

HADCO
Board Meeting Minutes
October 23, 2025

PLACE: HADCO Conference Room

TIME: 12:30 PM

ATTENDEES

Commissioners: Jeff Cooley, Jerry Griese, Chris Spens, and Donna Bosier. Mike Baker is excused.
HADCO Leadership: Janeal Kohler and Jamie Ambrosini.

READING & APPROVAL OF MEETING MINUTES

Commissioner Spens motioned to approve September 25, 2025, HADCO Board meeting minutes. Commissioner Griese seconded. No additional discussion. All in favor; motion passed.

REPORT OF THE SECRETARY

Operating statements for August 2025 were provided. Public housing is in the red due to reconciliations needed with the capital grant. No concern about the account. Capital expenditures are typically higher than average during the summer months. Section 8 is in shortfall for the year. The program is closely monitored. Leadership is hoping to hear about possible shortfall funding. Additional details on the shortfall should be available by the next board meeting. Administrative expenses are well maintained.

On August 26th Janeal was in a collision in the DMPM vehicle. DMPM auto insurance will cover the damage to both vehicles. She was t-boned on the passenger side of the vehicle at the intersection of Harvard Avenue and Keady Court at 7:30 in the morning while traveling to Reedsport. No one was injured. Janeal was cited for failing to obey a stop sign: at the time of the accident Janeal stated that she was blinded by the sun and couldn't recall if her light was green. The other driver believes that her light was green.

The admin office suffered a break-in on the same day as the traffic accident. A single person, wearing gloves, a hoodie, and a mask, got into the office through a window that wasn't latched shut. The individual went through the offices, rifled through paperwork, and stole random items. He also ripped off and opened the secured drop box in the lobby. While it was the end of the month and few rent payments are received during that time, we won't know if any money was stolen until a tenant reports that a payment wasn't posted. It is estimated that less than \$1,000 worth of property was stolen. The spare key fob for the DMPM vehicle was stolen as was a credit card. The credit card statement does not show any fraudulent activity. The video showed the individual going from office to office, but there was no clear picture of his face or other identifying features. The person left the same way he came in. The following morning, a tenant reported suspicious activity: someone was looking into public housing tenants' windows.

The admin office does not have motion sensors or an alarm. Janeal is looking into installing an alarm system with motion detection.

There is high uncertainty among staff and anxiety among tenants regarding the possibility of SNAP benefits not being issued in November. EBT cards for food stamps will still work if families still have funds available at the beginning of the month. If or when funds for SNAP are allocated for November, Oregon intends to distribute full benefits to families. TANF and WIC will still be funded. Staff are adapting and doing the best they can with their tenants. HADCO has funding through November and hasn't been impacted by the government shutdown.

Food stamps are not counted as part of a family's rent calculation. However, if a family doesn't have food assistance available, they may need to pay for food with any income the household has instead of paying their portion of the rent.

PUBLIC COMMENT: None

BILLS, BOARD COMMUNICATIONS AND DISCUSSION ON PUBLIC COMMENT: None

UNFINISHED BUSINESS: None

NEW BUSINESS: Bill Moss from Emerald CPA presented the FYE 2025 audit results. The audit was finished earlier than before, fewer adjustments were made, and none of the adjustments were material. The biggest adjustment was the impairment loss at Gateway Village from the flooding. The Gateway damages were covered by insurance.

Surprisingly, public housing revenues jumped from over \$500,000 to over \$900,000. This put public housing over the threshold to require single audit procedures as a major program. Section 8 always requires audit as a major program. However, this is the first time since the first or second year that Bill has been doing the audit that public housing has been audited as a major program. No findings on either program.

Revenues and expenses were noticeably up for the year. There was an extra ~\$400,000 in public housing revenue. There were no surprises in the expense increases. Insurance premiums appear to be leveling off. General expenses, which are mostly insurance costs, went down in 2024. The insurance company is not expecting a major increase in premiums in the next calendar year. The risk retention pool is doing a lot of risk control activities and working with underwriters to keep premiums stable.

There was a discrepancy on page 60 the report related to public housing: 14.880 on the report and 14.850 on the schedule. 14.850 is the correct value.

Bill indicated that he will be available to do the FYE 2026 audit. Bill can start compliance testing early in the process. He usually rotates between auditing Housing Choice Vouchers and rural rental programs. However, rural rental programs have decreased as a percentage of total HADCO federal assistance. Bill has to audit 20% of annual federal assistance. In addition to HCV and rural rental loans, public housing may be audited again next year, depending on the size, or a capital fund program may need to be audited to reach that 20% audit threshold.

The group discussed board terms. Donna Bosier's term was renewed in April of this year. Jeff Cooley's term expires in April 2026.

Janeal reported on a lawsuit filed about two weeks ago by several public housing authorities in the western states against the secretary of HUD. Home Forward in Portland took the lead on the lawsuit. The lawsuit pertains to a standard certification for public housing programs, SF-424. There are SF-424s for other federal funding streams, including the VA GPD grant. However, the forms are not uniform.

The most recent HUD version of SF-424 has many new elements which could increase liability for the Executive Director. There has always been a level of liability for the ED related to deliberate false claims or fictitious statements. However, the new SF-424 references several presidential executive orders issued this year. Noncompliance with these executive orders is grounds for penalties under the False Claims Act, which covers both deliberate false claims and unintended fraudulent claims if the Executive Director of the PHA should have known they were false or fraudulent. Executive Directors found in violation of the SF-424 parameters face extreme financial penalties and longer jail time than they would have before.

For example, DEI activities, which aren't clearly defined, would violate the executive orders. HADCO has a DEI committee, because at one point they were highly recommended when applying for grant funds. The name of the DEI committee was changed and the verbiage about the committee was changed to focus on anti-discrimination and fairness, which has always been the point of the work.

In the past, EDs could call the HUD Portland Field Office to ask for clarification on changes and the intent behind them. However, because of the government shutdown, this wasn't an option before the agreement had to be signed and submitted on October 21st. Not signing the agreement would put public housing funding for next year at risk.

Many housing authorities joined the lawsuit before it was filed. It is possible for HADCO to join after the fact. The lawsuit states that parties of the lawsuit will be protected from retaliation based on their participation in the suit. There is a \$50,000 retainer which Janeal believes will be split between the housing authorities engaged in the lawsuit. There is speculation that HUD will require a similar agreement for the Section 8 program; this has not been a requirement of Section 8 in the past.

The board discussed the option of joining the lawsuit. It was decided that HADCO will not join at this time and will actively follow the progress of the lawsuit. Janeal is meeting with HADCO's legal counsel this afternoon to discuss the lawsuit and the increased liability for the Executive Director. HADCO will follow the advice of its counsel.

The discussion transitioned to the 2026 PHA Annual Plan. The plan is similar to the previous year. One change allows Section 8 to transition its Emergency Housing Vouchers to Housing Choice Vouchers as a preference, meaning the family does not have to go back on the waiting list when their emergency voucher expires. This change is needed because EHV's are sunseting three years earlier than expected.

Another change is the addition of two chapters to the Section 8 Admin Plan. The first chapter relates to project-based vouchers after public housing is converted under RAD. The second chapter relates to special purpose vouchers, like HUD-VASH vouchers and family unification vouchers. Most of the material in the special purpose vouchers chapter can be found in the previous chapters, but they were consolidated into their own in this most recent version of the admin plan purchased from Nan McKay.

The annual plan will go out for 45-day public comment starting on November 1st and closing in mid-December. The public hearing will be scheduled in January before the plan is approved.

The November board meeting is scheduled for Thanksgiving Day. It will be rescheduled for the Thursday before and the December meeting will be cancelled.

ADJOURNED: 1:21 PM