

MINUTES OF A REGULAR MEETING OF THE COMMISSIONERS
OF THE
CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY

The Commissioners of the City of Roanoke Redevelopment and Housing Authority met for a regular session on Monday, February 22, 2010, in the offices of the City of Roanoke Redevelopment and Housing Authority, 2624 Salem Turnpike, NW, in the City of Roanoke, Virginia.

I. CALL TO ORDER – ROLL CALL

Chairman Karnes called the meeting to order at 3:11 p.m. and declared that a quorum was present.

PRESENT: Commissioners Boitnott, Burruss, Butler, Garner, Karnes

ABSENT: Commissioners Miller, Smith

OFFICER PRESENT: Glenda Edwards, Secretary-Treasurer

ALSO PRESENT: Cathy Wells, VP of Human Resources and Administration; Earl Saunders, VP of Real Estate Management; Jackie Austin, VP of Finance/CFO; Roger Vest, VP of Real Estate Development; Penny Southward, VP of Resident Services; Helen Shampine, HCV Director; Joel Shank, Capital Improvements Director; Briggitt Harris, Housing Operations Director; John Urquhart, Financing/Risk Manager; David Hensley, HCV Program Coordinator; Katie Tyler, Executive Assistant; Nick Conte, Legal Counsel; Court Rosen, City Council Liaison; Helen Davis and Evelyn Bethel

II. REPORTS

1. Financial Report

Chairman Karnes asked for the Financial Report.

Jackie Austin, RRHA VP of Finance/CFO, referred to the Monthly Operations Report Finance Section and referenced page 37. Public Housing is reporting net income of approximately \$630,000. Total revenues are showing a favorable variance of \$139,000 due mainly to favorable variances in both dwelling revenues and operating subsidies. Total expenses are showing a favorable variance of \$378,000 mostly attributable to administration, general, utilities and extraordinary maintenance expenses, which are reporting favorable variances. Administrative expenses are under budget \$65,000 due to expenditures that have not been realized to date. Utility expense is under budget due to budgeting for utility rate increases anticipated to be incurred later in the fiscal year. General expenses are reporting a favorable variance of \$69,000 due to expenses that have been budgeted but not yet incurred, such as bad debt write-off which are expensed in March and September. Extraordinary maintenance is under budget by \$64,000 primarily due to a credit from insurance proceeds that RRHA received for a casualty loss and the invoice was received in February for the completed repairs.

The Central Office Cost Center (COCC) is reporting a difference in revenue and expense of \$157,000 on page 46. Total revenues are approximately \$19,000 under budget mostly due to service fee income. Service fee income is showing an unfavorable variance of almost \$34,000 due to budgeting service fees for personnel to the COCC for which the fee cannot actually be billed because it is currently charged directly to the Capital Fund Program (CFP). In order to comply with Stop-Loss

requirements, these fees had to be reflected in COCC budgeting but continue to be charged directly to the CFP until the 2007 Capital Fund grant is expended, at which time the service fee billing will begin. The 2007 Capital Fund grant was recently expended on the administrative line and those staff positions have now been moved to the COCC, which will be reflected on future reports. Total expenses are showing a favorable variance of \$172,000, mostly attributable to administrative expenses showing a positive variance of almost \$153,000, which is due to the same Stop-Loss provision previously described.

The Section 8 program is reporting a loss of approximately \$19,000 mostly due to unfavorable revenues in interest income and administrative subsidy as shown on page 47. Total revenues are showing an unfavorable variance of \$7,000, mostly due to an unfavorable variance in interest income due to using reserves to fund the shortfall in HAP expenses and decreasing interest rates. Administrative subsidies are down due to not reissuing vouchers to reduce HAP expenditures. Total expenses are showing a favorable variance of approximately \$13,000, of which \$24,000 is attributable to administrative expenses which is due to several positions which have been absorbed by other open positions within RRHA in an effort to reduce expenses in the Section 8 program. Ordinary maintenance is reporting an unfavorable variance of \$11,000, due to contract expenses that have been incurred but were not included in the budget.

Ms. Austin stated that HUD notified Housing Authorities on February 16th of the 2010 funding for the Housing Choice Voucher Program. RRHA's HAP renewal funding is approximately \$723,000.00 per month with expenses are averaging \$700,000.00 per month. Ms. Austin stated that if costs remain relatively constant throughout the year,

there will be no need for any additional cost reductions; however, cost will need to be monitored closely to remain within HUD funding levels.

Ms. Austin stated that HUD also notified RRHA of the 2010 funding of the Veterans Affairs Supported Housing (VASH). Ms. Austin stated the 2010 funding would be \$46,772 for the year with current calendar year expenses of \$95,000. Ms. Austin stated RRHA does not anticipate a shortfall in the VASH program due to the reserve amount of \$191,000.

Commissioner Garner asked whether the HAP funding would mean that vouchers would start to be reissued. Ms. Glenda Edwards, RRHA Executive Director, stated that RRHA has not been reissuing vouchers since August 2009. RRHA has to maintain a utilization rate of 98%, but the program will have to be managed very carefully in order to manage fluctuations in per voucher cost within the 2010 budget amount. Ms. Edwards stated that she does not anticipate making any further reductions in vouchers and that reissuing vouchers will resume, but very cautiously.

Commissioner Garner asked what the current utilization rate was. Mr. David Hensley, RRHA HCV Program Coordinator, stated that the rate is noted in the narrative section of the Section 8 Board Report. Ms. Austin stated that the current rate is 96.1% as stated on page 16 of the Real Estate Management section of the Board Report. Ms. Edwards stated that RRHA had waited until 2010 calendar year funding amounts were communicated from HUD due to the risk of another shortfall situation if 2010 funding was not sufficient to cover rental assistance commitments.

Commissioner Garner asked how the \$723,000 compares to the amount that was budgeted for the year. Ms. Austin explained that Housing Assistance Payments

(HAP) expenses are not included in RRHA's operating budget. RRHA budgets include administrative expenses, but not HAP expenses, because those funds are restricted only for HAP and flow through RRHA from HUD to landlords.

Chairman Karnes thanked Ms. Austin for her report.

2. Executive Director's Report

Chairman Karnes asked for the Executive Director's report.

Ms. Edwards passed around a plaque received from Rebuilding Together – Roanoke recognizing RRHA's contribution in providing a team of volunteers to work on a Rebuilding Together home as well as sponsoring a home.

Ms. Edwards referred to her written report in the Monthly Operations Report and stated that the schedule for the Community Meetings had been distributed and Commissioners are invited and welcome to attend any of the meetings.

Ms. Edwards stated that the annual statewide Neighborhood conference will be held at the Hotel Roanoke September 23 through 25, 2010, and RRHA will be participating in the conference as a member of the Roanoke Revitalization Partnership. More details will be distributed once received.

Ms. Edwards commended the Capital Improvements staff, Mr. Joel Shank, RRHA Capital Improvements Director, at the direction of Roger Vest, RRHA VP of Real Estate Development, for achieving 100% obligation of the American Reinvestment Recovery Act (ARRA) Funds which HUD required to be obligated by March 17, 2010. Ms. Edwards stated that Mr. Shank performed double duty in administering twice the normal amount of capital improvement funds this past year. Ms. Edwards stated that the ARRA funds provided a great opportunity for RRHA to move further down the long

list of capital improvement needs in public housing and to serve the purpose of generating jobs through providing work for contractors.

Commissioner Garner asked if RRHA was done with Miller's Hill. Ms. Edwards stated that Day Avenue, L.P. has sales agreements for four houses that are scheduled to close on March 12, 2010. Ms. Edwards stated that this would leave one house remaining on Day Avenue that is 75% completed that is owned by the limited partnership.

Vice-Chair Burruss asked the amount of the Self-Sufficiency grant that was denied and referenced in the Executive Directors Report. Ms. Edwards stated that the amount was \$130,000 and that amount funded two positions for coordinators.

Commissioner Garner inquired if due diligence was completed and breakeven was achieved for six months in order for Hurt Park, L.P. to receive the final equity draw; why there was a swing from December to January from loss to profit for Shenandoah Crossings, L.P.; and how the limited partnerships were performing overall. Mr. John Urquhart, RRHA Financing/Risk Manager, stated that the breakeven period is in progress for the six months required in order to receive the final equity draw for Hurt Park, L.P. Ms. Edwards stated that Shenandoah Crossings, L.P. refinanced a mortgage in late 2009, and that is what is reflected in the financial statement. She stated that overall the limited partnerships are performing well, and RRHA continues to serve as management agent under agreements with those partnerships. Ms. Edwards stated that all properties are currently able to pay their management fees, and occupancy has improved at 8 Jefferson Place.

Commissioner Garner inquired about the unobligated HOPE VI funds. Ms.

Edwards stated that, during the HOPE VI project at the Villages at Lincoln, there were more units demolished than were rebuilt, resulting in a net loss of public housing units. HUD approved Replacement Housing Factor (RHF) funds to replace some of those units, with the funds to be allocated in two 5-year increments. Ms. Edwards stated that a plan was submitted for HUD approval for the use of the Replacement Housing Funds to construct 6 units in the Hurt Park neighborhood. Ms. Edwards stated that, although multiple contacts were made to follow-up with HUD, RRHA did not receive notification of approval before the statutory deadline expired. Ms. Edwards stated that, upon HUD staff determining that they could not extend the deadline, HUD sought to identify another avenue for RRHA to utilize those funds and offered RRHA the opportunity to amend the HOPE VI Revitalization Plan. Ms. Edwards stated that, with HUD approval, RRHA substituted the Replacement Housing Funds for the payment of HOPE VI expenses, which freed up \$915,500 of HOPE VI funding to be used to construct the 6 units of public housing. Ms. Edwards stated that this approval process with HUD was well documented.

Chairman Karnes thanked Ms. Edwards for her report.

3. Staff Reports – Briggitt Harris

Chairman Karnes asked for Staff reports.

Ms. Briggitt Harris, RRHA Housing Operations Director, gave an overview of the application process for public housing. Ms. Harris stated that applications can be taken either at the individual site or at the central office and that HUD requires birth certificates, social security numbers and photo identification for any family member who is 18 or older. Ms. Harris explained some of the differences between market rental and

the public housing application process. She stated that the application can take up to six weeks to process, which includes credit and criminal background checks while market rental is a shorter, less complicated process.

Ms. Harris stated that 4,802 applications were received last year, and 3,406 were withdrawn, meaning that 71% of applicants did not complete the process for reasons varying from no shows to the applicant not providing required information.

Ms. Harris stated that once an applicant is determined eligible they are placed on the wait list, and every effort is made to process all applications as efficiently as possible.

Ms. Harris stated that HUD issued notice PIH 2009-35 in September 2009 regarding a sex offender website which can be accessed to determine if any applicant or tenant has had an offense within the last year.

Ms. Harris stated that preferences provided for housing include applicants who are working; disabled and elderly; victims of domestic violence; or involuntarily displaced persons.

Ms. Edwards asked Ms. Harris to give an overview of verification of income and the wait list. Ms. Harris stated that there is not a requirement that applicants have income; yet there is a minimum rent of \$50 per month. Ms. Harris stated that, if applicants have benefits from SSI or veterans benefits or workers compensation, those funds have to be third-party verified. Ms. Harris stated that applicants also must disclose any income that is provided from other family members.

Ms. Harris stated that applicants are placed on the wait list according to the size of unit they qualify for, application date, and preference. Ms. Harris stated that working,

and elderly and disabled preferences are all weighted the same; however, if someone is displaced they can receive an additional point toward their place on the waiting list. Ms. Harris stated that HUD requires applicant information to be not be more than 90 days old at the time of move in.

Vice-Chair Burruss inquired whether other housing authorities choose to provide preferences that RRHA does not use. Ms. Harris stated that it is up to the housing authorities to determine what preferences they provide, and RRHA involved residents when the agency was choosing the preferences currently provided.

Vice-Chair Burruss asked whether a preference could be provided to veterans. Ms. Harris affirmed that a preference could be provided to veterans.

Ms. Harris stated that all residents of public housing are required to perform 8 hours per month of community service, which is a HUD requirement. Vice-Chair Burruss asked if the hours were prorated if the resident was working. Ms. Harris stated that the community service hours are not prorated and that a resident must work 30 hours or more to be exempt from performing 8 hours of community service.

Chairman Karnes asked if there was a maximum amount a person could make to live in public housing. Ms. Harris stated that income eligibility is based on a maximum of 80% of the Area Media Income for the family size. Ms. Edwards clarified that the income eligibility applies to applicants. Once a person is in public housing, they can stay regardless of how much they earn.

Commissioner Garner asked about the Workers' Compensation Report. Mr. Urquhart stated that there were two claims in December involving employee injuries due to the removal of snow and one automobile accident that was no fault of the RRHA

employee. Commissioner Garner asked how it will affect the renewal of the insurance. Mr. Urquhart stated that the renewal is on a 3-year contract, and he anticipates that it will affect the renewal rate due to the fact that some of the injuries will require surgery.

Commissioner Garner inquired about safety programs. Mr. Urquhart stated that there is a safety orientation for all new employees. Ms. Edwards stated that snow removal cost for the current year is triple from previous years and, while this unusually harsh winter has presented multiple challenges, it has also allowed RRHA the opportunity to identify areas where safety practices should be reviewed for improvement.

4. Committee Reports

Chairman Karnes asked if there were committee reports. There were none.

5. Residents or other community members to address the Board.

Ms. Evelyn Bethel of the Historic Gainsboro neighborhood stated that she would like to commend Ms. Edwards and her staff for taking care of the last block of black history on Henry Street and when the commitment to RNDC ends, she hopes that same spirit continues to the residents of Gainsboro. Ms. Bethel stated that the three Gainsboro neighborhood organizations are still interested in the development of Henry Street and believe the best of yesterday can and will be brought into today and tomorrow. Ms. Bethel stated that they would like to respectfully request the Board that the neighborhood groups be included in the development of Henry Street. Ms. Bethel gave a letter addressed to Ms. Edwards to Ms. Katie Tyler, RRHA Executive Assistant, and asked if there were any questions.

Vice-Chair Burruss stated that if she recalls correctly the commitment to RNDC

ends in March 2010. Ms. Bethel stated that was correct. Commissioner Garner asked if RRHA had heard anything from RNDC. Ms. Edwards stated that Mr. Price called last week stating that he had engaged in preliminary discussions with a developer, and she asked Mr. Price to set up a meeting to come in and discuss those plans with her and Mr. Roger Vest, RRHA VP of Real Estate Development.

Vice-Chair Burruss stated that due to today's economy, it is very important that everyone be realistic in regards to timeframes and viability.

Ms. Bethel thanked Ms. Edwards and the Board of Commissioners for their time.

Chairman Karnes thanked Ms. Bethel for her comments.

III. CONSENT AGENDA

C-1 Minutes of the Regular Meeting of the Board of Commissioners held Monday, January 25, 2010.

RECOMMENDED ACTION: Dispense with the reading thereof and approve as recorded.

C-2 Monthly Operations Report for the month of January 2010

RECOMMENDED ACTION: File as submitted

Vice-Chair Burruss introduced a motion to approve the Consent Agenda. The motion was seconded by Commissioner Boitnott and upon roll call the following vote was recorded:

AYES: Commissioners Boitnott, Butler, Garner, Burruss, Karnes

NAYS: None

Chairman Karnes thereupon declared said motion carried as introduced.

IV. **REGULAR AGENDA**

1. Personnel committee – Discussion

Commissioner Boitnott stated that a personnel committee is necessary in order to interact with members of the executive management in order to obtain feedback for an effective performance review for the Executive Director.

Commissioner Butler asked Commissioner Boitnott what the recommendation is for the number of members for the personnel committee. Commissioner Boitnott stated two members would be sufficient, and perhaps those currently not assigned to committees could be assigned to the personnel committee.

Commissioner Garner stated that he feels that it should first be determined if the Commissioners have an interest in serving on the personnel committee in order to provide a professional evaluation.

Vice-Chair Burruss stated that the discussion last month not only focused on the evaluation of the Executive Director but other items as well. Commissioner Garner stated that Vice-Chair Burruss was correct.

Chairman Karnes stated that he would consult with the Commissioners to determine if they are willing to serve and bring that information back to the Board. Commissioner Butler asked if a motion was needed. Commissioner Garner stated that he thought so and asked if the Bylaws allowed the Board to appoint another standing committee. Ms. Edwards stated that the Bylaws allow the Board to appoint a standing committee. Commissioner Boitnott asked whether it was the Board of Commissioners or the Board Chair who could appoint the committee. Ms. Edwards stated that she believes it is the Board who appoints the committee and Mr. Nick Conte, RRHA Legal Counsel, agreed.

Chairman Karnes stated he is willing to serve and would like to confer with the other two Commissioners not currently serving a committee and determine whether the committee would be comprised of 2 or 3 members and then bring the item back for the Board to establish a personnel committee at the next meeting.

Vice-Chair Burruss asked if there were any further questions. There were none.

2. Executive Session

Commissioner Butler moved that the Commissioners enter into Executive Session for the purpose of consultation with legal counsel and briefings by staff members pertaining to actual or probable litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the RRHA in accordance with Virginia Code Section 2.2-3711 (A)(7) and for the purpose of discussion of specific personnel matters of the RRHA in accordance with Virginia Code Section 2.2-3711 (A)(1).

The motion was seconded by Commissioner Garner and upon roll call the following vote was recorded:

AYES: Commissioners Boitnott, Butler, Garner, Burruss, Karnes

NAYS: None

The Board of Commissioners entered into Executive Session at 4:07 p.m.

The Board reconvened into open session at 5:02 p.m.

Commissioner Butler introduced a motion stating the members of the Board of Commissioners hereby certify to the best of their knowledge that only public business matters lawfully exempted from open meeting requirements and only such public business matters as were identified in the motion by which the closed meeting was

convened were heard, discussed or considered by the Board in the immediately preceding Executive Session.

The motion was seconded by Commissioner Garner and upon roll call the following vote was recorded:

AYES: Commissioners Boitnott, Butler, Garner, Burruss, Karnes

NAYS: None

V. **ADJOURNMENT**

There being no further business to come before the Board, Commissioner Butler moved that the meeting be adjourned.

The motion was seconded by Commissioner Garner and upon roll call the following vote was recorded:

AYES: Commissioners Boitnott, Butler, Garner, Burruss, Karnes

NAYS: None

Chairman Karnes declared the meeting adjourned at 5:05 p.m.

Daniel E. Karnes, Chairman

Glenda Edwards, Secretary-Treasurer