

MINUTES OF THE SPECIAL MEETING OF THE COMMISSIONERS
OF RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY
HELD IN THE OFFICES OF RRHA
901 CHAMBERLAYNE PARKWAY, RICHMOND, VIRGINIA
ON WEDNESDAY, SEPTEMBER 29, 2009

In Attendance:

Board of Commissioners

Elliott M. Harrigan, Chairman
Marilyn B. Olds, Vice Chair
J. Russell Parker, III
Guenet M. N, Beshah, Esq.
James A. Sties

Absent

Cindy A. Mims

RRHA Staff

Anthony Scott, Chief Executive Officer

Chairman Elliott M. Harrigan called the meeting to order at 5:33 p.m. with *George K. Martin, Esq.* serving as Legal Counsel.

Update

Chief Executive Officer Anthony Scott provided an update on the Housing Choice Voucher Program (HCVP). Some of the highlights were:

- Utilization rate increased to 93% from 75%
- Waiting list is now less than 1,200 families
- Currently serving approximately 2,900 participating families
- The Housing and Urban Development (HUD) Public and Indian Housing Information Center (PIC) rate increased from approximately 75% (May, 2008) to 100% (August 2009)
- Designated still as "Troubled." However, RRHA projects achieving "Standard Performer" status following the HUD review in December 2009, and anticipates achieving "High Performer" status through its self-certification process which will be conducted at the end of 2009
- The Housing Assistance Payments (HAP) subsidy funded by HUD has been severely restricted since July 2009
- RRHA's HAP reserves will be zero by December 2009, culminating in a deficit of \$1.4 million by December 2010.

As a response to the above funding shortfall, RRHA:

- Halted additional lease-ups of approximately 120 HCVP applicants in the "Search Process," sent them notification of same on September 4, 2009, and held an information meeting on September 10, 2009
- Halted lease-up of an additional 43 HCVP applicants in the "Search Process," sent them notification of same on September 18, 2009, and held an information meeting on September 24, 2009, after meeting with the HUD

Quality Control staff

- Those applicants affected by the shortfall will not lose their position on the HCVP list and will be the first to obtain a voucher when vouchers become available
- Halted utilization at 95% (September 2009)
- Reviewing various program cost saving strategies and is meeting with HUD and federal legislative officials to present RRHA's case for full funding
- Submitting to the City of Richmond a formal request for a loan to help cover the gap in funding projected to be \$1.4 million by December 2010 in case the funding currently under discussion in Washington, D.C. does not happen

In January 2010, assuming HUD makes a normal adjustment utilizing the "look back" approach, RRHA will receive full funding and will no longer have a deficit until June 2010 when another adjustment is expected, which will create a 2010 year-end deficit of approximately \$636,531.

Mr. Scott is meeting with HUD on September 30, 2009 to discuss the anticipated deficit but also to request funding for RRHA's reserves. Commissioner Sties remarked on the fact that RRHA staff acted aggressively on the Board's request to obtain a high utilization rate and now, with the reduced funding from HUD, it has led to the deficit problem. Chairman Harrigan inquired if any of the other housing authorities have been working together to make specific recommendations to HUD for: how to address the shortfall, and the "look back" approach for six months. Mr. Scott responded that he has spoken to Senator Henriquez about that very issue and suggested that HUD look back no more than three months to obtain the trending as that would be a more fair analysis. Also, HUD is speaking with industry groups like Public Housing Authorities Directors Association (PHADA), National Association of Housing and Redevelopment Officials (NAHRO), and Council of Large Public Housing Authorities (CLPHA) and obtaining their feedback on discussions such as how to better handle reporting, etc.

RESOLUTIONS

Agenda Item No. 1 – Resolution of the Richmond Redevelopment and Housing Authority to Approve the Authority-Wide Operating Budget of \$89.9 million for the Fiscal Year Ending September 30, 2010, which was read and considered:

(09-43) BE IT RESOLVED by the Commissioners of the Richmond Redevelopment and Housing Authority (the "Commissioners") that the proposed operating budget for the fiscal year ending September 30, 2010 is reasonable and representative of the estimated operating income and expenditures associated with the operation of the Authority; and

BE IT RESOLVED that HUD has defined certain budgetary mandates related to Asset Management implementation including;

- ❖ Operating budgets developed for each Asset Management Project (AMP),

- ❖ AMP operating budgets must be approved by the public housing authority's Board before commencement of the fiscal year; however, the Board is not required to pass a resolution for each project budget, and
- ❖ The Board resolution must be filed at the local field office. (HUD-FORM 52574)

BE IT RESOLVED that funding sources for Richmond Redevelopment and Housing Authority include the U.S. Department of Housing and Urban Development, the City of Richmond Virginia, and other independent and private sources.

BE IT FURTHER RESOLVED that the FY 2010 operating budget is hereby approved and adopted.

Discussion

Several questions were asked and answered to the Commissioners' satisfaction. It was noted that the budget had been discussed at two Finance Committee meetings, among the Board, and at meetings with staff members. Commissioner Sties commented that the Finance Committee tried to find funds to aid those people whose vouchers were halted. However, the money is so restricted in its use that if the money is not specifically from HCVP, there is no money that can be pulled from elsewhere. The housing authority accounting is very complicated and what looks like a "fat" budget is actually very lean. He also spoke about "line item variance reporting" so that RRHA can know how it is doing on an on-going basis, including specific statements concerning variances. The new Yardi system will help with the line item reporting and set reporting triggers.

1 Motion: (Parker/Beshah) Move to adopt Resolution 1.

Motion Carried Unanimously

Adjournment

2 Motion: (Olds/Sties) Move to adjourn.

Motion Carried Unanimously

There being no further business and upon unanimous vote, the meeting adjourned at 6:05 p.m.

Chairman

Chief Executive Officer/Secretary-Treasurer