

MINUTES OF ZOOM MEETING OF
THE HOUSING AUTHORITY OF THE CITY OF RALEIGH
BOARD OF COMMISSIONERS
DECEMBER 3, 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, December 3, 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, Gregg Warren, Yolanda Winstead, Doris Wrench

Absent: Don Carothers, Bahati Mutisya

Visitors: Mark Holcomb, Evergreen; Charles Francis, The Francis Law Firm; Joe Whitehouse, newly-appointed RHA Board Commissioner (to be sworn in January 2021).

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 October 2020

Item 2

Financial statements for October 2020

Item 3

Vacancy and Turnover Summary for October 2020

Item 4

Minutes of October 22, 2020 regular meeting

RECOMMENDATION: Approval as submitted by staff.

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

The Consent Agenda has been adopted.

REPORT OF THE BOARD CHAIR

The Board Chair had no report.

REPORT OF THE BOARD SECRETARY

COVID Update

- An employee has 3 family members who have tested positive for COVID. They are all self-isolating at home and everyone is doing well. That does not appear to have been contracted at RHA so it does not pose a threat to the staff.
- A tenant at one of the properties has tested positive for COVID.
- An applicant at Glenwood Towers who had met with the manager (with masks) tested positive for COVID. A contractor came in and cleaned the common areas, elevator, lobby, and management office.
- A contractor who has been working with RHA has symptoms of COVID. Staff has asked them to get a negative test before they come back to work for RHA.

Board Appointments

- Commissioner Freeman and Commissioner Mutisya were reappointment.
- New appointment of Joe Whitehouse. He is taking Don Carother's seat. Commissioner Carothers has been on the Board for 22 years. The RHA staff and Board appreciate his years of dedication to RHA's mission. RHA will be making a donation to a charity of his choice.

New RHA Personnel

- New Director of Maintenance, Bob Horn. Mr. Horn is on the call this evening. He previously worked at Duke University.
- New Intake Specialist, Katrina Williams. She gets RHA's applicants ready to lease units and works in the Housing Management Department.

HUD Waivers

- New waivers came from HUD recently regarding COVID. They include:
 - Cap Fund has been extended another six months. RHA now has an additional 18 months to obligate the funds for any grants after April 2020.
 - Extending the SEMAP and PHAS scores until June 30, 2021.

Arts Together

- Beginning classes at Chavis Heights next week. However, there were no participants so are moving to Kentwood to see if there will be more participation.
- They are planning to reopen in January.

Raleigh Nursery School

- Rent daycare building at Capitol Park.
- Closed since March.

- Paid rent up through July 2020. However, staff deferred their rent since July when their stimulus money ran out.
- They are planning to reopen in January. However, they aren't sure what their opening will look like. Some of their past patrons have said they don't need daycare since they are working from home.
- Staff will continue to work with them to help them get back into the building - or another space, if needed.

RAD conversion

RHA is currently on hold because the engineer's report has not been finalized (due to not being able to safely enter units to inspect them).

Staff has worked out a plan by sending them a map to lay out which units to enter.

The engineers are scheduled at the end of January for inspection. After that, they can finish their reports and that will get things going again on the RAD conversion.

Radon testing

- Staff is currently testing Terrace Park, Berkshire, Meadowridge, Valleybrook, Mayview and Stonecrest for radon.

Community Services Coordinator Report

There is a new department report in the Board Books this month. Because of interest from some of the Commissioners, staff has included the Community Services Coordinator report.

Strategic Plan for agency

- A draft of RHA's Strategic Plan has been created and is currently being reviewed. It will also be sent to the Board for review.
- It was previously discussed that staff would draft what it feels RHA's strategic plan is now as a starting point, and modify the plan from there.
- This can be done as a lunch and learn, or if there are other topics more pressing, those can be discussed.

Mr. Felton asked the Board if they wanted to try to have another Lunch & Learn in December or wait until after first of the year.

Building Futures Initiative

- This is a new program from HUD.
- There is no funding for it.
- RHA is one of six PHAs who were approached by HUD to apply. Staff applied and RHA was chosen for the program.
- The kickoff meeting was this week with HUD.
 - Staff will be working with residents and partners to get people training they need for jobs and get them aligned with contractors.
 - It focuses on construction jobs. However, staff feels it offers information that can be applicable to other trades or sectors of the job market.
- It is a 6-8 month program.

REPORT OF THE REPOSITIONING COMMITTEE CHAIR

Commissioner Warren said the Repositioning Committee has had four meetings since October 10th. The committee members are:

- Eric Braun
- Arnie Morris
- Bahati Mutisya
- Gregg Warren

This is an advisory committee, with no decision-making authority. The Repositioning Committee's main focus is to work with RHA staff, the design team, and anyone else who is involved in the Heritage Park redevelopment and the RAD conversion to provide advice and consultation to help make sure those are successful projects.

The first focus is on redeveloping Heritage Park. The first focus is to determine what the basic points of agreement are to bring to the Board:

- There are currently 122 public housing units at Heritage Park. RHA would like to build more units in the new development for very low income residents.
- There will be more income-restricted apartments built, serving people with incomes up to 80% AMI.
- It's important to have a mix of incomes within each building.
- The committee has been debating about the building form. The group has agreed that there will be no townhomes on the site.
- One option has a parking deck on the site and that is still a possibility.
- There has been discussion that it might be in RHA's interest to sell off a portion of the property (for a more market-rate use). The proceeds of that sale would go into the redevelopment.
- There is discussion about the type of buildings that will go into the site (for example, family buildings with internal corridors and elevators). That discussion is still ongoing.

Mr. Felton said the Repositioning Committee has been useful for the staff. It's good to get everyone's ideas and RHA will end up with an exceptional product that everyone will be proud of.

NEW BUSINESS

Mr. Felton said RHA tries to complete a salary study periodically to ensure that the agency is keeping up with the market and the pay rates are consistent with the competition. This year staff sent out the RFP and Evergreen consultant that was selected.

(Mark Holcombe, from Evergreen Solutions, gave the following presentation to the Board.)



Overview

- Study Goals
- Market Survey
- Market Survey Results
- Solution Options
- Solution Costs



Study Goals

- Review current classification and compensation system to ensure internal equity.
- Survey peer organizations to ensure external equity.
- Produce recommendations to provide the organization with a classification and compensation system that is equitable, both internally and externally.



Market Survey

Responding Peers
Charlotte Housing Authority
Chesapeake Redevelopment and Housing Authority
Durham Housing Authority
Housing Authority of the City of Charleston
Housing Authority of the City of Columbia
Housing Authority of the City of Wilson
Housing Authority of the City of Winston-Salem
Lumberton Housing Authority
Pembroke Housing Authority
Rocky Mount Housing Authority
Statesville Housing Authority
Tennessee Housing Development Agency
Wilmington Housing Authority
City of Raleigh
Durham County
Wake County Public School System

- Salary survey resulted in 16 responses.
- There were 62 benchmark classifications included.
- Average response rate of 6.3 matches per classification.
- All responses are adjusted for cost of living differentials



Market Survey Results

Market Comparison Results

Type	Min	Mid	Max	Range Spread	Responses
Unadjusted Average	-1.3%	0.0%	0.8%	52.2%	6.3
Overall Average	-5.7%	-4.5%	-3.6%	52.2%	6.3

- Results displayed are unadjusted numbers and cost-of-living adjusted numbers
- The cost of living was higher in Raleigh than the average respondent's COL
- RHA had a slightly wider range spread than the average peer organization
- RHA was slightly behind market when adjusting for COL



Solution Recommendations

- Evergreen is recommending the pay plan to increase by 2.5%.
- The midpoint progression and range spread will be maintained at 5% and 55% respectively.
- Grade adjustments were recommended for some positions as a result of the market survey.
- Employees were slotted into the new plan by placing them on the next highest step above their current salary. No salaries were decreased as a result of this study.



Solution Costs

- The recommended implementation will cost the Raleigh Housing Authority \$66,026 in reoccurring, salary-only costs.
- The recommended solution results in the salaries for all employees being increased (increase varies between \$9-\$4,533 depending on where employees fall into the scale).
- The average increase is \$635 per employee.
- It is recommended that RHA still consider implementing a COLA or merit-based increase this year, as finances allow.



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Commissioner Warren asked how often RHA completes a salary study. Mr. Felton said they are done every four years. The last one was in 2016.

Commissioner Warren asked what the total financial impact these adjustments will be to RHA. Mr. Holcombe said it will be \$66,000 in recurring salary costs (that number does not include benefits).

Commissioner Morris asked what will be approved for this resolution. Mr. Felton said the Board will approve the salary study and the proposed grade changes that are attached to the resolution.

Commissioner Morris asked if there will be a decision about the COLA adjustment. Mr. Felton said that is something that will be discussed with the Master Operating Budget resolution in January.

Commissioner Fonville asked if there were changes made to paygrades for the 2016 salary study. Mr. Felton said there were changes made in 2016.

Commissioner Warren said the City of Raleigh and Wake County established a minimum wage of \$15.00/hour. He asked if the Grade 2 minimum reaches that level. Mr. Felton said he hasn't looked at that but he doesn't think it does. Mr. Holdcombe said it does not meet the \$15.00/hour minimum wage.

Commissioner Warren asked what it would cost to bring the Grade 2 minimum up to minimum wage. Mr. Felton said RHA doesn't have any positions at that Grade 2 (the lowest is Grade 6). Mr. Holcombe said that is correct. There are three different positions in Grade 6 that are making approximately \$14.75/hour. Evergreen could look the cost of raising those (and would probably need to look at making adjustments to Grades 6, 7, and 8 to make sure everyone isn't compressed at the bottom level). Given that the lowest salary is \$14.75, it probably won't be a significant cost increase to raise those.

Commissioner Warren said he doesn't want to slow down this adjustment. However, he would like to leave open the opportunity to check with the City of Raleigh and Wake County as to their policies regarding minimum wage levels and be open to adjustments at a later meeting.

Commissioner Braun said that is a good idea. He asked if this could be put off until the January meeting since the resolution states these adjustments will be effective April 1, 2021. Mr. Felton asked Liz Edgerton if the adjustments could be made to the budget if this resolution is approved tonight. Mr. Felton

said these adjustments help staff establish the budget that will be brought to the Board in the January meeting.

Liz Edgerton said this resolution needs to be approved so that staff can move forward on the budget. She said it would be easy to adjust those few people who are less than \$15.00/hour. That can be incorporated into the budget.

Mr. Felton asked the Board if they were okay with that. Commissioner Braun said that makes sense to him. Commissioner Warren asked that staff check with the city and county to make sure that \$15.00/hour livable wage is correct.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 62 (2020)

WHEREAS, the Housing Authority of the City of Raleigh (“RHA”) desires to maintain competitive compensation and benefit offerings in order to recruit and retain qualified staff; and

WHEREAS, the last salary study was approved by the Board of Commissioners on May 26, 2016 in Resolution No. 65(2016) which authorized a salary study of all RHA positions and the recommendations from that study were adopted on December 1, 2016; and

WHEREAS, five firms responded to the Request for Proposals issued by RHA for conducting a salary study; and

WHEREAS, Evergreen Solutions, was the lowest responsible, qualified bidder with a bid of \$26,600; and

WHEREAS, the Salary Study conducted by Evergreen Solutions compared the salary ranges of all 62 RHA positions to the salary ranges of local and regional housing authorities and public entities, along with published compensation surveys for private sector entities, which reflect general market data; and

WHEREAS, the results of the salary study show that on average, RHA’s minimum and maximum salary ranges were approximately four to six percent below market average; and

WHEREAS, an Executive Summary of Proposed Grade changes is attached for review;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that the positions, proposed grades and pay ranges resulting from the salary study be effective on April 1, 2021.

BE IT FURTHER RESOLVED that any necessary pay adjustments based on the proposed grades changes and ranges be effective with the 2021 merits for eligible employees.

Commissioner Braun moved and Commissioner Morris 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. 62 (2020) has been adopted.

Mr. Felton said in 2019 RHA reorganized the Maintenance Department. Staff that were supervised by the Administrative Assistant II position were moved to other supervisors in Maintenance and other departments. After moving the supervising of staff from that position, the position was reclassified as Administrative Assistant I to better align with the job duties at time.

Staff would like to reorganize the Maintenance Department back to the way it was. The Work Order Clerk and Receptionist will be moved back under the Administrative Assistant's supervision. With the added responsibilities, the position will need to be reclassified to Administrative Assistant II. That moves the position from a Grade 11 to Grade 13 position.

There is money in this year's budget to cover the increase in costs. This move would be effective December 5, 2020.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 63 (2020)

WHEREAS, the Board of Commissioners of the Housing Authority of the City of Raleigh ("RHA") approved the original operating budget for the fiscal year ending March 31, 2021 at its regular meeting on December 5, 2019; and

WHEREAS, the operating budget for FYE 2021 included a Schedule of All Positions and Salaries necessary to operate all programs under management and development at RHA; and

WHEREAS, the Administrative Assistant I in the Maintenance Department has new supervisory responsibilities; and

WHEREAS, staff recommends a revision to the Schedule of All Positions and Salaries in the 2021 operating budget to change the Maintenance Department Administrative Assistant I position to an Administrative Assistant II position; and

WHEREAS, there are sufficient operating funds available in the current fiscal year to fund these changes;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that one Administrative Assistant I position (Grade 11) be changed to an Administrative Assistant II (Grade 13) effective December 5, 2020, the beginning of the next pay period.

BE IT FURTHER RESOLVED that the appropriate budgets be amended to reflect the change in position and the equipment necessary to perform the requisite job duties.

Commissioner Warren 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. 63 (2020) has been adopted.

Mr. Felton said this resolution is the inducement resolution for up to \$18,000,000 in multi-family housing revenue bonds. The project consists of 156 senior units. It is a 4-story building with an elevator. The unit makeup is 10 efficiency units, 122 one bedroom units and 24 2-bedroom units. The development is off New Bern Avenue and Russ Street. The units will be energy efficient, built to Energy Star 2.0 standards.

The project is exempt from the City's Affordable Housing location Policy because the project will be serving low income seniors. DHIC is scheduled to close and start construction in November 2021 and complete construction in March 2023.

The target market will be households from 30-60% AMI or less. The average target market income is less than 56% AMI. There will be 16 units targeting 30%, 16 units targeting 50%, and 124 units targeting 60% or less. DHIC will be partnering with Alliance Behavioral Health to refer clients to 5% of the units, 10% will be set aside for referrals from Department of Health and Human Services. They will accept Section 8 vouchers which RHA's administers.

The rents will range from \$400- \$1,085, depending on bedroom size and targeted income. The total project is around \$28 million. An application has been made with the City for a loan of \$3.8 million. This will go to City Council for approval in early December. The land cost is \$1,000; the property must be used for affordable housing. The land lease is for 75 years.

Commissioner Warren and Commissioner Winstead will recuse themselves as Gregg is recently retired from DHIC and Yolanda is currently Executive Director at DHIC.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 64(2020)

RESOLUTION GIVING PRELIMINARY APPROVAL TO ISSUANCE OF MULTIFAMILY
HOUSING REVENUE BONDS (MILNER COMMONS)

WHEREAS, the Board of Commissioners of the Housing Authority of the City of Raleigh, North Carolina (the "Authority") held a telephonic meeting at 5:00 p.m. on the 3rd day of December, 2020; and

WHEREAS, the Authority is organized and operates pursuant to the North Carolina Housing Authorities Law, Article 1 of Chapter 157 of the General Statutes of North Carolina, as amended (the "Act"); and

WHEREAS, the Act defines "housing project" in N.C.G.S. § 157-3(12) to include "property, buildings and improvements . . . acquired or constructed . . . pursuant to a . . . plan or undertaking . . . [t]o provide grants, loans, interest supplements and other programs of financial assistance to public or private developers of housing for persons of low income, or moderate income, or low and moderate income"; and

WHEREAS, the Act in N.C.G.S. § § 157-9 and 157-37 gives the Authority the power "to provide for the construction, reconstruction, improvement, alteration or repair of any housing project" and "to borrow

money upon its bonds, notes, debentures or other evidences of indebtedness and to secure the same by pledges of its revenues”; and

WHEREAS, Milner Senior Housing Partners, LLC, a North Carolina limited liability company, or an affiliated or related entity (the “Company”), intends to provide low and moderate income housing in the City of Raleigh, North Carolina (the “City”); and

WHEREAS, the Company has requested that the Authority assist it or an affiliate in financing the acquisition, construction and equipping of a multifamily housing development to be known as Milner Commons, consisting of 156 units located at 1950 New Bern Avenue in the City (the “Development”); and

WHEREAS, the Company has described to the Authority the benefits of the Development to the City and the State of North Carolina and has requested the Authority to agree to issue its multifamily housing revenue bonds in such amounts as may be necessary to finance the costs of acquiring, constructing and equipping the Development; and

WHEREAS, the Authority is of the opinion that the Development is a facility that can be financed under the Act and that the financing of the same will be in furtherance of the purposes of the Act;

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSING AUTHORITY OF THE CITY OF RALEIGH, NORTH CAROLINA:

1. It is hereby found and determined that the Development will involve the acquisition, construction and equipping of a multifamily housing facility, and that therefore, pursuant to the terms and subject to the conditions hereinafter stated and the Act, the Authority agrees to provide reasonable assistance to the Company in issuing bonds to finance the acquisition, construction and equipping of the Development, and, in particular, to undertake the issuance of the Authority’s multifamily housing revenue bonds (the “Bonds”) in an amount now estimated not to exceed Eighteen Million Dollars (\$18,000,000) to provide all or part of the cost of the Development.

2. The Authority intends that the adoption of this resolution be considered as “official action” toward the issuance of the Bonds within the meaning of Section 1.150-2 of the Treasury Regulations issued by the Internal Revenue Service under the Internal Revenue Code of 1986, as amended (the “Code”).

3. The Bonds shall be issued in such series and amounts and upon such terms and conditions as are mutually agreed upon among the Authority and the Company. The Authority and the Company shall enter into a “financing agreement” pursuant to the Act for a term and with payments sufficient to pay the principal of, premium if any, and interest on the Bonds and to pay all of the expenses of the Authority in connection with the Bonds and the Development. The Bonds will be issued pursuant to an indenture or security agreement between the Authority and a trustee (the “Trustee”) or the bondholder which will set forth the form and terms of the Bonds and will assign to the Trustee for the benefit of the holders of the Bonds, or directly to the bondholder, the Authority’s rights to payments under the financing agreement, except the Authority’s right to payment of fees and expenses and indemnification. The Bonds shall not be deemed to constitute a debt or a pledge of the faith and credit of the State of North Carolina or any political subdivision or agency thereof, including the Authority and the City, but shall be payable solely from the revenues and other funds provided under the proposed agreements with the Company.

4. The Authority hereby authorizes the Company to proceed, upon the prior advice, consent and approval of the Company and bond counsel, and consistent with the Company’s representations to the

Authority, to obtain approvals in connection with the issuance and sale of the Bonds, including, without limitation, from the City Council of the City of Raleigh, North Carolina, and, if required, the North Carolina Local Government Commission, and to obtain an allocation of a sufficient amount of the State of North Carolina's "private activity bond limit", as required by Section 141 of the Code and as defined in Section 146 of the Code, for the Bonds.

5. It having been represented to the Authority that it is desirable to proceed with the acquisition, construction and equipping of the Development, the Authority agrees that the Company may proceed with plans for such acquisition, construction and equipping, enter into contracts for the same, and take such other steps as it may deem appropriate in connection therewith, provided that nothing herein shall be deemed to authorize the Company to obligate the Authority without its written consent in each instance to the payment of any monies or the performance of any act in connection with the Development and no such consent shall be implied from the Authority's adoption of this resolution. The Authority agrees that the Company may be reimbursed from the proceeds of the Bonds, if and when issued, for all qualifying costs so incurred by it as permitted by Treasury Regulations Section 1.150-2.

6. All obligations hereunder of the Authority are subject to the further agreement of the Authority and the Company to terms for the issuance, sale and delivery of the Bonds, and the execution of a financing agreement, indenture or security agreement and other documents and agreements necessary or desirable for the issuance of the Bonds. The Authority has not authorized and does not authorize the expenditure of any funds or monies of the Authority from any source other than the proceeds of the Bonds. All costs and expenses in connection with the financing and the acquisition, construction and equipping of the Development, including the reasonable fees and expenses of the Authority's counsel, bond counsel and the agent or underwriter for the sale of the Bonds, shall be paid from the proceeds of the Bonds or by the Company, but if for any reason the Bonds are not issued, all such expenses shall be paid by the Company and the Authority shall have no responsibility therefor. It is understood and agreed by the Authority and the Company that nothing contained in this resolution shall be construed or interpreted to create any personal liability of the officers or commissioners from time to time of the Authority.

7. The officers of the Authority are hereby authorized and directed to take all actions in furtherance of the resolution and the issuance of the Bonds.

8. The Authority hereby approves McGuireWoods LLP, Raleigh, North Carolina, to act as bond counsel for the Bonds.

9. The Authority hereby approves The Francis Law Firm, PLLC, Raleigh, North Carolina to act as issuer's counsel for the Bonds.

10. This resolution shall take effect immediately.

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, Doris Wrench, Kistina Freeman

Nay: None

Resolution No. 64 (2020) has been adopted.

Mr. Felton said the Administrative Plan for Section 8 establishes the rules that RHA must follow in administering the Section 8 program. Some of the changes include:

- Added back Support Circle referrals. Staff removed them from RHA's Local Preference with a resolution in May 2019 because they were not using the vouchers that had been set aside for them. The people they serve could be served through the Coordinated Entry program at the City which had 20 vouchers, and now they have 50 vouchers. Support Circle works with people who are homeless and working, they provide 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 20 vouchers was too many before and feel 5 is more manageable for them.
- Added a section regarding project based vouchers. This had been part of RHA's Agency Plan but now have been added to the Administrative Plan as well.
- Project basing some vouchers. Project basing vouchers would be new for RHA so we would be bringing back resolutions to the Board for approval if staff moves forward with this.

Commissioner Braun asked if the 35 hour/week work requirement was a federal requirement. He said, given the current economic condition, it seems like an average work week of 35 hours would be difficult. Mr. Felton said Support Circle was part of the Initiative To End Homelessness in 2007. It was initially a 10-year contract that went from 2007 - 2017. At that time, when they were setting this up, they negotiated the 35 hours/week. They did not ask RHA to change that so staff left it in. If needed, a temporary change could be made for the pandemic.

This plan went out for public comment and no comments were received.

**HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 65 (2020)**

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

WHEREAS, changes in regulations and local authority policy have resulted in the need to revise the Section Eight Administrative Plan; and

WHEREAS, the changes have been completed and issued to the public for comment; and

WHEREAS, the draft of the Section Eight Administrative Plan was available on RHA's web page; and

WHEREAS, the public review was held for thirty days and the deadline for providing comments was December 3, 2019; and

WHEREAS, no public comments have been received;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that the revised Section Eight Administrative Plan be adopted and become effective immediately.

Commissioner Bran 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, Gregg Warren, Yolanda Winstead, Doris Wrench, Kistina Freeman

Nay: None

Resolution No. 65 (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 some changes to the ACOP to address items which have come up, or are anticipated 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 and they include:

- A Special Admissions for residents living at a property where RHA has a current Management Agreement.
- A section about repayment agreements that if the amount is greater than 40% of the tenant’s income, alternative payment terms may be offered.
- A section regarding deceased heads of household.

This has been reviewed by RHA’s legal counsel with no exceptions. It went out for public comment and were discussed with the Resident Advisory Board, which resulted in no changes to the plan.

Commissioner Warren asked if residents of Heritage Park who are displaced by the redevelopment will get top priority on the public housing waiting list. Mr. Felton said the relocating residents get the first units that come available. It will be part of the Relocation Plan for the Heritage Park redevelopment.

Commissioner Braun asked if this plan (ACOP) would need to be modified because of the Heritage Park redevelopment (would a specific plan overrule the general policy?).

Commissioner Warren suggested it wouldn’t be specific to the Heritage Park redevelopment. It would include all displaced people from any federally funded affordable housing.

Commissioner Braun asked if there is a place to put a general statement that includes displaced residents in that situation.

Mr. Felton clarified that they are speaking about any displaced resident would come to the front of the public housing waiting list—not necessarily RHA residents. Commissioner Warren said that is correct.

Commissioner Warren said he’s proposing it as something that might be helpful for RHA to have in their policy.

Commissioner Fonville said it’s worth looking into because she recalls the chaos that ensued with Forest Hills.

Mr. Felton said staff can research that to make sure it won't cause additional problems.

Commissioner Braun said there are two issues:

1. If RHA creates displacement, and it's not addressed in the general policy, it might look like RHA is violating its own policy if those residents are jumped ahead in line.
2. If it happens in the community, how will RHA treat those residents?

Mr. Felton said with the other redevelopments, there is a Development Plan and within that is a Relocation Policy. As part of that, the Uniform Relocation Act states if someone is displaced from public housing they must be placed in other public housing. This would cover RHA with the redevelopment issue.

Commissioner Warren said his understanding of the URA policy is that even though it states the resident must be relocated to decent, safe, and sanitary affordable housing, it doesn't necessarily mean that they rise to the top of the list on a priority basis.

Sonia Anderson said it is addressed in the transfer portion of the policy (section 14.3 - page 198 of the pdf Board Book). That covers RHA residents displaced because of RHA action, through no fault of their own.

Commissioner Warren said RHA has the Heritage Park redevelopment covered. He asked if staff would also want to cover outside RHA properties. There are private developers who can choose not to continue their HUD assistance contracts. He would like to see RHA include all displaced residents whose landlords choose not to renew their HUD contracts.

Mr. Felton said RHA has had resolutions for special provisions in the past that included these types of circumstances. He asked that the Board allow some research before a change is made to the policy.

Commissioner Braun asked if there is a deadline for this policy to be revised. Mr. Felton said the Board can approve it tonight with the stipulation that staff will go back and look at what was done previously. An amendment to the policy can be done later.

Commissioner Warren said that is fine with him.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 66 (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 a public notice was sent to each resident household to encourage public review and comments; and

WHEREAS, the draft of the Admissions and Continued Occupancy Policy was available on RHA's web page; and

WHEREAS, the public review was held for thirty days and the deadline for providing comments was December 1, 2020; and

WHEREAS, the draft was shared with the Resident Advisory Board which enabled staff to address all questions and solicited written comments by the deadline of December 1, 2020; and

WHEREAS, RHA received no public comments;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that the revised Admissions and Continued Occupancy Policy amendments be approved and become effective immediately.

(GW moved approval of the resolution subject to future revisions if the Board deems it appropriate.)

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, Kistina Freeman

Nay: None

Resolution No. 66 (2020) has been adopted.

Mr. Felton said RHA has been required to complete an agency plan since 2000. The purpose of this plan is to inform HUD, residents, and the public about RHA's plans and policies. Staff is not obligated to do items which are included in the Agency Plan. However, if a policy needs to be changed, it should be in the Agency Plan.

Staff is discussing these items with staff and RHA's residents to hear their concerns and suggestions. A draft plan has been prepared and staff will meet with the Resident Advisory Board and post the plan on RHA's website for comments.

Behind the resolution is a summary of the proposed changes to the agency plan. Those changes include:

- Updated statements regarding RAD since RHA has been awarded its CHAP.
- Updated ACOP and Administrative Plan will be part of Agency Plan.
- Updated security camera locations.
- Analysis of Impediments updated has been completed. The next one is due in 5 years.
- RHA is applying for Mainstream Vouchers. This was one of the comments that was received from the public.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 67 (2020)

WHEREAS, the Quality Housing and Work Responsibility Act of 1998 (QHWRA) requires the development of a comprehensive Agency Plan; and

WHEREAS, Raleigh Housing Authority ("RHA") has revised the annual and five-year plans to reflect actions to be effective April 1, 2021; and

WHEREAS, this plan has been made available to the public in multiple ways for review and comment; and

WHEREAS, this plan has been posted on RHA's web page seeking comment and announcing the public meeting to discuss the Agency Plan via Zoom on November 24, 2020 at 5:30pm; and

WHEREAS, a public notice was published in the *News and Observer* newspaper on October 18 and October 25, 2020 to announce the availability of the Plan for public review and to encourage written comments; and

WHEREAS, one individual submitted comments which were reviewed and considered by staff for inclusion in the Plan; and

WHEREAS, copies of the Plan were made available to the Resident Advisory Board ("RAB") for their review and comments; and

WHEREAS, the Agency Plan will be submitted to the City of Raleigh for a Certification of Consistency with the Consolidated Plan following Board Approval;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that the Board Chair and Executive Director are authorized to sign HUD required Agency Plan certifications.

BE IT FURTHER RESOLVED that staff is directed to submit the Agency Plan to the U. S. Department of Housing and Urban Development for their approval prior to the January 16, 2021 due date.

Commissioner Morris 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. 67 (2020) has been adopted.

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 tenant's monthly rent.

Each year, staff looks at any rate increases and/or decreases and determines if any adjustments need to be made to the utility allowances. RHA is required every five years to have an outside consultant perform an energy study and establish a utility allowance, which was done last year.

This year there was a decrease in electricity of 8%, with decreases in natural gas of 4% and water of 3%.

Staff is required to make adjustments to the utility allowance if the rates change by 10% or more. Staff is recommending the utility allowances stay the same as last year since none of the utilities changed more than 10%. This will actually save the residents a few dollars on rent each month.

The chart shows how those utility allowances are changing.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 68 (2020)

WHEREAS, The Department of Housing and Urban Development Regulations (24 CFR, Part 965) require public housing authorities establish utility allowances that “approximate a reasonable consumption of utilities by an energy conservative household of modest circumstances consistent with the requirements of a safe, sanitary, and healthful living environment;” 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, the analysis prepared by staff reflects a rate decrease of 3% in natural gas and 8% in electric and a rate increase of 4% in water; and

WHEREAS, the Housing Authority of the City of Raleigh reviewed the changes in utility rates and found an average decrease of 3% from the current allowances implemented in 2019; and

WHEREAS, the current utility allowances remain in effect for the next year because utility rates did not fluctuate beyond 10%; and

WHEREAS, the public review was held for thirty days and the deadline for providing comments was October 31, 2020; and

WHEREAS, RHA received no comments; and

WHEREAS, the analysis of the utility allowance is attached to the resolution and by reference incorporated herein;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that the attached list of utility allowances be approved and become effective 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, Kistina Freeman

Nay: None

Resolution No. 68 (2020) has been adopted.

Mr. Felton said in 1998 Housing Authorities were required to implement flat rents. Flat rents were the maximum rents and were meant to approximate the market value of the units.

In 2015, HUD stated the flat rent could not be less than 80% FMR less utility allowance. RHA took the higher of the two between the current flat rent and 80% FMR less utility allowance.

Congress' stated goal was to structure rent so they didn't create an incentive for continued residency in public housing by families attempting to become self-sufficient. Some of RHA's rents increased, ranging from 0-19.69%. None of the flat rents went down.

Within the agency, RHA currently has 71 households that are paying a flat rent. Last year there were 84.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 69 (2020)

WHEREAS, the Quality Housing and Work Responsibility Act of 1998 ("QHWRA") established flat rent for public housing units for the first time; and

WHEREAS, RHA established the flat rents for public housing units based on the unit size, location of the unit, and the market rent for non-subsidized units in the vicinity of the public housing unit; and

WHEREAS, RHA utilized this rent reasonableness methodology until the passage of the 2014 Appropriations Act which changed the required methodology for determining the flat rents; and

WHEREAS, the U.S. Department of Housing and Urban Development ("HUD") Notice PIH 2014-12 issued on May 19, 2014 required that all flat rents be based on 80% of the most current Fair Market Rent ("FMR") as published by HUD, minus the appropriate utility allowance for each unit size with this amount becoming the baseline for flat rents; and

WHEREAS, on September 8, 2015 PIH Notice 2015-13 was issued requiring rents be set at 80% of the FMR less the utility allowance and eliminated the option for using rent reasonableness to set the flat rents for public housing units; and

WHEREAS, HUD requires flat rents to be adjusted annually when the new FMRs for each locality are published; and

WHEREAS, HUD published the most recent FMRs with an effective date of October 1, 2020; and

WHEREAS, HUD requires agencies to analyze flat rents and make necessary revisions to policies within 90 days of issuance of FMRs; and

WHEREAS, HUD determines when FMRs are published and there can be significant fluctuations in FMRs from year to year, with the most recent FMRs having an average increase of 2.88%; and

WHEREAS, the annual flat rent adjustments are attached to this resolution and by reference incorporated herein;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that staff is directed to apply the attached flat rent schedules for new move-ins and at annual re-certifications effective January 1, 2021.

Commissioner Fonville 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, Gregg Warren, Yolanda Winstead, Doris Wrench, Kistina Freeman

Nay: None

Resolution No. 69 (2020) has been adopted.

Mr. Felton said in 2019 RHA applied to participate in Rental Assistance Demonstration (“RAD”). RHA was awarded CHAPs for all 16 properties in January 2020.

Staff is considering Project Based Vouchers (PBV) for the RAD conversion. Since RHA would be administering the vouchers through the Leased Housing Department, the PHA cannot own the property as it would signing a HAP contract with itself.

The staff and Board felt it was in the best interest of the agency to create a 501 (c) 3 non-profit affiliate to serve as owner of the RAD properties. In August 2020, the Board approved Francis Law Firm, LLC to prepare the bylaws and Articles of Incorporation. In October, the Board approved the bylaws for the new entity, Oak City Affordable Communities.

With this resolution, the Board is approving the attached Articles of Incorporation. If approved, these will be submitted to Secretary of State’s office for approval. Once approved, staff will bring additional resolutions to the Board for approval to handle some operational activities, such as security deposits.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 70 (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©(3) non-profit, affiliate, of the Housing Authority to serve as the owner of the converted RAD properties; 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©(3) non-profit entity to serve as owner of the converted RAD properties; and

WHEREAS, on October 22, 2020, the Bylaws for Oak City Affordable Communities was approved by the RHA Board of Commissioners with Resolution No. 60; and

WHEREAS, the Articles of Incorporation 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 Articles of Incorporation for Oak City Affordable Communities, the ownership entity for the converted RAD properties, be approved.

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, Gregg Warren, Yolanda Winstead, Doris Wrench, Kistina Freeman

Nay: None

Resolution No. 70 (2020) has been adopted.

Mr. Felton said Arts Together leases the old carriage house which is next to Carriage House Apartments. They have been there since 1987.

Arts Together shut down in March due to COVID-19 pandemic. RHA has deferred their rent from April to December 2020. Their current lease was set to expire June 30, 2024.

Staff had several conversations with them over the last few months regarding continuation of programming, partnership opportunities, and relief efforts. The proposed Lease Addendum is behind the resolution. Staff is extending the lease by nine months, forgiving the rent due over these past nine months with a revised graduated rent structure. Previously, they were paying \$6,584 per month so it has been reduced, anticipating participation will be less and may take time to build their clientele back. The final year was to be \$7,555.

This was reviewed by RHA's legal counsel and Arts Together legal counsel.

Commissioner Warren said he liked the resident programming incentive in the lease since it encourages Arts Together to reach out to RHA residents. He asked if RHA owns the building free and clear and if RHA is in charge of maintenance on the building. Mr. Felton said it's a historic building and RHA is responsible for the upkeep on the outside. Arts Together own the HVAC units and RHA owns the shell of the building.

Commissioner Warren asked how the rental amount was determined. Mr. Felton said that amount was worked out by a former Board Commissioner in the original lease. That amount was below market rate at the time and they were getting a reduced rent.

Mr. Francis said that amount is still below market rate. Arts Together for a long time had a lease for \$1/year. They missed their renewal date and RHA staff renegotiated a new lease for a new rent amount (primarily because they were not fulfilling their obligation to provide services to RHA's residents). The goal of RHA has always been for Arts Together to provide programs that the residents are actually interested in.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 71 (2020)

WHEREAS, the Housing Authority of the City of Raleigh ("RHA") is the owner of the Tucker Carriage House located at 114 Saint Mary's Street adjacent to the Carriage House senior apartments (NC 2-15); and

WHEREAS, this space has been occupied and leased by Arts Together since 1987 with the current lease set to expire on June 30, 2024; and

WHEREAS, the City of Raleigh and the wider world have been and continue to be affected by a global pandemic caused by the virus known as COVID-19; and

WHEREAS, due to the COVID-19 pandemic, RHA deferred Arts Together's rent for nine months from April 2020 through December 2020; and

WHEREAS, Arts Together requested additional relief from RHA regarding rental obligations under the current Lease; and

WHEREAS, Arts Together and RHA have had discussions about the continuation of programming, partnership, and relief efforts over the last few months; and

WHEREAS, both parties have agreed upon conditions to revise the existing Lease Agreement to help ensure that both such parties are better equipped to endure the Pandemic;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that the Executive Director is authorized to execute the attached lease addendum.

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, Kistina Freeman

Nay: None

Resolution No. 71 (2020) has been adopted.

ADJOURNMENT

There being no further business to come before the Board, the Chair declared the regular meeting adjourned at 6:30 p.m. The Board then went into Executive Session.