

MINUTES OF A REGULAR MEETING OF
THE HOUSING AUTHORITY OF THE CITY OF RALEIGH
BOARD OF COMMISSIONERS
FEBRUARY 23, 2023

The members of the Board of Commissioners of the Housing Authority of the City of Raleigh, North Carolina met via Zoom on Thursday, February 23, 2023 at 5:00 p.m. (Due to computer problems in the Board Room, the meeting was held via Zoom only.)

The Board Chair called the meeting to order and upon roll call the following were present and absent:

Present: Eric Braun, Valerie Crutchfield, Susan Ellinger, Arne Morris, Bahati Mutisya, Gregg Warren, Yolanda Winstead.

Absent: Niya Fonville-Swint, Joe Whitehouse.

Visitors: Charles Francis, Francis Law Firm, PLLC; Public: Jacqueline Williams, Renate Carreras, Glenwood Towers residents; Iesha Cobb, Heritage Park resident; Wanda Hunter; Wake County Justice Coalition participant (name not given).

RHA Staff: Sonia Anderson, Priscilla Batts, Suzy Bryan, Liz Edgerton, Laura McCann, Jennifer Morgan, Donna Perez, Jason Schloop, Gwen Wall.

The Board Vice Chair declared a quorum present and welcomed everyone to the meeting.

PUBLIC COMMENTS

There were no public comments this evening.

RECOGNITION OF VISITORS

Mrs. Edgerton welcomed all of the visitors to the meeting.

CONSENT AGENDA

All items on the Consent Agenda are considered to be routine and may be enacted by one motion and second. If a Commissioner requests that an item be removed from the Consent Agenda it will be done and considered as a separate item. The vote will be a roll call vote.

Item 1

Charge-off of delinquent resident accounts January 2023

Item 2

Financial Statements for January 2023

Item 3

Vacancy and Turnover Summary for January 2023

Item 4

Minutes of January 26, 2023 regular meeting

Commissioner Braun moved and Commissioner Warren seconded approval of the Consent Agenda.

A vote being called, the ayes and nays were as follows:

Aye: Eric Braun, Valerie Crutchfield, Susan Ellinger, Arne Morris, Bahati Mutisya, Gregg Warren, Yolanda Winstead.

Nay: None.

The Consent Agenda has been adopted.

REPORT OF THE BOARD SECRETARY

New CEO Misc.

Mrs. Edgerton said as part of the onboarding process, the staff shared some requested information related to YARDI and the redevelopment. On Feb 14, Mr. Lommers-Johnson met with RHA Directors and Central Office staff (his direct reports) to introduce himself. He was also able to attend the Repositioning Committee meeting with the Heritage Park team.

IT Updates

- **Yardi**
 - Mr. Lommers-Johnson has reviewed the contract sent from Yardi. With that, he requested that Yardi add a couple of new modules and has asked that they come back with a better proposal.
 - He shared some names of potential consultants to help with the migration to the new software.

Contract Services Update

- In a press release last Friday, the Department of Housing and Urban Development (“HUD”) announced that it has awarded \$3.16 billion to nearly 2,770 PHAs under the Capital Fund Program (“CFP”) to build, renovate, and/or modernize the public housing stock in their communities. Our Agency will receive \$3,639,495.
- Contract Services will be bringing back our initial CFP budget and 5-year plan to our next Board Meeting.

Salary Study

- Staff included funds to have a salary study completed in the FYE 2023 budget.
- We have advertised a Salary and Compensation Comparability Study RFP and received two proposals.

- The purpose of this study is to determine the salary grades and ranges for professional, administrative, trades, and residential maintenance positions as well as the comparability of the benefits package.
- We are seeking industry and local comparables for all positions.
- Factors to be taken into consideration for this analysis include:
 - local unemployment rates
 - current cost of living
 - a potential recession
 - higher turnover rates than desirable
 - average employee retention time
 - challenges attracting talent
- Our motivation is to set salaries that are competitive in the local labor market to enable us to attract, hire, and retain skilled employees.
- These two proposals have been evaluated and a recommendation is being drafted now for review.
- This recommendation will be shared with Mr. Lommers-Johnson before approving the contract.
- We will present the results to the Board at a future meeting.

Commissioner Braun said in the past we used the City of Raleigh’s livable wage calculation to adjust compensation (or to use as some sort of a benchmark). Will this salary study take that into account or could we include a request to have them help us determine what a living wage in this area ought to be? I'm not suggesting the city’s calculation is not accurate. I was just curious if that's something they might be able to help us with as well.

Mrs. Edgerton said she will ask HR to look into that to see if that would be included in the scope that they have provided. We use our fair market rents in the area to determine that, and our benefits factor into it, as well. I'll ask Mrs. Bowen to check with them to see if there's additional cost for that.

Leased Housing Updates

Mrs. Edgerton said the flyer for incentivizing was sent to the Board this afternoon for comments. We have not publicized that yet – this is in draft form. It was something I had mentioned at the last meeting and I wanted to make sure you had the opportunity to look at it and comment on it. You can comment on it later since you only received it today. This is something similar to the landlord engagement group through the COC.

Commissioner Warren asked if we have contacted any interest groups for their feedback on this. I’m particularly thinking about the Triangle Apartment Association, or maybe some of the larger property management companies that participate in the Section Eight program.

Mrs. Edgerton said the landlord engagement consists of many different areas of interest and participants.

Commissioner Braun said one other thought I had was should we consider asking the county and the city if they would be willing to contribute financially to an incentive package we're trying to put together.

Commissioner Winstead said the county has the Lease to Own Landlord Engagement Program that they're already funding. I think this is similar to all of the other COC agencies that attend those meetings. They are from different organizations that have people with vouchers or using vouchers that they serve. I think all of the interest groups that you are thinking of are aware of it.

Commissioner Warren said I noticed that it is subject to the availability of funds. What is the source of funds for this? Also, what determines whether or not we have enough funds?

Mrs. Edgerton said it would be the Section Eight Admin Fee reserves. There is a date timeframe on this that would go through December. At that point, we can find out if it can be extended. As far as funding goes, I wanted to put that on there just in case we start getting into those funds, and those start to diminish – or if we need to do something else with those funds. However, I don't think the funding is going to be an issue at the onset of this incentive program.

Commissioner Braun asked staff to keep the Board up-to-date. If it turns out to be something that attracts more landlords, it's worth the Board considering a budget adjustment.

SEEK Raleigh Program by Raleigh Arts

- Staff was approached by Jenn Hales, Public Art Coordinator with the City of Raleigh to work with Justin Perry as part of their SEEK Raleigh Public Art Program.
- Mr. Perry is a teaching artist in the SWAY (Storytelling, Wellness, Art and You) program, an Arts Together initiative in partnership with Communities in Schools.
- His proposed a SEEK Raleigh project to create temporary art/murals to be added to our communities through banners, stickers, or other removable mediums both inside and outside some community centers.
- Residents will be involved in the process through the creation of the art. Residents may provide positive language, words, small images, etc. that will be compiled into pieces for display.
- Proposing creating these temporary murals at Kentwood, Mayview, and Heritage Park initially.
- Would also like to conduct indoor workshops with the youth who live in the community.
- City of Raleigh's SEEK Art program will provide the funding for the project.
- Proposed resident outreach should begin in March and the art will be displayed through late summer-early fall.
- Additional information about the program can be found on the City's webpage at: <https://raleighnc.gov/arts/artist-call-seek-raleigh>

Staff thinks this will be a positive program to display on our properties.

Commissioner Braun said you talked about the collaboration because it was near where Arts Together operates. I know that makes sense and it is convenient. Is there a way to invite those residents not in the downtown area to participate so we make it equitable for everyone? I realize there are likely some logistical issues. However, we want to make sure we don't inadvertently neglect residents who are living in communities that are away from downtown.

Mrs. Edgerton said he has mentioned other properties as well. I think this is just where he planned to start. I will ask Mrs. McCann to find out how we can allow residents from other properties to participate. These are the three properties he was initially going to start at and it may expand to others, depending on response.

Heritage Park Team Meeting Update

Mrs. Edgerton said an in-person meeting was held with the Heritage Park team on Monday, February 13 which consisted of Brinshore, EJP, Raleigh Raised, BL Wall Consulting, Torti Gallas, Moseley, and RHA staff. The agenda included:

- Team member introduction along with their roles.
- Review and reaffirmation of RHA's goals and expected outcomes.
- In-depth review of the Board-approved Design Principles.
- Discussion on Community Engagement Strategy – BL Wall and Raleigh Raised is putting together a detailed Communication Plan.
- Discussion regarding the importance of getting input from the residents and community.
- Best tools to use for outreach.
- Reviewed and added to the list of stakeholders – BL Wall & Raleigh Raised are active within the community and will be adding names to the list.

Meeting with the City of Raleigh on 2/14

The Brinshore team, Mrs. Edgerton, and Jennifer Morgan met with Larry Jarvis, Housing and Neighborhoods Director, on February 14. Erica Brandt and Lamont Taylor will be RHA's liaisons with the city and will represent the city at RHA's planning sessions. Take-aways from that meeting include:

- The city sees Heritage Park as a significant asset and wants higher density.
- They want mixed-income; mixed use.
- Most of what the city has invested in recently are 4% tax credits because not many 9% tax credits are being awarded.
- The city has not previously supported any structures beyond stick built.
- There was some discussion about the parcel in the eastern part of the site that is owned by the city. There was talk about selling it or donating it to RHA. There needs to be further discussion with other departments within the city
- They told us we should talk with Ken Bowers at the city regarding rezoning.
- Discussed the importance of talking with residents and the community early in the community engagement process about the plans to manage the site (RHA will be property manager).
- RHA PR representatives would engage Holly Gallagher with the city for communications.

REPORT OF THE REPOSITIONING COMMITTEE CHAIR

Commissioner Warren said the Repositioning Committee met on February 14. In attendance were:

Committee Members

Commissioner Winstead
Commissioner Warren
Liz Edgerton

RHA Board

Commissioner Braun

RHA Staff

Jennifer Morgan
Laura McCann
Donna Perez
Gwen Wall

Newly-Hired CEO

Ashley Lommers-Johnson

Brinshore

Peter Lavavi
Richard Sciortino
John Majors

EJP

Rhae Parkes

We also had representative from Torti Gallas, Moseley Architects, BL Wall, and Raleigh Raised.

We hadn't met since November because we wanted the Master Planners on board. Highlights of the meeting included:

- We underscored the city and RHA's desire to increase the density on the site from the current 122 units. They were thinking they could get to 300 units. Some of us said that the city is looking for more than that. Part of that was that they noted in our early work with JDavis on some of the schematic plans, we had not shown any kind of development activity on the eastern parcel of the property. We thought it could possibly be sold to a market rate developer in order to help fund the affordable side of this development. After hearing their concerns about this, we advised them in the Master Planning process to plan for the entire site and not reserve any property at this point in time for other uses.
- Continue with the mixed income model that they endorse is mixed use. We talked about some of those uses.

- As we begin to look at plans, if we can only do stick built construction with a four or five story maximum and we want more density, we will need a plan to park on site. That may require a parking structure.

Commissioner Morris asked about their concern for selling off an acre of the property.

Commissioner Warren said if we wanted more density for our side of the development, we need to have that parcel. They also mentioned that section of the property might be best suited for the first phase. That was their first flip phase where there would be demolition and reconstruction.

Commissioner Morris said there was always a conversation among the Board that if we did sell off a piece it wasn't only going to be to fund Heritage Park – that it could be used to acquire additional property in Wake County at a more affordable rate. This wouldn't create more density at Heritage Park. However, it would create more housing in total. I think that's something that we should come back and discuss because all the density does not have to be on that one site. Some of the housing shortage can be accomplished in other areas of Wake County and the city of Raleigh.

Commissioner Warren said even though we said to plan for that entire site, early on in the process they're going to be working with the community, residents and stakeholders. They will likely come up with a number of different options. There will be more discussion.

- There was discussion about our desire to make sure that we had 122 units built on the site for those at 30% AMI or less. Their primary concern was that number might be too high. However, we reinforced the number and said we have been consistent with that position and they should plan for it.

Commissioner Braun said that issue related to the use of that other parcel –they felt it would give us more flexibility to support, financially, the ability to put more than 122 of the units on there (to support more housing at the lower end of the income spectrum).

Commissioner Warren agreed. I think they were also concerned that our rents might be skewed lower and thus require more subsidy. However, if we have tenant protection vouchers, the rents for those units with tenant protection vouchers could be fairly high – close to FMRs or more.

Commissioner Warren asked Commissioner Winstead for confirmation of this.

Commissioner Winstead said in Durham we had tenant protection vouchers that followed the residents that relocated from Liberty Street to Willard Street. Those units were ultimately converted to RAD so the section eight contract for those units is at slightly above fair market. I felt that they were pushing back against the number or the percent of total projected units that would be at 30% of AMI or less from a concentration perspective. I think this requires a fair amount of additional discussion with them. One of our principles was that those 122 units are being replaced and we're serving that same population that currently lives at Heritage Park in those units. They have to get on board with that.

Commissioner Braun and Commissioner Warren agreed with that.

Commissioner Warren said the next step is that we're looking for an updated Master Planning process from them, a Community Engagement Plan, and a Communications Plan.

Commissioner Warren added that the City of Raleigh's Housing and Neighborhoods Director, Larry Jarvis, has announced his retirement (May 1, 2023).

Commissioner Braun said the city attorney is also leaving in May.

Mrs. Edgerton said we did meet further. However, they are still working on that engagement piece of the plan so staff doesn't have anything new to report.

COMMISSIONERS COMMENTS

There were no Commissioner comments this evening.

NEW BUSINESS

Mrs. Edgerton said Murphey School was part of Section 8 Moderate Rehabilitation program which started in 1988. The original HAP contract for this program expired in 2005. HUD has been renewing the funding annually from project reserves.

In June 2022, the Board authorized staff to request approval from HUD to extend the contract for the units at Murphey School apartments for another 12-month term. We received approval from HUD on November 25 and we have prepared the necessary HUD forms to estimate Annual Contributions for the first nine months of RHA's fiscal year.

The contract runs on a calendar year basis and our fiscal year is from April – March. This resolution provides the funding from HUD for those first nine months of the upcoming fiscal year, which begins in April and ends in December 2023. The \$373,000 of funds will be used to pay HAPs estimated at \$324,000, and administrative fees of \$49,000. It also includes the cost of the annual audit.

**HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 11 (2023)**

WHEREAS, in June 1988, the Housing Authority of the City of Raleigh ("RHA") entered into an Annual Contributions Contract numbered A-2900-K with the U. S. Department of Housing and Urban Development ("HUD") for the administration of a Section Eight Moderate Rehabilitation program in the amount of \$14,148,000 to provide project-based housing assistance for a period of fifteen years; and

WHEREAS, the contracts for the Housing Assistance Payments ("HAP") with the property owners were executed in stages with each stage having a separate fifteen year term resulting in contracts that expired at different times; and

WHEREAS, of the initial 104 units originally under contract in this program, only 46 remain; and

WHEREAS, the remaining units are part of Murphey School Apartments located at 443 North Person Street, which is owned by Murphey School, LLC; and

WHEREAS, the original HAP contract for these units expired on December 4, 2005; and

WHEREAS, HUD authorized the use of the available project reserves to extend the funding for additional twelve-month terms with the most recent term ending on December 4, 2022; and

WHEREAS, Murphey School contacted RHA on June 7, 2022 and requested the assistance be extended for another twelve-month term; and

WHEREAS, on Resolution No. 61 (2022), the Board authorized staff to request approval from HUD to extend the contract for the units at Murphey School Apartments for another twelve-month term; and

WHEREAS, on November 25, 2022, RHA received HUD approval to extend the contract for another twelve-month term effective December 5, 2023; and

WHEREAS, on January 13, 2023, staff prepared the HUD forms necessary to estimate the Annual Contributions required to administer the Moderate Rehabilitation program and to request payments for this program through December 2023 in the amount of \$373,692; and

WHEREAS, the renewal funding includes the first nine months of the fiscal year ending March 31, 2024; and

WHEREAS, HUD does not require approval by the Board for revising the funding; and

WHEREAS, RHA hereby certifies that:

- All positions do not exceed 100 percent of any individual employee's time
- It will comply with the requirements for access to records and audits
- It will comply with the requirements for recertification of family eligibility
- It will comply with the HUD regulations and requirements for inspection of units
- Housing Assistance Payments will be made only in accordance with Housing Contracts in the form prescribed by HUD and in accordance with HUD regulations and requirements; and

WHEREAS, HUD form 52663, Requisition for Partial Payment of Annual Contributions; HUD form 52672, Supporting Data for Annual Contributions Estimates; and HUD form 52673, Estimate of Total Required Annual Contributions are attached to this resolution and thereby made a part of this resolution; and

WHEREAS, revisions to these HUD forms may be necessary throughout the subject fiscal year as required by any changes in federal regulations including but not limited to changes in Fair Market Rents, changes to the calculation of the administrative fees, and as necessary to fund the actual utilization of the program;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that the attached HUD forms as prepared and submitted to HUD for the Moderate Rehabilitation program in the amount of \$373,692 be approved.

BE IT FURTHER RESOLVED that staff be authorized to revise these documents throughout the subject fiscal year as may be necessary in order to provide sufficient funding to operate the Section Eight Moderate Rehabilitation Program.

(Commissioner Winstead recused herself since DHIC controls Murphey School Apartments.)

Commissioner Braun moved and Commissioner Ellinger seconded approval of the foregoing resolution. A vote being called, the ayes and nays were as follows:

Aye: Eric Braun, Valerie Crutchfield, Susan Ellinger, Arne Morris, Bahati Mutisya, Gregg Warren.

Nay: None

Resolution No. 11 (2023) has been adopted.

Mrs. Edgerton said HUD permits the designation of communities exclusively for elderly only, disabled only, or elderly and disabled. We had Glenwood Towers and Carriage House designated as elderly only high rises and HUD requires that we resubmit this designation request every two years for their approval

HUD reviewed our request sent in 2022 and determined that our request to operate as *elderly only* isn't a viable choice based on our waiting list and market data so they have denied our request. By denying our requests, these buildings have become general population buildings. Because our staff and Resident Advisory board are not in favor of keeping these buildings as general population buildings, we worked with HUD to determine our next steps and will submit a new application to request that the buildings be designated as both elderly and disabled families

If the Board approves, we will send the request to HUD in hopes that it will be approved for five years from the date of approval.

Commissioner Winstead asked if we have thought about what happens at the end of that five years. What do we do with those buildings as they continue to age?

Mrs. Edgerton said JDavis drafted some of our properties and gave us some viable solutions to what they could be. We have not yet determined what would be our next strategy for repositioning those assets. That is something the Repositioning Committee can discuss with staff and Mr. Lommers-Johnson, when he's on board. After those five years, we would be able to extend it and request for another five years. However, I agree with you that those buildings are ageing. We are starting to see some plumbing issues, so we need to look at either doing some modernization or figure out what the next step would be.

Commissioner Braun said I think this should be one of our significant items in the Strategic Planning effort. I think we need to start looking at taking the long view of our properties – which ones are next up for redevelopment, etc. We should at least consider putting this whole item as one of our Strategic Planning issues to address during that process.

Mrs. Edgerton agreed. Mr. Lommers-Johnson is also interested in Strategic Planning and he will likely make this one of his priorities.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 12 (2023)

WHEREAS, the U. S. Department of Housing and Urban Development (“HUD”) permits the designation of communities exclusively for elderly-only families, disabled-only families, or elderly and disabled families; and

WHEREAS, these designation plans are reviewed by HUD in accordance with Section 7 of the United States Housing Act of 1937, as amended and Notice PIH 2007-1; and

WHEREAS, the Raleigh Housing Authority’s (“RHA”) original Designated Housing Plan permitted Glenwood Towers and Carriage House to be designated as elderly-only high-rises; and

WHEREAS, HUD requires that PHAs resubmit designation requests every two years for their review in order to continue to receive approval; and

WHEREAS, RHA has submitted two requests to continue to designate these properties specifically for elderly residents in 2022; and

WHEREAS, HUD has reviewed these requests and determined that RHA’s request to operate these buildings as elderly-only is no longer viable based on current waiting lists and market data; and

WHEREAS, the elderly-only designations at Glenwood Towers and Carriage House have lapsed and these buildings are now considered general population buildings; and

WHEREAS, the resident advisory board and staff are in favor of continuing to operate these buildings in a way that limits the population of residents; and

WHEREAS, RHA staff has worked with HUD to determine the steps needed to be taken in order to provide an approvable Designated Housing Plan; and

WHEREAS, HUD has indicated that RHA should submit a housing Plan that allows both elderly and disabled families to reside in these two high-rises in order to receive approval; and

WHEREAS, staff has revised its proposed Plan based on HUD guidance which would be in effect for five years from the date that approval is received;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that staff is directed to submit the written request to the HUD Greensboro office to submit a new Designated Housing Plan that allows both elderly and disabled residents to reside in Glenwood Towers and Carriage House.

BE IT FURTHER RESOLVED that staff is authorized to take the steps necessary to secure designation status should this request continue to require alteration to be allowable according to HUD.

Commissioner Braun moved and Commissioner Winstead seconded approval of the foregoing resolution. A vote being called, the ayes and nays were as follows:

Aye: Eric Braun, Valerie Crutchfield, Susan Ellinger, Arne Morris, Bahati Mutisya, Gregg Warren, Yolanda Winstead.

Nay: None

Resolution No. 12 (2023) has been adopted.

Mrs. Edgerton said a portion of this funding is for the subsidy RHA receives for public housing units. Each property has a PEL (Project Expense Level) which is the maximum amount RHA can receive from HUD per unit on that property.

The PEL is what HUD thinks it should take to maintain and manage a unit. From the PEL, we subtract the rent paid by the resident, which is based on their income. That difference is what we receive from HUD as subsidy on that unit.

Highlights of the spreadsheet found behind the resolution include:

- Removed four RAD properties.
- The inflation factor is 1.0650. The PEL increased by this factor.
- There is an increase in the Utility Inflation Factor. Last year this was around 3% and this year it was increased to 22% due to higher utility costs seen in parts of US.
- The total difference between calendar year 2022 and 2023 increased \$816,000. In the FYE 2024 budget approved by the Board, we budgeted to be conservative at 94% pro-ration, even though in 2022 we were getting 104%. We are currently getting 95% for

January – March. They will determine final eligibility with final appropriations in June or July.

Commissioner Braun asked about the utility subsidy increase. You said it is based on nationwide data. It's good for us. However, I don't think our utilities in North Carolina have increased by 22%. Also, what was the inflation factor for the rent subsidy, compared to last year? Did that get a significant bump given overall inflation?

Mrs. Edgerton said because of that utility piece, the total subsidy for each of the properties increased significantly. I don't think there is a percentage value on the spreadsheet for what the differences from last year to this year are – it's only a dollar value.

Mrs. Bryan said the PEL inflation factor last year was around 3%. I'm not certain about the inflation factor for the rent subsidy.

Mrs. Edgerton said staff will look at it and get back to him about that.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 13 (2023)

WHEREAS, the Public Housing Operating Fund Program final rule was published in the Federal Register on September 19, 2005 (79 FR 5498) providing a new formula for distributing Operating Subsidy to individual Asset Management Projects within a housing authority; and

WHEREAS, HUD issued PIH Notice 2022-36 on December 1, 2022 which provided the most recent information to housing authorities for calculating the Operating Subsidy eligibility for all public housing properties for CY 2023; and

WHEREAS, at the beginning of the calendar year, HUD funds projects based on an estimate using pre-populated data; and later deploys the tools used to calculate subsidy; and

WHEREAS, HUD updated the Operating Fund Web Portal which includes the tools and full guidance for the CY 2023 Operating Subsidy on February 8, 2022; and

WHEREAS, HUD's Schedule states that PHAs must submit their completed CY 2023 HUD Forms 52722 and 52723 through the HUD Operating Fund Web Portal no later than March 8, 2023; and

WHEREAS, Formula Income (tenant rent) is subtracted from the Project Expense Level in the calculation of Operating Subsidy, which has the effect of reducing the funding provided by HUD; and

WHEREAS, HUD pre-populated the Formula Income for CY 2023 using the FYE 2021 Audited Financial Data Schedule ("FDS"); and

WHEREAS, staff has prepared the Calculation of Operating Subsidy eligibility for CY 2023 in accordance with the current regulations and most recent guidance; and

WHEREAS, the Calculation of Operating Subsidy eligibility for CY 2023 totaling \$5,221,399 is summarized on the attached spreadsheet which by reference is made part of this resolution;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that the attached Calculation of Operating Subsidy for Calendar Year 2023 be approved.

BE IT FURTHER RESOLVED that should events occur which would significantly impact the Calculation of Operating Subsidy, staff is instructed to include these items in the revised calculation and report the changes to the Board of Commissioners at the next regular scheduled meeting.

Commissioner Braun moved and Commissioner Ellinger seconded approval of the foregoing resolution. A vote being called, the ayes and nays were as follows:

Aye: Eric Braun, Valerie Crutchfield, Susan Ellinger, Arne Morris, Bahati Mutisya, Gregg Warren, Yolanda Winstead.

Nay: None

Resolution No. 13 (2023) has been adopted.

Mrs. Edgerton said this resolution is for Resident Council and ICC funding. ICC is the Inter Community Council which is made up of the presidents from our communities. Each community can have a resident council if they choose. However, not all communities do. HUD regulations provide \$25 per unit for resident participation as part of the Public Housing Operating Subsidy. Of that \$25, \$15 goes to the resident groups and \$10 to the PHA. As with most of our funding, it is subject to proration. Our budgeted proration factor is 94%.

Based on the communities that have a Resident Council and the number of public housing units in those communities, we calculated the available funding, including proration, to be \$11,886. Of that amount, 20% will go to the ICC. The final breakdown is:

- \$9,509 will go to the Resident Councils and be distributed unitarily.
- \$2,377 will go to the ICC.

This money must be used for communities, working on services, staff allocations, and communication between residents and RHA.

The Resident Council is required to requisition any funds from RHA in writing. Staff reviews and approves any funds before they are released. Receipts will be required. Funds can be used for various items such as light refreshments at Resident Council meetings, after school activities, clean up days, and donations to service providers.

Staff holds training sessions with Resident Council members after elections to discuss the rules and procedures for requesting these funds.

Commissioner Winstead asked if the amount budgeted typically gets used. Do you have money that doesn't get used – and if it doesn't get used, does it roll over to some other use for the resident?

Mrs. Edgerton said there is money that does not get used. We are not allowed to carry it over from year to year. However, for the money that does not get used, there are services that RHA pays for. For example, RHA provides cable services in some of the TV rooms that we use some of that funding for.

Mrs. Bryan said we also donate to outside service providers. There is full use of those funds in some way.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 14 (2023)

WHEREAS, the Raleigh Housing Authority (“RHA”) has included in its Operating Budget for Fiscal Year beginning April 1, 2023 through March 31, 2024 an allocation of funds for Tenant Participation and Tenant Opportunities; and

WHEREAS, the funding amounts have been determined in accordance with the U. S. Department of Housing and Urban Development (“HUD”) Notice PIH 2013-21 that was published on August 23, 2013; and

WHEREAS, federal regulations require a total of \$25 per occupied public housing unit to be allocated to support tenant participation activities with \$15 per occupied public housing unit per year being provided directly to residents to support the activities of the duly elected resident councils; and

WHEREAS, the Notice indicates that funding levels can be tied to the agency current operating subsidy funding level provided by HUD which has an average estimated proration of 94% which results in a rate of \$14.10 per unit; and

WHEREAS, the remaining \$10 per occupied public housing unit will be used by RHA to support tenant participation activities; and

WHEREAS, the Inter-Community Council Inc. (“ICC”) a 501(c)3 non-profit is an effective and viable organization within RHA’s organizational structure; and

WHEREAS, a Memorandum of Agreement between RHA and the ICC addresses the expenditure of Tenant Participation funds; and

WHEREAS, the ICC requires financial assistance from RHA to help offset expenses and to address the needs of public housing residents; and

WHEREAS, the ICC and its Executive Board have agreed to provide 20% of the funding to the ICC; and

WHEREAS, the breakdown of the calculations for FYE 2024 Resident Council Community Budget is summarized on the attached spreadsheet;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that the Executive Director is hereby authorized to execute agreements with Resident Councils in good standing and the ICC for a total funding amount of \$11,886 in Tenant Participation Funding for FY beginning April 1, 2023 through March 31, 2024.

BE IT FURTHER RESOLVED that the Executive Director is authorized to approve and adjust funding levels if HUD's funding levels should change.

Commissioner Winstead moved and Commissioner Ellinger seconded approval of the foregoing resolution. A vote being called, the ayes and nays were as follows:

Aye: Eric Braun, Valerie Crutchfield, Susan Ellinger, Arne Morris, Bahati Mutisya, Gregg Warren, Yolanda Winstead.

Nay: None

Resolution No. 14 (2023) has been adopted.

Mrs. Edgerton said RHA residents benefit from services provided by several organizations. RHA wishes to make financial contributions to those who provide services that further RHA and resident goals such as reducing crime, accessing food, self-sufficiency, making property improvements, etc.

Staff sent providers a survey to account for the services afforded to residents during 2022 calendar year. RHA has a Board-approved point system to evaluate the responses and services provided to RHA residents. We received nine surveys back.

We had budgeted for contributions totaling \$25,000. There is a spreadsheet behind the resolution that displays the different contribution options.

Commissioner Warren said the resolution reads that we're recommending approving at least \$25,000 of the donation amount. Shouldn't we be more specific as to the amount? On what basis would the staff make a decision as to what the final amount will be?

Mrs. Edgerton said our recommendation is \$25,000. The past couple of years, the Board has approved for more than that. I'm recommending \$25,000, and if the Board suggests something different, we can vote on that amount.

Commissioner Warren said, as I recall, we discussed perhaps benchmarking this contribution against our financial performance in the past years – so it reflects our financial health. I thought that we were trying to come up with some sort of criterion to determine how much we would make available.

Commissioner Morris said I remember talking about some of the agencies that we use more and maybe looking at adjustments to them. I don't remember tying it to our financial health.

Commissioner Braun said I just remember us talking about it in theory.

Commissioner Braun asked for clarification on the nine surveys that were received back.

Mrs. Edgerton said we surveyed the service providers and we received nine of those surveys back. Last year we had 14 returned surveys and this year we had 9.

Commissioner Braun asked what we are asking the providers.

Mrs. McCann said I can provide the Board a copy of the survey that we send out. It asks about the frequency they are on sites, which communities they serve, how many residents, what is the service that they provide, etc. so that we can determine the impact to our residents.

Commissioner Braun asked if it would it make sense for us to consider also surveying residents in terms of asking them what services they want and need relative to the ones that we have? And maybe looking at a combination of the responses that these organizations give us and then what the residents give us?

Commissioner Warren said these amounts that we're proposing are such a small portion of the operating budget of these organizations that I'm not sure we want to make too big of a deal of this.

Commissioner Braun agreed with this.

Commissioner Winstead said it makes sense to get feedback from the residents about the benefit of the services that are being provided and make sure we're doing things that they find beneficial. With regard to the surveys, most service providers are having to provide all funders with metrics about who they're serving, how often, and the impact of their services.

Commissioner Braun said I would like us to think about ways to engage residents in the services they want, need, and prefer. However, I don't want to hold this process up. Maybe we can provide a list of all these agencies that provide services and ask residents which ones they value and use. It communicates to the residents that we want to hear from them and we might learn something from our residents that we thought we knew, and we didn't really know.

Mrs. Edgerton said our Resident Coordinator works with all these agencies and also gets feedback from the residents. That position is currently vacant.

Commissioner Morris said another thing to think about is even if the residents gave us recommendations of agencies that they want, if those agencies don't respond to the survey that was sent out, they are still not part of this discussion.

Commissioner Warren said I agree that it would be beneficial to have resident feedback. However, I don't want to spend \$25,000 of staff time to do that unnecessarily. What amount did the Board commit to last year?

Mrs. Edgerton said it was \$35,000.

Commissioner Warren asked if there was any rationale as to why we wouldn't maintain that level.

Commissioner Morris asked if the spread was over more agencies last year.

Mrs. Edgerton there were more agencies was last year – 14 agencies.

Commissioner Morris said we contributed to 14 people versus 9 – so it wasn't a budgeted dollar amount, it was what we were contributing to those entities. So if we had the other five agencies, there possibly would have been another \$10,000.

Commissioner Braun said I don't remember the discussion being about how many agencies provided services. I remember the discussion being that staff was recommending \$25,000. The Board recommended bumping that number to \$35,000 since they were providing good services.

Commissioner Morris said it was because we increased what we gave a few of the agencies. He asked if staff can provide a year-to-year report to show us what we gave each one of those agencies.

Commissioner Braun said I personally think maintaining the \$35,000 makes sense, if the agencies are providing valuable services to our residents. Particularly considering the current inflation rate has affected their costs.

Commissioner Braun said I move that we increase the amount from the staff recommendation to providing on a pro rata basis \$35,000 to the agencies outlined in the attachment for the resolution.

Commissioner Warren seconded the motion to increase the amount to \$35,000.

Aye: Eric Braun, Valerie Crutchfield, Susan Ellinger, Arne Morris, Bahati Mutisya, Gregg Warren, Yolanda Winstead.

Nay: None

Mrs. Edgerton asked for clarity for next year. The budget that was just approved was for \$25,000 again so next year we would come back with another \$25,000. Is that what you want me to do or do I come back with a different amount?

Commissioner Braun said, given that for two years in a row we've done \$35,000, you should budget for \$35,000. You can always make a recommendation for less if there's a reason for that, or we have a substantially reduced number of agencies providing services.

Commissioner Winstead agreed.

Commissioner Morris said, to some degree, we just did have a reduction in the number of agencies. I don't know if it's substantial, but it's almost 30%. I'm not debating the increase in \$35,000 for this resolution. I'm just saying I don't know what you call substantial. Clearly we have less providers, and we just maintained the same amount as last year (an increase from the staff-recommended \$25,000).

Commissioner Braun said I was just providing a rationale. From a budgeting standpoint, I think it makes sense for staff to budget \$35,000 for future budgets. Staff didn't say that the rationale going from \$35,000 last year to \$25,000 this year was because there were fewer service providers. I think it was because that's what they had budgeted in past years.

Commissioner Warren said we don't know, for example, if Interfaith Food Shuttle spent more time this year delivering services than they did the prior year because it sounds like we really don't have those metrics. I think we ought to look at that as well. However, we don't want to make this too burdensome.

Commissioner Morris said I'm not disagreeing. I'm just saying that we're increasing what we're giving them without any rationale on why we're doing it. Other than we're just saying, arbitrarily, that we want to increase it to \$35,000 versus \$25,000.

Commissioner Braun said there was rationale. I think that inflation has gone up and the federal government increased our utility allowance by 22%. They're having inflation impacts as well, just like any anybody else. I'm not saying that necessarily correlates, but I think there is some rationale for doing it.

Commissioner Morris suggested coming up with a methodology for next year.

Commissioner Braun said I think that makes sense and would support that because we want to be reimbursing these agencies for services provided to our residents. It would be ideal if we can better tailor how we tie what we're funding to services provided (recognizing the amount of the money relative to our overall budget and staff's time).

Commissioner Morris asked Mrs. Edgerton if that helps going into next year. Maybe that's something you and Mr. Lommers-Johnson can take a look at. You can come up with a methodology and present that back to us.

Mrs. Edgerton said the Board approved the current methodology that we're using. If we want to change that, then I'll get Mr. Lommers-Johnson's input on that and bring it back to the Board. We typically do this before we close our fiscal year so that we can make the contribution before we close the year. However, if we want to change that, we need direction from the Board because there have been a few things mentioned. We would need some direction to go as to how the Board would like to proceed with that. We can have that discussion when Mr. Lommers-Johnson is on board.

Commissioner Warren said you can also pick a couple of Board Commissioners and have them work with you on this. I'm quite sure that every one of these organizations provided our residents with much more value than the amounts that we're allocating. It's great that we have these partnerships.

Commissioner Braun suggested this can be an item to be discussed with Mr. Lommers-Johnson and come back to the Board for discussion later.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 15 (2023)

WHEREAS, the Raleigh Housing Authority (“RHA”) benefits from the services provided by numerous organizations and agencies working both with its residents and within public housing communities; and

WHEREAS, RHA seeks to provide financial contributions to agencies that offer services that advance RHA’s goals and provide resident services; and

WHEREAS, in February 2006, the Board of Commissioners approved a point system to ensure funding is equally distributed to agencies that provided beneficial resident services throughout the calendar year; and

WHEREAS, the scoring system helps evaluate and rank the merit, frequency, and impact of services delivered; and

WHEREAS, revisions to improve the applicability and usefulness of this scoring system and policy have been made and approved by the Board as needed with the most recent revision being approved in December 2021; and

WHEREAS, staff sent providers a survey to account for the services afforded to residents during the 2022 calendar year; and

WHEREAS, using the approved system and the returned surveys, staff evaluated and scored service provider community contributions; and

WHEREAS, a funding scale has been attached to this resolution for Board consideration and staff recommends approving at least a \$35,000 donation amount;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that staff is directed to process the paperwork necessary to make contributions to the service providers in the amount approved by Commissioners as indicated on the attachment to this resolution.

BE IT FURTHER RESOLVED that staff is authorized to revise the AMP budgets as needed to accommodate these contributions.

Commissioner Braun moved and Commissioner Warren seconded approval of the (amended) foregoing resolution. A vote being called, the ayes and nays were as follows:

Aye: Eric Braun, Valerie Crutchfield, Susan Ellinger, Arne Morris, Bahati Mutisya, Gregg Warren, Yolanda Winstead.

Nay: None

Resolution No. 15 (2023) has been adopted.

ADJOURNMENT

There being no further business to come before the Board, Commissioner Braun moved and Commissioner Ellinger seconded approval of adjournment.

The meeting adjourned at 6:10 p.m.