

MINUTES OF ZOOM MEETING OF
THE HOUSING AUTHORITY OF THE CITY OF RALEIGH
BOARD OF COMMISSIONERS
OCTOBER 22, 2020

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, October 22, 2020 at 5:00 p.m.

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

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

Absent: Don Carothers

Visitors: Charles Francis, RHA attorney.

RHA Staff: Sonia Anderson, Priscilla Batts, Liz Edgerton, Wayne Felton, Laura McCann, 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 Charles Francis, RHA attorney, to the meeting.

CONSENT AGENDA

Item 1

Charge-off of delinquent resident accounts for September 2020

Item 2

Financial statements for September 2020

Item 3

Vacancy and Turnover Summary for September 2020

Item 4

Minutes of September 24, 2020 regular meeting

RECOMMENDATION: Approval as submitted by staff.

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

Aye: Eric Braun, Niya Fonville, Arne Morris, Bahati Mutisya, Gregg Warren, Yolanda Winstead, 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

COVID-19 Update

- Two confirmed cases at Glenwood Towers in early October.
- One positive test at Capitol Park – at one of the Single Family Homes. That resident has self-quarantined.
- One employee was exposed to someone who tested positive for COVID-19 at their church. They have been quarantined and will return to work early next week.

PHADA Strategic Planning

Mr. Felton said he had a call with PHADA regarding strategic planning. He is on a sustainable funding sub-group with PHADA. Several issues were discussed: Public Housing funding, RAD, Voucher funding, etc. The idea behind the group is to decide the strategy that PHAs want to push with Congress regarding funding for the sustainability of affordable housing units at different housing authorities.

PHADA is projecting that there will be a \$1 billion shortfall in Section 8 funding for FYE 2021. There is also talk that if Biden wins the election, he has a plan that would provide vouchers as an entitlement which means it would be funded at levels to serve all eligible households. There are a lot of questions about what will be funded.

One of the positive things that came out of the meeting was the idea of fungibility. With the CARES Act money, staff saw that it is better for RHA to have fungibility with fewer strings attached to the money.

Another thing that was discussed was diversification of portfolios so that PHAs don't have all of their units in public housing or RAD – in case one were to take a big hit, it wouldn't be so devastating to the PHA.

There will be another meeting before the PHADA retreat in November.

Bond Misc.

- Walnut Trace closing. Construction will begin in early 2021. 180 units will be built off Rock Quarry Road near the Beltline.
- Prima Vera is scheduled to close in the spring of 2021.
- RHA has been approached by DHIC and Greystone for two possible bond deals.

Lease up of Public Housing

RHA is having a difficult time leasing up public housing units during the COVID pandemic. Section 8 got to 100% lease up and held fairly steady over the summer at 99.8% - 100% (which is unusually high for summer months). With the pandemic, not a lot of people felt comfortable moving.

There were some units at Glenwood Towers that were vacated due to façade and roof work, as well as various vacated units at some other communities, and staff has had a difficult time leasing those. Staff is using Zoom for meetings and DocuSign in hopes that those units will be leased in the next month.

RAD conversion

RHA is currently on hold with RAD. Staff has contacted the engineering firm – Dominion Due Diligence – about the Critical Needs Assessment. Staff is hopeful that they can get in the units and do the inspections in early 2021. Staff has submitted a request to HUD for an extension of the Financial Plan submittal (May 31, 2021).

Radon Testing

One of the things that the City of Raleigh had suggested as part of the RAD package is to look at radon testing. Staff is testing units as they become vacant – as well as community rooms and live-in units that are vacant. Twelve units have been tested so far and there were four positive results at two of the properties. Staff is in the process of mitigating those units. Testing has been done at Terrace Park, Meadowridge, Valleybrook, Mayview and Stonecrest.

Community Services Coordinator Report

Staff will put the report of the Community Services Coordinator in the next Board Book. There was discussion during the last Board Meeting about creating a Resident Outreach and Communication Committee and the Community Services Coordinator (Dolores Cruz) does a lot of that work. Ms. Cruz's report will give insight as to what kind of work RHA does with its residents. Some of that work includes:

- Arts Together is beginning classes at Chavis Heights next week.
 - Tenant participation money will pay \$600 for 8 kids for 10 weeks – focusing on art and dance.
 - There will be two teachers for this class and one of those teachers grew up in public housing in Raleigh.
- Computers for residents through the City of Raleigh.
 - Digital inclusion with the city and Kramden Institute.
 - 26 residents are signed up to receive desktop computers in the next two weeks. They're working to get another 30 people signed up for computers to be delivered the first part of December.
 - Residents will be going through computer training. As part of that training, staff would like them to be trained on how to access RHA's website, pay rent online, and how to search for employment at NC Works.

Portal for Board members

During a previous meeting, one of the Commissioners mentioned creating a portal for Board Commissioners to be able to access various agency information. Staff has spoken with RHA's network provider and they are working on creating a portal. It will be on RHA's website and should be operational soon.

RHA Strategic Plan

Per discussion from a previous Board Meeting, staff will draft a Strategic Plan and send it out for the Board to review. It can be on the agenda for the November Lunch & Learn to discuss and bring back to Board for approval. If additional time is needed to discuss the Strategic Plan, it can also be on the December Lunch & Learn agenda and brought to the Board in January for approval. It will be a helpful document for the new Board Commissioner as well as the new RHA staff.

REPORT OF THE REPOSITIONING COMMITTEE CHAIR

Commissioner Warren said the Repositioning Committee met on October 12th. Commissioner Warren, Commissioner Braun, Commissioner Morris, and Commissioner Mutisya are the members of the committee. The agenda included:

- Discussion about the committee name. The committee decided “Repositioning Committee” was a good name because the committee wants to focus on the work across the entire RHA portfolio to change the model from conventional public housing into RAD conversion properties.
- Election of Committee Chair (Commissioner Warren was elected Chair.).
- Discussion about committee charter. The charter was drafted by the staff, with minor comments made by the committee. The draft is in tonight’s Board agenda for approval.
- Discussion about topics to explore. Along with being a working committee to educate new Board Commissioners about RHA, this committee will also focus on Heritage Park, which seems to be the biggest issue in the coming years.

The committee is looking forward to having more meetings. This committee is solely advisory and the committee members are prepared to meet on a regular basis to work with staff to come up with recommendations for Heritage Park and other properties.

Commissioner Warren requested that the committee delve into Heritage Park more deeply when they meet in November. The goal would be to present to the RHA Board a vision of Heritage Park and also discuss phasing, financing, etc. The approach that is taken for Heritage Park will be different from Capitol Park and Chavis Heights because the funding is different.

Commissioner Warren said he hopes that this committee will be useful to the full RHA Board as well as the staff going forward. The minutes of the meetings will be sent to the full Board.

NEW BUSINESS

Mr. Felton said RHA was originally funded \$4,133,000 for the 2020 CFP grant in February 2020. HUD has sent the final funding numbers and they increased by \$30,029.00.

This resolution is for this new amount. RHA must get these changes approved so that staff has access to the funds in LOCCS where the money is drawn down.

Typically, staff has two years to obligate the funds and two more years to expend the funds. RHA has been given an additional year to obligate and expend funds for its 2019 and 2020 grants. Staff has expended \$1.5 million from the 2019 grant and \$425,000 from 2020 grant.

**HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 54 (2020)**

WHEREAS, the Housing Authority of the City of Raleigh (“RHA”) receives annual funding for the Capital Fund Program from the Department of Housing and Urban Development (“HUD”); and

WHEREAS, the Capital Fund Program funding allocations are used for capital improvements to the public housing inventory; and

WHEREAS, the capital improvements at each public housing development were identified through the input of staff and discussion with public housing residents, finalized and submitted to HUD as part of the agency's annual plan; and

WHEREAS, RHA was awarded Capital Fund Program Grant NC19P00250120 in February 2020 with funding allocations totaling \$4,133,717.00; and

WHEREAS, subsequent to the inception of grant eligibility, the funding allocations increased by \$30,029.00, with final funding allocations totaling \$4,163,746.00; and

WHEREAS, revisions to the grant are being proposed to adjust for additional funding that was received beyond previously budgeted amounts; and

WHEREAS, in accordance with HUD regulations, revisions to the annual statement from the 5 Year Plan Statement must be accompanied by a performance and evaluation report to HUD for approval; and

WHEREAS, staff is recommending that the attached performance and evaluation report for Capital Fund Program Grant NC19P00250120 be approved, 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 performance and evaluation report for Capital Fund Program Grant NC19P00250120 be approved for submission to the Department of Housing and Urban Development.

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

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

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

Nay: None

Resolution No. 54 (2020) has been adopted.

Mr. Felton said HUD considers rent to be the contract rent plus utilities. Therefore, a utility allowance is established that approximates a reasonable consumption of utilities by an energy conservative household per month. This is then used to calculate the tenants monthly rent.

RHA is required every five years to have an outside consultant perform an energy study and establish a utility allowance, which RHA did in 2016. Due to COVID-19, RHA is not required to do this study this year. When the study is done, staff plans to combine Section 8 and Public Housing into one study to simplify and save money.

Annually staff is required to review the utility allowances for Section 8 program. If the rates change more than 10%, RHA is required to adjust the allowance. If the rates change less than 10%, RHA has the option to adjust the allowance.

This year there was a reduction in most utility rates ranging from 1% to nearly 11%. RHA typically does not adjust the allowance for utilities that change less than 10%. However, staff is recommending the utility allowances be revised to reflect all of the reductions in rates.

There is an inverse relationship between Fair Market Rent and utility allowances. With the utility allowance going down, this actually gives tenants a little more money for rent which may bring more units into their price range.

This change will true up the allowance with the current projected costs so it more accurately reflects the cost of the utilities for the families.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 55 (2020)

WHEREAS, 24 CFR, Part 982.517, Utility allowance schedule, requires housing authorities to maintain a utility allowance schedule for all tenant-paid utilities (except telephone) *“based on the typical cost of utilities and services paid by energy-conservative households that occupy housing of similar size and type in the same locality... that complies with housing quality standards”*; and

WHEREAS, the regulations require housing authorities to review its schedule of utility allowances each year; and

WHEREAS, the regulations require housing authorities to revise the allowance for a utility category if there is a change of 10% or more in the utility rates since the last utility allowance revision; and

WHEREAS, housing authorities may at their option revise the utility allowances for changes of less than 10%; and

WHEREAS, staff has analyzed the change in the utility rates and prepared the Section 8 utility allowances using the current utility rates; and

WHEREAS, staff recommends the utility allowances be revised for all utility categories to reflect the current utility rates; and

WHEREAS, the recommended allowances and the supporting documentation is attached to this resolution and thereby incorporated herein;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that the recommended Utility Allowances for the Section 8 program be adopted effective January 1, 2021.

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, Niya Fonville, Arne Morris, Bahati Mutisya, Gregg Warren, Yolanda Winstead, Doris Wrench, Kistina Freeman

Nay: None

Resolution No. 55 (2020) has been adopted.

Mr. Felton said the Administrative Plan for Section 8 establishes the rules RHA must follow in administering the Section 8 program. Behind the resolution is a summary of the proposed changes.

Those changes include:

- Adding back Support Circle referrals. These referrals were removed from RHA's Local Preference with a resolution in May 2019 because they were not using the vouchers that were set aside for them. Staff's understanding was the people they serve could be served through the Coordinated Entry Program at the City, which at the time had 20 vouchers, and now they've been increased to 50 vouchers. Support Circle works with people who are homeless and working. They provide them with temporary housing and casework to assist them getting on their feet. For the Coordinated Entry Program, a person must be homeless to qualify. Support Circle participants are not considered homeless because they are housed only temporarily. Staff is adding them back to Local Preferences so people can continue their progression and be housed. Support Circle stated that the 20 vouchers was too many before and feel five is more manageable for them.
- Adding a section regarding Project Based Vouchers. Staff has been approached by an entity about project-basing some vouchers for their project. Project basing vouchers would be new for RHA. If it moves forward, staff will be bringing back resolutions to the Board for approval.

The Administrative Plan will go out for public comment for 30 days and staff will bring the final to the Board for approval at the next Board meeting.

Commissioner Fonville asked why the 8-person household income limits decreased instead of increasing. Mr. Felton said staff would need to check on that. *(There was an error in the spreadsheet and the revised spreadsheet was emailed to the Board on 10/22/20.)*

Commissioner Warren asked about the set-aside vouchers for the Olmstead Act, etc. If those vouchers aren't being utilized, can they be converted into standard vouchers? Mr. Felton said the vouchers are not necessarily "parked" and not being utilized. RHA has a preference for them where, if they need a voucher, one will be available to them. The lease-up numbers are ever-moving numbers. RHA has 3,921 vouchers and RHA can over lease up to 102%, if the funding supports it. Even though RHA has these vouchers as a local preference, they aren't sitting on a shelf unused.

Commissioner Warren asked what percent of RHA's voucher holders fail to find a place to rent. Mr. Felton said before the pandemic it was approximately 2/3. Voucher holders may not be able to find housing currently because the movement during the pandemic has been slow (people are hesitant to move because of COVID).

Commissioner Warren asked what he should say if someone asks him what percentage of voucher holders succeed in finding housing. Mr. Felton said RHA has over 3,900 people who are housed with a voucher. Of the 300 people currently on the street looking for housing, approximately 2/3 of them might not find a unit.

Commissioner Warren asked what happens if they are unable to find a unit. Does the voucher return to the pool and is given to someone else? Mr. Felton said staff will pull their packet and they will

have to reapply to get back on the Section 8 waiting list. However, those people will not necessarily go to the bottom of the waiting list, due to RHA's preferences.

Commissioner Warren said it sounds like there aren't enough landlords willing to take vouchers. Mr. Felton said that is correct. Additional landlords in the program will help RHA with lease up and keeping them leased up.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTIONS NO. 56 (2020)

WHEREAS, the Raleigh Housing Authority is required to set forth its policies for processing applications and providing assistance to eligible Housing Choice Voucher families; and

WHEREAS, Raleigh Housing Authority ("RHA") is in the process of revisiting the Administrative Plan to reflect actions to be effective December 1, 2020; and

WHEREAS, the draft of the Administrative Plan will be available on RHA's web page; and

WHEREAS, there may be other changes made to the policy as RHA goes through the public comment period and

WHEREAS, attached to the resolution is an Executive Summary of the changes to the December 2019 plan as well as a draft of the plan.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that staff is directed to seek public input and comments on this plan prior to presenting the final plan to the RHA Board.

BE IT FURTHER RESOLVED that the final policy will be brought back before the RHA Board of Commissioners at its December 2020 meeting for final approval.

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

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

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

Nay: None

Resolution No. 56 (2020) has been adopted.

Mr. Felton said the Admissions and Continued Occupancy Policy ("ACOP") for Housing Management establishes the rules RHA must follow in administering the Public Housing program. Staff has proposed changes to the ACOP to address items which have come up or could come up in the future. The Executive Summary is behind the resolution.

Most of the proposed revisions are to clarify items in the policy. They include:

- Added Special Admissions for residents living at a property where RHA has a current Management Agreement. RHA recently had a situation with a resident who lived at Walnut Terrace in an affordable market rate units owned by CAD had lost their job due to COVID. The resident is elderly and was unable to find work. Fortunately, she had applied for Public Housing and was able to get a unit in a senior building. This Special Admission is an attempt to prevent homelessness if a resident loses their job for any reason beyond their control (car accident, sickness, etc.).
- Added a section about repayment agreements – if the amount is greater than 40% of the resident’s income, alternative payment terms may be offered.
- Added a section regarding deceased heads of households. RHA recently had a situation where a woman was the head of household and her three minor children were also on the lease. The woman passed away and the father of the children approached RHA to be added to the lease as the head of household. Had he been on the lease to begin with, staff could have easily made him head of household. However, he was not on the lease. He was working so he was able to find other market rate housing for himself and the children. This section helps define what staff will do if a similar situation arises in the future.

This is being reviewed by RHA’s legal counsel and will go out for public comment for 30 days. Staff will bring the final to the Board for approval at the next RHA Board meeting.

(Commissioner Mutisya left the Board Meeting at this time due to a prior commitment.)

**HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 57 (2020)**

WHEREAS, the Housing Authority of the City of Raleigh is required to set forth the requirements, standards, and criteria for the Admissions and Continued Occupancy Policy to be established and implemented; and

WHEREAS, staff has updated the policy and the attached summarizes the proposed changes that may be included in the Admissions and Continued Occupancy Policy; and

WHEREAS, the Admissions and Continued Occupancy Policy shall be included in, or incorporated in by reference in, all resident dwelling leases and the Agency Plan; and

WHEREAS, the proposed changes will be submitted in accordance with federal regulations to the public housing residents for comment; and

WHEREAS, the draft of the Admissions and Continued Occupancy Policy will be available on RHA’s web page; and

WHEREAS, there may be other changes made to the policy as RHA goes through the public comment period;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that staff is directed to seek public input and comment on this policy draft prior to presenting the final policy to the RHA Board.

BE IT FURTHER RESOLVED that the final policy will be brought back before the RHA Board of Commissioners at its December 2020 meeting for final approval.

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

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

Aye: Eric Braun, Niya Fonville, Arne Morris, Gregg Warren, Yolanda Winstead, Doris Wrench, Kistina Freeman

Nay: None

Resolution No. 57 (2020) has been adopted.

(Commissioner Freeman left the Board Meeting due to a prior commitment.)

Mr. Felton said RHA has not previously had a formal Trespass Policy. If someone was trespassed from the property, staff considered them trespassed indefinitely.

Staff wanted to formalize the policy for a few reasons that include:

- For the safety of RHA residents and staff.
- To assist staff in determining when to allow someone back on the property.
- To make everyone aware of the implications if they are trespassed from RHA property.
- To ensure “the punishment fits the crime” as this prevents someone from being housed in the future.

This Trespass Policy is consistent with how RHA looks at other offenses for housing. Staff includes an appeal process if anyone wishes to appeal their being trespassed. Trespassing is a last resort, and staff hopes they don’t have to trespass anyone. However, with this policy, staff has guidance on how to handle trespassing a resident.

Charles Francis said sometimes the trespassing is also the second to last resort. He said the lease is very clear that RHA can evict residents for criminal behavior, whether or not it results in a conviction. Frequently, there are adult children living in the household – as well as older teenagers – who have committed drug or serious crimes, or have committed mayhem in the community (fighting, vandalism, etc.). Sometimes a family member will have to be taken off the lease and trespassed from the community. This allows the head of household and younger children who were not involved in the bad behavior to stay in the community.

Commissioner Fonville said this Trespass Policy is for the person who was trespassed. She asked if RHA has another policy regarding the tenants (because that sounds like a separate issue). She said it’s clear in the policy that RHA keeps a list and residents can check names against that list. However, is there something that says the resident is responsible for making sure their guests are not on the list? Mr. Felton said staff makes the residents aware if a family member or acquaintance (guest) is trespassed from the property. He said there is no published list for the residents.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 58 (2020)

WHEREAS, the Raleigh Housing Authority (RHA) is a public body and a body corporate and politic, exercising public powers, and having all of the powers necessary or convenient to carry out and effectuate the purposes and provisions of Chapter 157 of North Carolina General Statutes; and

WHEREAS, NCGS Section 157-9 (c) states "an authority may adopt and enforce rules governing the lawful entry of guests and visitors to its properties, including the visitors and guests of its tenants"; and

WHEREAS, RHA is committed to supporting efforts and initiatives that reduce crime, protect the safety and rights of its residents, and support RHA's mission; and

WHEREAS, the Raleigh Police Department (RPD) has the ability to trespass persons from RHA properties that commit criminal acts, damage property, intimidate residents, or interfere with residents' rights to a peaceful living environment; and

WHEREAS, a formal policy is necessary to specify who may be trespassed from RHA properties and the duration of the trespassing to ensure that the properties remain safe and peaceful without being overly restrictive to residents and their guests.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that the proposed Trespass Policy be adopted and in effect for all RHA public housing properties and communities.

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

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

Aye: Eric Braun, Niya Fonville, Arne Morris, Gregg Warren, Yolanda Winstead, Doris Wrench,

Nay: None

Resolution No. 58 (2020) has been adopted.

Mr. Felton said in August the Board discussed creating a Development committee to serve in an advisory capacity for the redevelopment of Heritage Park. Commissioner Braun, Commissioner Morris, Commissioner Mutisya, and Commissioner Warren volunteered to serve on the committee.

In September it was decided the committee would be called the Repositioning Committee to encompass the Heritage Park redevelopment as well conversion to RAD for some Public Housing properties. The committee was formalized with a vote by the Board; there were no votes against it.

Staff had RHA legal counsel, Charles Francis, draft a charter for the committee. That charter draft was presented at the Repositioning Committee's first meeting. Staff received minor edits which have been incorporated into the document.

The charter is behind the resolution and includes the following items:

- The Committee will serve in an adversary capacity.

- The Committee will consist of four members who are appointed by the Board at the annual meeting for a 1-year term.
- The Committee will meet at least four times a year.

THE HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 59 (2020)

WHEREAS, the Housing Authority of the City of Raleigh (“RHA”) provides affordable housing to low and moderate income families in the City of Raleigh and throughout Wake County; and

WHEREAS, RHA is undertaking activities to retain and modernize its aging public housing stock in order to continue to provide safe, decent, and affordable housing; and

WHEREAS, these proposed activities include the repositioning of communities through a RAD portfolio conversion and the redevelopment of Heritage Park; and

WHEREAS, the Board of Commissioners determined it to be necessary and useful to establish a committee to study and advise on the redevelopment and repositioning of RHA’s public housing portfolio; and

WHEREAS, at the Board meeting held August 27, 2020, Commissioners Eric Braun, Arne Morris, Bahati Mutisya and Gregg Warren volunteered to serve on the Repositioning Committee for a one-year term; and

WHEREAS, the Repositioning Committee was voted on and approved by the Board on September 24, 2020; and

WHEREAS, RHA staff and the Repositioning Committee met in October to discuss and finalize a committee charter which is attached to this resolution;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that the attached Repositioning Committee Charter be approved to be in effect immediately.

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, Niya Fonville, Arne Morris, Gregg Warren, Yolanda Winstead, Doris Wrench,

Nay: None

Resolution No. 59 (2020) has been adopted.

Mr. Felton said in August 2019 the Board approved for RHA to apply for Rental Assistance Demonstration (“RAD”). Staff is considering converting some of RHA’s Public Housing units to RAD because funding for public housing has been cut the last few years and it likely will continue. RAD will provide a more stable funding mechanism than public housing funding.

Staff is proposing to convert to Project Based Vouchers under the RAD program. These vouchers would be administered by RHA's Leased Housing Department and RHA would earn administrative fees for these vouchers.

Since RHA would be administering the vouchers, it cannot own the property as RHA would have a contract with itself through the HAP contract. HUD requires a separate entity be set up since RHA can't sign a contract with itself.

After discussing with the consultant, HUD officials, and RHA attorneys, the best option is to create another non-profit entity to serve as the owner of the properties once they convert to RAD. This new entity would be controlled by the RHA Board. RHA would maintain control over the properties they have now – just through a different entity.

In August 2020 the Board approved staff to move forward with drafting By-Laws for this new ownership entity. The By-Laws are behind the resolution and include:

- The new entity's name is Oak City Affordable Communities, Inc ("OCAC").
- The Board of Directors for OCAC is the RHA Board of Commissioners.
- There will be a minimum of two meetings per year. However, there can be more meetings than that.
- No Chair shall serve as Chair for more than two consecutive terms.

Staff has checked with NCHARRP on providing insurance coverage for this new entity and they will provide coverage.

Commissioner Warren said he has no problems with the way these By-Laws are written. He said the role that this group will play is still unclear in his mind. He said it was mentioned that CAD will still be the preferred partner in tax credit deals at Heritage Park. He would like to leave that as an open discussion item for a future date. In his mind, the exact role for OCAC in terms of the ownership structure of new deals is still an open question.

Mr. Felton asked if Commissioner Warren is saying that the OCAC role should not be limited to only RAD properties. Commissioner Warren said it could be that they would be the primary entity representing RHA in these transactions.

Commissioner Braun said RHA is creating this entity – however, it is unknown what the ultimate deal structure will be for any of the RAD projects. For example, if a developer or partner is brought in, there may be a requirement that RHA create some other ownership entity structure. It may not be a clean "this property is owned or controlled by this entity". There may be another LLC that actually owns the development and this entity might own a part of it. Until it is known what the ultimate deal structure will be for any given project, it will not be known if this entity owns 100% of the project.

Commissioner Braun said CAD owns all of its properties outright because there is no other ownership entity. Mr. Felton said that is correct – the only exception is the tax credit property (Carousel Place).

Commissioner Warren said RHA doesn't know exactly how this entity will function in RAD deals going forward. However, a new entity was needed and staff, as well as Charles Francis, knew that the Board wanted to have control over the entity and that is what this is. He said he is happy to approve this resolution and he wanted to comment how it will be manifested in different organizational structures is still an open question.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 60 (2020)

WHEREAS, the U.S. Department of Housing and Urban Development ("HUD") introduced the Rental Assistance Demonstration ("RAD") program in 2012 that, upon successful conversion, provides long-term Section 8 contracts to Public Housing Authorities ("PHAs"); and

WHEREAS, the RAD program seeks to preserve low income housing by allowing PHAs access to more stable funding sources for capital improvements; and

WHEREAS, Resolution No. 46, approved by the Raleigh Housing Authority ("RHA") Board of Commissioners on August 22, 2019, authorized staff to submit an application for participation in the RAD program; and

WHEREAS, on December 4, 2019, RHA submitted an application for the conversion of all 16 Public Housing Asset Management Projects ("AMP") to the RAD program; and

WHEREAS, on January 27, 2020, HUD approved RHA's RAD application and issued a Commitment to Enter into a Housing Assistance Payments ("CHAP") for all 16 AMPs; and

WHEREAS, on February 27, 2020, RHA requested the CHAPs be returned and changed to a portfolio application which will reserve conversion authority and lock in the current RAD contract rent level for all the identified units in the portfolio but not require all 16 properties be converted to RAD at one time; and

WHEREAS, HUD requires ownership or control of the RAD Projects by a public or non-profit entity; and

WHEREAS, if the Housing Authority will be administering the vouchers, HUD prohibits the PHA from signing a Housing Assistance Payment contract with itself; and

WHEREAS, RHA will be administering the vouchers as part of the current voucher program and therefore will need to transfer the ownership of the RAD projects to a subsidiary in which the RHA is the sole owner or member; and

WHEREAS, RHA feels it is in the best interest of the agency to create a 501(c)(3) non-profit, affiliate, of the Housing Authority to serve as the owner of the converted RAD properties; and

WHEREAS, the RHA Board of Commissioners will appoint the board of the new non-profit entity; and

WHEREAS; each RAD property will be a single asset LLC under the new non-profit entity; and

WHEREAS, the separate entity will adhere to HUD's rules of ownership and limit the liability of the Housing Authority; and

WHEREAS, on August 27, 2020, the RHA Board of Commissioners approved Resolution No. 42 to allow RHA to enter into a contract with RHA's attorney, Francis Law Firm, PLLC to prepare the Bylaws and Articles of Incorporation for the new 501(c)(3) non-profit entity to serve as owner of the converted RAD properties; and

WHEREAS, the Bylaws for Oak City Affordable Communities is attached hereto and incorporated herein by reference;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH, NC that the attached bylaws for Oak City Affordable Communities, the ownership entity for the converted RAD properties, be approved.

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, Niya Fonville, Arne Morris, Gregg Warren, Yolanda Winstead, Doris Wrench,

Nay: None

Resolution No. 60 (2020) has been adopted.

ADDITIONAL DISCUSSION

Commissioner Warren said the Repositioning Committee will meet again in November and be able to work on presenting clarity of vision for the Heritage Park Redevelopment.

Commissioner Warren said one of the discussions from the Lunch & Learn session was the Strategic Plan for RHA in general. He said staff was going to draft a Strategic Plan for the Board's review. He said the Strategic Plan initiatives that he has been involved with in the past have involved Board Members, staff, and external stakeholders to go through a process – instead of only staff drafting a plan for review.

Commissioner Braun said his recollection was that the staff would put together what constitutes RHA's plans since they aren't together in one place for the Board to review. Those could be put on the website portal for the Board to reference. He said as a beginning point, staff can put those plans together that exist already so the Board can see where staff thinks the agency is going. The Board can use that as a starting point to begin the Strategic Planning process.

Mr. Felton said he can draft a light Strategic Plan that can be discussed at the Lunch & Learn sessions as a starting point to show where staff thinks RHA is going. At that point, staff can get input from everyone else and produce a more detailed plan.

Commissioner Winstead said it would be like the framework to get it kicked off. Mr. Felton said that is correct.

Commissioner Warren said if staff can assemble previously-approved plans into one spot it will be helpful for the Board.

Commissioner Morris asked the Board if there are any issues with Mr. Felton putting together an outline of a Strategic Plan. Commissioner Braun said a more efficient way would be to gather together what staff thinks is the current plan for RHA and where they think RHA is heading and the Board as a group can talk about that.

Commissioner Fonville said RHA should think about getting a third party facilitator to help with this process – especially with an organization where it will be the first time to undertake this type of project. Commissioner Braun said he agrees with that. A third party will help moderate the discussion.

Commissioner Warren said this will be a process piece that would involve the Board and staff as well as external stakeholders. Mr. Felton asked who Commissioner Warren has in mind when he mentions “external stakeholders”. Commissioner Warren said the City of Raleigh, landlords, residents, and others who deal in affordable housing would be a good place to start.

Commissioner Braun said it is a process and will take some time.

Mr. Felton asked if another Lunch & Learn session date has been set. Commissioner Winstead said a date has not been set but the Board agreed that Thursdays work best for those sessions (except for Board Meeting days).

ADJOURNMENT

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