



**Resolution 19-10
Approval of Certification of Reclassification**

WHEREAS, the Aurora Housing Authority has received approval from HUD for the reclassification of certain non-federal, non-program funds as federal funds, and

WHEREAS, the Board of Commissioners authorizes the Executive Director to sign the Certification of Reclassification to HUD attached hereto as Exhibit A.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Aurora Housing Authority approve the Certification of Reclassification attached hereto and authorize the Executive Director to sign and bind the Aurora Housing Authority to the terms therein.

PASSED, by the Board of Commissioners this 14th day of August, 2019

AYES 5

NAYS 0

Ann 28
Sherrill Adcock (Chairperson)
Melba King
Ann D
John D

The Aurora Housing Authority

Certification of Reclassification to HUD

WHEREAS the Aurora Housing Authority (“AHA”) utilized \$157,000 of federal funds in 2017 in order to settle the claims filed against it with the EEOC; WHEREAS the United States Department of Housing and Urban Development (“Department” or “HUD”) authorized this utilization specifically on the condition that AHA afterwards fully reclassify, as federal funds, an amount equal to the funds so utilized using its non-federal, non-program funds; WHEREAS AHA has missed the earlier reclassification deadline set in 2018; WHEREAS AHA has represented to the Department that the repayment schedule specified in this Certification is the most financially sensible way to fulfill its reclassification obligation:

AHA hereby certifies that it will fully comply with the following provisions in order to ensure its obligation to reclassify the funds is fulfilled.

Provision 1 Time & Amount

Starting from August of 2019, AHA will reclassify \$4,483.19 of its non-federal, non-program funds as federal funds by the last day of each month for 35 months. The 36th and the final reclassification will be made by July 31 of 2023, in the amount of \$4,483.21.

Provision 2 Interest

AHA agrees that the reclassification schedule in Provision includes an annual interest of 1.8% (applying the U.S. Treasury’ s 3-year yield rate effective as of the date of the Certification) to start on August of 2019, which is intended to ensure the relative parity of value between the reclassified funds and the federal funds utilized for the settlement.

Provision 3 Advance Reclassification

AHA may reclassify a greater amount of non-federal, non-program funds than the amounts scheduled under Provision 1. In such a case, AHA and the Department will agree on a revised reclassification schedule.

Provision 4 Notification, Revision and Waiver

AHA agrees that this Certification may not be revised without an advanced written consent issued from the Office of the General Counsel of the Department.

AHA further agrees that the Department only waives a right related to this Certification through a written waiver limited to the specific issue and there is no other valid basis for a waiver (such as previous waiver, failure to enforce or inaction).

AHA will provide advance notice and request for approval in writing to the Office of the General Counsel of the Department if it is not be able to meet its reclassification obligation fully in a timely manner for any reason. Unless an approval is provided by the Department, such a failure will constitute a breach of this Certification notwithstanding



the notification. Any approval from the Department in response is effective only in writing.

Provision 5 Remedies

Should AHA fail to fully follow any of the Provisions of this Certification, AHA agrees that the Department has the right to hold AHA to be in a substantial default, as defined by 24 CFR Part 907, and seek any and all authorized remedies. AHA will not dispute, contest, appeal, or in any way challenge the legal basis of such a determination. AHA may, however, raise factual disputes as to whether the terms of this Certification has in fact been violated, and may additionally argue whether the remedies sought by the Department is appropriate.

Provision 6 Authority to Bind AHA

Attached to the signed Certification, AHA will deliver a resolution passed by the board of commissioners authorizing the Executive Director to sign, and bind AHA through, this Certification.



Ralph Jordan,
Executive Director,
Aurora Housing Authority

Date: 8/14/19