MINUTES OF REGULAR MEETING
HOUSING AUTHORITY OF THE CITY OF DURHAM
330 EAST MAIN STREET
DURHAM, NORTH CAROLINA
December 21, 2016

AGENDA ITEM I
Call to Order

The regular meeting was called to order by the Chair, Daniel C. Hudgins at 5:30 pm.

Present:
Daniel C. Hudgins, Chair
George K. Quick, Vice Chair
Robert “Bo” Glenn
Barbara F. Lofton
Thomas M. Niemann
Gloria M. Nottingham
Larry D. Yon, II
Steve Schewel

Absent: None

Staff Present:
Anthony Scott, CEO
Jonathan Blum
Elvert Dorsey
Charles Lyon
Sabrina Sinegal
Meredith I Daye
Denita Johnson
Pamela Davis
Zelda Everson

Also Present:
Eric Pristell, Attorney, The Banks Law Firm
Ted Edwards, Attorney, The Banks Law Firm
Danielle Barbour Wilson, Attorney, The Banks Law Firm

A quorum was present and the meeting was called into session at 5:30pm.

AGENDA ITEM II
Public Hearing(s)

ACTION 1: General Comments from the Public
There was none.

AGENDA ITEM III
Changes to the Agenda
- A visual presentation of the FY2017 budget via PowerPoint to be presented by the CEO
- It was suggested by member, George K. Quick, to possibly include the current month’s committee meeting minutes into the current months’ board packet. To give the board an opportunity to review unapproved committee meeting minutes for informational purposes.
  - Mr. Pristell responded it has always been the past practice of DHA to review approved minutes which are one month behind, as practice and not by-law.
Motion: Commissioner Green Seconded: Commissioner Quick. Approve: Lunnimouslay

The Finance Committee met on November 9, 2016 at 3:30pm. Minutes were approved.

Lunnimouslay

Motion: Commissioner Nunnim Seconded: Commissioner Hedges. Approved:

The Development Committee November 3, 2016. The Minutes were Approved.

ACTION 2 Committee Reports

Lunnimouslay

Motion: Commissioner Green Seconded: Commissioner Quick. Approved: Lunnimouslay

ACTION 1 Minutes – Board of Commissioners Regular Meeting Held November 16, 2016.

AEGEAL ITEM A

 HCY Utilization and Planning Report

Motion: Commissioner Quick Seconded: Commissioner Hedges. Approved: Lunnimouslay

ACCOMPLISHMENTS

Compliance with the Utilization and Planning Requirements of the Local Utility Providers. The overall utilization of the HCY Program is approximately 96% utilization and 27% applicants were expected to be eligible. Out of the 1500 applications submitted, 200 vouchers were issued. The Director of HCY does not recommend any changes to the HCY Program.

The Director of HCY, Donia Johnson, spoke with the CEO, Miri Sotok, to discuss the potential of reducing the length of time it takes to issue vouchers. The HCY Program is currently utilizing the technology of the future to issue vouchers in a timely manner. It was agreed that the process of voucher issuance should be reviewed and streamlined for efficiency.

The board was notified of a potential increase in the number of vouchers that will be issued. The HCY Program is currently working on developing a system to track and monitor the utilization of the vouchers. The board was also informed that the HCY Program is currently utilizing the technology of the future to issue vouchers in a timely manner.

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AEGEAL ITEM A

Information Items

AGENDA ITEM A

Motion: Commissioner Quick Seconded: Commissioner Hedges. Approved: Lunnimouslay

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AEGEAL ITEM A

Motion: Commissioner Quick Seconded: Commissioner Hedges. Approved: Lunnimouslay

be examined by legal counsel and positioning them outside. It was suggested that the possible legal ramifications of any procedures be examined by legal counsel. Members: Robert Green recommended an option for public access to the minutes.
Sanford may be able to offer assistance in determining issues preventing finding suitable housing. The Councilman queried the Director of HCV if the challenges faced in the Durham, NC market were normal and if she had thoughts about how to improve or resolve them.

- The Director advised the housing market issues vouchers holders are facing are not isolated to Durham and she has ideas in mind to address some of the issues and would present concrete ideas at a later date.

- Commissioner George Quick questioned if there would be a new format to determine utilization. Mr. Scott advised he was looking into a format change for 2017 and concluded there was a 99.7% voucher utilization rate.

**Development**

- Councilman Steve Schewel questioned the desirability of the housing tax credit market and the confidence level for the 4% credits vs. the tax equity scheduled to climb to 9%.
- The Director of Development, Meredith Daye, noted she spoke with Investors, Capital Markets, and the investors are comfortable with, and recognize, the decrease in the 4% market. It was further reiterated that no investor pulled out and DHA investors are stable and aware of a possible interest rate change in 2017. It was also stated that an LOI had been signed.
- The Director of Development advised a determination is still pending if there will be successful 9% investors in CLUB BOULEVARD after the initial application round in 2017. The Director addressed Commissioner Glenn’s concerns regarding problems with CLUB BOULEVARD in the December Development Committee meeting by reiterating Mr. Sherrod Banks, legal counsel, statement of no definite current investments in the CLUB BOULEVARD area. Stating the preliminary application scored well, however a strong application isn’t a guarantee of funding; the application is being reviewed to determine if there is an opportunity to increase points on the application, although concerns were expressed about the surrounding areas.
- Commissioner Glenn stated it should be noted that CLUB BOULEVARD’s inability to receive tax credit approval for two years is not any fault of DHA.

**Finance**

Commissioner Quick, Finance Committee Chair, advised the Minutes of the Finance Committee reflects the status of the Mechanics & Farm loan and issues that were covered.

A presentation, which included a hardcopy handout, of the proposed 2017 budget was presented by the Chief Executive Officer. The presentation incorporated a 2016 year-in-review and highlights of the Strategic Plan efforts that helped develop the 2017 budget. Highlights covered three key areas: **Communication, Conditions, and Collaboration**.

The CEO noted the budget was conservatively based on 87.5% of the proration funding level. Other changes in the FY2017 budget includes renaming the Safety unit, Safety and Security, and moving the program from Resident Services to the Central Office Cost Center.

The circumstance of HCVP utilization needing to spend $1.5 million was also emphasized. While also indicating the Capital Fund wasn’t factored into the budget and was left for RAD to be disseminated over 10 years.

Also discussed was the addition of a Business Analyst position in place of the Controller, and increasing staff salaries – up to a maximum of 3.5%.

Eric Pristell deferred any questions concerning the budget to the special meeting on January 3, 2017.

City Council Schewel expressed his appreciation of the budget presentation and also made inquiries into the position of the $1.7 million CF reserves. In conclusion, the CEO’s responded the 1.7 million dollars is kept in a bank in Washington, DC.

**AGENDA ITEM VI**
RESOLUTION NO. 3-498

ACTION I

Resolution failed to pass. No motion was seconded by Vice-Chair, Clark. Resolution was tabled. Resolutions for approval.

RESOLUTION NO. 3-497

ACTION II

Resolution approved.

RESOLUTION NO. 3-496

ACTION III

Resolution approved.

RESOLUTION NO. 3-495

ACTION IV

Resolution approved.
This resolution shall take effect immediately.
Done this 21ST day of December, 2016

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

ACTION 3:

RESOLUTION NO. 3460

RESOLUTION TO CONSIDER AND APPROVE RENEWAL OF THE FAMILY UNIFICATION PROGRAM MEMORANDUM OF UNDERSTANDING FOR FY 2017

WHEREAS, The Housing Authority of the City of Durham, herein called the Durham Housing Authority, and the Durham County Department of Social Services have agreed to make application to the U.S. Department of Housing and Urban Development, herein called HUD, under the Family Unification Program ("FUP"); and

WHEREAS, the purpose of the FUP is to a) provide Housing Choice Voucher ("HCV") rental assistance to youth between the ages of 18 thru 21 years old, who left foster care at age 16 or older to find affordable and decent housing, and b) promote family unification by providing vouchers to families for whom the lack of adequate housing is a primary factor in the imminent placement of the family’s child or children in out-of-home care, or in a delay of discharge of a child or children to the family from out-of-home care; and

WHEREAS, the Durham Housing Authority has agreed to set aside 15 housing choice vouchers to implement the FUP until a notice of funding availability is announced; and

WHEREAS, Durham County Department of Social Services has agreed to establish and implement a system to identify eligible families and youth who meet the criterion for the program, and refer those individuals to the Durham Housing Authority; and

WHEREAS, the Durham Housing Authority will ensure the agency’s Administrative Plan is updated in accordance with applicable regulations and requirements when necessary, and will administer and manage the FUP waiting list to ensure that families and individuals meeting the criterion for the FUP receive priority, in accordance with policies set forth in its Administrative Plan; and

WHEREAS, the Durham Housing Authority will manage all housing related issues, including eligibility for housing assistance, housing inspections, determination of rent reasonableness, and disbursement of housing assistance payments to participating landlords; and

WHEREAS, the Durham Housing Authority has executed a Memorandum of Understanding, which is attached; and

WHEREAS, the Durham Housing Authority and the Durham County Department of Social Services recognize that the FUP will provide rental assistance for a maximum of 15 families/individuals and will work together to complete the grant application process and needs assessment when a notice of funding eligibility is announced for FUP targeted funding.

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

1. That the Memorandum of Understanding for the 2017 fiscal year, as outlined in the attached document, is in all respects approved; and
RESOLUTION AUTHORIZING MECHANICS AND PLUMBERS BANK LINE OF CREDIT

RESOLUTION NO. 3642

ACTION:

Lunenburg: Commissioner Gehr; seconded: Commissioner Newmann; Approved:

Done this 21st day of December, 2016.

The resolution shall take effect immediately.

Done this 14th day of November, 2016.

1. That the proposed utility allowances become effective December 1, 2016.

2. That the proposed utility allowances be increased, as follows: and

WHEREAS, the Housing Authority of the City of Lunenburg, as follows:

NOW, THEREFORE, BE IT RESOLVED

1. The Housing Authority of the City of Lunenburg, as follows:

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RESOLUTION APPROVING THE REVISION TO THE HOUSING CHOICE

RESOLUTION NO. 3661

ACTION:

Lunenburg: Commissioner Notthingham; seconded: Commissioner Logan; Approved:

Done this 21st day of December, 2016.

This resolution shall take effect on January 1, 2017.
WHEREAS, DVI’s mission is to provide affordable housing to low and moderate income persons in Durham County, North Carolina;

WHEREAS, DVI is fulfilling its mission by engaging in various real estate development activities including but not limited to the acquisition, improvement and renovation of real property;

WHEREAS, DVI desires to secure private financing to further its mission;

WHEREAS, in order to assist DVI in furthering its mission, Mechanics and Farmers Bank has agreed to loan DVI, through a secured revolving line of credit, an amount of up to the lesser of $750,000 or 80% of the appraised market value of Edgemont Elms Apartments, located at 301 South Elm Street, Durham, North Carolina;

WHEREAS, the loan is proposed to be secured by Edgemont Elms Apartments and other pledged collateral;

WHEREAS, Edgemont Elms Apartments is owned by Edgemont Elms Housing, Inc., a North Carolina non-profit corporation and instrumentality of DHA;

WHEREAS, DHA is proposed to be the limited guarantor of the loan; and

WHEREAS, the terms of the proposed Mechanics and Farmers Bank loan are specifically described in Exhibit A, attached hereto and incorporated into this resolution by reference (the “Mechanics and Farmers Loan”).

NOW THEREFORE, BE IT RESOLVED BY DHA, THROUGH ITS BOARD OF COMMISSIONERS, AS FOLLOWS:

1. That the Mechanics and Farmers Loan is hereby approved and authorized.

2. That DHA is hereby authorized to be the limited guarantor of the Mechanics and Farmers Loan subject to the following restrictions: Mechanics and Farmers Bank shall not have any legal right of recourse against any: (a) Public housing project of DHA; (b) “Operating receipts” of DHA (as such term is defined in DHA’s Consolidated Annual Contributions Contract [the “DHA ACC”] with HUD); (c) Public housing operating reserve of DHA reflected in DHA’s annual operating budget and required under the DHA ACC; (d) DHA projects converted from public housing to Section 8 rental assisted projects under the HUD Rental Assistance Demonstration (“RAD”) program; (e) Section 8 subsidies payable from HUD to DHA for a RAD project; or (f) Public housing operating reserves that are or will be transferred to RAD projects as reserves for such RAD projects. With respect to (a) through (e) above, DHA’s obligations hereunder shall be subject to the DHA ACC, and DHA shall have no obligation to take any action hereunder violating the DHA ACC or causing any of DHA’s public housing assets or projects to become encumbered.

3. That the Chairman and Chief Executive Officer (including his designees, if any) are hereby authorized, empowered and directed to do any and all other acts, and to execute, approve and deliver any and all documents, not inconsistent with this resolution which they, in their discretion, deem necessary or appropriate in order to consummate the transaction contemplated by this resolution, including, without limitation, the full execution of all documents to close the Mechanics and Farmers Loan.

4. That all motions, orders, resolutions and parts thereof in conflict with this resolution are hereby repealed and all other acts of the Chairman and Chief Executive Officer (including his designees, if any) that are in conformity with the purposes and intent of this resolution are hereby ratified, confirmed and approved.
WHEREAS, all depreciation calculations should use the "straight line" method with the 200-year life and be calculated and depreciated over their estimated useful lives and
WHEREAS, generally accepted government accounting guidelines require these assets
IN EXCESS OF $5,000 AND
ASSETS WITH A USEFUL LIFE IN EXCESS OF ONE YEAR AND AN INITIAL COST
WHEREAS, the class of these assets are deemed as "capital assets" which are subject to different accounting rules and
WHEREAS, the Housing Authority of the City of Durham owns a variety of assets

RESOLUTION APPROVING A CAPITALIZATION AND DEPRECIATION
HOUSING AUTHORITY OF THE CITY OF DURHAM

RESOLUTION NO. 3469

Motion: Commissioner Channer, seconded: Commissioner Lionberger: Approved: Lamontoya

Done this 21st day of December, 2016.

The resolution shall take effect immediately.

WHEREAS, the City's 2017 Operating Budget proposes $1,479,000 in funds for a 2017 Operating Budget to support the Capitalization and Depreciation budget; therefore, be it RESOLVED, the Housing Authority of the City of Durham shall adopt a Capitalization and Depreciation budget for 2017.

RESOLUTION NO. 3470

Motion: Commissioner Quick, seconded: Commissioner Lionberger: Approved: Lamontoya

Done this 21st day of December, 2016.

The resolution shall take effect immediately.

WHEREAS, the Commission of the City of Durham, pursuant to the provisions of Section 159.12 of the Durham City Charter, hereby adopts the following resolution:

RESOLUTION NO. 3471

Motion: Commissioner Geraci, seconded: Commissioner Boudreaux: Approved: Lambrou
NOW, THEREFORE BE IT RESOLVED that the Board of Commissioners of the Housing Authority of the City of Durham adopts the following policy:

"The Housing Authority of the City of Durham will maintain records of capitals assets and record depreciation. A capital asset is

- A tangible asset owned by The Housing Authority of the City of Durham;
- Used in The Housing Authority of the City of Durham operations and not for resale;
- Has a useful life of over one year;
- Has an initial cost of at least $5,000;
- Will be depreciated using the “straight line” method with half-year depreciation convention method."

Done this 21st day of December 2016.

AGENDA ITEM VIII
Closed Session
Motioned by Dan Hudgins; Seconded by Gloria Nottingham; Approved Unanimously
Consulted with legal counsel to discuss potential litigation matter. No action taken.

AGENDA ITEM IX
The Board extended birthday wishes to Ms. Lofton. Mr. Schewel expressed his appreciation of the Durham Housing Authority staff.

Adjournment

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

(SEAL)  

Chair

Secretary