HOUSING AUTHORITY
of Winston-Salem

Housing Authority of Winston Salem

Board of Commissioners Meeting

Annual Meeting

HELD ELECTRONICALLY DUE TO COVID 19 PANDEMIC

October 13, 2020
12:00 noon

HOUSING AUTHORITY of Winston-Salem

Tuesday October 13, 2020
Housing Authority of the
City of Winston-Salem
Board of Commissioners
12:00 Noon

BOARD OF COMMISSIONERS MEETING AGENDA
October 13, 2020
12:00 P.M.

1. Call to Order – Pledge of Allegiance

2. Roll Call

3. Agenda
   - Review and Approval of the Agenda for October 13, 2020

4. Old Business
   - Consideration of Approval of the September 8, 2020 Board Meeting Minutes

5. New Business
   - **Resolution No. 2134** – Resolution Authorizing Approval of the August 2020 Financial Statements
   - **Resolution No. 2135** – Resolution Authorizing the HAWS Board of Commissioners to Approve an Increase in the Housing Authority of Winston-Salem Housing Choice Voucher Payment Standards for Zero, One, Two, Three and Four Bedroom Units

6. Communications

7. Committee Reports

8. Staff Reports
   - Development and Preservation
   - Administration
   - Operations and Resident Participation

9. Drayton Pines, Inc.

10. Conflict of Interest Policy and Disclosure Dissemination

11. Nomination of Officers and Election

12. Adjournment

HOUSING AUTHORITY of Winston-Salem

September 8, 2020 Minutes

Board Member Attendance:
Chairman Dr. Arthur T. King- Present
Vice Chairperson Dr. Evelyn Sanders-Present
Commissioner Thomas Adams- Present
Commissioner Williams Rose- Present
Commissioner Jemmise Bowen- Absent
Commissioner Andrew Perkins- Present
Commissioner Alfred Adams- Present
Commissioner Betsy Annese-Present

Staff Presenting:
Kevin Cheshire, Executive Director
Nancy Thomas, VP of Administration
Kelly Church, VP of Operations

Guests Presenting:
Barry J. Palmer, Attorney Coats Rose Law Firm
Mattye G. Jones, Attorney Coats Rose Law Firm

- Board meeting called to order by Chairman King at 12:00 noon
- Pledge of Allegiance
- Roll call was taken and there was a quorum

Review of Agenda:
(Cheshire) Mr. Chairman, excuse me for interrupting. This is Kevin. I just wanted to ask your permission to take the resolutions out of order given that we've got outside counsel on the line. Resolution 2133 is pertaining to the Master Development Agreement. So, with your permission, Mr. Chairman, I'd like to move that item up to the first item of new business and consider Resolution 2133 ahead of Resolutions 2131 and 2132. **(King)** That makes sense to me. Any objections?

Consideration to approve the Agenda, **as amended**, for September 8, 2020 Full Board Meeting
Motion: Commissioner T. Adams
Second: Commissioner Perkins
Roll was called. Unanimous Approval; No Discussion

Old Business:
Consideration to approve the Minutes for August 11, 2020 Full Board Meeting
Motion: Commissioner Perkins
Second: Commissioner A. Adams
Roll was called. Unanimous Approval; No Discussion

HOUSING AUTHORITY of Winston-Salem

September 8, 2020 Minutes

New Business:
Review of the June 2020 monthly written Financial Statements.

Resolution No. 2133– Resolution Authorizing the Entry into Master Development Agreement
Motion: Commissioner Perkins
Second: Commissioner Rose
Roll was called, 6 Yay; 1 Nay; No Discussion

(Cheshire) Yes, sir. Thank you. Thank you, Chairman King, I will present Resolution 2133. I know that I introduced our outside counsel before the official meeting started but, just to go on the record and note that we do have Barry Palmer and Mattye Jones with the Law Firm of Coats Rose at the meeting with us virtually. Just to provide some context for the selection of their firm, they have represented numerous housing authorities who are pursuing Choice Neighborhood Implementation Grant Applications. They have, or excuse me, grant activities. They have negotiated other MDAs under the context or under the auspices of the Choice Neighborhood Implementation Grant. So, that is what led to the selection of Coats Rose. They have been leading the negotiations and advising me with respect to our conversations and communications with our master developer in getting us to this point with respect to the Master Development Agreement. I'm sure they will be able to either interject or respond to questions that the Board has regarding the scope of the services or the specifics of the Master Development Agreement. So with that said, I think it's probably appropriate to step back a little bit before or maybe even in lieu of getting into the wherefores and the legalese of the MDA and speak to really where we are with respect to the Choice Neighborhood Implementation activities and the role of McCormack Baron Salazar as our developer. I think that gives some color to the Master Development Agreement and puts it in a larger context. So you all know that McCormack Baron Salazar has done a number of Choice Neighborhood Implementation Grant activities. They have more than any other firm, they have been highly successful in pursuing Choice Neighborhood Implementation Grants. That is why they were chosen to be on our team. Their capacity was scored by HUD. What I mean by that is, this was not a grant that looks specifically at our plan. It was a grant that looked at the housing authority's ability to implement, the City's ability to implement, the school system's ability to implement, Urban Strategies' and McCormack Baron's ability to implement. So I say that simply to note that McCormack Baron was part of the grant writing team, but not just that, they were assessed with respect to their history and their ability to actually implement what was proposed in the grant application. Okay, so that's kind of where we were. We'd chosen McCormack Baron, McCormack Baron had then started putting together and actually started doing the grant writing process, putting together a site plan and some financing structure. Alright, so when we start talking about a master developer, McCormack Baron is going to be responsible for working with us to select an architect, working with us to select a general contractor, working with us to identify financing and working with us to ultimately construct the replacement housing that was proposed in the Grant, and that is being funded, in part, with the Grant. So that's their role right there. They're basically leading the way in taking what is currently Cleveland Avenue Homes and turning it into a true mixed-income property consisting of multiple phases, including senior housing and family housing. That is what they will be doing. In exchange for doing that, they get a developer fee. So, this is their compensation for undertaking six plus years' worth of development work as the developer, which is negotiated at 10.5% of the total development cost. So we're talking about roughly $5.5 million in developer fee. The way this thing is structured is that we, which is to say the Housing Authority, will only contribute Choice Neighborhood dollars to the entire implementation effort. So we're talking about constructing roughly $90 million worth of new housing units, 406 units total. There are currently 244 units at Cleveland Avenue Homes. We're talking about building 406 units to the tune of approximately $90 million and the money that the Housing Authority is putting in is exclusively Choice Neighborhoods' money. So we're essentially a conduit. We receive the grant dollars and then we contribute those grant dollars to the development effort. Obviously, the grant dollars, the grant was $30 million. Of that $30 million, only $21 million can be committed to the actual housing. So if we've only got $21 million in grant dollars and we're building $80 million in housing, the other $60 million has to come from somewhere. Some of that is going to be tax credit equity. We've done that before. We've applied for tax credits. So that's essentially free money, if you are successful in your application. Some of it is going to be in the form of debt. Which is to say the owner entity, the new entity which will consist in part of a McCormack Baron entity, it will consist in part of a Housing Authority entity and it will consist in part from an investor who's looking to get those tax credits, will own the new housing. And they will, that owner entity will, have some debt, will borrow some money. That structure will be repeated four times. There are four iterations to this. There are four phases. The first phase, as we've discussed, is the Brown School Site. That will be a family housing site. The second phase is a senior site which will be on Cleveland Avenue Homes proper and the third and fourth phases are family housing sites which will be on Cleveland Avenue Homes proper. The other important thing to note, which is discussed in this MDA, is that we have two off site parcels. One is the Brown School site which is owned by the Housing Authority proper. The other is the Fairview Landing site, which is owned by FEV. I want to make it clear that the Cleveland Avenue Homes site is being deeded over for $1 to the new owner entity. So our contribution here, as it pertains to the development, is giving away this land to the development entity and the off-site parcels, which are to say the Brown School site and the Fairview Landing site, are coming into the deal at fair market value. So those are things that we've kind of talked little bit about or we've implied how that's going to be structured. I think that it's important to make that clear, the mechanics of what this looks like moving forward. I'll take a hard pause there in case there any questions or in case Barry or Mattye want to add anything and then we can start talking about some of the additional terms or the structure of the MDA. I wanted to make sure that the Board at least had an overview of: "okay, that's fine, we've got a master developer, we've got a master development agreement, what exactly are they doing for us, for how long and how much are we paying them for it, and from where are we deriving those sources?" So I hope I have laid that out. If there are technical things that we need to get into, I'm happy to do that. But I'll stop now for either the Board, Barry or Mattye. **(Palmer)** So Kevin, if I could just mention two points that were key in the negotiations with McCormack Baron. One, is to follow up on what you said, is that the Housing

Authority is only putting in the Choice Neighborhood funds and the land and that there's no other financial commitment on the part of the Housing Authority. That's fairly unusual in Choice Neighborhood Grants. Pretty much all the other ones I've been involved in, the housing authority has had to put in additional funding. So that's a big plus and something that Kevin worked very hard to make sure was reflected in the Agreement. The second thing is, we talked about putting the land into the Partnership for $1. I want to be sure that everyone is aware that you're going to get the land back. The property will be put in on a ground lease into this limited partnership made up with McCormack Baron, the Housing Authority and a tax credit investor, but we have negotiated in the MDA and we will negotiate with the tax credit investor, exit provisions. So the partnership needs to own the property for 15 years in order to qualify for the tax credits. At the end of 15 years, the Housing Authority can get the property back and McCormack Baron has agreed in the MDA that at the end of the 15-year tax credit period, they'll go away at no cost to the Housing Authority and we've got in the MDA that, in selecting a tax credit investor, it is going to be critical on the part of both the Housing Authority and McCormack Baron, to have the tax credit investor agree that they'll essentially give the property back to the Housing Authority at the end of the 15 year tax credit compliance period. **(Cheshire)** Thank you for that Barry. Barry gave me credit for negotiating on the point with respect to Housing Authority dollars, other than Choice dollars going in. I want to do likewise with respect to his efforts and Mattye's efforts concerning the exit strategy. That's not something that I've been a part of and we've not had a lot of experience with it. So I relied heavily on their firm's expertise and they were clear that "Hey Kevin, you need to be thinking about what happens to this land 15 years down the road." So I appreciate them handling that and negotiating that point. **(A. Adams)** Kevin, this is Alfred. My question is, what about the existing financing on Fairview Landing? How will that be handled with the transfer? **(Cheshire)** That's a great question. So the way that it's in the budget now, is to pay off the bank debt and to roll the City debt into the new structure. So, essentially, the owner entity will acquire the City debt and the bank debt will be satisfied. **(A. Adams)** So those funds will come from the Housing Authority tp pay off the bank debt? That will come from Housing Authority funds? **(Chesire)** No, that's going to come from the acquiring entity. So the tax credit entity, at closing, will bring to closing sufficient funds to satisfy that bank debt and then that owner entity, that tax credit entity, will then be responsible for servicing that debt for the duration. So essentially the Housing Authority's role in that tax credit entity will likely, and Barry and Mattye can speak to this, but that's probably going to be FEV and it's going to be a .0001% ownership interest in that tax credit. So to answer your question Commissioner Adams, if I'm understanding it correctly, I think is no. That will be the owner entity's funds coming into the deal for acquisition and the proceeds of that. If there's any residual, which it's budgeted for there to be residual, will be retained in that case by FEV. So what I'm saying there is, these are rough numbers right, but let's say there's $3 million of debt on the property and the acquisition is $4 million, just for kicks and giggles. Those numbers are not right, but for purposes of our discussion, $1.5 million of that, let's call it, is City debt. That stays on the property as it's currently proposed and then the remaining one and a half is bank debt that goes away. The bank gets paid at closing and then the new owner entity services that debt for the next however many years and equity comes back to FEV. So right now there's equity in FEV, we eventually realize some of that as it's currently budgeted. That was not very articulate, but did that answer your question or did I miss it? **(A. Adams)** Well, no. Then I suppose the other part of that is that the existing bank debt will then come off of the FEV balance sheet? **(Cheshire)** Yeah, probably and I'm not trying to be evasive. Keep in mind that this is not, they're not taking down the entire Fairview Landing site. So we're kind of chopping this up into three parcels, so to speak. There's the portion of that Fairview Landing site that the school system is going to acquire from FEV. There's the portion of the Fairview Landing site that the tax credit entity as part of this Choice Grant is going to acquire from FEV and then there's a third portion that's going to be retained by FEV, at least in the short to intermediate term it will be retained by FEV. That third portion of Fairview Landing is going to continue to be operated by FEV. It is not going away as part of the proposal, as part of the implementation activity. **(A. Adams)** Okay, I suppose my last question with that and then I'll yield to other Commissioners. So did I understand you say that the developer fee is 10.5%? **(Cheshire)** Yes sir and there's a formula. So the budget shows a total development cost of $81 million, roughly. Back of the envelope math tells you that $5 million is not 10% of $80 million. There is a HUD formula to get it to that and Barry and Mattye probably know that chapter and verse. Essentially, you take that total development cost of roughly $80 million and then you back out some other things. Some fees, some land, something like that and that's what you apply the 10.5% to. That modified basis is what you apply that 10.5% percent to. So that's how you arrive at that roughly $5 million number. **(A. Adams)** So, I suppose this is to Barry and Mattye, does that represent a fair and reasonable, what would be normal in the industry, as it relates to a developer fee or maybe not the industry, but in similar Choice Neighborhood situations? **(Palmer)** Yes. I would say the ones that we have seen have all been in the 10.25 to 11% range. Under the tax credit program, a 15% developer fee is allowed. So the way that we have structured the transaction with McCormack Baron is on tax credit deals, they would get a 10.5% developer fee and the difference between that and 15% would come to the housing authority as a developer fee. **(King)** You okay Alfred? **(A. Adams)** Yes, I'm done. I'm yielding to others. **(Rose)** I have one question. I was going to ask about when it comes to the attorney firm here that Barry and Mattye are representing, your arrangements with McCormack Baron Salazar, you are independent of them correct? **(Palmer)** That's correct. We have no representation of McCormack Baron and never have. We have represented several other housing authorities who have used McCormack Baron over the years. So we have negotiated several Master Development Agreements with them and then also, partnership agreements as you move into the closing on deals. We have no... **(Rose)** You are our attorney here? **(Palmer)** Right. Exactly. **(Rose)** And one last question, Kevin. This question relates to that $30 million that you said, Kevin, that we have in our Choice Grant. You said $21 million was for housing only. What's the other $9 million for? **(Cheshire)** So yeah, good question. It is for people services and something that they call critical community improvements which we're still working on what those will be. The people services, I mean that's, I'm not saying that's easy. I don't mean that in a sense that the services themselves are easy, but I think it's easier to get your head around what that means. That those are dollars to hire case managers to take on a caseload of families who are out at Cleveland Avenue Homes currently, trying to provide services to them directly and to facilitate third party services for those families. Again, I know we talked about this a lot during the grant writing effort, but the difference between this Choice Grant and the Legacy Hope Six Grants, is that you're really trying to infrastructure in people and in the surrounding neighborhood. The old model was you knock down the dilapidated housing and you go build new housing and you put the same people with no additional capacity in the same housing and you've not built up the surrounding community or provided any economic opportunity. That is not the model for Choice. So, yes, sir. Go ahead. **(Rose)** All, I was going to say…and McCormack Baron is going to help us with that kind of implementation? Help us spend that $9 million in the right way to? **(Cheshire)** No sir. Another fair question and I should have made that clear at the outset. McCormack Baron is only doing the housing, they are housing. They're taking their $21 million and putting it with other funds and building the housing and they're taking their developer fee and that's what they do. Urban Strategies, which in fairness is affiliated with McCormack Baron, but Urban Strategies is an independent nonprofit. They work closely with McCormack Baron and are affiliated with McCormack. They're handling that people service component and they've done that with McCormack Baron successfully and they've done it as a separate entity on Choice Grants that McCormack is not a part of successfully. Urban is handling that piece and then the third piece are the critical community improvements which we are handling in conjunction with the City. The City is taking the lead on that. What that looks like. Commissioner Rose, it could be anything from an economic development package, streetscape improvements, revolving lines of credit for small businesses. HUD is really looking for us to create a space, a draw, I guess is probably the best way to say it, to bridge west of 52 and east 52. So they're wanting something to bring people into the community to serve, and it may even be quite frankly a physical bridge of sorts, you know, not one that you would drive across, but it could literally be a pedestrian bridge. Maybe there's an art component around it. We don't know yet, but that's what the rest of those funds are going to. The neighborhood infrastructure and capacity to critical community improvements and the people capacity building piece. **(Perkins)** As McCormack Baron does the various phases Kevin, for this project, when they are soliciting for the designer, where are the designer funds coming from? Which bottom line is it coming from? **(Cheshire)** Great question. So those are pre-development funds and Barry and Mattye and I, we talked a lot about this. How this was going to be structured. So they're coming from, at least as it's structured now, if HUD permits, they are coming 100% for the first phase from Choice Neighborhood dollars. Then in subsequent phases, presuming that COVID goes away, the concept there Commissioner Perkins, was that post COVID, there would potentially be a tightening of the financial markets. Developers would potentially be having liquidity issues and so HUD has put this informal guidance out suggesting that housing authorities could utilize 100% Choice dollars for those pre-development expenses. Theory being that that would make it less likely that you would run into issues getting these deals to closing. So the way it's currently structured, is for that first phase, subject to HUD approval, all those pre-development costs like those architecture design fees would come out of Choice dollars. Then, presuming we get back into some sense of normalcy and there's not significant restrictions on financial markets, that would be split, those pre -development costs in future phases would be split 75%/25% with the Housing Authority bearing the 75%, again utilizing solely Choice Neighborhood Grant dollars. With all of these Commissioner Perkins, all of those pre-development costs will then be reimbursed at closing. So it's not like that money is spent and then it's gone. The owner entity, at closing, reimburses those pre-development expenses. Barry and Mattye, make sure I'm saying that correctly. **(Perkins)** You tell me that... **(Jones)** Yes. That is correct. **(Perkins)** Okay, so what you're saying then, is that McCormack Baron, when they get the AE contract, knowing that AE contracts are running anywhere from 8.5% to about 10.5% as well, those come out of the $21 million, but they are in fact reimbursed once we go to closing? So what you're telling me? **(Cheshire)** Yes sir. **(Perkins)** All right. Okay. And that goes for the other three phases as we walk down this road going to complete development of the entire site? Is that right? **(Cheshire)** Yeah, it is right. The difference being it's possible that for the first phase, McCormack would have no out of pocket costs with respect to pre-development expenses on the first phase and then in subsequent phases, they would bear 25% of those pre-development costs. **(Perkins)** Yes, but initially, the cost for AE's coming out of the $21 million that we have left to do the project itself until we get the reimbursement. **(Cheshire)** Yes sir. **(Perkins)** You got you. **(Cheshire)** Yes, sir. **(King)** Any other questions or comments? **(Annese)** Yes, Commissioner, I have a question. This is Betsy, Kevin, I admit that I took a speed reading course in the seventh grade, and so I very quickly went through this, 49 or so, page document, but one thing that struck me and you tell me if I'm not reading this correctly, that McCormack Baron will have the final say-so on the design of the development. Is that correct? **(Cheshire)** Yes, that is correct. That was something that we pushed back on, and they pushed back. I think the best way to, as I see it, the best way to explain it is we ultimately control this grant. So the authority that we wield is essentially veto power to say, "Hey, you work for us." So yes, you know, ultimately did they have the decision making power with respect to the general contractor? Yes. The selection of the architect? Yes, but there is language qualifying that indicating that essentially we need to approve it. Our approval won't be unreasonably withheld. Then as I look at it, when we were going back and forth and deciding what points we concede and which points we really push back hard on, my thinking was, at the end of the day, ultimately, this is my grant, you know, meaning the Housing Authority. This is my grant and we control McCormack Baron in that way. And so we therefore can exercise veto power and exercise significant authority in their selection. And I will tell you, Commissioner Annese, you know, their response and the reason that they push back on that point and wanted to exercise control, is they're suggesting "Hey look, we're guaranteeing these tax credits we're providing these construction guarantees." Ultimately, we're responsible as the housing lead whose capacity was scored in this Choice Neighborhood Application. We're held to that standard. While we may trust the Winston Salem Housing Authority as a matter of course and as a matter of business dealings, we do not cede authority for those decisions to anyone for that reason. Now, you know you can agree or disagree or whatever, but, I will just note that you read that correctly. We did push back on that. And ultimately, that was something that McCormack found very important and it was something that we decided to give way on because we thought that then we could get some other points that were more important to us. **(Annese)** Have we seen photographs or video or something of other projects they've been involved in to see what, you know, sort of style the architecture is? I mean, I just, what I just don't want to get into is a situation where, you know, we're putting up buildings that are not pleasing to our community. **(Cheshire)** Right. So go ahead, excuse me, I think I cut somebody off. I'm not sure if it was, I apologize. **(Perkins)** Betsy. I've been sitting in, at the request of Kevin, on the AE selection process for the last several weeks. Yes, there are examples by the three AE's that are being considered right now in terms of their work in other areas of similar construction for housing authorities throughout the country. I'm not overly enthused about a couple of them because they look like, well, let's put it this way, I'm not over enthused about them until we get through the process of selection. There are some interesting ones and the other presentations are going forward. So, if in fact they work for us, I would like to make sure that we have something that's conducive to and representative of looking forward and not just having boxes put together on land that don't have any attractive architectural significance going forward. **(Annese)** Well, thank you for that. I appreciate that. That's my main concern, is that you know whatever we do, it's done in such a way that it enhances our community. I'm just not a proponent of just as you say, throwing up boxes. So thank you for that. **(Perkins)** And quite frankly, the neighborhood that we have is a very significant neighborhood. As you well know, for a whole number of reasons and we don't want to go over there and suggest that we just throwing something up and say, "Oh, by the way, here's the keys" and you walk through the door. That's crap. So the real issue for me is that we need to have somebody that has a little bit of imagination, that understands the community they're serving and third, that we want to continue to develop the eastern side of Winston-Salem, similar to what we've done with the 52 split and the Innovation Corridor. So my position is, as your representative, is that we need to have some innovation. We need to have some creativity and we need to make sure we apply the highest standards possible to this community. **(Annese)** Thank you for that. I appreciate your working with Kevin on that. **(Cheshire)** And I, and I do too. Thank you for that. **(Annese)** That's all I had. **(King)** Are there any other questions or concerns before we vote on Resolution 2133? **(Cheshire)** Chairman King, just a quick reminder. This one has not come before either Committee. So, we will need not only a motion, but also a second on Resolution 2133.

(Cheshire) Chairman King, I'd like to thank Barry and Mattye, not just for their efforts in this extended negotiation, but also for making time to be here today for the Board. Thank you both. **(Palmer)** Very glad to be here. Thanks. We'll sign off now. **(Jones)** Thank you. Have good afternoon.

Resolution No. 2131– Resolution Authorizing the Approval of the 2021 Operating Budget

Motion: Recommended by the Finance Committee

Second: None required.

Roll was called, Unanimous Approval; No Discussion

HOUSING AUTHORITY of Winston-Salem

(Thomas) This is Nancy and I'm going to go over the slideshow for the 2021 Operating Budget. The actual line item numbers are included in your packet. We will go to the assumptions first. The FY21 budget, the subsidy levels we receive from HUD for the LRPH properties are budgeted at 98%. In the FY20 budget, they were at 88.7% which was the actual at that time. The actual for FY20 has actually been over 100% because of the CARES funding. It's been a little bit of an unusual year so we are projecting FY21 at 98%. For the occupancy level in public housing properties, we are projecting 98%, which is comparable to our current occupancy, The FY20 budget, we had properties between 97% and 98%. The management fees are budgeted maximum HUD allowable fee. That is $59.76 per occupied unit per month. This fee is the fee that the public housing properties pay to the central office cost center. The 2021 capital fund is budgeted to be about 5% higher than the 2020 capital fund. That is in line with what the past increases have been. The CARES Act funds that I mentioned we received back in the Spring. Those expire for public housing December 31 of this year. We do have $125,000 of those funds included in the first quarter of the FY21 budget. For the housing choice voucher program, the admin fees are prorated in this budget at 81%. That is what they currently are for calendar year 2020. In the FY2020 budget, we had them in there at 79% which was the current proration at that time. The occupancy level for the housing choice voucher program or the utilization rate, is budgeted at 90%. This is based on what the FY20 actual was at. That could go higher, but for budget purposes we've left it at 90%. Also, the CARES Act funds that we received for the housing choice voucher program, we project there will be about $93,000 left, so they are included in the FY21 budget. There's a 2% to 4% salary expense increase in the budget and this will allow for a cost of living salary increase, merit salary increase, as well as potential merit bonuses for staff. These are all subject to adjustment for merit, tenure and employment status. This is the same as has been in the budget for FY20 and FY19. We did not include any results from any special projects or sales of real estate in the budget, such as everything we just talked about on the Choice Grant, is included in this budget. It is our operations as they currently stand. So some of the highlighted overall results for the budget: the total operating revenue is budgeted to decrease from the FY20 budget $652,661. That is 1% and is due to a decrease in the projected revenue for the Central Construction Unit. Again, this is budget to budget and was not a decrease to the current year actual. That is offset by an equivalent decrease in their expenses and we actually have them in there as a net profit for the Central Construction Unit of 3% and that's based on their actual productivity in the current fiscal year, the projected construction remaining at Brookside View and any additional projects that they might be available to utilize using the CARES Act dollars. The salaries and benefits are expected to increase $126,010 from the FY20 budget. This is a result of cost of living or merit increases, merit bonuses and any insurance premium increases. There are no significant changes to staffing levels proposed in the budget. The housing assistant payments in the voucher program, these are the payments to the landlords are projected to decrease $613,000. This is due to the reduction of the MOD rehab vouchers. Those are the vouchers we have at Skyline Village which we've been talking to you about the sale of that. That is the property that we are acting as the bond issuer on. So those vouchers will go away. The total operating expenses are budgeted to increase about $44,000 in that program from the FY20 budget. The projected net revenue for HAWS consolidated is right at $134,000 as compared to $167,000 in the current budget and the projected net increase in cash overall is $192,000 and that's compared to $300,000 in the FY20 budget. These differences are primarily a result of keeping our rents the same and in some cases decreasing, while our operating expenses are showing a slight increase. This slide shows by department, and this is also broken out into columns on your Excel spreadsheet that's included in your packet. The yellow column is the budget for FY21. The green column is the budget for FY20, the blue shows the numerical change and then there's a brief explanation for the change. In the low rent or public housing properties is showing pretty much breakeven. That's about $140K decrease from the current year budget. And that's mainly because we're keeping the tenant rents slightly lower than they were budgeted but close to where they are currently at while we're projecting a slight increase in the operating expenses. The housing choice voucher program is projected to break even. That is about a $20K decrease from the FY20 budget. Again, we're losing the administrative fee from the MOD rehab vouchers as I mentioned. We did get some new mainstream vouchers so that offset some of it and CARES Act funds that we received offset some of it. The scattered sites, which are Drayton Pines and Plaza, are also budgeted to break even with a $1,700 gain. And that's a difference of $128K. Again, we kept the rents at their current levels, which is a little bit reduced from their FY20 budget, but comparable to the FY20 actual rents while we projected a slight increase in expenses. Various grants we have are all lumped together and of course the grants are, by nature, breakeven vehicles. So those are budgeted to breakeven. In corporate cost center we're budgeting an $87,163 gain. The FY20 budget we had a $181,342 loss. That change is a $268,505 positive turn-around to the good. This is due to the reduction of some administrative salary and benefit expense from reduced staff positions compared to the FY20 budget. Similar to where we're actually at for FY20. Imperial, we are budgeting a $45K gain which is about a $13K decrease. And that's where we have some increase maintenance salaries and expense. That gets back to the overall $133K gain, compared to $164K last year. This slide is the consolidated revenue for FY21 of $47.6 million. It’s broken out by the type of revenue, where it’s coming from. The last slides is the expenses, broken out by the type of expense. That completes my presentation. If anyone has any questions, I will be glad to answer them.

Resolution No. 2132– Resolution Authorizing Approval of the July 2020 Financial Statements

Motion: Recommended by the Finance Committee

Second: None required.

Roll was called, Unanimous Approval; No Discussion

(Thomas) This is the Balance Sheet, as you mentioned, for July 31, 2020 as compared to the Balance Sheet of July 31, 2019. The Unrestricted Cash is showing an increase of $1.2 million and this is the result of additional transfers from the Capital Fund and the funds that were drawn on Brookside View. Restricted Cash is showing an increase of at $832k, and that's due to the higher HAP or housing assistance payment reserves that are on hand. Accounts Receivable Other increased $194,000 and those are outstanding AR from HUD and other grants at the end of the month. The Note Receivable FEV increased $41,500. Those are additional amounts loaned to

FEV for cash needs. The Accounts Payable increased $64,381. Those are from higher CCU payables for Brookside at the end of the month than were there last year. They are all current. The Accrued Liabilities decreased $129,104. This is due to the reduced PILOT liability and there were some accrued payroll related expenses last year based on how the payroll fell. The Current Portion Long Term Debt decreased $125,124 and that is a result of completing the Energy Performance Contract and paying off related debt. Note Payable increased $139,439 and that was due to additional draws on the Drayton Pines rehab work last year. On the Consolidated Income Statement, this is for the ten months, October through July. The first column is the actual year-to-date numbers. The middle column is what was budget was for those same months and then followed by the variance and the percent that variance represents. The HUD subsidy/grants are showing below budget about $596,000 and this is due to lower HAP subsidy in the voucher program as a result of our having HAP funds on hand and our lower utilization rate. The HUD Admin fees increased $428,000 and this is due to the receipt of the CARES Act funds. Transfer In is $103,613 higher than budgeted. These were funds received from our CMC payment and higher Capital Funds than projected. Other Income is $1,627,797 below budget and that's due to lower Central Construction revenue than budgeted. I'll mention at this point we will also see a lower maintenance expense. The Administrative Expense is below budget by $644,110 and that's in the areas including salaries, benefits, travel, training legal and management fees. Utility Expense is below budget by $271,670. It's lower in all areas, but more so in electricity and gas than water. Maintenance Expense, as mentioned earlier, is also below budget by $1.4 million and the majority of that is in the Central Construction Unit. Again, it's based on their revenues being lower. The Net Gain After Depreciation is $11,319. We had budged a loss of $1.2 million so that is $1,266,000 higher than projected. Our Cash increase is $1,781,000 which is $1,395,000 ahead of where we budgeted. This is the new Financial Dashboard. It shows up in the left hand corner the Available Cash. The blue column shows where we were current at the end July, the middle column shows where we were last year and the last column shows the change. You can see combined, we have a $1.2 million increase in our cash. Then over on the right side is the net income or loss from selective programs showing our individual properties and you can see how they are for the current year, compared to what our budget was for those properties compared to our three-year average. Both of those charts are represented by graphs below. I'll be glad to try and answer any questions.

(Cheshire) Nancy. This is Kevin. Sorry to interrupt. Can you just quickly point out the Non-Federal Cash position and specifically within that, the Central Office Cost Center. I know the net gain was better than budgeted and the cash position is better than budget and I just want to make sure we're all mindful of the fact that we're still in a significant negative position with respect to our Non-Federal Cash in our Central Office Cost Center which funds all of the back office support positions. So, could you just highlight that if you don't mind, please? **(Thomas)** Sure. So in this upper left hand corner, the first one is the Public Housing and then there's the Admin Fee. That's the Housing Choice Voucher Program and then the Non-Federal programs, as Kevin said, that are not federal. We're showing last year, we had a negative $729,000. We've gotten that down to $463,000. I will mention the Housing Choice Voucher Program owes the Central Office Cost Center about $700,000 and as you can see, they now have $600,000 available. So in the month of September, that will be transferring. So, by the end of our fiscal year September 30, that negative $463,000 will be gone and be positive. Not a high positive number, but will be positive. **(Cheshire)** Thanks, Nancy. **(Rose)** That's good news. Nancy. Would you also address, when it comes to the report, the concerns that many of us, my fellow Commissioners share, about the concerns of how we're doing during this period of the pandemic? I've been very concerned about it, but given that we're showing an $11,000 net income for the year-to-date for the first nine months of the year compared to a $1.2 million loss last year through the same period. I'm sorry, a $905,000 loss through the same period last year. I feel like we're surviving the pandemic fairly well right now. Can you comment on that? **(Thomas)** Yes sir. That's correct. We are, of course, you know, had it not been for the CARES Act funds, it would be a completely different story. But we, as of the end of July, we had received about a little over $500,000 from CARES funds for our Voucher Program and about $800,000 available for our Public Housing Program. We have not drawn all of that. Remember projected we have about $125,000 of that left, but as at the end of July, we were probably again at another $500,000 for that. Now, we did have additional expenses. So it's not all a wash. I mean, it's not all profit, but certainly helped us be able to survive for these programs that are federal programs. **(Cheshire)** Commissioner Rose, can I jump in to because, I think this needs to be said. Hopefully, it has been said, and I hope that the staff understands how I feel about it, but you know there are a lot of people that are just really busting it to allow us to continue to operate efficiently, whether it be managing childcare issues or school issues. Even folks who are not managing childcare and school issues have tried to figure out and have had to figure out how to balance physically being in the office versus working remotely and the challenges inherent in that and I will add, separate apart from the COVID challenges, there are at least a dozen people who are really doing the equivalent of about two and a half FTE's worth of work and have been. We're trying to get to a point where they're not and they don't have to. I think that it needs to be said that the people who are working for us are driving this and are enabling us to realize some of these costs savings separate and apart from or at least in conjunction with, the CARES dollars. So I hope that I have said that to them, but I want to make sure that I'm saying that to you all as well. **(King)** Any other discussion?

Communication:

(Cheshire) Yes sir, Chairman, I will take that. This is Kevin. I'd like to thank Nancy and Claire for the time that went into putting together not just the budget, but the budget presentation and then to run through, that this now being the third iteration. So I just want to acknowledge their efforts that their team collectively, make it really easy for the rest of us to put our budget numbers in and to manage that. So I wanted to acknowledge that. Quick update. You all may remember the resident at one of our sites, who had contracted COVID and then intentionally coughed on some of our staff members who were there to repair something within the unit. Of course, that led to our staff members having to go home and be quarantined. We did receive a judgment today against that individual and that individual will be vacating the premises. It has taken this long to get a judgment because of all the issues with the court system. There, of course, is a moratorium on eviction filings, but that is with respect and non-payment of rent. That is not with respect to other breach activity, certainly activity of that nature, that, in our opinion, at least rose to a criminal level. So I wanted to update you all that we had proceeded with that eviction action and we had received a judgment on that today. I know I mentioned this last week, but I'll say it again and Tasia will not use this as an excuse, but I'm going to say it for her. She is effectively working two full time jobs right now through the end of the week and is doing this as essentially a favor to us to help us through this. So I know she has already sent me an email apologizing for the issues getting started, but I apologize to you all for that. She's trying to balance a whole lot, and she's doing it because she is trying to help us out. So I will say again, you know, thank you Tasia. With that said, as we move into October, we will kind of figure out how we're going to handle the Board Liaison function. That's probably a good time to mention that congratulations are in order for Darlie Dudley. She is moving into a community analyst role within our Agency. Essentially, there's been a gap, at least in my opinion, when it comes to events kind of soft activities that are going on in the communities. I think our management team does a good job of focusing on the assets and the financials and the facilities and the capital, that we sometimes lose some of the people activities and events that are going on in the community that needs to be communicated to management. So Darley really, I think, has a gift for interacting with people and doing it in a compassionate way with respect to residents and participants and so she's going to be moving into a full time community analyst role to bridge that gap kind of between my office and some of the people happenings at the sites, as well as in our Section 8 program. So congratulations are in order for her and I think that is all I have on the communications agenda item Mr. Chairman.

Committee Reports:
Finance Committee- No Report
Development Committee- No Report

Corporate Reports:
Development: Review of the September 2020 monthly written Development Progress Report. This report is included within the electronic meeting packet and posted on the Board portal.

(**Cheshire)** Mr. Chairman, this is Kevin again. The Development Progress Report starts on page 32. I won't run through that in detail. I provided the details to the Development Committee, and I know we're kind of outside of our allotted hour.

(1) Crystal Towers- I will have a summary completed by the end of this month with respect to the current assessment of Crystal relocation plans and redevelopment efforts.

(2) Happy Hill- I will note that we are still waiting on a response, a formal response, from HUD on our request with respect to the Happy Hill Grant.

(3) Brown Elementary School and Choice Neighborhood- I think as we've noted earlier, the design team has been shortlisted with respect to the Choice Neighborhood Phase One. With that, the last item Mr. Chairman that I did want to note, is there has been some discussion in the community about the site of the Senior Phase of the Choice Grant. Currently, that Senior Phase is

phase two and it is proposed to go on the current Cleveland Avenue Homes site. There have been some questions from the Community about why that Senior Phase is not going on the Brown School site. You all may remember that initially, when we acquired that site six years ago, we had proposed to do a senior deal on that site and so some community members are asking why did that change. Well it changed because we're trying to reduce the number of times that we're having to move families. So consequently, it made sense to do the family site on the Brown School location first so that we're reducing the number of moves. Number two, there's some green space and some amenities built into that larger Cleveland Avenue Homes site that we felt melded well with some of the senior needs that we had heard during the course of our community meetings. Thirdly, although, quite frankly, probably most importantly, HUD is really concerned about having a Senior Phase as the first phase for two reasons: one, the Senior Phase is the most expensive and they don't want to come with the most expensive phase first; and two, they want to make sure that we are constructing replacement units that will meet the needs of the current Cleveland Avenue Homes residents. They're not certain that the Cleveland Avenue Homes residents who will qualify to live in a senior phase, from an age standpoint, would still want to live in a senior building. So they really want us to lead with the family units. So, in any event, I'm happy to answer questions on that. I didn't want, knowing that that was an item of discussion in the Community, I did not want to not communicate that and the rationale for it to you all as a Board. So I'll stop there Mr. Chairman and take questions if there are any. And if not, I'll move into the Capital Report.

Preservation: Kevin Cheshire reviewed the September 2020 monthly written Capital Progress Report. This report is included within the electronic meeting packet and posted on Board portal.

Brookside View- Yes, sir. Thank you. The Capital Report is on page 34. Just a quick update on Brookside which is the first item. The written report notes that four units are complete. We now have five units complete.

Cleveland Avenue Homes (CAH)- The Cleveland Avenue MOD rehabs are now complete.

Piedmont Park- The Piedmont Park MOD rehabs are now complete. So those will roll off of the report for both communities. We have no open MOD rehabs which is, to me, just a really great notable accomplishment.

Healy Towers- The Healy lobby upgrade is continuing to move ahead. There was a second minor Change Order we all presented on the second Change Order last month. There has now been a third Change Order. That third Change Order was again related to some plans review stuff that the City required us to do. It was in the order of $3,000. That concludes my report on development and capital Chairman.

Administration: (Thomas) The only thing I will mention on our Accounts Receivable in our properties. At the end of August, we had a total of $262,000. This compares to last August of about $170,000. So it was a little bit higher. We'll just have to wait and see how that pans out. Of course, we're not doing any evictions so people are not paying and they are continuing to be in the property and just continuing to accrue their receivables.

Operations and Resident Participation: (Church) Yes. This is Kelly, I'll take that. Both Lisa and Romonda are not attending the meeting today. They are both out of the office. So I will briefly review their reports. For the Housing Choice Voucher Program, these reports start on page 38 in your packet. Our vouchers are 81% leased. We have 91 vouchers currently on the street with individuals searching for housing and we have 3,483 individuals on our Housing Choice Waiting List. Our inspections department inspected 312 units in the month of July. Out of this 312 units, 125 of those failed inspection and are being rescheduled for re-inspection and 37 of them were inconclusive, missed or cancelled inspections. So I wanted to bring your attention to those items on the Housing Report. The next report is for the Public Housing Program. It starts on page 36 and goes to page 40 in your packet. Our public housing communities are currently 99% leased. We only have nine (9) vacant units in our communities and we're working right now to get those units leased to individuals off of our waiting list. As you guys know, we have over 23,000 people on our waiting list for public housing so we are not going to have an issue getting those units leased. As far as the work orders in the month of July, the maintenance staff completed 1,077 work orders within the public housing communities. So that's all I have in the housing reports. I do have a few updates. The internet connection that was established by Spectrum has been completed for all the households that had school-aged children living within Piedmont and Cleveland Avenue Homes. We were also able to obtain funding to assist residents at Townview and Plaza that had school-aged children in installing internet in those locations. Currently we are handling the internet requests on a case by case basis. So if any individuals or families come to us saying that they have internet issues and they have school-aged children, we are willing to go out there and get Spectrum to install internet so they can have their home schooling in their apartment. So right now, we haven't had any issues. All of our tenants seem to be satisfied with the way their internet is working and they're able to get their children on online schooling. Urban Strategies opened an office out at Cleveland Avenue Homes and they have started interviewing our residents as part of the next stage of the Choice Neighborhood Grant. So we have actually designated a vacant unit for them to have their office out at Cleveland Avenue Homes to hold those interviews. The last thing I have is, we had an incident this weekend at Piedmont Park. A large Oak tree fell on building 2700 around 2:30 in the morning. The tenant did not report the incident, even though the tree did go through the roof and through part of the wall of her apartment. Our maintenance guys were out there early Saturday morning and they noticed the damage and they got the contractor out there to remove the tree and the maintenance staff were there all day Saturday repairing the inside of her unit. They have put a tarp on the roof of the building and they're getting the roof repaired. This is a duplex building, so they had to call out somebody to handle the roof repairs for that unit. The cost just to remove the tree was approximately $7,000 and we had to proceed with that as an emergency request. I'll take any questions if anybody has any. That concludes my report.

HOUSING AUTHORITY of Winston-Salem

September 8, 2020 Minutes

Drayton Pines Inc.: No report

Adjournment:
Motion to adjourn
    Motion: Commissioner Perkins
    Second: Commissioner A. Adams
Unanimous Approval; No Discussion

The September 8, 2020 meeting of the Board of Commissioners for the Housing Authority of the City of Winston Salem adjourned at 1:15 P.M.

Acknowledgment and Adoption of the August 8, 2020 HAWS Board Minutes:

Adopted: ___________________________________ (date)

Signed: ____________________________________ Executive Director (ED)

Resolutions

<u>**RESOLUTION NO. 2134**</u>

RESOLUTION AUTHORIZING APPROVAL OF THE AUGUST 31, 2020 FINANCIAL STATEMENTS

WHEREAS, the Housing Authority of the City of Winston-Salem (the " Authority") operates on a Fiscal Year ending September 30; and

WHEREAS, the Authority prepares unaudited Financial Statements monthly, as mandated by the United States Department of Housing and Urban Development; and

WHEREAS, the unaudited Financial Statements dated August 31, 2020, were submitted to the Board of Commissioners for review; and

WHEREAS, the unaudited Financial Statements attached and referenced herein is a permanent record and will continue to be maintained in the Authority's permanent files.

NOW, THEREFORE, BE IT RESOLVED that the Housing Authority of the City of Winston-Salem Board of Commissioners hereby accepts the unaudited Financial Statements dated August 31, 2020.

ADOPTED:________________________________(Date)

SIGNED: _______________________________________
(Secretary/Chief Executive officer)

Housing Authority of Winston-Salem
Financial Highlights
August 31, 2020

Consolidated Statements

As of August 31, 2020, the total assets of the Authority were $44,831,569 while total liabilities were $10,054,027. The current ratio (current assets of $8,573,705 divided by current liabilities of $1,723,206) was 4.98.

Net Income excluding Housing Assistance Payments (HAP) and receipts is $232,618. There was positive cash flow excluding HAP payments and receipts of $2,148,949. The net income prior to depreciation, extraordinary items and forgiveness of debt but inclusive of HAP income and expense was $2,425,895. There was consolidated net income of $116,994. This included depreciation of $2,308,901. Cash flow increased by $2,033,325 including HAP receipts and expense. The overall total income was (4.09%) below budget and total expenditures were (8.79%) below budget.

Low Income Public Housing

Total gross revenue for August 31, 2020 was $9,102,529, which was over budget by $623,527. Due to an increased number of vacant units awaiting repair and maintenance as well as non-payments due to COVID-19, Tenant Rental Income of $2,480,780 was under budget by ($113,912). Other Tenant Income of $175,526 was under budget by ($110,912.) In August, HAWS resumed charging late fees for non-current tenants. Late fees were not charged from April through July due to COVID. This decreased other tenant income receipts for the year to date.

Expense prior to depreciation and extraordinary items of $8,011,210 was under budget by ($120,910) or (1.49%).

The net income for operations prior to depreciation and extraordinary item expenses was $1,091,319. The depreciation expense was $2,148,059 and the net loss including depreciation expense was ($1,056,740.)

The CARES Act provided funding to LIPH properties which has helped offset some of the expenses incurred to purchase PPE and sanitizing equipment, install Wi-Fi services for tenants and to make modifications to lobbies and shared areas in an effort to provide greater protection to tenants, vendors and staff from COVID-19.

Section 8 (Housing Choice Voucher Program)

The gross revenue generated from Section 8 through August 31, 2020 was $25,632,228, which was under budget by ($631,838). The HAP Fees earned during this period were $22,358,748 and the HAP expense was $22,426,661.

Administrative income of $3,273,480 and operating expense of $2,403,574 produced a net gain of $869,906 (excluding depreciation). Operating expense was under budget by (5.35%) or ($135,751). The receipt of CARES Act dollars helped to increase cash flow for the time period.

The Section 8 financial statements for the period ended August 31, 2020 resulted in net income before depreciation of $801,993.

Scattered Sites

The total revenue for scattered sites was $699,458, which is over budget by $9,100.

Total Operating expense of $579,352 was 14.56% over budget or $73,642.

The net income before depreciation expense was $120,106 and the depreciation expense was $119,511 for a net increase after depreciation of $595.

Grants

The federal grants are cost reimbursement and therefore do not produce net income. The expenditures and salaries related to this grant are specified by HUD as resident service in nature.

State and local grants consist of Shelter Plus Care for the Homeless, AIDS and Chronic Mental Disorder. This is a cost reimbursement program for which HAWS collects management fees. The profit earned in this program will be transferred to Corporate at year end.

Other grant information included in this report is for activities associated with the PILOT grant for which we are utilizing the dollars that were paid up front and in our reserves.

Corporate Management

The total gross revenue was $4,045,322, which was under budget by ($1,742,400) or (30.11%). The decrease was primarily due to the timing of revenue receipts to the CCU.

The total operating expense was $3,716,433, which was under budget by ($2,240,649) or (37.61%). This was primarily due to decreased costs for contract labor and materials in the CCU.

Net income including depreciation is $311,253.

Imperial Management

Total revenue was $327,774 and operating expense was $256,050. Net income after depreciation expense of $2,469 was $69,255.

Housing Authority of Winston-Salem
Consolidated Balance Sheet
As of August 31, 2020

	2020	2019	Variance Amount	Variance Percentage
Assets				
Unrestricted cash	4,373,869	2,862,802	1,511,067	52.78%
Restricted Cash	1,013,950	759,001	254,949	33.59%
Accounts receivable-tenants, net	112,546	31,097	81,449	261.92%
Accounts receivable-interest	2,232,872	2,195,453	37,419	1.70%
Accounts receivable-other	549,990	270,376	279,614	103.42%
Prepaid Expenses	160,750	163,300	(2,550)	-1.56%
Inventories	129,728	123,884	5,844	4.72%
Total Current Assets	8,573,705	6,405,913	2,167,792	33.84%
Fixed Assets	93,631,607	92,020,527	1,611,080	1.75%
Less Accumulated Depreciation	(70,480,511)	(67,869,804)	(2,610,707)	-3.85%
Net Fixed Assets	23,151,096	24,150,723	(999,627)	-4.14%
Mortgage Receivable	12,073,559	12,115,697	(42,138)	-0.35%
Note receivable- FEV	82,000	40,500	41,500	102.47%
Total Other Assets	12,155,559	12,156,197	(638)	-0.01%
Deferred Outflow of Resources	951,209	950,850	359	0.04%
Total Assets	44,831,569	43,663,683	1,167,886	2.67%
Liabilities				
Accounts payable	228,117	184,904	43,213	23.37%
Accrued Liabilities	439,275	413,186	26,089	6.31%
Current Portion Long Term Debt	50,462	175,586	(125,124)	-71.26%
Security Deposits/FSS Escrows	371,642	320,991	50,651	15.78%
Deferred Revenue	633,710	409,898	223,812	54.60%
Total Current Liabilities	1,723,206	1,504,565	218,641	14.53%
Line of Credit	487,309	500,000	(12,691)	-2.54%
Notes Payable-Noncurrent	5,830,201	5,691,498	138,703	2.44%
Other	1,972,184	1,972,326	(142)	-0.01%
Total Noncurrent Liabilities	8,289,694	8,163,824	125,870	1.54%
Defered Inflow of Resources	41,127	41,127	-	0.00%
Total Liabilities	10,054,027	9,709,516	344,511	3.55%
Equity				
Investment in capital assets,net	17,399,971	20,343,726	(2,943,755)	-14.47%
Unrestricted net assets	16,651,001	14,436,598	2,214,403	15.34%
Restricted net assets	609,576	246,981	362,595	146.81%
Net income	116,994	(1,073,138)	1,190,132	110.90%
Total Equity	34,777,542	33,954,167	823,375	2.42%
Total Liabilities and Equity	44,831,569	43,663,683	1,167,886	2.67%

TOTAL HA OF THE CITY OF WINSTON-SALEM

BALANCE SHEET

As of August 31, 2020

	.liph	Section 8	S. Sites	Grants	COCC	Imperial	ELIMINATION	Aug-20 Total HAWS	Aug-19 Total HAWS	Variance
ASSETS										
CURRENT ASSETS										
CASH										
UNRESTRICTED CASH	3,893,179	252,211	59,001	(88,532)	14,666	243,344		4,373,869	2,862,802	1,511,067
RESTRICTED CASH	194,052	445,559						639,611	441,750	197,861
FSS ESCROW ACCOUNT		176,188						176,188	138,047	38,141
SECURITY DEPOSITS	171,165		26,986					198,151	179,204	18,947
TOTAL CASH	*4,258,396*	*873,958*	*85,987*	*(88,532)*	*14,666*	*243,344*		5,387,819	*3,621,803*	*1,766,016*
ACCOUNTS RECEIVABLE-TENANTS	211,277		40,371					251,648	126,000	125,648
ALLOWANCE FOR DOUBTFUL ACCOUNT	(115,062)		(24,040)					(139,102)	(94,903)	(44,199)
NET ACCOUNTS RECEIVABLE-TENANTS	*96,215*	*0*	*16,331*	*0*	*0*	*0*		112,546	*31,097*	*81,449*
ACCOUNTS RECEIVABLE-MISC										
AR-HUD	83,755			90,824				174,579	0	174,579
AR- INTEREST					2,232,872			2,232,872	2,195,453	37,419
AR - OTHERS		94,595			497,798		(216,982)	375,411	270,376	105,035
TOTAL AR-MISC	83,755	*94,595*	*0*	*90,824*	*2,730,670*	*0*	*(216,982)*	2,782,862	*2,465,829*	*317,033*
PREPAID EXPENSES AND OTHER ASSETS										
PREPAID INSURANCE	53,002	11,278	7,398		12,556	1,620		85,854	102,287	(16,433)
PREPAID EXPENSES-OTHER	57,236	4,589	9,219	391	3,191	270		74,896	61,013	13,883
TOTAL PREPAID EXPENSES AND OTHER	*110,238*	*15,867*	*16,617*	*391*	*15,747*	*1,890*		160,750	*163,300*	*(2,550)*
INVENTORIES	128,459				1,269			129,728	123,884	5,844
ALLOWANCE OBSOLETE INVENTORY								0	0	-
NET INVENTORY	*128,459*	*0*	*0*	*0*	*1,269*	*0*		129,728	*123,884*	*5,844*
TOTAL CURRENT ASSETS	***4,677,063***	***984,420***	***118,935***	***2,683***	***2,762,352***	***245,234***	***(216,982)***	***8,573,705***	***6,405,913***	***2,167,792***
NON-CURRENT ASSETS										
FIXED ASSETS										
LAND	1,097,631			99,962	459,763			1,657,356	1,657,356	-
LAND IMPROVEMENTS	547,357				69,730			617,087	617,087	-
BUILDINGS	76,607,454		8,764,931	204,764	1,969,987			87,547,136	86,347,344	1,199,792
LEASEHOLD IMPROVEMENTS	185,183	143,465						328,648	215,084	113,564
CONSTRUCTION IN PROGRESS					264,986			264,986	264,986	-
FEM-DWELLINGS	612,790			17,136				629,926	620,032	9,894
FEM-ADMINISTRATION	1,904,992	180,570			487,436	13,470		2,586,468	2,298,638	287,830
TOTAL FIXED ASSETS	80,955,407	324,035	8,764,931	321,862	3,251,902	13,470		93,631,607	92,020,527	1,611,080
ACCUMULATED DEPRECIATION	(61,739,078)	(314,268)	(5,825,339)	(90,550)	(2,497,806)	(13,470)		(70,480,511)	(67,869,804)	(2,610,707)
FIXED ASSETS,NET OF DEPRECIATION	*19,216,329*	*9,767*	*2,939,592*	*231,312*	*754,096*	*0*		*23,151,096*	*24,150,723*	*(999,627)*
MORTGAGE RECEIVABLE					11,836,995			11,836,995	11,879,133	(42,138)
HOPE VI MORTGAGES REC					236,564			236,564	236,564	-
TOTAL MORTGAGE RECEIVABLE	*0*	*0*	*0*	*0*	*12,073,559*	*0*		*12,073,559*	*12,115,697*	*(42,138)*
OTHER ASSETS										-
NOTE RECEIVABLE - FEV					82,000			82,000	40,500	41,500
NOTES RECEIVABLE - SEC 8					0			0	0	-
OTHERS					312,000		(312,000)	0	0	-
TOTAL OTHER ASSETS	*0*	*0*	*0*	*0*	*394,000*	*0*	*(312,000)*	*82,000*	*40,500*	*41,500*
DEFERRED OUTFLOW OF RESOURCES	277,177	188,862	20,332	8,219	456,619			951,209	950,850	359
TOTAL NON-CURRENT ASSETS	***19,493,506***	***198,629***	***2,959,924***	***239,531***	***13,678,274***	***0***	***(312,000)***	***36,257,864***	***37,257,770***	***(999,906)***
TOTAL ASSETS	**24,170,569**	**1,183,049**	**3,078,859**	**242,214**	**16,440,626**	**245,234**	**(528,982)**	**44,831,569**	**43,663,683**	**1,167,886**

TOTAL HA OF THE CITY OF WINSTON-SALEM

BALANCE SHEET

As of August 31, 2020

								Aug-20	Aug-19	
	.liph	**Section 8**	**S. Sites**	**Grants**	**COCC**	**Imperial**	**ELIMINATION**	**Total HAWS**	**Total HAWS**	**Variance**
LIABILITIES AND EQUITY										
CURRENT LIABILITIES										
ACCOUNTS PAYABLE										
ACCOUNTS PAYABLE - VENDORS	1,115	13,874	8,248		191,292			214,529	153,876	60,653
ACCOUNTS PAYABLE - HUD		13,588						13,588	25,710	(12,122)
ACCOUNTS PAYABLE - OTHERS								0	5,318	(5,318)
TOTAL ACCOUNTS PAYABLE	*1,115*	*27,462*	*8,248*	*0*	*191,292*	*0*	*0*	228,117	*184,904*	*43,213*
ACCRUED LIABILITIES										
ACCRUED SALARIES AND WAGES	369				72,464			72,833	12,507	60,326
ACCRUED UTILITIES			425					425	2,684	(2,259)
ACCRUED INTEREST PAYABLE			4,858		2,158			7,016		7,016
ACCRUED WATER ENERGY FEES								0		-
ACCRUED PILOT - PHA WIDE	138,169							138,169	183,979	(45,810)
ACCRUED COMPENSATED ABSENCES	21,518	19,284	1,885		46,033	2,763		91,483	88,317	3,166
OTHER ACCRUED LIABILITIES	23,957	101,004	1,763		1,716	909		129,349	125,699	3,650
TOTAL ACCRUED LIABILITIES	*184,013*	*120,288*	*8,931*	*0*	*122,371*	*3,672*	*0*	*439,275*	*413,186*	*26,089*
OTHER CURRENT LIABILITIES										-
TENANT SECURITY DEPOSITS	174,261		21,193					195,454	182,944	12,510
FSS ESCROW ACCOUNT		176,188						176,188	138,047	38,141
DEFERRED REVENUE	15,714	243,904	8,054		366,038			633,710	409,898	223,812
CURRENT PORTION-LT DEBT			50,462					50,462	175,586	(125,124)
TOTAL OTHER CURRENT LIABILITIES	*189,975*	*420,092*	*79,709*	*0*	*366,038*	*0*		*1,055,814*	*906,475*	*149,339*
TOTAL CURRENT LIABILITIES	***375,103***	***567,842***	***96,888***	***0***	***679,701***	***3,672***	***0***	***1,723,206***	***1,504,565***	***218,641***
NON-CURRENT LIABILITIES										-
LONG TERM DEBT										-
LINE OF CREDIT					487,309			487,309	500,000	(12,691)
NOTE PAYABLE TO CORPORATE			216,982				(216,982)	0	0	-
NOTE PAYABLE	625,000		5,075,663		492,000		(312,000)	5,880,663	5,867,084	13,579
TOTAL	625,000	0	5,292,645		979,309		(528,982)	6,367,972	6,367,084	888
LESS CURRENT PORTION	0		(50,462)					(50,462)	(175,586)	125,124
TOTAL LONG TERM DEBT - NET	*625,000*	*0*	*5,242,183*	*0*	*979,309*	*0*	*(528,982)*	*6,317,510*	*6,191,498*	*126,012*
NONCURRENT LIABILITIES-OTHER										
ACCRUED COMP. ABSENCES	64,553	57,853	5,655		138,099	8,290		274,450	264,951	9,499
ACCRUED PENSION & OPEB LIABILIT	495,303	340,185	38,627	14,679	808,940			1,697,734	1,707,375	(9,641)
UNAMORTIZED ORIG ISSU DISC								0	0	-
TOTAL NONCURRENT LIABILITIES-OTHER	*559,856*	*398,038*	*44,282*	*14,679*	*947,039*	*8,290*		*1,972,184*	*1,972,326*	(142)
TOTAL NON-CURRENT LIABILITIES	***1,184,856***	***398,038***	***5,286,465***	***14,679***	***1,926,348***	***8,290***	***(528,982)***	***8,289,694***	***8,163,824***	***125,870***
DEFERRED INFLOW OF RESOURCES	14,326	9,177	477	647	16,500			***41,127***	***41,127***	-
TOTAL LIABILITIES	**1,574,285**	**975,057**	**5,383,830**	**15,326**	**2,622,549**	**11,962**	**(528,982)**	**10,054,027**	**9,709,516**	**344,511**
EQUITY										
INVESTED IN CAPITAL ASSETS, NET	18,591,329	9,767	(2,186,533)	231,312	754,096	0		17,399,971	20,343,726	(2,943,755)
UNRESTRICTED NET ASSETS	5,061,695	(1,042,670)	(119,033)	(1,719)	12,752,728	0		16,651,001	14,436,598	2,214,403
RESTRICTED NET ASSETS		445,559				164,017		609,576	246,981	362,595
NET INCOME/(LOSS) - HAP		(70,265)						(70,265)	114,698	(184,963)
NET INCOME/(LOSS)	(1,056,740)	865,601	595	(2,705)	311,253	69,255		187,259	(1,187,836)	1,375,095
TOTAL EQUITY	**22,596,284**	**207,992**	**(2,304,971)**	**226,888**	**13,818,077**	**233,272**		**34,777,542**	**33,954,167**	**823,375**
TOTAL LIABILITIES AND EQUITY	**24,170,569**	**1,183,049**	**3,078,859**	**242,214**	**16,440,626**	**245,234**	**(528,982)**	**44,831,569**	**43,663,683**	**1,167,886**

Housing Authority of the City of Winston- Salem
Consolidated Revenue and Expense Statement
October 1, 2019 - August 31, 2020

	YTD Actual	YTD Budget	Variance Amount	Variance Percentage
Operating Income				
HUD subsidy/grants	27,856,281	28,569,845	(713,564)	-2.50%
HUD Admin Fee	3,334,545	2,575,911	758,634	29.45%
Dwelling rents	3,170,698	3,272,381	(101,683)	-3.11%
Excess utilities & other	184,915	298,463	(113,548)	-38.04%
Transfer in	813,613	710,000	103,613	14.59%
Other income	2,292,008	4,100,382	(1,808,374)	-44.10%
Management fees	2,646,409	2,512,771	133,638	5.32%
Interest on Hope VI Receivable	357,143	358,519	(1,376)	-0.38%
Interest on general fund	9,972	-	9,972	100.00%
Total Income	40,665,584	42,398,272	(1,732,688)	-4.09%
Operating Expenditures				
Administrative	7,648,009	8,359,611	(711,602)	-8.51%
Tenant Services	143,841	160,700	(16,859)	-10.49%
Utilities	1,296,495	1,572,868	(276,373)	-17.57%
Maintenance	4,005,374	5,526,629	(1,521,255)	-27.53%
Protective Services	337,632	295,653	41,980	14.20%
General	1,705,083	1,667,742	37,341	2.24%
Total Operating Expenses	15,136,434	17,583,203	(2,446,769)	-13.92%
Other Expenditures				
Casualty Loss	2,940	-	2,940	100.00%
Housing Assistance Payments	23,100,315	24,341,829	(1,241,514)	-5.10%
Total Other Expenditures	23,103,255	24,341,829	(1,238,574)	-5.09%
Total Expenditures	38,239,689	41,925,032	(3,685,343)	-8.79%
Net Income (Loss) before depreciation	2,425,895	473,240	1,952,655	412.61%
Depreciation expense	2,308,901	1,921,710	387,191	20.15%
Net Income (Loss)	116,994	(1,448,470)	1,565,464	108.08%
Other Changes In Cash				
Principal payments on debt	66,821	73,354	(6,533)	-8.91%
Capital Exp/Long Term Improvements	325,749	28,600	297,149	1038.98%
Replacement Reserve Pymts	-	12,100	(12,100)	-100.00%
Depreciation expense add back	2,308,901	1,921,710	387,191	20.15%
Cash Increase (Decrease)	2,033,325	359,187	1,674,138	466.09%

CONSOLIDATED STATEMENT OF REVENUE & EXPENSE

BUDGETED PROGRAM ONLY

October 1, 2019 - August 31, 2020

	LIPH	Section 8 Programs	Scattered Sites	Grants	Corporate	Imperial	ELIMINATIONS	YTD ACTUAL	YTD BUDGET	VARIANCE AMOUNT	VARIANCE PERCENT	ANNUAL BUDGET	REMAINING AMOUNT	REMAINING PERCENT
Operating Income														
HUD subsidy/grants	5,488,993	22,311,037		56,251				27,856,281	28,569,845	(713,564)	-2%	31,164,149	3,307,868	11%
HUD Admin Fee		3,262,349		72,196				3,334,545	2,575,911	758,634	29%	2,810,085	(524,460)	-19%
Dwelling rents	2,480,780		689,918					3,170,698	3,272,381	(101,683)	-3%	3,569,870	399,172	11%
Excess utilities & other	175,526		9,389					184,915	298,463	(113,548)	-38%	325,596	140,681	43%
Transfer in	813,613							813,613	710,000	103,613	15%	710,000	(103,613)	-15%
Other income	143,136	57,591		729,826	1,288,122	73,333		2,292,008	4,100,382	(1,808,374)	-44%	4,448,919	2,156,911	48%
Management fees					2,392,235	254,174		2,646,409	2,512,771	133,638	5%	2,815,750	169,341	6%
Interest on Hope VI Receivable					357,143			357,143	358,519	(1,376)	0%	391,112	33,969	9%
Interest on general fund	481	1,251	151		7,822	267		9,972	0	9,972	100%	0	(9,972)	100%
Total Income	**9,102,529**	**25,632,228**	**699,458**	**858,273**	**4,045,322**	**327,774**	**0**	**40,665,584**	**42,398,272**	**(1,732,688)**	**-4%**	**46,235,481**	**5,569,897**	**12%**
Operating Expenditures														
Administrative														
Salaries	555,163	765,392	76,781		1,783,503	79,638		3,260,477	3,611,801	(351,324)	-10%	4,063,755	803,278	20%
Employee benefits	209,267	352,185	3,801		539,586	33,184		1,138,023	1,278,713	(140,690)	-11%	1,394,960	256,937	18%
Legal and accounting	51,499	21,061	4,273		21,944	330		99,107	149,635	(50,528)	-34%	163,238	64,131	39%
Audit	39,540	13,650	3,754		3,654	3,936		64,534	62,533	2,001	3%	68,218	3,684	5%
Travel and training	7,975	739	129		19,547			28,390	61,142	(32,752)	-54%	66,700	38,310	57%
Office rent	201,325	130,509			72,229	6,573		410,636	409,019	1,618	0%	446,202	35,566	8%
Employee Parking		5,313			5,049	132		10,494	10,187	307	3%	11,113	619	6%
Management fees	961,667	836,121	86,939	72,196				1,956,923	2,014,676	(57,753)	-3%	2,197,828	240,905	11%
Other	297,289	138,295	14,607		206,888	22,346		679,425	761,906	(82,481)	-11%	831,170	151,745	18%
Total admin	**2,323,725**	**2,263,265**	**190,284**	**72,196**	**2,652,400**	**146,139**		**7,648,009**	**8,359,611**	**(711,602)**	**-9%**	**9,243,184**	**1,595,175**	**17%**
Tenant Services														
Salaries		40,301		31,616				71,917	80,105	(8,188)	-10%	87,687	15,770	18%
Contracts and other	23,737		5,400	3,322				32,459	43,386	(10,927)	-25%	47,330	14,871	31%
Employee benefits		18,152		21,313				39,465	37,209	2,256	6%	40,592	1,127	3%
Total tenant services	**23,737**	**58,453**	**5,400**	**56,251**	**0**	**0**		**143,841**	**160,700**	**(16,859)**	**-10%**	**175,609**	**31,768**	**18%**
Utilities														
Water	345,426		8,182		1,452			355,060	383,862	(28,802)	-8%	418,758	63,698	15%
Electric	597,076		9,521		1,450			608,047	690,557	(82,510)	-12%	753,335	145,288	19%
Gas	331,971		1,417					333,388	498,449	(165,061)	-33%	543,763	210,375	39%
Other								0	0	0	0%	0	0	0%
Total utilities	**1,274,473**	**0**	**19,120**	**0**	**2,902**	**0**		**1,296,495**	**1,572,868**	**(276,373)**	**-18%**	**1,715,856**	**419,361**	**24%**
Ordinary maintenance														
Labor	686,292		79,208		217,181	49,989		1,032,670	1,179,884	(147,214)	-12%	1,228,921	196,251	16%
Overtime	70,165		6,133		1,783	2,948		81,029	72,967	8,062	11%	79,600	(1,429)	-2%
Employee benefits Maint	294,545		47,815		99,308	21,204		462,872	514,977	(52,105)	-10%	561,793	98,921	18%
Materials	309,899	11,592	34,457		171,485	18,641		546,074	791,994	(245,920)	-31%	863,993	317,919	37%
Contract Costs	1,250,343	9,325	84,079	30,631	506,660	1,691		1,882,729	2,966,808	(1,084,079)	-37%	3,236,518	1,353,789	42%
Total maintenance	**2,611,244**	**20,917**	**251,692**	**30,631**	**996,417**	**94,473**		**4,005,374**	**5,526,629**	**(1,521,255)**	**-28%**	**5,970,825**	**1,965,451**	**33%**
Protective Services														
Protective Services	315,881		1,142	13,677		6,932		337,632	295,653	41,980	14%	322,530	(15,102)	100%
Total protective services	**315,881**	**0**	**1,142**	**13,677**	**0**	**6,932**		**337,632**	**295,653**	**41,980**	**14%**	**322,530**	**(15,102)**	**-5%**
General														
Insurance	306,210	60,939	31,241		47,528	4,311		450,229	554,651	(104,422)	-19%	605,074	154,845	26%
Pilot	138,183							138,183	133,744	4,439	3%	145,903	7,720	5%
Collection loss	164,094		11,742					175,836	104,756	71,080	68%	114,279	(61,557)	-54%

CONSOLIDATED STATEMENT OF REVENUE & EXPENSE

BUDGETED PROGRAM ONLY

October 1, 2019 - August 31, 2020

	LIPH	Section 8 Programs	Scattered Sites	Grants	Corporate	Imperial	ELIMINATIONS	YTD ACTUAL	YTD BUDGET	VARIANCE AMOUNT	VARIANCE PERCENT	ANNUAL BUDGET	REMAINING AMOUNT	REMAINING PERCENT
Interest Expense			*68,731*		*17,052*			***85,783***	80,297	*5,486*	*7%*	87,556	1,773	2%
Other general expense	*850,723*				*134*	*4,195*		***855,052***	794,294	*60,759*	*8%*	866,502	11,450	100%
Total general	***1,459,210***	***60,939***	***111,714***	***0***	***64,714***	***8,506***		***1,705,083***	**1,667,742**	***37,341***	***2%***	**1,819,314**	**114,231**	**6%**
Total Operating Expenditures	***8,008,270***	***2,403,574***	***579,352***	***172,755***	***3,716,433***	***256,050***		***15,136,434***	**17,583,203**	***(2,446,769)***	***-14%***	**19,247,318**	**4,110,884**	**21%**
Other Expenditures														
Operating Transfer Out								***0***	0	*0*	*0%*	0	0	0%
Casualty Losses	*2,940*							***2,940***	0	*2,940*	*100%*	0	(2,940)	0%
Housing assistance payments		*22,426,661*		*673,654*				***23,100,315***	24,341,829	*(1,241,514)*	*-5%*	26,554,723	3,454,408	13%
Total Other Expenditures	***2,940***	***22,426,661***	***0***	***673,654***	***0***	***0***	***0***	***23,103,255***	**24,341,829**	***(1,238,574)***	***-5%***	**26,554,723**	**3,451,468**	**13%**
Total Expenditures	***8,011,210***	***24,830,235***	***579,352***	***846,409***	***3,716,433***	***256,050***	***0***	***38,239,689***	**41,925,032**	***(3,685,343)***	***-9%***	**45,802,041**	**7,562,352**	**17%**
Net Income (Loss) Before Depreciation	***1,091,319***	***801,993***	***120,106***	***11,864***	***328,889***	***71,724***	***0***	***2,425,895***	**473,240**	***1,952,655***	***413%***	**433,440**	**(1,992,455)**	**-460%**
Gain/Loss Sales of Real Property								***0***	0	*0*	*0%*	**0**	0	0%
Depreciation	*2,148,059*	*6,657*	*119,511*	*14,569*	*17,636*	*2,469*		*2,308,901*	1,921,710	*387,191*	*20%*	2,096,411	(212,490)	0%
Extra Ordinary Item								***0***	0	*0*	*0%*	0	0	0%
Net Income (Loss)	***(1,056,740)***	***795,336***	***595***	***(2,705)***	***311,253***	***69,255***	***0***	***116,994***	**(1,448,470)**	***1,565,464***	***108%***	**(1,662,971)**	**(1,779,965)**	**107%**
Debt service			*44,130*		*22,691*			***66,821***	73,354	*(6,533)*	*-9%*	80,022	13,201	16%
Capital Exp/Long Term Improvements	*284,070*		*5,014*	*36,665*				***325,749***	28,600	*297,149*	*1039%*	28,600	(297,149)	-1039%
Replacement Reserve Pymts								***0***	12,100	*(12,100)*	*-100%*	13,200	13,200	0%
Extra Ordinary Item	*0*	*0*	*0*	*0*	*0*	*0*		***0***	0	*0*		0	0	0%
Depreciation Add Back	*2,148,059*	*6,657*	*119,511*	*14,569*	*17,636*	*2,469*		***2,308,901***	1,921,710	*387,191*	*20%*	2,096,411	(212,490)	-10%
Net cash increase (used) in operations	***807,249***	***801,993***	***70,962***	***(24,801)***	***306,198***	***71,724***	***0***	***2,033,325***	***359,187***	***1,674,138***	***466%***	***311,618***	***(1,721,707)***	***6***

HOUSING AUTHORITY OF THE CITY OF WINSTON-SALEM
BALANCE SHEET & RATIO DATA
As of 8/31/2020

	BALANCE SHEET SUMMARY	003lr Piedmont	006lr Cleveland	008lr Sunrise	009lr Crystal	012lr Healy	021lr Townview	022lr The Oaks	037lr Actual	038lr Camden Station	040lr Brookside View	160mr Plaza	165mr Drayton Pines
1000-00-000	**ASSETS**												
1300-00-000	TOTAL CURRENT ASSETS	1,027,576.70	1,126,576.81	513,949.17	574,792.13	438,838.95	164,169.42	193,597.53	201,836.42	94,316.37	324,343.08	101,227.73	38,038.96
1499-00-000	TOTAL NONCURRENT ASSETS	2,399,280.29	2,409,431.14	1,099,597.93	899,300.07	496,822.05	1,318,888.86	2,900,274.51	4,359,166.85	3,333,566.57	0.00	60,572.34	2,879,019.19
1999-00-000	**TOTAL ASSETS**	**3,426,856.99**	**3,536,007.95**	**1,613,547.10**	**1,474,092.20**	**935,661.00**	**1,483,058.28**	**3,093,872.04**	**4,561,003.27**	**3,427,882.94**	**324,343.08**	**161,800.07**	**2,917,058.15**
2000-00-000	**LIABILITIES & EQUITY**												
2299-00-000	TOTAL CURRENT LIABILITIES	134,628.31	195,849.21	138,301.41	150,058.33	87,257.55	35,794.69	49,655.50	63,675.04	26,139.43	1,826.80	263,303.95	89,671.26
2399-00-000	TOTAL NONCURRENT LIABILITIES	9,065.60	16,674.11	9,363.63	9,459.22	7,880.88	3,754.25	3,572.08	2,255.45	627,528.25	0.00	2,740,994.25	2,289,861.61
2499-00-000	**TOTAL LIABILITIES**	**143,693.91**	**212,523.32**	**147,665.04**	**159,517.55**	**95,138.43**	**39,548.94**	**53,227.58**	**65,930.49**	**653,667.68**	**1,826.80**	**3,004,298.20**	**2,379,532.87**
2800-00-000	**EQUITY**												
2899-00-000	**TOTAL EQUITY**	**3,283,106.22**	**3,323,484.63**	**1,465,882.06**	**1,314,574.65**	**840,522.57**	**1,443,509.34**	**3,040,644.46**	**4,495,072.78**	**2,774,215.26**	**322,516.28**	**-2,842,498.13**	**537,525.28**
2999-00-000	**TOTAL LIABILITIES AND EQUITY**	**3,426,800.13**	**3,536,007.95**	**1,613,547.10**	**1,474,092.20**	**935,661.00**	**1,483,058.28**	**3,093,872.04**	**4,561,003.27**	**3,427,882.94**	**324,343.08**	**161,800.07**	**2,917,058.15**

CURRENT RATIO	003lr Piedmont	006lr Cleveland	008lr Sunrise	009lr Crystal	012lr Healy	021lr Townview	022lr The Oaks	037lr Actual	038lr Camden Station	040lr Brookside View	160mr Plaza	165mr Drayton Pines
TOTAL CURRENT ASSETS	1,027,576.70	1,126,576.81	513,949.17	574,792.13	438,838.95	164,169.42	193,597.53	201,836.42	94,316.37	324,343.08	101,227.73	38,038.96
TOTAL CURRENT LIABILITIES	134,628.31	195,849.21	138,301.41	150,058.33	87,257.55	35,794.69	49,655.50	63,675.04	26,139.43	1,826.80	263,303.95	89,671.26
CURRENT RATIO	**7.63**	**5.75**	**3.72**	**3.83**	**5.03**	**4.59**	**3.90**	**3.17**	**3.61**	**177.55**	**0.38**	**0.42**

QUICK RATIO (Does not include inventory)	003lr Piedmont	006lr Cleveland	008lr Sunrise	009lr Crystal	012lr Healy	021lr Townview	022lr The Oaks	037lr Actual	038lr Camden Station	040lr Brookside View	160mr Plaza	165mr Drayton Pines
TOTAL CURRENT ASSETS (less inventory)	991,005.59	1,062,277.69	508,454.50	568,945.04	429,679.06	161,571.42	190,946.11	200,210.28	94,105.21	324,343.08	101,227.73	38,038.96
TOTAL CURRENT LIABILITIES	134,628.31	195,849.21	138,301.41	150,058.33	87,257.55	35,794.69	49,655.50	63,675.04	26,139.43	1,826.80	263,303.95	89,671.26
QUICK RATIO	**7.36**	**5.42**	**3.68**	**3.79**	**4.92**	**4.51**	**3.85**	**3.14**	**3.60**	**177.55**	**0.38**	**0.42**

HOUSING AUTHORITY OF THE CITY OF WINSTON-SALEM
INCOME and EXPENSE DATA
10/1/2019 - 8/31/2020

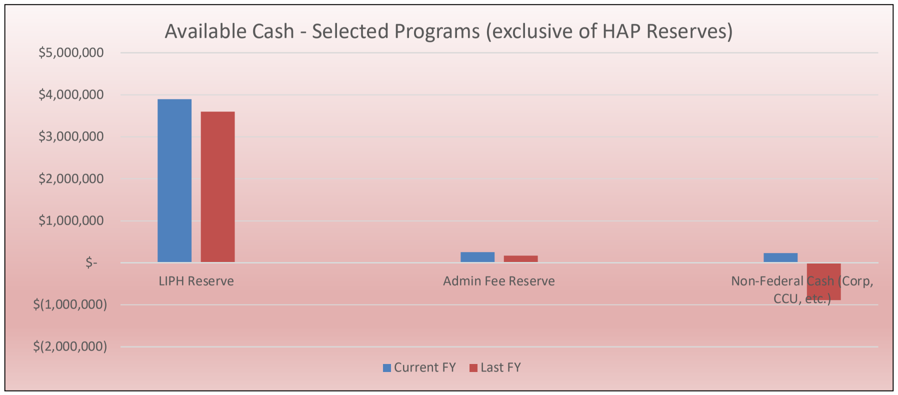
	INCOME & EXPENSE DATA WITHOUT DEPRECIATION	003lr Piedmont	006lr Cleveland	008lr Sunrise	009lr Crystal	012lr Healy	021lr Townview	022lr The Oaks	037lr Actual	038lr Camden Station	040lr Brookside View	160mr Plaza	165mr Drayton Pines
3000-00-000	**INCOME**												
3199-00-000	NET TENANT INCOME	459,310.57	563,447.13	377,545.00	486,070.01	308,429.00	88,854.53	122,873.30	138,634.00	102,050.76	9,092.00	370,545.71	328,761.70
3499-00-000	TOTAL GRANT INCOME	1,274,473.60	1,330,091.32	630,678.50	544,708.45	220,953.23	194,941.51	188,617.87	158,626.70	40,512.62	0.00	0.00	0.00
3699-00-000	TOTAL OTHER INCOME	107,138.32	2,173.92	119,400.36	95,768.97	247,040.40	16,062.41	50.26	49.35	1,156.54	323,483.00	23.23	128.05
3999-00-000	**TOTAL INCOME**	**1,840,922.49**	**1,895,712.37**	**1,127,623.86**	**1,126,547.43**	**776,422.63**	**299,858.45**	**311,541.43**	**297,310.05**	**143,719.92**	**332,575.00**	**370,568.94**	**328,889.75**
4000-00-000	**EXPENSES**												
4199-00-000	TOTAL ADMINISTRATIVE EXPENSES	450,789.23	496,378.10	379,122.27	370,795.07	233,996.18	106,795.21	108,664.51	96,090.62	63,623.63	1,334.90	122,200.59	68,082.23
4299-00-000	TOTAL TENANT SERVICES EXPENSES	4,735.00	2,250.00	4,950.00	4,419.56	7,382.00	0.00	0.00	0.00	0.00	0.00	0.00	5,400.00
4399-00-000	TOTAL UTILITY EXPENSES	405,283.43	361,939.91	188,089.89	157,288.19	98,601.71	4,146.58	17,808.24	33,646.31	6,845.18	824.01	9,564.38	9,556.05
4499-00-000	TOTAL MAINTENACE EXPENSES	653,486.28	583,355.85	358,659.55	344,355.95	258,265.28	129,548.86	111,639.66	87,916.69	62,328.41	5,762.01	163,703.25	87,988.71
4499-99-000	TOTAL PROTECTIVE SERVICES	40,391.25	42,978.20	66,536.37	81,924.07	55,923.41	8,094.16	11,612.52	4,670.59	3,750.52	0.00	-415.05	1,556.75
4599-00-000	TOTAL GENERAL EXPENSES	103,819.14	118,297.10	115,604.12	123,052.45	43,144.35	22,350.80	33,197.75	26,822.95	23,028.64	2,137.80	23,881.55	19,101.45
4699-00-000	TOTAL CASUALTY LOSS / EXTRAORDINARY MAINT	2,940.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4899-00-000	TOTAL FINANCING EXPENSES	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	68,730.67
5999-00-000	TOTAL NONOPERATING ITEMS	567,119.66	512,615.11	157,377.29	113,650.99	56,508.62	275,009.78	139,316.54	161,095.77	121,235.19	0.00	20,137.69	99,373.99
8000-00-000	**TOTAL EXPENSES**	**2,228,563.99**	**2,117,814.27**	**1,270,339.49**	**1,195,486.28**	**753,821.55**	**545,945.39**	**422,239.22**	**410,242.93**	**280,811.57**	**10,058.72**	**339,072.41**	**359,789.85**
	TOTAL EXPENSES (NO DEPRECIATION)	**1,661,444.33**	**1,605,199.16**	**1,112,962.20**	**1,081,835.29**	**697,312.93**	**270,935.61**	**282,922.68**	**249,147.16**	**159,576.38**	**10,058.72**	**318,934.72**	**260,415.86**
	NET INCOME (LOSS) NO DEPRECIATION	**179,478.16**	**290,513.21**	**14,661.66**	**44,712.14**	**79,109.70**	**28,922.84**	**28,618.75**	**48,162.89**	**-15,856.46**	**322,516.28**	**51,634.22**	**68,473.89**

LIPH CASH FLOW DATA	003lr Piedmont	006lr Cleveland	008lr Sunrise	009lr Crystal	012lr Healy	021lr Townview	022lr The Oaks	037lr Actual	038lr Camden Station	040lr Brookside View	160mr Plaza	165mr Drayton Pines
NET INCOME (LOSS)	-387,641.50	-222,101.90	-142,715.63	-68,938.85	22,601.08	-246,086.94	-110,697.79	-112,932.88	-137,091.65	322,516.28	31,496.53	-30,900.10
Capital Expense/Long Term Improvements	-111,033.00	-117,161.00	-17,550.00	-10,513.00	-27,813.00						-5,014.00	
Replacement Reserve Payments												
Extraordinary Items												
Depreciation Add Back	567,119.66	512,615.11	157,377.29	113,650.99	56,508.62	275,009.78	139,316.54	161,095.77	121,235.19	0.00	20,137.69	99,373.99
Net Cash Increase (Used) in Operations	68,445.16	173,352.21	-2,888.34	34,199.14	51,296.70	28,922.84	28,618.75	48,162.89	-15,856.46	322,516.28	46,620.22	68,473.89

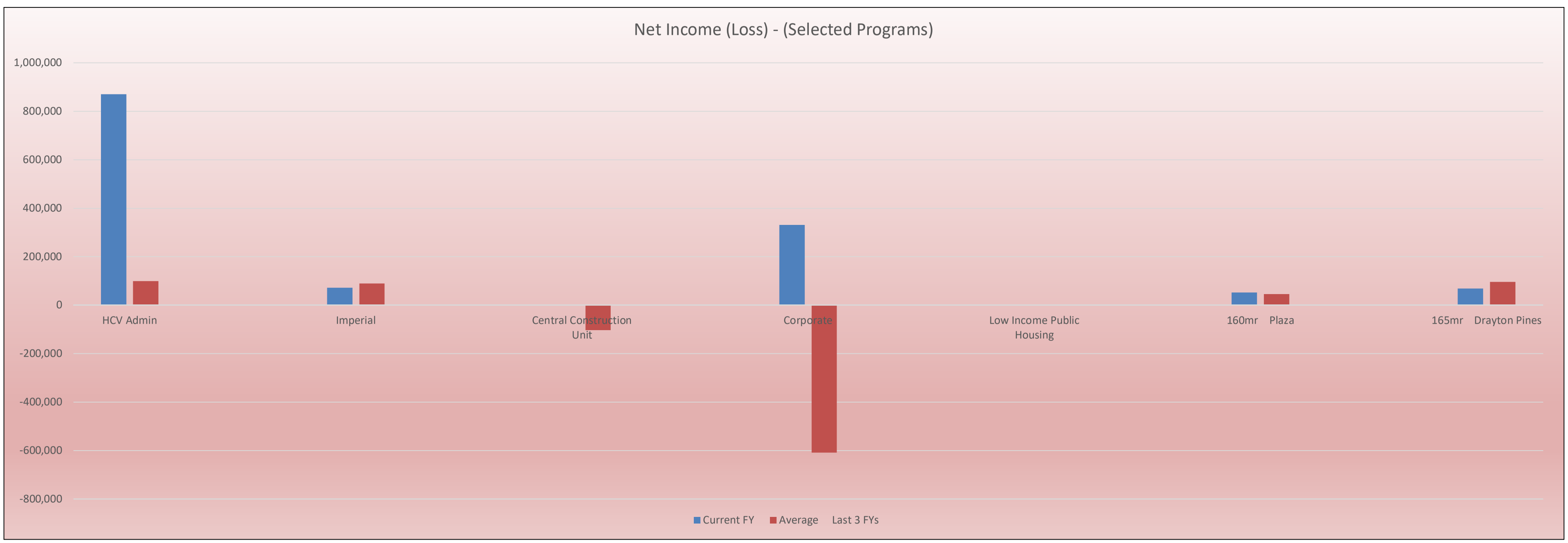
LIPH UNIT DATA	003lr Piedmont	006lr Cleveland	008lr Sunrise	009lr Crystal	012lr Healy	021lr Townview	022lr The Oaks	037lr Actual	038lr Camden Station	040lr Brookside View	160mr Plaza	165mr Drayton Pines
# of Housing Units	240	244	195	201	106	49	48	50	30	2	78	44
Rental Months Year To Date	11	11	11	11	11	11	11	11	11	1	11	11
# Unit Months Year to Date	2,640	2,684	2,145	2,211	1,166	539	528	550	330	2	858	484
Average Rent Per Unit Month	149.66	184.22	167.44	215.39	262.43	159.63	227.89	247.94	297.05	4,531.00	425.32	671.47
Average Subsidy Per Unit	464.27	442.97	273.80	213.77	166.45	358.99	354.61	286.62	120.67	-	-	-
	613.93	627.20	441.24	429.16	428.88	518.62	582.49	534.57	417.73	4,531.00	425.32	671.47
Average Operating Expense Per Unit	629.33	598.06	518.86	489.30	598.04	502.66	535.84	452.99	483.56	5,029.36	371.72	538.05

HOUSING AUTHORITY OF THE CITY OF WINSTON-SALEM
FINANCIAL DASHBOARD - Selected Programs

AVAILABLE CASH (exclusive of HAP Reserves) 8/31/2020	Current FY	Last FY	Change Over Prior FY
LIPH Reserve	$ 3,893,179	$ 3,593,656	$ 299,523
Admin Fee Reserve	252,211	165,266	86,945
Non-Federal Cash (Corp, CCU, etc.)	228,479	(890,108)	1,118,587
Total Available Cash (excludes HAP reserve)	$ 4,373,869	$ 2,868,814	$ 1,505,055



NET INCOME (LOSS) - (Selected Programs) 10/1/2019 - 8/31/2020	Current FY	Current Budget	Average Last 3 FYs
HCV Admin	869,906	38,236	99,063
Imperial	71,724	60,243	89,037
Central Construction Unit	(1,198)	(3,413)	(103,244)
Corporate	330,087	(165,947)	(609,195)
003lr Piedmont	179,478	(25,105)	467,637
006lr Cleveland	290,513	37,671	558,670
008lr Sunrise	14,662	29,598	184,549
009lr Crystal	44,712	29,928	107,788
012lr Healy	79,110	22,575	78,388
021lr Townview	28,922	(9,032)	63,669
022lr Stoney Glen	28,618	50,983	46,285
037lr The Oaks	48,163	1,368	65,125
038lr Camden Station	(15,856)	1,973	37,029
040lr Brookside View	322,517	264,000	-
160mr Plaza	51,634	71,247	45,718
165mr Drayton Pines	68,474	113,401	95,604
Total Selected Programs	$ 2,411,466	$ 517,726	$ 1,226,121
Depreciation	(2,250,203)	(1,911,534)	(2,374,638)
Total Selected Programs Net of Depreciation	$ 161,263	$ (1,393,808)	$ (1,148,517)



<u>RESOLUTION NO. 2135</u>

RESOLUTION AUTHORIZING THE HAWS BOARD OF COMMISSIONERS TO APPROVE AN INCREASE IN THE HOUSING AUTHORITY OF WINSTON-SALEM HOUSING CHOICE VOUCHER PAYMENT STANDARDS FOR ZERO, ONE, TWO, THREE AND FOUR BEDROOM UNITS.

WHEREAS, the Housing Authority must establish Payment Standards between 90 percent and 110 percent of the HUD published Fair Market Rent (FMR) for each unit size (number of bedrooms);

WHEREAS, the Payment Standard is defined as the maximum monthly assistance for a family assisted in the voucher program (before deducting the total tenant payment by the family) and the Payment Standard is used to calculate the monthly housing assistance payment for the family;

WHEREAS, the Housing Authority's current Payment Standards are as follows:

0 Bedroom - $597
1 Bedroom - $611
2 Bedroom - $753
3 Bedroom - $1038
4 Bedroom - $1229

and the Housing Authority proposes to increase Payment Standards effective November 1, 2020, to represent 100 percent of the Fair Market Rents as follows:

0 Bedroom - $624
1 Bedroom - $670
2 Bedroom - $825
3 Bedroom - $1111
4 Bedroom - $1322

BE IT RESOLVED, that the HAWS Board of Commissioners hereby approves the increased Payment Standards as indicated.

Development Report

October 2020 Development Progress Report

	Development/Site/Initiative	Location	No. of Units	Objective	Status	Update
1	**Crystal Towers** (High Rise Public Housing)	6th and Poplar (Downtown/West End)	201	Repurposing of obsolete housing and non-performing asset	Demolition-Disposition Application submitted to HUD	Summary Completed; Scheduling October Working Group Calls
2	**Happy Hill** (HOPE VI)	Waughtown and Alder	106	Complete build-out of 101 remaining lots slated for single family detached and townhomes as part of HOPE VI grant	Former development partner (Salem Heights) unable to construct homes profitably. Development agreement terminated	HUD indicated 11 (six were proposed) replacement units may be required. Still awaiting official response
3	**Brown School** (Former elementary school - recently a child care center. Currently an abandoned structure [boarded and secured] sited on 4.5 acres	12th and Highland (Cleveland Avenue Corridor)	85	Construct replacement units as part of Choice Neighborhoods Implementation	Implementation award received	Community meeting held regarding senior phase
4	**Choice Neighborhoods**	Cleveland Avenue Corridor	244	Obtain Choice Neighborhoods Implementation grant to redevelop Cleveland Avenue Homes and surrounding area	Implementation award received	Architect selected
5	**Skyline Village**	1528 Bruce Street (Near WSSU)	169	Finance significant capital improvement and modernization in a privately owned affordable housing community	Adopted Bond Inducement Resolution	Closing Pending City Plans Review; Likely November

Capital Report

Central Construction Unit & Capital Projects (October 2020)

Site	Description	Start Date	Estimated End Date	Percent Complete	Project Cost/Estimate	Comments
Brookside	New Construction - 17 Single-Family Detached	Feb. 2019	Dec. 2021	42%	$2,585,129.00	6 Units Complete; Anticipate 2 additional units online in November
Healy	Lobby Upgrade	12/11/19	10/15/20	75%	$351,017.12	Awaiting approval from City inspections

Housing Reports

Monthly Combined Housing Report

Month Ending: 8/31/2020

	HAWS	Scattered Sites	MHA
Total Units	1179	205	50
Total Units Offline	15	0	2
Total to det. Occup.	1164	205	48
Occupancy BOM	1153	198	49
Move Ins	17	2	0
Move Outs	17	4	1
Occupancy EOM	1153	196	48
% Leased	99%	96%	100%
PIC Occupancy Percentage	97%	N/A	99%
Total Wait List	23,572	4	50
		0	
Evictions - Non-Pay	0	0	0
Evictions - Drug	0	0	0
Evictions -Minimum Renters	0	0	0
Eviction- Criminal	0	0	0
Eviction - Other	0	0	0
Eviction: Padlocks/Writs	0	0	0
Total Inspections	0	0	0
Total Inspections-Passed	0	0	0
Total Inspections-Failed	0	0	0
W/O Open BOM	76	6	0
Work Orders Rec'd	933	108	54
Work Orders Closed	1007	100	54
Work Orders Outst.	2	14	0
% Emerg Closed in 24 hrs.	100%	100%	0

Monthly Public Housing Report

Month Ending: 8/31/2020

	Piedmont Park	Cleveland	Stoney Glen	Townview	Sunrise	Crystal	Healy	The Oaks @ 10th	Camden	Brookside
Total Units	240	244	48	49	195	201	105	50	30	17
Units Offline	0	2	0	0	0	0	0	0	0	13
Units to determine Occup.	240	242	48	49	195	201	105	50	30	4
Occupancy BOM	235	242	48	48	193	199	104	50	30	4
Move Ins	7	0	0	0	3	2	4	1	0	0
Move Outs	2	6	1	1	1	1	3	2	0	0
Occupancy EOM	240	236	47	47	195	200	105	49	30	4
% Leased	100%	98%	98%	96%	100%	100%	100%	98%	100%	100%
PIC Occupancy %	96%	95%	95%	98%	95%	94%	98%	96%	97%	100%
Total Wait List	2937	2258	3370	3018	564	107	1000	4707	4645	966
Evictions - Non-Pay	0	0	0	0	0	0	0	0	0	0
Evictions - Drug	0	0	0	0	0	0	0	0	0	0
Eviction-Minimum Renters	0	0	0	0	0	0	0	0	0	0
Eviction-Criminal Activity	0	0	0	0	0	0	0	0	0	0
Evictions - Other	0	0	0	0	0	0	0	0	0	0
Evictions - Padlocks/Writs	0	0	0	0	0	0	0	0	0	0
Total Inspections	3	0	0	0	0	0	0	0	0	0
Total Inspections-Passed	2	0	0	0	0	0	0	0	0	0
Total Inspections-Failed	1	0	0	0	0	0	0	0	0	0
W/O Open BOM	0	76	0	0	0	0	0	0	0	0
Work Orders Rec'd	244	256	18	19	111	126	75	56	27	1
Work Orders Closed	242	332	18	19	111	126	75	56	27	1
Work Orders Outst.	2	0	0	0	0	0	0	0	0	0
% Emerg Closed in 24 hrs.	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Average Response Time for Routine W/O	2	2	2	2	2	2	2	2	2	2

Housing Choice Voucher Program Report
8/31/2020

I. Voucher Unit Utilization	Current	HUD Baseline	Percent Utilized
Vouchers Leased	3624	4538	80%
Vouchers Issued but not Leased	88		
Unit Months Leased YTD	28,992	36,304	80%
Project-Based Vouchers*	347	371	94%
Moderate Rehabilitation Units	127	158	80%
Special Programs	131	239	55%
Mainstream*	68	173	39%
VASH*	102	144	71%
*included in Vouchers Leased			
II. Voucher Budget Utilization			
Monthly	$1,931,569	$2,136,190	90%
Annually	$ 15,452,552	$ 17,089,520	90%
III. Family Self Sufficiency/Homeownership			
Number of FSS Participants	75		
FSS Participants in Homeownership	0		
Number of Homeownership Vouchers Issued	4		
Number of Homeownership vouchers Housed	67		
IV. SEMAP Indicators In PIC			
PIC Reporting Rate	98.51%	**>94%**	
Indicator 9 - Timely Re-examinations	98%	**>95%**	
Indicator 10 - Correct Rent Calculations	100%	**>97%**	
Indicator 11 - Pre-Contract HQS Inspections	100%	**>97%**	
Indicator 12 - Annual HQS Inspections	92%	**>95%**	
Indicator 13 - Lease Up (budget or unit)	90%	**>97%**	
Indicator 14 - Family Self Sufficiency			
Enrollment: # of Participants	95%	**>79%**	
Percent with Escrow Accounts	56%	**>29%**	
V. HCV Waiting List			
Number of Applicants	3483		
VI. Inspections			
Units Inspected	359		
Passed	188		
Failed	171		
Failed - Tenant*	1		
Inconclusive/Missed/Cancelled	65		

*Housekeeping failed by Tenant (included in total failed count above)

Imperial Management

Month Ending: 8/31/2020

	Plaza	Drayton Pines	1039 E. 17th St	1027 E. 17th St	1007 E. 17TH St	Bethlehem	Rousseau	Fairview
Total Units	**78**	**44**	**1**	**1**	**1**	**12**	**1**	**67**
Occupancy BOM	76	40	1	1	1	12	1	66
Move Ins	1	0	0	0	0	0	0	1
Move Outs	2	1	1	0	0	0	0	0
Occupancy EOM	75	39	0	1	1	12	1	67
Occupancy Rate	96%	89%	0%	100%	100%	100%	100%	100%
Total Wait List	2	0	0	0	0	0	0	2
Evictions - Non-Pay	0	0	0	0	0	0	0	0
Evictions - Drug	0	0	0	0	0	0	0	0
Evictions- Criminal Activity	0	0	0	0	0	0	0	0
Evictions - Other	0	0	0	0	0	0	0	0
Total Inspections	0	0	0	0	0	0	0	0
Total Inspections-Passed	0	0	0	0	0	0	0	0
Total Inspections-Failed	0	0	0	0	0	0	0	0
Work Orders BOM	2	0	0	0	0	3	0	1
Work Orders Rec'd	38	16	3	1	0	7	1	42
Work Orders Closed	33	16	2	1	0	7	1	40
Work Orders EOM	7	0	1	0	0	3	0	3
% Emerg Closed in 24 hrs.	100%	100%	100%	100%	100%	100%	100%	100%
Average Response Time for Routine W/O	0	0	0	0	0	0	0	0

Madison Housing Authority	
Month Ending:	August 2020
Total Units	50
Units Offline	2
Units to determine Occup.	48
Occupancy BOM	48
Move Ins	0
Move Outs	0
Occupancy EOM	48
% Leased	100%
PIC %	99%
Total Wait List	50
Evictions - Non-Pay	0
Evictions - Drug	0
Eviction-Minimum Renters	0
Eviction-Criminal Activity	0
Evictions - Other	0
Total Inspections	0
Total Inspections-Passed	0
Total Inspections-Failed	0
W/O Open BOM	0
Work Orders Rec'd	54
Work Orders Closed	54
Work Orders Outst.	0
Work Orders Voided	0
Emerg Closed in 24 hrs.	4
Average Response Time for Routine W/O	4