

**RECESSED MEETING CITY COUNCIL**

June 21, 2022

The City Council of the City of Albemarle met in a recessed session on Tuesday, June 21, 2022 after the minimum code hearings meeting in the Council Chambers of City Hall for consideration of a date for a stormwater management plan Council meeting, a continuation of the Public Housing 5 Year HUD Plan Annual Review, and closed session pursuant to N.C.G.S. 143-318.11(a)(2) to prevent the premature disclosure of an honorary degree, scholarship, prize, or similar award, N.C.G.S. 143-318.11(a)(3) consultation with the City Attorney, N.C.G.S. 143-318.11(a)(5) Real Estate, and N.C.G.S. 143-318.11(a)(6) Personnel. Mayor Ronnie Michael presided, and the following members were present, to-wit: Mayor Pro Tempore Martha Sue Hall and Councilmembers Bill Aldridge, Martha E. Hughes, Chris Whitley, Benton Dry, Dexter Townsend, and Shirley D. Lowder.

-----  
Mayor Michael called the meeting to order.

-----  
Consideration of Dates for Stormwater Management Plan Reevaluation Meeting

Council discussed and reached consensus around Monday, July 25<sup>th</sup> at 6:30 pm as the date for the special meeting for stormwater plan reevaluation with consultant WK Dickson.

Upon a motion by Councilmember Hall, seconded by Councilmember Aldridge, unanimously carried, Council added a stormwater plan reevaluation meeting for Monday, July 25, 2022 starting at 6:30 pm in Council Chambers in City Hall.

Public Housing HUD 5-Year Agency Plan and Annual Update

Public Housing Director Dr. Kim Scott came in front of Council to offer updated information based on their questions in last night's meeting. Beginning with the annual update change summary document, Dr. Scott first followed up on request by Council for the definition of "late payment." The policy has been different in practice than on paper. The policy states that rent is due the first of the month, but there is a 5 day grace period. On the 6<sup>th</sup> day of the month, a \$15 late fee is added with the tenant having 15 days to pay rent plus the late fee. On the 21<sup>st</sup> day of the month, Public Housing staff file a claim at the Stanly County courthouse. With the filing there is an additional court fee of \$120 to process the claim. A tenant would have to go to the courthouse to pay rent, late fee, and court fee.

Council asked further questions about the late payment policy. Is the City's practice in line with HUD requirements? Dr. Scott noted that HUD requirements do specify this approach. Council asked the City Attorney about this approach. Ms. Burch replied that Public Housing policy change to a "1 time late payment" policy would allow a tenant to be late on rent only once in a 12-month period. A second late payment would result in eviction. That sounds like a policy which would penalize the tenants, but if there is written policy from HUD on late payments which mandates this approach then the City would have to conform to that.

Council and Dr. Scott then further discussed the late payment policy change and its implications on tenants and Public Housing staff.

The Mayor asked if there would be a lag in implementation of the policy change of 6 months in order to give tenants time and notice. Dr. Scott replied that this is a possibility but Public Housing needs to move forward on this internally to comply with HUD requirements.

Councilmember Townsend asked if the 21 day period for filing at the courthouse was a HUD requirement or City Public Housing practice. Dr. Scott noted that it is a City policy.

The Mayor asked why the City allowed this practice to go on for this long. Dr. Scott replied that policies were adopted but not followed. The Mayor then asked what was written in the current lease agreement. Dr. Scott stated that the lease language states that a resident can be evicted for late payment of rent but does not specify a timeframe.

The Mayor asked about the rationale for Public Housing staff filing for eviction with the courts – is it for payment of rent or eviction? Dr. Scott noted that it typically is to recover rent payment but sometimes it is to take possession of the unit if it appears as though a unit has been abandoned. Who decides on these cases? The Public Housing Director decides using a checklist.

With the change in late payment policy, were residents made aware of this and how? HUD requires a public hearing which was held, the resident council was made aware, a newsletter was published and distributed, and staff canvassed the complex.

Moving forward with the list of items to be changed, with the flat rent schedule change, is that really a change? No it is not. Council agreed that this item be taken off the change document.

For the over income item, what is the limit which would not allow a Stanly County resident to be able to apply for public housing or a Section 8 voucher? Dr. Scott didn't know and stated he would find out.

For the pet policy change, does this include assistance animals? Yes it does. The amount for pets will be reduced to a monthly fee of \$25 or a \$200 nonrefundable deposit up front.

Mayor Pro Tem Hall asked Dr. Scott to obtain specific data/statistics/amounts for all of these changes detailed.

Under the Administrative plan changes for Public Housing side, for the late payment item, Council asked again if this was local policy change or HUD requirement. It's a HUD requirement.

For the timeline revision on criminal offenses item, Mayor Pro Tem Hall noted that it should be more defined. Dr. Scott noted that per HUD guidelines it is discriminatory to request specific offenses information. What about the distinction between being charged and being convicted? The only thing that would count would be convictions.

Council recommended that the denial of portables item be struck from the change list as it does not apply to Public Housing.

For the last item about notification of changes for a tenant family from 30 days to 10, Mayor Pro Tem Hall asked what kind of changes are being requested from families. Dr. Scott replied things like changes in income or family status are applicable. Mayor Pro Tem Hall noted that examples should be specified.

On the changes on Section 8 side, since they were the same as Public Housing Council decided no further comments were needed.

Moving to the 5 Year Action Plan Capital Fund Program document, Council again asked about the use of capital funds for administrative salaries. Dr. Scott sought guidance from the HUD field office in Greensboro, and per CFR 905.200, administrative salaries can be allocated to a specific capital fund project if those salaries are applicable to overseeing a specific capital project.

The Mayor asked about the \$72,000 set aside for staff training. Dr. Scott replied that the figure represents training opportunities to update staff on a series of HUD regulation and policy updates and changes which are coming down, and they are hosted by HUD regionally or nationally, thus requiring travel costs to be added in that budgeted amount.

The Mayor asked about the line item for operations transfer. Dr. Scott replied that per the HUD regional office, that would be for purchasing materials for office operations for any administrative personnel hired. The Mayor asked the City Manager if this understanding was in line with what Finance researched. City Manager Michael J. Ferris replied that Finance clarified this with the City's auditors, who noted that while unusual, if these line items are related to a specific capital fund project the expenditures are allowable. Council asked how Finance would be able to track that. Mr. Ferris responded by stating that Finance would have to monitor this closely and processes would need to be set up to determine how the allocations would occur and whether they were allowable.

The Mayor asked if HUD was ok with all of these changes. Dr. Scott confirmed that HUD was good with the documents.

Mayor Pro Tem Hall expressed hesitation over approving the 5 Year Plan Annual update due to communication still going on with HUD and many of the noted changes being vague and not detailed enough.

Council asked about Year 1 funding and whether that amount could be applied towards the sewer rehabilitation work. Per the Greensboro office, since Public Housing just passed REAC inspection a few weeks back, the City can move forward with sewer rehab work on 22 units. Council clarified then that about an additional \$150,000 was provided for Year 1 funds over last year's annual capital funds budget for the sewer rehabilitation/replacement work.

Councilmember Whitely asked what the process is from this point on the sewer rehab project. The HUD engineer is due onsite on June 28<sup>th</sup> to review issues on site. He will randomly select units to review then determine if additional funds would be needed to address the issues or if those units should be demolished and rebuilt. The Mayor requested that Council review the RFQs for the Public Housing work discussed by the July 11<sup>th</sup> meeting if possible. Dr. Scott noted that this would be doable since he expects to receive the RFQs by close of business on June 28<sup>th</sup>.

Mayor Pro Tem Hall and Dr. Scott discussed the potential number of units to be rehabbed or rebuilt based on the 5 year plan for 20-22 units to be included in the annual budget over

the next 5 years. Dr. Scott acknowledged that it is not currently known how many will eventually need work, but it is possible and the City should plan for up to 100 of the 200 units in both Amhurst Gardens and Elizabeth Heights to require work or rebuilding. Dr. Scott added that the funds in this plan can be moved around per his direction as the Director. The Mayor noted that any Director decisions on budget reallocations would need to come in front of Council to be approved. Mr. Ferris then explained how the annual update to the 5 year plan process operated in order for the City to make updated and refined decisions on Public Housing capital project needs in order to amend the City-wide budget to allocate fewer or more HUD capital funds for these projects.

The Mayor asked what Council's thoughts were about approving the Public Housing HUD 5 Year Plan and Annual Update. He recommended that Dr. Scott update the documents first per Council's recommendations last night and tonight, then he can sign them after review by Ms. Burch.

Upon a motion by Councilmember Whitley, seconded by Councilmember Dry, unanimously carried, Council approved updating the Public Housing Annual Plan, Public Housing policies, and the Public Housing HUD 5 Year Plan as recommended by staff and requested by Council in the June 20<sup>th</sup> meeting and tonight's meeting.

-----

**CLOSED SESSION**

Upon a motion by Councilmember Dry, seconded by Councilmember Whitley, unanimously carried, Council approved moving into closed session pursuant to N.C.G.S. 143-318.11(a)(2) to prevent the premature disclosure of an honorary degree, scholarship, prize, or similar award, N.C.G.S. 143-318.11(a)(3) consultation with the City Attorney, N.C.G.S. 143-318.11(a)(4) Economic Development, N.C.G.S. 143-318.11(a)(5) Real Estate, and N.C.G.S. 143-318.11(a)(6) Personnel.

-----

**RETURN TO OPEN SESSION**

Upon a motion by Councilmember Aldridge, seconded by Councilmember Dry, and unanimously carried, Council returned to open session. The Mayor stated that a closed session was held pursuant to N.C.G.S. 143-318.11(a)(2) to prevent the premature disclosure of an honorary degree, scholarship, prize, or similar award, N.C.G.S. 143-318.11(a)(3) consultation with the City Attorney, N.C.G.S. 143-318.11(a)(4) Economic Development, N.C.G.S. 143-318.11(a)(5) Real Estate, and N.C.G.S. 143-318.11(a)(6) Personnel. There was nothing to report.

Related to the Walk of Fame Committee per an inquiry tonight by Councilmember Hughes, Council has found 3 district candidates, but needs a 4<sup>th</sup> from District 2. The Committee would be a 5-person body. If there are 4 candidates Council could move forward with nominating them. Ms. Holly Bradford's name was brought up as a candidate for District 2. Ms. Judy Holcomb also would be another

potential candidate for the at-large seat. Council members will reach out to these potential candidates and request they complete a volunteer form.

Upon a motion by Councilmember Aldridge, seconded by Councilmember Whitley, unanimously carried, the meeting was adjourned to their next scheduled meeting on Monday, July 11, 2022 at 6:30 pm in Council Chambers of City Hall.