

**HOUSING COMMISSION OF ANNE ARUNDEL COUNTY
BOARD MEETING MINUTES
FEBRUARY 25, 2019**

Present: Peter J. Ponne, Chair
Robert Bradshaw, Vice Chair
Sandra Ervin, Commissioner
Beryle Downs, Commissioner
Tanya Hill-Brown, Commissioner
Carrie Blackburn Riley, Legal Counsel
Clifton C. Martin, Chief Executive Officer
Diane Haislip, Deputy Chief Executive Officer
Dean Hadjis, Chief Financial Officer
Michael Hale, Director of Modernization
Gina Gibson, Director of Property Management
Lanita Hillen, Director of Housing Services
Christopher Ostovitz, Director of Information Technology
Carole Ann Brazeal, Executive Administrative Assistant
Pam Walton, Director of Housing Resources
Alicia Seelagan, Accountant

Teleconference: Danny Boyd, Commissioner

Absent: William Utz, Commissioner

Guest: None

Location: HCAAC, 7477 Baltimore-Annapolis Blvd, Third Floor, Glen Burnie, MD 21061

Meeting called to order at 11:00 a.m. by Chair Ponne. Mr. Martin said we have Commissioner Boyd joining us by phone on teleconference speaker.

MINUTES

Chair Ponne opened the discussion of the January 2019 minutes.

Chair Ponne asked if there were any questions and asked for a motion to approve the minutes. Motion made by Commissioner Ervin, seconded by Chair Ponne and all in favor.

BUSINESS AGENDA

Chair Ponne moved on to the first item on the business agenda, Update on the Financial Audit.

Legal Counsel Riley pointed out the right to go into a closed session is missing from the bottom of the agenda. Mr. Martin stated it was advertised as such and will make sure the reference is reinstated and added to the Agenda slide; we will not have a closed session today.

Chair Ponne moved on to the first item on the business agenda, Update on the Financial Audit.

Mr. Martin gave an update on the audit stating Clifton Larson Allen has nearly wrapped up the audit but needs some final data from the agency before presenting. This was their first year and this audit was far more detailed and comprehensive than past audits. He indicated that the board can expect their presentation at the next board meeting on March 18. Mr. Martin said the audit has to be submitted to HUD by the end of March.

Chair Ponne moved on to the second item on the business agenda, Update on RAD Processes.

Mr. Martin stated Freetown Village is progressing, with more than 90% of the units now either under renovation or completed. The new construction has begun with a third building under roof in about two weeks and the others coming quickly behind. Mr. Martin added we were awarded an FSS Grant of \$189,000 that ties into Freetown and Meade Village. Ms. Gibson gave an update on Freetown Village and she stated we have moved the last person into a hotel. We have finished 125 out of 127 of the file conversions submitted to RBC. Ms. Haislip said the Commission will have a follow up lessons learned meeting. She indicated that one of the lessons was the Commission learned not to do this size of renovation project with the clients in place in the future. Ms. Gibson said Quadel does the quality control of the files as a third party vendor. Legal Counsel Riley asked if Quadel was budgeted in. Mr. Martin confirmed that it was part of the budget. Mr. Martin said we are looking at reconfiguring the office space and resident center on the site.

Mr. Martin stated we will now move to complete the Meade RAD/Section 18 Blend Application so that we may close the deal in the Fall of 2019. He indicated that they have met with staff from the County Executive's Office and have meetings scheduled with county school board staff and council members regarding legislation that is to be heard for vote on Monday, April 1st. Ms. Haislip added the Commission is still waiting for the FHEO letter of approval for the reconfiguration change. Legal Counsel Riley asked if the Commission received the rent commitment for the large units. Mr. Martin said HUD guaranteed in writing we will get the higher rents. Vice Chair Bradshaw asked who is the architect? Mr. Martin said Zavos and Whiting Turner is the general contractor, similar to Freetown.

Mr. Martin stated preliminary work continues on the remaining 4 communities although the Commission rescinded the CHAPs and will re-apply due to delays that have put the Commission past the initial window with HUD. The Commission has notified HUD that these communities will also use the Section 18/RAD Blend concept with Project Based Vouchers. The Commission anticipates a new round of resident meetings and a new resolution authorizing resubmission in April 2019.

Chair Ponne moved on to the Dashboard.

Legal Counsel Riley asked about page 12 Section 11, she noted the Commission seems to be losing 1 to 3 employees a month and inquired as to whether they are in the same department. Ms. Haislip responded that they are in different departments. Mr. Martin stated since the Commission brought the HR contractor on some issues have diminished. Commissioner Downs said when you have disgruntled persons and you bring professional HR in they will get on board or go. Ms. Gibson added that in her department some staff members were not prepared for the conversion and left due to the overwhelming amount of work to convert. Legal Counsel Riley suggested looking at a year earlier to see the trends.

Legal Counsel Riley said thank you for the new chart on page 34 regarding RAD cost and asked about the huge sum for legal cost. Mr. Martin stated there are 8 categories of legal line items and they are all factored in that total project cost. He made clear that not all the legal costs were billed to the Commission directly although they are all RAD related costs. Vice Chair Bradshaw noted architectural expenses are large. Mr. Martin said that is normal and is a standard percentage of the total cost. Legal Counsel Riley asked if costs are reimbursable at closing. Mr. Martin said preliminary costs are, and for ongoing architectural services the Commission will be reimbursed via draws every month. Chair Ponne noted \$734,000 has been advanced on Meade to date and will be reimbursed at settlement.

Vice Chair Bradshaw commented about on the Investment slide and inquired as to why is the Commission's risk tolerance "very aggressive" and who made that decision. Mr. Martin said the investment committee made the decision. Legal Counsel Riley noted the 1.6M is conservatively invested and the remaining \$400,000 is aggressive. Mr. Martin said the 3 board members on the committee made those decisions. Legal Counsel Riley asked how often does the investment committee meet. Mr. Martin said once a year. Commissioner Downs asked who was on the committee. Mr. Martin said he believes that Commissioner Boyd, Commissioner Utz and Vice Chair Bradshaw make up the committee but will check.

Commissioner Downs asked for an update regarding the Boys and Girls Club. Ms. Gibson said the Freetown Village club is open. They did a lot of work in the club to reopen. Ms. Haislip clarified that she thought that

Commissioner Downs was asking about resident recruitment in our communities. Ms. Gibson added the application packets are automatically given to families with children. Commissioner Downs asked if we know what happened for certain at the Freetown Village club? Mr. Martin said it was personnel related and they have taken care of it. Commissioner Downs said we should know what is happening in our house. Legal Counsel Riley asked from a liability perspective do we have an indemnity agreement in place and asked that someone make sure it is in the contract. Ms. Haislip said it should be in the closing documents. Ms. Haislip also said we do not have a lot of control over the operation of the Boys and Girls Club. Legal Counsel Riley said it would be a good idea to do a letter stating "please be reminded you have a duty to protect us and we trust that you are taking all measures." Mr. Martin said that is good idea.

Commissioner Downs asked for an update on the Security Contract negotiations. Ms. Haislip said the contract has been signed and we are waiting on some insurance documents. Mr. Hadjis said the Commission had them add an indemnity clause to hold harmless as well. Legal Counsel Riley asked if they added a requirement to add the agency as an insured. Mr. Hadjis stated that was correct. Also, the security company will be required to have an armed officer endorsement. Commissioner Downs asked where the armed officers will be posted? Ms. Haislip confirmed the NAP Lobby and in the Resource Center. The Commission intends to have a kick off meeting in March. Chair Ponne inquired as to when will they be on post? Ms. Haislip said on weekdays from 8am to 4:30pm. Ms. Haislip said the Commission's NAP office building doors lock at 6pm and there is a phone system for all offices outside the front door.

Chair Ponne moved on to Old Business.

Mr. Martin stated the Board discussed at the last meeting the opening of the waitlist and that the Commission still had another month to decide. He stated the HCV waitlist has gone from 12,000 to 2,800 since it closed in 2014. Mr. Martin re-introduced Pam Walton, Director of Housing Resources, to answer any questions Commissioners may have on the matter. Commissioner Ervin asked what will happen to the 2,800 on the list now. Ms. Walton said by removing the preferences that 2,800 will keep their position on the list. Ms. Walton reiterated the methodology of how the preferences work. Ms. Walton said when we open the waitlist and keep the preferences, those applicants from past years will be pushed further back on the waitlist. She explained the preferences also cause a delay in housing applicants due to a majority of those called in for orientation actually do not meet the preferences, are placed back on the waitlist and the process is very time consuming. She added removing preferences would rank the waitlist by date and time of application and save time when processing. Commissioner Boyd asked how many homeless would be affected. Ms. Hillen stated that we are looking at that data now. Ms. Haislip said we already have a Mainstream Program that has a separate list for homeless. Ms. Hillen said out of the 1,815 tagged as senior disabled, 87 on the list are homeless.

Chair Ponne moved on to New Business.

Chair Ponne said this would be his last meeting as Chair as he has officially resigned the position. Commissioner Ervin nominated Commissioner Boyd to act as Chair for the remainder of Chair Ponne's term. Commissioner Downs seconded the nomination. Commissioner Boyd accepted the nomination and the Board voted unanimously in favor.

Mr. Martin said the Board needs a committee to look at the new HCAAC Personnel Policy. Commissioner Ervin, Commissioner Downs and Commissioner Bradshaw stated they would form the committee.

Mr. Martin added there are upcoming conferences for NAHRO and MARC/NAHRO and to let staff know if any Commissioner wanted to attend.

Chair Ponne moved to adjourn.

Chair Ponne said if there is no other business we will adjourn the regular meeting, Chair Ponne asked for a motion. Commissioner Downs made the motion and the regular meeting was adjourned at 12:12 pm.