

**MINUTES . . . REGULAR MEETING . . . DECEMBER 11, 2023**

The members of the Bethlehem Housing Authority met in a regular session December 11, 2023, at 4:00 P.M. (IN PERSON MEETING). Those present and absent were as follows:

**PRESENT**

Mrs. Iris Linares, Chairperson  
Mrs. Lindsey A. Clifton  
Mr. Rogelio Ortiz  
Mr. J. Marc Rittle

**ABSENT**

Mrs. Valerie McLendon

Also present were: William W. Matz, Jr., Esq., Solicitor; John Ritter, Secretary-Treasurer; Diana Moreno, Assistant Secretary- absent; Staff Members and members of the general public.

The Minutes of the Regular Meeting of November 13, 2023, were presented. Mr. Rittle made a motion to accept the minutes of November 13, 2023. Mrs. Clifton seconded the motion.

Roll Call: Ayes – Clifton/Rittle/Linares; Nays – None

Mr. Rittle made a motion to approve the Treasurer’s report for November 2023.  
Mrs. Clifton seconded the motion.

Roll Call: Ayes – Clifton/Rittle/Linares; Nays – None

Chairperson Linares commended BHA for using local businesses.

Under the financial report, Mr. Snyder reported on Section 8 utilization funds. We’re not sure how much HUD will recapture, hopefully they won’t recapture everything since we’ve been using a lot more. It’s based on the fiscal year for us and calendar year for HUD. We already applied for subsidy, so we know what we’re getting.

Mrs. Clifton asked are project-based vouchers paid out of the Section 8 voucher fund or if that is under a separate account. Mr. Snyder replied it’s paid out by the Section 8 fund, and they’re working on trying to figure that out. He is researching information from HUD and it’s very complex. If a developer wants to apply for vouchers for the program, they come up with a plan, they submit it to us, and we have to get HUDs approval. And then we can enter into an agreement with them to issue the vouchers. At some point, once the vouchers are ready to be paid if there is, if we have the money, he made the assumption we’re going to transfer the HAP money that we already have in the reserve and just move it to the voucher program. However, if for some reason we don’t have enough money HUD will step in and fund us. He said that may fund the first year for us. It becomes renewal funding, it’s not going to be based on what the normal fair market is, HUDs going to look at did they get tax credits, did they get this? Anything that the government helped them out with will reduce the amount of subsidy they’re going to get from us, so what maybe \$1,500 a month for a one-bedroom apartment might only be worth \$500 to them because they’re getting the tax credits. We got plenty of vouchers, we could do 20 % of our vouchers in units, but dollars are the problem. We can’t take 20% of our, even if it’s 10% of our money if they recapture it that’s the unknown with them. Mrs. Clifton said we’re not fully utilizing funds available for vouchers therefore some of that funding may get recaptured against our five-year plan showing an increase in sort of project-based vouchers as a new tool that we’re hoping to utilize and expand anyway.

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Mr. Snyder reported from his research that there are two different contracts. There's the contract to do the developing and the buildings which are timetables for the developer to do and then there's the actual contract which at that point determines how much is really going to get funded. It all depends on what financing they got if they got a lot of tax credits, since the tax credits are coming from the federal government, they're going to reduce the amount of subsidy they're going to get because you're going to have a loss anyway. So, you really can't determine on those vouchers how much the rent is going to be, but HUD said that if we can't fulfill that part of the agreement they will step in and they will fulfill it. Also on the monthly report, the biggest thing is we do have a surplus at the moment but half a million dollars of that is favorable for utilities, but with the season it's hard for one to project. We're good with rents because they're up right now, and they're projecting like \$7 million a year.

Mr. Rittle made a motion to approve the Financial Report for October 2023.  
Mrs. Clifton seconded the motion.

Roll Call: Ayes - Clifton/Rittle/Ortiz/Linares; Nays - None

Nothing reported under Courtesy of the Floor. Nothing reported under Old Business.

Nothing to report under Chairman's Report.

Under the Executive Directors' report, Mr. Ritter reported a few items. First, they had their first Choice Neighborhood meeting with the tenants on November 29<sup>th</sup> from 6:00 PM to 8:00 PM at the Boys and Girls Club. There were about twenty tenants who attended. They had a great discussion and feedback. They will be scheduling another meeting in the near future. They do have some resident ambassadors lined up. Secondly, our monthly meeting with the BHA police officers will be held on Wednesday December 18<sup>th</sup> at 9:00 AM, at that time we will review any drug and criminal activity on our properties. Lastly, they have an upcoming REAC NSPIRE inspection on February 13<sup>th</sup> and 14<sup>th</sup>. The inspection is for AMP 1, which includes Pembroke, Fairmount and Pfeifle. This NSPIRE is a new protocol we were part of the testing for this protocol so we're a little familiar with it. A lot stricter inspections than the REAC inspections used to be, so we'll see how it goes. HUD sends out a contractor to do the inspections. It has to pass in order for us to maintain funding. If we score from 70-79 a reinspection will be in one year, 80-89 2 years, 90 and above 3 years. Anything under 70 they'll come back in six months. It's a fiscal inspection of health and safety. With the NSPIRE program they actually interview tenants, it's a little more involved, so it covers interior, exterior, smoke detectors, windows pretty much everything in the house and outside. Graffiti.

Mrs. Clifton asked about the resident ambassadors for the steering committee. Mr. Ritter said there were three that were interviewed for the steering committee, and we have additional people in mind for the ambassadors' positions. He'll keep everyone informed every step of the way.

Chairperson Linares asked if we heard anything from HUD about the First Tee? Mr. Kichline said we're in the process, we had to submit a development plan to HUD. All that's done, we were waiting even though we've owned the First Tee building since 2009, we still had to do a title search on it and according to Attorney Matz that just came back. So now we have to send it to HUD for their official approval.

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Under Committee Reports, Scholarship, Chairperson Linares asked to get a contact name for the new Superintendent of Bethlehem school district. Mr. Rittle asked what's the Superintendents role is in the committee. Chairperson Linares said he reviews the applications and gives his recommendation.

Under Resident Advisory Board, Mr. Ortiz thanked Mr. John Ritter and his wife for having Grace Church get Christmas gifts for the kids who participate at the center. There were 24 individuals that they selected. Secondly, they also picked up over 2,000 pounds of food including pork loin, ground beef, pistachio's, orange juice, potatoes and all kinds of goodies for the residents and seniors who are in tough times. Thirdly, they just merged with Winston who has the basketball program which is \$15 for registration which BHA pays for the kids that live in BHA. Fourthly, the next Resident Advisory Board meeting will be held on Thursday March 14<sup>th</sup>, at 1:00 PM. Lastly, he thanked BHA and the commissioners for all their support and help. They're proud of the community center program that has been running for 12 years. He appreciates everyone who has helped the residents of housing to make our community much stronger. Chairperson Linares thanked Mr. Ortiz for all the hard work. Mrs. Clifton commented that Mr. Ortiz and the community center serve as a group, and they should have their own 501C3 setup. We should be covered for any liabilities for anyone using our space. Attorney Matz agreed and will look into it for Lynfield and Parkridge.

**RESOLUTIONS** - APPROVING THE ANNUAL AUDIT OF FISCAL YEAR ENDING 3/31/2023.  
(Resolution is entered separately as a part of these minutes.)

Mrs. Clifton made a motion to approve the annual audit of fiscal year ending 3/31/2023.  
Mr. Ortiz seconded the motion.

Roll Call: Ayes - Clifton/Ortiz/Linares; Nays - None.

Mr. Rittle questioned the post-employment benefit in the audit. Mr. Snyder reported that we voted to eliminate this benefit for new employees, but it will remain in the books for employees grandfathered into the plan. Mr. Rittle asked about the certificate of deposits of 8.6 million. Mr. Snyder replied that's the operating fund reserve investment. These are funds from HUD for the five AMPs, and two smaller CDs are for the scholarship fund and affordable housing. Every year that HUD gives us money, we don't always spend it, so that's our reserve, our fall back on money when they cut subsidy, or we need that extra reserve we have it. Mr. Rittle asked if there was a threshold that we would get to repurpose. Mr. Snyder replied that we can't that belongs to the five AMPs reserves. Mrs. Clifton asked does that includes interest generated. Mr. Snyder responded yes. The interest belongs to the money as we have to pay back HUD. With our HUD reserve for Section 8, for example if they give us 10,000 to pay our monthly HAP reserve, we have to give that money back to HUD with interest every month. We have to calculate what that portion is, and it's strictly there for that purpose. If a sequester hits and they cut funding, that's when you're going to dip into that. Mr. Clifton stated that the increase operation expense line item of \$1.165 million from the previous fiscal year is what's closing the gap. Mr. Snyder replied yes.

Mrs. Clifton commented that HUD only sees the version of the financials in the audit, they don't see the post audit report. Mr. Synder replied yes. One of our consultants generated a report to better explain what the real income is.

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Mrs. Clifton asked about BHA not having a custodial credit risk policy. Mr. Snyder replied we're looking into it. He said it gets hard to diversify with the different banks. And HUDs wants a general depository agreement, anytime you do it. And banks most of the time are not willing to do that, the broker said they would do basically an agreement as the broker, but that doesn't cover us under that thing. We can possibly invest in treasury bills. Mrs. Clifton suggests we continue to do our homework and research into whether sample policies exist. Mr. Snyder agreed. Mrs. Clifton asked if we bid out the audit. Mr. Snyder replied yes. We bid out every so many years, but we usually get an extended contract with them.

Mr. Ritter asked about the audit timeline. Mr. Snyder stated that HUD requires us to have our unaudited into them by the end of May 30th. And then the audit is done by the end of the calendar year, so we're given nine months. The audit firm used audits schools and housing authorities and they're all non-profits.

Mr. Rittle abstained from the vote. He didn't have enough information without an auditor present. He knows you don't have to, but in lieu of that he suggests we could have the finance committee review it for next year. Mr. Snyder said next year, he can have the auditor present. Attorney Matz stated appropriate protocol would be to have the auditor present a draft form to the Finance Committee and then to the board meeting with the auditor present.

**RESOLUTION NO. 2582 OF 2023 - APPROVING THE ANNUAL FIVE-YEAR PLAN.**  
(Resolution is entered separately as a part of these minutes.)

Mrs. Clifton made a motion to approve the five-year plan contingent upon increasing the project-based voucher number on page# 3 to 60.  
Mr. Rittle seconded the motion.

Roll Call: Ayes - Clifton/Rittle/Ortiz/Linares; Nays - None.

Mr. Rittle discussed project-based vouchers. He said we're in a tight housing market and possibly tighter than other places in the country, he thinks Bethlehem is in a tighter housing market than many other municipalities. The National Low-Income Housing Coalition strongly recommends project-based vouchers as a solution to the tight housing market, if we're ever to start implementing project-based vouchers, which we're at zero right now in Bethlehem this is the time to do it. We can add an additional 10% if you fit certain criteria and Bethlehem does fit the criteria to do the additional 10%. We have 200 vouchers, he will not approve a plan that does not put all 60 in, so we could ask for 60 but don't have to use 60. His recommendation is we put 60 project-based vouchers for local non-profit organization instead of 23 in the plan and once it's approved if it's approved by HUD, then we can do a competitive bidding process just to see if there are property owners out there in the municipality that would be interested. Mr. Ritter replied, "we can do that, and the plan will be revised and once again sent to the mayor for approval.

Mrs. Clifton stated that as we work on the ACOP section related to rent and the Section 103 of HOTMA implication she would like for there to be some discussion and consideration and about alternative rent as a possibility knowing how tight our housing market is, if there's an option to keep the family in housing even if it means they're paying a higher rent beyond the public rent threshold she thinks we should avail them of that choice, rather than as a housing authority simply terminating them at two years if they're over income.

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If they have a path to pay additional rent to close that gap, then she thinks we should seriously consider it. Mr. Zulma Rodriguez commented that alternative rent means the unit will no longer be subsidized. Mr. Ritter stated they're still working on it. Mrs. Rodriguez she should have the update by February.

Nothing under New Business.

Under Miscellaneous Reports and Other Businesses, Board Member, Solicitor and Staff, Mrs. Clifton asked for a public update on the search for the Deputy Directors' position. Mr. Ritter replied that he's in the process of putting the job description together. Mrs. Clifton said at the end, she's open to doing this anyway that he wants. That the board has a standing Personnel Committee, and she would like the Committee to be called in the process given that it's such a significant position to the goals that the staff and board created together. But also have a resolution ready, if need be, if we need to take formal action in that way. Attorney Matz replied he is not sure if it has to be done in a resolution, clearly there is a personnel Committee, titled at least established could be part of that process and should be. Mr. Clifton added if we have an existing committee to be there to help offer personnel support, especially with key leadership positions, I think then that's the role that that team needs to be playing. Mr. Rittle has as an Executive Director has lots of experience forming position descriptions, reviewing resumes, conducting interviews and searches and I think it would be a real asset to the process.

In addition, the vision and the expectation for the Committee would also help finalize the position description, review it, have some conversation about where and how to post and share it, and to be part of the process reviewing candidates, conducting new views that they really would be integral to this. Mr. Ritter said he thinks the input would be good. Mr. Rittle added just think that he would be making the final decision, it's just for him to have a way of support. He's been available this entire time and he'll be happy to assist in moving that along. Mrs. Linares asked do you still have to pass a Civil Service test. Mr. Ritter replied of we go through Civil Service yes. Mr. Rittle replied I would rather take a look at those guidelines, instead of just asking right now and answer it. If we're going to review this as a committee, let's go ahead and do the research and see what's required.

Under Public Comments, Sherry Honea-Mono, #705 ask for an update on the camera installation. Mr. Kichline replied the project involved Monocacy and the Litzenberger building. The Litzenberger building is done. They were going to finish this building this week, but there was an issue with the intercom system that the receptionist uses to control all the doors to open up for people, so they're working on that, and the camera will then be installed next week.

Chairperson Linares noted that the next re-organizational board meeting will be held on Monday, January 8, 2023, at 4:00 P.M. at the Monocacy Tower, community room. There being no further business to transact, Chairperson Linares declared the meeting adjourned.

*John Ritter*

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John Ritter  
Executive Director