



ANNUAL MEETING OF THE BOARD OF COMMISSIONERS
OF THE HOUSING AUTHORITY OF THE CITY
OF WILMINGTON, NORTH CAROLINA
July 6, 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

Others Present: Katrina Redmon, Chief Executive Officer
Kevin Carlson, VP/CDO
Kim Fitzwater, VP/CFO
Vernice Hamilton, Director of Human Resources
Patrick Kelly, VP/COO
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 4:00 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 July 6, 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

A corrected version of minutes was distributed. Minutes of the June 1, 2021 WHA Board of Commissioners Meeting were reviewed, the motion to approve minutes was made by Commissioner Chestnut, seconded by Commissioner Everett and unanimously approved.

Ms. Redmon said that if anyone is uncomfortable not wearing a mask that they are encouraged to do so and masks are available if needed.

5. New Business

- **Presentation by Banks Law Firm**

Commissioner Sharp said that Sherrod Banks has prepared materials that were sent to the Board and will make a presentation regarding those items.

Mr. Banks said his goal is to provide short, concise presentations to assist Boards in transition.

Commissioners cannot be compensated except in the case of the resident commissioner.

Conflicts of interests are situations in which the organization is pursuing propriety interest in something you have a personal interest in. PHAs often encounter situations where a commissioner has ownership interest in land that the PHA is interested in developing. Also, when a commissioner owns a Section 8 property. The commissioner must recuse themselves from any decisions regarding these matters.

It is extremely rare for a commissioner to be removed. One possibility would be if a commissioner never shows up for meetings or misconduct. A willful breach of contract constitutes misconduct. Another example is breach of confidentiality. For example, discussion of an item discussed in closed session.

Commissioners are protected from liability in various ways. A commissioner has the right to rely on information provided by the CEO and staff, as well as legal advice from the PHA attorney. If commissioners act as a Board, relying on reports, you are covered. However, if you are acting on your own to investigate something, you are exposing yourself to liability. The PHAs insurance policy covers you as an official of the organization long as you are acting in good faith as a Board. Commissioner Guyton asked if a commissioner approaches staff outside of a meeting for more information, is that a liability. Mr. Banks said that in itself is not but it's a slippery slope.

An open meeting is a meeting of a public body. PHAs are public bodies. Committees of a board are also public bodies. Two members discussing PHA business are a public body conducting an official meeting. If there is a quorum, the public body can take action. If the intent of the meeting is to sidestep the process, that is a violation. The purpose of the statute is that the public should have an opportunity to be present at a public meeting. When there is a grey area, err on the side of caution.

Records that belong to a public body belong to the public. They can be obtained by any person. This doesn't apply to sensitive information in personnel files. However, it does apply to email and text.

- **Committee Updates**

Real Estate Committee Report

Commissioner Sharp said that the committee met on June 29, 2021 and there was a quorum. Current projects were reviewed. A Hillcrest demo-dispo flowchart was distributed and reviewed. Committee members agreed that the format is generally what they are looking for but they would like to see more sequence and more specificity.

Finance & Audit Committee Report

Commissioner Chestnut informed us that the Finance & Audit Committee met on June 29, 2021 and there was a quorum. Financial Statements were reviewed and resolutions were recommended for approval.

Strategic Planning Committee Report

The Strategic Planning Committee didn't meet in June.

6. Resolutions

FINANCE RESOLUTIONS

Resolution No. 1410 – Resolution Approving the Housing Authority of the City of Wilmington, North Carolina Unaudited Financial Statements for the Period Ended April 30, 2021

Resolution No. 1411 – Resolution Approving the Creekwood South, LLC Financial Statements for the Period Ended April 30, 2021

Resolution No. 1412 – Resolution Approving the Housing Authority of the City of Wilmington, North Carolina Unaudited Financial Statements for the Period Ended May 31, 2021

Resolution No. 1413 – Resolution Approving the Creekwood South, LLC Financial Statements for the Period Ended May 31, 2021

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

Resolution No. 1414 – Resolution Authorizing Write-off of Vacated Tenants Accounts Receivable in the Amount of \$5,034.04 for the Period Ended May 31, 2021

Resolution No. 1415 – Resolution Authorizing Write-off of Vacated Tenants Accounts Receivable for Creekwood South, LLC in the Amount of \$12,835.86 for the Period Ended May 31, 2021

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

PROCUREMENT RESOLUTIONS

Resolution No. 1416 – Resolution Authorizing the Chief Executive Officer to Execute a Contract with the Wilmington Police Department in an Amount Not to Exceed \$158,000

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

Resolution No. 1417 – Resolution Authorizing the Chief Executive Officer to Execute a Contract for Floor Repairs at Eastbrook Apartments in the Amount of \$283,635

It was reiterated that this property is deemed viable by the recent Physical Needs Assessment.

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

Resolution No. 1418 – Resolution Approving the Disposition of Washers and Dryers at Houston Moore, Creekwood and Rankin Place Terrace

Mr. Kelly explained that we will be contracting with a company to provide new washers and dryers and this company will also maintain and update the equipment, much like Solomon Towers.

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

Resolution No. 1419 – Resolution Authorizing the Chief Executive Officer to Execute a Contract for Installation of 316 Exterior Doors at Houston Moore in an Amount not to Exceed \$557,320

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

Resolution No. 1420 – Resolution Authorizing the Chief Executive Officer to Execute a Change Order for Mold Remediation for 13 Units as well as the Addition of Electrical Work for the Renovation and Rehabilitation Lifespan Extension Project at Houston Moore in an Amount not to Exceed \$41,400

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

ADMINISTRATIVE RESOLUTIONS

Resolution No. 1421 – Resolution Approving a Significant Amendment the WHA 2021 Annual Plan Submitted to HUD on January 11, 2021 and Approved by HUD on May 13, 2021

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

Resolution No. 1422 – Resolution Authorizing the Chief Executive Officer to Continue to Adopt HUD Waivers and Administrative Relief in Response to the COVID-19 Pandemic, as Needed, and to Communicate the Effects of these Actions to Residents, Participants, Landlords, and Stakeholders

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

Resolution No. 1423 – Resolution Authorizing Acceptance and Use of Emergency Housing Vouchers

Ms. Picard said that WHA has been selected to receive 27 Emergency Housing Vouchers (EHV) from HUD. Will not affect current HCV waiting list and is in partnership with the Continuum of Care (CoC). These can only be given to those referred to the Housing Authority from the Coordinated Entry system of the CoC. We have an MOU with the CoC. These are funded for ten years. If someone drops off the program, the voucher can be reissued up until September of 2023. These vouchers are specifically for homeless, and those effected by domestic violence or human trafficking. Unlike any other voucher, these come with \$3,500 for each voucher that the HA may use to make sure the family is stable and successful in transition. This may include security deposit, furniture, etc. This amount is fluid. The HA can determine that more funds are needed for one family, while less is needed for another. We will receive administrative fees and there is also an incentive for the HA to place people in vouchers quickly. WHA has applied for any additional vouchers available but we have not heard yet but are unlikely to at this point.

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

WHA Board of Commissioners

7. Department Updates

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

- **Housing Choice Voucher**

Mr. Kelly reported that currently there are 1,479 vouchers leased up or on the street. Affordability in Wilmington continues to be the issue.

- **Property Management**

Mr. Kelly reported that 35 families are currently in hotels, 9 in market apartments, and 4 back in units as a result of remediation project. There is 100% occupancy at Rankin and at Glover. Overall actual occupancy is 89.5% and we are right-sizing as we go.

Vesta vacancies have been related to plumbing. Geothermal systems are being replaced by traditional.

- **Community Engagement**

Ms. Picard's report included the following:

- WHA has received \$41,000 through Emergency Rental Assistance Program as of the end of May. \$10,000 more in June.
- Two vaccination events have been completed in June at Rankin and Houston Moore in cooperation with MedNorth. May do another round.
- 17 residents graduated from High School this year.
- Received signed grant agreement for Jobs Plus program. We are in planning phase through the end of November. Will be hiring two case managers and to residents to work as Community Coaches, both part time, one at Creekwood and one at Houston Moore. Creekwood and Houston Moore residents can sign up for the program as of December 1. After that date, any increase in income will not be counted toward an increase in rent. The grant pays the extra amount to the HA. It will be necessary to work with the community to determine areas of demand. We have identified construction, customer service, healthcare and business services. Cape Fear Collective recently released information on this. Community support for work is another pillar of the program. This may include childcare, transportation, tools, etc. If participants complete the training courses they receive a nationally recognized certification in the field. This culture of work will affect not only the individual but the family and the community.

Commissioner Everett asked if technology and science has been considered as a track. Ms. Picard explained that it has not because that type of training is longer than the individuals we serve are willing or able to invest time in. This is a generalization and if there are individuals who are interested in this type of education, we will assist them in finding an appropriate program. These individuals will have another path. We have relationships with CFCC and UNCW and can assist residents interested in pursuing a program offered at one of these schools. We are working with various community partners including Step Up Wilmington.

Ms. Picard says she has been working with David Brenner regarding water for gardens at Creekwood. We have partnered with Ability Gardens which has been awarded \$10,000 for

Creekwood. Next steps are finding a water source and pricing.

Resident surveys are 32% completed.

9. Other Business

- Budget Preparation Discussion

Mr. Fitzwater presented the following:

The CEO and CFO are responsible for Budget preparation. This process is mandated by HUD and highly restrictive in nature by program. The budget process is governed by each programs' rules and regulations. Input from department heads is used, especially for additions of or changes to exiting programs.

Revenue for each program. HUD prepares their Budget. Congress's Ways and Means Committee determines appropriations for each program. They also determine an allocation, or proration percentage for each program. This proration percentage is never 100%. It has varied anywhere from 80% to 97% over the last few years.

For public housing, WHA uses utility costs to determine operating subsidy amounts for each property. For budgeting WHA uses current operating subsidy calculations times an anticipated proration factor to determine operating subsidy revenue by property and program. Use historical tenant revenue to determine tenant revenue for the budget year.

For Housing Choice Voucher revenue is calculated by HUD. HUD determines the fair market value of rent by looking at the 30th percentile for this calculation. HUD goes through appropriations and allocations based on the number of vouchers. It then applies a proration percentage, which is never 100% and has varied from 80% to 95% over the last few years. Keep in mind that Housing Choice Voucher money is paid on the number of vouchers issued, not the amount of money spent.

Capital Fund monies are also appropriated and allocated to housing authorities based on the number of public housing units they have. 20% of Capital Fund can be allocated to public housing units for operations based on number of units. 10% of Capital Fund can be allocated to Capital Fund Administration. This and used for future development and WHA capital fund oversight. A portion of Capital Fund is used to fund the Capital Fund Program Debt. The only capital fund debt is now at Vesta Village, and this is about \$85,500 each year. The remainder of capital fund monies are distributed based on the annual plan which WHA develops each year on current capital needs of each public housing project.

Keep in mind that capital fund money cannot be used for non-public housing properties or RAD properties. Non-public housing tax credits and RAD properties must rely only on replacement reserves that are funded monthly for future capital projects.

For RAD properties such as Rankin, HUD calculates at the conversion date a base rent and subsidy. We can apply for an increase each year, and the increase averages about 2.1% per year. This the only



revenue that a RAD property receives.

Multifamily projects such as Glover Plaza receive multifamily rent and subsidies only. Each year we can apply for an increase, but there is no guarantee that this increase will be approved. These increases average about 2.2% per year.

As far as grant revenue, ROSS and ROSS FSS are competitive awards. ROSS is awarded every three years, while ROSS FSS is awarded every year. These grants are limited to direct costs only. There is no administrative fee that we can charge for these grants.

Continuum of Care is a contract that funding is renewed for each year. WHA receives the funding, and they pay out that entire amount out as payments. There is no administrative fee associated with this contract.

Please keep in mind that these government funds are for restricted use. No funds are transferrable, and there is no fungibility between properties.

Administrative fees are used to pay for executive, finance, human resources, IT, property management and procurement costs. For public housing properties, WHA receives management fees, bookkeeping fees, and asset management fees. For our RAD and Multifamily properties, WHA receives a percent of total revenue, 6% for Rankin and 9% for Glover. For Rankin RAD, WHA receives about \$4,200 in management fees per month. If public housing fees applied, WHA would receive about \$6,000 per month. For Glover, WHA receives about \$3,100 per month. If public housing fees applied, WHA would receive about \$5,800 per month.

HUD tries to keep the Housing Choice Voucher at 0 income per year. For example, if HUD funds HCV based on a certain number of vouchers and that number of vouchers is not achieved, then HUD will reduce funds in future months keep the Housing Choice Voucher program at zero income. Also, fees for administration have been greatly reduced over the last ten years.

Also, WHA used to retain reserves on WHA's books for public housing and housing choice voucher. Now HUD keeps these public housing and housing choice voucher reserves, so WHA loses any interest income on these reserves.

Outside Revenue includes Developer Fees and Incentive management fees for tax credit and RAD properties.

WHA can issue bonds for a percentage bond issuance fee, but only if companies come to WHA for the bond issuance. WHA cannot initiate a bond issuance.

Expenses for each property. For expenses, WHA uses last year's Budget and YTD expenses annualized to prepare the current budget. This information is prepared by property and distributed to the directors for input. Directors convey anything that has changed or additional expenses that may be incurred by the property. Expenses may be increased by inflation or what estimated percent they might increase. For example, utility expenses may be budgeted for 3% increase, while insurance costs may be estimated at a 15% increase.



For public housing expenses, WHA has direct salaries and benefits for property administration, maintenance work, recertifications, and handling residents' problems. We use outside contracts and materials for the maintenance of the properties. We budget for PILOT, which is payments in lieu of taxes to New Hanover county. These payments are based on a percent of tenant revenue at each property. City of Wilmington waives any PILOT that WHA might owe.

For Housing Choice Voucher expenses, WHA has direct salaries and benefits for administration, recertifications and handling tenants and landlord problems. This includes staffing for HCV inspections and scheduling. HCV Case managers handle about 700 cases per person. HCV pays office rent to WHA, and HCV pays a management fee and bookkeeping fee to WHA for management of the program.

Commissioner Sharp asked for a written version of the presentation to be distributed.

10. Closed Session

Commissioner Guyton 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 Everett and approved unanimously.

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

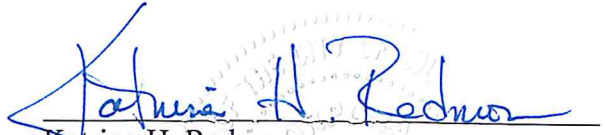
11. CEO Remarks

Ms. Redmon reminded Board members that any remaining Conflict of Interest statements need to be returned.

Ms. Redmon said that, while the new Delta variant is a concern that will be monitored, the goal is to re-open community centers before school starts and re-start Resident and Community Relations (RCR) Committee meetings in late August.

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 Chestnut, seconded by Commissioner Guyton and passed unanimously.


Katrina H. Redmon
Chief Executive Officer and Secretary

(SEAL)