MINUTES OF THE BOARD/STAFF RETREAT &
REGULAR BOARD MEETING
HOUSING AUTHORITY OF THE CITY OF DURHAM
Golden Belt Complex 807 East Main Street, Building 2, Suite 300, Durham, NC
December 19, 2018

AGENDA ITEM I
Call to Order
The regular meeting was called to order by the Chair, Daniel C. Hudgins

Present:
Daniel C. Hudgins
George K. Quick
Robert “Bo” Glenn
Gloria Nottingham
Larry Yon, II
Patrice Y. Nelson
Jillian Johnson, City Council Liaison

Absent:
None

Conference:
None

Staff Present:
Anthony Scott, CEO
Barbara Newman
Meredith Daye
Sabrina Sinegal
Matthew Scaparzo
Olive Joyner
Ashanti Brown
Denita Johnson
Charles Lyon
Doris Jackson

Also Present:
Eric Pristell, Esq. (arrived at 3:50 p.m.)
George A. Long, Sr.

Thomas M. Niemann (arrived 1:00 p.m.)

The meeting was called to order by the Chair, Daniel C. Hudgins at 9:07 a.m.

9:07 a.m. — BOARD STAFF RETREAT
A quorum was present, and the Board/Staff Retreat started.

CEO, Anthony Scott, led the discussion for the following topics:

♦ 2018 Review
  • State of the Agency (Opportunities and challenges)
  • Moving to Work (MTW)Designation
    Durham Housing Authority leaning towards rent reform. Application some time
    in 2019. Will require public input, board approval and an application.

♦ Overview of each Department — each presenter provided the status of goals and
  objectives. Presenters were as follows:
  • Development – Meredith Daye, Director
Issues and Challenges

♦ Spirit of Excellence Team (S.O.E.) – is a volunteer employee team that was created as a result of the August Business Meeting where DHA staff identified the top five (5) areas needed to improve DHA operations. Those areas were:
  o Culture
  o Communication
  o Residents
  o Resources
  o Efficiencies

On behalf of the S.O.E. Team, Jealisia Beasley and Renate Bennett provided comments regarding the following most critical issues and challenges identified by the team.

  • Low Morale
  • Communication (performance evaluations, customer service, legal issues)
  • HR Services
  • Improve Supervision
  • Maintenance Improvements
  • Resident Engagement

The S.O.E. identified areas to the keys to success as being Human Resources Consulting, training, equipment/supplies and technical assistance.

The objectives are to prioritize findings, present to all staff, develop a work plan with timelines, incorporate into Strategic Plan Goals and devote resources and funding. Solutions to these issues and challenges are finding technology dollars, training dollars and consulting and assistance dollars.

♦ 2019 Goals were provided by respective Department Directors (Development, Finance, Administration (and Resident Safety Manager), Operation, Housing Choice Voucher Program, Resident Services and Strategic Management.

♦ Parking Lot Items:
  • Ban the box on DHA applications (remove the conviction question on the employment application)
  • Fire drills at DHA properties
  • Tap into consulting services from Durham County and City of Durham
  • Strategize and track on how to include homeless and other preferences
  • Include resident hiring for REAC (Section 3).
3:37 p.m. – REGULAR BOARD OF COMMISSIONERS MEETING (Eric Pristell, joined the meeting)
A quorum was present, and the Regular Board of Commissioners meeting started.

♦ GENERAL COMMENT FROM THE PUBLIC HEARING on proposed 2019 Annual Operations Budget

Chairman Daniel Hudgins read the following regarding the proposed 2018 Annual Operating Budget.

“This is a public hearing regarding the Housing Authority of the City of Durham’s ("DHA") Proposed 2019 Annual Operations Budget. DHA posted its Public Hearing Notice and placed copies of it on its website for the required number of days. Also, copies of the plan were made available for review at DHA’s Central and Property Management Offices during the regular business hours.

Written comments about the draft plans were requested to be sent to Barbara Newman. As a result, we did not receive any requests.

DHA will conduct its public hearing today and these plans are scheduled to be approved at the December 19, 2018 Board meeting.”

Chairman Hudgins asked if there was a motion and second to open the public hearing.

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

Chairman Hudgins stated that the public hearing is now open. "Any person who wishes to speak in favor, against or otherwise regarding the 2019 Annual Operating Budget may do so now."

There were no additional discussions regarding this topic.

Chairman called for a motion and second to close the public hearing.

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

Chairman Hudgins stated that the public hearing is now closed.

AGENDA ITEM III -- CHANGES TO THE AGENDA

- There were none

AGENDA ITEM IV – BOARD ACTION

- Approval of the Minutes of the Board of Commissioners’ Regular Meeting held on November 28, 2018. Note: Add Meredith Daye’s name as an attendee at this meeting.

Motion: Commissioner Quick; Seconded: Commissioner Glenn; Approved: Unanimously
AGENDA ITEM V – PRESENTATIONS

• There were none

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

• CEO, Anthony Scott, did not make any additional comments to his report nor were there any additional questions regarding the CEO’s Business Report.

VII. GENERAL BUSINESS ACTION ITEMS (COMMITTEE REPORTS)

Chairman Hudgins stated that since we did not have any committee meetings for Development, Finance, and Operations in December, minutes would be reviewed when the committee meets in January.

AGENDA ITEM VIII -- RESOLUTIONS FOR APPROVAL

The Chair, Daniel Hudgins, introduced the following resolutions:

RESOLUTION NO. 3558

RESOLUTION AUTHORIZING THE WRITE-OFF OF CONVENTIONAL HOUSING COLLECTION LOSSES FOR THE PERIOD BEGINNING October 1, 2018 AND ENDING October 31, 2018

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 $8,897.13 for the period beginning October 1, 2018 and Ending October 31, 2018.

This resolution shall take effect immediately.

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

RESOLUTION NO. 3559

RESOLUTION APPROVING THE PROPOSED UTILITY ALLOWANCES FOR THE CONVENTIONAL PUBLIC HOUSING PROGRAM

WHEREAS, the Housing Authority of the City of Durham reviewed its utility allowances to ensure that they are at the proper levels considering the utility usage by the affected conventional public housing residents; and
WHEREAS, in accordance with the U. S. Department of Housing and Urban Development regulations, the affected conventional public housing residents received written notice of the proposed utility allowances and had a sixty-day review period for written comments, prior to any approved changes; and

WHEREAS, the Housing Authority of the City of Durham did not receive any written comments regarding the proposed utility allowances.

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

1. That the proposed utility allowances be approved.
2. That the approved utility allowances become effective January 1, 2019.

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

RESOLUTION NO. 3560

RESOLUTION APPROVING THE REVISION OF THE HOUSING CHOICE VOUCHER PROGRAM PAYMENT STANDARD SCHEDULE FOR ZERO-BEDROOM UNITS

Brief Discussion: Chairman stated he had reviewed this and that we would be out of compliance because it dropped below the 90%. We have to do this anyway. He also wondered if a discussion had been held regarding moving to 100%. Ms. Denita Johnson, Director of the Housing Choice Voucher Program, responded to his inquiry. Also, we do not have the resources to do this.

WHEREAS, the Housing Authority of the City of Durham established its current Payment Standard schedule on January 1, 2018; and

WHEREAS, DHA has determined that a revision is necessary for the zero-bedroom payment standard. In order to remain compliant with HUD regulations of establishing Payment Standards no less than 90% of the published Fair Market Rents and no more than 110% of the published Fair Market Rents; and

WHEREAS, the current payment standard for zero-bedroom units falls at approximately 87% of the 2019 Fair Market Rent; the proposed change will bring the payment standard for zero bedroom units to 90% of the Fair Market Rents, which meet the required range of 90%-110%; and

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Housing Authority of the City of Durham adopt the Payment Standards schedule for the zero bedroom units on the Housing Choice Voucher Program as follows:

For 0-bedroom units, the rate will be $751.00;
For 1-bedroom units, the rate will be $847.00;
For 2-bedroom units, the rate will be $990.00;
For 3-bedroom units, the rate will be $1,556.00;
For 4-bedroom units, the rate will be $1,512.00;
For 5-bedroom units, the rate will be $1,739.00;
For 6-bedroom units, the rate will be $1,966.00.
The new payment standard for zero-bedroom units will become effective January 1, 2019. There will not be a change to the payment standard for any of the other bedroom sizes.

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

RESOLUTION NO. 3561

RESOLUTION TO APPROVE THE 2019 ANNUAL OPERATING BUDGET

Presentation on the Finance Committee was conducted by Barbara Newman, Director of Finance.

Ms. Newman distributed copies of the 2019 Annual Operating Budget Summary which she used as a guide to discuss the budget.

The major discussions was as follows:

- **Revenue and Expenses**: For the 2019 Budget, projected revenues and expenses are $41,225,248 and $39,905,314 respectively. These amounts include Housing Choice Voucher revenues and expenses for Housing Assistance Payments and Fees Earned by the Central Office Cost Center.

Ms. Newman reviewed the major changes in the 2019 budget as follows:

- **2019 Operating Income (Loss)** — For the 2019 Budget, operating income and losses were:
  - Low Income Public Housing — $321,530
  - Central Office Cost Center — $74,980
  - HCVP Administration — ($188,709)
  - Development Ventures, Inc. — $774,270
  - Edgemont Elms Housing, Inc. — $114,223
  - Learning Assistance, Inc. — $3,029
  - Press Steele Place, LOLC — $136,510
  - Damar Court, LLC — $60,170
  - Morreene Road, LLC — $18,562
  - Goley Pointe, LLC — ($21,582) — Chairman Hudgins asked why Goley Pointe has a deficit.

*Ms. Newman responded*, “We have 20 units of which 14 are public housing. They are under contingent of care rent. This means there is no minimum rent charge. The rent (revenue) is extremely low for the expenses. We are supposed to receive subsidy of some sort; however, this is not the case.”

Ms. Newman stated that DHA has not received a 100% in subsidy for 3-4 years for operating subsidy. She said last year DHA received 92% and budgeted for 86%. This year we increased our budget amount from 86% to 93%. Ms. Newman said we really don’t know how much the allocation will be until we receive it.
**Housing Choice Voucher Management Fee** — For years we have not charged the HCV Program maximum allowable fee that has come to the Central Office Cost Center (COCC) unlike in previous years. Previously, the Administrative Fee was adjusted to support the budget of the HCVP program, which meant that the COCC was collecting a lesser amount. In 2019 DHA will begin charging the maximum allowable fee of 20% of the annual administrative fee earned by the program. The COCC can then allocate any difference in the HCVP budget to support the program.

Commissioner Bo Glenn inquired if this was all permitted by HUD regulations. Ms. Newman responded, “Yes. The Operating Fund Rule stipulates how to charge each program that you administer and the fees that you are allowed to charge.”

**Supportive Services (Resident Services, Safety & Security, Compliance)**

Ms. Newman stated, “Before we had a rate that we charged every year. That rate was not based on any regulations. It was just a plug in to fill the budget. The regulations states that supportive services are for the residents. These are front line and directly to the properties. Resident Services, Safety & Security and Compliance staff are all front line directly to the properties. The only exception, if you have a Director in the Central Office and Safety and Security, the Directors of both of these departments are charged to Central Office. The staff is front lined to the properties.”

**Increase of Staff:** Ms. Newman stated that the new positions are an IT Manager, Development Manager, two (2) one for training and one for RAD.

**Training Budget:** Increased 20% over the 2018 budget.

**Tenant Services:** Allows DHA to charge $25 per unit leased. $15 of this will go towards the tenant council if they are organized and the $10 will be used for resident services programs for the tenants.

Commissioner George Quick asked, “In terms of investing in training for our people. What was the budget last year?”

Ms. Newman responded that the budget last year was $88,000 for training. This year it has been moved up to $110,000.

Commissioner Quick also inquired about the raises. Ms. Newman responded that employees would receive a 1.5% COLA increase on the 19th and did not receive any increase in 2018.
Also, included in the summary distributed was the following:

FY 2018/2018 SUMMARY BUDGET COMPARISON

Ms. Newman included a chart that compares the 2019 budget to the approved 2018 budget. Operating revenue for 2018 is about 9% less than 2017. This variance is attributed to a decrease in budgeted revenues for Damar Court and Preiss Steele Place. Housing Assistance Payments expected for the Housing Choice Voucher program is about 7% more due to an increase in expected units months leased. Operating expenses are projected to decrease about 5% overall which is attributed decreases in expenses for Low Income Public Housing, Learning Assistance, Inc., Edgemont Elms Housing, Inc. and both Morreene and Damar, LLCs.

WHEREAS, the Chief Executive Officer has submitted a comprehensive Operating Budget for the Housing Authority of the City of Durham and its Instrumentalities for the year beginning January 1, 2019 and ending December 31, 2019; and

WHEREAS, the proposed annual budget reflects operating revenues and operating expenses as presented in the Operating Budget document for the year ending December 31, 2019; and

WHEREAS, the proposed revenues are estimated to be available during the fiscal year to fund the proposed expenditures.

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

1. The budgets as presented in the Operating Budget document are approved for the fiscal year ending December 31, 2019;

2. The Chief Executive Officer or his designee may authorize the transfer of line item appropriations between activities, objects and line items within each fund budget;

3. The Board of Commissioners may authorize the transfer of funds between individual funds;

4. Any changes in the budgeted revenues or expenditures which serves to change the overall budget amount in any specific fund budget may be made only by the Board of Commissioners;

5. Any operating funds encumbered as of the end of the previous year, or otherwise designated, are hereby re-appropriated for the fiscal year ending December 31, 2019;

6. The Chairman if authorized to execute Form HUD-52574 (PHA Board Resolution – Approving Operating Budget);

7. This resolution shall take effect on January 1, 2019.

Motion: Commissioner Glenn; Commissioner Nelson;
Approved: Unanimously

84
AGENDA ITEM IX – INFORMATION ITEMS
  • There were none

AGENDA ITEM X – CLOSED SESSION
  • There was none

AGENDA ITEM XI -- ADJOURNMENT

The meeting was adjourned at 4:00 p.m.

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

Chair

(SEAL)

Secretary