

MINUTES OF A REGULAR MEETING OF
THE HOUSING AUTHORITY OF THE CITY OF RALEIGH
BOARD OF COMMISSIONERS
FEBRUARY 24, 2022

The members of the Board of Commissioners of the Housing Authority of the City of Raleigh, North Carolina met in a Zoom meeting on Thursday, February 24, 2022 at 5:00 p.m.

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

Present: Eric Braun, Niya Fonville, Arne Morris, Bahati Mutisya, Gregg Warren, Joe Whitehouse, Yolanda Winstead, Doris Wrench

Absent: Susan Ellinger

Visitors: Paula Coppola, Walnut Terrace resident.

RHA Staff: Sonia Anderson, Liz Edgerton, Wayne Felton, Laura McCann, Jennifer Morgan, Donna Perez, Jason Schloop, Gwen Wall.

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

RECOGNITION OF VISITORS

The Board Chair welcomed the visitors to the meeting.

PUBLIC COMMENTS

Paula Coppola

Ms. Coppola said she would like to understand the recertifying process. Is it every six months or is it every year, as well as the inspections – are they every six months or every year for the apartments? Because they seem to be doing mine every six months.

Commissioner Morris asked Mr. Felton to explain that process. He said he knows they sometimes feel like the inspections are less than 12 months. There is a rolling process of how the inspectors work inspections.

Mr. Felton said that typically, our re-certifications are completed annually, and staff usually starts that process a few months before to gather the information that's needed for the recertification process. We begin the process early to have the resident send us the information so we can get the recertification completed on time. In Public Housing, we do HQS inspections annually. Some of our tenants, depending on housekeeping issues or other issues, may have inspections more frequently.

Ms. Coppola requested time with Mr. Felton to discuss some issues.

Mr. Felton asked Ms. Coppola to contact Laura McCann to set up a meeting since Ms. Coppola does not have a phone number where she can be reached.

Ms. Coppola also asked if they are going to acknowledge that the water and the electric companies have increased their rates and that it has affected the residents. It doesn't show that reflection in RHA's accounting of their rental amount.

Mr. Felton said we can take a look at that when we meet with you.

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 for January 2022

Item 2

Financial Statements for January 2022

Item 3

Vacancy and Turnover Summary for January 2022

Item 4

Minutes of January 27, 2022 RHA Board Meeting.

RECOMMENDATION: Approval as submitted by staff.

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

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

Aye: Eric Braun, Niya Fonville, Arne Morris, Bahati Mutisya, Gregg Warren, Joe Whitehouse, Yolanda Winstead, Doris Wrench

Nay: None

The Consent Agenda has been adopted.

Commissioner Whitehouse had a question for staff from the last Board Meeting. He asked if the public's questions from the last Board Meeting have been answered. Were they contacted and provided an answer for the information they were looking for?

Mr. Felton said Ms. Jarman and Ms. Cobb have both met with staff and they're working with them through their issues. We have answered Miss Coppola's questions in the public comments and those are posted in the Walnut Terrace office.

Commissioner Morris said there will not be an Executive Session this evening. He thanked the RHA staff for their support and patience as the Board works through their adjustments with all of the committees and Special Board Meetings.

REPORT OF THE BOARD SECRETARY

Meeting Misc.

Mr. Felton reminded the Board and public that the answers to the public comments are on the website under "Frequently Asked Questions". The meeting minutes will be posted to the website once the Board has approved them.

The staff is working to have the Board Room ready so that the March Board Meeting can be in-person with the Commissioners. This is contingent on the vendor being able to get the equipment installed in time. If not, we will continue to have virtual meetings. The goal is to have a hybrid so that the Commissioners can meet in-person, with the staff and public continuing to be virtual.

Staff recommends the Board meetings be in-person with the Commissioners – and the staff and public remain online. All committee meetings will be virtual. However, this is a Board decision and staff will comply with what the Board decides.

Answers to Board Questions

- The Work Charts for the agency have been updated and uploaded to the Board Portal.
- Staff researched box.com. We are currently using the Board Portal and have reorganized it so it is easier to find information. We did not see where box.com gives any added benefit over the Portal and box.com would be an additional expense.
- Staff updated RHA's sources of funding for the Heritage Park redevelopment and uploaded it to the portal.
- Reimbursables for the EJP Strategic Planning contract – all costs are included unless staff asks for something extra. They have already put a certain number of meetings in their proposal. If we ask for another in-person meeting, there will be the airfare and travel associated with that. We do not have an estimate on any incidentals. It was brought up about our retreat as part of the Strategic Plan but that would be something that we would absorb in our budget.
- Staff was asked to break down RHA's restricted and unrestricted reserves. Liz Edgerton did a great job of putting together a spreadsheet with all of that information. We met with Commissioner Warren and Commissioner Braun this afternoon and went through it with them. There are some additional edits to make, and then we'll get that out to the entire Board. We'll put that into Board Portal.

COVID Update

- We are continuing with our current mask protocols for the next two weeks. We will continue wearing masks when meeting with residents and going into residents' homes. We

feel it is best for everyone to continue with current protocols and re-evaluate in a couple of weeks.

- Currently we have one reported COVID case with our residents, and one case with our staff.

RAD Update

- RHA's financial information has been submitted to HUD for their review.
- RHA has been penciled in for a closing date of May 30, 2022. Staff is moving forward with that date in mind.
- The contract for inspections and rent reasonableness is being finalized. We are pre-inspecting these units to ensure they pass the inspections.

Cyber Security Report

Staff decided last year to have a consultant evaluate RHA's cyber security because there are several employees who are working remotely. Staff wanted to ensure the residents' information is secure. A copy of the report was sent to the Board this week. Overall, the report is good and the consultant was very complimentary of the job that the IT department has done.

Commissioner Whitehouse asked if there were any recommendations in the report.

Mr. Felton said their recommendations included:

- Encryption software on laptops.
- Cloud based system.
- Additional incident planning in more detail.

RHA's existing coverage for cybersecurity insurance is a \$1,000,000 limit with \$25,000 deductible.

Commissioner Braun asked if staff is planning to implement a cloud based system.

Mr. Felton said that will be brought back to the Board for approval because it will be a bigger process with RHA's software.

Commissioner Braun asked if \$1,000,000 is enough to cover a rebuild.

Mr. Felton said \$1,000,000 should cover any worst-case scenario.

Commissioner Braun said staff might want to ask the consultant to make sure we're thinking about all costs that will be incurred. He appreciates all that has been done.

Mr. Felton said he will talk with someone on the NCHARRP Board of Trustees, who went through something like this at her agency.

Walnut Terrace Playgrounds and Benches

Staff was asked a few months ago to take a look at putting benches and a playground at Walnut Terrace. We worked with JDavis and they put together a plan. We will be working to get the benches in and the Board can make some decisions about playgrounds.

Staff had also talked with the entity who does the Raleigh City Garden that is near the offices at 900 Haynes Street. We touched base with them about possibly doing a garden at Walnut Terrace – there is a small piece of property next to the Greenway that we think would be good for that. We will reengage with them and see if that's a possibility.

Heritage Park Water leak

There was a water and sewer leak at one of the buildings in Heritage Park. A high water bill alerted the staff to the water leak. At Heritage Park, one side of the property – the even addresses – are all on one master meter. All of the water comes through one pipe and then it feeds out from that meter and goes to all the units. Staff could not find the leak at that time.

Staff started the sewer repair, and as we were digging, water started coming in the trench and we found one of the breaks in the waterline. The water was shut off for a few hours on Monday while they did that repair. On Tuesday, we had another leak occur in the water line so the water was shut off approximately six hours on Tuesday. They had the water back on at 5:00 pm and at 5:15 pm the repair blew apart so they had to shut the water off again.

With the help of Ms. Cobbs and staff, we gave everyone two gallons of water that night. Thankfully, they got the water back on by 8:30 pm so the residents had water for the night. Mr. Felton thanked the staff as well as Ms. Cobbs for getting water to the residents.

Update With Selection of Co-Developer for Heritage Park

The Selection Committee has a meeting on Monday to go through our questions in preparation for our interviews. The interviews are scheduled for March 29th and 30th. We have two days to meet with five potential Co-Developers. Once we do that, we hope to make a recommendation and bring that to the Board for approval. We'll likely schedule that as a Special Board Meeting.

Reoccupying units at Heritage Park

The Board had a discussion a year ago about not reoccupying units at Heritage Park as they became vacant. We made the decision not to reoccupy those units so there would be fewer people to relocate when we started demolition.

With that, once a unit is no longer occupied, you have a two-year timeframe to either start your redevelopment or get your approval in order to get a Tenant Protection Voucher. We want to get Tenant Protection Vouchers for the residents – that is how we grew our voucher program with the other redevelopments. However, some of these units are nearing the end of that two-year period to receive a voucher. We had taken some offline that we're not going to reoccupy because the cost to repair is going to be too great (mold abatement, maybe asbestos abatement, some need a new HVAC unit).

We currently have 28 units that are not occupied at Heritage Park and we've identified 10 to 12 units that we can fix up and get reoccupied. That would restart the clock on those. We will have at least another year going through this process and that would give us an opportunity to get those vouchers.

Commissioner Winstead asked if those vacancies are scattered across the property or are they in one building.

Mr. Felton said they are scattered across the property.

Commissioner Warren congratulated Mrs. Edgerton for putting together a good summary of RHA's cash position and unrestricted dollars that be available for Heritage Park and some other developments. He said it was very well-done.

Commissioner Warren suggested it might be easier to meet at 971 Harp Street, if the Board Meetings being to meet in-person. It is a bigger room and would be give more room to spread out.

Mr. Felton said it would be more difficult to record in that room if everyone is spread out.

Mr. Felton said staff is lining up a photographer to take head shots and group shots of the Board and Directors at the March Board Meeting.

REPORT OF THE REPOSITIONING COMMITTEE CHAIR

Commissioner Warren said on February 8th the committee had a good discussion with the members of the RAD Collaborative team, touching on negotiating points with Co-Developers, and how some groups have organized themselves to be more active in real estate development. We have another meeting coming up (date to be determined) and that is going to focus on how housing authorities have used their nonprofit affiliates to do affordable housing development. The regular date for that would be March 8, from 11:30 am to 1:00pm on Tuesday. However, it has not yet been set.

Commissioner Warren said we will need to have a discussion at some point after the Co- Developer is selected as to whether or not the Repositioning Committee is going to be the main subcommittee that continues to focus on Heritage Park and the other RAD conversions, or whether that will be divided up in some other fashion. He welcomes other Commissioners to join those Repositioning Committee meetings. They are official meetings and advertised as a public meeting.

Commissioner Braun said one thing to consider, since some of the people who are dealing with the Co-Developer selection aren't on the Repositioning Committee, it may be worth considering the membership of the Repositioning Committee to align with the people who are handling the Co-Developer selection. It does not have to be discussed tonight.

Commissioner Warren said that is a good item to consider. We would have to look at that to see if there are any terms to those appointments to determine how we make changes to the committee, if the Board chooses to do so.

COMMISSIONERS COMMENTS

There were no Commissioners Comments this evening.

NEW BUSINESS

Mr. Felton said that Murphey School is part of the Section 8 Mod Rehab 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 2021 the Board authorized staff to request approval from HUD to extend the contract for the units at Murphey School apartments. Staff received approval from HUD on December 22nd and prepared the necessary HUD forms to estimate the Annual Contributions for the first nine months of RHA's fiscal year.

The contract runs on a calendar year basis and RHA's fiscal year is from April – March. Resolution provides the funding from HUD for those first nine months of the upcoming fiscal year, which will begin in April and end in December 2022. The \$377,000 of funds will be used to pay HAPs estimated at \$330,000, and administrative fees of \$46,000. It also includes the cost of the annual audit.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 11 (2022)

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, 2021; and

WHEREAS, Murphey School contacted RHA on June 28, 2021 and requested the assistance be extended for another twelve-month term; and

WHEREAS, on Resolution No. 53 (2021), 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 December 22, 2021, RHA received HUD approval to extend the contract for another twelve-month term effective December 5, 2021; and

WHEREAS, on January 13, 2022, 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 2022 in the amount of \$377,405; and

WHEREAS, the renewal funding includes the first nine months of the fiscal year ending March 31, 2023; 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 \$377,405 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 from the voting because DHIC controls Murphey School Apartments.)

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

Aye: Eric Braun, Niya Fonville, Arne Morris, Bahati Mutisya, Gregg Warren, Joe Whitehouse, Doris Wrench

Nay: None

Resolution No. 11 (2022) has been adopted.

Mr. Felton said this resolution is the budget revision for the Central Cost Center for fiscal year ending March 31, 2022. Highlights of the revision include:

- Revising operating receipts by approximately \$414,000. This is mainly due to COVID:
 - Staff did not do as many HQS inspections because of COVID.
 - Fees for trade workers are down because staff is not doing as many work orders.
- Adjusting labor and benefits down by \$625,000.
- Adjusting replacement of equipment by \$277,000. This is the replacement of the HVAC system at 900 Haynes Street. Staff had budgeted for the replacement in last year's budget, because we were not sure when the system would be installed.
- Adjusting operating expenses by \$900,000.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 12 (2022)

WHEREAS, in order to meet the operational needs of the Agency, it is necessary to revise the Annual Operating Budget for the Central Cost Center ("CCC") for the period ending March 31, 2022; and

WHEREAS, the U. S. Department of Housing and Urban Development ("HUD") has mandated housing authorities implement Asset Management which does not provide any federal funding to meet the operational expenses of the CCC requiring it to charge Fees-for-Services provided to the public housing communities; and

WHEREAS, the original Master Operating Budget for the fiscal year ending ("FYE") March 31, 2022, which included the CCC, was approved by the Board of Commissioners on January 28, 2021 with Resolution #4; and

WHEREAS, the Master Operating Budget provided that the Housing Choice Voucher Management Fee be earned in the CCC; and

WHEREAS, HUD instructed Raleigh Housing Authority ("RHA") in February 2012 that all fees related to Asset Management, including the Housing Choice Voucher Management Fee, must be earned by the CCC and could be subsequently transferred to other funds; and

WHEREAS, after recording the Housing Choice Voucher Management Fee projected at \$599,071 in the CCC, an equity transfer equal to the amount earned of \$599,071 is to be made from the CCC to Local Fund, as reflected on line 107; and

WHEREAS, the Governmental Accounting Standards Board (“GASB”) issued Statement 68 relating to accounting and reporting issues and how pension costs and obligations are measured and reported on audited external financial statements; and

WHEREAS, RHA was required to implement GASB 68 on the March 31, 2016 financial statements using pension data supplied by the NC Department of State Treasurer (“NCDST”); and

WHEREAS, NCDST will provide the pension data for FYE March 31, 2022 in the spring of 2022 to be included on RHA’s FYE 2022 audited financial statements; and

WHEREAS, GASB issued Statement 75 relating to financial reporting for Postemployment Benefits Other Than Pension Plans (OPEB) and establishes new accounting and financial reporting requirements for local public agencies who have OPEB funds held in irrevocable trusts; and

WHEREAS, RHA was required to implement GASB 75 on the March 31, 2022 financial statements using data derived from an actuarial study; and

WHEREAS, Cavanaugh MacDonald Consulting, LLC will provide the OPEB data for FYE March 31, 2022 in the spring of 2022 to be included on RHA’s FYE 2022 audited financial statements; and

WHEREAS, the budget revision includes an estimate for the physical inventory adjustment for materials stored in the warehouse to be determined as the books are closed for the fiscal year end; and

WHEREAS, the implementation of Asset Management makes it desirable for RHA to change its accounting for some of the budget categories and the resulting projected income and expenditures in certain line items make it necessary to revise said budget; and

WHEREAS, the Board approved Resolution # 9 on February 8, 2022 in executive session regarding the Executive Director’s performance (Revision 1); and

WHEREAS, the Board approved Resolution #70 on October 28, 2021 to contract with EJP for consulting services to produce a 5-year strategic plan (Revision 2); and

WHEREAS, the Board approved Resolution #87 on December 2, 2021 to contract with Public Participation Partners (P3) for consulting services on a strategic communications plan for the agency (Revision 3); and

WHEREAS the Board approved Resolution #88 on December 2, 2021 to contract with LeaderShift Coaching to conduct agency wide 360 Evaluation Surveys for the Executive Leadership Team at RHA (Revision 4); and

WHEREAS, the original budget as revised reflects these four budget revisions; and

WHEREAS, RHA staff has prepared budget revision 5 for the operation of the CCC for the fiscal year ending March 31, 2022 reflecting revisions to the budget categories which is attached hereto and 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 Conventional Budget Revision #5 for the Central Cost Center for fiscal year ending March 31, 2022 be revised as follows:

1. Line 38 Total Receipts be decreased \$413,915.
2. Line 52 Total Administrative Expense be decreased \$35,497.
3. Line 69 Total Utilities be decreased \$9,073.
4. Line 75 Total Ordinary Maintenance be decreased \$583,033.
5. Line 89 Total General Expense be increased \$3,187.
6. Line 92 Total Operating Expense be decreased \$624,416.
7. Line 99 Total Non-Routine Expenditures be decreased \$276,119.
8. Line 105 Total Operating Expenditures be decreased \$900,535.
9. Line 106 Residual Receipts before equity transfer be increased \$486,620.

BE IT FURTHER RESOLVED THAT:

1. Staff is authorized to revise the budget if necessary subject to additional funding information from HUD that may affect the income projections for the fiscal year ending March 31, 2022.
2. If needed, staff is authorized to revise the budget once the GASB 68 pension data is supplied by the NCDST.
3. If needed, staff is authorized to revise the budget once the GASB 75 OPEB data is supplied by Cavanaugh MacDonald Consulting, LLC.
4. Staff is authorized to revise the budget if necessary due to additional consulting services expenditures.
5. Staff will report such changes to the RHA Board of Commissioners with the unaudited financials after the end of the subject fiscal year.

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

Aye: Eric Braun, Niya Fonville, Arne Morris, Bahati Mutisya, Gregg Warren, Joe Whitehouse, Yolanda Winstead, Doris Wrench

Nay: None

Resolution No. 12 (2022) has been adopted.

Mr. Felton said this is RHA's conservative budget revision for the Asset Management Projects for fiscal year end March 31, 2022. Highlights of the revision include:

- Operating receipts are increasing by \$313,000. This is due to collecting more rent than was budgeted.
- Administrative salaries decreased by \$126,000 because of vacant positions.
- The sundry account is increasing by \$119,000. This is because temporary employees have been hired to fill the vacant positions throughout the year.
- Ordinary Maintenance is increasing by \$192,000. Labor and benefits have decreased due to being short staffed. However, contract costs have increased due to utilizing more contractors to get the work done.
- Total operating expenditures are increasing by \$412,000.
- Increased net subsidy by \$966,000 due to proration being higher than budgeted.
- RHA's Overall Residual Receipts are increasing by \$863,000.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 13 (2022)

WHEREAS, in order to meet the operational needs of the Agency, it is necessary to revise the Annual Operating Budget for Asset Management Projects ("AMPs") NC 002-006 through NC 002-040 for the fiscal year ending March 31, 2022; and

WHEREAS, the original Operating Budget for the fiscal year ending ("FYE") March 31, 2022, which included the AMPs, was approved by the Board of Commissioners on January 28, 2021 with Resolution #5; and

WHEREAS, the Fees for Services reflected in the proposed budget revision are determined to be in the best interest of the individual AMPs and the agency as a whole; and

WHEREAS, the U.S. Department of Housing and Urban Development ("HUD") currently funds the Operating Fund for the AMPs on a calendar year basis; and

WHEREAS, HUD notified Raleigh Housing Authority ("RHA") on November 12, 2021 that the funding proration for Calendar Year ("CY") 2021 would be 96.74% of funding eligibility, which covers funding through December 31, 2021 or three quarters of the subject fiscal year; and

WHEREAS, HUD paid an interim proration factor of 95.00% eligibility for January, February and March of 2022; and

WHEREAS, the Governmental Accounting Standards Board ("GASB") issued Statement 68 relating to accounting and reporting issues and how pension costs and obligations are measured and reported on audited external financial statements; and

WHEREAS, RHA was required to implement GASB 68 on the March 31, 2016 financial statements using pension data supplied by the NC Department of State Treasurer ("NCDST"); and

WHEREAS, NCDST will provide the pension data for FYE March 31, 2022 in the spring of 2022 to be included on RHA's FYE 2022 audited financial statements; and

WHEREAS, GASB issued Statement 75 relating to financial reporting for Postemployment Benefits Other Than Pension Plans (OPEB) and establishes new accounting and financial reporting requirements for local public agencies who have OPEB funds held in irrevocable trusts; and

WHEREAS, RHA was required to implement GASB 75 on the March 31, 2019 financial statements using data derived from an actuarial study; and

WHEREAS, Cavanaugh MacDonald Consulting, LLC will provide the OPEB data for FYE March 31, 2022 in the spring of 2022 to be included on RHA's FYE 2022 audited financial statements; and

WHEREAS, the budget revision includes an estimate for the physical inventory adjustment for the materials stored in the warehouse to be determined as the books are closed for the fiscal year end; and

WHEREAS, RHA desires to write off all tenant bad debts subsequent to the March 24, 2022 Board meeting through March 31, 2022 to accurately reflect tenant accounts receivables and maximize RHA's score in the Management Assessment Subsystem; and

WHEREAS, it may be desirable to reclassify expenses between the AMPs and the Capital Fund Program to achieve net incomes for the AMPs that are close to breakeven, a goal previously approved by the Board using the fungibility included in the Quality Housing and Work Responsibility Act of 1998 ("QHWRA"); and

WHEREAS, staff will make these reclassifications as the books are closed for the fiscal year ending March 31, 2022 and report these amounts to the Board with the unaudited financial statements; and

WHEREAS, the Board approved Resolution #33 on May 28, 2020 to enter into a Contract with EJP Consulting for RAD conversions; (Revision 1); and

WHEREAS, the Board approved Resolution #70 on October 28, 2021 to contract with EJP for consulting services to produce a 5-year strategic plan (Revision 2); and

WHEREAS, the Board approved Resolution #71 on October 29, 2021 to separate the Property Management position for the Single Family Homes and Stonybrook Apartments (Revision 3); and

WHEREAS, the Board approved Resolution #87 on December 2, 2021 to contract with Public Participation Partners (P3) for consulting services on a strategic communications plan for the agency (Revision 4); and

WHEREAS the Board approved Resolution #88 on December 2, 2021 to contract with LeaderShift Coaching to conduct agency wide 360 Evaluation Surveys for the Executive Leadership Team at RHA (Revision 5); and

WHEREAS, the original budget as revised reflects these five budget revisions; and

WHEREAS, staff has prepared budget revision #6 for the operation of the Asset Management Projects for the fiscal year ending March 31, 2022 which is attached hereto and by reference is made part of this; and

WHEREAS, revisions to the budget category totals are reflected in the resolution;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that the Conventional Budget Revision #6 for the Asset Management Projects for fiscal year ending March 31, 2022 will be revised as follows:

1. Line 10 Total Receipts be increased \$312,975.
2. Line 25 Total Administrative Expense be decreased \$23,262.
3. Line 35 Total Tenant Services increased \$12,097.
4. Line 42 Total Utilities be increased \$94,335.
5. Line 68 Total Ordinary Maintenance be increased \$191,943.
6. Line 71 Total Protective Services increased \$15,996.
7. Line 85 Total General Expense be increased \$127,356.
8. Line 95 Total Non-Routine Expenditures be decreased \$5,842.
9. Line 110 Total Operating Subsidy be increased \$963,060.
10. Line 111 Residual Receipts be increased \$863,412.

BE IT FURTHER RESOLVED THAT:

1. Staff is authorized to revise the budget if necessary:
 - a. Subject to additional funding information from HUD that may affect the income projections for the fiscal year ending March 31, 2022.
 - b. If additional tenant bad debts arise prior to March 31, 2022.
 - c. For any expenses reclassified between the AMPs and the Capital Fund Program to achieve net incomes for the AMPs that are close to breakeven.
2. If needed, staff is authorized to revise the budget once the GASB 68 pension data is supplied by the NCDST.
3. If needed, staff is authorized to revise the budget once the GASB 75 OPEB data is supplied by Cavanaugh MacDonald Consulting, LLC.
4. Staff is authorized to revise the budget if necessary due to additional consulting services expenditures.
5. Staff will report these revisions to the Board with the unaudited financial statements following the end of the subject fiscal year.

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

Aye: Eric Braun, Niya Fonville, Arne Morris, Bahati Mutisya, Gregg Warren, Joe Whitehouse, Yolanda Winstead, Doris Wrench

Nay: None

Resolution No. 13 (2022) has been adopted.

Mr. Felton said this resolution is the budget revision for the Local Fund, fiscal year ending March 31, 2022. Highlights of the budget include:

- Total receipts are increasing by \$590,000. Mainly due to issuer fees that RHA earned for bond deals.
- Total Operating Expenses are decreasing by \$18,000.
- Staff anticipates an increase in an equity transfer of Housing Choice Voucher management fees of \$30,000.
- CAD will pay an additional \$125,000 back to the Local Fund on the loan for Walnut Terrace.
- Increasing the Net Cash Flow of \$689,000 from the original budget projections.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 14 (2022)

WHEREAS, the Housing Authority of the City of Raleigh (“RHA”) established the Local Fund for entrepreneurial activities, such as issuing non-recourse housing revenue bonds and earning non-federal property management fees that support RHA’s mission; and

WHEREAS, the Master Operating Budget for the fiscal year ending March 31, 2022, which included the Local Fund was approved by the Board of Commissioners on January 28, 2021 with Resolution No. 4; and

WHEREAS, HUD instructed RHA in February 2012 that all fees related to Asset Management, including the Housing Choice Voucher (“HCV”) Management Fee, must be earned by the Central Cost Center (“CCC”) and could be subsequently transferred to other funds; and

WHEREAS, the Master Operating Budget provided that the gross amount of the HCV Management Fee be transferred from the CCC to Local Fund; and

WHEREAS, the HCV Management Fee projected earnings of \$599,071 for the fiscal year ending March 31, 2022 in the CCC will result in an estimated equity transfer from the CCC to Local Fund, as reflected on line 65 of the proposed budget revision; and

WHEREAS, the Board approved Resolution #9 on February 8, 2022 in executive session regarding the Executive Director’s performance (Revision 1); and

WHEREAS, the Board approved Resolution #70 on October 28, 2021 to contract with EJP for consulting services to produce a 5-year strategic plan (Revision 2); and

WHEREAS, the Board approved Resolution #87 on December 2, 2021 to contract with Public Participation Partners (P3) for consulting services on a strategic communications plan for the agency (Revision 3); and

WHEREAS the Board approved Resolution #88 on December 2, 2021 to contract with LeaderShift Coaching to conduct agency wide 360 Evaluation Surveys for the Executive Leadership Team at RHA (Revision 4); and

WHEREAS, the original budget as revised reflects these budget revisions; and

WHEREAS, the budget may need to be adjusted if additional consulting services expenditures are incurred before March 31, 2022; and

WHEREAS, the income related to the Optional Resident Retention Services for the Section 8 Program as approved by the Board of Commissioners with Resolution No. 35 on May 30, 2013 is reflected on line 16 and the applicable expenses are reflected on lines 20, 25, 27, 34, 35, and 42 of the proposed budget revision; and

WHEREAS, staff has prepared budget revision #5 for the operation of Local Fund for the fiscal year ending March 31, 2022; and

WHEREAS, the Governmental Accounting Standards Board (“GASB”) issued Statement 68 relating to accounting and reporting issues and how pension costs and obligations are measured and reported on audited external financial statements; and

WHEREAS, RHA was required to implement GASB 68 on the March 31, 2016 financial statements using pension data supplied by the NC Department of State Treasurer (“NCDST”); and

WHEREAS, NCDST will provide the pension data for FYE March 31, 2022 in the spring of 2022 to be included on RHA’s FYE 2022 audited financial statements; and

WHEREAS, GASB issued Statement 75 relating to financial reporting for Postemployment Benefits Other Than Pension Plans (OPEB) and establishes new accounting and financial reporting requirements for local public agencies who have OPEB funds held in irrevocable trusts; and

WHEREAS, RHA was required to implement GASB 75 on the March 31, 2019 financial statements using data derived from an actuarial study; and

WHEREAS, Cavanaugh MacDonald Consulting, LLC will provide the OPEB data for FYE March 31, 2022 in the spring of 2022 to be included on RHA’s audited financial statements; and

WHEREAS, the proposed budget revision for the operation of Local Fund for the fiscal year ending March 31, 2022 is attached to this resolution and thereby made part of the resolution; and

WHEREAS, the budget projections reflect a cost-efficient operation and a positive net cash flow;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that the attached budget revision for Local Fund for the fiscal year ending March 31, 2022 be revised as follows:

1. Line 17 Total Operating Receipts be increased by \$589,953.
2. Line 30 Total Administrative Expense be decreased by \$16,780.
3. Line 39 Total Maintenance be decreased by \$692.

4. Line 51 Total General Expense be decreased by \$816.
5. Line 64 Residual Receipts be increased by \$608,241.
6. Line 65 Equity Transfer (HCV Management Fees) be increased by \$30,444.

BE IT FURTHER RESOLVED THAT:

1. If needed, staff is authorized to revise the budget once the GASB 68 pension data is supplied by the NCDST.
2. If needed, staff is authorized to revise the budget once the GASB 75 OPEB data is supplied by Cavanaugh MacDonald Consulting, LLC.
3. Staff is authorized to revise the budget if necessary due to additional consulting services expenditures.
4. Staff will report these revisions to the Board with the unaudited financial statements following the end of the subject fiscal year.

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

Aye: Eric Braun, Niya Fonville, Arne Morris, Bahati Mutisya, Gregg Warren, Joe Whitehouse, Yolanda Winstead, Doris Wrench

Nay: None

Resolution No. 14 (2022) has been adopted.

Mr. Felton said this resolution is the budget revision for the Section Eight Housing Choice Voucher Program. Highlights of the revision include:

- Operating Receipts are increasing by \$97,000. Most of this is due to a higher pro-ratio rate than was budgeted.
- Administrative Expenses are decreasing by \$127,000, mainly due to due to vacant positions.
- Sundry increasing by \$106,000 due to temporary staff to help cover vacant positions.
- Decreasing Operating Expenses by \$181,000.
- Overall Operating Budget increase of \$279,000.
- Net cash flow increasing by \$294,000.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 15 (2022)

WHEREAS, the Housing Authority of the City of Raleigh (“RHA”) administers a Section Eight Housing Choice Voucher (“Voucher”) Program; and

WHEREAS, effective January 1, 2004, the U.S. Department of Housing and Urban Development (“HUD”) began providing funding for the Voucher program on a calendar year basis which crosses two fiscal years; and

WHEREAS, the Master Operating Budget for the fiscal year ending March 31, 2022, which included the Voucher program, was approved by the Board of Commissioners on January 28, 2021 with Resolution No. 5; and

WHEREAS, HUD issued Notice 2021-10 on March 24, 2021, which retroactively implemented the funding provisions for calendar year 2021, as required by the Federal Fiscal Year 2021 HUD Appropriations Act (Public Law 116-260), which was enacted on December 27, 2020; and

WHEREAS, HUD notified RHA on March 30, 2021 of the final HAP funding amounts for calendar year 2021, which covered funding through December 31, 2021 or three quarters of the subject budget year; and

WHEREAS, HUD published the Administrative Fee rates on April 23, 2021 retroactive for calendar year 2021 and advised the proration factor is expected to be 82%; and

WHEREAS, on October 6, 2021 HUD advised the proration factor for Administrative Fees increased to 84% for calendar year 2021; and

WHEREAS, HUD has not yet completed the final reconciliation for the Administrative Fees for calendar year 2021; and

WHEREAS, HUD has not yet issued the funding provisions for calendar year 2022; and

WHEREAS, HUD has not yet published the Administrative Fee rates for calendar year 2022 or notified housing authorities of the proration factor; and

WHEREAS, during June 2014, RHA's auditor recommended setting up an allowance for doubtful accounts for amounts owed by landlords which may be considered uncollectible; and

WHEREAS, the proposed budget revision includes an allowance of \$7,414 as reflected on line #65 in the HAP expenses; and

WHEREAS, the landlords who owe balances cannot participate in RHA's Section Eight program until the amount owed is paid in full; and

WHEREAS, the Governmental Accounting Standards Board ("GASB") issued Statement 68 relating to accounting and reporting issues and how pension costs and obligations are measured and reported on audited external financial statements; and

WHEREAS, RHA was required to implement GASB 68 on the March 31, 2016 financial statements using pension data supplied by the NC Department of State Treasurer ("NCDST"); and

WHEREAS, NCDST will provide the pension data for FYE March 31, 2022 in the spring of 2022 to be included on RHA's FYE 2022 audited financial statements; and

WHEREAS, GASB issued Statement 75 relating to financial reporting for Postemployment Benefits Other Than Pension Plans (OPEB) and establishes new accounting and financial reporting requirements for local public agencies who have OPEB funds held in irrevocable trusts; and

WHEREAS, RHA was required to implement GASB 75 on the March 31, 2019 financial statements using data derived from an actuarial study; and

WHEREAS, Cavanaugh MacDonald Consulting, LLC will provide the OPEB data for FYE March 31, 2022 in the spring of 2022 to be included on RHA's FYE 2022 audited financial statements; and

WHEREAS, the Board approved Resolution No. 70 on October 28, 2021 to contract with EJP for consulting services to produce a 5-year strategic plan (Revision 1); and

WHEREAS, the Board approved Resolution No. 87 on December 2, 2021 to contract with Public Participation Partners (P3) for consulting services on a strategic communications plan for the agency (Revision 2); and

WHEREAS the Board approved Resolution No. 88 on December 2, 2021 to contract with LeaderShift Coaching to conduct agency wide 360 Evaluation Surveys for the Executive Leadership Team at RHA (Revision 3); and

WHEREAS, the original budget as revised reflects these budget revisions; and

WHEREAS, the budget may need to be adjusted if additional consulting services expenditures are incurred before March 31, 2022; and

WHEREAS, projected income and expenditures in certain line items make it necessary to revise the Annual Operating Budget for the fiscal year ending March 31, 2022 for the Voucher Program in order to meet the operational needs of the Agency; and

WHEREAS, the proposed operating budget reflecting revisions to the budget categories is attached to this resolution and thereby made a part of this resolution; and

WHEREAS, the budget projections reflect a cost-efficient operation;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that the Operating Budget for the Section Eight Housing Choice Voucher Program for fiscal year ending March 31, 2022 be revised as follows:

1. Line 9 Total Operating Receipts be increased by \$97,314.
2. Line 22 Total Administrative Expense be decreased by \$126,675.
3. Line 27 Total Utilities be increased by \$433.
4. Line 34 Total Ordinary Maintenance & Operation be decreased by \$2,209.
5. Line 41 Total General Expense be decreased by \$11,366.
6. Line 45 Total HAP Expense-Incoming Ports be decreased by \$42,000.

7. Line 53 Total Other Expenditures be increased by \$39.
8. Line 57 Residual Receipts Operating be increased by \$279,092.

BE IT FURTHER RESOLVED THAT:

6. Staff is authorized to revise the budget if necessary subject to additional funding information from HUD that may affect the income projections for the fiscal year ending March 31, 2022.
7. If needed, staff is authorized to revise the budget once the GASB 68 pension data is supplied by the NC Department of State Treasurer.
8. If needed, staff is authorized to revise the budget once the GASB 75 OPEB data is supplied by Cavanaugh MacDonald Consulting, LLC.
9. Staff is authorized to revise the budget if necessary due to additional consulting services expenditures.
10. Staff will report such changes to the RHA Board of Commissioners with the unaudited financials after the end of the subject fiscal year.

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

Aye: Eric Braun, Niya Fonville, Arne Morris, Bahati Mutisya, Gregg Warren, Joe Whitehouse, Yolanda Winstead, Doris Wrench

Nay: None

Resolution No. 15 (2022) has been adopted.

Mr. Felton said this resolution is the calculation of operating subsidy eligibility for calendar year 2022. A portion of this funding is for the subsidy RHA received 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, staff subtracts the rent paid by the resident which based on their income. That difference is what RHA receives from HUD as subsidy.

Using Glenwood Towers as example, their PEL is \$413, and with the inflation factors it is \$425. If you have a resident who makes \$1,000 a month, they're going to pay 30% of their income in rent – they're going to pay \$300 in rent – and the difference would be \$125. That number will be the subsidy that RHA receives from HUD. The proration factor is then applied to that subsidy. We would get 96% of that \$125 owed to us by HUD.

I wanted to emphasize that it ties back to the budget and why we are so conservative. Part A of the spreadsheet shows where HUD does a calculation where they put in an inflation factor, and this is where they calculate the PEL. They put in an inflation factor of 3% and that's how we came up with the \$425. Part B is the formula income. The formula income is based off of last year's numbers of the rent that tenants pay, so it is based off of old data. You will notice that the inflation factor there

is 5%. HUD inflated our PEL by 3%, but the tenant's portion was inflated by 5%. This is that inverted relationship where they're giving it a higher value, which then decreases the subsidy that we get. That shows up on the last two lines where we do a quick comparison between last year's subsidy and this year's subsidy. The difference is \$660,000 and that is due to the inflation factor.

Also, last year, with COVID, they actually had a deflation number. So you had the exact opposite going on last year. The way they did the inflation factors are not equal. Last year was a much better year so it's a much different number than what we would typically see. I wanted to emphasize that already we've taken a \$660,000 hit on our budget, and that's why we budget so conservatively. Even though that number is less, it is still not a concern for us with our budget. We still feel comfortable in our budget.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 16 (2022)

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, in September Congress passed a Continuing Resolution (CR) that funded the Federal Government through December 3, 2021; and

WHEREAS, a second Continuing Resolution (CR) that funded the Federal Government through February 18, 2022 was passed on December 3, 2021

WHEREAS, HUD is currently promoting the Rental Assistance Demonstration ("RAD") program which promises participating PHAs can lock in higher proration factors for their funding; and

WHEREAS, RHA is in the process of repositioning four Asset Management Properties (AMPs) into RAD properties in calendar year 2022; and

WHEREAS, RHA will receive Subsidy for the RAD properties through calendar year 2022; and

WHEREAS, HUD issued PIH Notice 2021-31 on November 4, 2021 which provided the most recent information to housing authorities for calculating the Operating Subsidy eligibility for all public housing properties for CY 2022; and

WHEREAS, HUD released updated Excel Tools and full guidance for the CY 2022 Operating Subsidy on February 1, 2022; and

WHEREAS, HUD's 2022 Operating Fund Submission Schedule states that PHAs must submit their completed CY 2022 Excel Tools through the HUD Operating Fund Web Portal no later than February 14, 2022; and

WHEREAS, staff has submitted the completed CY 2022 Excel Tools for calculating RHA's 2022 Operating Fund through the HUD Operating Web Portal on February 11, 2022; 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 2022 using the FYE 2020 Audited Financial Data Schedule (“FDS”); and

WHEREAS, staff has prepared the Calculation of Operating Subsidy eligibility for CY 2022 in accordance with the current regulations and most recent guidance; and

WHEREAS, the Calculation of Operating Subsidy eligibility for CY 2022 totaling \$5,367,146 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 2022 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 Winstead moved and Commissioner Fonville seconded approval of the foregoing resolution. A vote being called, the ayes and nays were as follows:

Aye: Eric Braun, Niya Fonville, Arne Morris, Bahati Mutisya, Gregg Warren, Joe Whitehouse, Yolanda Winstead, Doris Wrench

Nay: None

Resolution No. 16 (2022) has been adopted.

Mr. Felton said this resolution is for Resident Council and Inter Community Council (“ICC”) funding. The ICC is made up of the presidents from the RHA communities. Each community can have a resident council – however, not each one does.

HUD regulations provide \$25 per unit per year for resident participation as part of the Public Housing operating subsidy. Of that \$25, \$15 goes to the resident groups and \$10 goes to RHA. As with most of RHA’s funding, it is subject to proration. The current proration factor is 96%.

Based on the communities that have a Resident Council and the number of public housing units in those communities, staff calculates the available funding, including proration, to be \$14,904. Of that amount, 20% will go to the ICC. The final breakdown is \$11,923 will go to the Resident Councils to be distributed unitarily, and \$2,981 will go to the ICC. This money must be used for communities and working on services and communication between them and RHA.

The Resident Council must requisition any funds from RHA in writing. Staff reviews and approves all funds before they are released and receipts are required. The funds can be used for various items such as light refreshments at resident council meetings, afterschool activities, clean up days, and donations to service providers.

Laura McCann and Dolores Cruz had a training session with Resident Council members last Friday and discussed the rules and procedures for requesting these funds. It was a very good training and well-attended by the members. Flyers were sent to each public housing property and the information was placed in the newsletter.

Commissioner Winstead asked if these funds are typically being used.

Mr. Felton said some of the funds are used. However, not to the extent that staff would prefer. That was one of the things discussed in the training – how to use the funds. Staff uses the funds for other community service items such as security at a property, lighting at a property, helping to cover the Community Services Coordinator, etc. The Resident Councils are not allowed to bank the funds. Commissioner Morris asked if Resident Councils hosted events and used the funds pre-COVID (such as barbeques, etc.).

Mr. Felton said the rules have changed and they are not allowed to have cookouts. They can have a meeting (they must have an agenda) with light refreshments only. HUD is very specific about what the funds can be used for.

Commissioner Fonville asked what percentage of a property must express interest before staff moves forward.

Mrs. McCann said residents are instructed to contact the ICC President if they want to learn more about the process or if they had someone they want to nominate. That is how staff gets a list of names to go ahead with the process. The Resident Councils that did not put forth any names from residents are the ones who are not represented (the ICC President acts on their behalf).

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 17 (2022)

WHEREAS, the Raleigh Housing Authority (“RHA”) has included in its Operating Budget for Fiscal Year beginning April 1, 2022 through March 31, 2023 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 96% which results in a rate of \$14.40 per unit; and

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

WHEREAS, according to Rental Assistant Demonstration (“RAD”) guidance, resident participation funding should continue after conversion so all communities are still included in the attached budget, 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 2023 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 \$14,904 in Tenant Participation Funding for FY beginning April 1, 2022 thru March 31, 2023.

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

BE IT FURTHER RESOLVED that funding amounts set aside for any properties that are converted to RAD will be realigned under Oak City Affordable Community’s (“OCAC”) budget.

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

Aye: Eric Braun, Niya Fonville, Arne Morris, Bahati Mutisya, Gregg Warren, Joe Whitehouse, Yolanda Winstead, Doris Wrench

Nay: None

Resolution No. 17 (2022) has been adopted.

Mr. Felton said RHA residents benefit from services provided by several organizations. Staff wishes to make financial contributions to those who provide services that further RHA property management goals such as reducing crime, making property improvements, etc.

RHA has a Board-approved point system to evaluate the services provided to RHA residents. Staff received fourteen surveys back. We had six last year (that increase is due to the work Ms. Cruz did to find new providers to work with RHA's residents). Some of these groups have come to us through the Building Futures Initiative.

Staff budgeted total contributions of \$25,000. However, it is at the Board's discretion if they would like to contribute a larger amount.

Commissioner Whitehouse asked how the survey score works.

Mrs. McCann said the service scoring criteria was updated in November and was taken to the Board for approval at the December Board Meeting. Staff sends the service providers a copy of the survey and they respond on it. Staff adds their responses to a spreadsheet, which either adds points or partial points, depending on how they answer it. That is how we come up with the totals.

Mrs. McCann said scores are based on the number of residents they serve, what kind of services they provide, how often they provide the services, how many communities they help, the number of volunteers they bring on site, and if they are helping RHA's mission. Also, if they respond in a timely manner they receive two extra points.

Commissioner Whitehouse recommended increasing the amount to \$35,000.

Commissioner Warren asked if there is a way to adjust the contribution amount based on RHA's net earnings so that we would have a certain percentage of RHA earnings or excess funds that we're putting into the Local Fund that reflects the performance of the agency. It's just an idea and staff doesn't have to act on it this year. It's something to think about. He said he agrees with Commissioner Whitehouse's recommendation and thinks that having some sort of metric that relates to performance or excess funds might be useful too.

Commissioner Whitehouse agrees with that idea. In theory, the better the agency does, the more we might be able to contribute.

Commissioner Morris asked if there are HUD rules or guidelines that may restrict RHA on what can be contributed.

Mrs. Edgerton said she doesn't know of any guidelines. Currently, it goes in the \$10 piece of tenant participation that we have. However, the Local Fund would not have any restrictions and could be used. This is coming out of the AMP budget, which each year we're chipping away at that reserve amount. Over time, there could be an issue with paying it out of the AMP budget. As OCAC gets going as a nonprofit, there are other opportunities that would be available for RHA to utilize some of those additional funds, as we have a good year.

Commissioner Winstead and Commissioner Morris disclosed that they are members of Wake Chapel Church (a service provider on the list to receive a contribution). The Board agreed that it did not require recusal from the voting.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 18 (2022)

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 2021 calendar year; and

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

WHEREAS, the funding recommendations are attached to this resolution for Board consideration reflecting 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 Whitehouse moved and Commissioner Braun seconded approval of the foregoing resolution. A vote being called, the ayes and nays were as follows:

Aye: Eric Braun, Niya Fonville, Arne Morris, Bahati Mutisya, Gregg Warren, Joe Whitehouse, Yolanda Winstead, Doris Wrench

Nay: None

Resolution No. 18 (2022) has been adopted.

Commissioner Warren said the Board had discussed providing project based assistance to some of the developments that are underway in Raleigh. Some of them are maybe counting on that as well. I believe that we need to have a process to select those developments and your staff could be working on that right now. This is just a request for an update on your ideas about that at a later point in time.

Mr. Felton said it is on staff's radar and it was part of the Admin Plan this year. We have not laid it out formally. However, we want to ensure that those Project Based Vouchers are going to some of the harder-to-house families. Maybe there are behavioral issues or credit issues or things like that that make them harder to house. We wanted to ensure that they're getting support. CASA and Families Together are two entities that staff is looking at. However, it has not yet been finalized.

Commissioner Winstead said typically the people who will be using the vouchers are going to be extremely low income and we want to be able to house those people in some of the newer developments, in addition to the tax credit rents. She suggested you might want to think about making sure it's not just people who are coming in with services or just the people who have a need because of their income levels.

ADJOURNMENT

There being no further business to come before the Board, the Chair declared the meeting adjourned at 6:30 p.m.