

**HADCO**  
**Board Meeting Minutes**  
**September 28, 2023**

**PLACE:** Myers Center

**TIME:** 12:35 PM

**ATTENDEES:**

Commissioners: Jerry Griese, Jeff Cooley, Mike Baker, and Chris Spens. Donna Bosier called in after the meeting started.

HADCO Leadership: Janeal Kohler and Jamie Ambrosini

**READING & APPROVAL OF MEETING MINUTES:**

Commissioner Baker motioned to approve the August 31, 2023, HADCO Board of Commissioners meeting minutes. Commissioner Spens seconded. No additional discussion. All in favor; motion passed.

**REPORT OF THE SECRETARY:**

Operating statements presented for August 2023. One account, AMP1 shows a loss of \$33,000. HUD's funds distribution was less than expected, possibly a proration, but it should even out by the end of the year. It has happened before. AMP1 is still in the positive. AMP2 and Section 8 are doing well.

Update on the Blueridge fire: emergency work is complete. The unit has been sitting for over a month. The next phase is waiting on the insurance adjuster. Janeal received the final claim amount, and a deposit is in route from the insurance company. Belfor's bid was lower than the previous contractor who had worked on this property. HADCO has worked with Belfor before and has no issue with them being awarded the bid.

Update on Winston unit mold rehab: work is still in progress. The tenant's belongings were removed to allow additional affected sheetrock to be removed. Sheetrock has been removed from the bathroom, one bedroom, and part of the kitchen and a final cleaning is in progress. Testing will be conducted next week to confirm the unit is clear of mold spores. Once the air hygienist clears the unit, new sheet rock will be installed, finished and fixtures (toilet, sink, etc) re-installed. A more modern fan will be installed in the bathroom that automatically turns on when there is a certain level of humidity.

Janeal expects the tenant to be moved back in within two to three weeks. The tenant is still living in a motel; HADCO is paying for the motel, and the tenant pays monthly rent. The tenant continues to demand financial compensation and threatens litigation.

**PUBLIC COMMENT:** None

**BILLS, BOARD COMMUNICATIONS AND DISCUSSION ON PUBLIC COMMENT:** None

**UNFINISHED BUSINESS:** None

**NEW BUSINESS:**

Resolution 2157: Update to Section 8 Fair Market Rents Effective October 1, 2023. HUD publishes fair market rents annually for the next fiscal year. Section 8 can set payment standards, by unit size, at up to 110% of fair market rents without HUD approval. Fair market rents for FY2024 decreased drastically, which was expected. Jamie proposes adjusting payment standards to 110% of FY2024 fair market rents. HUD typically uses outdated information when calculating an area's fair market rents. HADCO challenged HUD's fair market rent calculations three years ago. HUD approved a three-year exception that just expired; the previous payment standards were based on the HUD exception. If HADCO sets payment standards at 110% of FY2024 fair market rents, a challenge won't be needed. Jamie and Janeal do not expect the new payment standards to result in financial hardship for HADCO or the program participants. Some of the payment standards had to be reduced by a few dollars to stay under 110% of the FY2024 rents. Any reexaminations already processed with an effective date of October 1, 2023, will need to be revised to the new rent levels.

Jamie expects HUD's FY2025 fair market rent calculations to impact the program and the participants enough to require a challenge.

Commissioner Griese moved to approve Resolution 2157. Commissioner Baker provided a second. There was a unanimous vote to approve.

**ADJOURNED:** 12:55 PM