

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

November 25, 2013

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 November 25, 2013, in the City Council Chambers at City Hall.

**I. CALL TO ORDER**

Commissioner Woodard called the meeting of the Board to order at 7:00 PM on November 25, 2013.

**II. ROLL CALL OF COMMISSIONERS**

**Present:**

Mr. Keith Woodard, Chair  
Mr. Hosea Mitchell, Vice Chair  
Ms. Latita Talbert, Commissioner  
Mr. Huja, Commissioner  
Ms. Julie Jones, Commissioner

**Absent:**

Ms. Sherri Clarke, Commissioner  
Ms. Claudette Greene, Commissioner

**Staff Present:**

Ms. Constance Dunn, Executive Director  
Ms. Robin Munson, Finance Director  
Ms. Amy Lail, Executive Assistant  
Ms. Allyson Manson-Davies, Legal Attorney  
Ms. Heather Jeffries, Asset Manager

**III. MOMENT OF SILENCE**

Commissioner Woodard called for a moment of silence.

**IV. APPROVAL OF MINUTES OF THE ANNUAL MEETING OF THE BOARD OF COMMISSIONERS HELD October 28, 2013.**

Commissioner Woodard stated that under reports it said the Board would not move forward with RAD and it needs to be clear that the Board would not move forward with RAD that evening. Commissioner Huja moved to approve the Minutes as amended. Commissioner Jones seconded. All Commissioners voted to approve the Minutes with no abstentions.

**V. CRHA BOARD DISCUSSION SESSION REGARDING RAD**

Ms. Dunn gave an overview of RAD and explained that Housing Authorities country-wide are experiencing extreme cuts in operating subsidy and capital funding. This Demonstration Project is a new program offered by HUD allows Housing Authorities to reach out to the private sector for private sources of funding.

Commissioner Mitchell stated he would like to move forward with the RAD application. He said the Housing Authority will go out of business if we don't do RAD. The program would

give residents the shelter that they need, freeze subsidy and can be focused on an individual property and not system wide. He stated it's an application only and we don't have to end up doing it later on. He wants 2 more public sessions and 1 joint meeting with the Board and City Council.

Commissioner Jones thinks RAD is a vehicle to redevelopment and that redevelopment is where the fear lies. She said we should clearly know what the redevelopment looks like before we make any decisions.

Ms. Dunn explained there are a 2 ways to apply. She stated we could either pick a project or there is a Phased-In-Project option which the implementation timeline is extended over many years and allows for planning that we would not have otherwise. Ms. Dunn said has requested greater explanation of this option at the next training.

Question posed is if HUD is offering this in an unlimited renewal fashion then why did they put a term on it and the answer gotten from Greg Byrne is that it was a Congress decision and that there is no anticipation in that the renewal would ever be denied.

Commissioner Talbert said there has not enough education for residents and this Board. She said the residents are being rushed and they need more time to comprehend the information. She said she would like to do a site visit where RAD was implemented and see the transformation, talk to the residents and supervisors of the transition and get their feedback. She said the meetings related to RAD need to be advertised as such to avoid any confusion.

Commissioner Mitchell said we will remain committed to the Bill of Rights. He also said we will not lose units; there is a possibility to grow. He stressed the importance of a joint meeting between the Board and City Council.

Commissioner Woodard explained that development has been of concern for many years it's just in the last few months that RAD become the vehicle to facilitate that redevelopment. He said that with any redevelopment, it's hard to have all the answers until you get into the redevelopment itself.

Ms. Dunn said the Board needs to make more decisions surrounding redevelopment in Charlottesville specifically before doing application. She explained this is not necessary but said it would probably work better in this situation.

## **VI. RESPONSE TO QUESTIONS FROM PREVIOUS MEETINGS**

Ms. Dunn reported that the majority of the comments at last month's meeting related to concerns about filing a RAD application prior to December 31, 2013, in an effort to capture the 93% guaranteed HUD Operating Subsidy. CRHA has now conducted two separate HUD sponsored training sessions on the RAD program and although it seems that Residents have a better understanding of the program, it is clear many stakeholders believe that CRHA is not ready to apply.

Tomorrow at 9:30 a.m. there will be an additional remote training offered to all stakeholders. This training will consist of a brief introduction by the trainer on some key topics such as

- Resident Protection under 964 versus protections after RAD conversion.
- The timeline and the phasing-in of community conversions under the initial application.
- RAD Financing and the options available.

After the initial introduction, the trainer will open the call to an extensive Question and Answer Session. This is projected to be approximately a 90 minute training. I am working with the Consultant to schedule a second remote training on Monday, December 2<sup>nd</sup>.

Ms. Dunn included in the materials for this evening a handout from Ed Gramlich of the National Low Income Housing Coalition. The Handout focuses on RAD from the Resident perspective and is user friendly. This material will also be posted on the CRHA website for review at any time.

RAD offers a unique opportunity for Housing Authorities to bring in additional sources of income because all Housing Authorities are experiencing HUD cutbacks in Operating Subsidy and Capital Funding. These cutbacks will result in a depletion of CRHA's reserves over the next four years. In addition, the Housing Authority was recently notified that HUD will no longer allow Crescent Halls Security costs to be paid for out of Capital Funding. This will increase our Public Housing operating expenses by an additional **\$57,000** per year on top of a budgeted loss of **\$147,000** this fiscal year.

## **VII. PUBLIC COMMENTS**

Brandon Collins, 418 Fairway Avenue works for PHAR, stated he is pleased to hear the reasonable timeline regarding RAD. Mr. Collins remarked that residents have attended various trainings and meetings pertaining to RAD and have unanimously said they don't know enough about RAD to approve. He said that with the rush to apply for RAD behind us, we could now look at other issues such as the Annual Plan, the Capital Improvement Plan, the Community Centers and Eviction Prevention Policy changes. Mr. Collins presented Commissioner Woodard with written suggestions about Eviction Prevention and said they would discuss further at later time.

Mary Faulkner, 829 Hardy Dr. Apt A, stated she is not ready for RAD. She said that she has attended every training offered and still has many questions.

Sabrina Allen, 816 Hardy Dr. Apt H, said she is opposed to applying for RAD. She said she has not been able to attend any of the trainings.

Emily Dreyfus, Community Organizer Legal Aid Justice Center and on the advisory committee for PHAR, said she appreciated the tone from earlier conversations. Ms. Dreyfus urged the board to wait to make a decision on RAD because we need more training. Ms. Dreyfus said she wants resident input to guide the process.

Christine Hester, 906 South 1<sup>st</sup> St. Apt. B, said she is opposed to RAD. She said it's being rushed and happening too soon. She said that she supports Eviction Prevention policies.

Deirdre Gilmore, 613 Hinton Ave. and member of the National Low Income Housing Coalition, asked to see the REAC scores at the next meeting. Ms. Gilmore said she would like questions regarding RAD to be sent to HUD for answers and to make sure all residents understand.

Kim Rolla, attorney for Legal Aid Justice Center, echoed that slowing down regarding RAD was the right thing to do and that residents need to get their questions answered before moving forward.

Joy Johnson, 802 Hardy Dr. Apt A, said that RAD is a Demonstration Project which means it could change. She said RAD is moving to multi-family housing, not public housing. Ms. Johnson said people can go online and see how multi-family housing is run. Ms. Johnson declared that the Redevelopment Committee needs to be resurrected. She declared even if RAD is not there, redevelopment is still needed. She explained there is free RAD training webinars hosted by HUD every Thursday.

Karen Shepherd, employed by PHAR and former Executive Director of MACAA, described how her previous experience has shown that residents want to hear what we can do, not what we can't do. She stated that the Board needs to restructure their approach. Ms. Shepherd spoke of the importance of partnerships between non-profits, faith-based groups and government agencies.

Shymora Cooper, 713 6<sup>th</sup> St. SE Apt. F, said we need to slow the process down in regards to RAD. She told the Board the Executive Director had not been held accountable for other pre-existing issues while dealing with RAD. She listed the grievance process, mold, eviction prevention and the community centers. She described the playgrounds and voiced her concern over their safety.

Annette Wilcox, 1400 Monticello Rd. Apt 102, spoke of her new maintenance manager and how she is pleased with the service provided by both maintenance and her property manager.

A'lelia Henry, 713 6<sup>th</sup> St. SE Apt B, member of the Board of Strategic Planning Initiative, said she is opposed to RAD. She said the Strategic Planning Initiative and RAD are giving conflicting information as to how the program would work.

## **VIII. REPORTS**

### **A. EXECUTIVE DIRECTOR REPORT**

Ms. Dunn began by stating that at 5:30 p.m., HUD sent an email reporting that the REAC scores were better than last year. She said she will check on how each individual community scored. She said that as reported last month, Parks and Recreation has started their After School Meal program for at-risk children and adults under a federally funded program called the Child and Adult Care Food

Program. The program operates from 4:00-6:00 p.m. at Westhaven, South 1<sup>st</sup> Street and 6<sup>th</sup> Street. The program is sponsored by the Virginia Department of Health.

In an effort to offer better service to residents, the HA will now be accepting rental payments at the Housing Choice Voucher office at Crescent Halls. CRHA will install an after-hours drop box and receipts will be available during regular business hours. This will allow those who are mobility challenged to pay their rent conveniently at a closer location. In addition the Housing Authority will send out postage paid envelopes to better assist Residents in paying their rent. The cost of the prepaid postage is expected to be around 15 cents per piece.

CRHA held our second Community Service Day on November 20<sup>th</sup> and 9 residents participated with various projects on-site at the properties. Community Service Days are held the second and third Wednesdays of the month and start at 8:30 a.m.

The Housing Authority will be sponsoring a training to educate residents regarding Pay Day loans on Wednesday, December 18th, at 10 AM at Crescent Halls. With the holidays approaching this type of predatory lending can place residents in jeopardy of losing their housing. CRHA is partnering with BankOn in this effort.

The BankOn program partners with area banks and credit unions to offer free and low-cost checking and savings account options for those who have never had an account or those have had difficulty with an account in the past.

JABA and the Housing Authority are collaborating to enter into an information sharing relationship. JABA operates Nursing Clinics at Westhaven and Crescent Halls. The goal for information sharing is so the JABA staff can better provide services which improve the resident's quality of life. CRHA will be asking residents to sign a release authorizing the Housing Authority to share household information. Residents, of course, may opt-out of this information sharing program at any time.

Susan Erno with the Adult Learning Center has notified CRHA that there is a limited number of GED testing opportunities left in 2013. In order to ensure that students are successful, the Learning Center is requiring that they take and pass an official GED practice test prior to registering for the GED test. If the student passes the practice test, they will receive a voucher to take the GED test at no charge, translating to a \$10-58 savings for the student. If the student does not pass the pre-exam, GED classes will be recommended. The next round of classes will begin in January 2014.

I am pleased to announce that HUD visited Charlottesville in November and approved the close out of our Voluntary Compliance Agreement.

The Agreement was initiated in 2009 by HUD as a result of a Fair Housing lawsuit that was filed against CRHA. At that time HUD also determined that CRHA did not have a well-established Reasonable Accommodation Policy. After a lengthy corrective action plan was created and implemented, HUD announced that CRHA has addressed all components of the Plan. When HUD performed their inspection recently, they reviewed all relevant documents and inspected the physical improvements that were part of the program. Improvements included our handicap accessible units at Westhaven and Crescent Halls and the added accessibility features in our common areas.

Commissioner Talbert made an inquiry about what info the Housing Authority currently shares with clinics. Ms. Dunn said there is a form authorizing certain information to be shared.

## **B. COMMITTEE REPORTS**

### **1. Finance Committee**

The Finance Committee of the Charlottesville Redevelopment and Housing Authority met in Regular Session on December 18, 2013 in the Basement Conference Room at City Hall.

Committee Members Present: Julie Jones, Mayor Huja Satyendra, Keith Woodard, Bob Stevens, Rick Jones, Joy Johnson

Staff Present: Constance Dunn, Executive Director, Robin Munson, Finance Director, Heather Jeffries, Property Manager

Ms. Munson presented the November 30, 2013 Income Statement and Budget to Actual comparison reports for Public Housing, Section 8 and Central Office explaining Year-to-Date variances. November is the eighth month of the fiscal year. At this time the Public Housing program shows a net loss of \$132,292. Income from the Capital Fund Program, which has not been received at this point in time, will mitigate some of the loss once received. The award is still not accessible. Applying 8/12 of the Capital Fund income would bring the loss down to \$70,244. This amount would be zero approximately \$14,351 if the budgeted amount of resident rent income was received. Actual resident derived income is approximately \$56,000 lower than expected. The loss, however, is lower than 8/12's of the annual budgeted loss. This is due to expenses being under budget by approximately \$36,000. At this point in time the utilities, as a group, are under budget. Gas is over budget due to a cool spring and may push the total utility group over budget by the end of the fiscal year.

Section 8 Housing Assistance Payments (HAP) showed a net loss of \$664,011. The loss is due to the strict disbursement guidelines imposed by HUD. The funds were already in CRHA's possession from prior year build up. Staff will continue to monitor the Net Restricted Asset (NRA) balance and expected HUD disbursements. This analysis is being done every month. Staff will work with HUD personnel to assure that adequate HUD-held reserves are released whenever necessary. The NRA figure at 11/30/13 is approximately \$32,000 which is less than the HUD desired balance of one half month's- worth of HAP expense, or \$100,000. CRHA's HAP cash needs have increased in the last few months due

to the issuance of 68 new vouchers (due to excess Enhanced Voucher funding received last year). The look-back period thus far to determine disbursement amounts of budget authority have not net captured all the new vouchers. CRHA expects disbursements from HUD to increase even further than the amount scheduled for December. CRHA received notification for the January 2014 disbursement which is more in line for our needs. It is still approximately \$15,000 short so Ms. Munson will make a formal request to the HUD Financial Management Center to request more funds for January. When the need for more cash is demonstrated they usually act upon it quickly. Ms. Dunn reported the current utilization rate at 101%. Typical attrition rate (participants leaving the program) should bring that rate down to approximately 98%, where an agency is supposed to be. The Admin portion of the Section 8 program shows a net loss of (\$16,324). Ms. Munson explained that the admin funding from HUD is based on the number of vouchers issued. The amount increased on the November disbursement due to the issuance of the 68 new vouchers. The income falls short of the budgeted amount because the expected number of vouchers (100) was not, and will not be, issued. The Unrestricted Net Asset balance fell below zero again so for November, there was a need to transfer cash from the unrestricted funds to bring the account to zero. The total transferred from unrestricted funding thus far this fiscal year is \$37,474. Ms. Dunn stated that when she began at CRHA, operationally there was a manger and three employees staffing the HCV program. She has cut this back to a manger (at a lower pay rate) and two and a half employees. One of the employees is expected to retire in July. The challenge remains that while over-budget (with salaries being the majority of the expense) CRHA is still in corrective mode (from HUD review in February 2013). Ms. Dunn feels staffing levels must stay as they are until the corrections are complete before it can drop down by an employee. Ms. Dunn would rather be over budget than in non-compliance when HUD checks in again in June 2014. Ms. Munson pointed out that it may be impossible to run the program on the funding provided by HUD, especially when the eligible amount of funding is pro-rated down to 69%, as it was this calendar year. Mr. Jones suggested that a local non-profit might be interested in administering the HCV program. Ms. Dunn said that staff has considered subbing out the inspection function. The renovations at Blue Ridge Commons have necessitated more than the usual number of inspections. Ms. Johnson questioned why a non-profit would be able to run the program more efficiently when the variables (income changes/recertifications, transfers to new units, annual certifications, port-ins and port-outs) would be the same as if CRHA does the work. Ms. Jones said CRHA would bid the job out at the cost of the income received by HUD but was doubtful that any other organization would be interested because it would be very difficult for it to not be a fiscal loss. Mr. Jones questioned how long CRHA feels it can sustain the loss, after making as many expense cuts as possible. Ms. Dunn anticipates the corrective mode to run through May – June 2014 and hopes that at that time the program might be able to run at a break even pace.

The Central Office shows a net loss of (\$9,571) which is well below the annual budgeted loss when pro-rated.

Mr. Jones pointed out the over budget expenditures on landscaping under Public Housing. Ms. Dunn explained that the City of Charlottesville had been looking into helping CRHA out with this expense starting last summer. She was working with Brian Daly. At that time the contract with the current landscapers went on a month to month basis, which increased

the costs. Since there is no contract the hope is that the costs for the winter months go down with no need to mow lawns, and that it would help mitigate the loss on an annual basis. A new landscaper contract will be procured in February 2014, assuming the City will not be taking over CRHA landscaping. The rainy spring exacerbated the situation. Resident lawns needed to be mowed for the REAC inspection. Although this is a resident responsibility CRHA had it done, rather than risk losing points and failing the inspection. Residents were not billed for this. Going forward better planning would address that. Mr. Jones asked if Ms. Dunn thought the City would take over the landscaping and the answer is no, she does not think that is going to happen. Mr. Jones questioned what the Payments In Lieu of Taxes (PILOT) line item was. It is a fee paid to the City that is lower than what the property taxes would be if CRHA was not a tax exempt entity. Mr. Jones asked if CRHA will be assessed the storm water fees. Ms. Munson replied yes and that CRHA asked to be exempt from them and that request was denied by the City. It is about \$14,000 annually, to begin in January 2014. Mr. Jones said that didn't make any sense. Ms. Munson stated that PILOT fees can be waived, or returned to the housing authority to be earmarked for redevelopment, if the City agreed. The PILOT fee runs about \$38,000/year. Mr. Jones also pointed out that CRHA is paying the City \$5,000/month for IT service, \$766/month rent on the Central Office (Ms. Dunn asked for this to be waived but it was denied), attorney fee. Mr. Jones asked if the City was still using the parking lot and if they paid CRHA for it. Ms. Dunn replied yes, they use it and in return the City pays for the parking passes of the employees based in the Central Office. It was pointed out that the City did give CHRA \$100,000 in funding this fiscal year and has committed \$300,000 to renovating the playgrounds. Commissioner Woodard asked if community service might be incorporated in the landscaping needs. Ms. Dunn explained the recent program for community service. CRHA is open to do that but also pointed out that there are a multitude of outside service providers to help out with community service. Ms. Munson pointed out that CRHA does not have commercial sized lawn mowing equipment. Ms. Jeffries added that it would take more coordination that CRHA has capacity for and that it would be a liability issue operating the equipment. Mayor Huja mentioned the City would be coming to a decision regarding CHRA in six months.

Ms. Dunn presented the Turnover Process Update as of November 30, 2013. The report shows 16 total units, up from 15 last month. Sixteen units represent a vacancy rate of 4.27%. CRHA is working to get this down. HUD's new benchmark is 98% occupied. CRHA is working on turning the units more quickly and getting eligible files ready more quickly. There is one dedicated staff member for file eligibility. She has been moved to the Central Office so that Ms. Dunn can monitor the situation more closely and she will have greater administrative support. The process is very long due to our long waiting list. Waiting list people must be contacted more than once in order to keep them on the list and many times it is not possible to locate them. Ms. Dunn has two of the property managers reviewing the files during the intake process so that ineligible people do not end up on the list and ultimately turned down at that point which can precipitate a grievance. The list is purged once a year. It is an involved process that takes about a month. Sometimes people may lose eligibility while they are on the waiting list because there are time-sensitive guidelines of 120 days as per HUD (e.g. landlord reference). Mr. Jones agreed that the certification process involves the collection of a great deal of information and that when the waiting list is over a year it makes the task much more difficult and lengthy. The goal is to



have four eligible files for each vacant unit. It was pointed out that most of the time the residents do not give advance notice about leaving. Westhaven takes more time to turn a unit due to the larger number of bedrooms. In addition, when a prospective resident is offered a unit at Westhaven they turn it down. The current policy allows a prospective resident turn down an offered unit three times before they are removed from the list. Commissioner Woodard stated that this issue should be kept in mind during the redevelopment plans. Ms. Dunn said that it would probably have to be done last due to the complexity involved. Ms. Johnson said she had no choice in where she was placed when offered her unit at Westhaven in 1983. There are approximately 700 families on the waiting list.

Ms. Dunn presented the rent receivables balance for CRHA's November's Active Resident Accounts Receivable Report which notes each tenant with a balance in excess of \$50 owed to CRHA as of 11/30/2013. These 39 residents owe a combined \$6,389. Twenty-three additional residents owe less than \$50 each. CRHA considers that amount *de minimus* and is not pursuing legal action against them at this point. CRHA went to court on 11/19/13 for ten households, one of which was continued from 10/15/13. One case was continued to 12/17/13, possession was granted on two households (one family promised to pay in full by 11/29/13 – the other family is subject to eviction. CRHA is working with them.), and six were dismissed as they were paid in full. Ms. Dunn pointed out that the number of evictions in 2013 is the lowest it has been in 10 years.

## **2. Resident Services Committee**

**Commissioner Jones said there was much discussion about RAD.**

### **IX. COMMITTEE MEETING DATE CHECK-IN**

Resident Services Committee Meeting - meets 2<sup>nd</sup> Thursday of the month. The next meeting will be Thursday, December 12, 2013, at 1:00 pm, at the Crescent Halls Center.

Finance Committee Meeting / Capital Planning Meeting – meets 3<sup>rd</sup> Wednesday of the month. The next meeting will be Wednesday, December 18, 2013, at 4:30 p.m. in the Basement Conference Room at City Hall.

Regular Board Meeting – meets 4<sup>th</sup> Monday of the month. December meeting is TBA.

RAD Meetings - TBA

### **X. PUBLIC COMMENTS**

Brandon Collins, 418 Fairway Ave., said he would email draft changes made to the Eviction Prevention Policy to the Board and to Allyson Davies the next morning. He stated he has been trying to get an Eviction Prevention Policy in place versus an Eviction Enforcement Policy after witnessing an eviction in September. He said other options need to be explored. Mr. Collins then expressed opposition to tearing down housing if the same number of unit were not going to be rebuilt. He also said he hopes the playground improvements go quickly. Mr. Collins suggested a Legislative Agenda, if legal, would help with financial problems.

Joy Johnson, 802 Hardy Dr. Apt A, said an important public concern is to work with City and check with Dr. Atkins about effects RAD is going to have on the school system. She stated that the Resident Services Meetings are not just RAD meetings; used for other discussions. She said she does not want these meetings used for trainings. Regarding JABA, she declared that residents should not have to sign if there is another layer of coverage i.e. Exchange Information Form. Ms. Johnson reported 210 residents say No to applying for RAD. She also mentioned that a regulation requirement of the Annual Plan process is to meet with PHAR.

Karen Shepherd said there are other and better ways to inform the residents that there are opportunities in the community without them having to sign consent forms; such as staff notifying the families individually.

Deirdre Gilmore, 613 Hinton Ave., thanked Commissioner Jones for attending the Resident Services Meeting and encouraged the other Board members to attend.

**XI. ADJOURNMENT**

Commissioner Woodard closed Public Comments.

The Regular Meeting closed at 8:56 p.m.