

**THE 1024th MEETING
BOARD OF COMMISSIONERS
OF THE HOUSING AUTHORITY, THE CITY OF RENTON
MONDAY, July 24, 2023, AT 9:00 AM**

MINUTES

The Board of Commissioners of the Renton Housing Authority met for the monthly board meeting on Monday, July 24, 2023. The meeting was held via Zoom conferencing. Chairperson Wheeler called the meeting to order at 9:06 am.

I. COMMISSIONERS PRESENT: Merna Wheeler, John Hansen, Michael O'Halloran and Valentine Portolano. Also present: Michael S Bishop, Chief Executive Officer; Debra McCollough, Director of Human Resources; Sean McCarty, Director of Construction; Charlie McNamara, Interim Chief Financial Officer; and Andrea Carruthers, Office Administrative Manager. Guests Present: None

2. CONSIDERATION OF 1023rd BOARD MEETING MINUTES:

MOTION by Commissioner O'Halloran and a second by Commissioner Portolano to approve the minutes of the 1023rd board meeting held on June 12, 2023. No comments about the prior months minutes were given. Votes were given as follows: Commissioner Wheeler - Aye; Commissioner Hansen - Aye; Commissioner O'Halloran - Aye; and Commissioner Portolano - Aye. Motion carried with a majority vote of quorum at 9:10 am.

3. AUDIENCE COMMENT: No Audience comments at that time.

4. FINANCIAL

4.1. No Unaudited Financial Statements were provided for RHA at this time due to not truly knowing what the actual balance is for the housing authority until all Audits are caught up from 2020-2022, which should be by the end of 2023. Allied Residential Management Financials for May and June 2023 were provided to the board, except for 95 Burnett and only May's were given at the board meeting due to Cushman and Wakefield's agreement for reporting is different than Allied. The June 2023 Check Issued Report were provided as well as the June 2023 Local Government Investment Pool report. Charlie stated that he had forwarded the report showing prior years contributions and interest accrual for the Local Government Investment Pool due to a request at a prior board meeting from one of the commissioners. That report had been sent to the CEO and forwarded to the board of commissioners.

Charlie McNamara discussed all Financial Reports with the board. Charlie discussed where RHA was with the State of Washington FY2020 Audit and all Partnership Audits and hoping to have the finalized audit completed by the end of July and submitted to HUD and Federal Audit Clearinghouse soon after that. It was also reported to the Commissioners that the 2021 and 2022 will begin to have requested items uploaded into the Smith Marion and Company ShareFile online for their review process.

Commissioner Valentine questioned why it was taking so long to fill vacancy's with the

VASH vouchers. It was informed by the CEO that the VA takes their time on referring VA applicants for these vouchers. Allied continues to request referrals from the VA case referral worker. We will be meeting with Allied in the future to see if we can get a better plan of action created to not allow this much time to lapse on these units. The CEO also stated that this is the same across the United States because we had the same issue of large timelines between referrals from the VA, even in Kansas City, MO.

Commissioner Valentine also asked about the operating costs for Chantelle and the CEO stated that we would discuss with Allied Residential and find out before the next meeting.

Commissioner O'Halloran asked about the properties and partnerships. Charlie went through them explaining the partnerships and vouchers, market rates and explained that Allied Residential is the property management company for all except 95 Burnett and Cushman and Wakefield handles this property. Commissioner O'Halloran also asked where the profits for these properties at the end of the fiscal year; what account does the profits go into? Commissioners want to see the reserves for each property.

Commissioners also want to tour the properties so that they can see what RHA owns and operates, either solely or through a partnership. Commissioner O'Halloran wants to see more information on Retained Earnings, Quarterly Reports or whenever Allied began managing the properties.

Commissioner Valentine goes through Checks Issued Report for RHA and reviews what the Kelly Connect Co (new scanners due to requirement of specialized scanning ability with SACS) check was for; Trident Computer Systems (SACS Cloud-Based Server System) was for; Andrea Carruthers check was for via payables (Petty Cash for Mileage to/from Post Office); Insight Consulting (Dawn Pacheco's IT business); Duane Leonard with the Association of Washington Housing Authorities; CFO Selections (contract agency for the Interim CFO Charlie McNamara; and Swift HR Solutions, Inc (Contract agency for Debora McCullough – HR)

The board also asked about why tenants were receiving checks and the CEO explained that as of right now, Utility Reimbursements on the HCV program are still printed on checks but it will eventually be moved to EFT, either to the tenants bank account or to a Debit Card system that RHA may invest in as I did in Independence, MO.

Commissioner Valentine stated that a letter had went out to tenants regarding the EFT requirements asking for a voided check or letter from the bank showing account and routing numbers. RHA CEO stated that if the letter went out, it was by accident because we were concentrating on landlords first on requiring EFT payments instead of checks.

Commissioner Valentine asked about long term goals on labor costs for RHA. Currently we had 4 administrative staff being contracted out via third-party companies and 6 HCV staff being contracted out from PACE Staffing. Commissioner Valentine wants a full report on Labor Costs for RHA ... temps, consultants, FTE employees, etc. by the end of September. Commissioner O'Halloran wants to make sure we are competitive with RHA's benefits to help retain employees. Commissioner Valentine wants to see a report showing the total labor costs for 2022 by the end of September as well.

Commissioner O'Halloran wanted to know the purpose of the Local Government Investment Pool and if it could be used to buy more properties. RHA CEO stated that the investment funds that has been placed in this pool in the past was probably originally funded with Restricted Reserves from the properties. It is no different than leaving your reserves in the bank gaining interest or placing the funds into a Certificate of Deposit and allowing it to gain interest. There are still restrictions on what the funds can be used for and the CEO believes that it would need to go back to existing housing stock and not purchase future housing but the CEO will check on it. **[*ACTION]**

MOTION by Commissioner Portolano and seconded by Commissioner Hansen to approve the Allied Residential Mgmt Reports, RHA Check Issued Reports and Local Government Investment Pool Report. Votes were given as follows: Commissioner Wheeler - Aye; Commissioner Hansen - Aye; and Commissioner O'Halloran – Aye; and Commissioner Portolano. Motion carried with a unanimous vote at 10:10 am.

- 4.2 Housing Choice Voucher Utilization update: RHA CEO gave the report on where the HCV Utilization was currently at. It was also discussed that the conversion from YARDI to SACS Software has been pushed back to October 1, 2023 due to SACS having limited staffing as well on their technical support staff side. Main goal at this point is to clear up the outstanding audits for 2020 – 2022 that is causing HUD to sanction 5% of the HCV Admin Fees each month. A new HQS Inspector is being trained due to the prior inspector resigning on July 10th. RHA CEO explained to the board that terminations of voucher assistance has not been completed as should in prior administration but will be done with this administration, as per HUD requirements. With the increased terminations that will take place, there will be Informal Hearings completed by the CEO to listen to the voucher holders side as well as RHA's side. CEO has already had two Informal Hearings since starting on March 1, 2023 and both were overturned in favor of the voucher holder. SEMAP was explained more and why the low score has been given to RHA the past couple of years and what RHA needed to do to get the score up. Admin Plan, the HCV program guidebook for RHA, is being revised currently due to upcoming regulatory changes taking place on January 1, 2024. Landlord Meeting was held at the Sunset Neighborhood Center in June 2023 but only had 3 participating landlords show up. The landlord presentation will be placed on RHA's website to be viewed by other landlords to help them understand the program better.

Break for 6 minutes from 10:30 – 10:36 am

5.1 Allied Residential Management Update (Charlene / Debra):

Debra discussed where Terminations were at the properties and that prior administration at RHA had held all terminations for non-payment of rent and that decision has been reversed because HUD expects all rents to be paid and follow through on with due process and hearings, if requested. Allied Residential are sending out notices to tenants now, based upon the new Washington landlord laws in place on notice requirements. Write-Offs are another way to clear off debt on the Tenant Accounts Receivable but that can only happen if the tenants are no longer at the property and gave up possession. It was explained that write-offs cannot happen on current occupied tenants. All new laundry machines have all been installed at all properties. Non-Smoking of all RHA properties is being worked on by Allied

Residential and notifications sent out to all residents so that they know when the cutoff of smoking on the property will cease. Currently, smoking is allowed on the property as long as they are 25 feet from the building. Smoking in the units are in the buildings are prohibited, even under the current No-Smoking Policy. The new policy will prohibit smoking anywhere on RHA owned property, which means parking lots as well. It was explained that Pot or Marijuana, even though that it is legal in the State of Washington, each property can set their own policies regarding this. No-Smoking means cigarettes, marijuana, pipes, vaping, etc. and definitely not legal on Subsidized Properties because Marijuana is still an illegal drug per Federal Regulations.

Commissioner O'Halloran likes that Washington has increased taxes on cigarettes. The deadline for the no-smoking to be in effect is January 2024.

Lease-Up has started at Sunset Gardens. Meetings with KCHA and the VA has begun to be arranged. The commissioners want to do a walk-through of Sunset Gardens soon as a field trip.

It was explained to the board that we own a property that has 4 units that is specifically for Domestic Violence programs via YWCA. The program is supposed to be transitional housing. RHA will be looking to possibly pull that program back since it is not being utilized correctly and the property is very old and needs a lot of capital improvements. RHA would like to renovate and turn it into additional housing for voucher holders.

RHA and the City of Renton has been meeting over the 2 houses that the City of Renton owns but has RHA managing. The fees that RHA is paid out of the rent on these units is not enough to cover RHA's costs. RHA is only getting 10% of the \$500 rent and 10% of the \$995 rent at the two properties. Since we don't have property managers anymore as FTE and contract everything out, it is being discussed that RHA pull away from managing these properties unless the City of Renton wants to increase their fee payment to RHA to 40% of the rents. The City of Renton has plans to turn those two properties into City Parks within the next 5 years.

The City needs to be more involved in affordable housing to ease restrictions; make it more affordable and speed up the process of review time on permits, etc. Sean stated that the City has been very good partners to RHA in the past. RHA needs to have more flexibility from the City to create additional affordable housing in the future.

The digitization of RHA files has been awarded to a company and RHA and the company are working on a timeline to get these files digitized before we move our offices back to Sunset Gardens in December/January.

- 5.2 Human Resources Update (Debra): Debra discussed the recruitment and hiring of staff for RHA. RHA has hired 2 people in Finance/Accounting from Temp positions and 1 – HQS Inspector from a temp position. RHA's intention is to have 5 FTE HCV staff plus the Inspector on staff for that department. This would get RHA to a full HCV staff capacity. Once the HCV Director comes on board, Janice Fernandez will move to Compliance only as a contractor. RHA is still trying to unlock files on the Server that were locked by Mark or prior CFO. Merne suggested a Registered Letter to be sent to Mark Gropper to request assistance on getting access to these files. If no response from Mark, then the current CEO will attempt to get HUD involved to assist.

Sean explains that a Quit Claim Deed was done on one of the parcels of land that once was Sunset Terrace and signed over to the City of Renton. The parcel of land in question still has a Declaration of Trust with HUD and cannot be released to sale or give away until that happens. That has to go through the SAC or Special Application Center in Chicago, which is a division of HUD. This Parcel in question is between two other parcels and not in a good place to pursue additional affordable housing on due to current setback restrictions and noise restrictions that the City have under current building and permit codes. RHA will need to get this parcel of land back from the City. The CEO will have a meeting with the City once all documents have been collected that will be needed to explain the case. If they refuse, then RHA will have to get HUD involved to pull their attorneys into play to get the land Quit Claim Deeded back to RHA.

5.3 Sunset Gardens Update (Sean): Sean updated Board that the 76-unit building is still on schedule for an October 5, 2023 Certificate of Occupancy. The board wants to have a site tour of the building soon.

5.4 IT Update / Software Changeover / Conversion (Dawn /Michael):
Dawn explained that a new server was purchased and it will be going live on the upcoming Friday after the board meeting. The new server will be connected to the new SACS Cloud server and new upcoming VOIP (Voice Over Internet Protocol) phone system that RHA has went out for bid on. Currently, the phone system is Mitel 2017 and phone calls cannot be recorded and listened to for customer support training with staff.

6.0 NEW BUSINESS:

6.1 Resolution# 2697-2023 Requesting Board Approval to create an Emeritus Board Designation position for prior board members

Administration is requesting approval of the creation of an Emeritus Board Designated Position for prior board members. This position is title only for years of service that the board members have provided RHA. There are no voting rights for this position. After some discussion, a motion by Commissioner Portolano and seconded by Commissioner Hansen. Votes were given as follows: Commissioner Wheeler - Aye; Commissioner Hansen – Aye; Commissioner O’Halloran - Aye; and Commissioner Portolano – Aye. Motion carried with unanimous vote at 12:32 pm.

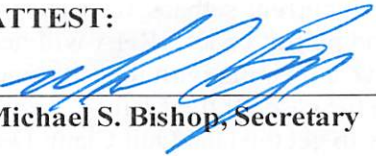
7.0 ADJOURN of Regular Board Meeting [*ACTION]

Motion by Commissioner O’Halloran and Seconded by Commissioner Portolano to Adjourn. Votes were given as follows: Commissioner Wheeler- Aye; Commissioner Hansen – Aye; Commissioner O’Halloran – Aye; and Commissioner Portolano – Aye. Motion carried by unanimous vote at 12:36 pm.

DATE: October 9, 2023

Signature: 
Merna Wheeler, Interim Chairperson

ATTEST:


Michael S. Bishop, Secretary

