

MINUTES OF A REGULAR MEETING OF
THE HOUSING AUTHORITY OF THE CITY OF RALEIGH
BOARD OF COMMISSIONERS
MAY 23, 2024

The members of the Board of Commissioners of the Housing Authority of the City of Raleigh, North Carolina met at 900 Haynes Street on Thursday, May 23, 2024, at 5:00 p.m. The meeting was held in-person and via Zoom.

The Board Vice Chair called the meeting to order and upon roll call the following were present and absent:

Present: Eric Braun, Susan Ellinger, Arne Morris, Bahati Mutisya, Gregg Warren, Joe Whitehouse, Yolanda Winstead.

Absent: Valerie Crutchfield, Niya Fonville-Swint.

Visitors: Charles Franciss, Francis Law Firm, PLLC.

RHA Staff: Rachel Agunbiade, Sonia Anderson, Priscilla Batts, Liz Edgerton, James Farrell, Katie Lebrato, Ashley Lommers-Johnson, Laura McCann, Jennifer Morgan, Donna Perez, Kenya Pleasant, Gwen Wall, Chris Whitenhill.

The Board Chair declared a quorum present and welcomed everyone to the meeting.

RECOGNITION OF VISITORS

The Board Chair welcomed the visitors to the meeting.

PUBLIC COMMENTS

There were no public comments this evening.

CONSENT AGENDA

All items on the Consent Agenda are considered to be routine and may be enacted by one motion and second. If a Commissioner requests that an item be removed from the Consent Agenda it will be done and considered as a separate item. The vote will be a roll call vote.

Item 1

Charge-off of delinquent resident accounts for March 2024

Charge-off of delinquent resident accounts for April 2024

Item 2

No Financial Statements due to year-end closeout

Item 3

Vacancy and Turnover Summary for March 2024
Vacancy and Turnover Summary for April 2024

Item 4

Minutes from March 28, 2024 regular meeting
Minutes from April 26, 2024 special meeting

Commissioner Braun moved and Commissioner Whitehouse seconded approval of the Consent Agenda.

A vote being called, the ayes and nays were as follows:

Aye: Eric Braun, Susan Ellinger, Arne Morris, Bahati Mutisya, Gregg Warren, Joe Whitehouse, Yolanda Winstead.

Nay: None.

The Consent Agenda has been adopted.

COMMISSIONER COMMENTS

There were no commissioner comments this evening.

REPORT OF THE BOARD CHAIR

The Board Chair said some of the resolutions will be taken out of order this evening.

REPORT OF THE BOARD SECRETARY

Pre-Board Meeting

The Pre-Board meetings that we started scheduling last year are continued to occur at noon on the Monday before the Board Meeting as an opportunity for feedback, and to respond to questions on all resolutions, as a way of increasing our accessibility to the community. Unfortunately, we have not had anyone attend those. They will continue to be scheduled, and we will staff it to provide opportunity for the community to participate in this way.

Board Meeting Recordings

All Board Meetings will be recorded from now on, and will be posted on our YouTube channel, and accessible through our website upon approval of minutes.

RHA Logo

We are rolling out our new logo and brand on all our communications and our logo and brand has been designed to communicate that we want to be approachable and as accessible as possible.

In addition to this rollout of a logo and brand on communications, we will have a new website that has been designed and it will go live later in October this year as we build out the information on that website.

Strategic Communications Plan

We have developed, with the assistance of a consultant, a social media strategy that's been presented to us. The social media strategy will be incorporated into our Strategic Communications Plan which will be brought to the board for approval or adoption at an upcoming Board Meeting. The goal of this social media strategy is to expand our presence and engagement across social media.

Yardi Software

The new Yardi software has been launched with a go-live date of April 1. This new software will enhance our ability to engage with our core stakeholders, our residents, our participants, our landlords, and other partners, as well as our staff.

SEMAP Report

“SEMAP” stands for the Section Eight Management Assessment Program. It is a self-evaluation based on 14 indicators and this report is due on May 31st every year. Ours is due next week. Our score based on the self-evaluation is 100%. Out of all of those 14 indicators, 13 of them are compliance indicators. One key compliance indicator for us, because of an audit finding in the last year, is a only a 2% late annual recertification percentage. During the audit it was 27%.

The only true performance indicator, in my mind, is the percentage of units leased, which is the indicator number 14. The actual score on indicator 13 is based on a percentage of our budget spent, so HUD allows us to pick which indicator is used and since our percentage of budget spent has the highest score, that's what we are reporting.

One of the changes that has occurred with HUD, and with housing authorities, is that HUD has increasingly focused on this metric of how much we spend of our section eight budget, rather than a true performance indicator, which is the percent of units leased.

Voucher utilization is the percent of the vouchers that a housing authority leases. It's a measure of the extent to which the Housing Authority maximizes the number of households served. In my mind, this is the most important factor and focus of our Section Eight program. Our May utilization of the section a program is 95.6%, which is almost 5% above the January 2023 number. For context, the North Carolina average utilization is 81.28%.

While our staff has worked hard and they deserve the credit for this increase, key partners in this achievement are the 904 landlords that we have across Raleigh and Wake County. Another encouraging and important number to note is that in the last year in 2023, the Raleigh Housing Authority housed 301 new households through the voucher program.

Misc.

- Our project based voucher awards under the RFP that we issued in November are still pending environmental reviews.

- 51 of these PBV units that will receive project based vouchers will become available in the next three weeks. And we're hoping that we can get Heritage Park residents ready to occupy some, or most, of those units.
- Our Yardi software implementation has gone live, and it is off to a slow start. We are working hard with our vendor to make sure that all of our applications are completely usable by the end of June.
- Regarding our health benefits renewal for this year, our carrier offered the new premiums at a 40% increase. Our HR Director went back to them and asked for a better price and we were surprised that it came down to 15%, which was within the budget that the Board approved. What this means is that we will not have to change carriers in the next year and our staff will be able to stay with the current medical providers.

Commissioner Warren said the Section Eight report is really great and I appreciate the progress that you've made, and just particularly how well we benchmark against our other organizations in the area in terms of utilization. When you mentioned the 300 new households, I'm assuming that's basically 300 more new vouchers going out from the prior year, not necessarily new participants.

Mr. Lommers-Johnson said it's new vouchers that were provided to participants who leased up during 2023. And that's not a net increase of 301, because some households do leave the program. So that 301 number is an addition of new households housed with Section Eight vouchers for the first time.

Commissioner Warren asked if the number of voucher holders is changed by 300 or is a little bit less than that.

Mr. Lommers-Johnson said it's less than that because an average of 204 households leave the program through one or other reasons. The gain over last year was a net of about 100 or slightly over 100.

Commissioner Winstead asked about the project based voucher awards. Those are pending the environment reviews – do you know how long those will take? And are you going to wait until those come back before announcing the awards or are you going to announce the award subject to satisfactory review?

Jennifer Morgan said with some of the existing properties, the way the regulations are written, we can't make any formal awards until the environmental and the HQS is completed. And then on the new construction, we are working through those awards and preparing for the environmental review and the subsidy layering review. So, it depends on what property type it is. The city is doing some environmental reviews and the county is doing some of the environmental reviews but they are all in the pipeline.

Commissioner Winstead asked if there is any concern around losing out on some units that you intend to award vouchers to, if that process for the subsidy layering review and the environmental reviews take a protracted amount of time and those properties start leasing up.

Mrs. Morgan said we are hoping that's not going to happen. We're working with the city and the county – and on the existing properties, there's no subsidy layering review required. So, we're waiting on the environmental review to be completed. And we are waiting for the units to be built so that we can inspect them, because we cannot award until they pass inspection on those existing properties. We are working to make sure everything flows smoothly.

Commissioner Warren said I commend you for opening up the discussion on Mondays about what's on the agenda. He asked what happens if nobody shows up for the meeting.

Mr. Lommers-Johnson said we typically just end after 10 minutes. It's not a heavy lift on the staff, typically only the staff who have resolutions to present to the Board attend the meeting. I want to continue that so that it remains an option when people do want to have the opportunity, they can take advantage of that. We'll try to see if there's a way for us to increase our publication of that meeting, but it is on our website.

Commissioner Braun suggested we can push it out over social media to make people aware, like a few days before.

Katie Lebrato said most weeks I have a graphic that shares about both the Monday and the Thursday meeting that I share the week prior. And then I share again, a graphic that just shows the Thursday meeting. It would be beneficial to increase those posts, and maybe even do some networking with that to encourage some attendance.

REPORT OF THE REIC CHAIR

Commissioner Warren said we had a semi-informal meeting on Friday of last week and we discussed a number of items. The Heritage Park Relocation Plan will be discussed related to the resolution this evening. We got a run-through on the Section 18 application that you will be asked to approve later on. We noted that the Glenwood RAD application is starting. While the committee didn't have a lot of discussion on that, I think that everybody's aware that we'll have to have a good Communications Plan because if the word does get out that we're going to be changing the use of that property and moving residents out of that property there will be a lot of attention to that.

We talked about city collaborations, and county collaborations. The times early on in our process, it's been a little rocky. But I think that everybody feels that things are getting better. And much more open communication with city leaders and county leaders.

We also discussed looking for the land swap with William Peace University. There is an outgoing president at William Peace University and Mr. Lommers-Johnson is going to reach out to that individual.

Mr. Lommers-Johnson said we started reaching out to the mayor quite a while ago and to elected officials about Glenwood Towers and we will start meeting with our residents to inquire from them about what they like about it and what they don't like. We can begin to formulate ideas

around what the future of Glenwood is. Right now, we don't have any plans and we'll create the plan as we move forward.

NEW BUSINESS

Kenya Pleasant said we've made a lot of progress on Heritage Park and we're now at the point where we are going to be submitting the Section 18 application. This specific resolution is just for the authorization to submit the application, not for the official approval of the Section 18 application.

We have conducted several community engagement meetings leading up to this point, including our design workshop that we held at the beginning of the year. If we go back and look at the number of meetings that we had since early last year, we've had 11 in total, with respect to community engagement. This Section 18 application is a part of our Strategic Plan. It's also been adopted and is part of our Five Year Admin Plan. The initial concept plan that was developed during the design workshop was adopted by the Board in March 2024.

We also have conducted our capital needs assessment, which supports obsolescence and shows that the property meets the HUD definition of obsolescence. That makes this eligible for the section 18 disposition. This is a Section 18 disposition-only application.

It is our commitment where we will retain the long term affordability for all of the existing residents and continue to provide subsidies through tenant protection vouchers or transfer to other PHA assets.

We have conducted meetings with residents to specifically talk about the Section 18 application and the Relocation Plan which we will hear about later this evening.

We have had in-person meetings and virtual meeting options. We've posted the Relocation Plan for comment. All the information has been made public on our website. And we've had a lot of communication getting information directly to residents with flyers as well as via email.

We have meetings with elected officials consulting both counsel as well as the mayor. We have a letter of support from the mayor, which is part of the requirements for the submission of a Section 18 application. And in an effort to provide as many relocation options as possible for our residents, we have issued the Project Based Voucher RFP, and we have given priority for those for those projects that have units coming online in 2024, in anticipation that those could serve as relocation options for Heritage Park residents.

We are committing to a one-for-one replacement for the deeply affordable units so that we will continue to have 122 deeply affordable subsidized units when we come back with the redevelopment and that all residents in good standing have a right to return.

Another key component of the Section 18 application is the environmental review that is being conducted. We also have an updated phase one environmental assessment that is ordered, and we expect to have that at the end of the month.

We met with the Resident Council, and we met with the new incoming president, as well as the outgoing president. Last year we had several meetings with the ICC committee as well.

Based on all of this, we're looking for approval to submit the Section 18 application.

Commissioner Braun asked what the general response from residents has been.

Mrs. Pleasant said residents are excited now. We had feedback from people that this is what they've been waiting for. Now that we're talking about actual relocation options and the fact that we have those project based voucher units that are available now, I think people can see it on the horizon, as opposed to this being something that's going to take place in two years.

Commissioner Braun said I'm glad everybody's worked hard to try to do as much outreach with the community.

Mr. Lommers-Johnson said the meeting on Monday was the most positive meeting since we started meeting in June 2023. They were very attentive and eager to learn about what their options are. We really did not hear any negative comments about the process and about the options that people have.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 37 (2024)

A RESOLUTION AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO SUBMIT A
SECTION 18 APPLICATION TO HUD FOR THE DISPOSITION OF HERITAGE PARK

WHEREAS, the Housing Authority of the City of Raleigh (RHA) entered into a Master Planning Agreement ("MPA"), effective May 31, 2023, with Brinshore Development, L.L.C. an Illinois limited liability company ("Brinshore") and Raleigh Raised Development, LLC, a North Carolina limited liability company ("Raleigh Raised"), collectively, Brinshore and Raleigh Raised (the "Developer") for the repositioning of Heritage Park, a 122-unit public housing community owned by RHA and located at 416 Dorothea Drive, Raleigh, North Carolina 27601 ("HP"); and

WHEREAS, the Developer engaged Torti-Gallas and BLWall for master planning and community engagement services; and

WHEREAS, Developer, Torti-Gallas, and BLWall (collectively, the Development Team) has been working with RHA staff over several months, held a series of community meetings, focus groups and listening sessions with residents, resident council leadership, potential partners, advocate groups, and other community stakeholders, and has considered that feedback in the development of an Initial Concept Plan for HP which was adopted by the Board of Commissioners on March 28, 2024; and

WHEREAS, Section 18 of the U. S. Housing Act of 1937 (Section 18) authorizes the demolition and disposition of public housing, with administrative steps and application process (24 CFR 970) prescribed by the U.S. Department of Housing and Urban Development (HUD); and

WHEREAS, in keeping with its Five-Year Plan for the five-year period commencing April 2024, RHA plans to reposition HP using the Section 18 disposition application and has provided for that action in its Annual Plan; and

WHEREAS, RHA has determined that the Initial Concept Plan and approval of the Section 18 disposition application for HP is consistent with the goals and objectives outlined in the Strategic Plan adopted by the Board of Commissioners on March 28, 2024; and

WHEREAS, RHA engaged a firm to complete a capital needs assessment and which findings concluded that the level of capital needs at HP meets the HUD definition of physical obsolescence, which makes it eligible for HUD disposition approval under Section 18; and

WHEREAS, upon HUD approval of the Section 18 disposition application RHA intends to retain long-term affordability for all existing, eligible residents and provide housing subsidies through receipt of Tenant Protection Vouchers or via transfer to another public housing unit; and

WHEREAS, RHA developed a proposed relocation plan which details, but is not limited to, relocation benefits provided by RHA, right to return requirements for all residents in good standing, dedicated relocation staff to develop personalized relocation plans based on household needs (Relocation Plan). RHA has consulted with residents during in-person and virtual meetings, and has provided written information to HP residents, to discuss the Section 18 application, proposed disposition of HP, and Relocation Plan, including the solicitation and consideration of comments during a fifteen (15) day public comment period on the Relocation Plan; and

WHEREAS, RHA issued a RFP for Project-Based Vouchers (PBV) that includes bonus points for properties with units available in 2024 and will continue to engage with other affordable housing developers, owners, and City and County partners to help identify relocation options for HP residents; and

WHEREAS, the Initial Concept Plan includes the development of at least 122 deeply affordable, subsidized units. RHA is committed that all residents in good standing will have a right to return to HP as provided in the Relocation Plan; and

WHEREAS, RHA engaged a firm to complete an updated Phase I environmental assessment and the County of Wake in its capacity as the responsible entity has commenced an environmental review for HP; and

WHEREAS, RHA has consulted with local officials and City and County staff, and has received a letter of support from the Mayoral Office of the City of Raleigh on the Initial Concept Plan, proposed Section 18 disposition application, and Relocation Plan; and

WHEREAS, RHA has consulted the resident council of its plan to submit a Section 18 application for the disposition of HP and shared the Relocation Plan and vision to create a vibrant, thriving, healthy community that will address the growing need for adding quality affordable housing options in communities that are walkable, connected, diverse, and safe;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that the Chief Executive Officer is delegated to take all actions necessary to accomplish the submittal and approval of the HUD Section 18 application for the disposition of HP.

Commissioner Braun moved and Commissioner Warren seconded approval of the foregoing resolution. A vote being called, the ayes and nays were as follows:

Aye: Eric Braun, Susan Ellinger, Arne Morris, Gregg Warren, Joe Whitehouse, Yolanda Winstead.

Nay: None.

Resolution No. 37 (2024) has been adopted.

Laura McCann said the Raleigh Housing Authority is the owner of Heritage Park community and we've been working towards demolition and full reconstruction of this site. In order for redevelopment to occur, 99 families must be moved off site. RHA has the responsibility to develop a Relocation Plan that will guide residents and staff through this process. Because of this responsibility, staff has been collecting feedback from residents and stakeholders.

It has been staff's aim to create a plan that was made not just *for* the residents, but *with* the residents. To ensure that this plan sufficiently incorporates resident voices, the draft has been provided to the residents, then presented at community meetings, distributed to resident leadership, and is currently out for public review and comment.

The proposed Relocation Plan meets all of HUD's requirements and falls in line with the guiding principles and directives established for this project. Staff is seeking Board approval to adopt this Relocation Plan for Heritage Park, effective June 1, 2024.

Commissioner Morris asked about the timing of the relocations.

Mrs. McCann said we are working to bring in a relocation team that is going to be overseeing that. The Section 18 application has a lead time of 60 to 90 days before anything gets approved. During that time we are hoping to work with the "early movers". However, the official start will not happen until HUD approves the application.

Mrs. McCann said the early movers will still be eligible for the benefits outlined in the plan. Our hope is that we can help get some of these families to take the opportunity for the new PBV units we've been trying to bring online. This will also help with the overall relocation once that plan is approved, because there'll be less families to house at that point.

Commissioner Warren said one of the points we discussed in the Real Estate Investment Committee was that we're prepared to pay for utility deposits, some of which may be refundable

down the road, and maybe even security deposits for apartments. And I think there was some discussion as to whether or not staff would have the ability to track those deposits that we may pay down the road, should they be refunded. I think staff was going to look into that some more.

Mr. Lommers-Johnson said we thought that once people have moved off the site and if they returned to the site, they will be required to pay their own security deposits. And if they get security deposits refunded from their landlords, they would pay that back to RHA. We will be paying for relocation costs both ways for folks who are who are moving back to Heritage Park, after temporarily being off site during construction. With utility security deposits, also for those folks who do not come back, we will not request for that funding to come back to the housing authority, but that it might still be a work in progress as we consider how to handle that based on any more comments that we get during the comment period.

Mrs. McCann said no comments have been received, to date.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTIONS NO. 38 (2024)

WHEREAS, the Raleigh Housing Authority (“RHA”) is the owner of Heritage Park, a 122-unit public housing community; and

WHEREAS, under Resolution No. 60 (2019), RHA’s Board approved the demolition and reconstruction of this distressed property; and

WHEREAS, RHA has stopped moving new residents into this property to reduce the number of families that require relocation due to redevelopment activities; and

WHEREAS, Heritage Park is currently home to 99 families who will need to be relocated in order for redevelopment to occur; and

WHEREAS, RHA has the responsibility to develop a Relocation Plan that complies with the requirements outlined by HUD in Section 18 of U.S. Housing Act of 1937 as amended; and

WHEREAS, RHA values resident feedback and has been meeting with residents to gathering input and suggestions regarding relocation since 2019; and

WHEREAS, RHA has created a comprehensive strategy for the redevelopment of this community including a Relocation Plan that has been crafted with the input received; and

WHEREAS, the Relocation Plan is being circulated to residents and the public to encourage final feedback and comment; and

WHEREAS, the proposed Heritage Park Relocation Plan falls in line with the guiding principles and directives developed throughout RHA’s planning and implementation process;

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that the attached Heritage Park Relocation Plan become effective June 1, 2024, allowing staff to prepare all Heritage Park occupants to begin the process of relocation according to the Plan.

BE IT FURTHER RESOLVED that if substantial public comments are received that require additional changes to the Relocation Plan, it will be brought back to the RHA Board of Commissioners at the next board meeting.

Commissioner Braun moved and Commissioner Winstead seconded approval of the foregoing resolution. A vote being called, the ayes and nays were as follows:

Aye: Eric Braun, Susan Ellinger, Arne Morris, Gregg Warren, Joe Whitehouse, Yolanda Winstead.

Nay: None.

Resolution No. 38 (2024) has been adopted.

Liz Edgerton said housing authorities are required to report annually on the performance of their Housing Choice Voucher Program. They use a HUD tool called the Section Eight Management Asset Program or “SEMAP”. This is HUD’s evaluation of PHA compliance of federal requirements.

There are 14 different indicators. Most of them are more compliance than performance. You can get a possible 135 points plus a five point bonus.

Attached to the resolution are the HUD forms, a summary, and a narrative describing how staff arrived at the sampling sizes, along with comments. These numbers are calculated using RHA’s fiscal year so they will sometimes conflict with other reports from staff based upon funding calendar year numbers. If approved, it will be submitted to HUD by the May 30 deadline.

RHA received a score of 104, and we did receive the extra five bonus points. RHA has been a high performer on the SEMAP score since 2008.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 39 (2024)

WHEREAS, on October 6, 1998 the United States Department of Housing and Urban Development (“HUD”) issued Notice 98-50 which announced the establishment of the Section 8 Management Assessment Program (“SEMAP”) described in 24 CFR Part 985; and

WHEREAS, 24 CFR Part 985 requires public housing authorities, which administer a Section 8 tenant-based Housing Choice Voucher program, to submit information relating to the performance of their Section 8 voucher program in fourteen different indicators:

- (1) Selection from the Waiting List,
- (2) Determination of Rent Reasonableness,
- (3) Determination of Adjusted Income,
- (4) Utility Allowance Schedule,
- (5) Housing Quality Standards (“HQS”) Quality Control Inspections,
- (6) HQS Enforcement,
- (7) Expanding Housing Opportunities,
- (8) Payment Standards,
- (9) Annual Reexaminations,
- (10) Correct Tenant Rent Calculations,
- (11) Precontract HQS Inspections,
- (12) Annual HQS Inspections,
- (13) Lease-Up,
- (14) Family Self-Sufficiency Enrollment; and

WHEREAS, as a part of SEMAP, the Raleigh Housing Authority (“RHA”) is required to prepare and submit an electronic certification of its performance to HUD within 60 days of the end of its fiscal year; and

WHEREAS, sources of information during the subject fiscal year for the SEMAP scoring include:

- A sample of applicants who reached the top of the Section 8 waiting list,
- A sample of applicants who were housed,
- A sample of Section 8 participants,
- RHA’s utility allowance determination file,
- The listing of quality control inspections performed,
- A sample of failed inspections,
- RHA’s Section 8 Administrative Plan,
- RHA’s voucher briefing package,
- HUD’s Public and Indian Housing Information Center (“PIC”) computer system,
- RHA’s lease-up data for the Section 8 Voucher Program,
- RHA’s Family and Self Sufficiency Program records,
- U.S. Census 2020 data on poverty rates, and
- RHA’s operational software; and

WHEREAS, staff has completed the SEMAP certification, a copy of which is attached hereto and incorporated herein by reference, and assembled all documentation required to be maintained in connection with the certification; and

WHEREAS, RHA is required to submit the certification to HUD by May 30, 2024;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that the Board Chair and CEO are authorized to execute the attached SEMAP certification.

Commissioner Braun moved and Commissioner Warren seconded approval of the foregoing resolution. A vote being called, the ayes and nays were as follows:

Aye: Eric Braun, Susan Ellinger, Arne Morris, Gregg Warren, Joe Whitehouse, Yolanda Winstead.

Nay: None.

Resolution No. 39 (2024) has been adopted.

ADJOURNMENT

There being no further business to come before the Board, the RHA Board Meeting adjourned at 5:50 pm.