the proposed document if available.

VII. New Business

A. Public Hearing – Artificial Intelligence (AI) Acceptable Use and Governance Policy

B. Resolution No. 2026-01 – Adoption of the Artificial Intelligence (AI) Acceptable Use and Governance Policy (Action)

C. Public Hearing – Multi-Family (MF) Grievance Policy

D. Resolution No. 2026-02 – Adoption of the Multi-Family (MF) Grievance Policy (Action)

E. Public Hearing – Internal and Financial Protocols

F. Resolution No. 2026-03 – Adoption of the Internal and Financial Protocols (Action)

G. Presentation of the FY2027 Streamlined Annual PHA Plan

Presentation of the proposed FY2027 Streamlined Annual PHA Plan and authorization for the Executive Director to release the Plan for a public review and comment period of **no less than forty-five (45) days**, prior to the public hearing and Board consideration for adoption.

VIII. Adjournment

Minutes of the SRHA Board Meeting

Staunton Redevelopment and Housing Authority

Regular Meeting – Board of Commissioners
June 16, 2026 | 12:00 p.m.
100 Elizabeth Miller Gardens
Staunton, Virginia

I. Call to Order and Determination of a Quorum

The Regular Meeting of the Board of Commissioners of the Staunton Redevelopment and Housing Authority (SRHA) was called to order by Chair Nicholas Hurston on Tuesday, June 16, 2026, at 12:00 p.m., at 100 Elizabeth Miller Gardens, Staunton, Virginia. Chair Hurston presided.

Upon roll call, the following Commissioners were present:

- Mr. Nicholas Hurston, Chair
- Mr. Tracy Toye, Commissioner
- Mr. Jonathan Mason, Commissioner
- Mr. Tyler Gallimore, Commissioner

The following Commissioners were absent:

- Mr. Chris Okay, Vice-Chair
- Ms. Suzi Armstrong, Commissioner
- Ms. Sheba Lane, Commissioner

A quorum was established.

Commissioner Chris Okay arrived during the Executive Director's Report following presentation of the Multi-Family financial reports.

Also present:

- Mr. Nehemias Velez, Executive Director
- Ms. Susan Venable, Needs Assessment and Self-Sufficiency Coordinator
- Council Member Alice Woods, City Council Liaison

II. Approval of Minutes – May 19, 2026

Chair Hurston presented the minutes of the May 19, 2026 Regular Meeting for approval.

Chair Hurston made a motion to approve the minutes as presented. The motion was seconded by Commissioner Mason.

AYES: Hurston, Toye, Mason, Gallimore
NAYS: None

The motion carried unanimously.

III. Public Comments

Ms. Susan Venable addressed the Board regarding the STEAM Camp held during the previous week.

Ms. Venable reported that the program was successful, with twelve (12) children registered and approximately ten (10) children attending. She advised the Board that tutoring teachers from Staunton City Schools led the camp activities and expressed appreciation for their support and participation.

Council Member Alice Woods provided an update regarding the Booker T. Washington Community Center. Ms. Woods advised the Board that community input sessions are anticipated later in 2026 to gather public feedback regarding the future of the facility and related planning efforts.

Board members thanked Ms. Venable and Ms. Woods for their updates.

IV. Executive Director's Report

A. Financial Reports – March 2026

Housing Choice Voucher (HCV) Program

Mr. Velez presented the March 2026 financial reports for the Housing Choice Voucher (HCV) Program.

Following discussion, Chair Hurston made a motion to approve the March 2026 HCV financial reports. The motion was seconded by Commissioner Toye.

AYES: Hurston, Toye, Mason, Gallimore
NAYS: None

The motion carried unanimously.

Multi-Family (MF) Program

Mr. Velez presented the March 2026 financial reports for the Multi-Family Program.

Following discussion, Commissioner Mason made a motion to approve the March 2026 Multi-Family financial reports. The motion was seconded by Commissioner Gallimore.

AYES: Hurston, Toye, Mason, Gallimore
NAYS: None

The motion carried unanimously.

Commissioner Chris Okay arrived following presentation of the Multi-Family financial reports and joined the meeting.

B. Housing Choice Voucher (HCV) Program Report

Mr. Velez presented the Housing Choice Voucher (HCV) Program report for May 2026.

The program reported a total of 253 vouchers, including 238 Housing Choice Vouchers and 15 Veterans Affairs Supportive Housing (VASH) vouchers. Current utilization included 189 HCV vouchers, 30 Project-Based Vouchers (PBV), 11 VASH vouchers, and 3 outgoing portable vouchers, for a total utilization of 233 vouchers.

Additional program activity included one VASH voucher issued during the reporting period, four households actively searching for housing, and continued administration of portability activity. The HCV waiting list remained at 1,642 applicants, while the 3-bedroom PBV waiting list increased to 101 applicants following the reopening of the PBV waiting list on March 30, 2026.

No action was taken.

C. Multi-Family (MF) Program Report

Mr. Velez presented the Multi-Family Program report for May 2026.

The program reported 143 occupied units and 7 vacant units, with 2 move-ins, 4 move-outs, and 2 evictions during the reporting period. No unit transfers or abandonment cases were reported.

Additional activity included 13 late rents, 1 new repayment agreement, and 2 unlawful detainers filed. Waiting list totals included 430 applicants for 1-bedroom units, 353 for 2-bedroom units, 243 for 3-bedroom units, 77 for 4-bedroom units, and 45 for 5-bedroom units.

No action was taken.

D. Resident Needs Assessment and Self-Sufficiency Program Report

Mr. Velez presented the Resident Needs Assessment and Self-Sufficiency Program report for May 2026.

The program reported serving 52 households and 129 individuals during the reporting period through direct services, needs assessments, service coordination efforts, and food security initiatives. Year-to-date activity included 6 households engaged, 12 needs assessments completed, and 6 referrals to partner agencies.

Program updates highlighted continued implementation of the Eviction Prevention Program, coordination with Atlantic Union Bank's budgeting program, and educational advancement by participating residents. Additional discussion included the successful STEAM Camp held at Farrier Court and continued collaboration with Staunton Housing Corporation's food pantry operations.

The Board discussed the positive impact of resident support services and youth educational programming.

No action was taken.

V. Board Committee Reports

Finance Committee

There was no report.

Personnel Committee

There was no report.

Program and Community Development Committee

There was no report.

VI. Old Business

A. Commissioner Code of Ethics and Oath of Office Discussion

The Board continued discussion regarding the development of an SRHA Commissioner Code of Ethics and Oath of Office.

Following discussion, the Board expressed interest in having legal counsel prepare a draft document for future review and consideration. Discussion included the potential structure and content of the document and its role in supporting Board governance practices.

No action was taken.

B. Vehicle and Recycled Funds Discussion

Mr. Velez provided an update regarding the vehicle and recycled funds accounts.

Following discussion, the Board determined that the existing structure for the vehicle and recycled funds accounts would remain unchanged at this time. The Board further discussed the possibility of exploring a loan program in the future should operational needs warrant such consideration.

No action was taken.

VII. New Business

A. Public Comment Policy Revisions Discussion

Mr. Velez advised the Board that the public comment period is currently underway for the following proposed policies:

- Artificial Intelligence (AI) Policy
- Multi-Family (MF) Grievance Policy
- Internal and Financial Protocols

Mr. Velez reported that the proposed policies have been posted on the Authority's website and are available for public review and comment.

Mr. Velez further advised the Board that, following completion of the public comment period, the policies are anticipated to be presented to the Board for consideration and possible adoption at the July 2026 meeting.

Discussion followed regarding the public comment process and timeline for future Board action.

No action was taken.

VIII. Closed Session

Chair Hurston advised that the Board would convene in closed session pursuant to § 2.2-3711(A)(1) of the Code of Virginia for discussion, consideration, or evaluation of the performance of specific employees.

Chair Hurston made a motion to enter closed session. The motion was seconded by Vice-Chair Okay.

AYES: Hurston, Toye, Mason, Gallimore, Okay
NAYS: None

The motion carried unanimously.

IX. Certification of Closed Session

Upon returning to open session, Commissioner Mason made a motion to certify that, to the best of each Commissioner's knowledge, only public business matters lawfully exempted from open meeting requirements and only such public business matters as were identified in the motion convening the closed session were heard, discussed, or considered during the closed session. The motion was seconded by Commissioner Gallimore.

AYES: Hurston, Toye, Mason, Gallimore, Okay
NAYS: None

The motion carried unanimously.

X. Adjournment

There being no further business, Chair Hurston made a motion to adjourn the meeting. The motion was seconded by Vice-Chair Okay.

AYES: Hurston, Toye, Mason, Gallimore, Okay
NAYS: None

The motion carried unanimously.

The meeting adjourned at 1:30 p.m.

Secretary

Chair

Housing Choice Voucher (HCV)

Balance Sheet

Period = Apr 2026

		Current Balance
0999-99-000	All	
1000-00-000	**ASSETS**	
1001-00-000	CURRENT ASSETS	
1100-00-000	CASH	
1110-00-000	Unrestricted Cash	
1111-11-000	Cash Operating AUB	6,997.78
1111-99-000	Total Unrestricted Cash	6,997.78
1112-00-000	Restricted Cash	
1112-03-100	Cash Restricted-HAP AUB	12,228.39
1112-99-000	Total Restricted Cash	12,228.39
1119-00-000	TOTAL CASH	19,226.17
1120-00-000	ACCOUNTS AND NOTES RECEIVABLE	
1122-00-000	A/R -Tenants	1,206.00
1129-00-000	A/R -Other	-80.00
1130-00-000	A/R Port Ins	51.49
1149-00-000	TOTAL ACCOUNTS AND NOTES RECEIVABLE	1,177.49
1300-00-000	TOTAL CURRENT ASSETS	20,403.66
1400-00-000	NONCURRENT ASSETS:	
1400-01-000	FIXED ASSETS	
1400-08-000	Furniture and Equipment-Admin.	9,019.53
1405-03-000	Accum Depreciation-Furn & Equip Admin	-8,108.74
1420-00-000	TOTAL FIXED ASSETS	910.79
1430-00-000	Pension Asset	30,325.00
1440-00-000	Deferred Outflows	11,455.00
1499-00-000	TOTAL NONCURRENT ASSETS	42,690.79
1999-00-000	TOTAL ASSETS	63,094.45
2000-00-000	LIABILITIES & EQUITY	
2001-00-000	LIABILITIES:	
2100-00-000	CURRENT LIABLITIES:	
2111-00-000	A/P Vendors and Contractors	-6.00
2145-00-000	Interprogram-Due To	125,937.15
2260-00-000	Accrued Compensated Absences-Current	589.95
2299-00-000	TOTAL CURRENT LIABILITIES	126,521.10
2300-00-000	NONCURRENT LIABILITIES:	
2305-00-000	Accrued Compensated Absences-LT	5,309.52
2360-00-000	OPEB Liability	1,707.00

Housing Choice Voucher (HCV)

Balance Sheet

Period = Apr 2026

		Current Balance
2370-00-000	Deferred Inflows	11,141.00
2399-00-000	TOTAL NONCURRENT LIABILITIES	18,157.52
2499-00-000	TOTAL LIABILITIES	144,678.62
2800-00-000	EQUITY	
2807-00-000	RESERVED FUND BALANCE	
2807-01-000	Reserved for Operating Activities	3,379.94
2808-00-000	TOTAL RESERVED FUND BALANCE	3,379.94
2809-00-000	RETAINED EARNINGS:	
2809-01-000	Invested in Capital Assets-Net of Debt	3,643.22
2809-02-000	Retained Earnings-Unrestricted Net Assets	-88,607.33
2809-99-000	TOTAL RETAINED EARNINGS:	-84,964.11
2899-00-000	TOTAL EQUITY	-81,584.17
2999-00-000	TOTAL LIABILITIES AND EQUITY	63,094.45

Housing Choice Voucher (HCV)

Income Statement

Period = Apr 2026

		April Actual	April Budget	Variance	YTD Actual	YTD Budget	YTD Variance	YTD Last Year	Change
3000-00-000	INCOME								
3100-00-000	TENANT INCOME								
3101-00-000	Rental Income								
3112-05-000	Utility Reimbursement Recovery -59 & TC	0.00	0.00	0.00	0.00	0.00	0.00	944.00	-944.00
3199-00-000	TOTAL TENANT INCOME	0.00	0.00	0.00	0.00	0.00	0.00	944.00	-944.00
3400-00-000	GRANT INCOME								
3410-01-000	Section 8 HAP Earned	185,458.00	186,534.83	-1,076.83	763,631.00	746,139.32	17,491.68	704,382.00	59,249.00
3410-02-000	Section 8 Admin. Fee Income	15,394.00	17,583.33	-2,189.33	67,206.00	70,333.32	-3,127.32	58,860.00	8,346.00
3410-04-000	Port-In Admin Fees Earned	158.84	0.00	158.84	635.36	0.00	635.36	420.15	215.21
3410-06-000	Port In HAP Earned	2,756.00	0.00	2,756.00	10,574.00	0.00	10,574.00	8,527.00	2,047.00
3410-07-000	VASH HAP Earned	0.00	0.00	0.00	0.00	0.00	0.00	3,445.00	-3,445.00
3499-00-000	TOTAL GRANT INCOME	203,766.84	204,118.16	-351.32	842,046.36	816,472.64	25,573.72	775,634.15	66,412.21
3600-00-000	OTHER INCOME								
3640-10-000	Fraud Recovery HAP	112.50	0.00	112.50	484.00	0.00	484.00	0.00	484.00
3640-20-000	Fraud Recovery Admin	112.50	0.00	112.50	484.00	0.00	484.00	0.00	484.00
3699-00-000	TOTAL OTHER INCOME	225.00	0.00	225.00	968.00	0.00	968.00	0.00	968.00
3999-00-000	TOTAL INCOME	203,991.84	204,118.16	-126.32	843,014.36	816,472.64	26,541.72	776,578.15	66,436.21
4000-00-000	EXPENSES								
4100-00-000	ADMINISTRATIVE EXPENSES								
4100-99-000	Administrative Salaries								
4110-00-000	Administrative Salaries	7,702.66	9,000.00	1,297.34	32,342.80	36,000.00	3,657.20	32,849.07	506.27
4110-05-000	Social Security & Medicare Expense	569.55	708.33	138.78	2,400.88	2,833.32	432.44	2,414.64	13.76
4110-06-000	SUTA Expense	0.00	41.67	41.67	457.21	166.68	-290.53	159.98	-297.23
4110-07-000	VRS Retire & Basic Life Expense	158.74	166.67	7.93	634.96	666.68	31.72	558.51	-76.45
4110-08-000	457b Expense	192.15	166.67	-25.48	767.43	666.68	-100.75	665.58	-101.85
4110-09-000	Health Insurance Expense	2,172.24	2,166.67	-5.57	9,571.86	8,666.68	-905.18	8,112.37	-1,459.49
4110-10-000	Dental Insurance Expense	120.75	125.00	4.25	525.02	500.00	-25.02	486.63	-38.39
4110-99-000	Total Administrative Salaries	10,916.09	12,375.01	1,458.92	46,700.16	49,500.04	2,799.88	45,246.78	-1,453.38
4130-00-000	Legal Expense								

Housing Choice Voucher (HCV)

Income Statement

Period = Apr 2026

		April Actual	April Budget	Variance	YTD Actual	YTD Budget	YTD Variance	YTD Last Year	Change
4130-02-000	Criminal Background Checks	110.80	166.67	55.87	180.05	666.68	486.63	665.85	485.80
4130-04-000	General Legal Expense	795.50	250.00	-545.50	2,823.50	1,000.00	-1,823.50	969.17	-1,854.33
4131-00-000	Total Legal Expense	906.30	416.67	-489.63	3,003.55	1,666.68	-1,336.87	1,635.02	-1,368.53
4139-00-000	Other Admin Expenses								
4140-00-000	Staff Training	3,074.09	333.33	-2,740.76	5,700.60	1,333.32	-4,367.28	3,904.13	-1,796.47
4150-00-000	Travel	0.00	125.00	125.00	151.86	500.00	348.14	179.90	28.04
4170-00-000	Accounting Fees	58.00	250.00	192.00	1,380.85	1,000.00	-380.85	1,685.25	304.40
4171-00-000	Auditing Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4172-00-000	Port Out Admin Fee Paid	239.28	166.67	-72.61	787.30	666.68	-120.62	433.62	-353.68
4182-00-000	Consultants	0.00	250.00	250.00	2,800.00	1,000.00	-1,800.00	1,312.15	-1,487.85
4182-01-000	Program Consultants	810.25	166.67	-643.58	2,040.25	666.68	-1,373.57	131.25	-1,909.00
4189-00-000	Total Other Admin Expenses	4,181.62	1,291.67	-2,889.95	12,860.86	5,166.68	-7,694.18	7,646.30	-5,214.56
4190-00-000	Miscellaneous Admin Expenses								
4190-01-000	Membership and Fees	318.16	166.67	-151.49	1,250.91	666.68	-584.23	1,250.11	-0.80
4190-04-000	Office Supplies	156.07	250.00	93.93	636.27	1,000.00	363.73	574.98	-61.29
4190-06-000	Computer Parts	589.86	666.67	76.81	4,854.64	2,666.68	-2,187.96	2,294.32	-2,560.32
4190-07-000	Telephone	95.36	166.67	71.31	381.56	666.68	285.12	529.40	147.84
4190-08-000	Postage	378.24	166.67	-211.57	654.15	666.68	12.53	912.44	258.29
4190-09-000	Software Lisense Fees	39.75	666.67	626.92	469.25	2,666.68	2,197.43	310.97	-158.28
4190-11-000	Printer Supplies	109.51	166.67	57.16	545.25	666.68	121.43	379.25	-166.00
4190-13-000	Internet	183.87	83.33	-100.54	453.99	333.32	-120.67	359.72	-94.27
4190-22-000	Other Misc Admin Expenses	753.74	416.67	-337.07	873.82	1,666.68	792.86	2,242.03	1,368.21
4191-00-000	Total Miscellaneous Admin Expenses	2,624.56	2,750.02	125.46	10,119.84	11,000.08	880.24	8,853.22	-1,266.62
4199-00-000	TOTAL ADMINISTRATIVE EXPENSES	18,628.57	16,833.37	-1,795.20	72,684.41	67,333.48	-5,350.93	63,381.32	-9,303.09
4500-00-000	GENERAL EXPENSES								
4510-00-000	Insurance	0.00	333.33	333.33	821.54	1,333.32	511.78	729.29	-92.25
4599-00-000	TOTAL GENERAL EXPENSES	0.00	333.33	333.33	821.54	1,333.32	511.78	729.29	-92.25
4700-00-000	HOUSING ASSISTANCE PAYMENTS								
4715-00-000	Housing Assistance Payments	183,125.00	186,534.83	3,409.83	708,788.00	746,139.32	37,351.32	714,858.00	6,070.00
4715-01-000	Tenant Utility Payments-Voucher	4,863.00	0.00	-4,863.00	17,695.00	0.00	-17,695.00	28,468.00	10,773.00
4715-02-000	Port Out HAP Payments	10,861.00	0.00	-10,861.00	32,086.00	0.00	-32,086.00	13,259.00	-18,827.00

Housing Choice Voucher (HCV)

Income Statement

Period = Apr 2026

		April Actual	April Budget	Variance	YTD Actual	YTD Budget	YTD Variance	YTD Last Year	Change
4799-00-000	TOTAL HOUSING ASSISTANCE PAYMENTS	198,849.00	186,534.83	-12,314.17	758,569.00	746,139.32	-12,429.68	756,585.00	-1,984.00
8000-00-000	TOTAL EXPENSES	217,477.57	203,701.53	-13,776.04	832,074.95	814,806.12	-17,268.83	820,695.61	-11,379.34
9000-00-000	NET INCOME	-13,485.73	416.63	-13,902.36	10,939.41	1,666.52	9,272.89	-44,117.46	55,056.87

Multifamily Program (The Gardens of Staunton)

Balance Sheet

Period = Apr 2026

		Current Balance
0999-99-000	All	
1000-00-000	**ASSETS**	
1001-00-000	CURRENT ASSETS	
1100-00-000	CASH	
1110-00-000	Unrestricted Cash	
1111-11-000	Cash Operating AUB	56,493.50
1111-50-000	Cash Operating Vehicle Fund	2,958.94
1111-60-000	Cash Operating Recycle Fund	1,698.54
1111-90-000	Petty Cash	500.00
1111-99-000	Total Unrestricted Cash	61,650.98
1112-00-000	Restricted Cash	
1112-01-000	Cash Restricted-Security Deposits	49,293.85
1112-04-000	Cash Restricted-Reserve for Replacement	179,989.94
1112-99-000	Total Restricted Cash	229,283.79
1119-00-000	TOTAL CASH	290,934.77
1120-00-000	ACCOUNTS AND NOTES RECEIVABLE	
1122-00-000	A/R -Tenants	34,329.39
1122-01-000	Allowance for Doubtful Accounts-Tenants	-4,192.02
1135-01-000	A/R -50059 HAP	-596.00
1149-00-000	TOTAL ACCOUNTS AND NOTES RECEIVABLE	29,541.37
1160-00-000	OTHER CURRENT ASSETS	
1162-10-000	Investments-Restricted	444,740.54
1260-00-000	Inventories-Materials	41,583.13
1275-00-000	Allowance for Obsolete Inventories	-4,505.18
1295-00-000	Interprogram-Due From	142,820.59
1299-00-000	TOTAL OTHER CURRENT ASSETS	624,639.08
1300-00-000	TOTAL CURRENT ASSETS	945,115.22
1400-00-000	NONCURRENT ASSETS:	
1400-01-000	FIXED ASSETS	
1400-05-000	Land	193,547.00
1400-06-000	Buildings	8,693,175.98
1400-07-000	Furniture and Equipment-Dwelling	209,769.47
1400-08-000	Furniture and Equipment-Admin.	262,535.44
1405-01-000	Accum Depreciation-Buildings	-7,791,416.91
1405-02-000	Accum Depreciation-Furn & Equip Dwellings	-147,991.58
1405-03-000	Accum Depreciation-Furn & Equip Admin	-240,706.51
1420-00-000	TOTAL FIXED ASSETS	1,178,912.89
1430-00-000	Pension Asset	331,115.00
1440-00-000	Deferred Outflows	125,075.00

Multifamily Program (The Gardens of Staunton)

Balance Sheet

Period = Apr 2026

		Current Balance
1499-00-000	TOTAL NONCURRENT ASSETS	1,635,102.89
1999-00-000	TOTAL ASSETS	2,580,218.11
2000-00-000	LIABILITIES & EQUITY	
2001-00-000	LIABILITIES:	
2100-00-000	CURRENT LIABLITIES:	
2111-00-000	A/P Vendors and Contractors	61,284.32
2114-00-000	Tenant Security Deposits	46,375.00
2114-03-000	Security Deposit-Pet	5,690.72
2117-01-000	A/P-Payroll Wages Payable	13,733.81
2117-03-000	A/P-Misc. Payroll Witholdings	0.16
2117-04-000	Federal Tax Witholding	1,647.00
2117-05-000	State Tax Witholding	931.00
2117-06-000	Employee FICA Witholding	3,135.18
2117-11-000	VRS Payable	-134.94
2117-13-000	Health & Dental Payable	857.72
2240-00-000	Tenant Prepaid Rents	1,278.90
2260-00-000	Accrued Compensated Absences-Current	2,986.67
2299-00-000	TOTAL CURRENT LIABILITIES	137,785.54
2300-00-000	NONCURRENT LIABILITIES:	
2305-00-000	Accrued Compensated Absences-LT	26,880.02
2360-00-000	OPEB Liability	18,642.00
2370-00-000	Deferred Inflows	121,642.00
2399-00-000	TOTAL NONCURRENT LIABILITIES	167,164.02
2499-00-000	TOTAL LIABILITIES	304,949.56
2800-00-000	EQUITY	
2809-00-000	RETAINED EARNINGS:	
2809-02-000	Retained Earnings-Unrestricted Net Assets	2,275,268.55
2809-99-000	TOTAL RETAINED EARNINGS:	2,275,268.55
2899-00-000	TOTAL EQUITY	2,275,268.55
2999-00-000	TOTAL LIABILITIES AND EQUITY	2,580,218.11

Multifamily Program (The Gardens of Staunton)

Income Statement

Period = Apr 2026

		April	April		YTD	YTD	YTD	YTD	
		Actual	Budget	Variance	Actual	Budget	Variance	Last Year	Change
3000-00-000	INCOME								
3100-00-000	TENANT INCOME								
3101-00-000	Rental Income								
3111-00-000	Tenant Rent	44,887.00	42,500.00	2,387.00	177,878.55	170,000.00	7,878.55	164,098.43	13,780.12
3112-00-000	HUD 50059 HAP Subsidy	61,283.00	60,416.67	866.33	244,356.00	241,666.68	2,689.32	239,955.00	4,401.00
3112-03-000	Utility Reimbursement -59 & TC	2,220.00	0.00	-2,220.00	8,145.00	0.00	-8,145.00	8,283.00	138.00
3112-05-000	Utility Reimbursement Recovery -59 & TC	193.00	0.00	193.00	763.00	0.00	763.00	632.00	131.00
3119-00-000	Total Rental Income	104,143.00	102,916.67	1,226.33	414,852.55	411,666.68	3,185.87	396,402.43	18,450.12
3120-00-000	Other Tenant Income								
3120-01-000	Laundry and Vending	1,542.75	1,250.00	292.75	6,814.26	5,000.00	1,814.26	6,099.75	714.51
3120-04-000	Late Charges	375.00	208.33	166.67	1,450.00	833.32	616.68	1,225.00	225.00
3120-05-000	Legal Fees - Tenant	149.00	833.33	-684.33	860.00	3,333.32	-2,473.32	555.00	305.00
3120-07-000	Tenant Owed Utilities	14,539.56	14,166.67	372.89	67,658.06	56,666.68	10,991.38	73,718.41	-6,060.35
3120-09-000	Misc.Tenant Income	5.00	0.00	5.00	10.00	0.00	10.00	5.00	5.00
3120-11-000	Work Orders	832.40	583.33	249.07	1,546.79	2,333.32	-786.53	2,202.68	-655.89
3121-00-000	Tenant Payment Agreement (TPA) Rent	0.00	0.00	0.00	2,051.49	0.00	2,051.49	11,726.96	-9,675.47
3129-00-000	Total Other Tenant Income	17,443.71	17,041.66	402.05	80,390.60	68,166.64	12,223.96	95,532.80	-15,142.20
3199-00-000	TOTAL TENANT INCOME	121,586.71	119,958.33	1,628.38	495,243.15	479,833.32	15,409.83	491,935.23	3,307.92
3400-00-000	GRANT INCOME								
3415-00-000	Other Government Grants	1,746.79	10,770.83	-9,024.04	3,241.04	43,083.32	-39,842.28	198,803.00	-195,561.96
3499-00-000	TOTAL GRANT INCOME	1,746.79	10,770.83	-9,024.04	3,241.04	43,083.32	-39,842.28	198,803.00	-195,561.96
3600-00-000	OTHER INCOME								
3610-00-000	Investment Income - Unrestricted	12.09	0.00	12.09	12.48	0.00	12.48	0.00	12.48
3611-00-000	Investment Income - Restricted	748.65	1,666.67	-918.02	2,921.04	6,666.68	-3,745.64	10,024.94	-7,103.90
3612-00-000	Security Deposit Interest	6.08	0.00	6.08	23.54	0.00	23.54	0.00	23.54
3650-00-000	Miscellaneous Other Income	0.00	0.00	0.00	1,404.00	0.00	1,404.00	1,598.99	-194.99
3660-00-000	Operating Transfers IN	0.00	0.00	0.00	1,150.00	0.00	1,150.00	0.00	1,150.00
3699-00-000	TOTAL OTHER INCOME	766.82	1,666.67	-899.85	5,511.06	6,666.68	-1,155.62	11,623.93	-6,112.87
3999-00-000	TOTAL INCOME	124,100.32	132,395.83	-8,295.51	503,995.25	529,583.32	-25,588.07	702,362.16	-198,366.91

Multifamily Program (The Gardens of Staunton)

Income Statement

Period = Apr 2026

		April	April		YTD	YTD	YTD	YTD	
		Actual	Budget	Variance	Actual	Budget	Variance	Last Year	Change
4000-00-000	EXPENSES								
4100-00-000	ADMINISTRATIVE EXPENSES								
4100-99-000	Administrative Salaries								
4110-00-000	Administrative Salaries	25,456.98	26,166.67	709.69	102,819.11	104,666.68	1,847.57	93,981.23	-8,837.88
4110-05-000	Social Security & Medicare Expense	2,617.09	3,333.33	716.24	11,033.73	13,333.32	2,299.59	9,459.89	-1,573.84
4110-06-000	SUTA Expense	0.00	250.00	250.00	2,730.30	1,000.00	-1,730.30	690.29	-2,040.01
4110-07-000	VRS Retire & Basic Life Expense	737.58	833.33	95.75	3,087.90	3,333.32	245.42	2,320.11	-767.79
4110-08-000	457b Expense	1,147.00	1,250.00	103.00	4,569.23	5,000.00	430.77	4,131.64	-437.59
4110-09-000	Health Insurance Expense	9,458.06	8,166.67	-1,291.39	41,628.36	32,666.68	-8,961.68	32,368.12	-9,260.24
4110-10-000	Dental Insurance Expense	585.28	583.33	-1.95	2,492.57	2,333.32	-159.25	2,062.53	-430.04
4110-11-000	Employee Assistance Program	0.00	0.00	0.00	2,650.00	3,000.00	350.00	2,600.00	-50.00
4110-99-000	Total Administrative Salaries	40,001.99	40,583.33	581.34	171,011.20	165,333.32	-5,677.88	147,613.81	-23,397.39
4130-00-000	Legal Expense								
4130-02-000	Criminal Background Checks	13.85	166.67	152.82	124.65	666.68	542.03	457.75	333.10
4130-04-000	General Legal Expense	558.25	1,916.67	1,358.42	5,427.00	7,666.68	2,239.68	2,108.08	-3,318.92
4131-00-000	Total Legal Expense	572.10	2,083.34	1,511.24	5,551.65	8,333.36	2,781.71	2,565.83	-2,985.82
4139-00-000	Other Admin Expenses								
4140-00-000	Staff Training	1,238.01	416.67	-821.34	3,129.03	1,666.68	-1,462.35	2,935.05	-193.98
4150-00-000	Travel	0.00	83.33	83.33	105.47	333.32	227.85	0.00	-105.47
4170-00-000	Accounting Fees	58.00	500.00	442.00	1,380.85	2,000.00	619.15	3,211.50	1,830.65
4171-00-000	Auditing Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4182-00-000	Consultants	0.00	416.67	416.67	2,425.00	1,666.68	-758.32	2,982.67	557.67
4182-01-000	Program Consultants	1,211.25	833.33	-377.92	3,164.00	3,333.32	169.32	2,093.75	-1,070.25
4189-00-000	Total Other Admin Expenses	2,507.26	2,250.00	-257.26	10,204.35	9,000.00	-1,204.35	11,222.97	1,018.62
4190-00-000	Miscellaneous Admin Expenses								
4190-01-000	Membership and Fees	318.16	250.00	-68.16	1,275.91	1,000.00	-275.91	1,720.95	445.04
4190-04-000	Office Supplies	156.08	333.33	177.25	718.22	1,333.32	615.10	667.75	-50.47
4190-06-000	Computer Parts	612.06	833.33	221.27	4,955.96	3,333.32	-1,622.64	2,772.97	-2,182.99
4190-07-000	Telephone	95.36	166.67	71.31	381.56	666.68	285.12	529.44	147.88
4190-08-000	Postage	236.65	166.67	-69.98	442.98	666.68	223.70	603.45	160.47
4190-09-000	Software Lisense Fees	59.70	333.33	273.63	549.05	1,333.32	784.27	154.89	-394.16

Multifamily Program (The Gardens of Staunton)

Income Statement

Period = Apr 2026

		April	April		YTD	YTD	YTD	YTD	
		Actual	Budget	Variance	Actual	Budget	Variance	Last Year	Change
4190-11-000	Printer Supplies	109.51	250.00	140.49	545.27	1,000.00	454.73	379.25	-166.02
4190-13-000	Internet	1,185.09	458.33	-726.76	2,535.78	1,833.32	-702.46	1,798.72	-737.06
4190-18-000	Admin Contracts	925.00	1,666.67	741.67	5,025.00	6,666.68	1,641.68	0.00	-5,025.00
4190-20-000	Bank Fees	481.02	500.00	18.98	1,974.30	2,000.00	25.70	1,888.93	-85.37
4190-21-000	Sponsorships	0.00	83.33	83.33	0.00	333.32	333.32	0.00	0.00
4190-22-000	Other Misc Admin Expenses	1,614.23	1,000.00	-614.23	2,908.79	4,000.00	1,091.21	3,690.31	781.52
4191-00-000	Total Miscellaneous Admin Expenses	5,792.86	6,041.66	248.80	21,312.82	24,166.64	2,853.82	14,206.66	-7,106.16
4199-00-000	TOTAL ADMINISTRATIVE EXPENSES	48,874.21	50,958.33	2,084.12	208,080.02	206,833.32	-1,246.70	175,609.27	-32,470.75
4200-00-000	TENANT SERVICES								
4220-00-000	Resident Council	0.00	200.00	200.00	0.00	800.00	800.00	0.00	0.00
4220-01-000	Other Tenant Svcs.	-300.00	500.00	800.00	0.00	2,000.00	2,000.00	0.00	0.00
4240-00-000	FSS General	0.00	250.00	250.00	0.00	1,000.00	1,000.00	0.00	0.00
4240-01-000	Food Pantry	0.00	333.33	333.33	60.51	1,333.32	1,272.81	0.00	-60.51
4240-02-000	Tutoring Program	0.00	250.00	250.00	0.00	1,000.00	1,000.00	0.00	0.00
4299-00-000	TOTAL TENANT SERVICES EXPENSES	-300.00	1,533.33	1,833.33	60.51	6,133.32	6,072.81	0.00	-60.51
4300-00-000	UTILITY EXPENSES								
4310-00-000	Water	18,904.18	13,000.00	-5,904.18	30,688.94	26,000.00	-4,688.94	26,110.27	-4,578.67
4320-00-000	Electricity	8,073.48	11,666.67	3,593.19	37,469.49	46,666.68	9,197.19	42,811.07	5,341.58
4330-00-000	Gas	6,618.38	6,250.00	-368.38	37,676.00	25,000.00	-12,676.00	36,983.34	-692.66
4340-00-000	Garbage/Trash Removal	1,776.38	2,000.00	223.62	7,177.30	8,000.00	822.70	17,607.04	10,429.74
4399-00-000	TOTAL UTILITY EXPENSES	35,372.42	32,916.67	-2,455.75	113,011.73	105,666.68	-7,345.05	123,511.72	10,499.99
4400-00-000	MAINTENANCE AND OPERATIONAL EXPENSES								
4400-99-000	General Maint Expense								
4410-00-000	Maintenance Salaries	9,862.69	11,333.33	1,470.64	45,295.07	45,333.32	38.25	31,989.07	-13,306.00
4413-00-000	Vehicle Gas, Oil, Grease	387.59	333.33	-54.26	1,210.09	1,333.32	123.23	804.42	-405.67
4415-00-000	Maintenance Miscellaneous Expense	2,072.20	416.67	-1,655.53	5,260.99	1,666.68	-3,594.31	1,545.51	-3,715.48
4416-00-000	Extraordinary Maintenance Expense	2,460.00	5,416.67	2,956.67	2,460.00	21,666.68	19,206.68	0.00	-2,460.00
4419-00-000	Total General Maint Expense	14,782.48	17,500.00	2,717.52	54,226.15	70,000.00	15,773.85	34,339.00	-19,887.15
4420-00-000	Materials								
4420-07-000	Supplies-Maint/Repairs	4,255.75	1,000.00	-3,255.75	7,561.12	4,000.00	-3,561.12	4,132.82	-3,428.30

Multifamily Program (The Gardens of Staunton)

Income Statement

Period = Apr 2026

		April Actual	April Budget	Variance	YTD Actual	YTD Budget	YTD Variance	YTD Last Year	Change
4420-11-000	Inventory Expense	4,781.68	3,333.33	-1,448.35	17,110.77	13,333.32	-3,777.45	10,031.93	-7,078.84
4429-00-000	Total Materials	9,037.43	4,333.33	-4,704.10	24,671.89	17,333.32	-7,338.57	14,164.75	-10,507.14
4430-00-000	Contract Costs								
4430-01-000	Contract-Alarm/Extinguisher	574.75	416.67	-158.08	574.75	1,666.68	1,091.93	1,632.50	1,057.75
4430-03-000	Contract-Building Repairs	3,000.00	0.00	-3,000.00	3,000.00	0.00	-3,000.00	0.00	-3,000.00
4430-05-000	Contract-Unit Turns	0.00	833.33	833.33	0.00	3,333.32	3,333.32	1,827.00	1,827.00
4430-06-000	Contract-Electrical	0.00	416.67	416.67	0.00	1,666.68	1,666.68	1,588.50	1,588.50
4430-07-000	Contract-Pest Control	314.00	416.67	102.67	1,674.00	1,666.68	-7.32	1,544.00	-130.00
4430-09-000	Contract-Grounds	2,529.00	2,500.00	-29.00	7,587.00	10,000.00	2,413.00	6,286.00	-1,301.00
4430-10-000	Contract-Janitorial/Cleaning	960.00	1,166.67	206.67	3,895.00	4,666.68	771.68	3,821.17	-73.83
4430-11-000	Contract-Plumbing	0.00	83.33	83.33	0.00	333.32	333.32	0.00	0.00
4430-13-000	Contract-HVAC	0.00	166.67	166.67	123.95	666.68	542.73	1,053.50	929.55
4430-14-000	Contract-Vehicle Maintenance	0.00	333.33	333.33	3,028.74	1,333.32	-1,695.42	0.00	-3,028.74
4430-18-000	Contract-Alarm Monitoring	1,725.00	2,000.00	275.00	1,725.00	2,000.00	275.00	1,835.00	110.00
4439-00-000	Total Contract Costs	9,102.75	8,333.34	-769.41	21,608.44	27,333.36	5,724.92	19,587.67	-2,020.77
4499-00-000	TOTAL MAINTENANCE AND OPERATIONAL EXPENSES	32,922.66	30,166.67	-2,755.99	100,506.48	114,666.68	14,160.20	68,091.42	-32,415.06
4500-00-000	GENERAL EXPENSES								
4510-00-000	Insurance	0.00	0.00	0.00	6,097.46	5,500.00	-597.46	5,584.95	-512.51
4510-10-000	Property Insurance	0.00	0.00	0.00	6,277.00	7,250.00	973.00	5,723.01	-553.99
4520-00-000	Payments in Lieu of Taxes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4570-00-000	Bad Debt-Tenant Rents	0.00	0.00	0.00	-407.21	0.00	407.21	-17,878.80	-17,471.59
4599-00-000	TOTAL GENERAL EXPENSES	0.00	0.00	0.00	11,967.25	12,750.00	782.75	-6,570.84	-18,538.09
5000-00-000	NON-OPERATING ITEMS								
5210-00-000	Operating Transfers OUT	0.00	3,270.83	3,270.83	0.00	13,083.32	13,083.32	0.00	0.00
5999-00-000	TOTAL NON-OPERATING ITEMS	0.00	3,270.83	3,270.83	0.00	13,083.32	13,083.32	0.00	0.00
8000-00-000	TOTAL EXPENSES	116,869.29	118,845.83	1,976.54	433,625.99	459,133.32	25,507.33	360,641.57	-72,984.42
9000-00-000	NET INCOME	7,231.03	13,550.00	-6,318.97	70,369.26	70,450.00	-80.74	341,720.59	-271,351.33

Staunton Redevelopment and Housing Authority
Resident Services / Self-Sufficiency Program
Board Update | Coordinator Data Report

Reporting Period: *June 2026*   Prepared by: *Susan Venable*
Purpose. The program supports SRHA residents in achieving housing stability and independence by identifying barriers, coordinating services, and addressing urgent needs. This report tracks activity across the program's core data streams.

1. Food Pantry
Program Reach (cumulative): 132 individuals • 54 households for June 2026
SRHA households referred to pantry (this period*)*: *5*
Food distributed (approx. lbs.) *2,633*
Status: SHC-operated pantry holds USDA certification; residents referred as part of needs assessments.

2. Needs Assessments
Assessments completed (this period): *5*
Intake assessments vs. six-month updates: *2 updates*
Top barriers identified: *Food insecurity and transportation*

3. Referrals to Other Agencies
Total referrals made (this period): (YTD 2026: 9)
Breakdown by type: *workforce • benefit and legal*
Referrals resulting in confirmed connection to services: *3*

4. Eviction Prevention Program — Referrals (Active Participants)
Active participants: *5*
New referrals (this period*): 3*
Households retained in housing following assistance*: 5*
Notes*: Disbursements issued to date: $3,915.92*

5. Workforce Education & Materials
Residents engaged in workforce / education activities: *1*
Educational materials distributed*: medical books and scrubs that were mandated for this course.*
Partner programs utilized: *3*
Outcomes (employment, enrollment, credential) *1*

6. Tutoring Program
Students enrolled / participating (this period): N/A
Progress / outcomes: N/A

Notes: *Tutoring sessions are currently out for the summer. I also keep up with monthly town hall meetings and any other pertinent training.*

Coordinator Certification

I certify that the information reported above is accurate and complete to the best of my knowledge.

Susan Venable

Date: 7/10/2026

Coordinator Signature

Prepared for the SRHA Board of Commissioners — for oversight, accountability, and strategic planning.

STAUNTON REDEVELOPMENT AND HOUSING AUTHORITY

Resolution No. 2026-01

A Resolution Adopting the Artificial Intelligence (AI) Acceptable Use and Governance Policy

WHEREAS, the Staunton Redevelopment and Housing Authority ("SRHA") is authorized under the Housing Authorities Law of the Commonwealth of Virginia, Chapter 1 of Title 36 of the Code of Virginia, to adopt policies necessary for the efficient administration and governance of the Authority; and

WHEREAS, the Board of Commissioners recognizes that Artificial Intelligence ("AI") technologies present opportunities to improve operational efficiency, enhance productivity, and support the delivery of housing and community development programs when used responsibly; and

WHEREAS, the Board further recognizes the importance of protecting confidential information, maintaining regulatory compliance, preserving public trust, and ensuring that AI serves only as a decision-support tool and not as a substitute for professional judgment; and

WHEREAS, the proposed **Artificial Intelligence (AI) Acceptable Use and Governance Policy** establishes standards governing the responsible, ethical, secure, and compliant use of AI by SRHA and its affiliated entity, the Staunton Housing Corporation (SHC), including requirements for data protection, human oversight, records management, approved platforms, accountability, and staff training; and

WHEREAS, the proposed policy was made available for public review and comment in accordance with the Authority's public comment procedures prior to consideration by the Board; and

WHEREAS, the Board has reviewed the proposed policy and finds that adoption thereof is in the best interests of the Authority and consistent with sound governance and operational practices.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Staunton Redevelopment and Housing Authority that:

1. The **Artificial Intelligence (AI) Acceptable Use and Governance Policy**, attached hereto as **Exhibit A**, is hereby adopted.
2. The policy shall become effective immediately upon adoption unless otherwise specified within the policy.

3. The Executive Director is authorized to implement, administer, interpret, and enforce the policy, including approval of authorized AI platforms, issuance of administrative guidance, staff training, and periodic updates that do not materially alter Board-approved policy.
4. The Executive Director is further authorized to make non-substantive administrative, formatting, grammatical, statutory citation, or technical corrections to the policy as necessary, provided such changes do not alter the intent or substance of the policy adopted by the Board.
5. This Resolution shall take effect immediately upon its adoption.

ADOPTED this 21st day of July, 2026, by the Board of Commissioners of the Staunton Redevelopment and Housing Authority.

NEHEMIAS VELEZ EXECUTIVE DIRECTOR	NICHOLAS HURSTON CHAIR

Artificial Intelligence (AI) Acceptable Use and Governance Policy

Table of Contents

1. Purpose

The purpose of this policy is to establish clear standards for the responsible, ethical, secure, and compliant use of Artificial Intelligence (AI) tools by staff of the Staunton Redevelopment and Housing Authority (SRHA) and its affiliated entity, the Staunton Housing Corporation (SHC). This policy is intended to safeguard confidential information, ensure regulatory compliance, preserve public trust, and promote the appropriate use of AI as a productivity and decision-support tool—not as a substitute for professional judgment.

2. Scope

This policy applies to:

- All SRHA and SHC employees, officers, contractors, interns, and consultants;
- All uses of generative AI, machine learning, large language models, and similar automated tools (e.g., text generation, data analysis, summarization, image generation);
- All AI tools accessed through web-based platforms, software applications, or embedded systems, whether free or paid.

3. Guiding Principles

AI may be used by SRHA staff only in a manner that:

- Supports, but does not replace, human decision-making;
- Protects resident privacy and confidential information;
- Complies with HUD, state, and federal laws and regulations;
- Maintains transparency, accountability, and defensibility in agency actions;
- Preserves the integrity of official records and determinations.

4. Permitted Uses of AI

Subject to the restrictions in this policy, staff may use approved AI tools for the following purposes:

- Drafting and editing non-final documents (e.g., internal memos, policies, emails, grant narratives, meeting agendas);
- Summarizing publicly available regulations, guidance, or reports;
- Brainstorming ideas, outlines, or alternative language;
- Improving clarity, grammar, or organization of staff-prepared content;
- Generating templates or checklists for internal use.

All AI-generated content must be reviewed, validated, and approved by the staff member prior to use or dissemination.

5. Prohibited Uses of AI

The following uses of AI are strictly prohibited:

- Inputting or uploading any personally identifiable information (PII), protected health information (PHI), or sensitive resident data (including names, SSNs, DOBs, addresses, income details, or case records);
- Inputting or uploading confidential, non-public, or restricted information, including:
  - Resident files or eligibility determinations;
  - HUD systems data (e.g., IMS/PIC, EIV);
  - EIV (Enterprise Income Verification) data may never be entered into any AI tool under any tier or circumstance; EIV is governed by separate HUD security requirements that carry independent penalties;
  - Procurement-sensitive information;
  - Privileged legal communications or attorney work product, except as permitted under Section 6;
  - Personnel records;
- Using AI to make or automate eligibility determinations, rent calculations, compliance decisions, or enforcement actions;
- Representing AI-generated output as official SRHA or SHC determinations without independent verification;
- Using AI tools to circumvent established policies, controls, or approval processes.

6. Data Protection and Confidentiality

- Staff shall not assume that AI platforms are secure or confidential.
- Information entered into AI tools may be retained, logged, or used to train models outside the control of SRHA.
- On consumer, free, or otherwise unapproved tiers, only de-identified, hypothetical, or publicly available information may be used in AI prompts. On AI tools approved under Section 9, non-public SRHA or SHC business information may be used; however, personally identifiable information (PII), protected health information (PHI), and resident data remain prohibited unless a Business Associate Agreement or equivalent data-protection agreement is in place and use has been expressly authorized in writing by the Executive Director.
- Any uncertainty regarding whether information is permissible to use with AI shall be resolved in favor of non-use.
- Any staff member who enters prohibited information into an AI tool, or who suspects a data exposure involving an AI tool, shall immediately report the incident to the Executive Director or designee and follow the agency's established data-breach and incident-response procedures, including applicable federal and state breach-notification requirements.
- Privileged communications and attorney work product shall not be entered into AI tools on consumer or unapproved tiers. On AI tools approved under Section 9, such material may be used to analyze, summarize, or pressure-test legal questions only with the express

authorization of the Executive Director and, where practicable, the awareness of counsel. Because the application of the attorney-client privilege and work-product protection to AI tools is unsettled, staff shall weigh the risk that submitting such material to any third-party tool could affect those protections, and shall consult counsel where the risk is material.

7. Accuracy, Verification, and Accountability

- AI-generated content may contain errors, omissions, outdated information, or fabricated citations.
- Staff are solely responsible for verifying the accuracy, completeness, and appropriateness of any AI-assisted work product.
- AI output shall never be relied upon as the sole basis for:
    - Regulatory interpretation;
    - Financial decisions;
    - Compliance determinations;
    - Resident eligibility or rent calculations.

8. Records Management and Transparency

- AI-generated drafts that become part of the official record must comply with SRHA records retention requirements.

9. Approval and Oversight

- The Executive Director retains authority to approve, restrict, or prohibit the use of specific AI tools.
- At this time, the **only approved AI service providers for SRHA and SHC staff use are OpenAI and Anthropic**, and only through their commercial, business, enterprise, or API tiers as defined and conditioned below.
- An AI service may be approved for SRHA or SHC business use only if it satisfies all of the following conditions:
- It is a paid commercial, business, enterprise, or API tier of an approved provider, not a free or consumer or individual tier, operating under written terms accepted on behalf of SRHA;
- It contractually excludes SRHA and SHC inputs and outputs from use in training or improving AI models, by binding contract rather than by a user-adjustable setting; and
- It operates under a Zero Data Retention agreement where the provider offers one, together with contractual data-minimization terms, so that personally identifiable information is not retained, logged for profiling, or otherwise tracked beyond the minimal abuse-monitoring the provider requires; where Zero Data Retention is unavailable, a defined maximum retention period must be specified in writing.
- **Only AI tools that are vetted, approved, and made available by SRHA may be used for SRHA or SHC business purposes.** Staff may not independently select, download, subscribe to, or configure AI tools for agency use.

- Before any AI tool is approved, it shall be vetted against the criteria in this Section, including executed data-protection terms (such as a Data Processing Addendum or Business Associate Agreement where applicable), and its procurement shall comply with the agency's procurement policy and applicable federal requirements, including 2 CFR Part 200 where federal funds are used.
- The Executive Director serves as the AI administrator, responsible for maintaining the approved-tools list, coordinating vetting, and tracking acknowledgments, and may delegate these functions in writing to the Deputy Director.
- **Browser extensions, plug-ins, third-party integrations, embedded AI features in other software, or automated agents are prohibited** unless expressly approved in writing by the Executive Director.
- This prohibition is directed at AI features, agents, and services that transmit SRHA or SHC data to systems not approved under this Section. AI features embedded within enterprise software already approved by SRHA, and governed by that software's existing data-protection agreement, are permitted within the scope of that agreement.
- Use of any other AI tools, platforms, browser extensions, or embedded AI services requires prior written approval from the Executive Director.
- SRHA may maintain and periodically update a list of approved or disapproved AI platforms.
- Misuse of AI tools or use of unapproved platforms may result in corrective action, up to and including disciplinary measures.

10. Training and Updates

- Staff may receive training or guidance on appropriate AI use as technologies evolve.
- This policy will be reviewed periodically and updated as necessary to reflect regulatory changes, technological developments, or agency needs.

11. Effective Date

This policy is effective upon issuance and applies to all AI use going forward.

Appendix A: Approved AI Platforms – Rationale

SRHA has limited approved AI use to OpenAI and Anthropic based on the following considerations:

- Market leadership and stability in generative AI technologies;
- Publicly documented security, privacy, and governance practices;
- Availability of enterprise-grade controls and transparency regarding model behavior;
- Widespread adoption across regulated industries;

- Availability of executed data-protection terms, including contractual no-training commitments, defined data retention, and Zero Data Retention or Business Associate Agreement options where required.

Approval of these providers does not imply endorsement of any specific output and does not reduce staff responsibility for verification, judgment, or compliance.

Appendix B: Staff Acknowledgment of AI Acceptable Use Policy

All SRHA and SHC employees, officers, contractors, interns, and consultants authorized to use AI tools must, before being granted access and upon each material revision of this policy, acknowledge the following:

I understand that OpenAI and Anthropic are the only approved AI platforms for use in connection with SRHA and SHC work. I agree to comply with the Artificial Intelligence Acceptable Use and Governance Policy, including restrictions on confidential information, resident data, and decision-making. I understand that misuse of AI tools or use of unapproved platforms may result in corrective or disciplinary action.

Employee Name: ____________________________

Signature: ________________________________

Date: _____________________

Adopted by the Executive Director, Staunton Redevelopment and Housing Authority, and ratified by the Board of Commissioners on __________________

Appendix C: Definitions

Artificial Intelligence (AI) / Generative AI. Software that uses machine learning or large language models to generate text, images, code, analysis, or other outputs in response to prompts.

Automated Agent. An AI tool configured to take actions, access systems, or complete multi-step tasks with limited or no human review of each step.

Personally Identifiable Information (PII). Information that identifies or can be used to identify an individual, including names, Social Security numbers, dates of birth, addresses, income details, and case records.

Protected Health Information (PHI). Individually identifiable health information, including reasonable-accommodation, disability, and medical records held by the agency.

Zero Data Retention (ZDR). A contractual arrangement under which a provider does not store inputs or outputs beyond what is minimally required for abuse monitoring.

Consumer / Individual Tier and Commercial Tier. A consumer or individual tier is a free or personal paid subscription marketed to individuals (e.g., free or pro consumer plans). A commercial tier is a business, enterprise, or API offering provided under negotiated terms that contractually exclude customer data from model training; only commercial tiers may be approved under Section 9.

STAUNTON REDEVELOPMENT AND HOUSING AUTHORITY

Resolution No. 2026-02

A Resolution Adopting the Multi-Family (MF) Grievance Policy

WHEREAS, the Staunton Redevelopment and Housing Authority ("SRHA") is authorized under the Housing Authorities Law of the Commonwealth of Virginia, Chapter 1 of Title 36 of the Code of Virginia, to adopt policies necessary for the efficient administration and operation of the Authority; and

WHEREAS, SRHA owns and operates affordable housing under the U.S. Department of Housing and Urban Development's Rental Assistance Demonstration (RAD) Project-Based Rental Assistance (PBRA) program and is committed to ensuring that residents are afforded due process consistent with federal law and program requirements; and

WHEREAS, the Board of Commissioners recognizes the importance of maintaining a fair, impartial, transparent, and efficient grievance process that protects the rights of residents while supporting the effective administration of the Authority's Multi-Family housing program; and

WHEREAS, the proposed **Multi-Family (MF) Grievance Policy** establishes procedures governing resident grievances, informal conferences, formal hearings, hearing officer requirements, resident rights and responsibilities, applicable timelines, records retention, and administrative procedures consistent with applicable federal regulations and program guidance; and

WHEREAS, the proposed policy was made available for public review and comment in accordance with the Authority's public comment procedures prior to consideration by the Board; and

WHEREAS, the Board has reviewed the proposed Multi-Family Grievance Policy and finds that adoption thereof promotes fairness, consistency, accountability, and sound administration of the Authority's housing programs.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Staunton Redevelopment and Housing Authority that:

1. The **Multi-Family (MF) Grievance Policy**, attached hereto as **Exhibit A**, is hereby adopted.
2. The policy shall become effective immediately upon adoption unless otherwise specified within the policy.

3. The Executive Director is authorized to implement, administer, interpret, and enforce the policy, including developing administrative procedures, forms, notices, and guidance necessary for its implementation.
4. The Executive Director is further authorized to make non-substantive administrative, formatting, grammatical, statutory citation, cross-reference, or technical corrections to the policy as necessary, provided such changes do not alter the intent or substance of the policy adopted by the Board.
5. Any prior policies, procedures, or administrative practices inconsistent with this Resolution are hereby superseded to the extent of such inconsistency.
6. This Resolution shall take effect immediately upon its adoption.

ADOPTED this 21st day of July, 2026, by the Board of Commissioners of the Staunton Redevelopment and Housing Authority.

NEHEMIAS VELEZ EXECUTIVE DIRECTOR	NICHOLAS HURSTON CHAIR

Staunton Redevelopment & Housing Authority
900 Elizabeth Miller Gardens · Staunton, VA 24401
P: 540-886-3413   F: 540-885-5414

GRIEVANCE POLICY AND PROCEDURE

RAD Project-Based Rental Assistance (PBRA) Program

Elizabeth Miller Gardens · Farrier Court

Effective / Adopted: ___________________

Policy No. SRHA-PBRA-GRV · Version 1.1 · Revised July 2026

Table of Contents

1. Purpose and Authority

Staunton Redevelopment & Housing Authority (the “Authority”) has adopted this Grievance Policy and Procedure to provide for the prompt, fair, and equitable resolution of disputes arising at its RAD-converted Project-Based Rental Assistance (PBRA) properties.

This policy implements the resident procedural rights required for RAD PBRA conversions under the Rental Assistance Demonstration Notice (originally Attachment 1E to Notice PIH 2012-32 (HA), REV-1, and as carried forward in the current RAD Notice, H-2019-09 / PIH-2019-23, REV-4), which require the Authority, as owner, to provide adequate written notice of an adverse action and to establish a grievance process consistent with the procedural protections of Section 6 of the United States Housing Act of 1937. This policy also incorporates the applicable requirements of 24 CFR Part 245 (covered actions), 24 CFR Part 880, Section 504 of the Rehabilitation Act of 1973, the Fair Housing Act, the Violence Against Women Act (VAWA), and HUD Handbook 4350.3 REV-1.

Order of authority. These dwelling units are subject to the Virginia Residential Landlord and Tenant Act (VRLTA), Va. Code §§ 55.1-1200 et seq. Where the VRLTA is inconsistent with the regulations or requirements of the U.S. Department of Housing and Urban Development (HUD) applicable to this RAD PBRA project, the HUD regulations and requirements control; in all other respects, the VRLTA applies.

Nothing in this policy limits a resident’s right to pursue any remedy available under federal, State, or local law, including the right to contest a matter in an appropriate judicial proceeding.

2. Definitions

- **Adverse action** — a proposed action by the Authority (as owner) that adversely affects a resident’s tenancy or assistance, including a proposed termination of tenancy or assistance, the imposition of charges in addition to rent, the denial of a requested benefit, or a “covered action” under 24 CFR Part 245 (such as a rent increase, conversion to tenant-paid utilities, or a reduction in a utility allowance).
- **Complainant** — a resident or applicant (or an authorized representative) who files a grievance or complaint under this policy.
- **Impartial staff member** — an Authority employee or designee who did not make or approve, and was not directly involved in, the action being grieved, and who is not a subordinate of the person who made or approved it.
- **The Authority** — Staunton Redevelopment & Housing Authority, acting as owner and managing agent of the RAD PBRA project.
- **Days** — calendar days, unless “business days” is specified.

3. Scope

This policy addresses two distinct categories of matters, handled under the separate parts below:

- **Part A — Resident-Initiated Complaints**: complaints by a resident concerning property staff, vendors hired by the Authority, other residents, residents' guests, or service providers, and complaints alleging discrimination.
- **Part B — Grievances Concerning Authority Adverse Actions**: the RAD procedural-rights process triggered when the Authority proposes an adverse action against a resident.

Residents, residents' guests, and service providers are not responsible for enforcing the lease. A resident who wishes to file a complaint — personally or through an advocate — may be assured that the Authority will review the complaint and take appropriate action. The Authority will grant a reasonable accommodation to allow a resident or a resident's representative to file a complaint or participate in any proceeding where there is a disability.

PART A — RESIDENT-INITIATED COMPLAINTS

4. Filing a Complaint

A complaint must be submitted to property management staff or the main office of the Authority within ninety (90) calendar days of the date the complainant becomes aware of the alleged action. The complainant must submit a statement (preferably written) setting forth the nature of the complaint and the facts on which it is based, including the complainant's name and address and the requested remedy or relief.

5. Investigation and Informal Resolution

Property staff (or a designee) will investigate the complaint. The investigation may be informal, but it must be thorough and afford all interested persons an opportunity to submit relevant evidence. Staff will contact the complainant no later than fifteen (15) business days after receiving the written statement to schedule an informal meeting aimed at resolving the matter. In no case will the informal meeting be held more than forty-five (45) business days after the statement is received. The complainant may request a reasonable accommodation to assist with participation.

6. Written Decision and Appeal

Within fifteen (15) business days of the informal meeting, the Authority will provide the complainant with a written decision stating whether the Authority finds the complaint valid and, if so, the steps it will take to resolve it. If the Authority determines the complaint is not valid, the complainant may appeal within fourteen (14) calendar days of the written decision. The appeal will be conducted by a staff member who was not involved in the original decision. The Authority will issue a written decision on the appeal no later than thirty (30) calendar days after it is filed, in an equally effective format upon request.

PART B — GRIEVANCES CONCERNING AUTHORITY ADVERSE ACTIONS (RAD PROCEDURAL RIGHTS)

7. Notice of Adverse Action

Before taking an adverse action, the Authority will provide the resident with written notice. For a proposed termination of tenancy, the notice period will be no less than:

- a reasonable period of time, not to exceed thirty (30) days, where the health or safety of other residents, Authority employees, or persons residing in the immediate vicinity is threatened, or in the event of any drug-related or violent criminal activity or any felony conviction; and
- fourteen (14) days in the case of nonpayment of rent, and not before any grace period permitted by State law has expired.

In all other cases, the requirements of 24 CFR 880.607, the HUD Model Lease, and applicable HUD multifamily guidance apply. For a non-termination adverse action, the Authority will provide reasonable written notice. The periods stated above are minimums; the Authority's notice may provide a longer period, and its standard notice of termination for nonpayment does so.

Contents of the notice. Every notice of an adverse action will:

- state the specific grounds for the action in enough detail to enable the resident to prepare a defense;
- for a termination, state the specific date the tenancy will be terminated;
- advise the resident of the right to request an informal hearing under this Part, and that remaining in the unit past the termination date may result in the Authority seeking to enforce the termination in court, where the resident may present a defense;
- advise the resident that a written request for an informal hearing must be made within ten (10) business days, subject to the good-cause exception in Section 8;
- advise that a person with a disability has the right to request a reasonable accommodation to participate in the hearing process; and
- for nonpayment of rent, state the dollar amount of the balance due and the date of its computation.

Legal aid notice. Because the Authority is a public housing authority, the first page of any notice of termination of tenancy will state, in type no smaller than the body of the notice, the name, address, and telephone number of the legal aid program serving the City of Staunton, as required by Va. Code § 55.1-1202(D).

For this property, the legal aid program is Blue Ridge Legal Services, Inc., 204 North High Street, Harrisonburg, VA, (540) 433-1830, www.brls.org. Residents may also use Virginia's statewide legal aid intake line at 1-866-534-5243 (1-866-LEGLAID) or visit www.valegalaid.org.

Grounds relied upon. The Authority will rely only on the grounds stated in the notice at any hearing under this Part and in any subsequent judicial eviction action.

Charges in addition to rent will conform to applicable limits, including the prohibition in Va. Code § 55.1-1208(C) on charging a public-housing tenant for maintenance or repair not necessitated by the tenant's act or omission, and the late-charge limit in Va. Code § 55.1-1204(E).

Expedited grievance procedure. For a proposed adverse action based on (a) criminal activity that threatens the health or safety or right to peaceful enjoyment of other residents, Authority employees, or persons residing in the immediate vicinity, or (b) any drug-related or violent criminal activity, the grievance procedure is expedited. The informal steps in Sections 8 through 10 do not apply, and a resident who wishes to grieve the action may elect a formal grievance hearing under Section 11 by submitting a written request within five (5) business days of the date the notice is delivered. The notice of adverse action will state this right and the deadline to elect.

Stay of adverse action. For any grievance not within the expedited procedure, timely filing of a grievance request may, in the Authority's discretion, stay the adverse action proposed in the notice.

8. Requesting an Informal Hearing

A resident who wishes to grieve an adverse action must submit a written request for an informal hearing within ten (10) business days of the date the notice is delivered (as determined under Va. Code § 55.1-1202). The Authority will retain proof of service of the notice. A resident may request a reasonable accommodation to assist in making the request or participating in the proceeding.

Failure to submit a timely written request waives the right to proceed under this Part as to that action, except that the Authority will accept a late request upon a showing of good cause (including disability, illness, absence from the unit, or other excusable neglect). A waiver under this Section does not waive any right the resident may have to contest the action in an appropriate judicial proceeding.

9. Conduct of the Informal Hearing

The informal hearing will be conducted by an impartial staff member, within a reasonable period of time. At the hearing, the resident has the right to:

- be represented, at the resident's own expense, by counsel or another person of the resident's choice, and to have that person make statements on the resident's behalf;
- examine, at the resident's request before the hearing, any Authority documents, records, and regulations directly relevant to the action and, with reasonable advance notice and at the resident's own cost, to copy them — and if the Authority does not make a requested document available, it may not rely on that document at the hearing;
- present evidence and arguments, controvert the evidence the Authority relies on, and question witnesses.

Burden of proof. The resident must first make a showing of an entitlement to the relief sought; the Authority must then sustain the burden of justifying the action or failure to act against which the grievance is directed.

Filing or pursuing a grievance does not otherwise suspend the resident's obligation to pay rent and other charges as they become due.

10. Written Decision — Informal Hearing

The Authority will provide the resident with a written decision (or summary of the informal settlement conference) within a reasonable period of time, not to exceed fourteen (14) calendar days after the hearing, stating the grounds for the action and the evidence the Authority relied upon. The decision will be furnished in an equally effective format upon request.

11. Formal Grievance Hearing

A resident who is not satisfied with the informal decision may request a formal grievance hearing within five (5) days of receiving the written informal decision. The hearing will be conducted by an impartial person designated by the Authority who did not make or approve, and was not directly involved in, the action, and who, where practicable, is not the same person who conducted the informal hearing. Where an impartial staff member is not reasonably available, the Authority may designate a qualified third party to conduct the hearing; the Executive Director (or designee) is responsible for designating the hearing officer. The hearing will be scheduled promptly at a time and place reasonably convenient to both parties; with the agreement of both parties, it may be conducted using a web-meeting platform. The resident is entitled to a fair hearing, which includes:

- the opportunity to examine, at the resident's request, before the hearing, any documents in the Authority's possession directly relevant to the hearing (with the same consequence for non-production stated in Section 9), and to copy such documents at the resident's expense;
- the right to be represented by counsel or another person of the resident's choice;
- the right to present evidence and arguments, to controvert the Authority's evidence, and to confront and cross-examine all witnesses on whose testimony or information the Authority relies; and
- a decision based solely and exclusively on the facts presented at the hearing.

If the resident fails to appear at a scheduled hearing, the Authority may postpone the hearing for no more than five (5) business days or determine that the resident has waived the right to a hearing. A waiver does not waive the resident's right to contest the Authority's disposition in an appropriate judicial proceeding. Either party may arrange for a transcript in advance and at that party's expense.

12. Written Decision and Binding Effect

The written decision issued after the formal grievance hearing — or, if the resident does not request a formal hearing, the written decision issued after the informal hearing — is the Authority's final decision under this Part. The Authority will issue the formal-hearing decision within a reasonable period of time, not to exceed fifteen (15) business days after the hearing, stating the grounds for the decision and the evidence relied upon.

The Authority will be bound by its final decision under this Part, except where:

- the matter exceeds the authority of the impartial party who conducted the hearing; or
- the decision is contrary to HUD regulations or requirements, or otherwise contrary to federal, State, or local law.

If the Authority determines that it is not bound by a hearing decision, it will promptly notify the resident of that determination and the reasons for it. A decision under this Part does not preclude the resident from seeking redress through the courts.

PART C — PROVISIONS APPLICABLE TO ALL GRIEVANCES

13. Preservation of Rights; Non-Waiver

Nothing in this policy waives, limits, or requires a resident to forgo any right or remedy available under the VRLTA or other federal, State, or local law. A resident's failure to request or use any procedure under this policy does not waive the resident's right to contest the Authority's action in an appropriate judicial proceeding. A resident may rely on any State or local law that provides procedural rights in addition to those set out in this policy.

14. Discrimination Complaints

Any person who believes they have been subjected to discrimination prohibited by the Fair Housing Act, Section 504 of the Rehabilitation Act, the Equal Access Rule, VAWA, or any other fair housing law may file a complaint with the Authority, personally or through a representative, within ninety (90) calendar days of becoming aware of the alleged discriminatory action. A discrimination complaint filed with the Authority will be investigated and resolved using the procedure in Sections 5 and 6. The availability and use of this procedure does not prevent a person from filing a complaint of disability discrimination with HUD's Office of Fair Housing and Equal Opportunity (1-800-669-9777) or the U.S. Department of Health and Human Services, Office for Civil Rights.

15. External Complaints to HUD

Residents may submit complaints to HUD or its assigned agent at any time. Complaints about the property's management or condition may be made to HUD's Multifamily Housing Complaint Line at 1-800-685-8470 (TTY 1-800-432-2209), or to the HUD Richmond Field Office, Office of Multifamily Housing. If HUD requests information to research or resolve a complaint, the Authority will cooperate. HUD establishes its own timetable for complaints made directly to HUD, and the determination that such a matter is "closed" generally rests with HUD.

16. Reasonable Accommodation

In compliance with Section 504, the Authority will grant any reasonable accommodation needed to allow an applicant or resident with a disability to communicate with the Authority or to participate in any proceeding under this policy.

Such arrangements may include, but are not limited to, providing interpreters, providing materials in alternative formats, or assuring a barrier-free location for the proceedings. The Section 504 Coordinator is responsible for these arrangements. The Authority's Reasonable Accommodation / Modification Policy is available upon request.

17. VAWA Protections

HUD provides protections for victims of domestic violence, dating violence, sexual assault, and stalking. These protections apply to all persons regardless of sex and to individuals affiliated with a victim who face an imminent threat. Victims remain required to comply with the Tenant Selection Plan and the lease (including lease attachments).

The Authority makes the following HUD VAWA forms available to applicants and residents at the management office and on its website, on the Multifamily Apartments page:

- Form HUD-5380, Notice of Occupancy Rights under the Violence Against Women Act;
- Form HUD-5382, Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking; and
- Form HUD-5383, Emergency Transfer Request for Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking.

These forms are posted at www.stauntonrha.org/multifamily-apartments. To learn about the property's VAWA protections, to submit a certification, or to request an emergency transfer, a resident may use these forms or contact management staff. Paper copies and reasonable accommodations are available upon request.

The Authority maintains a VAWA Emergency Transfer Plan, attaches the VAWA lease addendum (Form HUD-91067) to the lease, and provides the Notice of Occupancy Rights (Form HUD-5380) and certification form (Form HUD-5382) at admission, with any notice of denial of assistance or termination, and upon request.

18. Recordkeeping

The Authority will maintain the files and records relating to all complaints and grievances filed under this policy for a minimum of five (5) years.

19. Nondiscrimination and Section 504 Coordinator

The Authority does not discriminate on the basis of disability in admission to, access to, treatment in, or employment in its federally assisted programs and activities. The Authority provides meaningful access to persons with limited English proficiency, including oral interpretation and the written translation of vital documents, consistent with HUD's LEP guidance and applicable Virginia law. If you have difficulty understanding English, please request assistance and the Authority will ensure meaningful access based on your individual needs.

The following person is designated to coordinate compliance with the nondiscrimination requirements of HUD's regulations implementing Section 504 (24 CFR Part 8, dated June 2, 1988):

Name: Nehemias Velez, Executive Director
Address: 900 Elizabeth Miller Gardens, Staunton, VA 24401
Telephone (Voice): (540) 886-3413
Virginia Relay: 711 or 1-800-828-1120 (TDD) / 1-800-828-1140 (voice)

Appendix 1 — Grievance / Incident Report Form

Purpose. Use this form to report a grievance or complaint. If you witness a crime, please contact the local police in addition to notifying property staff.

Today's Date	
Your Name	
Head of Household (if different)	
Building and Unit Number	
Home / Cell Phone	
Email Address	
Complaint is about (name or description; if known and safe to provide)	
Names of Other Witnesses (if known)	

Complaint concerns (check all that apply): ☐ Property staff ☐ A vendor ☐ Another resident ☐ A resident's guest ☐ A resident's service provider ☐ An Authority action (adverse action) ☐ Not about a person

Description of Grievance / Complaint (please be as descriptive as possible; attach additional sheets if needed). Include date(s) and location(s) of the incident(s).

I certify that the information I have provided is true and correct.

Print Name: _______________________________ Signature: ___________________________________

Date: _______________

Return to: SRHA, 900 Elizabeth Miller Gardens, Staunton, VA 24401 | In person or via the drop boxes at Elizabeth Miller Gardens and Farrier Court | Fax: (540) 885-5414 | Email: ahutchens@stauntonrha.org

Warning: Title 18, Section 1001 of the U.S. Code provides that knowingly and willfully making a false or fraudulent statement to a department or agency of the United States is a felony. Penalties for the misuse of a Social Security number are provided in the Social Security Act.

STAUNTON REDEVELOPMENT AND HOUSING AUTHORITY

Resolution No. 2026-03

A Resolution Adopting the Internal and Financial Protocols Policy

WHEREAS, the Staunton Redevelopment and Housing Authority ("SRHA") is authorized under the Housing Authorities Law of the Commonwealth of Virginia, Chapter 1 of Title 36 of the Code of Virginia, to adopt policies necessary for the sound governance, administration, and financial management of the Authority; and

WHEREAS, the Board of Commissioners recognizes its fiduciary responsibility to ensure that SRHA maintains effective internal controls, sound financial management practices, and administrative procedures that safeguard public assets, promote accountability, and ensure compliance with applicable federal, state, and local requirements; and

WHEREAS, the proposed **Internal and Financial Protocols Policy** establishes administrative and financial protocols governing internal controls, fiscal accountability, operational procedures, financial oversight, segregation of duties, documentation standards, procurement and administrative practices, and related internal management functions necessary for the effective operation of the Authority; and

WHEREAS, the Board further recognizes that well-defined internal and financial protocols strengthen organizational integrity, improve operational consistency, reduce institutional risk, and support compliance with the requirements of the U.S. Department of Housing and Urban Development (HUD), Virginia Housing, generally accepted accounting principles, and applicable laws and regulations; and

WHEREAS, the proposed policy was made available for public review and comment in accordance with the Authority's public comment procedures prior to consideration by the Board; and

WHEREAS, the Board has reviewed the proposed Internal and Financial Protocols Policy and finds that adoption thereof is in the best interests of the Authority and promotes responsible stewardship of public resources.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Staunton Redevelopment and Housing Authority that:

1. The **Internal and Financial Protocols Policy**, attached hereto as **Exhibit A**, is hereby adopted.
2. The policy shall become effective immediately upon adoption unless otherwise specified within the policy.

3. The Executive Director is authorized to implement, administer, interpret, and enforce the policy and to establish administrative procedures, internal forms, operational guidance, and financial controls necessary to carry out the provisions of the policy.
4. The Executive Director is further authorized to make non-substantive administrative, formatting, grammatical, statutory citation, cross-reference, or technical corrections to the policy as necessary, provided such changes do not alter the intent or substance of the policy adopted by the Board.
5. Any prior administrative procedures or internal practices inconsistent with this Resolution are hereby superseded to the extent of such inconsistency.
6. This Resolution shall take effect immediately upon its adoption.

ADOPTED this 21st day of July, 2026, by the Board of Commissioners of the Staunton Redevelopment and Housing Authority.

NEHEMIAS VELEZ EXECUTIVE DIRECTOR	NICHOLAS HURSTON CHAIR

STAUNTON REDEVELOPMENT AND HOUSING AUTHORITY

FINANCIAL RESPONSIBILITY & INTERNAL CONTROL POLICY

Adopted by the Board of Commissioners

Effective: ____________________________

Next Policy Review Date: ____________________________

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ARTICLE 1 — PURPOSE AND FIDUCIARY RESPONSIBILITY

This policy establishes the financial management, internal control, and oversight standards of the Staunton Redevelopment and Housing Authority ("SRHA").

The Board of Commissioners adopts this policy pursuant to its fiduciary duty to ensure:

- Stewardship of public and federal funds;
- Compliance with HUD Multifamily and PIH regulations;
- Adherence to 2 CFR Part 200 (Uniform Guidance);
- Integrity of financial reporting;
- Integration with the SRHA Purchasing and Contracting Policy (as adopted and amended by the Board of Commissioners);
- Compliance with all requirements of the MTW ACC Amendment to the Annual Contributions Contract(s), the MTW Operations Notice, and all applicable requirements as defined in Section 5(C) of the MTW ACC Amendment, including Title 24 CFR, Title 42 U.S.C., Appropriations Acts, and applicable notices of funding availability under which SRHA has received funds (collectively, "the Requirements").

1.1 Financial Management System Standards

SRHA's financial management system shall conform to the standards required by 2 CFR §200.302, including the capacity to:

- Identify the source and application of funds for all federally funded activities;
- Maintain effective control over and accountability for all funds, property, and other assets;
- Compare actual expenditures or outlays with budgeted amounts for each federal award;
- Support the traceability of all federal award expenditures to source documentation;
- Apply written procedures to minimize the time elapsed between drawdown of federal funds and their disbursement;
- Apply written procedures for determining the allowability of costs in accordance with 2 CFR Part 200, Subpart E and the terms of each federal award.

The Executive Director shall annually certify in writing to the Board that SRHA's financial management system meets each of the foregoing standards. Any identified deficiency shall be reported to the Board within 30 days of identification with a proposed corrective action plan.

1.2 Allowable Cost Standards

The allowability of all costs charged to federal awards shall be determined in accordance with 2 CFR Part 200, Subpart E (Cost Principles) and the terms of the applicable award. The Executive Director is responsible for ensuring that expenditures charged to any federal program are allowable, allocable, and reasonable as those terms are defined in 2 CFR §§200.405–200.406.

ARTICLE 2 — REGULATORY AND PROGRAM STRUCTURE

2.1 HUD Multifamily (RAD PBRA)

SRHA operates RAD PBRA properties subject to:

- Regulatory Agreements;
- RAD Use Agreement and HAP Contract;
- HUD Multifamily Asset Management oversight;
- Reserve for Replacements requirements;
- MF_FASS (Financial Assessment Subsystem — Multifamily) — Annual Financial Statement (AFS) submission; AFS is the audited financial reporting vehicle for RAD PBRA (Multifamily) properties and feeds into PHAS financial component scoring;
- HUD Form 9250 approval for reserve withdrawals.

2.2 HUD PIH Programs

SRHA administers:

- Housing Choice Voucher (HCV);
- Moving to Work (MTW);
- Veterans Affairs Supportive Housing (VASH).

These programs are subject to:

- PIH regulations;
- VMS reporting;
- FASS-PH (Financial Assessment Subsystem — Public Housing) — Financial Data Schedule (FDS) submissions;

- MTW ACC Amendment (Form HUD-50166) and MTW Operations Notice requirements;
- VASH program requirements, including VA partnership obligations and applicable HUD-VA referral and eligibility protocols.

Program funds shall be segregated in accordance with Article 6.

ARTICLE 3 — GOVERNANCE ROLES

3.1 Board of Commissioners

The Board shall:

- Adopt annual budgets;
- Approve audit engagement, including auditor selection consistent with the Procurement Policy;
- Review monthly financial reports;
- Receive notice of HUD-approved reserve withdrawals;
- Review audit findings and corrective actions, including formal Board acceptance of the annual audit report;
- Annually verify that fidelity bond coverage is in force in an amount consistent with Article 15.

The Board may designate a Finance or Audit Committee to assist with financial oversight. If established, such committee's responsibilities and reporting obligations shall be defined by Board resolution and this policy updated accordingly.

3.2 Executive Director

The Executive Director shall:

- Oversee fiscal operations;
- Ensure compliance with this policy and Procurement Policy Article 2 (Office of the Purchasing Agent);
- Certify HUD submissions;

In the event the Executive Director is unavailable to perform a time-sensitive financial authorization or HUD certification function, the Board Chairperson (or designee by Board resolution) is authorized to act in that capacity on an interim basis, with documentation of the circumstance filed in the permanent record.

3.3 Deputy Director

The Deputy Director shall:

- Co-prepare the annual budget;
- Assist in reconciliations and review functions;
- Provide secondary oversight when feasible.
- Present financial reports to the Board.
- Certify HUD submissions as a delegated alternate, only in the absence of the Executive Director and pursuant to the succession provision of Section 3.2 of this policy.

ARTICLE 4 — BUDGETARY CONTROL

4.1 Annual Budget

The Annual Budget shall be jointly prepared by the Deputy Director and Executive Director and presented to the Board for approval prior to the start of each fiscal year. If a budget is not adopted before the fiscal year begins, expenditures shall be limited to the prior year's authorized levels until a budget is adopted, unless the Board approves specific interim expenditures by resolution.

Mid-year budget amendments that result in a variance exceeding ten percent (10%) of any budget line item, or that increase total expenditures, shall require Board approval prior to commitment of funds.

4.2 Budget Monitoring

Monthly reports shall include:

- Budget-to-actual comparisons;
- Revenue and expense variances;
- HCV utilization and leasing performance relative to budget authority;
- Reserve balances;
- Cash position.

ARTICLE 5 — PROCUREMENT & EXPENDITURE CONTROL

All procurement actions must comply with:

- Procurement Policy Article 4, §4.1 (Methods of Procurement);
- Procurement Policy Article 4, §4.9 (Contract Modification);
- Procurement Policy Article 14 (Additional Provisions Applicable to Procurements Involving Federal Funds);
- Procurement Policy Article 15 (Conflicts of Interest and Ethics in Public Contracting).

5.1 Payment Authorization Thresholds

All payment authorizations are subject to the following thresholds. These thresholds shall be reviewed annually and may be amended by Board resolution.

Amount	Approving Authority	Documentation Required
Under $2,500	Executive Director	Invoice; evidence of goods/services received; Deputy Director input and review; ED approval
$2,500 – $9,999	Executive Director	Invoice; evidence of goods/services received; Deputy Director input and review; ED approval
$10,000 – $24,999	Executive Director	Invoice; evidence of goods/services received; Deputy Director input and review; ED approval; documentation of procurement method
$25,000 or more (single commitment or contract)	Executive Director + advance Board authorization by resolution	Board resolution prior to commitment; invoice; evidence of goods/services received; Deputy Director input and review; ED approval; documentation of procurement method and cost or price analysis

The $25,000 threshold applies to the full value of any single contract, purchase order, or commitment, including all anticipated option years or renewal periods. Splitting a procurement into multiple smaller transactions to avoid this threshold is prohibited.

For wire transfers and ACH disbursements of $2,500 or more, dual authorization is required consistent with Article 8 of this policy, regardless of the tier above.

In the event of a declared emergency under §5.5 of this policy, the Executive Director may authorize expenditures above $25,000 without advance Board authorization, subject to the documentation and Board notification requirements of that section.

5.2 Pre-Disbursement Requirements

No payment shall be issued without the following documentation on file:

- Verified invoice;
- Evidence of goods/services received;
- Documentation of procurement compliance;
- Confirmation of budget availability;
- Applicable authorization per Section 5.1 above.

5.3 Petty Cash

If SRHA maintains a petty cash fund, such fund shall: (a) be limited to a maximum balance of $500; (b) be maintained by a designated custodian; (c) be reconciled and replenished by formal check upon submission of documented receipts; and (d) be subject to unannounced counts by the Executive Director or a Board officer not less than annually.

5.4 Federal Awards Compliance

For federally funded expenditures:

- Cost or price analysis documentation shall be retained as required under Procurement Policy Article 14, §14.1;
- Debarment verification shall be documented prior to each procurement action through the System for Award Management (SAM.gov). SRHA's internal standard requires verification regardless of dollar amount, which is more restrictive than the $25,000 regulatory floor under 2 CFR §200.214;
- Required federal clauses must be included in all contracts involving federal funds.

5.5 Emergency Procurement

An emergency exists when an urgent and unforeseen circumstance poses an imminent risk to life, health, safety, or the continued habitability of an SRHA-managed or RAD PBRA property, and normal competitive procurement timelines cannot be met without material harm. In such circumstances:

- The Executive Director is authorized to approve noncompetitive emergency procurement consistent with 2 CFR §200.320(c)(3);
- The Executive Director shall document the nature and basis of the emergency in writing within 48 hours of authorizing the expenditure;
- The Board shall be notified at the next regularly scheduled meeting, with a written summary of the emergency, the procurement action taken, the cost, and the basis for noncompetitive award;
- Emergency procurement shall not be used to circumvent normal procurement procedures for recurring or foreseeable needs.

5.6 Grant Award Closeout

SRHA shall complete closeout of each federal grant award in accordance with 2 CFR §200.344. Within 120 days of the end of each award's period of performance, the Executive Director shall:

- Submit all required final financial and performance reports;
- Return any excess cash balances to the federal awarding agency;
- Account for and disposition any property acquired with award funds in accordance with applicable requirements;
- Resolve any open audit findings or disallowed costs attributable to the award;
- Retain all grant records for a minimum of five (5) years from the audit report release date, which exceeds the three-year minimum required under 2 CFR §200.334 (measured from submission of the final financial report) and is consistent with Article 14.2 of this policy and the post-closeout responsibilities of 2 CFR §200.345, or longer if litigation, audit findings, or claims remain unresolved.

The Executive Director shall report to the Board the closeout status of all active federal grants at least annually.

ARTICLE 6 — FUND SEGREGATION

Accounting records shall segregate the following fund types, each maintained in a distinct cost center, account, or sub-ledger:

- RAD PBRA operations;
- Reserve for Replacements;
- HCV HAP;
- HCV Administrative Fees;
- MTW funds;
- VASH funds;
- Grant funds (including, without limitation, CFCBR and any other federally or state-awarded grant funds).

Funds shall not be co-mingled without authorization. As an MTW agency, SRHA may blend or transfer funds between HAP, Administrative Fee, and other MTW-eligible uses where expressly authorized by the MTW Agreement and applicable PIH notices. Any such MTW-authorized fund use shall be documented in the MTW Annual Report and reflected in the general ledger with sufficient notation to identify the governing authority and purpose.

Where SRHA exercises MTW fungibility authority to blend or transfer funds across program categories, SRHA shall maintain a written Cost Allocation Plan governing the methodology by which expenditures are charged to blended MTW funds. The Cost Allocation Plan shall:

- Identify each category of expenditure eligible for charge against blended MTW funds;
- Define the allocation basis for each expenditure category (e.g., direct identification, proportional share, benefit-based allocation);
- Be reviewed and approved by the Board annually prior to the start of each fiscal year;
- Be incorporated by reference into each MTW Annual Plan submission.

Expenditures charged to blended MTW funds without documentation of the applicable Cost Allocation Plan basis shall be presumed unallocable to the blended fund and may be subject to disallowance.

Inter-entity transactions between SRHA and the Staunton Housing Corporation (SHC) shall be separately documented, supported by written agreements, and reported to the Board.

No SRHA funds shall be transferred to SHC without prior Board authorization and documentation of the legitimate public purpose served. Such written agreements shall at minimum address: (a) the purpose and public benefit of the transfer; (b) repayment terms or grant conditions, as applicable; (c) the public purpose finding required for Board authorization; and (d) compliance with 2 CFR §200.307 program income requirements where applicable.

Program income generated under any federal award, as defined in 2 CFR §200.307, shall be identified and tracked by award, and used in accordance with the terms of the applicable award and 2 CFR §200.307. The Executive Director is responsible for ensuring that program income is accurately accounted for and reported.

ARTICLE 7 — RESERVE FOR REPLACEMENTS (RAD PBRA)

1. Withdrawals require prior HUD approval via Form HUD-9250.
2. The assigned HUD Account Executive must approve the draw.
3. Procurement compliance must be documented.
4. Payments shall not precede HUD approval.
5. Reserve approvals shall be reported to the Board.
6. Reserve funds may not be transferred or encumbered without HUD authorization.
7. Reserve draws shall be reconciled to the approved Replacement Reserve Schedule contained in the Regulatory Agreement, ensuring that expenditures are consistent with approved capital needs and schedule. In the event of any conflict between the Regulatory Agreement schedule and subsequent HUD guidance or approved amendments, the most current HUD-approved schedule shall govern.
8. The minimum annual deposit required under the Regulatory Agreement shall be funded on schedule. If the reserve balance falls below any required minimum, the Executive Director shall notify the Board and the assigned HUD Account Executive within 30 days.
9. The annual R4R deposit shall be adjusted each year by the applicable Operating Cost Adjustment Factor (OCAF) in accordance with HAP Contract §2.7(c)(1)(i), or the equivalent provision in any executed amendment. The Executive Director shall calculate and implement the OCAF-adjusted deposit amount at each HAP Contract anniversary and report the adjustment to the Board with supporting documentation.

Contract rents for the RAD PBRA properties are subject to annual OCAF adjustment in accordance with HAP Contract §2.8, or the equivalent provision in any executed amendment. The Executive Director shall submit Form HUD-92458 (Rent Schedule) to HUD annually, track the HUD-approved effective date of each adjustment, and reconcile the adjusted contract rents against HAP payments received. Any discrepancy shall be reported to the assigned HUD Account Executive within 30 days of identification.

10. Interest income earned on the reserve account shall be tracked separately and reported in the monthly financial report.

In circumstances where an urgent capital repair is required before a Form HUD-9250 approval can be obtained, the Executive Director shall submit an expedited Form HUD-9250 request, document the urgency in writing within 48 hours, and provide interim notice to the Board. No reserve funds shall be disbursed prior to obtaining HUD approval except as HUD may otherwise authorize in writing or, in an exigent life-safety circumstance, verbally with written confirmation requested and documented within 24 hours of the verbal authorization. In any such circumstance, SRHA shall promptly notify the assigned HUD Account Executive and immediately submit a formal written Form HUD-9250 request, treating the verbal authorization as interim only pending receipt of written HUD approval.

ARTICLE 8 — CASH MANAGEMENT

- Bank reconciliations shall be completed monthly.
- On a random, rotational basis and not less than semi-annually, the third-party accounting consultant — who is organizationally independent of SRHA's independent financial-statement auditor consistent with Article 11 — shall perform a secondary verification of selected monthly bank reconciliations. The consultant shall sign and date each reconciliation reviewed and report the results of the verification to the Board.
- Electronic payments require approval documentation consistent with Article 5.1.
- HUD drawdowns must reconcile to eligible costs.
- Wire transfers and ACH disbursements of $2,500 or more shall require dual authorization — initiation by one authorized employee and confirmation by a second authorized employee or officer. No single individual shall initiate and confirm the same wire or ACH transaction. The Executive Director shall maintain a current written list of individuals authorized to initiate and confirm wire and ACH transactions, with initiation and confirmation functions assigned to different individuals. This list shall be reviewed and updated upon any change in staffing and reported to the Board annually.

8.1 Banking and Deposit Requirements

All SRHA operating and program accounts shall be maintained at FDIC-insured institutions. Deposits in excess of FDIC coverage limits shall be collateralized in accordance with Virginia law and HUD requirements. The Executive Director shall annually confirm that collateralization agreements are in place for all accounts exceeding coverage limits and report the status to the Board.

8.2 Investment Policy

Idle federal program funds shall be managed consistent with the following standards:

- Permissible instruments: U.S. Treasury securities, U.S. agency securities that are direct obligations of or guaranteed by the United States, FDIC-insured certificates of deposit, and interest-bearing accounts at federally insured depositories.
- No speculative investments are permitted with federal program funds.
- Interest earned on federal program advances shall be remitted to the federal agency as required under 2 CFR §200.305.
- The Executive Director shall report investment activity and interest earnings in the monthly financial report.
- The Board may amend permissible investment instruments by resolution, provided any amendments remain consistent with HUD guidance and Uniform Guidance.

ARTICLE 9 — HCV AND MTW FINANCIAL CONTROLS

9.0 HCV Administrative Plan

SRHA shall adopt and maintain an HCV Administrative Plan in accordance with 24 CFR §982.54. The financial controls set forth in this Article shall be interpreted and applied consistently with the Administrative Plan. Any amendment to the Administrative Plan that affects financial management controls shall be reviewed by the Executive Director for consistency with this policy within 30 days of adoption. In the event of any conflict between the Administrative Plan and this policy, the more restrictive provision shall govern pending resolution by Board action.

11. HAP funds shall be used for eligible assistance payments. Pursuant to MTW fungibility authority, HAP funds may also be used for other MTW-eligible purposes expressly authorized under the MTW Agreement and applicable PIH notices, with such use documented consistent with Article 6.
12. Administrative fees shall be tracked separately.

13. VMS reporting shall reconcile to general ledger balances.
14. MTW funds shall be used consistent with the MTW Agreement.
15. HAP overpayments, once identified, shall be documented and pursued for recovery. SRHA shall establish and maintain written HAP correction and repayment procedures governing the identification, documentation, and recovery of overpayments, consistent with applicable HUD requirements. All overpayment activity shall be reported to the Executive Director and, for material amounts, to the Board.
16. HCV leasing and budget authority utilization shall be monitored monthly. When utilization falls below 95% or is projected to produce an administrative fee shortfall, the Executive Director shall: (a) present a written shortfall action plan to the Board within 30 days, identifying corrective measures and a timeline for implementation; and (b) submit the shortfall action plan to the HUD Field Office and applicable Housing Management Division within the same 30-day period, or within any shorter timeframe required by applicable HUD PIH notice.
17. VASH voucher HAP payments shall be tracked in a segregated cost center consistent with Article 6 and reconciled to VA referral and eligibility records on a quarterly basis.
18. Local Non-Traditional (LNT) activities funded with MTW Funding shall not exceed ten percent (10%) of SRHA's annual HCV HAP funding allocation without a Safe Harbor Waiver approved by HUD, consistent with the MTW Operations Notice (§5(D)) funding cap. The Executive Director shall monitor LNT expenditures monthly and report to the Board any projection that the 10% threshold will be approached or exceeded.
19. SRHA shall comply with the Substantially the Same (STS) requirement of the MTW Operations Notice (§5(A)). In the HCV program, SRHA must house at least 90% of the families it would be able to house based on its annual HCV HAP allocation. The 95% utilization administrative trigger set forth in this Article serves as the early-warning control above the 90% STS compliance floor. The Executive Director shall: (a) calculate and document the STS determination annually using the methodology prescribed by the MTW Operations Notice; (b) retain supporting workpapers for each annual STS determination; and (c) track and report STS compliance status in each MTW Supplement to the Annual PHA Plan.
20. MTW work requirement activities approved by the Board and HUD shall be administered consistent with the following financial controls: expenditures associated with implementation shall be tracked separately consistent with Article 6; hardship exemption determinations shall be documented and retained for the applicable record retention period; and compliance status shall be reported in each

MTW Annual Plan consistent with the Cohort Study obligations under the MTW ACC Amendment (§5(B)). The Executive Director shall report to the Board any identified compliance risk associated with work requirement activities within 30 days of identification. SRHA shall comply in full with all aspects of its Cohort Study as outlined in the MTW selection notice under which SRHA was designated. Cohort Study compliance obligations are binding conditions of the MTW ACC Amendment (§5(B)) and shall be reflected in the MTW Supplement. The Executive Director shall report Cohort Study compliance status to the Board at least annually.

21. All MTW program activities shall comply with the full scope of 'the Requirements' as defined in Section 5(C) of the MTW ACC Amendment, including without limitation Title 24 CFR, Title 42 U.S.C., Appropriations Acts, applicable notices of funding availability, and the MTW Operations Notice. Any use of MTW Funding or MTW waiver authority in violation of the Requirements may result in HUD requiring reimbursement from SRHA for amounts improperly used, suspension of MTW waiver authority, or termination of the MTW ACC Amendment pursuant to Section 7. The Executive Director shall report to the Board any identified or suspected non-compliance with the Requirements within 30 days of identification.
22. The Executive Director shall maintain financial tracking records for each Board-approved and HUD-approved MTW Activity separately, with expenditures by activity retained in a form that supports the activity-level reporting required in the MTW Annual Plan. Activity-level financial data shall be reconciled to the general ledger at least quarterly.

ARTICLE 10 — INTERNAL CONTROL FRAMEWORK

SRHA adopts internal control principles consistent with:

- GAO Standards for Internal Control in the Federal Government (Green Book, 2025 Revision, GAO-25-107721, or most current edition);
- Uniform Guidance (2 CFR Part 200);
- Applicable auditing standards as outlined under GAAS, Government Auditing Standards (2024 Revision, or the edition in effect for the audit period), and the terms of SRHA's independent audit engagement.

Given SRHA's size, compensating controls shall include:

- Monthly Board review;
- Periodic independent verification of bank reconciliations by the third-party accounting consultant, as required by Article 8;

- Quarterly transaction spot-checks, to be conducted by the Executive Director or a designated Board officer. Spot-check results shall be documented in writing and reported to the Board at the next regularly scheduled meeting. The individual conducting the spot-check shall not be the same individual who prepared or authorized the transactions being reviewed;
- Clear separation between authorization and processing functions where feasible.

10.1 Information Technology and Logical Access Controls

SRHA shall maintain documented information technology controls consistent with GAO Green Book IT general control principles (2025 Revision, GAO-25-107721, or most current edition). At minimum, the following controls are required:

Control Area	Requirement
User Access	Unique user IDs required; shared credentials prohibited; access reviewed annually and upon staff separation.
System Roles	Authorization, data entry, and approval functions shall be assigned to different system users where feasible.
Passwords	Minimum complexity standards established in writing; passwords changed upon any suspected compromise, or periodically as determined by SRHA's documented IT security policy, consistent with current NIST guidance (SP 800-63B).
Remote Access	Multi-factor authentication required for any remote access to financial systems.
Mobile & Personal Devices	Access to financial systems from personal or mobile devices (BYOD) is prohibited unless the device is enrolled in SRHA's device management program, has current OS and security patches, supports remote wipe, and meets the same MFA and password standards as SRHA-issued equipment.
Backups	Financial data backed up at minimum weekly; backup integrity tested at least annually.
Incident Response	Suspected breaches involving federal program data reported to Executive Director immediately and to HUD as required.

The Executive Director shall review and attest to the adequacy of IT controls annually. Any material deficiency identified shall be reported to the Board within 30 days of identification.

ARTICLE 11 — INDEPENDENT AUDIT

SRHA shall undergo an annual independent audit consistent with:

- GAAS;
- Government Auditing Standards (Yellow Book);
- Uniform Guidance;
- Single Audit requirements, consistent with 2 CFR §200.501. Given SRHA's federal expenditure levels across its RAD PBRA, HCV, MTW, and VASH programs, the Single Audit requirement applies annually.

The audit engagement shall be procured in compliance with the Procurement Policy. The Board shall approve the selected auditor by resolution prior to execution of the engagement letter.

SRHA shall safeguard auditor independence consistent with Government Auditing Standards §§3.76–3.81. No later than every five (5) years, the Board shall conduct and document a formal auditor independence assessment in the Board minutes, with a conclusion as to whether continuation of the current auditor, rotation to a new firm, or additional independence safeguards are required. Continuation of the same auditor beyond five consecutive years shall require an affirmative Board finding that independence is not impaired.

The audit shall include:

- Financial statement examination;
- Internal control testing;
- Compliance testing for major federal programs;
- Reporting to the Board as required, including formal Board acceptance of the audit report by resolution.

Management shall:

- Prepare financial records;

- Review and accept management responsibility for the Schedule of Expenditures of Federal Awards (SEFA) as prepared by the third-party accounting consultant;
- Submit the reporting package to the Federal Audit Clearinghouse within the earlier of 30 calendar days after receipt of the auditor's reports or nine (9) months of the close of the fiscal year, as required under 2 CFR §200.512, or within any shorter deadline imposed by HUD;
- Submit financial data to the HUD REAC/FASS portal in accordance with HUD Multifamily requirements for RAD PBRA properties;
- Provide written management representations to the auditor as required by GAAS, including representations regarding the financial statements, federal award programs, compliance with laws and regulations, and related matters;
- Respond to findings and prepare corrective action plans if required;
- Track and report to the Board on the status of all prior-year audit findings and management letter items until fully resolved.

Where the audit engagement includes preparation of financial statements, the Schedule of Expenditures of Federal Awards, or related notes as non-audit services, the third-party accounting consultant and Deputy Director shall jointly prepare and submit non-audit deliverables including financial statements and the Schedule of Expenditures of Federal Awards. The third-party auditor and the Deputy Director shall jointly conduct and coordinate the audit, prepare all audit reports, and submit the Federal Audit Clearinghouse reporting package. The Executive Director shall be informed of all submissions and kept in the loop throughout the process. The Board shall accept management responsibility for the product prior to issuance, consistent with Government Auditing Standards requirements for non-audit services. To preserve auditor independence consistent with Government Auditing Standards §§3.76–3.81 (2024 Revision, or the edition in effect for the audit period), SRHA shall ensure that the third-party accounting consultant performing non-audit services is organizationally and operationally independent from the third-party auditor and does not perform functions that would impair the auditor's independence. The Executive Director shall confirm this determination annually and report to the Board.

ARTICLE 12 — HUD REPORTING

SRHA shall timely submit all required HUD financial and program reports. The table below identifies required submissions, applicable deadlines, and responsible parties. The Executive Director shall maintain a current annual reporting calendar to track all submission deadlines and shall report any missed or at-risk deadline to the Board immediately upon identification.

Report	Program	Frequency / Deadline	Responsible Party
MF_FASS — Annual Financial Statement (AFS) [RAD PBRA / Multifamily] / PHAS Financial Component	RAD PBRA / PHAS	Annually; within 9 months of fiscal year end	Deputy Director (submission); Executive Director (informed)
FASS-PH (Financial Assessment Subsystem — Public Housing) — FDS	PIH / HCV	Annually; per PIH deadline	Deputy Director (submission); Executive Director (informed)
VMS Reporting	HCV / VASH	Monthly; by HUD-specified date	Deputy Director (submission); Executive Director (informed)
EIV Compliance Reporting	RAD PBRA / HCV / MTW	Per HUD EIV requirements (PIH Notice 2017-12 and any successor notices)	Executive Director
MTW Supplement to the Annual PHA Plan (HUD-50075-MTW)	MTW	Annually; per MTW Operations Notice and PIH notice deadline	Executive Director
MTW HCV Reserve Use — VMS Reporting (PIH 2024-11)	MTW / HCV	As commitments/obligations arise; per PIH 2024-11 requirements	Deputy Director (submission); Executive Director (informed)
FDS — MTW Project-Level	MTW	Annually; within 9 months of FYE per MTW	Executive Director

Report	Program	Frequency / Deadline	Responsible Party
Financial Info (PIH Notice 2007-9)		Operations Notice §5(c)	
FAC Reporting Package	Single Audit	9 months after FYE (2 CFR §200.512)	Third-party auditor and Deputy Director (audit submission /FAC package); Third-party accounting consultant and Deputy Director (financial statements, SEFA); Executive Director (informed)
UFRS Agreed-Upon Procedures (AUP) — Form HUD-92458 Electronic Submission Verification	RAD PBRA / HCV	Annually; concurrent with audit engagement; submitted to HUD and REAC as specified parties	Third-party auditor and Deputy Director (AUP engagement and submission); Executive Director (informed)

The Executive Director shall monitor HUD publications and the MTW website for any amendments or supplements to the MTW Operations Notice. Material changes to the Operations Notice shall be reported to the Board within 60 days of publication, along with an assessment of any required policy updates. The Board shall approve any policy amendments necessitated by Operations Notice changes prior to implementation.

Not less than one (1) year prior to expiration of the MTW ACC Amendment, the Executive Director shall present to the Board a proposed MTW Transition Plan describing: (a) all MTW activities then in effect that require phaseout upon expiration; (b) any activities for which an extension request will be submitted to HUD; and (c) the anticipated operational and financial impact of MTW expiration. The Transition Plan shall be submitted to HUD in accordance with Section 6 of the MTW ACC Amendment.

ARTICLE 13 — FRAUD PREVENTION

SRHA maintains zero tolerance for fraud. Management is responsible for:

- Preventing and detecting fraud;
- Reporting suspected fraud to appropriate authorities. SRHA shall comply in full with 2 CFR §200.113, which requires disclosure of all violations of federal criminal law involving fraud, bribery, or gratuity to the federal awarding agency (HUD) and any applicable pass-through entities. Reports shall also be made to the HUD Office of Inspector General (OIG) as appropriate. The HUD OIG Hotline is available at 1-800-347-3735 and online at https://www.hudoig.gov/hotline. Contact information for the HUD OIG shall be posted in SRHA's administrative offices and provided to all employees and contractors upon hire;
- Taking corrective action as required under Uniform Guidance.

SRHA prohibits retaliation against any employee, contractor, or agent who in good faith reports suspected fraud, waste, or abuse. This protection applies to reports made internally to management or the Board, or externally to HUD, the Inspector General, or other appropriate authorities, consistent with 2 CFR §200.113 and applicable federal whistleblower statutes.

SRHA shall maintain a mechanism for anonymous reporting of suspected fraud, waste, or abuse. Such mechanism shall be communicated to all employees and contractors upon hire and at least annually thereafter.

ARTICLE 14 — RECORD RETENTION

14.1 Permanent Records

The following instruments are permanent institutional records of SRHA, not subject to any scheduled disposition, and shall be retained for the life of the institution:

- RAD Use Agreement;
- RAD HAP Contract and all amendments;

- Regulatory Agreement;
- MTW ACC Amendment (Form HUD-50166) and all prior Annual Contributions Contracts;
- SRHA organizational governance documents (enabling legislation, resolutions, bylaws, and Board meeting minutes);
- SHC corporate governance documents and inter-entity agreements.

14.2 Program and Financial Records

Financial and audit documentation shall be retained:

- A minimum of five (5) years from the audit report release date, which exceeds the three-year minimum required under 2 CFR §200.334 (measured from submission of the final financial report);
- Longer if litigation, audit findings, or claims remain unresolved;
- Records pertaining to the RAD PBRA Regulatory Agreement, including Reserve for Replacement draws, capital expenditure documentation, and HUD correspondence, shall be retained for the term of the Regulatory Agreement plus five (5) years, or as otherwise required by HUD, whichever is longer.

HCV program records, including tenant files, HAP contracts, and inspection records, shall be retained for a minimum of three (3) years after the end of the fiscal year to which they relate, consistent with 24 CFR §982.158(e), or as otherwise required by applicable PIH notice, whichever is longer.

All records subject to this policy shall be available for inspection by HUD, the HUD Office of Inspector General, and SRHA's independent auditors upon request, consistent with 2 CFR §200.337.

Electronic records maintained in digital systems satisfy retention requirements provided that: (a) records are stored in a format that remains accessible for the full retention period; (b) backup and recovery procedures are documented; and (c) the integrity of electronic records can be verified upon audit request.

The Executive Director shall designate a records custodian responsible for maintaining the document retention schedule and ensuring compliance. At the end of any applicable retention period, records shall be disposed of in a secure manner that protects any personally identifiable information contained therein.

ARTICLE 15 — FIDELITY BOND AND INSURANCE

SRHA shall maintain fidelity bond coverage (or equivalent employee dishonesty insurance) in an amount sufficient to protect against the risk of loss from employee theft or misappropriation. Coverage shall:

- Be maintained continuously without lapse;
- Cover all employees and officers who handle, authorize, or have access to federal program funds;
- Be in an amount not less than the highest single-month aggregate program fund balance across all program accounts in the prior fiscal year, or such greater amount as required by applicable HUD guidance or as determined by the Board to be prudent. The Executive Director shall calculate this amount annually and present it to the Board concurrent with the annual coverage verification;
- Include coverage for electronic funds transfer fraud and dishonest acts carried out through electronic means;
- Be obtained from a carrier acceptable under applicable HUD and Commonwealth of Virginia requirements;
- Require the carrier to provide at least thirty (30) days' advance written notice to SRHA of any cancellation or material reduction in coverage.

The Executive Director shall annually verify that fidelity bond coverage is in force, confirm the coverage amount meets the standard above, and report coverage status and the calculated coverage basis to the Board. Documentation of coverage shall be maintained in the permanent files. Any lapse in coverage shall be reported to the Board immediately and remedied without delay.

SRHA shall maintain commercially available property and liability insurance on all RAD PBRA properties at all times, consistent with the requirements of the RAD HAP Contract. The Executive Director shall annually confirm that coverage is in force and report coverage status to the Board concurrent with the fidelity bond verification required under this Article.

ADOPTION

This policy supersedes all prior SRHA financial management and internal control policies.

Adopted by the Board of Commissioners of the Staunton Redevelopment and Housing Authority.

Date of Adoption: ___________________________________

Board Chair:

Name (print): ___________________________________

Signature: ___________________________________

Executive Director:

Name (print): ___________________________________

Signature: ___________________________________

Next Policy Review Date: ___________________________

Status: Created

Streamlined Annual PHA Plan *(Small PHAs)*	**U.S. Department of Housing and Urban Development Office of Public and Indian Housing**	**OMB No. 2577-0226 Expires: 9/30/2027**

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. They also inform HUD, families served by the PHA, and members of the public of the PHA's mission, goals, and objectives for serving the needs of low-, very low-, and extremely low- income families.

Applicability. The Form HUD-50075-SM is to be completed annually by **Small PHAs**. PHAs that meet the definition of a Standard PHA, Troubled PHA, High Performer PHA, HCV-Only PHA, or Qualified PHA do not need to submit this form. Note: PHAs with zero public housing units must continue to comply with the PHA Plan requirements until they closeout their Section 9 programs (ACC termination).

Definitions.
(1) ***High-Performer PHA*** – A PHA that owns or manages more than 550 combined public housing units and housing choice vouchers (HCVs) 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, SEMAP for PHAs that only administer tenant-based assistance and/or project-based assistance, or PHAS if only administering public housing.
(2) ***Small PHA*** - A PHA that is not designated as PHAS or SEMAP troubled, and 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 HCVs combined and is not PHAS or SEMAP troubled.

A. PHA Information.

A.1

PHA Name: Staunton Redevelopment & Housing Authority **PHA Code:** VA023
PHA Plan for Fiscal Year Beginning: (MM/YYYY): 01/2027
PHA Inventory (Based on Annual Contributions Contract (ACC) units at time of FY beginning, above)
Number of Public Housing (PH) Units 0 **Number of Housing Choice Vouchers (HCVs)** 253
Total Combined 253
PHA Plan Submission Type: ☑ Annual Submission ☐ Revised Annual Submission

Public Availability of Information. In addition to the items listed in this form, 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. Additionally, the PHA must provide information on how the public may reasonably obtain additional information of the PHA policies contained in the standard Annual Plan but excluded from their streamlined submissions. 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 and should make documents available electronically for public inspection upon request. PHAs are strongly encouraged to post complete PHA Plans on their official websites and to provide each resident council with a copy of their PHA Plans.

How the public can access this PHA Plan: The PHA will post the PHA Plan on its website (https://www.stauntonrha.org) and will have a physical copy available for inspection at its administrative office at 900 Elizabeth Miller Gardens, Staunton, VA 24401. The SRHA's 2027 Annual Plan will be presented at the July 21, 2026 Board Meeting and made available for a 45-day public review and comment period. A public hearing will be held on September 15, 2026 at the SRHA's Board Meeting. Unless otherwise noted, the SRHA's 2027 Annual Plan will be adopted and sent to HUD afterwards.

☐ **PHA Consortia:** (Check box if submitting a Joint PHA Plan and complete table below)

Participating PHAs	**PHA Code**	**Program(s) in the Consortia**	**Program(s) not in the Consortia**	**No. of Units in Each Program**	
				PH	**HCV**

B. **Plan Elements Submitted with 5-Year PHA Plans.** Required elements for Small PHAs completing this document in years in which the 5-Year Plan is also due. This section does not need to be completed for years when a Small PHA is not submitting its 5-Year Plan. See sub-section below for required elements in all other years (Years 1-4).

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

	(a) Have the following PHA Plan elements been revised by the PHA since its last **5-Year PHA Plan** submission? Y N ☐ ☐ Statement of Housing Needs and Strategy for Addressing Housing Needs. ☐ ☐ Deconcentration and Other Policies that Govern Eligibility, Selection, and Admissions. ☐ ☐ Financial Resources. ☐ ☐ Rent Determination. ☐ ☐ Homeownership Programs. ☐ ☐ Substantial Deviation. ☐ ☐ Significant Amendment/Modification. (b) If the PHA answered yes for any element, describe the revisions for each element(s): (c) The PHA must submit its Deconcentration Policy for Field Office Review.
B.2	**New Activities.** (a) Does the PHA intend to undertake any new activities related to the following in the PHA's applicable Fiscal Year? Y N ☐ ☐ Choice Neighborhoods Grants. ☐ ☐ Modernization or Development. ☐ ☐ Demolition and/or Disposition. ☐ ☐ Conversion of Public Housing to Tenant Based Assistance. ☐ ☐ Conversion of Public Housing to Project-Based Rental Assistance or Project-Based Vouchers under RAD. ☐ ☐ Homeownership Program under Section 32, 9 or 8(Y) ☒ ☐ Project Based Vouchers. ☐ ☐ Units with Approved Vacancies for Modernization. ☐ ☐ Other Capital Grant Programs (i.e., Capital Fund Community Facilities Grants or Emergency Safety and Security Grants). (b) If any of these activities are planned for the applicable 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.3	**Progress Report.** Provide a description of the PHA's progress in meeting its Mission and Goals described in the PHA 5-Year Plan.
B.4	**Capital Improvements.** Include a reference here to the most recent HUD-approved 5-Year Action Plan in EPIC and the date that it was approved.
B.5	**Most Recent Fiscal Year Audit.** (a) Were there any findings in the most recent FY Audit? Y☐ N☐ (b) If yes, please describe:

Plan Elements Submitted All Other Years (Years 1-4). Required elements for all other fiscal years. This section does not need to be completed in years when a Small PHA is submitting its 5-Year PHA Plan.

B.1 New Activities

(a) Does the PHA intend to undertake any new activities related to the following in the PHA's applicable Fiscal Year?

Y	N	
☐	☑	Choice Neighborhoods Grants.
☐	☑	Modernization or Development.
☐	☑	Demolition and/or Disposition.
☐	☑	Conversion of Public Housing to Tenant-Based Assistance.
☐	☑	Conversion of Public Housing to Project-Based Assistance under RAD.
☐	☑	Homeownership Program under Section 32, 9 or 8(Y)
☑	☐	Project Based Vouchers.
☐	☑	Units with Approved Vacancies for Modernization.
☐	☑	Other Capital Grant Programs (i.e., Capital Fund Community Facilities Grants or Emergency Safety and Security Grants).

(b) If any of these activities are planned for the applicable 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.

Project Based Vouchers.
There are no planned demolition activities for the SRHA-owned property.

(c) If using Project-Based Vouchers, provide the projected number of project-based units, general locations, and describe how project-basing would be consistent with the PHA Plan.

Project Based Vouchers.
Project Based Vouchers. The SRHA plans to commit up to twenty-five (25) project-based vouchers across its development pipeline — fifteen (15) at the Dunsmore Building and ten (10) at the Hickory Street property. Of these, up to ten (10) are anticipated to be placed in service during the FY2027 plan year at Hickory Street, with the fifteen (15) at Dunsmore projected for early 2028 as construction completes. Separately, one (1) HUD-VASH voucher at 958 Anderson Street is already online and in service. Dunsmore Building (Elderly PBV, layered with LIHTC). Through the Staunton Housing Corporation (SHC), the SRHA will commit up to fifteen (15) elderly-designated vouchers to the Dunsmore Building, 912 West Beverley Street, Staunton, VA — the adaptive reuse of a historic contributing structure into fifteen (15) senior apartments. The project received a competitive 9% Low-Income Housing Tax Credit award from Virginia Housing (VHDA #2026-C-64) in June 2026, and the project-based vouchers will be layered with the LIHTC financing to support long-term affordability for elderly households. Placement is projected for early 2028 upon construction completion. Because all fifteen units will be project-based, the SRHA is exercising its MTW authority to increase the PBV project cap to 100 percent. Hickory Street Property (HUD-VASH PBV – Supportive Housing for Veterans). In partnership with SHC and the U.S. Department of Veterans Affairs, the SRHA anticipates project-basing up to ten (10) HUD-VASH vouchers at the Hickory Street property, 2408 Hickory Street, Staunton, VA — a former church acquired on May 11, 2026 for conversion into permanent supportive housing for formerly homeless veterans. 958 Anderson Street (VASH PBV – Cottage House). The SRHA has completed the project-basing of one (1) HUD-VASH voucher at 958 Anderson Street, a one-bedroom cottage residence already online and in service for a formerly homeless veteran. Future Development – Farrier Court Expansion (New Construction). The SRHA is in the early planning stages of a new-construction redevelopment at the Farrier Court site, with a conceptual plan of up to forty (40) project-based vouchers for income-eligible households. No PBVs will be placed at Farrier Court during the FY2027 plan year; the project is central to the SRHA's long-term neighborhood revitalization strategy and will be pursued in partnership with SHC. Consistency with the PHA Plan. Project-basing at these locations is consistent with the SRHA's PHA Plan and Five-Year Plan goals of expanding SRHA- and SHC-owned affordable housing, promoting housing stability for vulnerable and targeted populations, and strengthening cross-sector partnerships. As a Moving to Work agency, the SRHA exercises MTW authority to project-base up to 50 percent of its voucher allocation where aligned with documented local need, including the elevated housing insecurity and market tightness identified in the 2024 Central Shenandoah Planning District Commission Regional Housing Study. All project-based units will comply with applicable Housing Quality Standards, deconcentration, and civil-rights requirements.

	(d) The PHA must submit its Deconcentration Policy for Field Office Review.
B.2	**Capital Improvements.** Include a reference here to the most recent HUD-approved 5-Year Action Plan in EPIC and the date that it was approved. **Not applicable. The SRHA owns no public housing units and therefore has no Capital Fund 5-Year Action Plan in EPIC. The SRHA's former public housing was converted to RAD PBRA in 2015 and now operates as 150 units under HUD's Office of Multifamily Housing.**
C	**Other Document or Certification Requirements for Annual Plan Submissions.** Required in all submission years.
C.1	**Resident Advisory Board (RAB) Comments.** (a) Did the RAB(s) have comments to the PHA Plan? Y ☐ N ☑ (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.
C.2	**Certification by State or Local Officials.** Form HUD 50077-SL, *Certification by State or Local Officials of PHA Plans Consistency with the Consolidated Plan*, must be submitted by the PHA as an electronic attachment to the PHA Plan.
C.3	**Civil Rights Certification/ Certification Listing Policies and Programs that the PHA has Revised since Submission of its Last Annual Plan.** Form HUD-50077-CRT-SM, *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.
C.4	**Challenged Elements.** 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. (a) Did the public challenge any elements of the Plan? Y ☐ N ☑ (b) If yes, include Challenged Elements.

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. 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, 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.

Public reporting burden for this information collection is estimated to average 2.67 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. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions to reduce this burden, to the Reports Management Officer, REE, Department of Housing and Urban Development, 451 7th Street, SW, Room 4176, Washington, DC 20410-5000. When providing comments, please refer to OMB Approval No. 2577-0226. HUD may not collect this information, and respondents are not required to complete this form, unless it displays a currently valid OMB Control Number.

Form identification: *VA023-Staunton Redevelopment & Housing Authority Form HUD-50075-SM (Form ID - 9467) printed by Nehemias Velez in HUD Secure Systems/Public Housing Portal at 07/13/2026 11:39AM EST*

B.1 New Activities

The Staunton Redevelopment and Housing Authority (SRHA) plans to commit up to twenty-five (25) project-based vouchers across its development pipeline — fifteen (15) at the Dunsmore Building and ten (10) at the Hickory Street property. Of these, up to ten (10) are anticipated to be placed in service during the FY2027 plan year at Hickory Street, with fifteen (15) at Dunsmore projected for early 2028 as construction completes. Separately, one (1) VASH voucher at 958 Anderson Street is already online and in service. The Farrier Court Expansion remains in the early planning phase, and no vouchers will be placed there during this plan period.

1. Dunsmore Building (Elderly PBV, LIHTC)
Through the Staunton Housing Corporation (SHC), the SRHA will commit up to fifteen (15) elderly-designated project-based vouchers to the Dunsmore Building, 912 West Beverley Street, Staunton, VA — the adaptive reuse of a historic contributing structure into fifteen (15) senior apartments. The project received a competitive 9% Low-Income Housing Tax Credit award from Virginia Housing (VHDA) in June 2026, and the project-based vouchers will be layered with the LIHTC financing to support long-term affordability for elderly households. Placement is projected for early 2028 upon construction completion. Because all fifteen units will be project-based, the SRHA is exercising its MTW authority to increase the PBV project cap to 100 percent.

2. Hickory Street Property (VASH PBV – Supportive Housing for Veterans)
In partnership with SHC and the U.S. Department of Veterans Affairs, the SRHA anticipates project-basing ten (10) vouchers at the Hickory Street property, 2408 Hickory Street, Staunton, VA — a former church acquired on May 11, 2026 for adaptive reuse. The ten units comprise five (5) VASH vouchers serving formerly homeless veterans and five (5) standard vouchers serving income-eligible households. These vouchers are anticipated to be placed in service during the FY2027 plan year.

3. 958 Anderson Street (VASH PBV – Cottage House)
The SRHA has completed the project-basing of one (1) VASH voucher at 958 Anderson Street, a one-bedroom cottage residence. The unit is already online and in service for a formerly homeless veteran, in partnership with the U.S. Department of Veterans Affairs.

4. Future Development – Farrier Court Expansion (New Construction)
The SRHA is in the early planning stages of a new-construction redevelopment at the Farrier Court site, with a conceptual plan of up to forty (40) project-based vouchers for income-eligible households. No PBVs will be placed at Farrier Court during the FY2027 plan year. The project is central to the SRHA's long-term neighborhood revitalization strategy and will be pursued in partnership with SHC to deliver high-quality, service-enriched, mixed-income housing,

leveraging a combination of public, private, and philanthropic funding. The SRHA will provide updates in future annual plans as this initiative advances toward implementation.

Demolition and Disposition

There are no planned demolition or disposition activities for SRHA-owned property.

Consistency with the PHA Plan

Project-basing at these locations is consistent with the SRHA's PHA Plan and Five-Year Plan goals of expanding SRHA- and SHC-owned affordable housing, promoting housing stability for vulnerable and targeted populations, and strengthening cross-sector partnerships. As a Moving to Work agency, the SRHA exercises MTW authority to project-base up to 50 percent of its voucher allocation where aligned with documented local need, including the elevated housing insecurity and market tightness identified in the 2024 Central Shenandoah Planning District Commission Regional Housing Study. All project-based units will comply with applicable Housing Quality Standards, deconcentration, and civil-rights requirements.

MTW Authority and PBV Cap Flexibility

As a Moving to Work agency (Cohort 5), the SRHA submits an MTW Annual Supplement with this Annual Plan. During the prior plan year, HUD approved the SRHA's increase of the PBV program cap from 20 percent to 50 percent of the Housing Choice Voucher portfolio through the MTW Supplement. The SRHA also maintains authority to increase the PBV project cap to 100 percent of the units in a project — authority that directly enables the fully project-based Dunsmore Building. This flexibility remains critical for:

- Supporting place-based investments and adaptive reuse of existing structures, including the Dunsmore Building senior conversion and the Hickory Street supportive-housing conversion;
- Promoting housing stability for vulnerable and targeted populations, particularly formerly homeless veterans, elderly households, and persons with disabilities; and
- Advancing the SRHA's mission to develop, preserve, and expand affordable housing opportunities throughout the City of Staunton, including the Farrier Court Expansion.

B.3 Progress Report

The Staunton Redevelopment and Housing Authority (SRHA) remains guided by its mission: the SRHA provides safe and affordable housing to members of its community to enhance quality of life, promote economic opportunity and offer a suitable living environment free from discrimination. Through commitment to staff excellence, the SRHA is dedicated to treating all participants with dignity and respect. Over the past year, the SRHA made substantial progress across its development pipeline, MTW implementation, and resident-services goals, guided by the 2024 Strategic Plan approved by Virginia Housing.

Development Pipeline & Affordable Housing Expansion

Dunsmore Building Senior Apartments. In June 2026, through SHC, the SRHA secured a competitive 9% Low-Income Housing Tax Credit award from VHDA for the adaptive reuse of the historic Dunsmore Building at 912 West Beverley Street into fifteen (15) senior apartments. The award is the predicate for the project's full financing stack. The SRHA will commit fifteen (15) elderly-designated project-based vouchers to the property, layered with the LIHTC financing, with placement projected for early 2028 upon construction completion.

Hickory Street Supportive Housing. On May 11, 2026, the SHC closed on the acquisition of the Hickory Street property (2408 Hickory Street) for conversion into permanent supportive housing for formerly homeless veterans, to be supported by up to ten (10) project-based vouchers with 5 of them being VASH.

958 Anderson Street. The SRHA completed the 958 Anderson Street VASH PBV cottage residence, now online and in service for a formerly homeless veteran.

Farrier Court Expansion. The SRHA and SHC continue pre-development planning for the new-construction expansion at Farrier Court (up to 40 standard PBVs), a mixed-population, service-enriched project central to long-term neighborhood revitalization.

Moving to Work Implementation

- The SRHA was accepted into HUD's Work & Dignity Coalition in May 2026.
- The HCV work requirement (15 hours per week for non-exempt, non-elderly, non-disabled adults) entered its participant-notification period on June 1, 2026 and becomes effective January 1, 2027.
- HUD approved a $130 minimum rent for able-bodied households, effective January 1, 2027.
- HUD approved the increase of the PBV program cap to 50 percent through the MTW Supplement, expanding the SRHA's capacity to deploy project-based vouchers across its pipeline.

RAD PBRA Operations

The SRHA manages 150 RAD PBRA units at Elizabeth Miller Gardens and Farrier Court, complying with HUD requirements and submitting annual OCAF rent-adjustment requests. As an early RAD adopter, the SRHA continues to address long-term operating viability under constrained revenue and is pursuing sustainable solutions.

Policy & Regulatory Compliance

- The SRHA is updating its HCV Administrative Plan to maintain HOTMA, NSPIRE, and overall compliance that includes its approved MTW activities.
- The SRHA is working any EIV discrepancies, including recouping funds from voucher holders that failed to report their income.

– The SRHA maintains zero PIC errors.

– The SRHA continues to advance its governance and internal-control framework.

Resident Services & Self-Sufficiency

The SRHA continued building out its Resident Services and Self-Sufficiency Program for HCV and RAD PBRA participants, emphasizing eviction prevention, workforce access, and financial empowerment. Initiatives include resident transportation assistance and a Community Closet Initiative pursued through SHC in partnership with regional service providers. The SRHA remains prepared to apply for Family Self-Sufficiency (FSS) and Resident Opportunities and Self-Sufficiency (ROSS) funding as it becomes available.

Sustainability & Capital Improvements

The SRHA continued prioritizing energy efficiency and modernization across its portfolio, including HVAC replacement at Farrier Court and HVAC/PTAC replacements at Elizabeth Miller Gardens, the replacement of gutters and siding at Elizabeth Miller Gardens, and interior hallway painting across all buildings, supported by a blend of City of Staunton CDBG funds and SRHA capital reserves.

Regional Coordination & Data-Informed Planning

The SRHA is an active participant in the City of Staunton's Housing Strategy Group, the SAW Housing Group, the Valley Homeless Connection, and other regional forums. Building on this coordination, the SRHA — acting through SHC — is working with the City of Staunton, WARM, the Valley Community Services Board, and the Valley Homeless Connection to develop a collaborative day shelter providing services and rest spaces for homeless and low-income residents. To support this initiative, the SRHA is requesting Local, Non-Traditional (LNT) activity authority through its FY2027 MTW Supplement. The SRHA continues to use the 2024 CSPDC Regional Housing Study to guide PBV expansion, supportive housing, and partnership development.

Conclusion

In alignment with its Five-Year Plan, the SRHA has made measurable progress by expanding its affordable housing pipeline, implementing its MTW reforms, and deepening resident services and regional partnerships. The SRHA remains committed to equity, sustainability, and innovation, and will continue coordinating closely with the City of Staunton and regional partners to serve the residents of Staunton and Augusta County.