

Housing Authority of the City of Charlotte
AGENDA
Regular Meeting of Commissioners

*Charlotte Housing Authority
Central Office
1301 South Boulevard
Charlotte, NC 28203*

July 17, 2007

5:00 p.m. - Regular Board Meeting Convenes:

Regular Meeting Agenda:

1. Public Forum
2. Additions to the Agenda
3. Consideration to Approve the Minutes for:
 - Regular Board Meeting held *June 19, 2007* **(tab 3)**
4. Resident Advisory Council (RAC) Report
5. Monthly Report from the CEO
 - Monthly Scorecard **(to be passed out at the meeting)**
6. Committee Reports:
 - Finance Committee
 - Development Committee
7. **Consent Agenda Action Items:**
 - A. Use \$2 million of Land Sales Proceeds as a Short-Term Construction Bridge Loan for 940 Brevard **(p. 1)**
 - B. 2005 Capital Fund Grant Reallocation of Expenses **(p.2)**
 - C. Budget Amendment Asset Management Project Budget **(p.3)**
 - D. Program Income for Arbor Glen, Park at Oaklawn and Seigle Point **(p.4)**
 - E. Budget Amendment Central Office Cost Center **(p.5)**
 - F. Program Income – Earle Village HOPE VI Grant (First Ward) Project **(p.7)**
 - G. Updated Resolution to Submit Hall House Disposition Application **(p.8)**
 - H. NCHFA RPP loans for Arbor Glen III and Nia Point **(p.9)**
 - I. Program Income-Replacement Housing Factor Program **(p.10)**
8. **Business Agenda Action Items:**
 - A. Audit Report for Fiscal Year 2006-2007 **(p.1)**

9. **Dinner Discussion**
Board Advocacy Role

10. **Executive Session**
Real Estate Matters

Consent Agenda:

Consent Agenda items for the July 17, 2007 Regular Board Meeting of the Charlotte Housing Authority Board of Commissioners.

7.A Use \$2 million of Land Sales Proceeds as a Short-Term Construction Bridge Loan for 940 Brevard

<p>Action: Approve Resolution No. <u>1489</u> to Authorize CHA to Loan \$2 million of Land Sales Proceeds as a Short-Term Construction Bridge Loan for 940 Brevard.</p>
--

Staff Resource: Jeff Meadows / Tylee Kessler / Ralph Staley

Strategic Business: Finance Administration

Strategic Goal: Maximize the economic, physical and social value of our real estate portfolio.

Explanation:

On February 15, 2006, the Board approved CHA's HOPE VI investment in 940 Brevard and authorized staff to negotiate and execute terms and documents necessary and appropriate to accomplish the development of the project.

CHA staff is proposing to use \$2,000,000 of available land sales proceeds as an equity bridge loan available at closing (estimated end of July 2007) through January 2008. The repayment of this bridge loan would be unconditionally guaranteed by Apollo/RBC.

Amount: \$2,000,000

Term: Approximately 5-6 months, repayment on Jan. 1, 2008 (*closing is expected to be the last week in July*).

Rate: 6%

Closing /

Legal costs: Paid by Borrower

Guaranty: Full and unconditional by Apollo; Apollo and construction lender will approve all bridge loan draws in addition to CHA.

Committee Discussion:

The Finance & Audit Committee discussed and unanimously approved this item for inclusion on the consent agenda at its meeting on July 11, 2007

Funding:

Land sales proceeds.

Attachment:

Resolution No. 1489 (tab 1)

7. B 2005 Capital Fund Grant Reallocation of Expenses

Action: Approve Resolution No. 1496 to authorize the amendment of Resolution No. 1456 which adopted the 2005 Capital Fund Grant.

Staff Resource: Ralph Staley

Strategic Business: Finance Administration

Strategic Goal: Attain Long Term Financial Viability

Explanation:

This amendment is necessary to move the Sunridge HVAC system replacement to the 2005 grant year and to reallocate funds from the contingency dollars to actual projects. This revision also allows us to fully obligate this grant in the timeline as required by HUD. The reallocation of expenses is shown in Exhibit A.

Committee Discussion:

The Finance & Audit Committee discussed and unanimously approved this item for inclusion on the consent agenda at its meeting on July 11, 2007.

Funding:

2005 Capital Fund Grant

Attachment:

Resolution No. 1496 (tab 1)

Exhibit A for resolution 1496 (tab 2)

7.C Budget Amendment Asset Management Project Budget

Action: Approve Resolution No. 1492 which amends Resolution No. 1470, Exhibit B, which adopted the Asset Management Project Budget for the fiscal year ending March 31, 2008.

Staff Resource: Ralph Staley

Strategic Business: Finance and Administration

Strategic Goal: Attain Long – Term Financial Viability

Explanation:

This amendment is to recognize income from the sale of the Live Oak property in the amount of \$5,313,186. Of this amount:

1. \$265,660 will be transferred to Horizon as fees due to the Real Estate group. This money was previously approved by the Board as a source of revenue for the Real Estate group;
2. \$2,000,000 will be used as a short term construction bridge loan for 940 Brevard;
3. \$896,000 will be used for the Live Oak Multifamily project; and
4. \$420,795 will be used for the McAlpine/Glen Cove rehabilitation.

Also in this amendment, the expense associated with the relocation of Hall House residents (\$70,050) is being shown as a transfer since this work will be done by the staff in the Relocation department located in the Central Office Cost Center. These transactions can be seen on the attached Exhibit A.

Committee Discussion:

The Finance & Audit Committee discussed and unanimously approved this item for inclusion on the consent agenda at its meeting on July 11, 2007.

Funding:

Live Oak Sale

Responsible Department:

Finance

Attachments

Resolution No. 1492 (tab 1)

Exhibit A for resolution 1492 (tab 2)

7.D Program Income for Arbor Glen, Park at Oaklawn and Seigle Point

Action: Approve Resolution 1497 to:

- A. Amend Resolution No. 1444 which approved the Dalton Village HOPE VI Grant (Arbor Glen);**
- B. Amend Resolution No. 1459 which approved the Fairview Homes Hope VI Grant (Park at Oaklawn) Project Budget; and**
- C. Amend Resolution No. 1457 which approved the Piedmont Courts HOPE VI Grant (Seigle Point)**

Staff Resource: Ralph Staley

Strategic Business: Finance Administration

Strategic Goal: Attain Long – Term Financial Viability

Explanation:

This budget amendment is necessary to record program income received to date and projected through March 2008. The program income has been approved by HUD to be used to fund CSS and administration ongoing costs after these areas of the grant are fully expended. The revisions are shown in Exhibits A, B & C.

Committee Discussion:

The Finance & Audit Committee discussed and unanimously approved this item for inclusion on the consent agenda at its meeting on July 11, 2007.

Attachment:

Resolution No. 1497 (tab 1)

Exhibit A,B,&C for resolution no. 1497 (tab 2)

Funding:

Dalton Village HOPE VI Grant (Arbor Glen)

Fairview Homes HOPE VI Grant (Park at Oaklawn)

Piedmont Courts HOPE VI Grant (Seigle Point)

7.E Budget Amendment Central Office Cost Center

Action: Approve Resolution No. 1491 which amends Resolution No. 1466, Exhibit A, which adopted the Central Office Cost Center Budget for the fiscal year ending March 31, 2008 in the following areas:

- A. Hall House Relocation**
- B. Land Sale Proceeds for McAlpine/ Glen Cove Capital Project**
- C. Land Sale Proceeds for Mews Infrastructure at the Enclave Condominiums**

Staff Resource: Ralph Staley

Strategic Business: Finance Administration

Strategic Goal: Attain Long – Term Financial Viability

Explanation:

This amendment recognizes activity involving the Hall House Relocation, the McAlpine/Glen Cove Capital Project and the Mews Infrastructure at the Enclave Condominiums.

Hall House Relocation

City Relocation is a component of the Central Office Cost Center. This group will handle the relocation of residents from Hall House. The expense associated with the relocation of those residents has been included in this budget amendment and is projected to be \$70,050.

McApline/Glen Cove Renovation

At the beginning of this project, the decision was made that funds in the amount of \$1,677,396 would be loaned to the McAlpine/Glen Cove Capital Project. Of this amount \$1,256,601 is from land sales proceeds from the Central Office Cost Center and \$420,795 is from Live Oak land sale proceeds. With this amendment, we will recognize the amount of \$1,256,601 as appropriated from land sale proceeds that will be transferred to the project. We are also recognizing the expense for the transfer being made for the rehabilitation of the units.

Mews Infrastructure at Enclave Condominiums

In September of 2005, the First Ward LLC (of which Merryland-Bucci Development and CHA were members) entered into an agreement with the developers of the Renwick condominiums (now known as the Enclave Condominiums) to share 50/50 the costs of shared infrastructure and site improvements referred to as the Mews. The Mews is an approximate 40' by 300' pedestrian plaza located between the Renwick and the remaining CHA site that is to be shared by both the Renwick and remaining CHA parcel. This work also includes a underground storm water detention system sized to met the Charlotte's storm water detention requirements for both the Renwick and remaining undeveloped CHA site, this system is located under the Mews area, allowing both adjacent parcels to maximize the build able land area on each site.

In February 2007, after months of negotiations on financing and business terms, the CHA Board voted to terminate for convenience the contract for development services with Merryland-Bucci. Third party costs have been paid and the remaining dispute over development fees between CHA and Merryland-Bucci is scheduled to go to arbitration for resolution.

In June 2007, CHA was presented with invoices for the cost of the shared infrastructure and improvements known as the Mews. The total amount of the invoices presented was \$934,100. Full back-up documentation has been requested and will be reviewed carefully upon receipt. No amount of these shared costs will be paid by CHA until that review has been completed.

CHA staff is requesting that the Board approve an amount not to exceed \$475,000 for its share of the work on the Mews. The funds will be drawn from the remaining land sales proceeds from the sale of the Renwick parcel in First Ward. It is anticipated that these funds will be recovered as part of the land and improvements price when the First Ward parcel is re-developed as they will be considered infrastructure and amenity improvements.

Note too that once the Enclave is completed, there will be an on-going shared maintenance cost for this shared improvement which will be assigned to the purchaser of the First Ward parcel. In the interim, CHA will be responsible for those costs. The shared operational cost will be negotiated as the Enclave reaches completion and staff will return to the Board with a recommendation. Those on-going operating costs are not covered as part of this resolution.

Each of these transactions is shown on the attached Exhibit A.

Committee Discussion:

The Finance & Audit Committee discussed and unanimously approved this item for inclusion on the consent agenda at its meeting on July 11, 2007.

Funding:

Land Sale Proceeds

Responsible Department:

Finance

Attachments

Resolution No. 1491 (tab 1)

Exhibit A for resolution no. 1491 (tab 2)

7.F Program Income - Earle Village Hope VI Grant (First Ward) Project

Action: Approve Resolution No. 1494 to amend Resolution No. 1408 which adopted the Earle Village Hope VI Grant (First Ward) Project Budget.

Staff Resource: Ralph Staley

Strategic Business: Finance Administration

Strategic Goal: Attain Long Term Financial Viability

Explanation:

This amendment is necessary to recognize program income for the year ending March 2008 which includes 1) ground lease income; 2) First Ward HOPE VI Interest on Notes Receivable; 3) interest earned on the monies deposited into the program income account; and 4) income from two Single Family Notes and the appreciation riders being paid in full during the past fiscal year all totaling \$289,941.

Also in this amendment, we are reallocating expenses in accordance with the third amendment to the grant which has approval by HUD to expedite the closing of this our oldest HOPE VI grant. These funds will be used for the McAlpine Terrace/Glen Cove and Live Oak Multifamily projects as the final phase of the grant instead of the First Ward Apartments.

The increase in revenue and expenses and the reallocation of expenses is shown on Exhibit A.

Committee Discussion:

The Finance & Audit Committee discussed and unanimously approved this item for inclusion on the consent agenda at its meeting on July 11, 2007.

Funding:

Earle Village Hope VI Grant (First Ward)

Attachments:

Resolution No. 1494 (tab 1)

Earle Village Hope VI Grant (First Ward) Exhibit A (tab 2)

7.G Updated Resolution to Submit Hall House Disposition Application

Action: Approve Resolution No. <u>1490</u> to Authorize CHA to Submit a Disposition Application on Hall House to HUD.

Staff Resource: Tylee Kessler

Strategic Business: Real Estate Development

Strategic Goal: Maximize Economic, Social, and Physical Value of Real Estate

Explanation:

We have been asked to update the Board's Resolution to submit a disposition application for the sale of Hall House. The original Resolution was passed February 21, 2006. However, new HUD regulations require that a more recent resolution be submitted with the application.

Committee Discussion:

The Development Committee met on July 11, 2007 and unanimously recommended that the Board approve Resolution 1490.

Attachment

Resolution No. 1490 (tab 1)

7.H NCHFA RPP loans for Arbor Glen III and Nia Point

Action: Approve Resolution No. <u>1498</u> to authorize the corresponding LLCs to accept additional debt.

Staff Resource: Frank Narron

Key Business : Real Estate

Strategic Goal: Maximize Economic, Social, and Physical Value of Real Estate

Explanation:

Both Arbor Glen III and Nia Point are completed and lease-up has been accomplished. As a result, another 37 units of public housing units and 104 additional affordable housing units have been added to the local housing stock.

Both of the projects incurred significant costs above their initial budgets. They were undertaken at a time of substantial price increases in construction costs and had special issues because of the unusual site, soils, and utility issues. Since the projects' completion, Crosland has been researching ways to recover some portion of the additional costs incurred.

Both projects have since been selected by the NCHFA to receive additional RPP funds: \$110,000 for Arbor Glen III and \$204,000 for Nia Point. This is very favorable debt that has a set rate of 2% but is only paid with amounts projected to be above a 1.15 coverage. The net effect is that both projects receive additional funds to recover excess cost but without a significant burden to the properties.

Staff is suggesting that CHA approve the additional debt conditioned on the payment of \$100,000 in additional / accelerated Development Fees to CHA. This amounts to approximately 50% of the NPV of the originally projected 20-year CHA cash flows for the properties. CHA will continue to receive 90% of the remaining cash flow. Final approval will be subject to approval by all required stakeholders.

Schedule

HUD approvals:

TBD

Committee Discussion:

There was discussion regarding the value of the additional debt to CHA and the implications of not approving the transaction. After the discussion, the committee unanimously voted to recommend adoption of the Resolution.

Attachment

Resolution No. 1498 (tab 1)

7.I Program Income – Replacement Housing Factor Program

Action: Approve Resolution No. 1493 which adopts the Replacement Housing Factor Grant Program Income Budget Beginning July 2007.

Staff Resource: Ralph Staley

Strategic Business: Finance and Administration

Strategic Goal: Attain Long – Term Financial Viability

Explanation:

In Exhibit A we recognize program income from the Replacement Housing Factor Program (RHF). This is program income received to date plus projected interested to be earned through March 2008. In late March 2006, we received repayment of the note for the land purchased for Montgomery Gardens. The funds used to purchase the land were from our RHF program. These funds are being held in an interest bearing bank account and will be used according to RHF guidelines.

Committee Discussion:

The Finance & Audit Committee discussed and unanimously approved this item for inclusion on the consent agenda at its meeting on July 11, 2007.

Funding: Program Income – Replacement Housing Factor Program

Responsible Department:

Finance

Attachments

Resolution No. 1493 (tab 1)

Exhibit A for resolution no. 1493 (tab 2)

Business Agenda:

Business Agenda items for the July 17, 2007 Regular Board Meeting of the Charlotte Housing Authority Board of Commissioners

8.A Audit Report for Fiscal Year 2006 – 2007

Action: Approve Resolution No. 1499 to adopt the Financial Statement and Independent Audit Report for the Fiscal Year Ending March 31, 2007

Staff Resource: Ralph Staley

Strategic Business: Finance and Administration

Strategic Goal: Attain long-term financial viability

Explanation:

McGladrey & Pullen, LLP has completed their audit of the Housing Authority of the City of Charlotte for the period ended March 31, 2007. With this resolution the Board is asked to approve the Audit Report as prepared by McGladrey & Pullen, LLP and the Financial Statements as prepared by CHA Staff.

Committee Discussion:

This item was discussed in detail and approved at the Finance Committee Meeting on July 11, 2007.

Attachment:

Resolution No. 1499 (tab 1)

**MINUTES OF THE REGULAR BOARD MEETING
OF THE COMMISSIONERS' OF THE HOUSING
AUTHORITY OF THE CITY OF CHARLOTTE
HELD ON TUESDAY, JUNE 19, 2007**

The Commissioners of the Housing Authority of the City of Charlotte, North Carolina held a regular meeting at the *Charlotte Housing Authority, Central Office, 1301 South Boulevard, Charlotte, North Carolina, 28203* at 5:00 p.m. on June 19, 2007.

Present: Chairman Dan Page
Commissioner Rodney Moore
Commissioner David Jones
Commissioner Montega Everett

Absent: Vice-Chairperson Sandra Peters
Commissioner Will Miller
Commissioner Chris Moffat

Also Present: Charles Woodyard, CEO
Sherrod Banks

Public Forum:

No speaker present; therefore the public forum was closed.

Additions to the Agenda:

Chairman Page stated that he had a few additions/deletions. They are: add #8 which will be New Business. Listed will be Item A: MTW Major Themes and Item B: Live Oak Site Work Funding. Under the Consent Agenda, Item **7.D** will be pulled/deleted and #9 will be added as Executive Session to discuss a personnel matter.

Consideration to Approve the Minutes for:

- Regular Board meeting held *May 15, 2007*

Commissioner Jones stated that the following change be made that he was listed being neither present nor absent in the May meeting. He should be listed as being present.

ACTION:

Motion to approve with correction:	Commissioner Moore
Motion was seconded by:	Commissioner Everett
Outcome of the vote:	Passed unanimously

Resident Advisory Council (RAC) Report:

The report was presented by Ms. Janice Belk, RAC Secretary.

- o RAC assisted the following communities to Wal-Mart: They were: Charlottetown Terrace, Tarlton Hills, Parktowne Terrace and Strawn.

Regular Board Meeting
June 19, 2007

- On June 6th the Board of Directors held their Board meeting. There was discussion relating to the outside common areas, policy and procedures. Additionally there was discussion on the resident conference to be held in Philadelphia, Pa.
- The RAC retreat and a one-day retreat with CHA and RAC.
- The Second Harvest Food Bank will distribute food to all sites in the near future.
- All high-rise communities are hosting an AIDS workshop sponsored by Ms. Donna Hughes, Client Services Director and the SISTER organization. Once that is completed the workshop will move to the family sites.
- The Paul Drayton Lodge #7 will be sponsoring a cookout in various communities.
- The Golden Sneakers organization, which is based on seniors 55 or older, and live in public housing; are walking from New Bern, NC to San Francisco, California.
- RAC tenant patrol will be hosting a workshop.
- RAC will sponsor a fish fry in the near future.
- Next weeks RAC meeting will be cancelled due to a scheduling conflict between Mr. Troy White, COO, and Ms. Mary Stitt, RAC president.

Monthly CEO Report:

Charles Woodyard, CEO, wanted to give some good news prior to starting the report update. He stated that the Charlotte Housing Authority has received our SEMAP score which is the scorecard rating from HUD for the Section 8 program. If you scored 90 or above then you are deemed a high performer. For the last three years we have been a high performer, however this year we received the highest score ever and that score was **99** out of 100. Mr. Woodyard wanted to congratulate Troy White, COO, Bill Walters, Section Director, and the hard working staff. Mr. Woodyard stated that the only reason we did receive a perfect score was due to the deconcentration bonus. However Mr. Woodyard feels that under the MTW initiative it would be possible.

Monthly Balanced Scorecard Report:

Mr. Woodyard introduced Mr. Troy White, COO, to present the Balanced Scorecard: Behind tab 1 there has not been any major changes on the scorecard. It was asked if there were any questions/concerns. Mr. White noted that on page one that we do have some vouchers that are for project based. This year we have 114 that will be project based. We have slowed the utilization of voucher programs so we can meet the need of project based. On page two, all items are within the good range, we have nothing in operations on the public housing side of the three large sites. On page three, we are on target and on page four we have discussed McAlpine/Glen Cove and as we get closer to starting the renovation work we will include some public housing units.

MTW Update:

Mr. Woodyard, CEO, stated that Shaunte Evans, CAO, was not present at this meeting. Mr. Woodyard wanted to make the Board aware that he has been asked to give testimony at the House of Representatives in Washington, DC on Thursday, June 28, 2007.

Regular Board Meeting
June 19, 2007

It was a last minute situation and even less lead time in an effort to explain what had to be done to put together our written testimony. Ms. Evans is making sure the testimony is within the guidelines of the House of Representatives.

Mr. Woodyard stated that there was not much new news on MTW. We did get our Attachment A signed and now we are waiting on the National Template for all MTW agencies to be reviewed and finalized by HUD.

Administrative Budget Changes

Mr. Woodyard, introduced Mr. Ralph Staley, CFO to give the update: Located in the packet behind tab 2, there is the Administrative Budget change that was made in accordance with the Board resolution authorizing staff/CEO or designee to move funds within the operating budget. It was found that the Carole Hoefener Center needs \$2,400 to be moved into utilities, out of maintenance operations, made the transfer and this is that report to the Board. The next item is the final BAR reports for the year. There is not much change from the preliminary BAR reports and our intent is to have the final audit report to the Board at the next meeting.

Committee Reports

Client Relations Committee:

Commissioner Everett gave the report:

- Brief discussion concerning the MTW update
- RAC presented an update
- New business discussion concerning the CHA policy/procedures for the use of outdoor common area which is on the consent agenda.

Development Committee:

Commissioner Jones gave the report:

- ✓ The meeting took place on June 13, 2007.
- ✓ There was a presentation from the Siegle Point/HOPE VI Redevelopers TCG/Grubb Development on the how the overall development project with our HOPE VI grant is progressing. The project is moving along on schedule and within budget.
- ✓ Several items are listed on the consent agenda however the one item that was taken off the consent agenda was regarding the ownership on the 940 Brevard property. Commissioner Jones questioned why it was being taken off and the Sherrod Banks, General Counsel, gave a brief explanation.
- ✓ Brief discussion concerning Boulevard Homes design Charette.
- ✓ Brief update from Ms. Kathleen Foster, VP Real Estate Development, and Mr. Allan Collins our consultant over ongoing negotiations with the Thompson's Children's Home concerning them taking a portion of the Arbor Glen Retail site.

Regular Board Meeting
June 19, 2007

- ✓ Usually written report from the Vice-President of Real Estate Development.

Consent Agenda Action Items:

Chairman Page explained that these are the Consent Agenda action items which previously have been brought before their individual working committee. At this time you can select any item for discussion if you need further information or you can leave these items as they are shown under consent through **Item 7.A – Item 7.F (with item 7.D being deleted)** Chairman Page asked if there were any questions. Hearing none it was asked to make a motion of approval.

ACTION:

Motion was made by: Commissioner Moore
Motion was seconded by: Commissioner Jones
Outcome of the vote: Passed unanimously

Business Agenda Action Items:

8.A Moving to Work (MTW) Major Themes

Recommend the Board of Commissioners approve the Major Themes for the Moving to Work (MTW) demonstration program.

ACTION:

Motion was made by: Commissioner Everett
Motion was seconded by: Commissioner Moore
Outcome of the vote: Passed unanimously

8.B Live Oak Redevelopment – Site Work Funding

Approve resolution no. **1488** to authorize funding up to \$650,000 land sales proceeds for the Live Oak Redevelopment site work.

ACTION:

Motion was made by: Commissioner Jones
Motion was seconded by: Commissioner Moore
Outcome of the vote: Passed unanimously

Chairman Page requested a motion to suspend the regular meeting to convene the Horizon meeting then move into executive session to discuss personnel matters.

Motion was made by: Commissioner Jones
Motion was seconded by: Commissioner Moore
Outcome of the vote: Passed unanimously

Minutes respectfully prepared by: Barbara G. Porter
Executive Assistant to the CEO

Regular Board Meeting
June 19, 2007

The next meeting will be held on Tuesday, July 17, 2007 @ 5:00 p.m. at 1301 South Boulevard, Central Office, Charlotte, NC 28203.