

**MINUTES OF A REGULAR MEETING OF
THE HOUSING AUTHORITY OF THE CITY OF RALEIGH, NORTH CAROLINA
BOARD OF COMMISSIONERS
JANUARY 23, 2020**

The members of the Board of Commissioners of the Housing Authority of the City of Raleigh, North Carolina met in a regular meeting on Thursday, January 23, 2020 at 5:00 p.m. in the Board Room of the Authority located at 900 Haynes Street, Raleigh, North Carolina 27604.

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

Present: Eric Braun, George Dail, Kyle Dilday, Kistina Freeman, Arne Morris, Bahati Mutisya, Doris Wrench

Absent: Don Carothers, Gregg Warren

Visitors: Larry Zucchino and Bill Egan, JDavis Architects; Mike Gould, public; Paula Cappola, Walnut Terrace Resident; Charles Francis, The Francis Law Firm.

RHA Staff: Sonia Anderson, Susie Bass, Priscilla Batts, Liz Edgerton, Wayne Felton, Mark Holliday, Jennifer Morgan, Donna Perez, Gwen Wall.

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

RECOGNITION OF VISITORS

Mr. Felton welcomed Larry Zucchino and Bill Egan, architects with JDavis; Charles Francis, attorney with The Francis Law Firm; Paula Cappola and Mike Gould, both from the public.

REPORT FROM ARCHITECT

Larry Zucchino, JDavis Architects, gave the following presentation regarding the master plan for the redevelopment of Heritage Park: (See attached document).

Highlights of the presentation include:

- The current residents would like to continue living there after the redevelopment, so there will be at least 122 public housing units on the property.
- The property is currently zoned “RX-3” – a residential zoning for mixed uses with three stories. JDavis will recommend rezoning the property to fit with whatever program and housing density that the Board agrees on (likely more than three stories).

Mr. Felton asked if the “7” option means 7 stories? Mr. Zucchino said that is correct.

Mr. Felton asked if that meant RHA would have the zoning to go 7 stories, but would not be obligated to go that high. Mr. Zucchino said RHA could go up to 7 stories. He said their recommendation to property owners is to get more zoning than they think they need, because you never know what will be decided at a later date.

Commissioner Braun asked that since the zoning across the street (South Saunders Street) is DX-20, should RHA go ahead and zone for RX-12 (even though Heritage Park is unlikely to go that high)? Mr. Zucchino said there is a development scenario in the presentations tonight that lends its support for that idea. He said it would be worthwhile and would get support from the City of Raleigh.

There is a lot of grade along South Street between the sidewalk and the parking area so that sets up different building types and different things that need to be addressed.

Commissioner Braun said he read about the city building a land bridge and asked where that was going to be built. Mr. Zucchino said that will be built on Western Blvd., near Pullen Park.

Visioning for Heritage Park includes:

- A 3-story senior housing, with elevator and corridors.
- Corridor apartments, three stories that can easily be four.
- 4-story building with retail on the lower level, very dense.
- Townhomes.
- Single family homes would probably not be appropriate on this property that is so urban.
- Child care on site.
- There is a possibility that this property could support a hotel.

Commissioner Braun asked if RHA should consider office space, since it might generate income as well as be a way to integrate non-profit and tenant services onsite. Mr. Zucchino said those questions are for the Board to consider and decide upon.

PROGRAM A:

- 293 units, 306 space surface parking, no hotel or retail.
- Senior building.
- Daycare building on green space.
- Corridor apartments along South Street (3 or 4 stories).
- Townhomes along Dorothea Drive.

Commissioner Braun asked if RHA should consider a parking deck on the property. Mr. Zucchino said there is a parking deck in scenario B.

Mr. Felton asked if it is all residential across the street on South Saunders Street. Mr. Zucchino said there is some commercial also.

PROGRAM B:

- 366 units, 295 space surface parking, 80 spaces below deck parking, 222 spaces parking deck.
- Senior building.
- Corridor apartments.
- Townhouses.
- Childcare building.

Commissioner Braun said the City Council expressed interest in putting in retail on South Street.

Mr. Zucchino said this program would be fewer townhomes with higher corridor apartments (4 stories) with parking underneath.

Commissioner Morris asked what the cost would be to the tenants to be able to park in the deck. Mr. Zucchino said the idea would be that most of the tenants could park in the surface parking, and anyone parking in the deck would do so at no charge. The deck would be for hotel customers and some city parking.

Commissioner Braun said the city has negotiated agreements to pay for reserved spots in private decks.

Commissioner Dail asked how RHA would mix affordable market rate housing into this plan. Mr. Felton said at Capitol Park some of the townhouses are owned by CAD and some are owned by RHA and each one is on its own lot. The units owned by CAD are affordable housing. The corridor apartments could be the same idea, with one building owned by CAD and another by RHA, and that would be how it would be a mix of affordable housing.

Commissioner Braun asked about the senior housing. Mr. Felton said the two senior buildings that RHA has built were tax credits – one at Capitol Park and one at Chavis Heights.

Commissioner Braun asked if there was a way to add some market rate to the senior building to help generate income. Mr. Francis said it would have to be in a separate structure, apart from the tax credit building.

Commissioner Dilday asked about the greenspace in this plan – it looks like it got smaller. Mr. Zucchino said it did get smaller. However, once more direction has been given, they will try to get more green space in there. He said it's always a challenge getting the correct balance.

PROGRAM B1:

- 513 units, 217 spaces surface parking, 80 spaces below parking, 372 spaces parking deck.

This plan is different from Program B in that instead of the free-standing corridor buildings, it has a multi-story wrap building with an open space and courtyard. They have many units and would be a little more challenging to manage.

Commissioner Morris asked if this plan has the most units out of all the plans shown tonight. Mr. Zucchino said that is does have the most units.

Commissioner Morris asked what is in the middle of the wrap building. Mr. Zucchino said it is a courtyard (in a market rate development, it could be a pool).

Commissioner Dail asked how many public housing units would there be in the wrap building. Mr. Felton said the Nashville Housing Authority built a similar wrap building and they had a mixture of 40% market rate, 40% affordable market rate, and 20% subsidized. They closed on it as a RAD property so it was taking vouchers and not traditional public housing. Staff's biggest concern about this type of property is leasing the market rate properties since they would help subsidize the other properties.

Mr. Felton said RHA does not have any other buildings of this type, other than the senior buildings. The corridor buildings bring different management challenges, such as security.

Commissioner Morris asked if the corridor building would be a mixed-use building. Mr. Felton said Nashville Housing Authority did 40-40-20 with its corridor building. They built every unit the same (each unit had the same amenities, appliances, etc.). That would increase the cost of construction and that would be a challenge trying to make all of that work in the proforma.

Commissioner Morris said that Heritage Park is in a popular area so RHA would be able to charge more for the market rate units. Commissioner Braun agreed and said he couldn't imagine that RHA would have difficulty leasing the market rate units in that area.

Commissioner Braun asked if there was a possibility to increase the number of affordable units with the different scenarios. Mr. Felton said that can be done – it's just a matter of keeping construction costs affordable. Also, adding retail space and parking decks increase construction costs.

Commissioner Braun said he thinks the City Council has a desire to increase the number of affordable housing units. Mr. Felton said that if RHA sells the single family homes as a funding source, the assistance could be transferred to units at Heritage Park and that would help with lease up and funding. Also, RHA's Faircloth limit is 2,098 (the Faircloth limit is the maximum number of public housing units a PHA can have). RHA's current number is 1,444, so there is some room for increasing the number (HUD would still need to be able to fund it, though).

Commissioner Morris asked the architects what they consider "compatible retail" for this space. Mr. Zucchino said they think services for the neighborhood (coffee shop, drug store, etc.). Commissioner Morris asked if the term "compatible" relates to the market-rate tenants or the lower income tenants. Mr. Zucchino said it would have to be to the market-rate tenants. Commissioner Morris said his concern is how the retail spaces look in 20 years – when the neighborhood changes and people start to move out of the area. Commissioner Braun wondered if the retail spaces could be retro-fitted back to residential units again. Mr. Zucchino said the idea of this presentation tonight was to have these conversations and see if they have any value. He said if the retail space is too risky for RHA then it should be reconsidered.

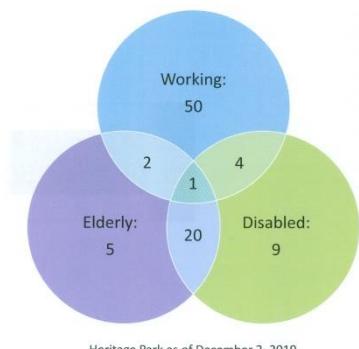
Commissioner Dilday said he wants to make sure RHA doesn't lose its mission. Mr. Zucchino said all of the programs have that idea in mind, with some additional options to get the unit numbers up.

Commissioner Braun asked if the idea was to ground lease office space or carve it out and sell it. Mr. Zucchino said that hasn't been planned out. However, to be able to control the space, it would likely be leased.

Mr. Zucchino said these are just three programs. Depending on what the Board wants to do, they can come up with other scenarios.

Mr. Felton said with regards to putting back the same number of units, even with the basic plan, RHA would be adding additional 124 affordable workforce housing along with the 122 public housing units.

Mr. Felton explained demographics charts of Heritage Park:



Length of Residency by Bedroom Size

Bedroom Size	0-2 Years	2-5 Years	5-10 Years	10-20 Years	20+ Years
1 Bedroom	4	5	7	9	5
2 Bedroom	10	10	6	8	7
3 Bedroom	6	6	7	3	4
4 Bedroom	4	5	1	1	0
5 Bedroom	1	2	4	1	0

Heritage Park as of December 2, 2019

Household Income by Bedroom Size

Bedroom Size	Extremely Low 0-30%	Very Low 31-50%	Low 51-80%
1 Bedroom	26	4	0
2 Bedroom	34	7	0
3 Bedroom	21	3	2
4 Bedroom	11	0	0
5 Bedroom	7	1	0

Heritage Park as of December 2, 2019

Mr. Felton wanted to get feedback from the Board to see if staff is on the right track in regards to the redevelopment of Heritage Park. Commissioner Dail and Commissioner Mutisya think that staff is on the right track. Commissioner Braun would like the Board to think about adding a small amount of office space that would serve the residents.

Mr. Felton and the Board thanked the architects for their informative presentation.

CONSENT AGENDA

Item 1

Charge-off of delinquent resident accounts for November 2019

Charge-off of delinquent resident accounts for November 2019

Item 2

Financial statements for December 2019

Item 3

Vacancy and Turnover Summary for December 2019

Item 4

Minutes of December 5, 2019 regular meeting

RECOMMENDATION: Approval as submitted by staff.

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

Aye: Eric Braun, George Dail, Kyle Dilday, Arne Morris, Bahati Mutisya, Doris Wrench, Kistina Freeman

Nay: None

The Consent Agenda has been adopted.

REPORT OF THE BOARD CHAIR

The Board Chair had no report.

REPORT OF THE BOARD SECRETARY

Carbon monoxide issues at Durham Housing Authority

In light of the recent developments at the Durham Housing Authority, Mr. Felton said he wanted to give an update on how RHA handles safety with carbon monoxide. Staff put new smoke and CO detectors in all RHA units in 2017. They have 10-year lithium batteries so they should last for 10 years. Staff also installed smoke/CO combos in all electric properties in case someone brought in a gasoline-powered device.

Heritage Park is the only RHA property with gas stoves. The range hoods are vented to the outside and there is a sign on the wall telling residents to run the vent when operating the stove.

There are gas water heaters and furnaces at most of RHA's properties. Anytime they are replaced, staff pulls permits to have them inspected by the City. RHA also has a licensed plumber and electrician on staff now.

Staff has reached out to the resident presidents to see if they have heard any concerns regarding carbon monoxide. There have been no concerns yet. Staff is distributing flyers to check all the smoke and CO detectors at the properties. Also, a notice was sent out about a recall on range queens because staff received a notice last week that there is a recall on some of them. (A range queen is a canister that is installed under the range hood. If there is a fire, it will activate and spray powder to put the fire out.)

REAC scores

RHA has eight "A's" (16 properties), seven "B's", and one score of 78. RHA is being inspected on eight properties this year.

Commissioner Morris asked what the expectation is of the inspections – is getting all "A's" a reasonable expectation? Mr. Felton said RHA strives to get all "A's" and it is reasonable.

Commissioner Braun asked if all RHA properties get inspected every year. Mr. Felton said if a property gets an "A" on an inspection, then it only needs to be inspected every three years. 80 or above gets inspected every two years. Below 80 is inspected every year.

City Council Meeting

Mr. Felton said he will present to the City Council during the February 4th meeting. The city wants an update on RHA's CO status and anything additional that RHA has going on.

PHADA Conference

Mr. Felton said he attended a PHADA conference earlier this month. RHA received some good news: PHA's have won their legal argument with HUD regarding the Annual Contributions Contract (ACC). HUD was trying to say it was a grant instead of a contract. The ruling now says HUD cannot make changes to the ACC without PHA approval. HUD can still appeal but staff will see what they do. Central Cost Center ("CCC") will remain de-federalized and nothing will be retroactive. HUD may look at the fee rates as they think they are too high.

NSPIRE

"NSPIRE" is HUD's new protocol for inspecting public housing units. HUD is changing the focus of the inspections from the exterior of the unit to the interior. HUD will be implementing this new protocol in the next couple of years. They will be making this the standard for all inspections of HUD funded programs. Some of the changes include:

- Simplified scoring.
- HUD will be looking at tenant-caused damage.
- They have put out definitions for the inspections which PHAs have been commenting on. It is encouraging that HUD is receptive to outside input.
- HUD may change the PHAS scoring to look more like multi-family.

Security Camera Question

At the last meeting, Commissioner Braun asked how long RHA's cameras retain the footage. Staff checked on this and state regulations say the video footage should be kept for at least 30 days. RHA has one system that retains footage for 22 days, and a system that retains for 50 days. However, staff has added two cameras and microphone to that system. Additional memory will be purchased to ensure RHA exceeds the 30-day requirement. This is an evolving legal issue with the use of body cameras and other equipment.

Line of Credit

The Board asked if it made sense for RHA to have a line of credit versus using RHA reserves in case of a government shutdown. Per federal regulations, RHA is not allowed to take out a loan against public property (that would require HUD's approval). If RHA could not use land for collateral, it would be hard to get a loan.

Mold Coverage

There was a question at the last meeting if RHA's insurance policy covered mold (it does). However, there are stipulations, and it covers only up to \$15,000 per year. RHA has never used insurance for mold damage.

Glenwood Towers Update

- The façade work has been finished on all three towers. All the electrical conduits have been moved and the façade work can now begin at the burn units.
- Sprint has removed their equipment from the roof, made necessary repairs to the roof, and staff has agreed on the final amount owed to RHA, which should be received in the next week or so. That will close out Sprint issue.
- Staff has delayed installation of the roofs to start in March 2020. The materials to be applied were temperature-sensitive so warmer weather was needed.

Commissioner Handbooks

There are Handbooks for Commissioners from NAHRO for anyone who would like one. Please see Gwen Wall and she will give you one.

Mr. Beraki Complaint

Staff met with Mr. Beraki (he had emailed the Board). His issue has been resolved.

NEW BUSINESS

Mr. Felton said HUD Regulations require Public Housing Authorities to contract with an Independent Public Accountant to audit the books of the Authority following each fiscal year end. This selection is based upon the qualifications of the audit firm, not the cost of the audit. This is the same method used for the services of other professionals, such as attorneys, architects, and engineering firms. RHA solicits proposals from qualified auditing firms every 5 years.

Staff submitted a Request for Proposals (RFP) for auditing services and received only one proposal on November 15, 2019. It was determined that RHA should advertise a second time. Proposals were due to RHA on December 17, 2019 and only one proposal was received again.

The firm of Rector, Reeder, and Lofton, PC was the only proposal RHA received. They have done RHA's audit for the past 15 years.

Staff recommends Rector, Reeder, and Lofton for the following reasons:

- Years of experience auditing public housing authorities:
 - Over 35 years of experience by the Principal.
 - Over 66 years of experience by the audit team.
- Audit experience specific to North Carolina including working with the Local Government Commission on more than 55 housing authority audits.
- They do good quality work.

This resolution exercises the option to contract with Rector, Reeder, and Lofton for the first year of the five-year term for FYE 2021 audit. The cost is \$42,000, which is a slight increase from last year's \$39,550.

**HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 3 (2020)**

WHEREAS, the U. S. Department of Housing and Urban Development regulations require that a housing authority contract with an independent auditor for an annual audit; and

WHEREAS, the staff of the Housing Authority of the City of Raleigh ("RHA") prepared specifications for auditing services for the fiscal year ending March 31, 2020, including optional renewals for the fiscal years ending March 31, 2021, 2022, 2023, and 2024; and

WHEREAS, the Request for Proposals ("RFP") was publicly advertised stating that sealed proposals must be received at RHA by 11:00 a.m. on November 15, 2019; and

WHEREAS, the RFP was sent to four firms which had requested an opportunity to submit a proposal to RHA; and

WHEREAS, on November 15, 2019, one proposal was received for auditing services, and it was determined that the RFP would be advertised for a second time stating that the sealed proposals must be received at RHA by 11:00 a.m. on December 17, 2019; and

WHEREAS, the RFP was sent to an additional five firms selected from an AHACPA Public Housing Authority Conference Attendee List to submit a proposal to RHA; and

WHEREAS, we received one proposal and another Firm thanked us for the opportunity but decided not to submit a proposal; and

WHEREAS, at 11:00 a.m. on December 17, 2019, the one proposal for the auditing services was opened and recorded; and

WHEREAS, the staff of RHA evaluated the proposal in areas including size and organizational structure of the firm, staff qualifications and experience, technical expertise in auditing large public housing authorities ("PHAs"), planned time on-site conducting the audit, experience with North Carolina governmental audit requirements including knowledge of Local Government Commission requirements, and fair and reasonable cost; and

WHEREAS, the staff of RHA recommends the acceptance of the proposal for fiscal year ending March 31, 2020 as follows: Rector, Reeder, and Lofton, PC \$42,000

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that the contract for the auditing services for the fiscal year ending March 31, 2020 be awarded to Rector, Reeder, and Lofton, PC.

BE IT FURTHER RESOLVED that the Director of Administration-Finance is authorized to enter into a contract with the firm of Rector, Reeder, and Lofton, PC for these services.

Commissioner Morris moved and Commissioner Dilday seconded approval of the foregoing resolution.

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

Aye: Eric Braun, George Dail, Kyle Dilday, Arne Morris, Bahati Mutisya, Doris Wrench, Kistina Freeman

Nay: None

Resolution No. 3 (2020) has been adopted.

Mr. Felton said Murphey School Apartments was part of Section Eight Moderate 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 2019, the Board authorized staff to request approval from HUD to extend the contract for the units at Murphey School apartments. Approval was received from HUD in November 2019 and staff prepared the necessary HUD forms to estimate Annual Contributions for the first nine months of RHA's fiscal year.

The contract runs on a calendar year basis and RHA's fiscal year is from April – March. This 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 2020. The \$277,000 will be used to pay HAPs estimated at \$243,000, and administrative fees of \$32,000. It also includes the cost of the annual audit.

**HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 4 (2020)**

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 104 units originally under contract in this program, only 46 units remain, which are located at Murphey School and are owned by the Downtown Housing Improvement Corporation (“DHIC”); 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, 2019; and

WHEREAS, DHIC contacted RHA on July 25, 2019 and requested the assistance be extended for another twelve-month term; and

WHEREAS, on Resolution No. 50 (2019), the Board authorized staff to request approval from HUD to extend the contract for the units at Murphey School apartments for another twelve-month term; and

WHEREAS, on November 27, 2019, RHA received HUD approval to extend the contract for another twelve-month term effective December 5, 2019; and

WHEREAS, on January 9, 2020, staff prepared the HUD forms necessary to estimate the Annual Contributions required to administer the Moderate Rehabilitation program for April through December 2020, and to request partial payments for this program for the first nine months of the fiscal year ending March 31, 2021 in the amount of \$276,693; 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 for the first nine months of the fiscal year ending March 31, 2021 in the amount of \$276,693 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 Dilday moved and Commissioner Wrench seconded approval of the foregoing resolution.

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

Aye: Eric Braun, George Dail, Kyle Dilday, Arne Morris, Bahati Mutisya, Doris Wrench, Kistina Freeman

Nay: None

Resolution No. 4 (2020) has been adopted.

Mr. Felton said the next two resolutions write off equipment as part of RHA's year-end fiscal close out; one is for fixed assets, the other is for custodial equipment. Fixed assets are items that cost more than \$5,000. The items are capitalized and depreciated over time. Custodial equipment has a value of \$250 to \$5,000. The cost for these items is expensed at the time of purchase, a onetime journal entry.

The first resolution is for fixed assets, greater than \$5,000. They are either broken, obsolete or can no longer be used. These assets are assigned to staff and accounted for annually.

The lists attached to the resolution are of items staff has accumulated over the year for disposal. The 2006 van needed a transmission and the truck needed a new engine. Both would cost over \$4,000 each to replace. Given the age and condition of the vehicles, staff decided to dispose of them.

The next spreadsheet is a list of the fixed asset disposition over the last 20 years. The total for this year is approximately \$70,000.

**HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 5 (2020)**

WHEREAS, Chapter 9 of the Low-Rent Housing Accounting Guide Book issued by the U.S. Department of Housing and Urban Development requires a physical inventory of all non-expendable equipment be taken not less often than once each fiscal year and the equipment accounts be appropriately adjusted; and

WHEREAS, Resolution No. 29 (2012) approved on March 22, 2012 increased the capitalization threshold for purposes of accounting for fixed assets from \$1,000.00 to \$5,000.00; and

WHEREAS, a physical inventory of the non-expendable items of equipment belonging to the Housing Authority of the City of Raleigh indicates that certain items should be removed from the inventory; and

WHEREAS, items proposed to be removed from the inventory include those which have been replaced, become obsolete or worn out, misplaced or stolen, traded-in on similar items of equipment, declared surplus, sold, damaged, are of low-value, or are inappropriate inventory items; and

WHEREAS, all items of equipment proposed to be removed from inventory are shown on pages accompanying this resolution and thereby made a part of this resolution; and

WHEREAS, Resolution No. 59 (2018), approved October 25, 2018, allows the disposal of vehicles once they are deemed inoperable and not worth repair or totaled by the insurance company;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that all fixed assets made part of this resolution be removed from the records of account as of January 23, 2020 as follows:

• Book Cost/Basis	\$37,817.60
• Accumulated Depreciation	\$37,817.60
• Cost Net of Accumulated Depreciation	\$0

BE IT FURTHER RESOLVED that;

- (a) All items with little or no value be disposed of by junking;
- (b) Items of minimal value (under \$50) with some serviceable life remaining be disposed of in the most expeditious manner including donation;
- (c) Items having an estimated current value in excess of \$50 be sold to the highest bidder (if a bidder can be found), otherwise, disposed of in accordance with (b) above.

Commissioner Dail moved and Commissioner Dilday seconded approval of the foregoing resolution.

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

Aye: Eric Braun, George Dail, Kyle Dilday, Arne Morris, Bahati Mutisya, Doris Wrench, Kistina Freeman

Nay: None

Resolution No. 5 (2020) has been adopted.

Mr. Felton said as part of RHA's year-end fiscal close out, staff proposes a resolution to write off any custodial equipment which is broken, obsolete or cannot be used anymore. Custodial asset costs are expensed one time at time of purchase, and cost \$250 to \$5,000. The equipment is assigned to staff and accounted for annually.

The lists attached are of items staff has accumulated over the year for disposal. There is a lot of landscaping equipment which is broken or obsolete. The printers, computers and equipment are out of date and no longer work with RHA's updated software.

For the computers, staff strips the hard drives out of the computer and they are taken to be shredded so no one can recover any data from the hard drives. Staff receives a certification from the shredding company that they have been destroyed. Staff then strips the remaining computer for parts and properly disposes of them.

**HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 6 (2020)**

WHEREAS, the Board of Commissioners approved Resolution No. 29 (2012) on March 22, 2012 increasing the capitalization threshold for purposes of accounting for fixed assets from \$1,000.00 to \$5,000.00; and

WHEREAS, good fiscal control demands that some items of equipment that cost less than the capitalization threshold still need to be tracked and accounted for by those employees having responsibility for their safekeeping; and

WHEREAS, these items are commonly referred to as custodial equipment; and

WHEREAS, a physical inventory of the items of custodial equipment belonging to the Housing Authority of the City of Raleigh indicates that certain items should be approved for disposition; and

WHEREAS, the custodial equipment items proposed for disposition include those which have been replaced, become obsolete or worn out, misplaced or stolen, traded-in on similar items of equipment, declared surplus, sold, damaged, or are of low-value; and

WHEREAS, items of custodial equipment that are approved for disposition are for informational purposes only and do not require an adjustment to the books of account; and

WHEREAS, all items of custodial equipment proposed for disposition are shown on the pages accompanying this resolution and thereby made a part of this resolution;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that all items of custodial equipment with historical costs aggregating \$6,572.81 made part of this resolution be approved for disposition as of January 23, 2020;

BE IT FURTHER RESOLVED that;

- (d) All items with little or no value be disposed of by junking;
- (e) Items of minimal value (under \$50) with some serviceable life remaining be disposed of in the most expeditious manner including donation;
- (f) Items having an estimated current value in excess of \$50 be sold to the highest bidder (if a bidder can be found), otherwise, disposed of in accordance with (b) above.

Commissioner Dilday moved and Commissioner Dail seconded approval of the foregoing resolution.

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

Aye: Eric Braun, George Dail, Kyle Dilday, Arne Morris, Bahati Mutisya, Doris Wrench, Kistina Freeman

Nay: None

Resolution No. 6 (2020) has been adopted.

Mr. Felton said several years ago the Affordable Housing Task Force recommended improvements to the communication between RHA and the City Council. As a result, staff prepares a large portion of the City's section on affordable housing for their comprehensive plan. Staff also invites the City Council to join in on the RHA Board Bus Tours of the properties.

On years where there is not a bus tour, staff sends a letter to the City Council giving them an update on the agency. The last Bus Tour was done in October 2018.

Attached to the resolution is a letter reviewing RHA's year. The letter covers:

- RHA's 32nd consecutive year with no financial audit findings.
- RHA received a PHAS score of 95 last year. This designates us as a "high performer" for the 23rd consecutive year.
- The voucher program received a SEMAP score of 104. This designates RHA a "high performer" for the 12th consecutive year.
- RHA's partnerships with the city:
 - Landlord training at Community Center at Capitol Park.
 - Parks and Rec leases the recreation field at Halifax Park.
 - Programming at Walnut Terrace which has been expanded this past year.
- St. Savior's Center
 - Offers health and wellness programs for our seniors at Glenwood Towers and Carriage House.
 - Site for Meals on Wheels
 - Wake Relief (emergency food)
 - Diaper train provides free diapers to low income families.
- Funding for the voucher program is at 77% of eligible funds.
- Operating subsidy is 97.77%.
- Funding for the voucher program to pay rents is adequate.
- RHA averaged 98.5% utilization in our voucher program.
- \$36,000,000 in multi-family revenue bonds were issued last year to preserve and construct affordable housing in Raleigh. This will preserve and/or create 258 affordable units at Sir Walter apartments and Beacon Ridge.
- Façade work that has been completed at Glenwood Towers. This was over \$3,000,000 project. Staff is scheduling the installation of new roofs on all three towers in March 2020.
- The Rental Assistance Demonstration ("RAD") application has been submitted. This will help with funding for the future and preserve RHA's affordable housing.
- Staff is exploring the possibilities of redeveloping Heritage Park.

If the letter is approved by the Board tonight, staff will attach the official scores from HUD for the HCV and public housing programs, a fact sheet for the agency and send the package to the City Council and City Manager. The County Board of Commissioners will also be copied on the letter because RHA has jurisdiction in the County.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 7 (2020)

WHEREAS, the City of Raleigh and the Raleigh Housing Authority (RHA) share a close relationship and make the effort to communicate regularly following up on a recommendation of the City's Affordable Housing Task Force and the Analysis of Impediments; and

WHEREAS, RHA includes the City Council members on tours of the public housing properties and encourages both the council and city staff to contact RHA with any questions or concerns when they arise; and

WHEREAS, RHA participates and provides the use of its multi-purpose building at 971 Harp at no charge to the City for its semi-annual Landlord Training Program; and

WHEREAS, the RHA staff works most closely with the Housing and Neighborhoods Department staff and frequently shares updates; and

WHEREAS, RHA participates in a public meeting with the Housing and Neighborhoods Department staff each year to share agency plan updates and hear the concerns of the greater community as they relate to RHA; and

WHEREAS, RHA makes staff available to attend and participate in the city's public meetings on issues of interest to RHA's low-income families and city policies; and

WHEREAS, RHA has prepared a brief written update on its activities in 2019;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that the attached "2019 Year in Review" is approved and the Board Chair and Executive Director are authorized to send it to the Mayor and City Council and other interested parties on behalf of the Board of Commissioners.

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, George Dail, Kyle Dilday, Arne Morris, Bahati Mutisya, Doris Wrench, Kistina Freeman

Nay: None

Resolution No. 7 (2020) has been adopted.

ADJOURNMENT

There being no further regular business to come before the Board, the Chair declared the regular meeting adjourned at 7:00 p.m. and went into Executive Session to discuss a personnel matter.