

**MINUTES OF THE REGULAR MEETING
HOUSING AUTHORITY OF THE CITY OF RENO
BOARD OF COMMISSIONERS**

April 23, 2024

The special meeting of the Board of Commissioners of the Housing Authority of the City of Reno (Agency) was called to order by Chairman Aiazzi at 12pm on Tuesday, April 23, 2024, in the Agency's Boardroom.

Commissioners Present

Dave Aiazzi, Chairman
Kathleen Taylor, Commissioner
Mark Sullivan, Vice Chairman (called in)
Mayor Hillary Schieve (called in)
Dejanae Solley, Commissioner

Commissioners Absent

None

Staff Present

Dr. Hilary Lopez, Ph.D., Executive Director
Darren Squillante, Director of HR
JD Klippenstein, Director of Development
Kristin Scott, Director of Asset Management
Jamie Newfelt, Director of Rental Assistance
Jeremy Stocking, Director of Resident Services
Ashley Butler, Resident Services Administrator

Staff Present (continued)

Brenda Freestone, WAHC
Colleen Montgomery-Beltran, Executive Administrative Assistant
Ryan Russell, Legal Counsel

Others Present

Scott Lupo, Union Rep., Local 39
Jamie Gehrman-Selby, UNR Early Head Start

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

- **Call to order and roll call.**
- **Receive introduction of guests.**
Scott Lupo, the new business representative with stationary engineers local 39 wanted to introduce himself and see how the process of the Board of Commissioners meetings works.
- **First Period of Public Comment.**
None

- **Approval of agenda.**

Chairman Aiazzi asked the group if there were any questions about the Consent Agenda, Item 3, Resolution 24-04-01. With no questions brought forward, Chairman Aiazzi suggested the group address Agenda Item 3 first, then move back to Item 1, the annual ethics training.

The Open Meeting Laws training will be pushed to the next board meeting on May 28, 2024.

Chairman Aiazzi asked for a motion to approve the agenda with the changes. Mayor Schieve motioned to approve. Commissioner Taylor seconded. Hearing no further discussion, Chairman Aiazzi called for the question. The vote was all ayes, no nays. Chairman Aiazzi declared the motion carried and the agenda approved.

- 1. Annual Ethics and Open Meeting Law Training by State of Nevada Ethics Commission (Discussion)**

The Open Meeting Law Training was pushed to the May Board Meeting.

Mr. Ross Armstrong, Executive Director for the Nevada Commission on Ethics, presented the ethics training.

- 2. Approval of the minutes of the regular Board Meeting held March 26, 2024. (For possible Action)**

Commissioner Solly motioned to accept the meeting minutes. Commissioner Taylor seconded the motion. Chairman Aiazzi called for the question. All were in favor, no nays. Chairman Aiazzi declared the motion carried.

- 3. Consent Agenda. (For Possible Action)**

- a) Discussion and possible adoption of Resolution 24-04-01 approving an amendment to the HUD Standard MTW Agreement, amending Attachment A, Calculation of Subsidies, to include provisions for subsidies related to the Rental Assistance Demonstration (RAD) program and authorizing the Executive Director to execute the Amendment. (For Possible Action)

Chairman Aiazzi asked if there were any questions about the Consent Agenda item Resolution 24-04-01. Commissioner Solly disclosed that she must abstain from voting on this item due to a conflict. Commissioner Taylor motioned to approve the Consent Agenda. Mayor Hillary Schieve seconded the motion. Chairman Aiazzi declared the motion carried with one abstention.

4. Commissioner Reports. (Discussion)

None

5. Executive Director/Secretary's Report. (Discussion)

- Dr. Lopez advised the Board that RHA was awarded \$701,340 in State of Nevada HOME ARP monies, specifically for the Carville Court redevelopment project. This project entails the demolition of existing units at the Carville Court site and redeveloping 11 units and supportive housing at that same site. RHA is currently working with the housing division on a funding agreement and will present it to the Board as soon as it is available.
- Dr. Lopez introduced Jeremy Stocking, RHA's new Director of Resident Services, and welcomed him to the team.
- RHA received \$20,000 from Eaglemark Savings Bank in form of a donation to support the continued expansion of our workforce development programming. This donation will help to advance the Board's goal of increasing opportunities for our RHA residents and participants to break the cycle of poverty.
- RHA's public housing and voucher waitlist opened on April 15 and will close on May 3, 2024, at 5pm local time. RHA has been working with the media, stakeholders, as well as posting on our various social media channels, on our website, to spread the word. As of today, RHA has 503 current applicants who have added more waitlist information to their current accounts, and then 3119 new applicants. To date, RHA has already received over 3600 applications for the waitlist, and then there are another 600 requests for assistance with placing their application that the admissions department is diligently working through to return phone calls or assist people with submitting those applications. In addition, RHA has provided 250 applications to Washoe County for their team that is assisting those who are currently unhoused and residing along the river to complete in-place applications. RHA is also working with other community groups on their efforts to help those in the community submit applications.
- RHA's resident services staff will be hosting a career fair on April 24, from 3pm to 6pm at Silverada Manor. It will include workforce development workshops, and several community partners will be on site to discuss their current job openings and opportunities. Approximately 15 community partners are expected to attend. The event is open to anyone in the community who wishes to participate in the career fair.
- RHA is purchasing two document kiosks that integrate with our Rent Cafe that will allow residents to perform functions such as scanning or printing forms, applying for wait lists, and paying rent or other bills through the kiosks. RHA is anticipating installing one kiosk in our lobby which will help reduce the burden on our reception staff, and then RHA is reaching out to Washoe County to see if we can place another one either in the downtown or CRP library.

- As a general reminder, any remaining contingency funds must be allocated by June 30 of this year. The commissioners could submit any request to allocate their remaining contingency funds to a nonprofit organization, government programming, or internally to RHA activities. Commissioners could submit their request via email to Dr. Lopez, who would need it by May 17 to place it on the May agenda, or June 14th to place it on the June agenda. Chairman Aiazzi has a remaining contingency fund balance of \$4,000. Mayor Schieve has a balance of \$10,000. Commissioner Solly has \$10,000. Commissioner Sullivan has \$10,000. Commissioner Taylor has \$9,501.10. Dr. Lopez also stated that she has a list of ongoing projects that Board members have allocated funds to in the past, and others are items RHA would otherwise go to the community to fundraise for, and others are new activities. Priority items on the list have been highlighted. Chairman Aiazzi requested that the amounts of remaining contingency funds each of the commissioners have and the list of priority items be emailed to the commissioners.
- As an update on rental assistance, the Board had previously approved RHA to issue an RFP for our project-based VASH vouchers. RHA has received submissions and is currently reviewing and anticipate making awards in the very near future, and that will also help us increase the percentage leased of the VASH vouchers.
 - Commissioner Taylor asked if the percentage of 55% will likely go up due to the RFPs.
 - Dr. Lopez responded to Commissioner Taylor's question in the affirmative and stated that part of the reason it's so low is because RHA had received 125 new vouchers at once, which then impacted our lease upgrade, and those are the ones that we're working to get out into the community.
- RHA has been on track to fully expand the funds for The City of Sparks eviction prevention program. RHA's director of rental assistance, Jamie Newfelt, just provided the Sparks City Council with a report out and an update on that program and, based on our performance, they have agreed to continue that contract and we will continue to administer that program for them for the second year of funding.
- Regarding of youth and family activities, all five of our graduating StartSmart participants submitted scholarship packets and Commissioner Taylor, who is on that review committee, is going to be reviewing those and selecting the three graduates who will be receiving scholarships. The Start Smart Scholars dinner will be held on June 26 at the El Dorado.
- Commissioner Taylor asked, of the 3600 applications for the waitlist, how many of those does RHA expect to fill and, at some point in the future, can the Board expect to know the actual number of residents placed.
 - Commissioner Solly responded that, when it comes to the waitlists, it's difficult to give a specific number because even though we have 3,600 people who have applied, we have already received 200 to 300 pieces of mail that was returned to us.

RHA sends out welcome letters and they're already coming back. Those people are going to get removed from the waitlist. So that number changes daily.

- Dr. Lopez responded that it's a continuously moving target. The waitlists are opened when RHA believes there's a reasonable expectation within the next 24 months that RHA would be able to make an offer of housing or assistance to someone on the waitlist. For some families it could be shorter and for some families it could be longer. And a lot of those people are out of state, so those are not just strictly Washoe County residents.
- Commissioner Taylor asked how many people were on the waitlist when it was opened up.
 - Commissioner Solly responded that she believed there were less than 1,000 people on the HCV list, and of those 1,000 only about 100 were from Washoe County.
 - Commissioner Taylor stated that she will want to know more at some point about the number of people on the waitlists compared to the number of people RHA is able to place.

6. Discussion and possible approval of revisions to the employment contract between RHA and Dr. Hilary Lopez, inclusive of up to 15 percent (15%) potential salary increase and/or COLA and/or bonus based on positive performance review on February 27, 2024. (For Potential Action)

Commissioner Solly disclosed that she must abstain from voting on this item due to a conflict.

Mr. Ryan Russell provided an update on Dr. Lopez's contract, including requested changes and evaluation structure.

- The Board conducted an annual evaluation of Dr. Lopez's performance in February.
- Dr. Lopez requested the term start on July 5, 2024, which is a correction that needs to be made.
- The salary requested is \$219,500, plus a COLA adjustment that will be tied to adjustment that the administrative staff receive, as opposed to the adjustment that the entirety of the staff receive if Dr. Lopez is comfortable with that.
- Dr. Lopez also requested a potential bonus of up to \$5,000 for each goal that she meets or exceeds.
 - Mr. Russell stated that he received a request for a general bonus pool of \$25,000 at the Board's discretion.
- Language was also added to the contract about the evaluation structure.
 - In February it was agreed that the Board was very pleased with Dr. Lopez's performance but had no real rating mechanism in place.

- Mr. Russell suggested an evaluation matrix that can be customized to Dr. Lopez's goals, priorities, and job description, that can be brought back to the Board for review for the 2025 evaluation based on a more objective criteria.
- Aside from the adjustments outlined, the contract agreement is largely the same as Dr. Lopez's current contract.
- Mr. Russell suggested that if the Board agreed, the Board is asked to approve the substance as presented with direction to counsel to finalize and execute the agreement with Chairman Aiazzi and with Dr. Lopez.
- Commissioner Taylor asked for clarification about contract Item 2D, the commitment limit of \$100,000 and if that is different from the spending authority limit of \$50,000.
 - Mr. Russell stated that the commitment limit is meant to be consistent with the new spending authority, which was increased to \$100,000 recently.
- Commissioner Taylor asked if Darren Squillante, RHA's Director of Human Resources, had a chance to review Dr. Lopez's contract and who has had input into the contract.
 - Mr. Russell stated that the contract was discussed with Dr. Lopez and himself, her counsel, and briefly with Chairman Aiazzi but that the contract truly is between the Board and Dr. Lopez.
- Commissioner Taylor asked the HR Director, Mr. Squillante, if it was customary for someone in Dr. Lopez's position to receive an additional 10 paid personal days off.
 - Mr. Squillante confirmed that executive compensation can be different than that in RHA's policies for employees in general.
 - Mr. Russell also pointed out that Dr. Lopez is the only contract employee of RHA. He also stated that it was his opinion that there was nothing in Dr. Lopez's contract that was out of the ordinary. In addition, Mr. Russell pointed out that because Dr. Lopez is the Board's only employee, she would not work with Mr. Squillante, her employee, on the terms of her contract.
- Commissioner Taylor expressed her uncertainty with tying Dr. Lopez's bonuses with goals, which Commissioner Taylor feels are items the agency should be working on achieving anyway; she wants to tie bonuses with achievements that are above and beyond.
 - Mr. Russell said that it was suggested to him to make the language call it an available bonus pool of up to \$25,000 total, which would be awardable at the Board's discretion based on performance of the goals and the matrix that evaluates if Dr. Lopez exceeds expectations, is superior, that would inform how the commissioners would like to dish out the bonus pool.
- Mayor Schieve asked about the language in Dr. Lopez's contract regarding a severance provision.
 - Mr. Russell stated that the contract says upon termination of the agreement the authority agrees to pay Dr. Lopez severance pay equal to the lesser amount of a buyout of the remaining term, if any, of Dr. Lopez's agreement then current base

salary or three month's salary, according to Dr. Lopez's then current base salary plus accrued vacation pay.

- Commissioner Sullivan asked about Dr. Lopez's two-year term contract.
 - Mr. Russell clarified that Dr. Lopez's contract goes from 2024-2026, and, referring to paragraph B of the contract, at the end of the two-year term, unless there was notice of termination given by Dr. Lopez or by the Board, the contract would automatically renew.
 - Mr. Russell further explained that the maximum would be the two years because the language is tied to the then existing term, so the automatic extension is a new term on its own. So, to pay Dr. Lopez for two years, she would have to be fired on July 6, 2024, immediately after the start of the contract. The Board would have to come to an agreement that the Board would not renew the contract at least a year ahead of end of the term.
- Commissioner Sullivan also had a question regarding section 8 of Dr. Lopez's contract; the language about termination pay does not address termination pay with or without cause. Commissioner Sullivan expressed his belief that if Dr. Lopez is terminated without cause, then she should be compensated for things she has invested in and other benefits such as sick pay and vacation time. However, if Dr. Lopez was terminated for cause, there should be no compensation for salary.
 - Mr. Russell informed the Board that the agreement is for a renewal, the contract does not have "for cause" language but can be added to the contract if the Board wishes and Dr. Lopez agrees.
- Commissioner Sullivan read from the contract that the COLA would match their collective bargaining agreement. One of the proposals during the collective bargaining agreement is that COLA would be done differently, so Commissioner Sullivan suggested the contract should contain the language the Board wants to have in the collective bargaining agreement, tying the contract to the leadership COLA that is awarded.
 - Chairman Aiazzi suggested that one of the changes that can be made in the contract is providing an annual cost of living adjustment equal to COLA that is provided to the RHA executive staff, as opposed to RHA general staff.
- Commissioner Sullivan agreed with Commissioner Taylor that the language in the contract regarding bonuses should be for going above and beyond; achieving goals should be the job and he disagreed that bonuses of \$5,000 should be given for achieving each of the five goals. The commissioner suggested the language should tie the bonuses with a bonus pool and perhaps say the awards can be *up to* \$5,000.
- Mr. Russell clarified that the Matrix form that will streamline the evaluation process for years to come will be developed among the Board members, Dr. Lopez, and legal counsel. This Matrix will be available at a subsequent meeting and will be made to be specifically consistent with the language in the contract.

- Commissioner Sullivan asked about Item 9 of Dr. Lopez's contract, regarding exempt employees and work commitments, specifically the reason official government travel would not apply.
 - Mr. Russell admitted that he did not know why that wording is included and Chairman Aiazzi pointed out that it hasn't changed and is in the current contract.
 - Commissioner Sullivan expressed his concern for having language in a contract if the reasoning wasn't apparent or known. Mr. Russell suggested the substance of the contract would not change if those words were removed.
- Regarding section 11A of Dr. Lopez's contract, Commissioners Sullivan and Aiazzi pointed out that the contract says that auto insurance to cover employees' personal vehicles must be maintained to the Board's satisfaction, but the Board has never seen the insurance policy and doesn't know who keeps track of that.
 - Dr. Lopez stated that RHA has its own internal policy on vehicles.
 - Chairman Aiazzi suggested the contract be consistent with the current RHA auto policy in force for use of personal vehicles.
- Commissioner Sullivan asked for language in the contract preventing the ability to use just under the signing authorization limit, multiple times on a project.
 - Director of Development, JD Klippenstein, and Mr. Russell assured Commissioner Sullivan that that language is already in the procurement policy. The policy does not permit abusing the signing authority in such a manner.
- Chairman Aiazzi asked to change the start of the term from July 5 to July 1, which would be consistent with the start of the fiscal year, and asked to have specific dates placed to pin down exactly when contract items are due or to be completed.
 - Legal counsel, Mr. Russell, agreed there was no reason that change couldn't be made.
- Chairman Aiazzi stated that he was in disagreement with Commissioners Taylor and Sullivan in that he believes that goals are above and beyond the day-to-day activities, and when achieved, should be rewarded with bonuses. However, he did state that he would like to see some flexibility, instead of basing bonuses on only achieving every goal, the commissioners should have the ability to award portions of up to the \$25,000 bonus pool amount per year as they see appropriate.
- Chairman Aiazzi asked how the new start of term date, July 1, affects the current contract discussion, Dr. Lopez's evaluation, and the ability to award bonuses this year.
 - Mr. Russell clarified that the bonus and the raise the Board is giving Dr. Lopez now is within the 15% agendaized, with 5% remaining. If the Board approved the contract, the new salary (10% increase) would go into effect on July 1 of this year. But if they chose to utilize the remaining 5% for a bonus, that would be within the agenda amount and could be done.
- Commissioner Taylor commented that she needs to be fully informed and understand the financial, legal, and HR ramifications when she makes decisions.

- Mr. Russell assured Commissioner Taylor that the contract as written is legally sound. The Board is permitted to enter this contract and provide the funds that were discussed. From an HR perspective, nothing in the contract violates any internal policies or HR standards.
- The only questions Mr. Russell says he cannot address are the financials because he does not handle the financials for the entity.
- Commissioner Sullivan suggested, because there are several language changes and there is no urgency in finalizing the contract, could the subject of the contract be brought back to the next Board meeting in May, with the changes made to the contract and they can see the matrix.
 - Mr. Russell answered that, because under the current contract, the Board is already past due to agree on the contract. He stated that the Board could make the motion clearer on what the substantive changes are and vote on that, or if Dr. Lopez agrees, the Board can see the revised version before they vote on it (next month).
 - Chairman Aiazzi felt it would be unfair to Dr. Lopez to further postpone voting on extending her contract and stated that he did not need to see a matrix to know if Dr. Lopez was doing her job well.

Mr. Russell pointed out that there is a clear recording of the discussion and asked for the motion to approve the agreement as presented and summarized by Chairman Aiazzi. The changes summarized are as follows: The initial term will change to July 1 instead of July 5. On part B, the compensation will state "leadership team". The bonus will be *up to* \$25,000 per year. And 10 additional paid days off.

Mayor Schieve motioned to approve Dr. Lopez's contract with the discussed changes and with the direction to Mr. Russell to finalize the agreement and bring it back to the Board at the next meeting (in May). Mayor Schieve added in this motion to include the remainder of the \$10,000 bonus for this fiscal year, per Chairman Aiazzi's request. Commissioner Taylor seconded the motion. With no further discussion on the matter, Chairman Aiazzi called for the vote. The vote was four ayes and one abstention, the abstention from Commissioner Solly.

7. Discussion and possible action to extend the UNR Early Head Start Childcare facility lease for 870 Sage Street, Reno, through December 31, 2025, for a total monthly fee of \$7,080.00 which includes monthly contract rent of \$6,880.00 and a monthly facility improvement account contribution of \$200.00. (For Possible Action)

Representatives from UNR Early Head Start Childcare, Jamie Gehrman-Selby, director of Home Visiting and Community Outreach for the Child and Family Research Center, and Kalina Long, the Early Head Start Director, gave a presentation about the Early Head Start Childcare program.

- UNR had reached out to RHA to request an extension of their lease. They're currently set 870 Sage Street, which we also refer to as the sage street facility, through December

31 of 2025. The current lease agreement has been in place since October of 2017 and is set to expire on July 31, 2024.

- The Mineral Manor location is easily accessible to the RHA public housing residents and serves the broader community as well.
- RHA has provided a substantial offset to the current rent, which is \$675 per month, and includes monthly rent of \$475 as well as a monthly facility improvement account contribution of \$200.
- UNR has been asked to apply for an expansion grant which would enable them to maintain the Sage Street facility as well, and then increase the rent paid for the site to market rent. The award of the expansion grants would allow them to maintain their 32 slots at the Sage Street location and expand their overall program to provide services to not only youth ages zero to three years but also up to five years of age and almost double the overall size of the program.
- To better align with their program funding, they have requested a new extension through December 31 of 2025. Based on current market rent, it would be approximately \$24 per square foot. The Sage Street site is 3540 square feet, so using this data, it would equal a total monthly rental fee of \$7,080 which would include the contract rent of \$6,880 and continuing that \$200 monthly facility improvement account contribution.
- If awarded, a letter would be provided by RHA to UNR that they could include as evidence of state control in their expansion grant application.

Commissioner Taylor motioned to extend the Early Head Start Childcare facility lease for 870 Sage Street, Reno, through December 31, 2025. Mayor Schieve seconded the motion. Chairman Aiazzi commented that it was his hope that the organizers of the Early Head Start program would come to the RHA Board to request help if ever they are in need of additional help to fund the program. Hearing no further discussion or questions, Chairman Aiazzi called for the question. The vote was all ayes, no nays. Chairman Aiazzi declared the motion carried unanimously.

8. Discussion and possible approval of a grant to the UNR Early Head Start Childcare program for up to \$42,480.00 to support increased programming and early childcare slots for youth ages 0-3 years old at the Sage Street facility. (For Possible Action)

- Dr. Lopez explained that this item would provide a grant to the program equivalent to 33% of the new rental rate over the term of the lease through December 31, 2025. Since we would no longer be doing an offset through a below market rate lease, this would then help the program to reinvest in the Sage Street site as well as their program as a whole.
- Commissioner Taylor asked the presenters if this grant would help to open slots to allow for more children into the program.

- Kalina Long stated that the grant would certainly help to stabilize the program and help more of the Board's constituents.

Chairman Aiazzi asked for a motion. Commissioner Taylor motioned to approve a one-time grant to UNR Early Head Start Childcare program in the amount of \$42,480. Mayor Schieve motioned to second. Chairman Aiazzi called for all in favor. The response was all ayes, no nays. Chairman Aiazzi declared the motion carried unanimously.

9. Discussion and possible approval of the tax credit equity investor and the construction and permanent financing lender for the Hawk View Apartments public housing repositioning project. Total equity financing is estimated to be up to \$45 million. Debt financing is estimated up to \$55 million for construction and up to \$30 million for permanent financing. (For Possible Action)

Chairman Aiazzi asked if there were any questions or motions about Item 9.

Commissioner Solly declared that she must disclose that she has a commitment in a private capacity which creates a conflict of interest on this item.

- Mr. Russell gave Commissioner Solly his legal opinion that, even though her disclosure was appropriate, she need not abstain from voting on this item.

Director of Development, JD Klippenstein, gave an update on the tax credit equity investor and lender selection process.

- Brinshore has closed the RFP process to select the lender and investor for the Hawk View project. At the time the Board packet was being prepared, the RFPs were still being reviewed. The educational session on lender/investor selection criteria that was presented last Friday, along with the previous presentation for the Silverada selection, those same criteria are in place. RHA is considering total equity the tax credit investors are willing to put into the project, the pricing that they're giving us on the tax credits. And then we're also considering things like how quickly they're going give us the equity in terms of the debt. We're considering interest rates and fees that we would be required to pay or liability or net worth and liquid assets that we have to have on hand.
- After a call to Brinshore and what was received regarding the tax credit equity investor, a company, bank, or investor purchasing our tax credits, it appears that Hudson Housing, who was also the investor on the Silverada project, has come in with the most competitive offer to be our LIHTC investor.
 - Hudson Housing's offer is 85.5 cents on the dollar. The range offered was 84 cents on the dollar, which was the lowest, on up to 87 cents which is higher than Hudson. Hudson gives us more money quicker meaning that we would carry less interest on our construction loan.

- Based on the different factors, Brinshore recommends we move forward with Hudson Housing as the LIHTC investor.
- As of the day of the Board meeting, the best and final terms have not been fully negotiated yet.
- Commissioner Taylor asked to see the LIHTC investor information that was negotiated for the Silverada project and asked if there was a reason the data isn't available for the Board to see before making this decision, like timing or scheduling.
 - Director Klippenstein responded that he received the information late the day before and did not have time to prepare it for the Board but offered to provide it.
 - Director Klippenstein added that the bond application must be submitted by Friday of that week. If the Board would like to have more information before authorizing Dr. Lopez to execute the LOI, another special meeting would need to take place before Friday.
 - Director Klippenstein pointed out that Dr. Lopez is an expert and advised the Board that could trust Dr. Lopez and authorize her to execute what is best for the organization and added that due to the moving timelines, it would be difficult to fit in a special Board agenda among those timelines.
 - Director Klippenstein offered to have specific information the Board could review by end of week, but for now the staff recommendation would be to authorize Dr. Lopez to execute knowing that she is an expert on these terms.
 - Dr. Lopez also pointed out that the State Board of Finance only meets at specified times. The housing division releases a schedule of application submission deadline based on the Board of Finance's meeting schedule. And if the deadline is missed for the application submittal, we miss the June Board of Finance meeting and get pushed out to their August meeting. In addition, the housing division said RHA's ARPA funds would be at risk of being withdrawn if the June Board of Finance deadline is missed.
- Commissioner Taylor asked if there would be a benefit to having an established relationship with Hudson Housing, working with them on both the Silverada and Hawk View projects.
 - Director Klippenstein clarified that the underwriting to review the Housing Authority as a guarantor on operation as well as the Housing Authority's experience would not be required again because RHA has already provided much of the same information for Hawk View. This would speed up the closing process for Hawk View considerably.
 - Dr. Lopez also pointed out that RHA is also trying to meet the Board of Finance June meeting deadline so that we can close before HUD's special application center closes for two months.
- On the debt front, the most competitive lender of the two who are being considered is Bellwether, who is also the lender on the Silverada project, and the other is Citi. And they are two lenders that Brinshore was having further conversations with to get more

competitive proposals. They offered the same amount on the construction loan, a very similar amount on the permanent loan, and both offered more in permanent debt than we need for the project. In addition, the permanent debt terms are very similar. The difference is the interest on the construction loan; Citi's construction loan is about a percentage higher than Bellwether construction loan. Bellwether is offering a fixed rate, and Citi's is a higher variable rate. Brinshore is asking Citi to offer a lower fixed rate, but there's no confirmation on that yet. Brinshore would be recommending either Bellwether or Citi pending further negotiations over the next day or two. Final terms do not need to be finalized by Friday for the submission. We need to know who the selected lender and investor will be for the bond application.

- Chairman Aiazzi suggested the commissioners could continue the meeting on Thursday, with no agenda or posting necessary, if the Board wishes. He also added, however, that the Board has no real choice in this matter. The developer agreement says the Board can only review the terms and then decide if the project moves forward or not.

Commissioner Taylor motioned to authorize the Executive Director to execute an LOI with the selected investor and term sheet for the Hawk View redevelopment project.

Commissioner Solly seconded the motion. Hearing no further discussion or questions, Chairman Aiazzi called for the vote. Chairman Aiazzi declared the motioned passed with four ayes, no nays.

10. Discussion and possible approval of a grant agreement with the State of Nevada for Home Means Nevada Initiative (HMNI) funds and corresponding deed restrictions for \$1,500,000.00 for the acquisition of 5 parcels (APNs 011-262-02, 011-262-03, 011-262-04, 011-262-14, and 011-262-15) on Reno Avenue, in Reno, for future development of affordable housing. (For Possible Action)

Director of Development, JD Klippenstein, informed the Board that this is a standard grant agreement and it requires accepting the funding for the HMNI funds that will be part of the purchase for the Reno Avenue parcels.

- We have the finalized language on a purchase sale agreement, and it aligns with the terms that were offered in the LOI.
- The \$1.5M will cover the vast majority of the purchase price, plus there will be some additional RHA funds. The RHA funds were previously approved.

Chairman Aiazzi asked for any questions, comments, motions. Commissioner Taylor motioned to approve the HMNI grant. Commissioner Solly seconded the motion. With no further discussion, Chairman Aiazzi called for the vote. The vote was four ayes and no nays. Chairman Aiazzi declared the motion carried.

11. Discussion and possible approval of an amendment to RHA's State of Nevada Home Means Nevada Initiative (HMNI) grant agreement for John McGraw Court and Silver Sage

Court and acceptance of \$2,000,000 in additional HMNI funds for the rehabilitation project. (For Possible Action)

Director of Development, JD Klippenstein, explained that this item is nearly the same as the previous item of the agenda, but is for additional funding that RHA received for John McGraw Court and Silver Sage Court. And in order to accept those funds, we have to execute and record amended and restated grant agreements and deed restrictions. That accounts for the additional funding that we are receiving for these projects.

Executive Director Lopez took a moment to praise and express gratitude to the Director of Development and his team who were able to secure an additional \$2M to see the project across the finish line.

Chairman Aiazzi asked for any discussion or questions about this agenda item. Hearing no additional comments or discussion, Commissioner Taylor then motioned to approve. Commissioner Solly motioned to second. Chairman Aiazzi asked for the vote. The motion carried with all ayes and no nays.

12. Discussion and presentation of draft FY2024 RHA budget. (Discussion)

Commissioner Solly declared that she must abstain from voting on this item due to a commitment in a personal capacity which creates a conflict of interest.

- As clarification, Executive Director Lopez pointed out that this agenda item was misprinted to say draft FY 2024 RHA budget. It should have read as draft FY 2025 RHA budget.
- The annual budget needs to be approved no later than June 30 of 2024.
- This is a draft budget for discussion. We will bring it back in May and at that point the Board could either act on it or ask for further revisions. However, by the June board meeting, we would need to have a Board recommendation either for approval or have a special meeting to address any final items.
- The draft budget started with the fiscal year 2024 budget and received input from all our directors and then we also considered how costs have been escalating, etc. and putting together the projected fiscal year 2025 budget. The budget is based on eight months of actuals for fiscal year 2024 and then extrapolation for the remaining four months.
- RHA has adjusted salaries and benefits based on historical data.
- We've increased materials and contracted services by an inflation factor of 3%.
- We've increased insurance premiums by 6% based on recent estimates and premiums.
- Audit fees were increased by 8% based on our 2024 fees compared to 2023 fees.
- Training budgets were updated based on department needs.
- We reviewed our employee salaries to make sure that our staff allocations are correct and appropriate to where staff salaries are being billed to with the work that different employees are completing.

- We have now estimated and budgeted for overtime.
- We have budgeted for currently vacant positions that are on the organization chart and approved by the board that we anticipate filling in fiscal year 2025.
- We have included new positions that we anticipate and are asking for.
- Rent increases, based on the board approved rent increase policy, have been estimated and included for Silverada Manor, which is in our public housing budget.
- We have prorated income and expenses, based on our projected financial closing and conversion of that property from public housing, and the same with Hawk View.
- We have estimated and included City of Reno stormwater fees for RHA owned properties.
- We have budgeted operating expenses including utilities for Paradise Plaza for when that comes online.
- We have included fencing and insurance costs for the Reno Avenue parcels that we'll be acquiring.
- We've included IT equipment replacement for aging laptops and other IT equipment.
- All resident services events like Start Smart graduation, and FFS graduation have been budgeted. Youth activities such as bike camp, dance classes have been budgeted. Food purchases for the Golden Grocery have been budgeted.
- Landlord engagement has been budgeted as well as a new landlord appreciation event that staff would like to hold to support landlord outreach.
- Our ongoing staffing and MTW activity funding has been budgeted.
- Using our annual authority, we've budgeted for the replacement of two vehicles, specifically within the neighborhood stabilization budget.
- We've put in provisions for unanticipated contracts such as additional legal that might be required or local opinions regarding some of our conversions that may be needed have been budgeted.
- And recently the board had implemented a policy that provided the executive director with ability to adjust employee salaries or provide bonuses up to a certain amount per year, so we've now put those funds into the budget.
- We've provided a breakout of all the major budget components which includes business activities, our central office cost center, which is really where we bill our programs for costs that are central to the agency and include things like legal, IT, some of the executive staff salaries, etc.
- We are still working with Cloud 10 to get updated income projections. For right now, we have utilized our fiscal year 24 figures.

The budget as drafted shows an ending net income of approximately just over \$3 million. We're continuing to refine that budget based on this session and other information and then we will bring an updated version to the main meeting for the Board to consider for adoption. We've included an attachment which shows our projected revenue and expenses

under each component unit and then there is a column at the very end, which identifies totals and a net income that shows most of our component units have positive net income. For those that have a negative net income, we have the ability to move some of our funds around which is why there is a positive net income across all component units of just over \$3.1 million.

- Executive Director Lopez said she was previously asked which funds are completely unrestricted and which have some restrictions in terms of how the board can use any net income.
 - In her response, Executive Director Lopez stated that things identified as unrestricted has to do with RHA's business activities. Our central cost center right now is not projected to be positive, so we did not include that. Our MTW would be restricted funds, so those funds would have to be used on an approved MTW eligible activity. If we proceed with the line of credit that the board had approved, then the NFP funds would be restricted because that's what would be securing the line of credit. Public housing are restricted funds. When we earn administrative fees for WAHC, those would be unrestricted.
- Chairman Aiazzi asked Executive Director Lopez how the inflation rate was determined to be 3%, because his research has shown it could be up to 3.6% and asked how that may affect the bottom line.
 - Executive Director Lopez explained that the interest rate is based on a review of contracts and materials as well as information from underwriting that were used for new projects.
- Chairman Aiazzi asked Executive Director Lopez what was factored in for employee increases.
 - Executive Director Lopez explained that the current CBA was factored in. Salary adjustment was based on FY 24, those step increases of 5% plus COLA's 3%.
- Chairman Aiazzi asked Executive Director Lopez if the funds from J Resort were included in the budget.
 - Executive Director Lopez said that she believed Deputy Director McKendree did include that information.
- Chairman Aiazzi said that he would like to see a year-to-year comparison, showing what was spent on the budget items last year so he can see what has increased or decreased.
- Chairman Aiazzi asked if RHA's contract with Farrah Downey is in the current budget.
 - Executive Director Lopez answered that the two months on the contract is under the current fiscal year. An RFP will be released.
- Chairman Aiazzi asked about a sheet that that the Board were once given that showed staff requests.
 - Executive Director Lopez said that RHA is changing our development clerk position to a GRC II position and that is in the budget. We are also moving the social media

- specialists from part time to full time and filling some of those weekend positions which are on the org chart including backfilling the Director of Finance position.
- Chairman Aiazzi asked if there are things that RHA would like to have in the budget to do.
 - Executive Director Lopez said that, except for a recent conversation about adding a housing specialist to the Asset Management team, everything that the directors have provided has been included in the budget.
 - Executive Director Lopez pointed out that what the budget doesn't include from last year is \$5,000 per site, the \$40,000 for the residents. The reason is because RHA is still working on the projects from last time so this would be something that would be better either bi-annually or even every third year by the time we go through the process and then get those projects in place. We have currently installed a computer center at Hawk View Apartments and a shed at Myra Birch Manor. We just finished the barbecue area here at Mineral Manor and we're working with the other public housing sites on their requests.

Closed Session:

**13. The Board may give direction to staff in closed session regarding the position or positions to be taken or the strategy to be employed, and staff may provide the Board with an update, regarding:
(For Possible Action)**

- Per NRS 288.220(4), to discuss labor relations with RHA's management representatives, including without limitation, the position or positions to be taken or the strategy to be employed leading to the execution of a new Collective Bargaining Agreement (CBA), the upcoming expiration of the current CBA expiring June 30, 2024, potential items for negotiation in a new CBA and associated fiscal impacts. There will be no approval of the collective bargaining agreement during the course of the closed session.

Reconvene Open Session:

14. Additional Items:

This item was addressed before the closed session.

a) Possible change in day/time of Board meetings (Discussion)

- Commissioner Solly pointed out that the Board meetings go from 3 to sometimes 4 hours long and take her away from her job duties. She did not have a suggestion for an alternate date and time in mind.
 - o Chairman Aiazzi suggested Commissioner Solly request to place this on a future agenda as well as any possible dates/times that will work better for her so that the Board can make a decision that will be acceptable to everyone.
Commissioner Solly agreed.

b) General matters of concern to Board Members regarding matters not appearing on the agenda. (Discussion)

c) Reports on conferences and trainings. (Discussion)

d) Old and New Business. (Discussion)

e) Request for Future Agenda Topics. (Discussion)

f) Schedule of next meeting. The following dates have been scheduled in advance but are subject to change at any time: Tuesday, May 28, 2024, and Tuesday, June 25, 2024.

(For Possible Action)

15. 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. Comments from the public are limited to three minutes per person.

Chairman Aiazzi reconvened the meeting after the closed session and opened the meeting up to public comment. There were no comments.

16. Adjournment.

Chairman Aiazzi declared the meeting adjourned at 3:48pm.