



**Minutes for the August 17, 2023
Regular Board Meeting of the Housing Authority of the City of Cayce, SC**

The Board of Commissioners of the Housing Authority of the City of Cayce, SC held its Regular Board Meeting on Tuesday, August 17, 2023 at Cayce City Hall.

Chairman Jack Sightler called the meeting to order at 5:05 pm. A copy of the agenda was posted on the Housing Authority’s website.

Roll call was conducted, and attendance was as noted below:

CH Board Members			Columbia Housing Authority Staff Present
Chairman	Jack Sightler	Present	Yvonda A. Bean, Chief Executive Officer
Vice-Chairman	Bruce Smith	Present	Barry Hall, Chief Operating Officer
Commissioner	Johnetta Riley	Present	Marisa Stanley, Chief Financial Officer
Commissioner	Silvia Sullivan	Present	Lee McRoberts, Chief of Staff (virtual)
Commissioner	Cheryl Seymour	Present	Cherilyn McCoy, Assistant Property Manager
			Damian White, Community Safety Manager
			Visitors:
			Mike Conley, City of Cayce

APPROVAL OF AGENDA

Commissioner Smith opened with prayer.

Chairman Sightler made a motion to approve the Agenda for the August 17, 2023 meeting, the motion was seconded by Commissioner Riley. Mrs. Bean asked that the Agenda be amended to include the Financial Report, Upon motion of Chairman Sightler, seconded by Commissioner Sullivan, the Agenda was approved as amended.

APPROVAL OF MINUTES:

Mrs. Bean apologized for the Board Packets being distributed so late but staff have been out of the office unexpectedly recently leading to the delay. There was a general discussion regarding there not being enough time to review the included information adequately. Commissioner Riley made a motion to defer the approval of the minutes of the June 20, 2023 meeting until October so the Board could have more time to review them, seconded by Commissioner Sullivan it was approved to defer approval of the June 20, 2023 minutes.

Board Member		Aye	Nay	Absent
Chairman	Jack Sightler	X		
Vice-Chairman	Bruce Smith	X		
Commissioner	Johnetta Riley	X		
Commissioner	Silvia Sullivan	X		
Commissioner	Cheryl Seymour	X		

DISCUSSION ITEMS:

Mrs. Bean introduced Resolution 2023-003: Approval of Signatory Changes for Deposit Accounts

Mrs. Bean said that the Resolution updates the approved signatories for the agency’s banking accounts by updating her title from “Interim CEO” to “CEO” and also adds COO Barry Hall to the list of approved signers. Upon motion of Commissioner Riley, seconded by Commissioner Seymour it was approved.

Board Member		Aye	Nay	Absent
Chairman	Jack Sightler	X		
Vice-Chairman	Bruce Smith	X		
Commissioner	Johnetta Riley	X		
Commissioner	Silvia Sullivan	X		
Commissioner	Cheryl Seymour	X		

CEO REPORT:

Mrs. Bean gave an update on the Cayce Housing bylaws. A committee to review the bylaws was appointed at the June meeting; the committee includes Chairman Sightler, Commissioner Riley, Mrs. Bean and Attorney Bo Campbell. A meeting of the committee has been scheduled for September to begin the process of reviewing the bylaws to ensure their compliance with state law and suggest changes if needed. Mrs. Bean said that she hopes to be able to present the updated bylaws at the October meeting.

Mrs. Bean said that replacement values for Cayce Housing units has been increased to the appropriate amounts and are now valued at accurate replacement costs ranging from \$108,000 - \$254,000 depending on the size of the unit.

Mrs. Bean gave an update on the proposed tree work to be completed. A grounds maintenance Request for Proposals is currently open with bids due in September. Previous bids for the tree work were high and staff hopes to receive more cost effective bids during this round of bids. Capital funds will be used to pay for the work when a contractor is identified.

Mrs. Bean reported that notification was received from HUD on July 18, 2023 that Cayce Housing was graded a substandard performer based on the annual Public Housing Assessment Score (PHAS), vacancies and the audited financials. A letter was sent to the Mayor and the Board to inform them of the rating. A corrective action and recovery plan was submitted to HUD by the end of July and many of the noted issues have already been corrected. The Corrective Action and Recovery Plan response is included in the packet. Vacancies were problematic due to units not being coded correctly during the renovations; all units are currently filled and staff does not anticipate any further issues.

There was a general discussion regarding the tree work to be done based on an arborist’s review and report in 2022. Mrs. Bean said the work will be prioritized based on the arborist's report and trees posing safety concerns will be addressed first. Mrs. Herrera said that the Capital Funds received for 2023 are not targeted as in the previous year for renovation work and will be used to complete the tree service and conversion of the community building at Poplar & Wilkinson to a residential unit. Mrs. Herrera said that the Capital Funds received for this year total \$139,821 and estimates to convert the community building range from \$60,000 - \$70,000. Staff is hopeful that a better price will be received on tree work during this current round of submissions for grounds maintenance. Mrs. Herrera said that a proposal should be ready to present to the Board at the October meeting, all Capital Funds will have to be expended prior to the final RAD conversion.

Commissioner Seymour said that she continues to experience issues with work done to her unit during renovation. Some things were not done well or finished completely, she circulated pictures of examples in her unit and said that other residents at Spencer Place are having similar problems. Mrs. Herrera apologized and said that she thought that the issues had been resolved but would have someone come out to the property to follow-up.

Commissioner Seymour said that the paint in the units is not sticking to the walls, the storage rooms are not keyed correctly and that water is leaking in the kitchens of several units. Additionally, the washer and dryer units placed in the apartments have had numerous issues and CH maintenance cannot fix due to them being under warranty. Mrs. Herrera said that the paint problem has been difficult to resolve as oil paint was applied to the units at some point and is hard to cover. Mrs. Herrera said that she will have another contractor come assess the situation and will follow up with Commissioner Seymour the next week. Mrs. Herrera said that staff is holding retainage for the contractor that completed the renovations due to the outstanding issues with the project. Commissioner Seymour asked when “No Trespassing” signs would be installed at the property; Mrs. Herrera said that Property Management staff is responsible for that signage and will follow up with the appropriate personnel to have them ordered.

FINANCIAL UPDATE:

Mrs. Bean asked Mrs. Stanley to present the financial statement to the Board.

Public Housing	Current Period June 2023	Year-toDate Actuals	Year-toDate Budget	Variance
<u>Operating Income</u>				
Tenant Revenue	7,146	79,188	84,400	(5,212)
HUD Operating Grant Revenue	11,900	155,697	149,529	6,168
COVID Operating Grant Revenue	-	-	-	0
CFP Operating Revenue	-	251,001	251,001	0
Other Revenue	97	1,835	3,350	(1,515)
Total Operating Income	19,143	487,721	488,280	(559)
<u>Operating Expenses</u>				
Administrative Expenses	4,083	74,185	98,712	(24,527)
Tenant Services	606	80,851	5,864	74,987
Utilities	1,151	15,954	5,900	10,054
Maintenance	8,876	152,524	95,988	56,536
Protective Services	438	5,805	6,626	(821)
Insurance Expense	929	11,151	10,930	221
Real Estate Taxes-PILOT	490	5,878	5,878	0
Other General Expenses, Collection Losses	157	(712)	-	(712)
Equipment Replacements	-	-	-	0
Total Routine Operating Expenses	16,731	345,637	229,898	115,739
Cash Flow (Deficit) from Operations	2,411	142,084	258,382	(116,298)

Mrs. Stanley said the financial report included in the August Board Report reflects budgeted and actual amounts through the end of the fiscal year, June 30, 2023. Per the Board’s request a separate line item for Travel expenses will be included in the budget for the new fiscal year starting July 1, 2023.

Expense variances occurred in Tenant Services due to relocation costs, utilities due to higher temperatures and energy costs in July and August and in Maintenance due to termite inspections and the purchase of new appliances. Overall Cayce Housing finished the year with a positive cash flow of \$142,084.

Chairman Sightler asked how much is the reserve account, Mrs. Stanley said that there is approximately \$75,000 still in the Cayce reserves. Commissioner Riley asked what the difference is between the net income and cash flow, Mrs. Stanley said that the cash flow number reflects income after all operating expenses have been paid.

There was a discussion regarding Cayce Housing’s bank accounts and where they are located. Commissioner Sullivan asked if the accounts are all checking accounts and why there are multiple accounts at different banks. Mrs. Bean said that the agency is required to periodically issue solicitations for banking services to ensure the best rates are being received and that it results in multiple accounts based on the responses at the time of the solicitation; staff is preparing a solicitation for banking services now that will be issued within the next few months.

Commissioner Riley asked if work at Abbot Arms has been completed and if the Board can tour the property. Mrs. Herrera said that she will reach out to the owner to see if they can schedule a tour; Cayce Housing does not hold any interest in the property but acted as the conduit issuer for the bonds used to renovate the property.

Mrs. Bean asked Ms. Cheryl McCoy to give the Operations Report.

Ms. McCoy reported the following:

	June	July	August
Accounts sent to Magistrate	0	1	0
Account more than 30 days	1	3	4
Work Orders received	0	38	12
Work Orders Completed	0	36	4
Work Orders Remaining	0	2	8
Emergency Work Order	0	14	0

**Magistrate Update:

June- zero cases sent to the magistrate.

July- one causes sent to the magistrate

August- zero cases sent to the magistrate.

Ms. McCoy stated that of the 4 accounts over 30 days old in August, 2 have been paid in full and the remaining 2 have made payment arrangements. Commissioner Riley asked how many times an account can be sent to the Magistrate before additional steps are taken, Ms. McCoy said that residents are given 2 times. Commissioner Seymour asked if all outstanding rent issues have been resolved from the COVID period; Mrs. Bean said they have all been addressed and some residents were evicted due to non-payment of rent during that time.

Mrs. Bean asked Mrs. Herrera to give an update on development activities.

Mrs. Herrera said that Cayce began the conversion from public housing to RAD a year ago based on HUD’s encouragement for housing authorities to leave the public housing program. RAD will allow greater flexibility and earning capacity as assistance becomes project based and rents can be increased to fair market values. Mrs. Herrera directed the Board to the handout regarding the conversion process that was included in the report.

HUD SECTION 18 CONVERSION PROCESS <50 UNITS

The chart below outlines the process to complete the conversion of the public housing units which estimated to be approved by HUD by the end of the 2023 calendar year.



PROPERTY OWNER

- Non-profit affiliate of Cayce Housing Authority.
- Cayce Re Development Corporation (CRDC) or other such name as desired.
- Preserve Control - Cayce PHA Commissioners serve as Directors of non-profit only while Commissioner.

PROPERTY MANAGER

- Cayce Housing Authority enters into Property Management Agreement with owner entity.
- Earns Property management fee on a monthly basis.
- Continues other activities such as issuance of bonds.
- Columbia Housing continues to act on behalf of Cayce Housing under the original agreement.

RESIDENTS

- Automatically convert from public housing to project based voucher subsidy.
- Execute a new lease agreement.
- After one year, have the option to request a tenant-based voucher to move to another location of their choice.
- If voucher available residents receive upon request provided in good standing with lease; if not available, placed on Choice Mobility waiting list and receive a voucher when available prior to applicants on waiting list.

Staff is currently waiting on environmental clearance from HUD and needs to obtain a letter of support from the City of Cayce. After those steps are complete, a new non-profit affiliate of Cayce Housing will be formed to own the property as the owner cannot be the same entity that will be managing the property. An organizational meeting of the newly formed non-profit will be held to ratify the formation documents for the entity and to approve a Resolution approving the conversion. Once complete, those documents will be submitted to HUD with final approval coming in approximately 60 days. Once complete, there will be less HUD oversight, increased revenue potential and tenants will have the ability to request choice mobility vouchers after a year. Mrs. Herrera said that staff hopes to submit this information to HUD in October with HUD approval being issued in December and the process totally completed by June, 2024.

Chairman Sightler asked if the changes will impact the upcoming discussions regarding the bylaws. Mrs. Herrera said that the bylaws for the non-profit will establish the Cayce Housing Commissioners as the Directors of that Board and its relationship as an affiliate non-profit.

There was a discussion regarding how HUD will not be as involved post-conversion. Mrs. Herrera said that leaving the public housing program and converting the units to project based assistance gives the non-profit control of the units as they are the new owners and no Declaration of Trust will exist on the property going forward. HUD will require an affordability provision at the time of conversion, ensuring the property remains affordable to income qualified families. Rents will be

based on fair market values and Cayce Housing will manage them and collect the rents. In the past, the public housing program has been funded at much lower levels than units receiving project based assistance. Commissioner Riley asked how rents are structured and who receives the rents. Mrs. Herrera said that the rents are based on fair market rents established by HUD on an annual basis, rental income is paid to the owner entity (the newly formed non-profit affiliate) and management fees paid to Cayce Housing for managing the properties.

Chairman Sightler asked how the conversion will impact tenant rents. Mrs. Herrera said that tenant portions will still be based on 30% of the tenant's income and the remainder paid by subsidy. Mrs. Herrera stated that the property pays all expenses related to the operations of the community, including the management fee paid to Cayce Housing for property management. Mrs. Herrera said that no public housing funds can remain post-conversion and that all reserves and capital funds must be spent before the conversion is finalized. Staff plans to expend those funds over the next 6 months and those proposed expenditures will be brought to the Board for approval before work begins.

Chairman Sightler asked if Cayce Housing's inventory could be expanded post conversion. Mrs. Herrera said that Cayce will have that flexibility and will add to its inventory with the conversion of the Community Building at Poplar and Wilkinson bringing its total unit count to 42.

Chairman Sightler asked if Cayce Housing could administer Housing Choice Vouchers in the City; Mrs. Herrera said that the State Housing Authority has jurisdictional authority for the HCV program in Lexington County including the City of Cayce.

Mrs. Bean invited the Board to attend the 2023 NAACP Annual Awards Gala in September. HUD Secretary Marcia Fudge will be the keynote speaker and Columbia Housing has purchased tables.

ADJOURNMENT

There being no further business and upon motion of Commissioner Sullivan, seconded by Commissioner Smith, it was unanimously approved to end the meeting at 6:29 pm.

Prepared by:

Yvonda A. Bean
Secretary/Chief Executive Officer