

BOARD MEETING MINUTES

April 19, 2021

11 am

Present: Danny Boyd, Chair
Sandra Ervin, Vice Chair
Beryle Downs, Commissioner
Tanya Hill, Commissioner
Pete Smith, Commissioner
Clifton C. Martin, Chief Executive Officer
Diane Haislip, Deputy Chief Executive Officer
Gina Gibson, Director of Asset Management
Michael Hale, Director of Modernization
Christopher Ostovitz, Director of Information Technology
Lanita Hillen, Director of Housing Services
Pam Walton, Director of Housing Resources
Dean Hadjis, Chief Financial Officer
Alex Sankov, Development Manager
Carole Ann Brazeal, Agency Services Manager

Absent: William Utz, Commissioner
Jerry Benoit, Commissioner

Guests: Karen Greiner and Mandy Merchant from CLI

Location: Housing Commission of Anne Arundel County - HCAAC.com
VIRTUAL ZOOM PLATFORM**
**NOTE - Due to the ongoing Covid-19 pandemic Commissioners, employees and guests participated virtually.

Quorum: Yes

MEETING CALLED TO ORDER

Chair Boyd called the meeting to order at 11:00 am

ACKNOWLEDGEMENT OF GUESTS AND VISITORS

Chair Boyd noted there are guests in attendance Karen Greiner and Mandy Merchant from Our auditing firm Clifton Allen Larson LLP.

APPROVAL OF PREVIOUS MEETING MINUTES

Chair Boyd asked if there are any comments regarding the minutes of the Board Meeting held on March 15, 2021. Chair Boyd asked for a motion to approve the minutes. Commissioner Downs made the motion, seconded by Vice Chair Ervin, all in favor and the March 15, 2021 minutes were approved.

BUSINESS AGENDA

Chair Boyd moved on to the first item on the Business Agenda.

DRAFT AUDIT UPDATE

Presented by Karen Greiner and Mandy Merchant from CLI

Mandy Merchant and Karen Greiner of Clifton Larsen Allen presented the 6/30/2020 Draft Audit of the Housing Commission to the Board. The Draft Audit rendered an Unqualified Opinion meaning the auditor has concluded that the financial statements present fairly the results of the company's operations and its financial position according to generally accepted accounting principles. The following points were discussed:

Statement of Net Position – Significant Changes

- Cash and other current assets increased by \$8.1 million primarily due to cash received from the sale of Meade Village and additional funding received from HUD under the CARES Act.

- Capital Assets decreased by \$1.5 million due to the sale of Meade Village which was offset by additions of \$1.6 million and current year depreciation of approximately \$1.1 million.
- Current liabilities increased by about \$860,000 which reflects unearned revenue relate to CARES Act funding along with increases in the current portion of long-term debt.

Revenue and Expenses– Significant Changes

- Total operating revenue increased by \$4,090,598 during 2020. The primary reason for the increase is the \$3.8 million gain on sale of Meade Village
- Total operating expenses increased by \$204,130 during 2020.
- HAP Payments increased by \$943,393 due to the increase in lease ups
- Utilities and depreciation expense decreased because of the disposition of Meade Village

Financial Statements Status

- All sections of the financial statement audit have been started
- Some samples need to be selected for additional testing
- Management is providing responses to questions

Single Audit Status (Housing Choice Voucher)

- Eligibility Testing/PIC uploads – 1 late recertification which was also uploaded to PIC almost a year after the effective date
- Annual Inspections – no issues
- Failed Inspections – no issues
- QC Inspections – none done in FY 20 due to COVID
- Wait List – no issues
- Reasonable Rent – no issues
- VMS – some variances noted; will discuss with management

Prior Audit Findings Follow Up

- 2019-001 – Financial Reporting - cannot assess yet
- 2019-002 – HCVP Eligibility - 1 issue noted
- 2019-003 – HCVP Inspections - cleared
- 2019-004 – PH Wage Rates - in process
- 2019-005 – PH Tenant Councils - cleared

Auditor Communication

- Auditors' responsibility under generally accepted audit standards
- Qualitative aspects of accounting policies, estimates and disclosures
- Estimates: Allowance for doubtful accounts
- Adjusting Journal Entries: There have been AJEs as part of the audit to date.
- Passed Adjustment: As of today, there are none

UPDATE ON TUNNEL VISION PARTNERSHIP

Chair Boyd moved on to the second item on the Business Agenda.

CEO Martin we are still in discussions to move forward with the Tunnel Vision Partnership. We are still working on grant funding.

More news to come. Hope to have something signed by the end of the month.

CEO COMMUNICATION

Chair Boyd moved on to the third item on the Business Agenda.

CEO Martin reported:

RAD UPDATE- MEADE VILLAGE: Progress continues at the community and we have now completed over 110 units to date. Now that winter is largely behind us, the pace will increase on site and we are eager to see this move into the final phase. We are now in the home stretch. The second apartment building is now under construction.

RAD UPDATE - ALL OTHERS: Moseley Architects have reviewed the site at Glen Square and are proposing now to add 5 new units in the existing building. We have selected Whiting-Turner as the General Contractor after a competitive application process. We have already submitted our 4% LIHTC application for funding to MD DHCD. The project has now begun.

DEVELOPMENT FUTURE - NEW VENTURES: We are reviewing and analyzing the possibility of using one of the sites that were blocked due to APF for a Veterans Housing Community. Commissioner Peter Smith will discuss the needs further at our April meeting.

VACCINATION CLINICS: We are now starting vaccination clinics at our family communities after wrapping up the process at the elderly and disabled communities in March.

RESOLUTION #683 - COLLECTIONS WRITE-OFF

Chair Boyd moved on to the fourth item on the Business Agenda. CEO Martin stated in order to receive money from DHCD for Covid rent relief for Oakleaf Villas, we must write off the current balance. The Board was asked to approve the write-off of Collection Losses for the Period Ended December 31, 2020, in the amount of \$4,185 for Non-Public Housing. Vice Chair Ervin asked for a motion to approve the write-off of Collection Losses. Vice Chair Ervin made the motion, Commissioner Brown seconded by, all in favor and Resolution #683 was approved.

REVIEW OF MONTHLY DASHBOARD

Chair Boyd moved on to New Business. No new business.

OLD BUSINESS

Chair Boyd moved on to Old Business. Commissioner Downs added we are still planning to hold a retreat for Commissioners and Staff. She added there are two upcoming NAHRO trainings "Ethics for Commissioners" in May and June. She reminded all of the Richard L. Ay Scholarship.

NEW BUSINESS

Chair Boyd moved on to New Business. No new business. CEO Martin stated we are now a CORs certified agency meaning developers have to partner with a CORs certified agency. He added the NAHRO October Conference will be held live in Tuscan, AZ.

ADJOURNMENT

Chair Boyd asked for a motion to close the meeting. Commissioner Downs made the motion and the regular meeting was adjourned at 12:24 pm.