

MINUTES OF A REGULAR MEETING OF
THE HOUSING AUTHORITY OF THE CITY OF RALEIGH
BOARD OF COMMISSIONERS
DECEMBER 7, 2023

The members of the Board of Commissioners of the Housing Authority of the City of Raleigh, North Carolina met at 900 Haynes Street on Thursday, December 7, 2023 at 5:00 p.m. The meeting was held in-person and via Zoom.

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

Present: Valerie Crutchfield, Arne Morris, Bahati Mutisya, Gregg Warren, Yolanda Winstead.

Absent: Eric Braun, Susan Ellinger, Niya Fonville-Swint, Joe Whitehouse.

Visitors: Paula Coppola, Walnut Terrace resident; Charles Francis, Francis Law Firm, PLLC.

RHA Staff: Sonia Anderson, Priscilla Batts, Lisa Currie, Liz Edgerton, Jim Farrell, Elizabeth Hernandez, Katie Lebrato, Ashley Lommers-Johnson, Jennifer Morgan, Donna Perez, Felix Perez, Kenya Pleasant, Jason Schloop, Gwen Wall, Tamara Yurkiv.

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

RECOGNITION OF VISITORS

The Board Chair welcomed the visitors to the meeting.

PUBLIC COMMENTS

Paula Coppola

I would like to ask you if the call-in line for the tenant's payment line has been repaired yet.

Mr. Lommers-Johnson said the Director of Housing Management will talk to you about that after the meeting tonight.

CONSENT AGENDA

All items on the Consent Agenda are considered to be routine and may be enacted by one motion and second. If a Commissioner requests that an item be removed from the Consent Agenda it will be done and considered as a separate item. The vote will be a roll call vote.

Item 1

Charge-off of delinquent resident accounts for October 2023

Item 2

Financial Statements for October 2023

Item 3

Vacancy and Turnover Summary for October 2023

Item 4

Minutes from October 26, 2023 regular meeting

Commissioner Warren moved and Commissioner Winstead seconded approval of the Consent Agenda.

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

Aye: Valerie Crutchfield, Arne Morris, Bahati Mutisya, Gregg Warren, Yolanda Winstead.

Nay: None.

The Consent Agenda has been adopted.

REPORT OF THE BOARD CHAIR

Commissioner Morris said I want to encourage our visitors and our public to participate in the Monday meeting, which is the pre-Board Zoom Meeting that RHA staff have been hosting. It can be very informative and gives individuals an opportunity to read the resolutions and ask any questions. The Board book is posted on the website and all resolutions are online by that Monday, previous to the Board Meeting.

REPORT OF THE BOARD SECRETARY

Delvin Farrell Passing

In recognition of the passing away of a 15-year-old resident from Heritage Park at his high school last week, I want to call for a moment of silence. (The room observed a moment of silence.)

After the passing away of Delvin Farrell, staff reached out to the family and community to provide proper support and to connect them to services. When we contacted the school last week, the day after his passing away, they had not been offered services. We have been working with Alliance Health during this week to discuss services to the family and to the community.

I contacted Mayor Baldwin and Police Chief Patterson last week for assistance. They pledged increased police presence and patrol close to and at the site. We were concerned about the incident at the school and expected that there might be spillover on the site. The next day there was a shooting on the site – a gentleman who was not a legal resident at the site was wounded and hospitalized. The gentleman was not an authorized resident, but indicated that he had lived at the site for two years so staff is following up on that. The day after that there was a significant fight that started as kids were getting off the bus. Children were fighting and their parents joined in. In the end, there were six households at Heritage Park involved in that.

While there are not any known connections between the death of the young man and these incidents, it is a sign of significant tension in the community. Last night we participated in a meeting of community organizations convened by Councilmember Branch to discuss community-based solutions and what can be done to serve the youth and to calm intentions. An additional course of action that we have taken is to investigate the availability and services of a private security firm to provide presence at the site until tensions calm down and there's a sense of normalcy at the site. This is a significant set of events at Heritage Park and we all are working on various efforts to reduce tension and to ensure that residents have a safe place to live.

RHA Employees of the Year

I would like to recognize five staff who have been nominated and selected as employees of the year in their department and want to recognize them. Three of them were able to be here tonight.

Felix Perez

Jason Schloop said Felix Perez is Employee of the Year for the Maintenance division. Felix has been an incredible HVAC technician since 2002. He oversees and maintains over 2,000 HVAC units across RHA. This year he has completed over 800 work orders. Felix isn't just about getting the job done, he brings along people with him. He's a coach, a mentor, he trains, he helps colleagues. He thinks about others before he thinks about himself and puts his best foot forward every single day. His commitment, passion, and excellence is why we nominated Felix for the employee of the year.

Brittany Daniels

Next, we recognize Brittany Daniels, Housing Voucher Specialist from the Housing Choice Voucher Program. She's not here tonight so we send congratulations to her.

Tamara Yurkiv

Liz Edgerton said Tamara Yurkiv is a Compliance Manager in the Administration-Finance Department. She has been a dedicated employee for over 25 years. She has served in many roles across several departments and always has a can-do attitude. Tamara has a strong work ethic and is dependable and conscientious. She has an upbeat and positive attitude, no matter what is going on in the agency. Tamara does exactly what is needed when it is needed. She willingly adapts to the changing demands of the department. Last year, on top of her compliance management duties, she stepped up to cover the vacant Procurement Specialist position. She had to learn and process annual contracts for the agency. She always volunteers to help the Leased Housing and Housing Management departments when they need help with special projects or to get ready for the auditors. Most recently, she has helped with the setup of Yardi. As we prepare to convert our software, she is jumping in to assist wherever needed. Tamara is a great asset for the department and for the agency.

Bailey Winchester

Mr. Lommers-Johnson said I want to recognize Bailey Winchester, Construction Project Manager, who is the Contract Services Department. She was unable to attend the meeting this evening.

Elizabeth Hernandez

Sonia Anderson said Elizabeth Hernandez is a Property Manager II (Carriage House Apts, The Oaks, and Stonecrest) in the Housing Management department. She joined our department in December 2021. She quickly learned and mastered our system and she has experienced promotion in a short period of time. She is a consistent and dependable team member who's not afraid to learn something new as well as teach others. Elizabeth has gained the reputation of being thorough and fair and respected by residents because she provides resources and every opportunity to correct the violation and ultimately maintain subsidized housing. The success of our agency administering multiple housing programs depends upon the performance of staff. As Property Manager, she ensures federal and state requirements are met throughout their residency. She always portrays a professional appearance and attitude representing our agency. Elizabeth has the ability to distinguish which residents need supportive services of reasonable accommodation. The Housing Management department has always been proud to offer exceptional customer service. Elizabeth continues to enhance our agency standards for customer service, through dedicated work ethic and her willingness to serve others. We're fortunate to have her on our RHA team, and our agency is in good hands as we continue to hire shining stars like Elizabeth Hernandez.

Mr. Lommers-Johnson said I would also like to extend my congratulations to Elizabeth who was selected as our overall RHA Employee of the Year. Congratulations!

The Board congratulated the nominees and Ms. Hernandez on their outstanding accomplishments.

Update on CNAs

Dominion, our consultant firm, has completed inspections of all of our properties and has submitted their conclusions. One of the key assessments that we asked them to make is whether the properties will meet the obsolescence threshold for Section 18 demolition. Only one property other than Heritage Park may meet the physical obsolescence criteria under Section 18. The detailed reports of the physical conditions of all of the sites will be provided and available in 2024. The reports that we received will be used to inform what capital work must be done under the capital fund, and also the repositioning options for the properties.

Property Repositioning

The Board and HUD previously approved a portfolio conversion under the Rental Assistance Demonstration (RAD) program. That means it was approved for conversion of all of the properties. The underlying reasons for RAD and for repositioning is the gross underfunding of capital needs and the result and lack of long-term viability of these properties. Under RAD, four properties have been converted but the overall portfolio award expired as a result of the pandemic conditions in the last few years.

Since that time, while the portfolio award has expired, the Board has not indicated a different direction for public housing other than pursuing some form of repositioning. Given the housing need and the growing need for affordable housing in the city of Raleigh and our low-density sites, redevelopment of the sites is preferred. The redevelopment options that we will follow may include a RAD Section 18 blend or a variety of the RAD section 18 blends. What that means is

that the property will be converted under RAD. However, instead of receiving the same amount of public housing funding that it now does, under the Section Eight program we may also receive vouchers for some of those public housing units. That's one set of options under RAD that would allow for new construction.

There's also an additional option, the RAD Transfer of Assistance option, where we can transfer the assistance that the property receives to another property owned by us or by some other property owner, and then we can redevelop the site. In addition, we can also implement a RAD Section 18 blend combination with the Transfer of Assistance option.

Currently we are working with repositioning consultants that we recently procured to analyze the information that we're gathering, analyze our sites, and make recommendations, which we will bring to the Board. We are planning to bring to the Real Estate Investment Committee in a retreat to talk specifically about a Strategic Plan for our sites based on conversation and advice and recommendations from our consultants.

RHA Credit Rating

Lastly, I want to talk about our pursuit of Credit rating for the Raleigh Housing Authority. Jennifer Morgan will be taking the lead on this. A credit rating is an organization's credit score to get access to capital. Only 25 housing authorities in the country have had credit ratings in North Carolina.

Typically, given our profile, we might get a credit rating of A or A+. With a good credit rating, we will be able to issue our own municipal bonds or federal revenue bonds, and these bonds can be used instead of other forms of debt like mortgage loans. Current interest rates on bonds are somewhere between 4.3% – 4% and falling. The rates that are out there now, through mortgage loans and other debt instruments, are higher than that. These bonds are suitable for tax credits and other development, and acquisitions as well.

It takes about two to four months to go through the process and receive a credit rating. We can make that credit rating public, or we can keep that credit rating private until we want to use it. We will most likely keep it private until we want to use it – whether it's for a new construction property or for acquisition.

We are being assisted by KeyBank, who has assisted most of those 25 housing authorities around the country with the process, as well as in issuing bonds.

Commissioner Warren said I'm on a non-profit's community development financial institution Board and we're also going after a Standard & Poor's rating. They're also getting a rating from another agency (Moody's). Is there any benefit in going after ratings across a couple of different agencies that do these ratings?

Mr. Lommers-Johnson said from what we heard Moody's is on par with Standard & Poor's. However, they are not familiar with housing authorities as much as KeyBank. Key Bank has been the only entity that has worked with housing authorities on issuing bonds, and also assisted with getting credit ratings from Standard & Poor's.

Commissioner Warren asked if RHA will be locked into KeyBank on a relationship basis, not any legal basis.

Mr. Lommers-Johnson said no, we won't be locked in. They are providing the assistance with the application process pro bono. We will be investigating the procurement requirements for a service like that. We will also investigate other options.

REPORT OF THE REPOSITIONING COMMITTEE CHAIR

Commissioner Warren said I have no report today other than the fact we are meeting next week. We will be looking at some test fit options provided by the design team to review different options. We've seen some different options in the past for Heritage Park, and we'll look at some more in the upcoming week.

COMMISSIONER COMMENTS

There were no Commissioner comments this evening.

NEW BUSINESS

Mrs. Morgan said the Board of Commissioners authorized the issuance of \$21 million in bonds for Terrace at Rock Quarry during the August 2023 Board Meeting. At that time, it was expected that the full amount of the bonds would be placed with Cedar Rapids Bank and Trust Company. However, the amount of the placement was estimated to be at \$15.9 million. Therefore, the borrower has determined that it may be desirable to have a portion of the tax exempt debt issued as a tax exempt loan. The total amount of the bonds is not changing, but a portion of the \$21 million will be structured as a tax exempt equity bridge loan with First Horizon Bank. The total bonds will now be split into the bonds to be placed with Cedar Rapids Bank and Trust Company and the tax exempt equity bridge loan to be placed with First Horizon Bank. The exact amount of each will not be finalized until the rates are locked. The resolution has been reviewed by counsel.

Commissioner Warren asked if there will be a priority to RHA displaced residents under the Tenant Selection Plan.

Mr. Heritage said yes, that is still in effect.

Mr. Francis said this is one of the bonds that the developers are hoping to close in 2023. The fee for RHA would be \$210,000.

HOUSING AUTHORITY OF THE CITY OF RALEIGH RESOLUTION NO. 67 (2023)

RESOLUTION AUTHORIZING ISSUANCE AND SALE OF A MULTIFAMILY NOTE FOR TERRACE AT ROCK QUARRY

WHEREAS, the Board of Commissioners of the Housing Authority of the City of Raleigh, North Carolina (the “Authority”) met in Raleigh, North Carolina on the 7th day of December, 2023; and

WHEREAS, on August 24, 2023, the Board of Commissioners of the Authority adopted a resolution which approved, *inter alia*, (a) the issuance of the Authority’s Multifamily Housing Revenue Bonds (Terrace at Rock Quarry), Series 2023 in an aggregate principal amount not to exceed \$21,000,000 (the “Bonds”) to provide financing to Terrace at Rock Quarry Limited Partnership, a North Carolina limited partnership (the “Borrower”), for the acquisition, construction and equipping of a 132-unit affordable housing development to be known as Terrace at Rock Quarry and located in the City of Raleigh, North Carolina (the “Development”), (b) the forms of the Authority Documents described in such Approval Resolution, and (c) the execution and delivery of the Authority Documents by the designated officers of the Authority; and

WHEREAS, the Borrower has determined that it may be desirable to have a portion of the tax-exempt debt for the Development issued as a tax-exempt loan to be evidenced by a Multifamily Housing Revenue Note (Terrace at Rock Quarry), Series 2023 (the “Multifamily Note”); and

WHEREAS, the Bonds and the Multifamily Note shall be issued in an aggregate principal amount not to exceed \$21,000,000; and

WHEREAS, it is anticipated that the Multifamily Note will be privately placed with First Horizon Bank (the “Funding Lender”) pursuant to a Funding Loan Agreement (the “Funding Loan Agreement”), between the Authority and the Funding Lender; and

WHEREAS, the proceeds of the Multifamily Note will be loaned to the Borrower pursuant to a Project Loan Agreement (the “Project Loan Agreement”), between the Authority and the Borrower, for the purpose of (i) paying a portion of the costs of the acquisition, construction and equipping of the Development and (ii) paying certain expenses in connection with the issuance of the Multifamily Note; and

WHEREAS, certain of the Authority Documents shall be revised to incorporate the terms and provisions for the Multifamily Note and the Authority proposes to authorize and, where applicable, execute the following additional instruments with respect to the Multifamily Note (the “Funding Loan Documents”):

- (a) the Funding Loan Agreement, together with the form of the Multifamily Note attached thereto;
- (b) the Borrower Loan Agreement; and
- (c) the promissory note of the Borrower in favor of the Authority (the “Borrower Note”), which will be assigned by the Authority to the Funding Lender;

NOW, THEREFORE, THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH, NORTH CAROLINA DOES HEREBY RESOLVE, AS FOLLOWS:

1. The Authority hereby determines to provide financing to the Borrower for the acquisition, construction and equipping of the Development through the issuance of the Multifamily Note pursuant to the North Carolina Housing Authorities Law, Article 1 of Chapter 157 of the General Statutes of North Carolina, as amended, the loan of the proceeds thereof and the deposit of such proceeds with the Fiscal Agent in accordance with the Funding Loan Agreement and the Project Loan Agreement.

2. The Authority hereby authorizes the issuance and sale of the Multifamily Note pursuant to and in accordance with the terms set forth in the Funding Loan Agreement. The Multifamily Note will bear interest at the rates and will mature and be redeemed in the years and amounts all as set forth in the Funding Loan Agreement; provided, however, that the aggregate principal amount of the Multifamily Note and the Bonds shall not exceed \$21,000,000.

3. Each of the Chairman, Vice Chairman and Chief Executive Officer of the Authority or his or her respective designee is hereby authorized and directed to execute and deliver the Authority Documents to the other parties thereto. Each of the Chairman, Vice Chairman and Chief Executive Officer of the Authority or his or her respective designee, is authorized and directed to execute and deliver such endorsements, assignments and other instruments as may be necessary to assign the Borrower Note and other security documents to the Fiscal Agent.

4. Each of the Chairman and Vice Chairman of the Authority is hereby authorized and directed to execute and deliver the Multifamily Note in the manner and subject to the conditions provided in the Funding Loan Agreement to the Fiscal Agent for authentication, and to cause the Multifamily Note so executed and authenticated to be delivered to or for the account of the Funding Lender, or any affiliate thereof, upon payment of the purchase price therefor.

5. The Authority Documents shall be in substantially the forms submitted to this meeting, which are hereby approved, with such completions, omissions, insertions and changes as may be necessary or convenient to reflect the final terms of the Multifamily Note, and as otherwise approved by the officers of the Authority executing them after consultation with counsel to the Authority, their execution to constitute conclusive evidence of their approval of any such completions, omissions, insertions and changes.

6. Any authorization made hereby to the officers of the Authority to execute a document shall include authorization to the Chairman, Vice Chairman and Chief Executive Officer of the Authority, or their respective designees, to execute the document, authorization to the Secretary or any Assistant Secretary to affix the seal of the Authority to such document and attest such seal and where appropriate, to deliver it to the other parties thereto, all in the manner provided in the Authority Documents.

7. Such officers are hereby authorized and directed to execute and deliver any and all other documents, agreements, instruments, and certificates in the name and on behalf of the Authority as may be necessary or desirable to the issuance of the Multifamily Note. All other acts of the officers of the Authority that are in conformity with the purposes and intent of this resolution and in furtherance of the undertaking of the Development and the issuance and sale of the Multifamily Note are hereby ratified, confirmed and approved.

8. This resolution shall take effect immediately.

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

Aye: Valerie Crutchfield, Arne Morris, Bahati Mutisya, Gregg Warren, Yolanda Winstead.

Nay: None.

Resolution No. 67 (2023) has been adopted.

Laura McCann said this resolution is for the 2024-2025 PHA Annual Plan. HUD requires housing authorities to submit an annual plan every year in coordination with the fiscal year. The PHA plan is an overview of the activities that the housing authority could do during the course of that year. Just because something is listed in the plan doesn't mean that the housing authority would have to do the activity. But if we want to do the activity then it needs to be included and submitted to HUD.

The plan has been out for comment since early October and we have held three public meetings and one resident Advisory Board meeting. We have received feedback and that was incorporated into this final draft. If approved, the plan will go to the city for their approval with the Consolidated Plan. The plan must be submitted to HUD by mid-January, 75 days before our April 1 fiscal year.

Commissioner Warren said these plans are pretty dense. I'm surprised that you received comments. Could you briefly characterize the comments?

Mrs. McCann said there were some comments about asking for clarity on options. For example, the de-concentration policy – which properties were subject to those. We had some comments about the amendment definition that we use for the plan. We added some information and feedback about using grants for potential resident service coordinators so that we can get more mental health counseling services coordinated for our residents. The comments that we received were from an organization and not an individual person. We sent the plan out to several organizations as well as putting it out for just the general public to provide feedback.

Commissioner Warren asked which types of organizations typically respond.

Mrs. McCann said we received comments this year from the Wake County Housing Justice Coalition, and very often the Salvation Army is pretty good about giving us feedback. Basically, it's partners that have overlap in clientele.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 68 (2023)

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 Capital Fund plans to reflect actions to be effective April 1, 2024; and

WHEREAS, RHA has analyzed and reviewed a number of major policies and procedures to update items that require inclusion in the 2024-2025 PHA Annual Plan; 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 in-person and virtual public meetings; and

WHEREAS, public notices were published to announce the availability of the Plan for public review and to encourage written comments; and

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

WHEREAS, staff has reviewed and considered all submitted comments and public feedback for inclusion in the Plan; 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 any HUD required PHA Annual Plan and five-year Capital Fund 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, 2024 due date.

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

Aye: Valerie Crutchfield, Arne Morris, Bahati Mutisya, Gregg Warren, Yolanda Winstead.

Nay: None.

Resolution No. 68 (2023) has been adopted.

Jennifer Morgan said the Administrative Plan for the Section Eight program establishes the guidelines for administering the program. The RHA Board approved updates to the Project Based Voucher portion of the Administrative Plan in October 2023. These changes included adding the current goals of the Project Based Voucher program, updating the list of supportive services, updating the broad list of selection criteria that will be used to evaluate the proposals, and updating where and how the requests for proposals would be advertised. The Administrative Plan was placed on the RHA website for public comments and no comments were received.

**HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 69 (2023)**

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

WHEREAS, updates to the Project-Based Voucher program 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 November 30, 2023; 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 Winstead moved and Commissioner Crutchfield seconded approval of the foregoing resolution. A vote being called, the ayes and nays were as follows:

Aye: Valerie Crutchfield, Arne Morris, Bahati Mutisya, Gregg Warren, Yolanda Winstead.

Nay: None.

Resolution No. 69 (2023) has been adopted.

Liz Edgerton said HUD regulation requires that public housing authorities contract with an independent public accountant to audit the books of the authority following each fiscal year end. Staff recommends Rector, Reeder, and Lofton. This selection is based upon the qualifications of the audit firm, not the cost of the audit. This is the same method used for the services of other professionals such as attorneys, architects and engineering firms.

RHA solicits proposals from qualified auditing firms every five years. Rector, Reeder, and Lofton has over 70 years of combined experience with HUD counting. The principal, Mr. Dale Rector, has over 40 years of experience in HUD auditing and fee accounting, seminar instruction, and tax consultant for hundreds of public housing authorities.

This resolution exercises the option to contract with Rector, Reeder, and Lofton for the fifth year of the five-year term for the fiscal year ending 2024 audit. This is the last year to exercise the renewal option. We will go out for a new RFQ for the following year. The cost is \$42,000, which is the same as it was last year.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 70 (2023)

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

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

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

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

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

WHEREAS, the proposal received is set forth on the attached bid tabulation sheet, which by reference is made part of the resolution; and

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

WHEREAS, the staff of RHA recommends the acceptance of the proposal for fiscal year ending March 31, 2024 as follows:

Rector, Reeder, and Lofton, PC \$42,000

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that the contract for the auditing services for the fiscal year ending March 31, 2024 be awarded to Rector, Reeder, and Lofton, PC.

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

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

Aye: Valerie Crutchfield, Arne Morris, Bahati Mutisya, Gregg Warren, Yolanda Winstead.

Nay: None.

Resolution No. 70 (2023) has been adopted.

Liz Edgerton said being funded with federal dollars, we have a Procurement Policy in place to control how funds are split, designate which members of staff may make purchases or sign purchase orders, and establish dollar limits for purchases. Periodically, changes to our policy may be necessary due to regulation changes or to be a more effective agency. Our last revision was brought before the Board in December 2021. This was to change our Procurement Policy due to new Section 3 requirements and to add a section recording OCAC for our RAD properties.

Today we're bringing proposed changes to increase threshold limits and to restate what tiers of approval are necessary. Sometimes state and federal regulations may have different threshold limits. We are governed by the most stringent of these. Other limits we may decide to keep below both the state and the federal limits to ensure that we are keeping control on our cost.

The proposed changes include:

- increasing the approval limit for department heads from \$5,000 to \$10,000.
- adding a tier of approval for the Deputy Executive Director to approve between \$10,000 up to \$100,000.
- changing the requirement for the CEO to approve anything over \$100,000 this amount used to be \$5,000.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 71 (2023)

WHEREAS, the Housing Authority of the City of Raleigh (“RHA”) administers programs which are federally funded through the U. S. Department of Housing and Urban Development (“HUD”); and

WHEREAS, the Procurement Policy is necessary to control how funds are spent, to designate which members of staff may make purchases or sign purchase orders, and to establish the dollar limit allowed for a single purchase; and

WHEREAS, 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards was issued December, 2013, then adopted by HUD and incorporated into regulation under Part 200 in December 2014; and

WHEREAS, the current RHA Procurement Policy was adopted by Resolution Number 85 on December 2, 2021; and

WHEREAS, the Procurement Policy has been reviewed and updated to reflect the following changes:

- Raise the threshold for micro purchase to less than \$10,000 (from \$3,000); and
- Raise the threshold for Mr. Lommers-Johnson purchase to \$10,000 up to \$250,000 (from \$3,000 up to \$150,000); and
- Update approval required from the Executive Director to the Deputy Executive Director for:
 - All Capitol Area Developments (CAD) General (G/L15) and Oak City Affordable Communities (OCAC) General (G/L 70) purchases
 - CAD & OCAC purchases of \$10,000 up to \$100,000 (changed from \$1,000)
 - All purchases \$10,000 to \$100,000 (changed from \$3,000)
- Change approval requirements for the Chief Executive Officer for all purchases \$100,000 or greater:
- Update authorized amount for the Department Heads to approve purchases up to \$10,000 (changed from \$3,000)

WHEREAS, staff has drafted a Procurement Policy for consideration by the Board of Commissioners, which is attached to this resolution and thereby made a part of this resolution;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that the attached Procurement Policy and RHA Contract be adopted and be effective immediately.

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

Aye: Valerie Crutchfield, Arne Morris, Bahati Mutisya, Gregg Warren, Yolanda Winstead.

Nay: None.

Resolution No. 71 (2023) has been adopted.

ADJOURNMENT

There being no further business to come before the Board, the RHA Board Meeting adjourned at 5:45 pm.