MINUTES OF THE REGULAR BOARD MEETING
HOUSING AUTHORITY OF THE CITY OF DURHAM
Durham Housing Authority
330 E. Main Street Durham, North Carolina 27701
January 24, 2018

AGENDA ITEM I
Call to Order

Present:
Daniel C. Hudgins
Robert "Bo" Glenn
George K. Quick
Gloria Nottingham
Patrice Y. Nelson
Jillian Johnson, City Council Liaison

Absent:
Thomas M. Niemann

Conference:
Larry Yon, II

Staff Present:
Anthony Scott, CEO
Barbara Newman
Sabrina Sinegal
Meredith Daye
Elvert Dorsey
Pamela Davis
Denita Johnson
Lorraine Erhumwunsee
Charles Lyons
Ashanti Brown
Doris Jackson

Also Present:
Eric Pristell, Attorney, The Banks Law Firm

The meeting was called to order by the Chair, Daniel C. Hudgins at 5:35 p.m.
A quorum was present and the Regular Meeting was called into session.

AGENDA ITEM II – GENERAL COMMENTS FROM THE PUBLIC

✦ PUBLIC HEARING(s)

There were none.

AGENDA ITEM III – CHANGES TO THE AGENDA

✦ Chief Executive Officer’s Business Report (included 1st Quarter Compliance Report)
✦ Added Resolution No. 6 – Resolution authorizing approval of Third Party Compliance Firm.

AGENDA ITEM IV – BOARD ACTION

Approval of the Minutes of the Board of Commissioners’ Regular Meeting held on
December 20, 2017
AGENDA ITEM V -- PRESENTATIONS

There were none.

AGENDA ITEM VI -- CHIEF EXECUTIVE OFFICER'S BUSINESS REPORTS

The CEO, Anthony Scott, directed the Board to page 23 which listed a variety of things Durham Housing Authority had been involved with over the last month. Mr. Scott mentioned the Kick Off Meeting for the Downtown Planning efforts had started. The meetings are focused on the 50+ acres of land in the downtown community and to coordinate with the city, the county, private sector, community organizations and our residents. Approximately 35-40 people attended this first meeting and represented all of the aforementioned categories. Chairman Hudgins also attended the meeting. Mr. Scott asked Chairman Hudgins to share his opinion of the meeting.

The Chair said it was a two hour meeting and he was impressed with the range of participation, e.g., Duke, North Carolina Central, Downtown Durham, Self-Help Credit Union, several non-profits that work in the area, a number of residents, representatives from the library, etc. Commissioner Hudgins said he was really impressed with the energy in the room and what he took as a buy-in into what DHA is trying to do. One of the participants stated that they think the housing authority is the largest land owner in downtown Durham. The whole idea is how we can leverage our property to deal with the needs of affordable housing. Also, there was strong interests in the group that we not only look at increasing the number of units but that we guarantee the residents in the five (5) communities in the downtown that we would move everyone back in that area. In addition, we would be helping the city meet its goal of providing 1,000 new affordable housing units in this area. Commissioner Hudgins said he was excited about the meeting and the process. They are going to be working with four groups – residents are first, which the Chair was glad to see. In addition, they will be meeting with community stakeholders’ organizations, advisory groups (The Chair plans to make all of these meetings), and the whole process for public engagement. This is about a nine (9) month planning process and involves a lot of hard work ahead. The board will be kept updated during the entire process.

Mr. Scott continued with his report. He mentioned the McDougald Community meet and greet with the Durham Police Department in which we discussed them having “an office” in that community. While it is not a Durham Police Substation in that sense, it is an office where police officers will frequent and have a presence. The Chief has been doing a great job in reaching out to residents in McDougald and establishing strong relationships with them that goes beyond the typically policing but instead is about the community policing. He encouraged all board members to attend.

There were no additional questions or comments regarding the CEO’s Business Report.
VII. GENERAL BUSINESS ACTION ITEMS (COMMITTEE REPORTS)

Chairman Hudgins stated that this is for the purpose of receiving and approving reports from the four (4) standing committees. The information from these committees were also included in the previously distributed board package. The reports were as follows:

**Development Committee Report (Chaired by Commissioner Thomas Niemann was not present)**

Commissioner Hudgins advised that the minutes were included in the board package starting on page 26. There were no additional comments. Commissioner Hudgins added that since this meeting there have been closings and construction has begun on Damar and Morreene.

Anthony Scott mentioned that the ground breakings for Damar Court and Morreene Road would be on February 21st. He mentioned that representatives from HUD and legislators had been invited. Additional information regarding these ground breakings are forthcoming.

Chairman Hudgins recommended acceptance of the "draft" December 7, 2017 minutes which would be submitted for approval at the February meeting.

**Motion:** Commissioner Quick; Seconded: Commissioner Nottingham; Approved: Unanimously

**Finance Committee Report (Chaired by Commissioner George Quick)**

Chairman Quick stated that DHA was in a position to pay down the Yadkin Bank loan. This is something that they have been following for some time. He said the minutes reflect what happened during the meeting.

Commissioner Quick recommended without comment acceptance of the December 13, 2018 minutes.

**Motion:** Commissioner Quick; Seconded: Commissioner Glenn; Approved: Unanimously

**Operations Committee Report (Chaired by Commissioner Bo Glenn)**

Chairman Glenn highlighted a few issues as follows:
- Delays in preparing units to be released from vacancy: Part of the problem was trying to find competent contractors to do the turnaround for those units. He was pleased to say that DHA has now obtained eleven (11) contractors and should be able to get our lease numbers up.
- Continuing problem with timely collections account receivables within first five days the tenants: Although work continues on this, DHA is still below 60% which is not an acceptable number. However, effort is underway to try to determine the cause for each individual not being able to pay on time. This has been enhanced in part by losing one of our payment options. He said DHA’s staff is still reviewing contracts for substitutes which is critical.

- Ongoing training about the importance of DHA’s HUD grading system the PHAS scores: Ensure that staff understands the importance of trying to make these numbers look better.

- HCV Department: Procedures continue to be implemented to refine and shorten the time for processing, getting a tenant housed and lessens the delay for landlords. There is a request for tenancy approval form that is now available Monday through Friday versus a few days a week. This is a great improvement.

- Security (Tenant Relations): The activities during the month of December were pretty impressive. Mr. Robert Scott administered the “knock on doors” program by knocking on the senior doors to ensure they were well.

- Sexual Harassment Policy: They are revisiting DHA policy again because of the heightened awareness publicity associated with maintenance personnel dealing with residents, staff helping with vouchers and independent contractors. Also, they are revisiting training with residents so they can identify and report.

Commissioner Hudgins asked if Ms. Denita Johnson, Director of the Housing Choice Voucher Program, had any numbers for the end of the year for DHA’s voucher program.

Ms. Johnson advised the following:
- The final lease up number: 2,573 (92% utilization)
- There are currently 168 vouchers on the street. The month before that was 155.
- They issued a total of 54 in December.
- Budget utilization was 103%.
- Payment standards increased in January.

Ms. Johnson said their goal was to issue 50 vouchers starting in September. They have met the goal. They are at the point now that they have 168 families searching and will only issue enough to cover attrition.

Commissioner Glenn recommended approval of the December 13, 2017 minutes.

**Motion: Commissioner Glenn; Seconded: Commissioner Nottingham; Approved: Unanimously**
Resident Services Committee Report (Chaired by Commissioner Nottingham)

Commissioner Glenn asked the status of the Learning Assistance, Inc scholarship managed by Triangle Community Foundation – the conversion to a public 501(c)3, and if it was going on.

Eric Pristell responded that it has been going on for several years. From an IRS perspective it has not been formerly converted. However, the IRS has issued an advanced ruling which Learning Assistance can provide to funders. Those funders can rely on that advanced ruling that the entity will be a public charity after the conversion period.

Chairman Hudgins asked for background on those who were not familiar with Learning Assistance’s process and the reason for the change.

Mr. Pristell explained that learning assistance was initially established as a private foundation and is currently awaiting it’s conversion to a public charity. Commissioner Glenn inquired regarding the advanced ruling. He said if with the advanced ruling whether Triangle Community Foundation would continue to operate the Learning Assistance Fund. Mr. Pristell responded that he had not researched or worked on that issue specifically.

Elvert Dorsey, Director of Resident Services, was asked to provide input. Mr. Dorsey said DHA is waiting for them to get back with us on whether their legal team would accept our request indicating that we have applied to be a public 501©3. DHA is waiting to hear from them and their lawyers.

Commissioner Glenn asked if they have been making grants under the assumption that we are a public 501©3.

Mr. Dorsey responded that his interpretation is that when they had an internal audit, they must have caught it. Nothing has been confirmed. He was just advised that during the time they had auditors in place, Learning Assistance was determined to be a 501©3. Therefore, they should not have been managing funds for a private 501©3.

Chairman Hudgins asked if they had continued to make the payments based on the award that the board approved.

Mr. Dorsey responded that they made the last contribution early 2017.

CEO Anthony Scott made clarification regarding making the annual contributions. They are managing our endowment. When we talk about making grants they are providing us
the investment dollars on that to the agency which we use for the scholarships. Typically, they will provide those proceeds on a quarterly basis.

Commissioner Patrice Nelson stated her understanding was that “we were not currently receiving contribution until we got approval from Triangle Community Foundation.” They would accept this Advanced Letter and continue to act as if we were a public charity.

Mr. Dorsey responded that they are waiting for their legal representative to approve the request that DHA submitted based on the documentation that was provided by the Banks Law Firm. Mr. Dorsey advised that he gives them a call about every 2-3 weeks.

There was additional discussion by board and staff.

AGENDA ITEM VIII -- RESOLUTIONS FOR APPROVAL

The Chair, Daniel Hudgins, introduced the following six (6) resolutions:

RESOLUTION NO. 3525

RESOLUTION AUTHORIZING THE WRITE-OFF OF CONVENTIONAL HOUSING COLLECTION LOSSES FOR THE PERIOD BEGINNING NOVEMBER 1, 2017 AND ENDING NOVEMBER 30, 2017

WHEREAS, the Housing Authority of the City of Durham has determined that it has exerted all efforts to collect monies owed from former residents; and

WHEREAS, the property management staff has notified each former resident of the amount owed; and

WHEREAS, the regulations of the U.S. Department of Housing and Urban Development require a housing authority to write off any and all monies owed that cannot be collected.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Housing Authority of the City of Durham approves the write-off of rents, utilities, repair charges, court costs and late fees owed as per the listing of delinquent accounts shown in the amount of $3,207.87 for the period beginning November 1, 2017 and Ending November 30, 2017.

This resolution shall take effect immediately.

Motion: Commissioner Quick; Seconded: Commissioner Glenn; Approved: Unanimously

RESOLUTION NO. 3526

RESOLUTION AUTHORIZING THE WRITE-OFF OF AFFORDABLE HOUSING COLLECTION LOSSES FOR THE PERIOD BEGINNING NOVEMBER 1, 2017 AND ENDING NOVEMBER 30, 2017

WHEREAS, the Housing Authority of the City of Durham has determined that it has exerted all efforts to collect monies owed from former residents; and
WHEREAS, the property management staff has notified each former resident of the amount owed; and

WHEREAS, the housing authority is required to write off any and all monies owed that cannot be collected.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Housing Authority of the City of Durham approves the write-off of rents, utilities, repair charges, court costs and late fees owed as per the listing of delinquent accounts shown in the amount of $1,592.00 combined total for the period beginning November 1, 2017 and Ending November 30, 2017.

This resolution shall take effect immediately.

Motion: Commissioner Quick; Seconded: Commissioner Nottingham,
Approved: Unanimously

RESOLUTION NO. 3527

RESOLUTION AUTHORIZING THE WRITE-OFF OF CONVENTIONAL HOUSING COLLECTION LOSSES FOR THE PERIOD BEGINNING DECEMBER 1, 2017 AND ENDING DECEMBER 31, 2017

WHEREAS, the Housing Authority of the City of Durham has determined that it has exerted all efforts to collect monies owed from former residents; and

WHEREAS, the property management staff has notified each former resident of the amount owed; and

WHEREAS, the regulations of the U.S. Department of Housing and Urban Development require a housing authority to write off any and all monies owed that cannot be collected.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Housing Authority of the City of Durham approves the write-off of rents, utilities, repair charges, court costs and late fees owed as per the listing of delinquent accounts shown in the amount of $1,814.65 for the period beginning December 1, 2017 and Ending December 31, 2017.

This resolution shall take effect immediately.

Motion: Commissioner Yon; Seconded: Commissioner Quick;
Approved: Unanimously

RESOLUTION NO. 3528

RESOLUTION AUTHORIZING THE WRITE-OFF OF AFFORDABLE HOUSING COLLECTION LOSSES FOR THE PERIOD BEGINNING DECEMBER 1, 2017 AND ENDING DECEMBER 31, 2017

WHEREAS, the Housing Authority of the City of Durham has determined that it has exerted all efforts to collect monies owed from former residents; and

WHEREAS, the property management staff has notified each former resident of the amount owed; and

WHEREAS, the housing authority is required to write off any and all monies owed that cannot be collected.
NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Housing Authority of the City of Durham approves the write-off of rents, utilities, repair charges, court costs and late fees owed as per the listing of delinquent accounts shown in the amount of $1,855.00 combined total for the period beginning December 1, 2017 and Ending December 31, 2017.

This resolution shall take effect immediately.

Motion: Commissioner Glenn; Seconded: Commissioner Nottingham, Approved: Unanimously

RESOLUTION NO. 3529

Discussion: Commissioner Quick said this recommendation does come from the Finance Committee to the Board. The committee has gone through the process with staff.

Chairman Hudgins advised that he recalled a negotiated lower fee over what DHA currently pays. He received an affirmative response. In addition, he asked about the term.

Ms. Barbara Newman, Chief Financial Officer, confirmed that it will be in effect for 3 years.

There being no additional discussion, Chairman Hudgins introduced the following resolution:

RESOLUTION TO CONSIDER AND APPROVE ENTERING INTO CONTRACT WITH NOVOGRADAC AND COMPANY, LLC FOR FINANCIAL AUDITING SERVICES.

WHEREAS, the Durham Housing Authority herein called the Durham Housing Authority, has an urgent need to procure the necessary services from a reputable and reliable source in order to maintain a productive operation.

WHEREAS, the Durham Housing Authority requested proposals from qualified and interested firms using the request for proposals (RFP) process; and

WHEREAS, the proposals received were reviewed and evaluated using established criteria in order to determine the most qualified firm; and

WHEREAS, Novogradac and Company LLC was determined to be the highest ranked responsive and responsible proposer; and

WHEREAS, The Durham Housing Authority, seeks to enter into contract with Novogradac and Company, LLC to provide financial auditing services; and

WHEREAS, the term of the contract will be for one year with two one year extension options; and

WHEREAS, the total not to exceed amount of the contract would be $208,500; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of The Housing Authority of the City of Durham, as follows:

1. That the request to enter into a contract with Novogradac and Company LLC for financial auditing, is in all respects approved; and

2. That consistent with 24 CFR 85.36 and 2 CFR 200 Procurement Standards, the Housing Authority of the City of Durham maintains records sufficient to detail the
significant history of the procurement, including the basis for the selection and contract price of $208,500; and

3. That the Chief Executive Officer is hereby directed to executed all contract documents or other documents necessary to effectively negotiate this contract.

4. This resolution shall take effect immediately.

Motion: Commissioner Nelson; Seconded: Commissioner Nottingham; Approved: Unanimously

RESOLUTION NO. (DHA) 3530

Discussion: Mr. Anthony Scott stated that this is a resolution that authorized a third party compliance contract dealing with the construction of the Moreene and Damar Court developments.

Ms. Meredith Daye, Director of Development, said she would like to caveat the subject of the resolution by saying that this is also asking for approval “pending additional legal feedback.”

Also, Ms. Daye said, “We ask the board to pass this resolution for third party compliance services in conjunction with the closing of the Moreene Road, LLC and Damar Court, LLC partnerships. It will make sure that we are compliant with all of the lease up requirements, the program requirements, in conjunction with the housing finance agency’s tax credit program.

Commissioner George Quick asked where Du & Associates were located. Ms. Daye responded that they have multiple offices; however, the office that DHA will be working with will be out of Washington, D.C.

Commissioner Quick also asked if DHA would be communicating with them electronically. Ms. Daye responded that, they will provide remote and on-site services as required or requested.

Commissioner Glenn asked if we had spoken to anyone at HUD about this process.

Meredith Daye responded, “That is the reason that she caveat this approval pending additional legal feedback. Our attorneys are researching this. If the board approves it tonight, we are asking for approval if anything additional comes out around the procurement process, the approval would not go forward.”

Commissioner Glenn said that DHA was asking the Board to authorize this tonight pending review by legal counsel of this process under our procurement regulations. He received an affirmative response.

There being no additional discussion, Chairman Hudgins introduced the following resolution:

RESOLUTION APPROVING A FIRM TO PROVIDE THIRD PARTY COMPLIANCE SERVICES

WHEREAS, the Housing Authority of the City of Durham determined that it required the services of a Third Party Compliance firm to support as the Management Agent in its Tax Credit Compliance Monitoring and Affordable Housing Programs; and

WHEREAS, the Housing Authority of the City of Durham requested proposals from interested firms using a Request for Proposals process; and
WHEREAS, only two proposals were received and according to its Procurement Policy due to the estimated contract amount, the RFP would require re-advertising; and

WHEREAS, for efficiency and to meet the required deadline by the Tax Credit Investor, the Procurement Manager researched and concluded that the HUD Procurement Handbook allows "PHA’s may choose to coordinate, collaborate, partner, or contract with" and other governmental agencies and for contracting directly with a firm that has a competitively solicited contract with a governmental agency; and

WHEREAS, it was determined that the Housing Authority of the City of El Paso, Texas, had competitively solicited and contracted with Du & Associates to provide similar services; and

WHEREAS, DHA determined that the most qualified firm was Du & Associates, Inc., and the firm has not been suspended or debarred from participating and contracting with the U.S. Department of Housing and Urban Development and its local agents.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Housing Authority of the City of Durham finds as follows:

1. That the contract award for the provision of third party compliance services by Du & Associates, Inc., be approved, upon furnishing evidence of current professional liability insurance;

2. That, consistent with 24 CFR 85.36(b)(9) Procurement Standards, the Housing Authority of the City of Durham maintains records sufficient to detail the significant history of the procurement, including the basis for the selection;

3. That the Chief Executive Officer is hereby directed to execute all contract documents or other documents necessary to effectively award this contract.

4. This Resolution shall take effect immediately.

This approval is subject to legal review and approval by DHA’s counsel. Also, this approval is subject to appropriate approvals from HUD.

Motion: Commissioner Quick; Seconded: Commissioner Nottingham; Approved: Unanimously

MISCELLANEOUS:

Chairman Hudgins made a recommendation that the yearend quarterly reports for DVI, Edgemont Elms Housing, Inc. and Preiss Steele Place Housing Services be postponed until the February meeting.

MOTION TO SUSPEND DHA MEETING:
Chairman Hudgins recommended a motion to suspend DHA’s meeting at 6:34 p.m.

Motion: Commissioner Glenn; Seconded: Commissioner Quick; Approved: Unanimously

MOTION TO REOPEN DHA MEETING:
Chairman Hudgins recommended a motion to reopen DHA’s meeting at 6:42 p.m.

Motion: Commissioner Quick; Seconded: Commissioner Yon; Approved: Unanimously
AGENDA ITEM IX – INFORMATION ITEMS
There was none.

AGENDA ITEM X – CLOSED SESSION
Commissioner Hudgins recommended a motion to go into closed session at 6:43 p.m. to discuss a personnel matter.

Motion: Commissioner Nottingham; Seconded: Commissioner Glenn;
Approved: Unanimously

Commissioner Hudgins recommended a motion to come out of closed session at 7:20 p.m.

Motion: Commissioner Quick; Seconded: Commissioner Niemann;
Approved: Unanimously

AGENDA ITEM XI -- ADJOURNMENT
The meeting was adjourned at 7:20 p.m.

Motion: Commissioner Nottingham; Seconded: Commissioner Glenn;
Approved: Unanimously

(SEAL)

Chair

Secretary