

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF
COMMISSIONERS OF THE CHARLOTTESVILLE REDEVELOPMENT AND
HOUSING AUTHORITY**

May 6, 2014

The Board of Commissioners of the Charlottesville Redevelopment and Housing Authority, (hereinafter “CRHA” or the “Housing Authority”) met in Regular Session at 7:00 PM on May 6, 2014, in City Council Chambers at City Hall.

I. CALL TO ORDER

Commissioner Woodard called the meeting of the Board to order at 7:03 PM on May 6, 2014.

II. ROLL CALL OF COMMISSIONERS

Present:

Mr. Keith O. Woodard, Commissioner
Mayor Satyendra Huja, Vice Chair
Mr. Hosea Mitchell, Treasurer
Ms. Julie Jones, Commissioner

Absent:

Ms. Sabrina Allen, Commissioner
Ms. Sherri Clarke, Commissioner
Ms. Claudette Green, Commissioner

Staff Present:

Ms. Constance Dunn, Executive Director
Ms. Robin Munson, Finance Director
Ms. Allyson Manson-Davies, Deputy City Attorney
Ms. Amy Lail, Executive Assistant

III. MOMENT OF SILENCE

Commissioner Woodard called for a moment of silence.

IV. APPROVAL OF MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS HELD March 24, 2014

Commissioner Huja moved to approve the Minutes. Ms. Jones seconded. All Commissioners voted to approve the Minutes with no Abstentions.

V. RESPONSE TO QUESTIONS FROM PREVIOUS MEETING

Ms. Dunn reported that the Housing Authority is attempting to schedule meetings with PHAR and Legal Aid Justice Center regarding use of Community Centers. She said she hoped to do this within the next two weeks.

The Housing Authority would like to recognize Mr. Fred Roy Anderson, a long term resident of Crescent Halls, who passed away on April 21st. Mr. Anderson worked for CRHA years ago and, every day when staff arrived to work, he was found tidying up the front of Crescent Halls.

Ms. Dunn stated that at the last meeting, the CRHA Board agreed to maintain an open dialogue about the Housing Authority's budget deficit for this fiscal year. In regard to reducing the Crescent Halls Security costs, the Housing Authority is partnering with the Charlottesville Police Department to establish a police substation in the Crescent Halls office, just off the lobby area. Officers will use the area as a work station and this will serve to create a police presence at the entry and in the parking area. Ms. Dunn reported that CRHA is also waiting for a proposal from a vendor to install a key fob lock system which will require that residents enter with their guests. This might allow CRHA to cut or reduce the security expense of \$57K per year.

As part of the same discussion, CRHA has made material staff reductions which will stand to reduce the deficit approximately \$150,000.

CRHA recently received communication from JABA indicating that the Crescent Halls clinic is under-utilized and as a result the clinic hours will be reduced. CRHA is working with other medical and counseling providers to see if this void can be filled or if this cut back may result in a reduction of cost to CRHA.

CRHA is in the process of purchasing lawn mowers and weed eaters. Generally speaking residents are responsible for cutting their enclosed back patios. The Housing Authority will establish a one time "Amnesty Day" and offer one free mowing to residents with Back patios. From that point on Residents can care for the back patio or pay the Housing Authority a small fee to mow the area.

CRHA and partners have participated in the second planned discussion about Redevelopment. The 2011 Physical Needs Assessment outlined the Housing Authorities' Capital Improvement needs at a total of over 13 million dollars. Ms. Dunn asked if Commissioner Jones would care to summarize the discussions thus far.

Commissioner Jones reported that they had a meeting with PHAR and Legal Aid and City of Charlottesville Staff. They discussed redevelopment and the RAD process, and things are moving along.

Commissioner Mitchell asked about the utilization of the clinic, and Ms. Dunn replied that the clinic is not being used as readily by Crescent Halls residents due to the reduction in the community's elderly population.

VI. PUBLIC COMMENTS

Brandon Collins, 418 Fairway Ave., commented that the meeting today was productive on redevelopment. He would like the residents comments to be included in the decision making process. He mentioned that the master plan for redevelopment had some problems with it. He spoke about a meeting that was held with Ms. Dunn, Kim from Legal Aid and himself to discuss preventing evictions and ideas. It was a positive meeting. He thinks a day or two notices is not enough notice, and would like more time. He would like to prevent any matters from going to the court system.

Kim Rolla, attorney at Legal Aid Justice Center, stated that the April 22 letter was about residents having their vouchers terminated because of drug involvement and criminal activity. CHRA sent notices that they are not entitled to an informal hearing because there were drugs involved. The Housing Authority can bypass the grievance process and take you right to court because the court provides due process. The Housing Authority can just take the vouchers without a hearing. CHRA would remove the tenants if the landlord has evicted the tenant, but this is not what has happened in the past. Three residents have said that they have had their vouchers taken and never had a hearing. This was a violation of the tenants' rights. She asked the board to look at the materials provided, and to try to settle this matter out of court.

Ms. Davies stated that she would talk about these allegations in a private discussion.

Deidre Gilmore, 613 Hinton Ave., commented that she wanted to thank the Board on opening up the community center. She reported that a woman support group had started and gets together every Thursday at South 1st Street Community Center from 4:00 p.m. to 5:30 p.m. She would like to have the ability to close the center herself, because an hour and a half is not enough time. She would like to see more staff and city workers to show up to Ruth King's Race Workshops.

Annette Wilcox, 1400 Monticello Rd., Apt 102, commented that she will pay her rent on the 5th of the month and will abide by the rules.

Mayor Huja asked if they could get more time in the center, and Ms. Dunn said all they have to do is reserve it.

VII. EXECUTIVE DIRECTOR'S REPORT

The Housing Authority is looking for donors to help cover the cost of the Wi-Fi Internet Service for Westhaven and the surrounding neighborhoods starting in July. The cost for this service was previously covered by the City of Promise through a grant and runs approximately \$13,000 per year. If there are any interested parties, please contact CRHA or the City of Promise.

As a reminder, the Housing Authority offers Community Service Day on the second and third Wednesday of each month. Residents can report to the Property Manager and perform on-site work from 8:30 a.m. to 5:00 p.m. on those days. A lot of residents are behind on their Community Service hours and the Housing Authority wants to maintain a convenient opportunity for Residents to complete hours without the need for transportation.

The Housing Authority is working with the Adult Learning Center and PHAR to implement a new GED Training class and hopes to get this off the ground by the end of July. We plan to offer this as a potential goal under the CRHA's Family Self Sufficiency Program which will allow participants to work while the Housing Authority escrows what would normally be a rent increase. Once the GED is obtained, the Resident will

receive the escrowed rental amount as a lump sum payment. Interested parties should contact Amy Lail at the Central Housing office.

I want to provide an update on the Project Based Voucher effort for the Crossings. All of the applicants on the Housing Choice Voucher waitlist have been sent their first notice to determine their eligibility. A second notice will go out and CRHA anticipates funding the Vouchers as of June 1st. A notice is provided this evening communicating that the site based waitlist will then be open to the public on June 3rd.

I am pleased to announce that CRHA closed the month of April with only 4 vacant units or 1% vacancy. The newly established goal for management is 2% or less vacancy.

Another accomplishment is that CRHA earned a high enough score on our 2013 annual REAC inspection to be skipped in 2014. Only Crescent Halls, which was skipped in 2013, will be inspected this year by HUD and this is scheduled to occur in June. The REAC inspection is HUD's measure of the physical condition of the property and takes into consideration general interior and exterior maintenance as well as safety conditions. This should result in an unexpected reduction in Operating Expenses. This speaks volumes to the skill and expertise of the current staff especially considering the fact current staffing levels do not include a Maintenance Supervisor.

The Housing Authority is involved in an effort to correct water run off at Westhaven which comes from an adjacent property. Interim temporary measures have been taken to divert the water and CRHA is seeking assistance from the City's Parks and Recreation Department.

The Housing Authority is scheduled for another HUD review this summer as a follow up to the inspection that the Board requested in 2012. It appears from recent communications that HUD will make this a comprehensive review rather than a limited review. The Housing Authority continues to prepare for this review using the checklist included.

VIII. COMMITTEE REPORTS

1. Resident Services

Resident Services Meeting featured a visit from Catherine Lamberg from the HUD Richmond Field Office. She provided answers to the community questions. She talked about the local law enforcement agency's duty to provide services and the importance of lease enforcement.

2. Finance Committee

Ms. Munson reported that as of March 31, 2014, the 12th month of the Fiscal year, Public Housing was a Net Loss of \$222,812. Keep in mind that this is the draft amount as there is more finalizing required closing the year.

Public Housing Income is \$77,649 lower than expected due to

- Operating subsidy is \$3,908 lower than budget do to front loaded disbursement

- Total resident derived income is \$83,385 lower than expected (includes late fees, utilities, maintenance fees).

Resident Dwelling rent is \$63,822 under budget due to:

- Income reduction in general
- FSS escrow put aside for program goals
- Earned Income Disallowance Program
- Credits for on-time payments of \$10 per household were given to 120 residents equaling \$1,200

Excess utility income is lower than budget by \$26,304. The budget was created before the excess utility lawsuit settlement. New allowances have been in use since August 2013. Additional credits will cause Income to go down further. Beginning in March there was a \$15 credits to 251 residents per month (\$3,765/month). Credits will be applied to dwelling rent beginning FY 2014 to avoid a negative income figure on this line item.

- Capital Award was higher than expected so that mitigated the resident derived income.

Operating Expenses were lower in aggregate and were \$1,856.89 under budget as follows:

- Admin Expenses – under in aggregate by 37,266
- Tenant Services – over by \$3,667. Paid out this year’s resident participation to PHAR and paid for GED classes through the city for residents.
- Utilities – over by \$46,528 in aggregate. (meter readings through January) – Electricity under and sewer and gas over. Cold weather for gas. Rates for city services seemed to go up (\$\$ / consumption) but have not verified actual rate increase with the City.
- Security Guard Costs – no longer allowed to charge to capital as of 11/25/13. \$19,687. – 4+ months – not in original budget
- Maintenance – total \$15,684 over budget
 - Contract costs – CH 65% - Mold Inspections – door repairs, generator repairs, paging system repairs
 - Extermination \$29,866 over budget (based on last year’s amounts) – bedbug treatment
 - Snow removal - \$3,821
 - Turns – over \$3,235 (WH 42%, CH 22%, 6th St/SFS 30%, Scattered 6%)
 - Dumpster/Trash removal – \$2,398
- General Operating – under \$59,532
- Many other individual line items under

Lawsuit agreement implications:

\$15 credit per month for 251 units for three years: \$45,180 reduction/year

\$10 credit per month for 251 units for two years: \$30,120 reduction/year

Total for five years: \$195,780

ACOP implications:

\$10 paid to each household with no late rent payments: 2013 was \$1,200

Changes in CFP implications: no security costs allowed \$56,420/year to CH

Section 8:

HAP

Net Loss: \$127,329

HUD Held Reserve balance at 12/31/13 was \$917,093. CRHA received \$570,478 on 2/14/14. HUD explained verbally that this was done as a precautionary measure because they weren't sure that the budget was going to be passed in March. The budget ultimately was passed and this front loaded money is factored into the April onward disbursement schedule. The first communication from HUD said CRHA has scheduled \$0 payments for April, May, and June and a partial payment for July. But then they disbursed \$213,267 in April. NRA at 3/31/14 is \$574,067. Estimated NRA at 4/30/14 was \$590,000, or approximately 3 months without any additional funding. CRHA staff will continue to monitor the NRA balance and will request any needed funds from HUD.

Section 8 Admin was a Net Loss of \$4,097.

Income:

- \$15,035.71 needed to be transferred from unrestricted money needed to bring Unrestricted Net Assets (UNA) balance to zero at 3/31/14. Total Transferred this year: \$85,768. The March transfer included the amount needed for bad debt write off.

Expense:

- The bulk of the over budget spending was related to salaries and benefits. In April 2014 staff was reduced by 1.5 people and in August a staff person is retiring.

Strategies:

- We will continue with the strategies proposed in earlier meetings regarding HAP reduction to be able to issue more vouchers.

Central Office:

Net loss: \$36,795

Income: Under by 6,775 – Cannot charge Asset Management fee to Crescent Halls because they have negative cash in the prior FY.

Expense: Most line items under budget except Health/Dental Insurance – due to retirees cost for OPEB. This did exceed budgeted loss due to decrease in income.

Turns

- 10 vacant units at 2/28/13 – 2.67% vacancy rate

Rent Receivables

- Total: \$5,190 down from January's amount of \$8,652
 - Crescent Halls \$1,085
 - Scattered Sites \$ 963
 - South 1st St \$ 273
 - Westhaven \$2,869
- 22 residents owe more than \$50 each – total of \$5,064

Court Cases:

Results of the 3/18/14 court date on 11 households

- One was continued (4/22/14)
- 9 were dismissed – paid in full
- Possession granted for 2/18/14 continued case

Mayor Huja commented that the income was lower than expected and how can we change that. Ms. Munson said that you can't control it because the residents' income can go up or down. It's more of a guess you make from historical data. Occupancy has a role in this too. CRHA traditionally writes off bad housing debt every year; so for this year, staff is recommending a write off of \$15,247.15 from Public Housing. Ms. Munson also proposed writing off Section 8/HCV debt of \$7,538.59.

IX. RESOLUTION #1332, Writing off Uncollectible Tenant Accounts Receivable for Public Housing and Housing Choice Voucher Program

Motion from the Finance Committee Meeting called for the vote. All Commissioners voted in favor. No nays. Resolution #1332 Writing off Uncollectible Tenant Accounts Receivable for Public Housing and Housing Choice Voucher Program passed.

X. OTHER BUSINESS

Mayor Huja mentioned that when the new board members come along in June they should be informed about the attendance policy. Ms. Dunn said that HUD will give training to everybody including the new members in June also.

Ms. Dunn said that they have had zero evictions in 2014, and the new eviction policy has been sent to the commissioners. Ms. Dunn recommended that they should vote on the policy at the next meeting. Commissioner Mitchell asked if they should have a work session, or if it was straight forward, Ms. Dunn said a work session was not needed.

Ms. Davies has prepared two motions to go into closed sessions. The personal issue and the threaten litigation.

Commissioner Jones made the motion I hereby move that CRHA close this open meeting and go into a closed session for the purpose of

1. Discussion and consideration of employee performance, vacation leave and salary for a specific public officer the CRHA executive director as authorized by VA code 2.2-3771
2. For the purpose of consultation regarding threat of litigation, where such consultation and briefing in open meeting would adversely affect the litigating posture of the public body as authorized by section 2.2-3711 of the VA code.

XI. Committee Check in

Residents Services Committee Meeting on Thursday, May 8, 2014, at location TBD. Regular Board Meeting normally scheduled for the 4th Monday of the month will fall on Memorial Day in May. This meeting will be held Tuesday, June 3, 2014, at City Council Chambers at 7 p.m. in its place. There will not be a May Finance Committee Meeting.

XII. Public Comments

Brandon Collins, 418 Fairway Ave., commented that the conversation at the last Finance Meeting shouldn't have been left where it was. Going forward, CRHA should combine the Finance Meeting with future Redevelopment Meetings. Christy Ann Davis sent a letter from UVA about mold and moisture problems and that the board needs to take this seriously. When it rains water runs under the 802 building, and this is causing mold and the smell, and he said he hoped that the board will fix this. Ms. Dunn reported that this is being taken care of with drainage runoff corrections.

Karen Shepard, PHAR, commented regarding Community Center usage. She stated that they don't need more time in the center; they just want the key and to lock up when they are done. She inquired regarding the procedure that is in place when a staff member has a personnel complaint. Ms. Dunn said that they have a full grievance policy in the CRHA Personnel Manual.

Commissioner Mitchell commented that there are plans pending to turn over the Community Center management to PHAR.

Shamora Cooper, 6th Street resident, commented that the lighting on 6th St needs to be increased, and that there is no police presence. They need more Police protection on 6th St. and she is afraid for the safety of her children. The landscaper is not doing a good job. Ms. Cooper also inquired regarding the status of the playground improvements. Ms. Dunn said she will provide an update. Ms. Cooper stated that kids are also climbing on the black water tank on 6th St, and CHRA needs to prevent this. Ms. Davies said that the reason the police are not enforcing the barment list is because CRHA and the Charlottesville Police Department are under threat of litigation.

Deidre Gilmore, 613 Hinton Ave., commented that CRHA has required that PHAR obtain insurance coverage in order to manage the Community Centers and they can't afford this. She said that the Section 3 applicants haven't heard anything back regarding

employment and that they are fully capable of doing these jobs. She asked that CRHA give them a chance. Ms. Dunn said that they are only hiring for a door greeter position at Crescent Halls and CRHA hires a Contractor for Landscaping. Therefore any Section 3 applicant would have to be hired by the landscaping company. Commissioner Mitchell asked if we could give additional weight to the companies that will hire Section 3 tenants. Ms. Davies said that we may be able to add this to the bid requirements. Ms. Dunn commented that CRHA uses a nationally recognized procurement company and it confident that HUD guidelines are being observed. Ms. Gilmore also stated that more information is needed on the RAD topic.

XIII. ADJOURNMENT

Commissioner Woodard closed the Public Comments. Commissioners went into Closed Session at approximately 8:15 p.m.