



2015-2017 Annual Business and Board of Governors Meeting
Saturday, October 28, 2017 – 1:45 pm to 5:00 pm
Room 401/402
David L. Lawrence Convention Center
1000 Fort Duquesne Blvd., Pittsburgh, PA 15222
Staff Liaison: Sylvia Bowen || lsbowen@nahro.org
<http://www.nahro.org/nahro-board-governors-members>

Friday, Oct. 27 3:00 to 5:00 pm	Final Board Agenda w/Consent and Discussion Items Posted on BOG Webpage and available for pick up at Conference Registration -- Concourse – Second Floor
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FINAL AGENDA

CALL TO ORDER--President Steve Merritt

ROLL CALL--La Tonya Rajah

WELCOME, INTRODUCTIONS, AND ACKNOWLEDGEMENT OF GUESTS AND STAFF—President Merritt

ASSOCIATES' COMMENT PERIOD – two minutes per speaker

APPROVAL OF MINUTES AND RATIFICATION OF ACTION TAKEN BY STEERING COMMITTEE ON BEHALF OF THE BOARD OF GOVERNORS

- Approval of Amendments to Bylaws: SERC and Louisiana Housing Council -October 4, 2017
- Approval of Letter of Support for Hunter Kurtz's nomination as HUD Assistant Secretary for Public and Indian Housing--October 25, 2017

PRESENTATION OF THE MEMORIAL RESOLUTION*

President Merritt will present the Memorial Resolution and ask everyone to pause for a moment of silence in memory of members and industry colleagues who have deceased since Oct. 2016. President Merritt will call for a motion to approve the Memorial Resolution.

APPROVAL OF:

Resolution of Appreciation to Local Hosts and Sponsors*
Resolution of Appreciation to Exhibition Participants*

PRESENTATION OF THE CONSENT AGENDA

President Merritt will identify ALL items on the Consent Agenda. He will ask if any Board member wishes to move any items **from the Consent Agenda to the Discussion Agenda, followed by motion to approve all items on the Consent Agenda.**

CONSENT AGENDA

HOUSING COMMITTEE

1. Operating Fund income inflation Factor and Utility Expense Level (UEL) inflation/deflation Factor

Background: Although 2017 Operating Fund funding levels were less than 2016, HUD determined that 2017 funding was sufficient to fund 92.9 percent of PHAs' anticipated formula eligibility, higher than the 2016 proration. This was due to declines in Operating Fund formula eligibility from 2016 to 2017 caused by high formula income inflation factors and utility expense level (UEL) deflation.

For 2017, HUD applied inflation factors between 6 and 8 percent for 2017 formula income. This is significantly higher than HUD's inflation factor for any other year. It is most likely that external occurrences are driving the significant increase in the income inflation factor. HUD noted that the end of the recession and the implementation of flat rents could have been contributing factors to the dramatic income inflation increase. They also noted that they use a five-year average to try to soften the impact of changes to inflation and deflation factors. The data shows that 2014 and 2015 actually saw the largest increase in income inflation and are the years driving the increase — 2016 was just 3.76 percent compared to 8.23 percent in 2014 and 6.4 percent in 2015.

HUD is also applied a 7.01 percent deflation factor for the utility expense level (UEL) due to declines in oil and natural gas costs. HUD uses data from the Bureau of Labor Statistics Consumer Price Index for All Urban Consumers (CPI-U) to determine utility expense levels. HUD applies this deflation factor at the national level, regardless of the energy source used by an AMP. Although AMPs that utilize oil or natural gas have seen savings, those that rely on other sources of energy have not.

Resolution: Whereas, Operating Fund subsidy eligibility has been declining in recent years due to HUD's application of a high formula income inflation factor and Utility Expense Level (UEL) deflation,

And, whereas, many PHAs have not seen increases in tenant rents or utility cost savings equal to what HUD is currently projecting,

And, whereas, many PHAs experienced significant subsidy decreases between Calendar Year (CY) 2016 and CY 2017 as a result of the high income inflation factor and the UEL deflation,

And, whereas, PHAs are at risk of receiving additional subsidy decreases for CY 2018 Operating Fund subsidies due to the declining Operating Fund subsidy eligibility,

Be it resolved, NAHRO encourages staff to work with HUD to develop short-term fixes to the Operating Fund income inflation factor and the Utility Expense Level (UEL) inflation/deflation factor while continuing discussions with HUD on longer term fixes.

MEMBER SERVICES

1. MARC By-Laws

Background: MARC proposed additions and changes to its current bylaws. They were minor in scope and consisted of clarifying who was considered an active or honorary member and their qualifications. It also clarified the role of the Executive Board and when meetings should be held. Information on holding emergency meetings and virtual attendance was also added, and they made minor changes to the role of the President and Senior Vice President. They updated the section on when election nominations would take place and how to fill vacancies, and finally they made adjustments to the make-up of each committee. A copy of the by-laws, complete with changes, is attached.

Resolution: The Member Services Committee moves the acceptance of the additions and changes to the MARC bylaws.

PRESENTATION OF DISCUSSION AGENDA

Committee chairs will present each item and the Board will vote on each item separately.

DISCUSSION AGENDA

BUDGET & ADMINISTRATION COMMITTEE

1. 2018 Budget

Background: The B&A Committee met on Thursday and had a thorough review and discussion of the 2018 budget proposed by NAHRO staff. Also present were the President, Senior Vice President and incoming B&A members. The Committee received presentations from each operating department heads along with their corresponding Committee Chairs. Although the 2018 proposal is for a deficit budget the Committee feels that, given the positive trend in operating performance in the current year and new leadership at the CEO level, NAHRO will continue the path towards sustainability.

Resolution: The B&A Committee recommends that the BOG adopt the 2018 budget proposal as presented with the understanding that the B&A Committee will continue to work closely with the CEO, CFO and NAHRO staff as they move toward closing the deficit.

HIGHLIGHTS: STANDING COMMITTEES: Presented by Vice Presidents

- Housing: **Regina Mitchell**
- Professional Development: **Duane Hopkins**
- Member Services: **Donna Brown-Rego**
- International Research & Global Exchange: **Julie Brewen**
- Community Revitalization and Development: **Donovan Duncan**
- Commissioners: **Rick Leco**

HIGHLIGHTS: NATIONAL COMMITTEES, TASK FORCES AND AD HOC GROUPS: Presented by Chairs

- Budget & Administration: **DeeAnna Peterson**
- Board of Ethics and Credentialing Trustees: **Dan Trozzi**
- Diversity, Equity and Inclusion Task Force: **Elizabeth Glenn**
- Housing and Education Task Force: **Betsey Martens** (Chair Preston Prince is not in attendance)
- Housing and Development Law Institute: **Vivian Bryant***
- Legislative Network: **Don May**
- Strategic Planning Advisory Group: **Michael Gerber**
- Housing America Task Force: **Clif Martin**
- Small Agencies Task Force: **Sharon Carlson**
- Nominating and Election: **David Zappasodi**

HIGHLIGHTS: REGIONAL COUNCILS Presented by Regional Presidents: *Two minutes per speaker*

(Written reports are posted on BOG webpage.)

SERC: **David Baldwin**
SWRC: **Darrin Taylor**
PNRC: **Sunny Shaw**
MARC: **Regina Mitchell**

MPRC: **Dianne Hovdestad**
PSWRC: **Ed Mayer**
NERC: **Joseph D'Ascoli**
NCRC: **DeeAnna Peterson**

PRESENTATION OF:

- President's Report
- Senior Vice President's Report
- Chief Executive Officer's Report

NEW BUSINESS

EXECUTIVE SESSION – if required

ANNOUNCEMENTS: 2018 CONFERENCES

Washington Conference: April 22-24 – Arlington, VA

Summer Conference: July 27-29 -- San Francisco, CA

National Conference and Exhibition: October 25-27 – Atlanta, GA

**HDLI's Report, Memorial and Resolutions of Appreciation are posted on the BOG webpage*

ADJOURNMENT