

MINUTES OF ZOOM MEETING OF
THE HOUSING AUTHORITY OF THE CITY OF RALEIGH
BOARD OF COMMISSIONERS
FEBRUARY 25, 2021

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 25, 2021 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, Susan Ellinger, Niya Fonville (late), Arne Morris, Bahati Mutisya, Gregg Warren, Joe Whitehouse, Yolanda Winstead,

Absent: Doris Wrench

Visitors: Elizabeth Alley, public; Carolyn Perry, Walnut Terrace resident; Bob Shoe, public; Sarah Baker, City of Raleigh liaison to RHA; Charles Francis, The Francis Law Firm, PLLC.

RHA Staff: Sonia Anderson, Priscilla Batts, Liz Edgerton, Wayne Felton, Regina Jarmon, Jennifer Morgan, Donna Perez, 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.

OATH OF NEW COMMISSIONER

Commissioner Morris administered the Oath of New Commissioner to Susan Ellinger and welcomed her to the RHA Board of Commissioners.

ELECTION OF OFFICERS

Commissioner Morris turned the meeting over to Mr. Felton to begin the election of the Chair and Vice Chair.

Mr. Felton, as secretary of the Board of Commissioners of the Housing Authority of the City of Raleigh, declared the election of officers in session. He declared the offices of Chair and Vice Chair vacant and opened the floor for nominations for the office of Chair. Commissioner Braun moved and Commissioner Whitehouse seconded the nomination of Arne Morris for office of Chair. A vote being called, the ayes and nays were as follows:

Aye: Eric Braun, Susan Ellinger, Arne Morris, Bahati Mutisya, Gregg Warren, Joe Whitehouse, Yolanda Winstead

Nay: None

Mr. Felton opened the floor for nominations for the office of Vice Chair. Commissioner Warren moved and Commissioner Morris seconded the nomination of Mr. Eric Braun for office of Vice Chair. A vote being called, the ayes and nays were as follows:

Aye: Eric Braun, Susan Ellinger, Arne Morris, Bahati Mutisya, Gregg Warren, Joe Whitehouse, Yolanda Winstead

Nay: None

The annual meeting was closed. Mr. Felton congratulated Mr. Morris and Mr. Braun on their appointments.

CONSENT AGENDA

Item 1

Charge-off of delinquent resident accounts for January 2021

Item 2

Financial statements for January 2021

Item 3

Vacancy and Turnover Summary for January 2021

Item 4

Minutes of January 28, 2021 regular meeting

RECOMMENDATION: Approval as submitted by staff.

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

Aye: Eric Braun, Susan Ellinger, Arne Morris, Bahati Mutisya, Gregg Warren, Joe Whitehouse, Yolanda Winstead

Nay: None

The Consent Agenda has been adopted.

REPORT OF THE BOARD CHAIR

The Board Chair had no report.

REPORT OF THE BOARD SECRETARY

New Commissioner Susan Ellinger

Mr. Felton welcomed Susan Ellinger to the Board.

COVID Update

- RHA has one employee who is quarantining for two weeks due to a family member who came in contact with COVID.
- There are two reported cases of RHA residents who are neighbors at the same property.
- Ms. Cruz, RHA's Resident Service Coordinator, worked with Allegiance Health to set up vaccinations at the senior buildings. Over the past two weeks, residents at Glenwood Towers, Carriage House, Parkview Manor and Carousel Place have been vaccinated. They were able to vaccinate 137 residents and some of RHA staff members were able to be vaccinated as well.

Commissioner Whitehouse asked about the percentage of residents who were vaccinated in those buildings. Mr. Felton said that is about 1/3 of the residents. However, since these were the senior buildings, some of those residents had already been vaccinated.

- Given the drop in COVID cases, vaccinations, and changes in protocols announced by the governor yesterday, staff will begin Housing Quality Standards ("HQS") inspections on April 1st. For Section 8, staff will offer in-person and video inspections, as long as they are still accepted by HUD.
- Staff is going back into units for routine work orders. The goal is to catch up on any outstanding work orders and finish outside projects by the end of March so staff can focus on work orders generated from the inspections.

Commissioner Whitehouse asked about the HQS inspections. Mr. Felton said they are for RHA's Public Housing units.

RAD conversion

- Dominion Due Diligence ("DDD") completed their inspections at Terrace Park, Berkshire, Meadowridge, and Valleybrook. The reports did not list any significant changes from their earlier draft. They are finalizing their report and staff is scheduling a Concept Call with HUD for early March.

Commissioner Warren asked why those four properties were picked as the first RAD conversions. Mr. Felton said staff wanted to pick the properties that were the easiest and would need the least amount of capital improvements to do the conversion. These properties will be easy to do a "straight conversion" where they are converted FROM a Public Housing funding model to a Section 8 funding model.

- DDD was also at Heritage Park two weeks ago inspecting the units so they can determine if RHA meets obsolescence. This will determine which funding source will be used for redevelopment and the rents that can be collected after development. DDD is working on their report and will be unable to determine if RHA meets obsolescence until they have keyed all the costs in.

Heritage redevelopment

- Staff has a pre-zoning call with the city tomorrow.
- Surveys were sent out last week to residents. 115 surveys were distributed (door-to-door) and 11 surveys came back. The results will help with the planning of the development.
- Mack Paul is suggesting that a Planned Development Process be utilized with the City. Commissioner Braun also thought it was a good idea. Staff's understanding is that it provides more transparency, smoother process, and more flexibility. A traffic study will need to be done, which RHA may need to do anyway, and the process may take a little longer.

Commissioner Braun said with this process, RHA would essentially write its own code within certain perimeters for the geographic area that it covers. It's more easily tailored to a specific development or a concept than can be done with traditional-use zoning.

Mr. Zucchini agrees and said RHA is in good hands with Mack Paul for this process.

Commissioner Braun added that because there are things the city may want RHA to do, in terms of extending West Street, the Planned Development would require a developer agreement and that will allow RHA to document arrangements made between RHA and the city with regards to some of those public improvements.

Commissioner Braun said it might take two months longer but shouldn't make a significant difference to the redevelopment.

Commissioner Morris asked if that response rate from the surveys was consistent with other surveys sent out by RHA. Mr. Felton said it is consistent. Staff offered an incentive for anyone who submitted it on time (four \$25 gift cards were given - via a drawing - to people who filled out the survey).

Building Futures Initiative

- This is a pilot program that HUD started last year. RHA was selected to be part of this program (one of three agencies in the country). RHA will not receive any additional funding for being part of this pilot.
- The focus is to build partnerships between PHAs and other entities to get residents jobs in the construction field.
- Staff has a call with Wake Tech next week to discuss how RHA can partner to get residents training to prepare for construction jobs.
- Staff had lunch last week with a local developer and a contractor to discuss potential partnerships to help residents find jobs in the construction field.
- RHA would like to establish a job placement program which could then be a model for other PHAs around the country. The possibilities with this program are very exciting and what it can mean for RHA's residents.

Commissioner Whitehouse said AGC (Association of General Contractors) has an apprenticeship program (possibly in conjunction with Wake Tech). It might be worthwhile to reach out to them as well.

Carriage House Washers and Dryers

New washers and dryers were installed at Carriage House a few weeks ago. Residents are able to use a debit card or smart phone to pay for their laundry. Some of the machines still accept coins while in transition to the new process. Staff has heard from several residents and they like the new setup and the convenience of being able to pay with debit cards. Staff would like to see how this works for a couple of months before machines are switched at Glenwood Towers.

Mainstream Vouchers

Staff applied for Mainstream Vouchers last year. These are separate vouchers for disabled individuals. Unfortunately, RHA was not awarded the vouchers as they had distributed all available vouchers. Staff will look at them again later this year. The notice is usually available in the fall.

CASA and Families Together

RHA has been approached by CASA and Families Together about possibly project-basing some Housing Choice Vouchers. CASA and Families Together house individuals who would be hard to house at other locations as they may have physical and mental disabilities, criminal record, etc. Staff is looking into this process and will bring it to the Board for approval.

Commissioner Warren said he is glad to see that RHA is considering project-basing Section 8. He suggested it might be helpful to have an outline as to what kind of projects that RHA is looking for and how many RHA would project-base. Mr. Felton said the regulations changed as part of HOTMA and PHAs at one time were required to bid it out (it was a proposal process). Staff will need to research those changes. Staff can establish guidelines as to which projects and how many.

Commissioner Ellinger said she thinks it's imperative that staff make sure there is an effective way to select the projects for project-based vouchers. Otherwise, staff will be explaining why one project was selected and not another.

Arts Together

Arts Together has been working to begin classes at some RHA properties. They have had classes at Kentwood, Heritage Park, and Mayview. Thirteen students in total attended the classes. Staff will continue to work with them to promote these classes. RHA renegotiated their lease due to COVID and added an incentive for them to work more with the residents. Their monthly rent is reduced a certain amount depending on the number of residents who attend their classes. This arrangement seems to be working well.

New HVAC at 900 Haynes Street

The HVAC units for 900 Haynes have been shipped. They are scheduled to be installed in the next few weeks, weather permitting.

RHA Audit

The dates have been set for the audit this year. The auditors will be here June 14th through June 25th. Per the question raised at the January Board meeting, a different partner will be here for the audit.

Lunch & Learn

Per a request last month, the Finance Department will schedule a "Lunch & Learn" to discuss RHA's budget. An email was sent to the Board yesterday with possible dates. If the Board has specific questions, please send those ahead of time so they can prepare answers.

Moving to Work

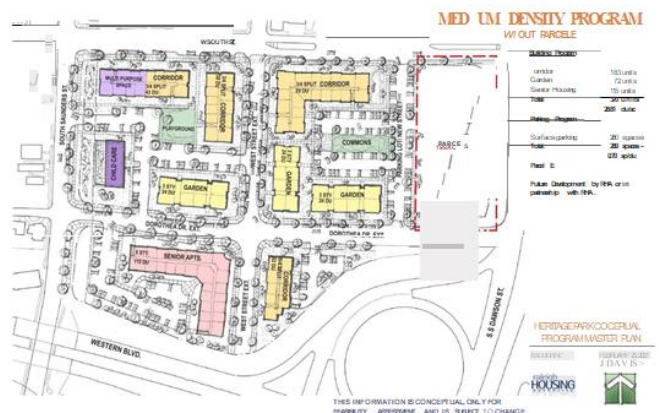
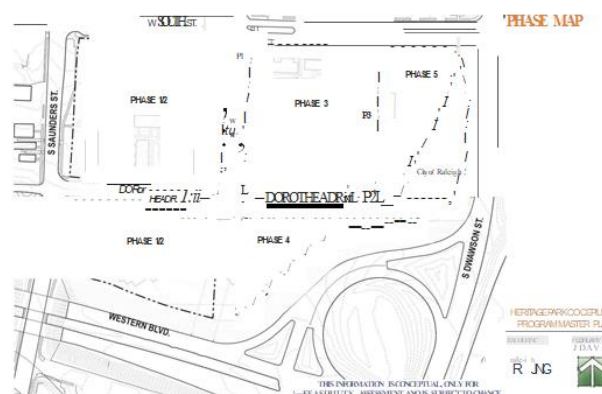
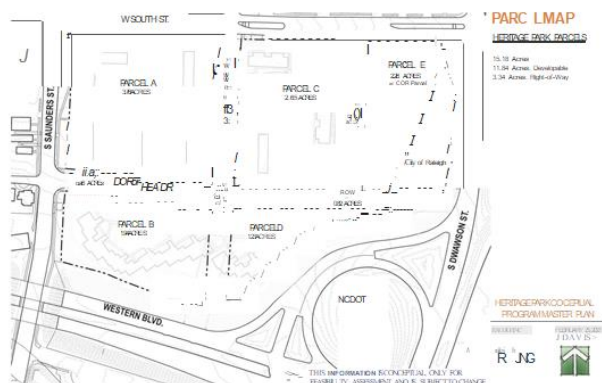
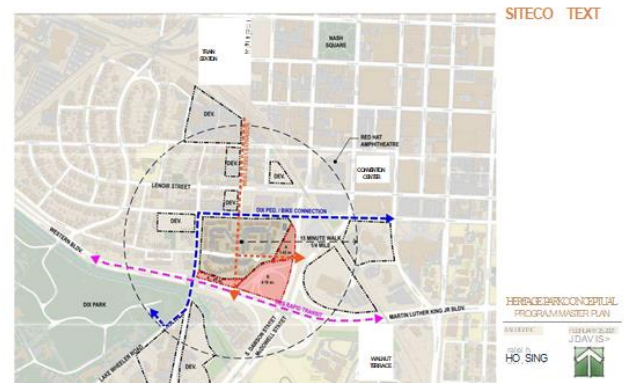
The Moving to Work cohorts came out last month. Staff has read over them but feel there isn't time to submit since it is due in April (given the RAD conversion and Heritage Park redevelopment).

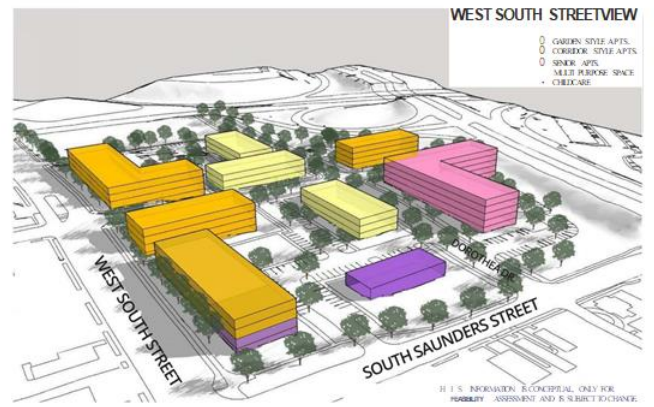
Commissioner Warren suggested bringing in additional consultants or staff to help with the Moving to Work process since it seems as though RHA has the financial resources to do so. Mr. Felton said it would require a budget revision approval for adding staff so they would likely hire a consultant in that case.

PRESENTATION BY LARRY ZUCCHINO, JDAVIS ARCHITECTS

Mr. Zucchini presented a broad overview of Heritage Park to bring the Board up-to-date:

- Break 15 acres into 5 blocks by bringing West Street through the property.
- Phasing has been discussed and there is no answer to it yet. Parcel A & B will likely be the first parcels constructed.
- Types of buildings envisioned on the property:
 - Senior Living: 3 or 4 stories with elevators.
 - Corridor Buildings: 3-5 stories with elevators and secured corridors.
 - Garden Apartment with a breezeway.
 - Townhomes.
 - Childcare facility (possibly free-standing)
 - Multipurpose facility (possibly free-standing)





PRODUCT TYPES

HERITAGE/PRO CONCEPTUAL PROGRAM MASTER PLAN
H O S I N G

The committee tested several programs and C2 comes as close to the committee conversation current plan:

- Garden Apartments make up 20% of the units.
- Corridor buildings are the primary way to get the density higher.
- The committee decided parking decks should come out of the program.
- The parking ratio is .7/unit. Developing more parking will likely decrease unit count.
- Two open green spaces with no large park.
- Parcel E is being kept as a last phase and it may be developed by RHA, a joint venture, or may be sold for funding the development.

Mr. Felton asked how many units/acre is Heritage Park currently. Mr. Zucchini said slightly less than 10 units/acre. This current plan shows 27 units/acre (three times more dense).

REPOSITIONING COMMITTEE REPORT

Commissioner Warren said the official Repositioning Committee members are: Commissioner Braun, Commissioner Morris, Commissioner Mutisya, Commissioner Warren, and Mr. Felton. Commissioner Whitehouse and Commissioner Winstead have also participated in the meetings. Any RHA Board Commissioner is welcome to join the meetings. This committee is purely advisory – they have no power to make decisions.

The focus of the committee has been on the following:

- Development Plans.
- Key Principles.
- Talking Points (used for discussions with City Council and stakeholders that help frame RHA's intentions for Heritage Park).
- RHA staff is working on a Communications Plan.
- Attention should be placed on the residents to give them the ability to offer comments.
- Relocation Plan for the residents to make sure they have the maximum opportunity for choice to relocate.
- RFQ that staff is working on to identify a development partner.

Commissioner Warren said he appreciates all of the hard work that the committee has made thus far toward the redevelopment effort.

Commissioner Warren asked for a motion from the RHA Board endorsing the Development Principles and Talking Points which will allow the Repositioning Committee to refine the work that has already begun.

Commissioner Morris asked for comments from the RHA Board on the Talking Points and Development Principles.

Commissioner Whitehouse thanked Commissioner Braun for editing the Talking Points. Commissioner Braun said Commissioner Warren worked on them as well.

Commissioner Braun added that there is a good chance that RHA will acquire the right-of-way at the intersection of Western and Dawson if the state abandons that right-of-way.

Commissioner Whitehouse said this is a concept plan that will change over time.

Commissioner Braun said the committee will report back to the Board with significant changes to the plans.

Commissioner Warren thanked Elizabeth Alley for sending detailed comments to RHA. Staff and the committee will take those comments into consideration and they appreciate her interest in this issue.

Commissioner Warren moved and Commissioner Whitehouse seconded the Board endorsement of the Development Principles and Talking Points for the Heritage Park redevelopment.

Aye: Eric Braun, Susan Ellinger, Arne Morris, Bahati Mutisya, Gregg Warren, Joe Whitehouse, Yolanda Winstead

Nay: None

NEW BUSINESS

Mr. Felton said Murphey School was part of the Section 8 Mod Rehab program that started in 1988. The original HAP contract for this program expired in 2005. HUD has been renewing the funding annually from project reserves.

In August 2020, 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 in January 2021 and prepared the necessary HUD forms to estimate Annual Contributions for the 1st nine months of RHA's fiscal year.

The contract runs on a calendar year basis and RHA's fiscal year is from April 1st – March 31st. This resolution provides the funding from HUD for the first nine months of the upcoming fiscal year, which will begin in April and end in December 2021. The \$379,000 total funds will be used to pay HAPs estimated at \$333,000 and administrative fees of \$45,000. It also includes the cost of the annual audit.

HOUSING AUTHORITY OF THE CITY OF RALEIGH RESOLUTION NO. 13 (2021)

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, 2020; and

WHEREAS, Murphey School contacted RHA on August 3, 2020 and requested the assistance be extended for another twelve-month term; and

WHEREAS, on Resolution No. 45 (2020), 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 January 4, 2021, RHA received HUD approval to extend the contract for another twelve-month term effective December 5, 2020; and

WHEREAS, on January 12, 2021, 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 2021 in the amount of \$379,325; and

WHEREAS, the renewal funding includes the first nine months of the fiscal year ending March 31, 2022; 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 forms 52672, Supporting Data for Annual Contributions Estimates; HUD forms 52673, Estimate of Total Required Annual Contributions; and HUD forms 52663, Requisition for Partial Payment of 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 \$379,325 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 Warren and Commissioner Winstead recused themselves from the vote due to Murphey School being owned by an entity that is affiliated with DHIC.

EB/BM

Commissioner Braun moved and Commissioner Mutisya seconded approval of the foregoing resolution.

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

Aye: Eric Braun, Susan Ellinger, Arne Morris, Bahati Mutisya, Joe Whitehouse.

Nay: None

Resolution No. 13 (2021) has been adopted.

Mr. Felton said this resolution is the Central Cost Center budget revision for fiscal year ending March 31, 2021. Highlights of the revision include:

- Revising operating receipts by approximately \$109,000. This is due to RHA not completing HQS inspections because of COVID. Fees for the trade workers are decreased because not as many work orders are being completed and there is a vacant electrician position.
- Management fees for HCV are being adjusted up \$151,000 due to being fully leased up and management fees for CFP were higher than originally budgeted.
- Property Management Fee increased by \$145,000 because the average went up which was set by HUD.
- Administrative salaries increased \$57,000 due to filling some vacant positions.
- Ordinary Maintenance Costs are being adjusted down \$250,000 due to vacancies in the Licensed HVAC, Licensed plumber, and Licensed Pest Control positions.
- Operating expense is being decreased by \$195,000.
- Overall residual receipts decreased by \$152,000 before the equity transfer.
- Equipment increased by \$236,000. This is CARES Act money that RHA received from HUD.
- Transferring the gross HCV management fees (\$575,000). There is talk that the CCC may not continue to be defederalized. If it is not defederalized, the money may be subject to recapture.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 14 (2021)

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, 2021; 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, 2021, which included the CCC, was approved by the Board of Commissioners on December 5, 2019 with Resolution #66; 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 \$575,413 in the CCC, an equity transfer equal to the amount earned of \$575,413 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, 2021 in the spring of 2021 to be included on RHA’s FYE 2021 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, 2021 financial statements using data derived from an actuarial study; and

WHEREAS, Cavanaugh MacDonald Consulting, LLC will provide the OPEB data for FYE March 31, 2021 in the spring of 2021 to be included on RHA’s 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, due to the COVID-19 pandemic HUD has provided CARES Act Funding that may be accessed for any COVID-19 related expenses or regular operating expenditures incurred during the period affected by the COVID-19 pandemic; and

WHEREAS, the CARES Act funds must be used by December 31, 2021 and are to be drawn down as expended and cannot affect reserve balances; and

WHEREAS, the budget may need to be adjusted if additional COVID-19 expenses are incurred before March 31, 2021; 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 #63 on December 3, 2020 to change the Administrative Assistant I position to an Administrative II position in the Maintenance Department (Revision 1); and

WHEREAS, the Board approved Resolution #71 on December 3, 2020 to revise the lease agreement with Arts Together (Revision 2); and

WHEREAS, the Board approved Resolution #11 on January 28, 2021 in executive session regarding the Executive Director's performance (Revision 3); and

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

WHEREAS, RHA staff has prepared budget revision #4 for the operation of the CCC for the fiscal year ending March 31, 2021 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 #4 for the Central Cost Center for fiscal year ending March 31, 2021 be revised as follows:

1. Line 38 Total Receipts be decreased \$108,828.
2. Line 52 Total Administrative Expense be increased \$52,842.
3. Line 69 Total Utilities be decreased \$15,532.
4. Line 75 Total Ordinary Maintenance be decreased \$249,220.
5. Line 89 Total General Expense be increased \$16,797.
6. Line 92 Total Operating Expense be decreased \$195,143.
7. Line 99 Total Non-Routine Expenditures be increased \$239,039.
8. Line 105 Total Operating Expenditures be increased \$43,896.
9. Line 106 Residual Receipts before equity transfer be decreased \$152,724.

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, 2021.
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 will report such changes to the RHA Board of Commissioners with the unaudited financials after the end of the subject fiscal year.
5. Staff is authorized to revise the budget if necessary due to additional COVID-19 expenditures.

Commissioner Winstead moved and Commissioner Braun seconded approval of the foregoing resolution.

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

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

Nay: None

Resolution No. 14 (2021) has been adopted.

Mr. Felton said this is the revision to RHA’s conservative AMP budget. Highlights of the revision include:

- Operating receipts decreased by \$105,000. This due to reduced rent collected from residents, reduced other income from residents, and reduced interest on investments.
- Administrative salaries decreased by \$56,000. This is due to vacancies during the year.
- Sundry and Property Management Fees increased \$283,000. This includes CARES Act funding and expenditures.
- Ordinary Maintenance Cost decreased by \$84,000 due fewer work orders and decreased costs for trade employees.
- Net subsidy increased by \$898,000 due to proration being higher than budgeted and \$775,000 in CARES Act money.
- Overall Residual Receipts increased by \$611,000.
- Transferring \$1 million through HOTMA. This is money that can be used for Heritage Park or any other RHA redevelopment (or capital improvements at the properties). After that transfer it will show a loss but that is not a problem because staff is moving money out into the HOTMA account.

Staff is authorized to revise the budget if necessary due to additional COVID-19 expenditures.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 15 (2021)

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, 2021; and

WHEREAS, the original Operating Budget for the fiscal year ending (“FYE”) March 31, 2021, which included the AMPs, was approved by the Board of Commissioners on December 5, 2019 with Resolution #66; 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 16, 2020 that the funding proration for Calendar Year (“CY”) 2020 would be 97.05% of funding eligibility, which covers funding through December 31, 2020 or three quarters of the subject fiscal year; and

WHEREAS, HUD paid an interim proration factor of 95.23% eligibility for January and February of 2021 and the eligibility for March is unknown at this time; 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, 2021 in the spring of 2021 to be included on RHA's FYE 2021 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, 2021 in the spring of 2021 to be included on RHA's 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 25, 2021 Board meeting through March 31, 2021 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, 2021 and report these amounts to the Board with the unaudited financial statements; and

WHEREAS, the total expenses related to the fire that occurred at Glenwood Towers on October 26, 2018 have not yet been finalized as the work has not been completed; and

WHEREAS, due to the COVID-19 pandemic HUD has provided CARES Act Funding that may be accessed for any COVID-19 related expenses or regular operating expenditures incurred during the period affected by the COVID-19 pandemic; and

WHEREAS, the CARES Act funds must be used by December 31, 2021 and are to be drawn down as expended and cannot affect reserve balances; and

WHEREAS, the budget may need to be adjusted if additional COVID-19 expenses are incurred before March 31, 2021; and

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

WHEREAS, the Board approved Resolution #51 on September 24, 2020 to change the Property Management I position for the Single Family Homes to a Property Management II position in the Housing Management Department (Revision 1); and

WHEREAS, the original budget as revised reflects this budget revision; and

WHEREAS, staff has prepared budget revision #2 for the operation of the Asset Management Projects for the fiscal year ending March 31, 2021 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 #2 for the Asset Management Projects for fiscal year ending March 31, 2021 will be revised as follows:

1. Line 10 Total Receipts be decreased \$104,907.
2. Line 25 Total Administrative Expense be increased \$256,272.
3. Line 35 Total Tenant Services unchanged.
4. Line 42 Total Utilities be increased \$38,944.
5. Line 68 Total Ordinary Maintenance be decreased \$84,307.
6. Line 71 Total Protective Services increased \$10,964.
7. Line 85 Total General Expense be increased \$133,790.
8. Line 95 Total Non-Routine Expenditures be decreased \$173,693.
9. Line 110 Total Operating Subsidy be increased \$898,029.
10. Line 111 Residual Receipts be increased \$611,152.

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, 2021.
 - b. If additional tenant bad debts arise prior to March 31, 2021.
 - 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.
 - d. If additional casualty loss expenses arise from the Glenwood Towers fire.
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 will report these revisions to the Board with the unaudited financial statements following the end of the subject fiscal year.
5. Staff is authorized to revise the budget if necessary due to additional COVID-19 expenditures.

Commissioner Warren moved and Commissioner Winstead seconded approval of the foregoing resolution.

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

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

Nay: None

Resolution No. 15 (2021) has been adopted.

Mr. Felton said this resolution is the Local Fund budget revision for FYE March 31, 2021. Highlights the revision include:

- Total receipts increased \$156,000. Most of that are fees for the Walnut Trace bond deal which closed this year.
- General Expenses decreased by \$17,000.
- Total Operating Expenses decreased by \$32,000.
- Staff is anticipating an increase in an equity transfer of HCV Management fees of \$11,000.
- CAD will pay an additional \$125,000 back to Local Fund on the loan for Walnut Terrace.
- Increase to Net Cash Flow of \$324,000 from the original budget projections.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO.16 (2021)

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, 2021, which included the Local Fund was approved by the Board of Commissioners on December 5, 2019 with Resolution No. 67; 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 \$575,413 for the fiscal year ending March 31, 2021 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 #11 on January 28, 2021 in executive session regarding the Executive Director’s performance (Revision 1); and

WHEREAS, the original budget as revised reflects this budget revision; 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 #2 for the operation of Local Fund for the fiscal year ending March 31, 2021; and

WHEREAS, revisions to the budget category totals are reflected in the resolution; 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, 2021 in the spring of 2021 to be included on RHA’s FYE 2021 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, 2021 in the spring of 2021 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, 2021 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, 2021 be revised as follows:

1. Line 17 Total Operating Receipts be increased by \$156,205.
2. Line 30 Total Administrative Expense be decreased by \$4,919.
3. Line 39 Total Maintenance be decreased by \$9,905.
4. Line 51 Total General Expense be decreased by \$17,738.
5. Line 64 Residual Receipts be increased by \$188,767.
6. Line 65 Equity Transfer (HCV Management Fees) be increased by \$10,789.

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 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, Susan Ellinger, Niya Fonville, Arne Morris, Bahati Mutisya, Gregg Warren, Joe Whitehouse, Yolanda Winstead.

Nay: None

Resolution No. 16 (2021) has been adopted.

Mr. Felton said this resolution is the Housing Choice Voucher budget revision for FYE March 31, 2021. Highlights of the revision include:

- Operating receipts increased by \$88,000. Most of this is due to fraud recovery, lease up, and proration change. Some fees are earned for CARES Act monies. RHA is at 99% utilization for the year.
- Administrative Expenses decreased by \$69,000, mainly due to salaries decreased by \$92,000 where there have been vacant positions throughout the year.
- Increase of \$86,000 in Sundry due to temporary staff hired to help cover vacant positions and some remote equipment purchased due to COVID.
- Decrease of \$106,000 in Operating Expenses.
- Increase of \$194,000 in the overall operating budget.
- Net cash flow increased by \$194,000 to \$326,000.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 17 (2021)

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, 2021, which included the Voucher program, was approved by the Board of Commissioners on December 5, 2019 with Resolution No. 66; and

WHEREAS, HUD published the Administrative Fee rates on April 22, 2020 retroactive for calendar year 2020 and advised the proration factor is expected to be 80%; and

WHEREAS, HUD notified RHA on March 26, 2020 of the final HAP funding amounts for calendar year 2020, which covered funding through December 31, 2020 or three quarters of the subject budget year; and

WHEREAS, HUD issued Notice 2020-04 on March 31, 2020, which retroactively implemented the funding provisions for calendar year 2020, as required by the Federal Fiscal Year 2020 HUD Appropriations Act (Public Law 116-94), which was enacted on December 20, 2019; and

WHEREAS, HUD has not yet completed the final reconciliation for the Administrative Fees for calendar year 2020; and

WHEREAS, HUD has not yet issued the funding provisions for calendar year 2021; and

WHEREAS, HUD has not yet published the Administrative Fee rates for calendar year 2021 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 \$16,254 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, 2021 in the spring of 2021 to be included on RHA's FYE 2021 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, 2021 in the spring of 2021 to be included on RHA's FYE 2021 audited financial statements; and

WHEREAS, due to the COVID-19 pandemic HUD has provided CARES Act Funding that may be accessed for any COVID-19 related expenses or regular operating expenditures incurred during the period affected by the COVID-19 pandemic; and

WHEREAS, the CARES Act funds for HCV were received in May and August of 2020 and must be used by December 31, 2021 and cannot affect reserve balances; and

WHEREAS, the budget may need to be adjusted if additional COVID-19 expenses are incurred before March 31, 2021; 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, 2021 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, 2021 be revised as follows:

1. Line 9 Total Operating Receipts be increased by \$87,767.
2. Line 22 Total Administrative Expense be decreased by \$69,414.
3. Line 27 Total Utilities be decreased by \$1,470.
4. Line 34 Total Ordinary Maintenance & Operation be decreased by \$5,882.
5. Line 41 Total General Expense be increased by \$6,172.
6. Line 45 Total HAP Expense-Incoming Ports be decreased by \$36,493.
7. Line 53 Total Other Expenditures be increased by \$1,220.
8. Line 57 Residual Receipts Operating be increased by \$193,634.

BE IT FURTHER RESOLVED THAT:

1. Staff be 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, 2021.
2. If needed, staff is authorized to revise the budget once the GASB 68 pension data is supplied by the NC Department of State Treasurer.
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 will report such changes to the RHA Board of Commissioners with the unaudited financials after the end of the subject fiscal year.
5. Staff is authorized to revise the budget if necessary due to additional COVID-19 expenditures.

Commissioner Warren moved and Commissioner Braun seconded approval of the foregoing resolution.

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

Aye: Eric Braun, Susan Ellinger, Niya Fonville, Arne Morris, Bahati Mutisya, Gregg Warren, Joe Whitehouse, Yolanda Winstead.

Nay: None

Resolution No. 17 (2021) has been adopted.

Mr. Felton said in 2012 HUD included an offset in their budget of \$750,000,000 which would be filled by recapturing money in well-managed housing authority's reserves. Since 2012, RHA has been funded under a continuing resolution which fails to restore the \$750,000,000. This is a main reason for the proration of RHA's funding from HUD.

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 that PHAs can receive from HUD per unit on that property.

The PEL is what HUD determined it should take to maintain and manage a unit. From the PEL, the rent paid by the resident (which based on their income) is subtracted. That difference is what RHA receives from HUD as subsidy.

The total difference between calendar year 2020 and 2021 is \$843,000.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 18 (2021)

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 11, 2020; and

WHEREAS, a series of four short term CR's were passed to extend funding through December 28, 2020 and President Trump signed the Consolidated Appropriations Act on December 27, 2020 ; and

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 by the beginning of calendar year 2022; and

WHEREAS, HUD issued PIH Notice 2021-04 on January 15, 2021 which provided the most recent information to housing authorities for calculating the Operating Subsidy eligibility for all public housing properties for CY 2021; and

WHEREAS, HUD released updated Excel Tools and full guidance for the CY 2020 Operating Subsidy on February 3, 2021; and

WHEREAS, HUD's 2021 Operating Fund Submission Schedule states that PHAs must submit their completed CY 2021 Excel Tools through the HUD Operating Fund Web Portal no later than March 9, 2021; and

WHEREAS, staff will submit the completed CY 2021 Excel Tools for calculating RHA's 2021 Operating Fund through the HUD Operating Web Portal by March 9, 2021; 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 2021 using the FYE 2019 Audited Financial Data Schedule ("FDS"); and

WHEREAS, staff has prepared the Calculation of Operating Subsidy eligibility for CY 2021 in accordance with the current regulations and most recent guidance; and

WHEREAS, the Calculation of Operating Subsidy eligibility for CY 2021 totaling \$6,026,579 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 2021 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 Fonville seconded approval of the foregoing resolution.

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

Aye: Eric Braun, Susan Ellinger, Niya Fonville, Arne Morris, Bahati Mutisya, Gregg Warren, Joe Whitehouse, Yolanda Winstead.

Nay: None

Resolution No. 18 (2021) has been adopted.

Mr. Felton said this resolution is for Resident Council and ICC funding. ICC is the Inter Community Council made up of the presidents from RHA's communities. Each community can have a resident council. However, not each one does.

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 RHA's funding, it is subject to proration. RHA's 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 to the resident councils to be distributed unitarily and \$2,981 to the ICC. This money must be used for communities and working on services and communication between them and RHA.

Resident Councils need to requisition any funds from RHA in writing. Staff will review and approve any funds before they are released and receipts are 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.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 19 (2021)

WHEREAS, the Raleigh Housing Authority ("RHA") has included in its Operating Budget for Fiscal Year beginning April 1, 2021 through March 31, 2022 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, 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 decided to provide 20% of the funding to the ICC; and

WHEREAS, the breakdown of the calculations for FYE 2022 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, 2021 thru March 31, 2022.

BE IT FURTHER RESOLVED that should HUD funding change for FYE March 31, 2022 the Executive Director is authorized to adjust funding levels accordingly.

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, Susan Ellinger, Niya Fonville, Arne Morris, Bahati Mutisya, Gregg Warren, Joe Whitehouse, Yolanda Winstead.

Nay: None

Resolution No. 19 (2021) has been adopted.

Mr. Felton said RHA residents benefit from services provided by several organizations. RHA 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 sent eight surveys to the providers to develop a score. Six surveys were received back from the following providers:

1. **CIS** provides computer centers at five RHA properties where children are mentored, can use a computer, learn computer skills, and do homework.
2. **Meals on Wheels** provided daily meals to shut-ins at all RHA properties prior to COVID. After COVID they went to weekly meals. They assisted in mask distribution, delivered fliers related to COVID scams, and delivered holiday meals.
3. **Saint Saviours Center** was formed by three churches to provide services to the needy. They do the following:
 - Health screenings, leisure activities, and life skills clinics for seniors.
 - Diaper train distributes diapers to families with young children.
 - They relieved their tenants of their rent during COVID-19. The relief for Meals on Wheels totaled \$12,240.
4. **Food Shuttle** provides food to RHA residents at eight properties. They prepared and delivered weekly meals to families with school-aged children. They distributed Healthy Emergency Boxes five days a week from the Food Shuttle parking lot. They did online Nutrition classes for seniors and partnered with over 25 restaurants and community partners to provide food at drive thru locations throughout Wake County.
5. **Youth Education and Advocacy Association** (“YEAA”) had 14 students attend, 10 of them were regulars (ages 6-15 years). All of their sessions were online and they assisted children with homework and understanding their lessons.
6. **Child Evangelism’s** mission is to evangelize children with the gospel and to partner with local churches to minister to the spiritual needs of children and their families. They did Christmas Clubs and provided Joy Toys at Christmas. They provided services at seven RHA properties. Due to COVID, they were unable to meet in person but they were able to meet online.

RHA budgeted to contributions totaling \$25,000. However, the Board can decide on a different amount, if desired.

Commissioner Whitehouse asked how the amount of \$25,000 was determined. Mr. Felton said that amount was in the original budget.

Commissioner Warren said it was increased last year. Mr. Felton said it was increased to \$35,000 last year (from the \$25,000 that was budgeted). It is up to the discretion of the Board as to whether they would like to increase that amount.

Commissioner Warren said the rationale last year to increase it was that RHA had significant cash reserves that are unrestricted and it made sense to increase the amount. If the money is available, it makes sense to increase the amount again this year.

Mr. Felton said the Finance Department confirmed, from a budgetary standpoint, that the amount can be increased to \$35,000. He mentioned that RHA has seen a reduction in rent due to COVID - deferring rents for Arts Together and Raleigh Nursery School. He said Sprint is no longer on the Glenwood Towers roof so they aren’t paying rent. However, the amount can be increased to \$35,000 if the Board agrees to that.

Commissioner Whitehouse said he moved and Commissioner Braun seconded increasing the amount to \$35,000. Commissioner Mutisya recused herself because she is on the Board of Directors for Meals on Wheels.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 20 (2021)

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 endeavors to provide financial contributions to agencies that offer services to 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 equitably distributed to those whose services provided the most impact during that fiscal 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 last revision being made in 2018; and

WHEREAS, staff sent providers a survey to account for the services afforded to residents during the 2020 calendar year; and

WHEREAS, using the approved system and the returned surveys, staff evaluated and ranked 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 of \$35,000 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, Susan Ellinger, Niya Fonville, Arne Morris, Gregg Warren, Joe Whitehouse, Yolanda Winstead.

Nay: None

Resolution No. 20 (2021) has been adopted.

Mr. Felton said RHA has a lease with CIS for office space at 971 Harp as well as space at some RHA properties for them to provide computer learning centers and programming for the children at those properties. They currently have centers at Mayview, Heritage, Capitol Park, Kentwood, and Chavis Heights. They also had a space at Walnut Terrace but were not able to continue programming at that site due to funding cuts.

In 2019 RHA re-worked the lease and went with a 2-year term. The 2-year lease gave RHA flexibility. Staff does not want to get rid of CIS or see them leave. However, the last couple of years have been a struggle for them as their funding was cut drastically when the government stopped the CDBG funding.

Commissioner Whitehouse suggested staff have RHA's insurance company look at the lease and make sure the insurance requirements are acceptable.

Commissioner Whitehouse recommended approval of this resolution, pending confirmation of the insurance question.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 21 (2021)

WHEREAS, the Raleigh Housing Authority ("RHA") and the non-profit Communities In Schools of Wake County (CISWC) have developed a long-term partnership to assist the children of public housing to be successful in school and in life; and

WHEREAS, this long-term partnership has resulted in the establishment of on-site Community Learning Centers located in the public housing communities of Mayview, Heritage Park, Kentwood, Capitol Park and Chavis Heights; and

WHEREAS, the current leases executed by both RHA and CISWC in April of 2009 will expire on March 31, 2021; and

WHEREAS, CISWC, the current Lessee, wishes to continue to lease the space at 971 Harp Street for their administrative offices and to continue to lease space within the public housing communities in order to provide their services to RHA's public housing communities; and

WHEREAS, the Executive Director is authorized to negotiate terms of the Lease; and

WHEREAS, the Lessee shall continue to pay the Lessor as rental for the 971 Harp Street premises the sum of two thousand dollars (\$2,000.00) monthly; and

WHEREAS, the Lessor is also granting under a separate lease agreement the use of the premises at different public housing communities for a nominal annual rent amount because the Lessee agrees to operate no less than four centers in Lessor's public housing communities;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that staff's action to execute both of the attached lease renewals with Communities in Schools of Wake County in order to continue to provide educational learning centers is hereby ratified.

Commissioner Whitehouse moved and Commissioner Warren seconded approval of the foregoing resolution.

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

Aye: Eric Braun, Susan Ellinger, Niya Fonville, Arne Morris, Bahati Mutisya, Gregg Warren, Joe Whitehouse, Yolanda Winstead.

Nay: None

Resolution No. 21 (2021) has been adopted.

DISCUSSION REGARDING BOARD'S ROLE

Mr. Felton said some questions came up when talking to Commissioner Warren regarding RHA's role and how certain things are handled. He turned the floor over to Commissioner Warren to go over the questions.

Commissioner Warren said as a former Executive Director of DHIC he is familiar with a volunteer Board and sometimes they can cross over into inappropriate territory by getting involved in day-to-day activities. He has also been on different non-profit Boards and sees the other side as well.

RHA has a unique Board with a lot of expertise in real estate development as well as housing authority experience. Staff can leverage those skills in ways that perhaps the RHA Board has not done in the past. This new Board is more active than past Boards and wants to be more involved in important policy issues.

At times there can be "gray areas" and the best way to handle that is to talk through things. For example, during one of the Repositioning Meetings, there was a good conversation with the consultants (EJP). Commissioner Warren suggested to Mr. Felton that perhaps they could sit in on occasional future meetings. Mr. Felton thought it might get confusing because they might get different signals from the committee than what they get from the staff.

Commissioner Warren said another context before the Board now is the selection of the developer for the Heritage Park redevelopment. There is a draft RFQ going around and the Repositioning Committee was offered to make comments about it. Commissioner Warren suggested asking outside stakeholders or a few Board Commissioner to sit in on the evaluation committee. The decision about who RHA partners with on this \$50 million redevelopment is a big deal and there should be ways that staff can leverage the skills and expertise of the Board in this selection process.

Commissioner Warren said the Board understands that they cannot direct staff or get involved in management. However, there are times that the Board wants to weigh in on policy issues.

Mr. Felton said he appreciates the efforts of an active Board that wants to be involved. He said he also thinks it's his job to protect the Agency as well as the Board Commissioners. He doesn't want RHA to inadvertently get into trouble. The important thing is to talk through it and figure out where the lines are and make sure everyone agrees.

Mr. Felton said, with EJP, the Board should give staff the direction they want to go and then staff will talk to EJP to get it done. That would be the most efficient way to handle it. Staff doesn't mind having the consultants at the meeting. However, they don't need to be there for every meeting.

Commissioner Braun said he thinks of it as the Executive Director and staff are the operation side of things and the Board is the strategic side of things (with some overlap and gray areas). Heritage Park and

RAD is something that RHA has never done and everyone is learning as they go. There are 3 or 4 approaches that RHA can go with the Heritage Park redevelopment and it is important for EJP to be at some of those meetings. It is more efficient than having the committee ask staff the questions and then staff go to EJP for answers to take back to the committee. That doesn't seem to cross the line between staff's role and the Board's role.

Commissioner Ellinger said she represents 18 housing authorities in North and South Carolina and she feels that an informed Board is a good Board. It's not that they're trying to make a decision or trump the Executive Director. They just want to know what's going on and understand so they can take the next step. When you put a consultant in the committee meeting, that isn't fighting the Board and Executive Director but working together as a team, that's the best of all possible resolutions. Particularly with RAD, since nobody is familiar with the program and it is new territory. There is a lot experience on this Board and they want to help the Executive Director make RHA the best that it can be.

Commissioner Whitehouse said he found the strongest organizations are the ones with a diverse Board that has a lot of expertise and the association works along with that. This is a good opportunity for the Agency to take advantage of the Board Commissioners who are currently on the Board. Also, the Board will appreciate the Executive Director making sure they don't step out of bounds.

Commissioner Winstead said that the RHA Board may have blurred the line in the process. There is a lot of experience that RHA staff can take advantage of, and maybe they need to figure out the best process for engaging and sharing that guidance. The Repositioning Committee is a good step in that direction. DHIC has a number of subcommittees of the Board to help staff in different areas.

Commissioner Braun said the RHA Board doesn't have a strategic plan to determine long-term goals and that may be part of the current growing pains.

Mr. Francis said one of the growing pains is, in a relatively short period of time, there has been a turnover in the composition of the Board. Some of the current members have a different notion about how to execute their duties. Everyone agrees that the Board does policy, strategy and evaluates the Executive Director—while the Executive Directors does the day-to-day management. The only issue is getting the details on how to work that all out. Sometimes when there is so much expertise and experience on a Board, it is difficult to stay hands-off. This can lead to liability issues and doesn't always give the best results. It's good that the Board is having this discussion and it's good that the Repositioning Committee has been active because that has helped to develop a better idea, so far, for Heritage Park. It's good to have the consultant at some of the meetings. However, one of the problems with having the consultant come all the time is that they might be confused about who they report to.

Commissioner Warren said all of the Board, as well as staff, should feel free to call each other out if they are taking too deep of a dive into operational work.

Commissioner Ellinger said she agrees with that. She also agrees with Commissioner Braun about developing a strategic plan for RHA.

Commissioner Whitehouse said the Board is here to support Mr. Felton and the mission of RHA. He suggested planning a Board retreat when they are able to meet in person again.

Commissioner Morris said there has been good information and discussion shared tonight. The Board needs to make sure it respects the border on operations and being a strategic advisor. He suggested the

Board continue to revisit this issue to make sure the roles of a good Board Commissioner are clearly defined.

Mr. Felton agreed with all of this and said staff will speak up, if needed.

Commissioner Warren said they need to applaud RHA's excellent finances, properties, and management of those properties. The Heritage Park redevelopment is a skill that they can strengthen and build on as a team.

ADJOURNMENT

There being no further business to come before the Board, the Chair declared the regular meeting adjourned at 7:15 p.m. The Board then went into Executive Session to discuss personnel, legal, and real estate matters.