



REGULAR MEETING OF THE BOARD OF COMMISSIONERS
OF THE HOUSING AUTHORITY OF THE CITY
OF WILMINGTON, NORTH CAROLINA
August 3, 2021

The regular meeting of the Wilmington Housing Authority (WHA) Board of Commissioners was held at Rankin Place Terrace, 415 N 12th Street, Wilmington, NC.

Commissioners Present: A.R. Sharp, Chair
Kenneth S. Chestnut, Sr., Commissioner
Lee Backston, Commissioner
Theresa Everett, Commissioner
Bryan Greene, Commissioner
Nancy Guyton, Commissioner
Joan Johnson, Commissioner

Others Present: Katrina Redmon, Chief Executive Officer
Kim Fitzwater, VP/CFO
Vernice Hamilton, Director of Human Resources
Lynne Picard, VP/Community Engagement and Enhancement
Julia Shaw, Exec. Asst./Communications Coord.

1. Call to Order

The meeting was called to order by Chair Sharp at 4:08 p.m. pursuant to the Public Notice.

2. Roll Call

Roll call was taken and a quorum was present.

3. Approval of Agenda

The Agenda of the August 3, 2021 Annual Board of Commissioners Meeting was reviewed, the motion to approve the agenda was made by Commissioner Everett, seconded by Commissioner Guyton and unanimously approved.

4. Old Business

Minutes of the July 6, 2021 WHA Board of Commissioners Meeting were reviewed, the motion to approve minutes was made by Commissioner Backston, seconded by Commissioner Chestnut and unanimously approved.

5. New Business

• **Presentation by Banks Law Firm**

Mr. Banks went over important features of the Hillcrest RFQ for Development Partner.

Five proposals have been received and are being evaluated by a panel which includes some WHA staff and WHA Board of Commissioners

some non-staff.

The panel will interview the developers and bring their evaluations to the CEO who will make a recommendation to the Board. The Board makes selection for the purposes of directing the CEO and legal counsel to then negotiate a Master Development Agreement. Mr. Banks continued that because this process is underway, his goal is to provide training to the Board with regards to mixed-income, affordable housing development and financing tools because the Board will have to make the decision as to who they will partner with and what this will look like.

Mr. Banks continued that tax credit and tax-exempt bonds will be covered in the future but tonight he will cover responsibilities of WHA and the developer. Redeveloping a site like Hillcrest is a very big deal and Mr. Banks wants the Board to get ahead of issues that may come our way.

These are the salient features of the RFQ:

- Scope of Work (SOW)

This is part of the development partner role. They will develop a plan, will likely consist of phases, the developer puts together a development team. Housing and Economics, Inc. (HEO) will be a co-developer and will earn a developer fee. HEO will probably not provide equity and will assume minimal risk. Fees will be negotiated during the selection process.

- Predevelopment

The developer assumes the risk.

- Financing

This is also the responsibility of the developer. HEO can help if beneficial.

- Submissions (federal, state, local)

HEO will mostly be responsible for federal (HUD) submissions and the developer will be mostly responsible for state and local. On the state level, WHA has the ability to issue bonds.

Ms. Redmon said that under Hope VI, mixed income meant mostly public housing. However, we are looking for true mixed income. We are building on lessons learned under Hope VI. This must be viable.

Mr. Banks said that he understands that this is a great area for neighborhood revitalization. When choosing developers, keep in mind that each will have different percentages they will espouse regarding market rate, affordable. The development has to cash flow but we must also ensure that residents can afford to live in the area.

Commissioner Guyton asked if all 256 units will be replaced. Ms. Redmon said that 256 units will be replaced on site or in a place acceptable to HUD, or a combination. These units will be affordable but may not be public housing. They will serve the same population and will not cost more than 30% of a resident's



income. Those present on the date of demo-dispo approval get the right of first refusal to return.

- HEO's Role

The intent is that WHA still owns the land and portions will be ground leased.

There was discussion about the incentive to participate in a ground lease. Mr. Banks said the PHAs have an interest in being good stewards of the land in order to maintain affordable housing in the future. This expectation is laid out in the RFQ.

Commissioner Guyton said that she is excited to see creative approaches offered by the developers.

Commissioner Greene said he wants to know what the process is for receiving the qualifications and who is on the panel and if it will be narrowed down to two or three firms to go before another panel.

Ms. Redmon said that the panel members are Kim Fitzwater and Lynne Picard from WHA, Erris Dunston with the City, Suzanne Rogers with City, and Linda Thompson with the County. That's two WHA staff, two city staff, and one county staff. Expertise included in this group covers affordable housing and diversity.

Commissioner Everett said she doesn't see enough breakdown in the RFQ to be able to assign percentages.

Mr. Banks said that the panel will rank them and then the CEO makes a recommendation to the Board. Then it's in the Board's hands.

Commissioner Guyton asked what the Board's decision-making role is. Can they pick someone other than who the CEO recommends? Mr. Banks said "yes".

Commissioner Sharp said that when the Board authorizes the CEO, along with legal counsel, to negotiate a contract, that then comes back to the Board to approve, disapprove, or modify. There are two points in time when it comes to the Board to make clear-cut decisions. Commissioner Sharp asked if this was accurately reported. Mr. Banks said that he thinks he heard everything in there.

Commissioner Everett said that she thinks that we should have some idea what the redevelopment will cost. Mr. Banks said that in this case, at this point, there is no price estimate. Ms. Redmon said they have to be able to fund what they propose.

Ms. Redmon said that the rating criteria includes relocation plan.

Mr. Chestnut said that it's important to partner with the city on infrastructure.

Commissioner Sharp said this item should be on the Development Committee going forward.

Ms. Redmon said the panel will develop a list of questions for the developers which will be sent out before their interviews. This process is known to developers. There are many very large firms whose main business is redeveloping PHA property. They should also be aware of HUD's new rule regarding neighborhood standards.

- **Committee Updates**

Real Estate Development Committee Report

Commissioner Sharp said that Bryan Greene will be acting as Chair for this committee. Commissioner Guyton said that she was asked to, and agreed to be, Chair of this committee. Mr. Sharp said he will discuss with Commissioner Guyton and communicate with Commissioner Greene.

Commissioner Sharp said that the committee met on July 27, 2021 and there was a quorum. Minutes were approved and a project update was provided.

Policy, Administration and Finance Committee Report

Commissioner Chestnut informed us that the committee met on July 27, 2021 and there was a quorum. Financial Statements were reviewed and all but one resolution was recommended for approval, for which more information was requested.

6. Resolutions

FINANCE RESOLUTIONS

Resolution No. 1424 – Resolution Approving the Housing Authority of the City of Wilmington, North Carolina Unaudited Financial Statements for the Period Ended June 30, 2021

Resolution No. 1425 – Resolution Approving the Creekwood South, LLC Financial Statements for the Period Ended June 30, 2021

A motion from committee was seconded by Commissioner Everett and passed unanimously.

Resolution No. 1426 – Resolution Authorizing Write-off of Vacated Tenants Accounts Receivable in the Amount of \$6,083.96 for the Period Ended June 30, 2021

A motion from committee was seconded by Commissioner Everett and passed unanimously.

Resolution No. 1427 – Resolution Authorizing Write-off of Vacated Tenants Accounts Receivable for Creekwood South, LLC in the Amount of \$4,956.79 for the Period Ended June 30, 2021

A motion from committee was seconded by Commissioner Sharp and passed unanimously.

PROCUREMENT RESOLUTIONS

Resolution No. 1428 – Resolution Authorizing the Chief Executive Officer to Execute a Contract with Martin Edwards & Associates, Inc. for security guard services at Solomon Towers in an Amount not to Exceed \$489,000

Ms. Picard provided the requested additional information and handed out a fact sheet on the procurement and proposed contract and a copy of the letter from former contractor, Guard One Security, cancelling their contract due to the increase in their workers' comp. insurance. They agreed to stay on through July at the current price.

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Commissioner Johnson said that residents at Solomon Towers feel unsafe due to drug activity.

Ms. Picard said that we recommend switching security companies. They should be able to provide a safer environment.

Ms. Redmon said that residents can call the police department's non-emergency number and not give their name.

Commissioner Greene asked if the companies who did not respond were called to find out why. Ms. Picard said that that were and the reason is that the cost of providing services on our sites leaves them with no profit margin.

Commissioner Chestnut that the Board pass the resolution with the understanding that the CEO will evaluate the performance after one year, and not renew if inadequate.

A motion by Commissioner Chestnut was seconded by Commissioner Backston and passed with a majority. Commissioner Greene and Commissioner Johnson were opposed.

Resolution No. 1429 – Resolution Authorizing the Chief Executive Officer to Execute a Contract with A&A Facility Services, Inc. in an Amount not to Exceed \$273,285

A motion from committee was seconded by Commissioner Sharp and passed unanimously.

Resolution No. 1430 – Resolution Authorizing the Chief Executive Officer to Increase Contract Amount by \$675,000 for Temporary Staffing Services

Commissioner Johnson said that people are coming in to do jobs that employees can do and the work is not done well.

Ms. Picard provided a handout showing sources of funds for temporary services contracts from April 1, 2020 – March 31, 2021 including pie charts (attached). Sources included CARES Act, Fee for Service, and Operating Fund. Since the pandemic, we have had maintenance positions that could not be filled. The temp agency was able to assess skills before the workers were sent to us. Many of the temp workers were then hired, including an HVAC person and an electrician.

Commissioner Chestnut said that by approving this contract, we are not appropriating additional funds, but funds that would have been paid to a different firm.

Ms. Hamilton listed a number of recent hires, from various departments, that were from the temp agency.

A motion from committee was seconded by Commissioner Backston and passed with 5-1 vote. Commissioner Johnson opposed.

Commissioner Chestnut said that the CEO was asked for a report about reductions in revenue. Mr. Fitzwater delivered that report and will do so again here.

Mr. Fitzwater provided a report regarding administrative revenue reduction. He explained that some large costs,

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such as HEO's loan to Rankin for landlord overpayment, were a one-time occurrence. Some future reductions will include a drop in capital and asset management fees for Hillcrest in the years demo-dispo and construction go on.

7. Department Updates

Ms. Redmon requested that department updates for all three companies be moved up to here.

- **Housing Choice Voucher**

Ms. Picard said that the director has resigned and we are using a Nan McKay consultant to fill the role for the time being. The position is being nationally and locally advertised. Ms. Hamilton added that she hears from PHAs nationwide that they are having similar difficulty filling that position.

- **Property Management**

Ms. Picard said that actual occupancy is currently 89.8%. There are about 50 units empty for mold remediation. We need creative ways to turn units more quickly once they are remediated. Asked about the possible causes, Ms. Picard said it could be a combination of factors from unknown leaks to housekeeping issues. We have approximately 50 units empty due to mold. This includes units under mod-rehab. Effective occupancy is 94.8%. We provide a detailed report on our vacancies to the field office on a monthly basis. If our PHAS score doesn't improve in 2022 we could receive the designation of troubled agency.

- **Community Engagement**

Ms. Picard's report included the following:

Ms. Picard said that she is finishing up a guidebook for the Resident Organizations. Each need to have elections. We were hoping to open community centers by the end of July but are holding off due to concerns about the COVID uptick. Commissioner Johnson said she just wants to know when these meetings will resume. Ms. Picard said we're just not sure and will continue to monitor the situation.

Ms. Picard said that WHA has received \$88,000 in back rent through June 30th from the Emergency Rental Assistance Program.

Ms. Redmon asked Ms. Picard to explain the difference between the ERAP and HOPE programs. Ms. Picard said that HOPE is statewide but funded through federal CARES funds. New Hanover County had enough cases that the county received the money directly. Therefore, those seeking assistance must work with the county, not the state.

We are working with the arboretum on the Just Grow program for Creekwood.

Vaccination events continued in June.

9. Other Business

Ms. Picard said that WHA has been awarded the NAHRO National Award of Merit, and is nominated for the WHA Board of Commissioners



National Award of Excellence for its response to the pandemic and assisting residents with vaccinations, supplies, etc. The winner of the National Award of Excellence will be announced in October.

Commissioner Backston said he would like to know when the resident survey will be rolled out as well as the employee survey. Ms. Picard said that both are in the works.

10. Closed Session

Commissioner Backston made a motion to go into closed session pursuant to NCGS 143-318.11 (a)(6), to discuss personnel matter, seconded by was made by Commissioner Johnson and approved unanimously.

Commissioner Backston made a motion to come out of into closed session, seconded by Commissioner Greene and passed unanimously.

11. CEO Remarks

Ms. Redmon provided a brief update on the eviction moratorium, saying it is now over and it's not expected to be extended.

Telesis has been holding resident meetings as part of the RAD process for Jervay. They have been awarded tax credits. They plan to offer project-based rental assistance, not project-based vouchers. This will operate much like Glover Plaza.

Commissioner Sharp asked Ms. Redmon to supply more information on RAD. She said that their certificate of participation was issued and extended while the financing was worked out. Jervay qualified for project-based rental assistance partly because it's in an opportunity zone. It won't run through the HCV program.

12. Adjournment

A motion to adjourn the meeting of the Board of Commissioners of the Housing Authority of the City of Wilmington, North Carolina was made by Commissioner Backston, seconded by Commissioner Everett and passed unanimously.

A handwritten signature in blue ink, reading "Katrina H. Redmon", is written over a horizontal line.

Katrina H. Redmon
Chief Executive Officer and Secretary

(SEAL)

A faint, circular seal is visible in the background. It contains the text "WILMINGTON HOUSING AUTHORITY" around the perimeter and the year "1988" in the center.