

MINUTES OF THE REGULAR MEETING  
HOUSING AUTHORITY OF THE CITY OF RENO  
BOARD OF COMMISSIONERS  
February 25, 2020

The February regular meeting of the Board of Commissioners of the Housing Authority of the City of Reno (Agency) was called to order by Chairman Scott at 12:03 pm on Tuesday, February 25, 2020 in the Agency's Board Room.

**Commissioners Present**

Dick Scott, Chairman  
Mark Sullivan, Vice Chairman **(via phone)**  
Mayor Hillary Schieve **(arrived at 12:07 pm)**  
Alana Dixon-McAllister  
Barbara Wilhellms

**Staff Present**

Amy Jones, Executive Director  
Chuck Zeh, Legal Counsel  
Mishon Hurst, Deputy Executive Director  
Heidi McKendree, Director of Rental Assistance  
Brett Simerly, Director of Development  
Maribel Martinez, Director of Asset Management  
Brent Boynton, Community Outreach Coordinator  
Cathy Steed, Elderly Services Administrator  
Linda Long, Accountant  
Kathy Merrill, Executive Administrative Assistant

**Staff Absent**

**Others Present**

Justin Measley, Auditor, CliftonLarsonAllen, LLP  
Garrett Gordon, Lewis Roca Rothgerber Christie LLP  
Stephanie Little, Nevada Legal Services  
April Lawson

There being a quorum present, the order of business was as follows:

- **Call to order and roll call.**
- **Receive introduction of guests.**

**Public Comment. Public comment, if any, must be limited to any item on the Agenda which is listed as an item for action by the Board. Comment from the public is limited to three minutes per person, under these items.**

There was no public comment.

➤ **Approval of agenda (For Possible Action)**

It was moved by Commissioner Dixon-McAllister to pull consent agenda item 3f and to

approve the agenda posted on February 20, 2020. Vice Chairman Sullivan seconded the motion. Hearing no further discussion, Chairman Scott called for the question. The vote was all ayes, no nays. Chairman Scott declared the motion carried and the agenda approved.

**1. Approval of the minutes of the regular Board meeting held January 28, 2020, the special Board meetings held February 5, 2020 and February 13, 2020, and the Closed Session minutes from the special Board meetings held February 5, 2020 and February 13, 2020. (For Possible Action)**

Legal Counsel Zeh requested at this time, to strike the closed session minutes from the meetings held February 5, 2020 and February 13, 2020. It was moved by Commissioner Dixon-McAllister to approve the minutes of the regular Board meeting held January 28, 2020 and the special Board meetings held February 5, 2020 and February 13, 2020 striking the closed session minutes for February 5, 2020 and February 13, 2020. Commissioner Wilhelms seconded the motion. Hearing no further discussion, Chairman Scott called for the question. The vote was all ayes, no nays. Chairman Scott declared the motion carried and the minutes approved.

**2. Presentation of financial audit from Justin Measley, Certified Public Account with CliftonLarsonAllen LLP. (Discussion)**

Certified Public Account Justin Measley reviewed the draft 2019 Audit report presented to the Board of Commissioners within the Board packet. Mr. Measley reviewed the Authority's financial statements, the auditor's report of financial statements, report of the government auditing standards and GAS report (internal controls), a Uniform Guidance (UG) testing of RHA's Section 8 cluster, along with a Client Closeout report. The financial statements also cover Management Discussion Analysis (MD&A), basic financial statements and footnotes, supplementary information for Pension and OPA and the Capital Fund Grant closeout. Mr. Measley stated there were no findings to report and indicated he is available to discuss any questions the Board may have.

**3. Consent Agenda. (All consent items may be approved together with a single motion, be taken out of order, and/or be heard and discussed individually. Items will be removed and considered separately at the request of the public or Board member.)**

- a) Consider adoption of Resolution 20-02-02 RH approving a revision to the Housing Authority of the City of Reno's Administrative Plan for Section 8 Housing Choice Voucher, Project Based Voucher and Moderate Rehabilitation updating the Criminal History Policy. (For Possible Action)
- b) Consider adoption of Resolution 20-02-03 RH approving revisions to the Housing Authority of the City of Reno's Admissions and Continued Occupancy Policy of Public Housing Units updating the Criminal History Policy. (For Possible Action)
- c) Consider adoption of Resolution 20-02-04 RH revising the Authority's check signature authorization policy. (For Possible Action)
- d) Consider adoption of Resolution 20-02-05 RH authorizing the Executive Director to modify the Organizational Plan/ Staffing Chart, thereby adding an Elderly Services Coordinator position directly reporting to the Deputy Executive Director. (For Possible Action)

- e) Consider adoption of Resolution 20-02-06 RH authorizing the Executive Director to execute a contract with Sierra Nevada Construction Inc. in the amount of \$547,007.00 to replace asphalt that is unsafe and has deteriorated at Mineral Manor, Public Housing Project NV39-P001-101, Tom Sawyer Village, Public Housing Project NV39-P001-102, Silverada Manor, Public Housing Project NV39-P001-103, Hawk View Apartments, Public Housing Project NV39-P001-107, Essex Manor, Public Housing Project NV39-001-109 and McGraw Court, Public Housing Project NV39-P001-118. (For Possible Action)
- f) ~~Consider adoption of Resolution 20-02-07 RH authorizing the Executive Director to execute a contract to replace all angle stops at Silverada Manor, Public Housing Project NV39-P001-103. (For Possible Action)~~ **PULLED**

Commissioner Dixon-McAllister moved to remove item 3f and approve Resolutions 20-02-02 RH through 20-02-06. Commissioner Wilhelms seconded the motion. Hearing no further discussion, Chairman Scott called for the question. The vote was all ayes and no nays. Chairman Scott declared the motion carried and the Resolutions approved.

**4. Receive Commissioner's Reports regarding routine matters not otherwise requiring separate consideration. (Discussion)**

There were no commissioner reports.

**5. Receive regular Financial Reports for the current period. (Discussion)**

**ENTITY-WIDE FINANCIAL REPORT FOR THE 7 MONTHS ENDED JANUARY 31, 2020**

**PUBLIC HOUSING**

	Actual	Budget	Variance Favorable (Unfavorable)
Revenue	2,569,682	2,262,441	307,241
Expenditures	2,597,405	2,459,856	(137,549)
<b>Net Profit (loss)</b>	<b>(27,723)</b>	<b>(197,415)</b>	<b>169,692</b>

**HOUSING CHOICE VOUCHER (S8 and MTW)**

	Actual	Budget	Variance Favorable (Unfavorable)
HAP Revenue	10,028,165	10,048,723	(20,558)
HAP Payments to Landlords	9,602,989	9,709,149	106,160
<b>HAP Surplus (Deficit)</b>	<b>425,176</b>	<b>339,574</b>	<b>85,602</b>
Fee & Other Revenue	1,495,524	1,418,304	77,220
Expenditures	1,483,191	1,580,821	97,630
<b>Unrestricted Profit (Loss)</b>	<b>12,333</b>	<b>(162,517)</b>	<b>174,850</b>
<b>Net Profit (loss)</b>	<b>437,509</b>	<b>177,057</b>	<b>260,452</b>

**Neighborhood Stabilization Program (NSP)**

	Actual	Budget	Variance Favorable (Unfavorable)
Revenue	645,232	633,267	11,965
Expenditures	373,611	411,833	38,222
<b><i>Restricted Profit (loss)</i></b>	<b><i>271,621</i></b>	<b><i>221,434</i></b>	<b><i>50,187</i></b>

**Business Activities**

	Actual	Budget	Variance Favorable (Unfavorable)
Revenue	1,793,381	1,788,089	5,292
Expenditures	961,054	966,594	5,540
<b><i>Unrestricted Profit (loss)</i></b>	<b><i>832,327</i></b>	<b><i>821,495</i></b>	<b><i>10,832</i></b>

**WASHOE AFFORDABLE HOUSING (WAHC)**

	Actual	Budget	Variance Favorable (Unfavorable)
HAP Revenue	13,486,907	14,000,000	(513,093)
HAP Payments to Landlords	13,486,907	14,000,000	513,093
<b><i>HAP Surplus (Deficit)</i></b>	<b><i>-</i></b>	<b><i>-</i></b>	<b><i>-</i></b>
Admin and Fee Revenue	495,986	483,723	12,263
Expenditures	390,535	454,710	64,175
<b><i>Unrestricted Profit (Loss)</i></b>	<b><i>105,451</i></b>	<b><i>29,013</i></b>	<b><i>76,438</i></b>
<b><i>Net compared to budget</i></b>	<b><i>105,451</i></b>	<b><i>29,013</i></b>	<b><i>76,438</i></b>

**COCC**

	Actual	Budget	Variance Favorable (Unfavorable)
Revenue	1,110,636	1,143,242	(32,606)
Expenditures	1,058,287	1,141,878	83,591
<b>Net compared to budget</b>	<b>52,349</b>	<b>1,364</b>	<b>50,985</b>

**ENTITY-WIDE TOTALS**

	Actual	Budget	Variance Favorable (Unfavorable)
HAP Revenue	23,515,072	24,048,723	(533,651)
HAP Payments to Landlords	23,089,896	23,709,149	619,253
<b><i>HAP Surplus (Deficit)</i></b>	<b><i>425,176</i></b>	<b><i>339,574</i></b>	<b><i>85,602</i></b>
Fee & Other Revenue	8,110,441	7,729,066	381,375
Expenditures	6,864,084	7,015,692	151,608
<b><i>Unrestricted Profit (Loss)</i></b>	<b><i>1,246,358</i></b>	<b><i>713,374</i></b>	<b><i>532,984</i></b>
<b>Net Profit (loss)</b>	<b>1,671,534</b>	<b>1,052,948</b>	<b>618,586</b>

**6. Receive Executive Director/Secretary's Report. (Discussion)**

**A. Update on MTW Activities**

- Staff is proposing the following new MTW Activities: sponsor-based subsidy to assist the Eddy House with operating cost of the new homeless youth drop in facility; workforce development apprenticeship program; and the use of reserves for development activities.
- A public hearing will be held March 9, 2020 to allow the community to provide input on the proposed plan
- Staff continues to report MTW related expenditures monthly to HUD for reimbursement

**B. Update on Housing Choice Voucher Program / Public Housing**

Housing Choice Voucher Program – Heidi McKendree

- Total Voucher Allocation: 2519
- MTW Baseline: 2382

- HUD VASH Allocation: 318
- Housing Choice/Project Based Vouchers issued and leased – 2233
- Housing Choice/Project Based Vouchers issued and shopping – 161
- HUD VASH Vouchers currently issued and leased – 240
- HUD VASH Vouchers currently issued and shopping – 32
- New clients briefed in January 2020 – 31
- Housing Quality Standards inspections conducted in January 2020 – 198

### **Public Housing – Maribel Martinez**

- Public Housing (PH) ended the month of January leased at 98%
- RHA has advertised the vacant Assistant Manager position and will be interviewing in the next few weeks
- Management and maintenance continue to prepare for upcoming HUD REAC inspections

### **C. Update on Elderly Services, Workforce Development and youth activities**

#### **Workforce Development**

- The WFD Coordinators have developed a series of workshops for residents that includes stress management, financial literacy, parenting and time management
- Coordinators continue to work one on one with participants to achieve their goals
- Additional partnerships are being explored within the community

#### **Youth Activities**

- The WFD Youth Coordinator is working with Sky Tavern and RHA youth in the Junior Ski program
- The Youth Coordinator is starting recruitment for summer youth camp in partnership with Sierra Nevada Journeys. RHA was awarded 10 additional spots for summer camp in 2020.
- The Youth Coordinator continues to explore additional partnerships in the community

#### **Elderly Services**

- The Elderly Services Administrator continues to work with all senior Public Housing (PH) residents and Housing Choice Voucher (HCV) seniors as needed
- The Tom Sawyer Resident Council is planning to have Renown speak on fall prevention for our elderly residents
- The Silverada Resident Council will have the Reno Fire Department speak on fire safety at an upcoming breakfast

### **D. Update on Community Outreach Coordinator**

- **Media:** KTVN's Arianna Bennett spoke with Bent about the Junior Ski Program back in November, and followed up once classes opened in January. That led to two full-length stories by Channel 2 Video Journalist Marisol Bragg on Saturday, February 15, 2020 at 5 and 6:30 p.m. Community Outreach coordinated with RHA Youth Workforce Development Coordinator Cori Fisher, who traveled to Sky Tavern and appeared in the story.
- **Training:** Brent and his counterpart at Nevada Rural Housing Authority, Director of Communications and Public Affairs Katie Coleman, conducted a joint media training of RHA

and NRHA directors on January 31, 2020 at Tom Sawyer Manor. Brent conducted on-camera interviews.

- Brent attended training at the California Public Information Officers (CAPIO) Emergency Communications Academy in Folsom and Mather, California on February 4 and 5, 2020. Training included first-person lessons learned by communicators in many California emergencies and disasters, as well as hands-on interviewing, live talkback and media scrum scenarios and organization skills for news conferences and joint information centers (JICs).
- **Photography:** Community Outreach continues to photograph construction progress on the Willie J. Wynn Apartments and gather still photos of maintenance work on concrete and boiler projects at RHA
- **Newsletter:** Community Outreach provided content for the RHA's January newsletter about the census, summer camp (to generate interest for this year's camp) and our new Youth Workforce Development Coordinator, Cori Fisher
- **Resident Advisory Board:** Community Outreach worked with Amy and Moving To Work (MTW) Coordinator Kim Anhalt to invite members of RHA's Resident Advisory Board to review RHA's Capital Budget and Moving To Work plans at meetings on January 9 and 23, 2020
- **Community Involvement:** Community Outreach has met with both federal and state census officials in hopes of encouraging accurate population reporting among RHA residents and clients. We have cooperated with a group of UNR Strategic Communications students who have polled some of our residents to ascertain their preferences as the students prepare a census involvement campaign.
- Brent continues to represent the RHA at meetings of the Age-Friendly Livable Cities working group.

## E. Update on Modernization Activities

The Development Department is currently working on the following improvement projects:

- (CF 2017) **Silverada Manor Boiler Replacement:** Bids were received March 22, 2019 and Brown & Read was chosen with a total project cost of \$420,000.00. This project is substantially complete and the contractor is currently addressing final punch list items and preparing close out documents.
- (CF 2018) **Tom Sawyer Angle Stop Replacement Project:** This contract advertised January 24, 2020 with a job walk scheduled for February 12, 2020 and bids due February 24, 2020. This project is anticipated to begin late March 2020.
- (CF2018) **Myra Birch Sewer Line Replacement Project:** Preliminary plans and specifications have been developed and are currently under staff review. This project is anticipated to advertise late-February 2020 and be completed mid to late May 2020.
- (CF2018) **Silverada Electrical System Upgrades Project:** Internal planning and preliminary design work continues and this project is anticipated to advertise early March 2020. This project is anticipated to be completed early June 2020.
- (2018/2019) **Mineral Manor/Hawk View/Essex Manor/McGraw Court Concrete Replacement Project:** Bids were received October 4, 2019 and Dynamic Concrete Cutting, LLC was chosen with a total project cost of \$195,950.00. Dynamic Concrete has removed and replaced concrete at all sites and is currently addressing punch list items only at Mineral Manor.

- (2018/2019) **Mineral Manor/Tom Sawyer/Silverada/Hawkview/Essex/McGraw Court Asphalt Replacement Project:** Bids were received February 14, 2020 and Sierra Nevada Construction Inc. was chosen with a total project cost of \$547,007.00. This project is anticipated to begin mid to late April depending on material availability.
- (OPS) **2425 Tom Sawyer #B Tub Surround Repair Project:** Internal planning and design work continue and this project is scheduled to advertise late February 2020. This project is anticipated to be completed late March 2020.
- (OPS) **Hawk View Sound/Retaining Wall Repairs:** Internal planning and design work continue and this project is scheduled to advertise early March 2020. Repairs to the structure are anticipated to be completed late April 2020.
- **Willie J. Wynn Apartment Project:** The contractor continues to install the buildings mechanical equipment, electrical, plumbing and has started interior insulation and drywall. Exterior stucco has begun and will continue as weather permits. Site work is anticipated to start as soon as exterior stucco finishes are completed and weather permits.

#### **F. Update on other Agency activities**

- WAHC staff held a meeting with the new owner and property management company of the Silver Terrace and Centennial Park Apartments and the Community Action Officers with the Reno Police Department to discuss community concerns. All parties agreed biweekly meetings would be beneficial to increase communication and site improvements.
- HUD has extended the contract with WAHC an additional 16 months, through January 31, 2021. HUD has increased the number of MORs conducted based on a risk-based approach. WAHC will assess the portfolio and workload to create the MOR schedule for the upcoming months.
- The Finance Department is finalizing the Agency's audit prepared by Clifton, Larson, Allen which will be presented to the Board today.
- RHA staff is working with Northern Nevada Community Housing (NNCH) on a rehab project of Joseph's Inn, a Moderate Rehabilitation SRO voucher property. The owner, along with HUD are finalizing the conversion of the property over to RAD.
- Jacobs Entertainment has exercised their option to purchase the Sarrazin Arms Apartments. Escrow is scheduled to close April 1, 2020. Staff and the Board continue to facilitate meetings to discuss the terms of the proposed amendment.
- RHA staff plans to meet with the residents of the Sarrazin Arms Apartments on Saturday, February 22, 2020 to provide information regarding the sale of the property and discuss the transition process.
- The Youth Workforce Development Coordinator and the Elderly Services Administrator will tour the ACE Charter High School to explore possible partnerships and recruitment of RHA children.
- The Advisory Committee on Housing created under AB 476 will hold their next meeting on March 16, 2020.
- The volunteer committee and staff created blessing bags and will be handing them out to individuals experiencing homeless on February 21, 2020.
- The first union negotiation meeting for the upcoming contract period effective July 1, 2020 was held on February 14, 2020 with the Local 39 Collective Bargaining Unit



## **G. Strategic Plan**

### • **Willie J. Wynn Apartments**

- RHA continues to work with Praxis on the development of the Willie J. Wynn Apartments
- Q & D continues the site work for the Willie J. Wynn Apartments. The first and second floor of the building has been framed and dried in
- Staff is preparing for to opening the Willie J. Wynn waitlist
- RHA continues to work with Praxis on the development of the Willie J. Wynn Apartments
- Q & D continues the site work for the Willie J. Wynn Apartments. They are completing the stucco on the outside and beginning to drywall the interior.
- Staff is holding weekly meetings to prepare for the completion of the project and preparation of the grand opening. The estimated completion date is now May 15, 2020.
- Staff is preparing for to opening of the Willie J. Wynn Apartments waitlist

### • **Development and Land**

- Development of Sutro – In process
- 8<sup>th</sup> Street - Pending
- Land Trust/ Property Acquisition/ Disposal – Staff is continually looking for opportunities that meet the agency and community needs. Development Committee pending
- Rental Assistance Demonstration (RAD) Program/ NDOT Mineral Manor- portfolio assessment report finalization pending. Vice Chairman Sullivan and the Executive Director will be attending the RAD Conference in Austin, TX on March 4-6.

### • **Finance**

- Current financial status, business operations
- Resources / Expansion
- New Funding Sources – Pending – MTW plan 2021 activity for development

### • **Overall Health of the Organization**

- Staff Satisfaction- ongoing employee barbeque, 75<sup>th</sup> Anniversary staff appreciation, volunteering events, ongoing
- Staff Succession Plan
- PHAS Scores

### • **Communications**

- Plan - Public and Internal
  - Outreach – ongoing; meetings conducted for local government, community partners; rotary
  - Media – ongoing; increased media coverage for RHA sponsored events; RHA staff are contacted as content experts in the field for interviews and expand awareness
  - Community Education ongoing; meetings conducted for local government, community partners; rotary

- Expand- information provided on website and updated; creating social media page
  - **Sarrazin Arms – Tenant Strategy**
    - Staff is working with Jacobs Entertainment staff on the pending sale of the Sarrazin Arms and his future plans with the property
    - Option to Purchase amendment will be presented to the Board
  - **Moving to Work Activities**
    - Promote Self Sufficiency – Workforce Development Program; creation of the Apprenticeship program
    - Opportunity Rents
    - Increased Payment Standards
    - Landlord Incentives - ongoing
    - Create Activities to Address Community Needs – Sponsor based subsidy partnership; use of reserves for future development in 2021 MTW plan
    - Ability to use funds for development activities
  - **Government Affairs -**
    - Public / Private Partnerships
      - Programs – on going
    - Develop Metrics to Measure success
7. **Receive Report of Legal Counsel: Review by the Housing Authority’s legal counsel of the work performed on behalf of the Housing Authority during the reporting period which generally runs from the date of the last Board meeting to the present. (Discussion)**

Legal Counsel Zeh reported work done this month by his firm consisted of amending and reviewing the Agency’s By-laws and associated resolution, a personnel matter, and items related to the sale of Sarrazin Arms Apartments.

8. **Consider adoption of Resolution 20-02-08 RH to amend the RHA By-laws to provide guidance in the creation of committees and the mechanism in which committee member applications will be accepted. (For Possible Action)**

It was moved by Commissioner Schieve to approve resolution 20-02-08 RH. Commissioner Wilhelms seconded the motion. Hearing no further discussion, Chairman Scott called for the question. The vote was all ayes, no nays. Chairman Scott declared the motion carried and the resolution approved.

9. **Discussion and possible action of the establishment of a Contingency fund, wherein each Board member may be allocated a predetermined dollar amount to use at their discretion, provided it is relevant to local affordable housing activities. Discussion to include a determination of the source of such funding, whether funding is limited to the fiscal year, whether funding is made available on a continuous basis such as annually, whether other such factors should be involved in the establishment of such Contingency fund. This matter will be discussed, and the Board retains the option of continuing the discussion, declining to create the fund, herein, or to take such other action as might be**

**suggested by virtue of the discussion before the Board framed by this item. (For Possible Action)**

Commissioner Schieve stated a Contingency fund will allow commissioners to get involved with housing related projects. Executive Director Jones stated the City of Reno's Contingency fund is based on NRS 268.028. Legal Counsel Zeh is in agreement that it is within the Nevada Revised Statutes and would be lawful for the Authority to create a Contingency fund with some caveats, which may include funds routed through a specific entity such as a non-profit. A resolution must be passed to allow the funds to be given. Any specific ask of a Board member will go before the Board for approval. It was requested that the Executive Director obtain the City of Reno's Contingency fund plan allowing the Board to further discuss parameters at the next Board meeting.

- 10. Closed Session: Sale of Sarrazin Arms Apartments (541 W. 3rd Street, Reno NV 89503) Option and Purchase and Sale Agreement. Closed session to deliberate on the Third Amendment [sic] to the Option to Purchase agreement being proposed by the seller, Reno Housing Authority. No action may be taken on this item during the closed session, but the Board may deliberate in private concerning the amendment being placed on the table as well as to consider possible options that might be available to the RHA as possible counter proposals.**

Attorney Gordon informed the Board a new proposal was submitted prior to this meeting which consists of a purchase price of \$3 million, close of the property on April 1, 2020 with the RHA holding the responsibility of the difference of rent from the current sub-HUD rental amounts of approximately \$425 - \$450 up to the \$783 until all residents reached \$783 in rent. Attorney Gordon presented a second option to the Board. The proposed second option consists of a purchase price of \$3 million and a close date three years out. This will give RHA the opportunity for rents to go up to \$783 by attrition in the next three years and close of the sale in year three. This is presented as another option, win-win, with the goal here to keep affordable housing opportunities for the residents.

Chairman Scott called the meeting into the closed session at 12:47 pm where all non-essential staff exited the meeting. Commissioner Schieve motioned to go into the closed session of the meeting. Commissioner Dixon-McAllister seconded the motion. Hearing no further discussion, Chairman Scott called for the question. The vote was all ayes, no nays. Chairman Scott declared the motion carried and the meeting closed. Remaining in the closed session meeting were Chairman Scott, Vice Chairman Sullivan (via phone), Commissioner Schieve, Commissioner Dixon-McAllister, Commissioner Wilhelms, Legal Counsel Chuck Zeh, Executive Director Jones and Deputy Executive Director Hurst.

- 11. Open Session: Sale of Sarrazin Arms Apartments (541 W. 3rd Street, Reno NV 89503) Option and Purchase and Sale Agreement. Open session to discuss Third Amendment [sic] to the Option and Purchase and Sale Agreement proposed by the seller, Reno Housing Authority. The Board may accept, reject, counter or table the amendment option being presented. (For Possible Action)**

At 1:35 pm, Commissioner Schieve motioned to open the meeting. Commissioner Wilhelms seconded the motion. Hearing no further discussion, Chairman Scott called for the question. The vote was all ayes, no nays. Chairman Scott declared the motion carried and the meeting open. Chairman Scott resumed the open meeting, inviting the public back into the meeting. Board members and staff present for the open session included Chairman Scott, Vice

Chairman Sullivan (via phone), Commissioner Schieve, Commission Dixon-McAllister, Commissioner Wilhelms, Legal Counsel Chuck Zeh, Executive Director Jones and Deputy Executive Director Hurst. Director of Rental Assistance McKendree, Executive Administrative Assistant Merrill, Attorney Gordon, Attorney Little and April Lawson was also present for the open session of the meeting.

Vice Chairman Sullivan motioned to authorize RHA's negotiation team to work the best deal it can possibly get and to it bring back to the Board for approval. The negotiation team will consist of Executive Director Jones, Legal Counsel Zeh, Chairman or Vice Chairman with Attorney Gordon. Commissioner Dixon-McAllister seconded the motion. Chairman Scott called for the question. The vote was all ayes, no nays. Chairman Scott declared the motion carried

Attorney Gordon spoke of his concerns with the due diligence period set to expire February 29<sup>th</sup> and the closing date of April 1<sup>st</sup>. Attorney Gordon asked the Board how will these dates be extended, when another meeting is slated to occur and if this is leading to arbitration. Attorney Gordon is looking for certainty on their end of where the purchase is going. Staying in the current due diligence period would force the current close date. Attorney Gordon is looking for direction.

Vice Chairman Sullivan responded that the intent of the RHA is to have an offer ready by Thursday or Friday this week. The Board can agree to extend the due diligence period if that is requested. The Board would like to settle this matter as quickly as possible and will work on getting an offer in the next day or so for the other party for review. The Board will be available to meet with the purchaser for as much time as it takes to settle this.

Vice Chairman Sullivan indicated the RHA has requested an additional appraisal of the property. Attorney Gordon stated the RHA is bound by the first appraisal. Vice Chairman responded that the Board is doing what is in the best interest of the RHA. Demanding arbitration is not indicated in the agreement. Attorney Gordon indicated arbitration is a way to settle disputes and the parties seem to have a dispute about the agreement and about how to amend it. Either, a third party is needed to help the process, or it is respectfully requested to be part of the negotiation and discussion to allow the purchaser input.

Commissioner Schieve stated a discussion on this matter between the two parties should have happened a long time ago. If this would have happened, the parties would not be at the point they are at currently. She further stated that going in and out of the closed session adds to the confusion because she hears one thing from one side and another thing from the other side. She doesn't know what is in the contract at this point. It's very confusing. It was recommended that everyone be in the room to be on the same page.

Executive Director Jones asked Attorney Gordon how much time additional is needed for the due diligence period?

Attorney Gordon responded that he appreciated Executive Director Jones question. Then continued, there are two appraised values in the appraisal, \$3 million and \$2.8 million. We have capitulated \$3 million is the purchase price. That's in the appraisal. They are agreeing to that and are bound by that amount. Attorney Gordon stated the only question on the table is when do we close, April 1 or in three years? He asked for direction to give to his client asking if the Board is generally comfortable with sticking with the \$3 million which he indicated the RHA wants because the backup would be \$2.8 and then let's do this in three years where we can get

tenants in there at the HUD amounts. It's a win-win. There is no transaction for three years. Is that acceptable? Is there a counter?

Vice Chairman Sullivan interjected the RHA is going to bring a counter. The idea that there is one question on the table for the purchaser, that makes sense. For the RHA Board, there are further questions that need to be discussed. The Board's goal is a smooth transition of ownership to the buyer and that the residents have a safe place to go to or to reside if that can be worked out, or a combination of both.

Attorney Gordon will be available on Friday, ensuing his client still wants to, and if the Board envisions that the parties can come to an agreement on Friday and the final Amendment is brought back the Board then?

Vice Chairman Sullivan responded that would be the goal.

It was discussed and agreed that a special Board meeting will be scheduled for Monday, March 9, 2020.

Vice Chairman Sullivan moved to extend the due diligence period to Friday, March 20, 2020. Commissioner Dixon-McAllister seconded the motion. Hearing no further discussion, Chairman Scott called for the question. The vote was all ayes, no nays. Chairman Scott declared the motion carried.

Legal Counsel Zeh ascertained if Attorney Gordon had the authority to extend the due diligence period. Attorney Gordon agreed to the extension of the due diligence period subject to his client's approval. Once approval is given, Attorney Gordon will send an amendment to extend the due diligence period to March 20, 2020.

The Board clarified the forthcoming decision process would be to have a special Board meeting where a finalized document would be agreed upon and brought before the Board for approval.

Commissioner Schieve requested a timeline be sent to the Agency's attorney by the buyer to clarify dates.

A meeting was set between Vice Chairman Sullivan, Chairman Scott, Executive Director Jones, Legal Counsel Zeh and Attorney Gordon at Chuck Zeh's office on Friday, February 28<sup>th</sup> at 10:00 am.

Legal Counsel Zeh requested Attorney Gordon send an email with confirmation that his client agrees with the proposed due diligence date of March 20, 2020 with an official document to follow.

Monday, March 9, 2020 at 4:00 pm was set as the date for the special Board meeting.

## **12. Additional items:**

- i) General matters of concern to Board Members regarding matters not appearing on the Agenda. (Discussion)

There were no other matters of concern.

- ii) Reports on conferences and trainings. (Discussion)  
There were no reports on conferences and trainings.
- iii) Old and New Business. (Discussion)  
There were no Old or New Business to discuss.
- iv) Schedule of next meeting. The following dates have been scheduled in advance but are subject to change at any time: March 24, 2020; April 28, 2020 and May 19, 2020.  
(For Possible Action)

**13. Public Comment. The opportunity for public comment is reserved for any matter within the jurisdiction of the Board. No action on such an item may be taken by the Board unless and until the matter has been noticed as an action item. Comment from the public is limited to three minutes per person.**

April Lawson suggested to the Board to have the discretionary fund funnel through Washoe Affordable Housing Authority. Lawson further stated that the financials while had a decrease of net position from last year to this year of \$600,000, that's deceiving because last year was an anomalist year with the large donation, a large prior period adjustment and a large increase in HAP payments from last year to this year. In removing those particular anomalies, the Agency is really very healthy in the year and that \$600,000 decrease is based on an anomalist situation from last year. Lawson explained she wanted to clarify to the Board how the financials really looked in the real world and not in the "audit world".

**14. Adjournment. (For Possible Action)**

Commissioner Wilhelms moved to adjourn the meeting. Commissioner Dixon-McAllister seconded the motion. Hearing no further discussion, Chairman Scott called for the question. The vote was all ayes and no nays. Chairman Scott declared the motion carried and the meeting adjourned at 2:02 pm.