

**BOARD OF COMMISSIONERS
OF THE
ANNISTON HOUSING AUTHORITY
SPECIAL CALLED MEETING
February 9, 2021**

Members Present: Marcus Dunn, Chairman
Kenneth Winsley, Commissioner
John Wilson, Commissioner

Staff Present: Willie B. McMahand, Jr., Executive Director
Alan Brown, Finance Director
Terri Lloyd, Planning & Development Officer
Kristen McCowan, Office Administrator

Others Present: Boice Turner, AHA Attorney

Call to Order

The meeting was called to order by Chairman Dunn.

Board Resolution AHA-21-002 Authorizing the execution of all documents necessary for the closing of Barber Terrace

This is to allow Willie B. McMahand, Jr. the Executive Director to execute closing documents for the RAD conversation of Barber Terrace. Commissioner Winsley motioned to approve the resolution. The motion was seconded by Commission Wilson to approve the resolution. All voted unanimously.

Board Resolution AHA-21-003 Approving employment contract for Willie B. McMahand, Jr.

This is for the current employment contract for Willie B. McMahand, Jr. Commissioner Winsley motioned to approve the resolution. The motion was seconded by Commission Wilson to approve the resolution. All voted unanimously.

Budget Work Session:

Mr. McMahand gave a brief outline on the Budget schedule:

- February 25, 2021 Suggested: *This will be a lunch Board meeting to include a work session on the Budget at 11:30 am, if the Commissioners agree instead of the 3:00 pm currently scheduled.*
- March 17, 2021 Review of final budget
- March 25, 2021 Final budget presented to the Board of Commissioners.

Additional one-on-one budget work sessions can be scheduled with Mr. Brown and McMahan if requested by the Commissioners.

Mr. Brown began the budget work session by introducing the future unit count reduction that will affect our current HUD subsidy:

AMP	Current Count	Reduction	Count after reduction	Why
AMP 1 – Glen Addie, Parkwin & Washington Homes	264	164	100	Glen Addie demolition
AMP 2 – Norwood & Fairview	127	4	123	Demolition of 4 fire unit at Norwood
AMP 3 – Constantine, Barber Terrace & Tinsley	254	60	194	RAD conversion of Barber Terrace
Total	645	228	417	

HUD subsidy is currently based on 96% proration, the AHA budget represents 94%. Due to loss of units, the estimated subsidy reduction is \$1,013,017.23 in AMP 1 reflects Glen Addie Homes removal with \$795,502 and AMP 2 Barber Terrace removal with \$347,512.

Commissioner Wilson is requesting the actual expenses and budget for this year to compare to the 2021-2022 budget. He raised the question that if the operational budget is not expensed is it subject to recapture. Mr. McMahan explained that it is not subject to recapture in the operating account but will be placed into the AMP reserve account. HUD can recapture excessive reserve accounts, a percentage must be retained in the reserve account. Mr. McMahan suggested a future discussion with the Board of Commissions to address how the reserve account can be utilized for development projects and affordable housing. For example, \$2,000,000.00 can be allocated to the Cooper Homes site with Board approval and permission from HUD. Chairman Dunn requested that when one commissioner request information that all Board members receive the same information. Mr. Brown further discuss cost saving measures in maintenance positions of \$221,235.19 with realignment of staff due to loss of subsidy. Commissioner Wilson requested that the maintenance budget be looked at concerning maintenance expenses that may increase since the residents have been home more due to the Covid Pandemic. Mr. Brown will take

another look at this line item. Mr. Brown explained that when Barber Terrace does convert under the RAD program that the AHA will continue to receive subsidy in 2021. The AHA will continue to manage Barber Terrace until the new units are completed. The proposed management agreement states that the AHA will receive any net profit (cash flow) during the 16-month management agreement term. The projected budget for Barber Terrace Redevelopment LLP net profit is \$349,626.35 of which is available to AHA as management fee income. Commissioner Wilson has concern with residents that are moving out of Barber Terrace and the maintenance operations during construction. Mr. McMahan explained that 38 apartments are occupied and they will transition to the HCV program under Project Based assistance. Each unit will have to be inspected and repairs must be completed and will increase the maintenance budget if necessary. Additionally, the Capital Fund Program will be revised to include needed repairs. Mr. McMahan stated some items are already in process such as pressure washing and siding replacement at Norwood. Mr. Brown spoke briefly on the Covid funding that \$353,034.91 is available to expense by 12/31/21. This funding can possibly be used to install fiber optics. Mr. McMahan explained that a technical advisor will be procured to create the RFP that will be published in June/July. HUD has also stated that monthly service fees for resident internet access can be paid by this funding source. However, it is unclear if this funding will be available in the future. Commissioner Wilson recommended reaching out to the City and County and see what their intentions are in providing internet services to our communities. Chairman Dunn asked if this money would be recaptured if not expensed and the reply was yes. Commissioner Wilson requested a list of items that are needed especially if more funding is allocated by HUD. Mr. McMahan replied that funding is needed for technology, paperless files, and communication electronically.

Mr. Brown explained the HCV leasing schedule with 4/2021 with 292 vouchers and projecting 7/2021 with 337 vouchers. The admin proration is 80%, a 1% increase from last year. The program marketing budget was increased to \$10,000 to seek additional property owners to rent on the HCV program.

Mr. Brown explained that with the loss of subsidy, additional funding opportunities are available with the Asset Repositioning Fee (ARF) and the Demolition & Disposition Transitional Funding (DDTF). These items are not included in the draft budget at this time since the amount is unknown but will be included in a budget revision at a later date once the funding is allocated by HUD.

Commissioner Wilson raised concern over language in the Development contract with Hollyhand that the Capital Fund Program is "loaning" \$1,000,000.00 for the development but did not see that the AHA is receiving an interest rate. Mr. McMahan replied that this is not a loan per se but a development investment but will follow up with an answer after reviewing the document. Commissioner Wilson and Chairman Dunn requested that fact sheets be created for each project with key points to include contracts, move outs, relocation, demolition dates, construction schedule and estimated completion dates.

Regarding Barber Terrace add an estimated timeline stating when the construction would be complete and back on line for residents to move in. Possibly create a power point that can be utilized online in “dashboard” for Board members access easily. Wilson recommends that the City have the same information available. Commissioner Wilson requested a status update on the signage for the Cooper site. Chairman Dunn requested that this item be discussed at the next Board meeting. Commissioner Wilson requested that the operational budget be revised to include increases maintenance expenses. Mr. McMahan made final comments that he would be meeting with other investors that are interested in the Anniston area. He recently met with Steven Folks regarding the Glen Addie Community Center and felt after the Glen Addie Homes demolition project that the City would like to see the site as transitional housing. Future plans for the Glen Addie site will need to be discuss by the Board. Mr. McMahan informed the Commissioners that the February Board meeting will include the Budget and recommended at lunch meeting on 2/25/21 at 11:30am.

Executive Session

There was no Executive Session.

Adjournment

A motion was made by Commissioner Wilson and seconded by Commissioner Winsley to adjourn the meeting. All voted unanimously.