



Agenda, Minutes, Reports, and Resolutions

Board of Commissioners Regular Meeting

Monday, November 27, 2023, at 6:00 pm

Hope White, Chairwoman

Marcus D. Goodson, Interim Chief Executive Officer

Sanford Housing Authority (SHA)  
Board of Commissioners Regular Meeting  
AGENDA

Date: November 27, 2023

Time: 6:00 pm

Place: SHA Central Office located at 317 Chatham St. Sanford, NC 27330

Please silence all cell phones and refrain from cell phone use during the meeting

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Board of Commissioners Meeting Monday, October 23, 2023

## BOARD MINUTES

A meeting of the Board of Commissioners for Sanford Housing Authority was held on Monday, October 23, 2023, at 6:02 p.m. at SHA Central Office, 317 Chatham Street, Sanford, NC 27330. Notice of this meeting was duly posted.

### 1. Roll Call:

#### ATTENDANCE:

Commissioner Hope White, Chairperson  
Commissioner William Newby, Vice Chairperson  
Commissioner Karen Wicker  
Commissioner Holly Aeschliman  
Commissioner Erin Britton

#### ABSENT:

Commissioner Carolyn Gilchrist

### 2. APPROVAL OF MINUTES:

Ms. White asked for a motion to be made to approve the board minutes from the September 25, 2023, Regular Board meeting. Dr. Wicker made the motion to adopt the minutes from the September 25, 2023, board meeting. The motion was seconded by Commissioner Aeschliman. All were in favor; the motion passed unanimously.

## Financial Report

### Public Housing Financials

Jake reported that the financials reviewed were as of September 2023 but are preliminary final numbers but close to what the reconciled ending balances will be. Public Housing had a net income for the year of \$26,000, which is above break-even; the prior year there were substantial losses that were cleared up during this year. Therefore, we are running at a surplus again. Stewart Manor was pulling us down; at the beginning, there was a loss of \$100,000 for public housing due to Stewart Manor. Linden, Utley, Harris, and Foushee ran at higher net incomes so it was good that we emptied Stewart Manor so that we could get some costs off the books, and receiving some shortfall monies from HUD has helped as well. Ms. White asked if this was the year-end, and Jake said yes but it is not final because they are still doing reconciliations.

### **Central Office Call Center Financials**

There is a loss of about \$125,000 compared to a budgeted loss of \$185,936 so the loss is less than expected. Jake said that one reason the loss is less is that we did not have all open positions filled during the fiscal year like the Finance Director position. He said that the COCC is borrowing money from the public housing entity which you are not allowed to do, and HUD may slap us on the hands when we submit financials for our audit. Jake said that once we get the developer's fee from Matthews Ct. and Garden-Gilmore, it should alleviate the problem.

The approved 2024 operating budget for MGG shows a large surplus cash income and will all come back to the COCC. Ms. White asked why the money would not go back to the development arm. Jake said that the developer fee usually goes to the development arm, but the surplus cash goes to the agency because the housing authority loaned money to the properties that are payable from the surplus cash. The developer fee goes to the developer arm but if the development arm is not willing to share that with the COCC, it will put the COCC under until sometime in 2025. Ms. White asked if the developer's fee was enough to get the COCC cash positive again. Jake said that it was about \$586,000 in receivables and Mr. Goodson said that the first cash flow would be in the \$200,000 range. Jake said that the rest would be deferred.

Mr. Goodson clarified that there were negative adjusters, so we did not reach stabilization as we were supposed to within the deadline to get the whole \$600K+ receivables; therefore, some of that anticipated money is not due to us because we did not reach stabilization. He said that when you have a positive adjuster, and you lease up quickly, you get more money. Mr. Goodson said that he does not think that we got a negative adjuster of about \$400,000. Ms. White asked who can determine the exact numbers and Mr. Goodson and Jake said RBC Capital Markets, the equity investor. Mr. Goodson said, once they issue the 8609, we will have the exact number. Dr. Wicker asked if we could recover the loss from the negative adjuster and Mr. Goodson said no, we just lost out on it. Mr. Goodson said that the deals he has been a part of have always been positive adjuster, not negative adjuster deals. Jake said that he sees it happen quite a bit when there are delays and then the developer cannot take the tax credits. Jake said the COCC will need that CCSD money but hopefully, if Matthews, Garden-Gilmore cashflows as expected, it has a good-looking bottom line especially since management has a handle on getting the units leased up. Jake said that we can get an additional \$200,000 extra per year from MGG for a couple of years but eventually, the properties will get old, and the cost will increase.

### **Housing Choice Voucher Program Financials:**

We ran a \$13,000 net income so slightly above break even on the administrative arm of the HCV Program. On the voucher side, any money you spend up to your authority amount is reimbursable from HUD. Jake said that Keren and Sherri are aware that they need to lease up more.

**ROSS & FSS Financials:** The ROSS program had \$105,000 in expenses but we must make sure that HUD is being billed consistently and that we are up to date because we are owed \$66,000 as of 9/30. Mr. Goodson said that he thought that we were up to date on our drawdowns, but he would check with Gabby.

## **Public Housing Report**

Michelle reported that the report was a snapshot for September. She said that there were excess work orders because she of inspections and the maintenance staff is working hard to get the units turned. She said that the turn rate was not as high because we did not have enough maintenance staff. Ms. White asked if we had the parts to complete the work orders. Michelle said that we do not have the AC parts. Sherri said that we do have our stoves, refrigerators, and water heaters in now. Michelle said with the new equipment, the October report will show work orders being completed consistently. Ms. White said that she wants to make sure that we have the money to get supplies to complete the work orders. Sherri said that she does all the ordering now, so it is only about 1 or 2 invoices per month. She said that she has established a good rapport with our vendors like Lowe's and HD Supply so that all the properties are getting what they need. Sherri reported that she has even gotten our limits with these vendors increased.

Michelle said that the vacancy numbers have gotten better, and we are leasing 3 to 4 units weekly. She said that we are at a stopping point with Utley Plaza, but the maintenance staff must make them ready. Michelle said that next month, the board should only reflect the HUD-approved offline units. Ms. White stated that the HUD offline approvals only last a period and asked if we were on top of the deadline; Sherri said yes. Sherri also stated that we were able to get forty-eight additional units from Stewart Manor approved as well as 916 Oddfellow. Megan, the HUD representative has also given us information to help us keep them offline. Ms. White noted that she asked the question because of money.

Sherri reported that we had a drug bust at Foushee Heights; a tenant sold drugs to someone in the Sheriff's Department and weapons and drugs were taken from the unit. Ms. White asked if the person arrested was on the lease and Michelle replied, no. The management staff is now in the process of evicting the tenant. Michelle said that the police kicked in the door and busted windows to arrest the person, so she had the maintenance staff make the repairs to secure the unit. Michelle stated that Foushee Heights would hopefully get better because she would receive phone calls over the weekend about shootings and other illegal activities going on in Foushee Heights.

Mr. Goodson informed the board that we have temporarily moved the 1<sup>st</sup> Street office to the Matthews Court Ms. Community Center, so we will have to set up a rental agreement. Ms. White asked why they were moving, and Sherri stated that the roof was collapsing. Ms. White expressed concerns about having a presence at Linden Heights, but Sherri explained that the Matthews Court Community Center is close to the 1<sup>st</sup> Street office. She said that we are notifying the tenants about the temporary move. Mr. Goodson said that once we receive the shortfall money, we can hopefully fix the roof. Sherri said that we are working with the insurance adjuster as well.

Michelle stated that her last day working with Sanford Housing Authority will be October 31, 2023. Sherri said that Michelle did a great job, especially after she submitted her 30-day resignation notice. Michelle expressed her appreciation for the opportunity.

## **RAD-Matthews, Garden-Gilmore**

Danielle reported that we have eight work orders for Matthews Ct. that were outstanding because of the lack of supplies but now that we have the supplies, the October report should be better. Garden-Gilmore had thirty-five outstanding work orders but again it was due to supplies. The maintenance staff has been working hard to get the work orders completed now that we have supplies. Ms. White asked if it was normal wear and tear or if it was contractor issues, Danielle said that more of them are due to contractor issues. Danielle said that she has been working on violating tenants whose units are above normal wear and tear and notices to tenants who have not been paying their rent. Ms. White asked how often inspections take place. Danielle said that she does quarterly inspections and has had two with the investor and the state in which they both went well.

Mr. Goodson said that we had Stogner conduct a walkthrough inspection and we may run into plumbing issues because plumbing was not included in the renovations. Ms. White said that it should have been. Danielle said that the contractor said that they did some of the plumbing but the electrical was not included in the contract. Sherri said that the electrical issues were serious. Mr. Goodson said that during the inspection with Stogner, they concluded that the contractor was responsible for a few issues but not for others. Danielle said that she did not find out about some of the electrical issues until she went to move someone in, and the tenant's electricity went out. She said that she then realized that some units were not inspected by McCright prior to move-in. Mr. Goodson said that the renovation had to be approved by the city, but some things may have developed from the unit sitting unoccupied.

Ms. White asked if the Property Managers conducted a pre-inspection prior to move-in and Danielle said yes, as did McCright. Mr. Goodson said that managers and/or maintenance should occasionally go into the units to deter break-ins and people living in the units without authorization. Sherri said that now management is responsible for sending their maintenance staff to vacant units every week. Sherri said that there are some electrical issues in some units where the lights just shut off and is concerned that this is a fire hazard. Sherri said that Danielle contracted the contractor, and it had nothing to do with the tenant or us. Sherri also stated there is a unit that water is getting into the inside and according to Stogner, causing a reddish residue inside the unit, but the contractor wants us to call them when it rains. Danielle said that the contractor would be here tomorrow and once the unit is fixed, we will be leased up.

At the end of September, Matthews Court had two vacancies but now we have one, and 1 will be occupied as of November 1<sup>st</sup> so Matthews Court is at capacity. Garden-Gilmore had eleven vacancies at the end of September but now we have eight vacancies and hope to have them all leased by November. Danielle said that we had one person who was supposed to move in today, but she was a no-call/no-show so now they will move to the next qualified person. Ms. White asked if we gave the person a chance and Danielle said we had given her at least three chances.

Dr. Wicker said that she received an email from S3, forwarded by OMI that one of their participants was scheduled to move in and that she hoped that it was not this person. Danielle said she was unsure, but we had two people move in last week. Sherri said that we will be partnering with S3 to rebuild the waitlist because

public housing will soon have about five units available. She said she would pull off the list first, but the waitlist will reopen soon.

### **HCV**

Sherri said that Keren is trying monthly to get more people with vouchers out looking for housing. She said that we currently have 111 people who have vouchers between Lee and Harnett counties looking for housing, but we have about 50% of the vouchers expiring. Sherri said that the HCV waitlist will reopen around January because currently, we only have about five hundred applicants remaining on the waitlist. Ms. White said that it is hard to believe that we started pulling from the waitlist in April, interviewing people in June, and have processed over half of the waitlist. Sherri said that each staff person has a certain number of applicants, gets the file ready, and then Keren does the interview; Keren does the interviews twice a month. Sherri reported that in September, we issued forty-three vouchers, and we have an attrition rate of about eight per month. Ms. White said that she knows people who have been on the list and have not been contacted.

Sherri also noted that when MGG gets leased up, those vouchers are subtracted from our total voucher numbers and the occupancy rate goes up. We have 15 VASH vouchers, and one is left but we cannot choose the person, the VA must refer the person. Harnett Training has thirty-seven vouchers and thirty-three are leased but we cannot use those; 226 Linden will have one vacancy soon. In total, HCV has a 75% occupancy rate, and we are using 99.1% of our voucher money by the end of the month, we need to be as high as we can because that's how funding is determined for the next year.

### **Resident Services**

Shkera reported that last month, we had two financial literacy workshops hosted by the State Employees Credit Union and Wells Fargo. We also had three workforce meetings for the participants.

Ms. White said that she was pleased with the National Night Out Event and that she was able to go to both locations. She said that the event was very well attended. Shkera stated that Sonic donated seventy-five hotdogs and others donated as well. Lee County Teen Court came out and an agency that helps low-income people get phones came out to support as well.

Sherri mentioned that Resident Services has a mandatory participant requirement of four participants, and we have forty-seven participants enrolled which gives her 1150% over her expected requirement. Also, she has 59% enrolled in escrow from the HCV program; we currently have 107 enrollments. Shkera said that we also have a ROSS program, and it is similar but does not have the escrow component. Mr. Goodson said that Shkera's doing a great job.

### **New Business**

Mr. Goodson reported that we received one proposal from the RFQ for Stewart Manor and we reissued the RFQ until October 31, 2023; he also has been speaking with two developers and is waiting on their proposals. One of them is called Michael's who is a huge developer and is one of the top developers in the industry, but they have tough ownership, right of refusal, and developer split guidelines. He said that once we select a developer, the units officially go back offline. He said that he would like to have decided by the end of January before the retreat. He said that the group that applied first is also great, and he has collaborated with them on other projects. Ms. White asked that we should not have problems with getting Stewart Manor leased because they are 1-bedroom units.

Mr. Goodson said he has been doing some tasks that are out of his comfort zone because we currently do not have a CFO like submitting the Annual and 5 Year Plan. He said that BDO has been helpful and he has a call with them about the shortfall and operating budget documents that we must submit to HUD. Mr. Goodson explained that we also have to submit a Troubled Recovery Plan by next Monday and therefore he is pulling staff in to help. He said that we are progressing and getting the units leased up will generate revenue and help in our progression.

Sherri said that we responded to a letter from OIG. Ms. White said that she did not know that we received a letter from OIG. Mr. Goodson said that a lot of stuff he does not share until the appropriate time. Ms. White said that she does not want something to come up and Mr. Goodson has not told them. Sherri said that she had to respond to them about the public housing units, rent rolls from July 2021 until July 2023, work orders, and a preventative maintenance plan, that she had to develop. She said that the representative from OIG said that they were involved because we have so many vacant units because of Stewart Manor, which is bringing our occupancy rate down. Ms. White asked if we could show them the mold report. Sherri said that she has given them ten out of the thirteen items that they asked for; she will continue to submit the remaining items. Ms. White said that OIG has been here before. She said if they need anything else about Stewart Manor to please let her know because she has emails regarding the condition of Stewart Manor. Ms. White said that WRAL came to a board meeting and did a story on Stewart Manor about the property having bats, one working elevator, and water under the other elevator.

### **Commissioners' Comments**

No additional comments

### **Public Comments**

There were no public comments.



### **Closed Session**

There was no closed session.

### **Adjournment**

Ms. White asked someone to make a motion to adjourn the meeting; Dr. Wicker made the motion to adjourn, and Ms. Aeschliman seconded the motion; all were in favor. The motion passed unanimously. The meeting was adjourned at 7:05 p.m.

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Marcus D. Goodson

Date

**3. Financials (See Email Attachment Labeled October 2023 Financials)**

#### 4. Public Housing and Maintenance Reports

##### A. Housing Report

Linden Heights, Utley Plaza, & Foushee Heights								
VACANCY REPORT AS OF October, 2023								
PROPERTY	TOTAL UNITS	Office Space NON DWELLING UNITS	Offline HUD App	# Units turned over by GC-General Contractor	# Units currently in renovation	Total Unit Turnaround Days	Units ready for re-rental	Current Occupancy Rate
Linden Heights	46	1	4	0	5	246	1	89.00%
Utley Plaza	55	1	0	0	6	252	3	89.09%
Foushee Heights	40	0	0	0	5	185	0	87.50%
HARRIS	26	0	1	0	2	322	2	92.31%
226 Linden Avenue	5	0	0	0	0	0	0	100.00%
<b>Total</b>	<b>172</b>	<b>2</b>	<b>5</b>	<b>0</b>	<b>18</b>	<b>251</b>	<b>6</b>	<b>91.60%</b>

##### B. Maintenance Report

WORK ORDERS	Linden Ave.	Utley Plaza	Foushee Heights	Harris Court	226
<b>TOTAL WORK ORDERS ISSUED</b>	16	3	7	12	0
<b>TOTAL WORK ORDERS COMPLETED</b>	8	1	5	11	0
<b>OUTSTANDING WORK ORDERS</b>	8	2	2	1	0
<b>AVERAGE COMPLETION DAYS</b>	6	6	5	6	0
<b>EMERGENCY WORK ORDERS ISSUED</b>	1	1	0	0	0
<b>EMERGENCY WORK ORDERS COMPLETED</b>	1	1	0	0	0
<b>OUTSTANDING EMERGENCY WORK ORDERS</b>	0	0	0	0	0
<b>% OF EMERGENCY WORK ORDERS COMPLETED</b>	100%	100%	0%	0%	0%
<b>Amount Charged to Tenants</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

## 5. RAD Housing & Maintenance Reports

### A. Housing Report

VACANCY REPORT AS OF OCTOBER 2023							
Property	Total Units	Office Space Non-Dwelling Units	Offline HUD App	Vacant In Maintenance	Total Unit Turnaround Days	Vacant Ready	Current Occupancy Rate
MATTHEWS	50	1	0	2		2	96%
GARDEN/GILMORE	126	3	0	9		6	93%
<b>Total</b>	<b>176</b>	<b>4</b>		<b>11</b>		<b>8</b>	<b>94%</b>
Comments							

### B. Maintenance Report

SANFORD HOUSING AUTHORITY MAINTENANCE DEPARTMENT REPORT		
<b>October 2023 MONTH END REPORT</b>		
	<b>Matthews Ct.</b>	<b>Garden-Gillmore</b>
<b>TOTAL WORK ORDERS ISSUED</b>	10	20
<b>TOTAL WORK ORDERS COMPLETED</b>	4	12
<b>OUTSTANDING WORK ORDERS</b>	6	8
<b>AVERAGE COMPLETION DAYS</b>	8	6
<b>EMERGENCY WORK ORDERS ISSUED</b>	1	6
<b>EMERGENCY WORK ORDERS COMPLETED</b>	1	6
<b>OUTSTANDING EMERGENCY WORK ORDERS</b>	0	0
<b>% OF EMERGENCY WORK ORDERS COMPLETED</b>	<b>100%</b>	<b>100%</b>
<b>Amount Charged to Tenants</b>	0	0

**6. Housing Choice Voucher Report  
Occupancy/Intake Report 10/31/2023**

This summary reflects the actual number of Units Leased and Paid at the end of the month

<b>October 2023</b>	Allocation	Actual Housed Units Leased	Lease Up Rate %
HCV (Regular Vouchers)	708	502	71%
VASH	15	13	87%
Harnett Training School (PBV)	37	33	89%
226 Linden Apartments (PBV)	5	5	100%
Matthews Court (RAD)	50	49	98%
Garden Street / Gilmore Terrace (RAD)	126	112	89%
<b>Total HCV      *At least 95%</b>	<b>941</b>	<b>714</b>	<b>76%</b>

<b>October 2023</b>	Funds Authorized	Funds Received	Funds Utilized	Utilization Rate *At least 95%
Total HCV	\$389,674.00	\$364,118.00	\$383,616.00	99.8% TYT as of 9/30

New Vouchers Issued: 29  
 Total Vouchers Searching: 99  
 New Admissions: 18  
 End of Participation: 7

**SEMAP Indicators as of October 31, 2023**

<b>SEMAP Indicator</b>	<b>Current</b>	<b>HUD FYE Requirement</b>
MTCS Reporting Rate	100%	95% or more
Indicator 5 HQS Quality Control	5%	5% or more
Indicator 9 Timely Reexaminations	100%	96% or more
Indicator 10 Correct Rent Calculations	100%	98% or more
Indicator 11 Pre-Contract HQS Inspections	100%	98% or more
Indicator 12 Annual HQS Inspections	100%	96% or more
Indicator 14 Family Self Sufficiency		
FSS Enrollment	45 (4 Mandatory)	1125%
FSS Escrow Account	27	60%
		80% or more
		30% or more

**HCV Department YTD Rates**

FY 2023	Allocation	HCV	VASH	HTS	226	MC	GG	Total	Lease-Up Rate	Funds Utilization Rate
10/01/2022	941	442	9	35		48	74	608	65%	85%
11/01/2022	941	452	9	36		47	75	619	66%	89%
12/01/2022	941	458	10	37	3	46	75	629	67%	90%
1/01/2023	941	465	10	37	5	46	75	638	68%	91%
2/01/2023	941	470	10	36	5	48	75	644	68%	94%
3/01/2023	941	473	11	36	5	49	84	658	70%	92%
4/01/2023	941	487	11	36	5	49	94	682	72%	94%
5/01/2023	941	492	12	36	5	48	99	692	74%	94%
6/01/2023	941	497	14	34	5	48	105	703	75%	95%
7/01/2023	941	492	14	32	5	48	107	698	74%	97%
8/01/2023	941	497	12	33	5	48	111	706	75%	98%
9/01/2023	941	495	14	33	5	48	111	706	75%	99%
10/01/2023	941	502	13	33	5	49	112	714	76%	100%

**7. Resident Services (To be submitted at the board meeting)**

**8. Development Report (Not Included)**

**9. New Business**

**A. RFP for Real Estate Financial Advisory Services (See Attached)**

**10. Commissioners' Comments**

**11. Public Comments**

**12. Closed Session (If needed)**

**13. Adjournment**



**MEMORANDUM**

**To:** Board of Commissioners

**From:** Marcus D. Goodson, Interim CEO

**Date:** November 20, 2023

**Subject:** Request for Proposal for Financial Advisory Services

Attached for your review and approval is an advertisement for a Request for Proposal (RFP) for Financial Advisory Services to provide financial consulting to the Sanford Housing Authority (SHA) on the Stewart Manor redevelopment project. As we move closer to the selection of a co-developer partner, it is advantageous to the housing authority to have a financial consultant working with us as part of our team on this major redevelopment project. We are requesting permission to advertise for a financial consultant with a closing date of Monday, January 8, 2024.

## ADVERTISEMENT

### RFP No. R20-23-1, Real Estate Financial Advisory Services

The Sanford Housing Authority (SHA) is seeking services of an experienced, licensed/certified contractor/vendor to provide for following services:

Firm to provide Real Estate Financial Advisory Services for the (SHA) and its Affiliates. To include but not be limited to periodic issuance of revenue indebtedness, projects involving multiple sources of funding such as the Rental Housing Demonstration (RAD) program, Project-Based Vouchers (PBV), Housing Choice Vouchers, Low-Income Housing Tax Credits (LIHTC), State funding, funding from the Federal Home Loan Bank (FHLB), Freddie Mac, Fannie Mae and other available resources, bonds, Section 30 bonds and other financing programs, preparation of various funding applications and technical assistance following the award of applications, etc.

Specifications and solicitation documents may be examined or obtained online at:

[www.sha-nc.org](http://www.sha-nc.org)

**SHA will receive electronic submissions of Proposals on or before Monday, January 8, 2024. Late submissions shall not be accepted.**

The owner reserves the right to waive formalities in any proposal; and to reject any or all proposals with or without cause. The owner reserves the right to select one or more vendors to provide the services and to select the proposal(s) that, in its judgment, will be in the best interest of the Sanford Housing Authority.

***SHA encourages Minority and Section 3 participation. TTY # (877)735-8200***

Dates of Advertisement: November 28, 2023