

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

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

September 18, 2007

12:00p.m. - Regular Board Meeting Convenes:

Regular Meeting Agenda:

1. Pledge of Allegiance
2. Public Forum
3. Additions to the Agenda
4. Consideration to Approve the Minutes for:
 - Regular Board Meeting held *August 21, 2007 (tab 5)*
5. Resident Advisory Council (RAC) Report
6. Monthly Report from the CEO
 - Monthly Scorecard (**tab 1**)
 - Moving To Work (MTW) Update
7. Committee Reports:
 - Client Relations Committee
 - Development Committee
 - Finance and Audit Committee
8. **Consent Agenda Action Items:**
 - A. Budget Amendment Section 8 Budget (**p.1**)
 - B. Budget Amendment Asset Management Project Budget (**p.1**)
9. **Business Agenda Action Items:**
 - A. Live Oak Seniors Funding Allocation (**p. 2**)
 - B. Park Meadow Bond Inducement (**p. 4**)
10. **Executive Closed Session**
 - A. Sixth & Davidson
 - B. Live Oak Multifamily

Consent Agenda:

Consent Agenda items for the September 18, 2007 Regular Board Meeting of the Charlotte Housing Authority Board of Commissioners.

8. A Budget Amendment Section 8 Budget

Action: Approve Resolution No. 1508 to Amend Resolution No. 1505, Exhibit A, Which Adopted the Section 8 Budget for Fiscal Year Ending March 31, 2008.

Staff Resource: Ralph Staley

Strategic Business: Finance and Administration

Strategic Goal: Attain Long – Term Financial Viability

Explanation:

When we created the Section 8 budget, we estimated the amount of administrative fee reserve available at March 31, 2007. Now that the audit has been completed, we know that the available administrative fee reserve is \$758,289. Therefore, we need to reduce Fund Balance Appropriated and reduce Administrative expenses by \$21,000 which can be seen on the attached Exhibit A.

Committee Discussion:

The Finance & Audit Committee discussed and unanimously approved this policy for inclusion on the consent agenda at its meeting on September 5, 2007.

Funding:

Section 8

Attachments:

Resolution No. 1508 (Tab 2)

Exhibit A (Tab 3)

8. B Budget Amendment Asset Management Project Budget

Action: Approve Resolution No. 1509 which amends Resolution No. 1504, Exhibit A, 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:

CHA is currently in the process of selling the remaining 3 “Turnkey III” properties and the 2 plots of vacant land. We are incurring minor cost for landscape, solid waste fees and insurance, etc. The turnkey properties budget is a component of the Asset Management Project Budget. The total budget for the turnkey properties is expected to be \$9,587 and is shown in Exhibit A.

Committee Discussion:

The Finance & Audit Committee discussed and unanimously approved this policy for inclusion on the consent agenda at its meeting on September 5, 2007.

Funding:

Fund Balance Appropriated

Attachments

Resolution No. 1509 (Tab 2)

Exhibit A (Tab 3)

Business Agenda:

Business Agenda items for the September 18, 2007 Regular Board Meeting of the Charlotte Housing Authority Board of Commissioners.

9. A Live Oak Seniors Funding Allocation

Action:	Approve Resolution No. <u>1511</u> to amend Resolution No. 1479 to Increase the HOPE VI Loan Amount from \$1,955,518 to \$2,090,847 and Authorize Staff/CEO to Negotiate and Execute Terms and Documents Necessary and Appropriate for the Development of Live Oak Seniors Including But Not Limited to Necessary Loans and Land Leases.
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Staff Resource: Kathleen Foster and Twyla Taylor

Strategic Business: Real Estate Development

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

Explanation:

In June 2007 the Board of Commissioners authorized a loan commitment of \$1,955,518 in HOPE VI funds to offset a construction gap caused by extensive

construction cost increases. The additional HOPE VI funds also allowed the CHA to increase the number of ACC units from 16 to 17 units.

Since that time costs continued to rise and the team worked diligently to value engineer and identify other means to cut costs. As a result, on August 2, 2007 a Revised Memorandum of Understanding was executed which memorialized the revised development budget and outlined an agreement to defer developer fees. In the meantime, the anticipated closing date in our Letter of Intent from Apollo Housing Capital expired (July 1, 2007) and Apollo had no obligation to hold their tax credit price. As a result, the tax credit equity amount was reduced by \$60,000. To offset this loss CHA is requesting to increase the HOPE VI loan amount from \$ \$1,955,518 to \$2,090,847, an increase of \$135,000. This additional amount will again, allow the CHA to increase the number of ACC units from 17 to 18. The proposed increase would result in a CHA leveraged investment per affordable unit of \$41,817.

Authorization from the Board of Commissioners is therefore requested to amend Resolution 1479, to increase the HOPE VI loan amount from \$1,955,518 to \$2,090,847. Authorization is also requested for staff/CEO to negotiate and execute terms and documents necessary and appropriate for the development of Live Oak Seniors including but not limited to necessary loans and land leases.

Committee Discussion:

N/A

Community Input:

N/A

Summary of Bids:

N/A

MWBD Consideration:

N/A

Funding:

HOPE VI	\$2,090,847
HTF	\$ 600,000
Tax Credit Equity	\$4,108,801
State Tax Credit Equity	\$ 476,210
Deferred Developer Fee	\$ 114,284
CHA Land Lease Loan	\$ 550,000
CMHP Loan	\$ 124,671
TOTAL	\$8,122,813

Attachment

Resolution **1511** (Tab 2)

Project Sources and Uses (Tab 4)

9. B Park Meadow Multi-Family Apartments Bond Inducement

Action: Approve Resolution No. <u>1510</u> To Adopt an Inducement Resolution for a Proposed Issuance of Revenue Bonds to Finance the Acquisition, Construction and Installation of Park Meadow Multi – Family Apartments in an Amount Not to Exceed \$14,000,000.
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Staff Resource: Kathleen Foster and Jeff Meadows

Strategic Business: Real Estate Initiatives

Strategic Goal: Develop Collaborative Relationships for Housing Solutions

Explanation:

LDG Development (LDG), a Louisville, Kentucky-based multifamily development company proposes to build up to 180 units at a site on Arrowood Road and Nationsford Road in southwest Charlotte. The development will be located just over one mile from the new Arrowood stop on the light rail line. Ten percent (10%) of the units will be affordable at 50% of median income; 90% will be affordable at 60% of median income.

LDG has requested that the Charlotte Housing Authority be the bond issuer for tax-exempt bonds. LDG and CHA have had preliminary conversations about providing a number of project-based Section 8 units for the development.

LDG has applied for tax-exempt bond financing and the final application is due October 14, 2007. A bond inducement resolution is required for that application. Note that the inducement resolution is subject to a number of conditions including “...satisfactory review by the Authority of the financial capability of the Borrower and satisfactory underwriting of the Development.....” The inducement resolution is basically the first step in the issuance process.

Attached please find the Park Meadows Underwriting Summary.

Committee Discussion: TBD

Community Input: None

Funding: None

Attachment:

Resolution No. 1510 (Tab 2)

Park Meadows Underwriting Summary (Tab 4)

**MINUTES OF THE REGULAR BOARD MEETING
OF THE COMMISSIONERS' OF THE HOUSING
AUTHORITY OF THE CITY OF CHARLOTTE
HELD ON TUESDAY, AUGUST 21, 2007**

The Commissioners of the Housing Authority of the City of Charlotte, North Carolina held a regular meeting at *McAlpine/Glen Cove Terrace, 6130 Pineburr Road, Charlotte, NC 28211* at 1:45 p.m. on August 21, 2007.

Present: **Chairman, Dan Page**
 Vice-Chairperson, Sandra Peters
 Commissioner David Jones
 Commissioner Chris Moffat
 Commissioner Montega Everett
 Commissioner Will Miller
 Commissioner Rodney Moore

Also Present: Charles Woodyard, CEO
 Sherrod Banks, General Counsel

Pledge of Allegiance:

Chairman Page stated that a flag was not available; therefore, we defer this until the next meeting. Commissioner Moore agreed.

Public Forum:

No speakers present; therefore, the public forum was closed.

Additions to the Agenda:

Commissioner Moore stated that Councilwoman Nancy Carter could possibly show up for the meeting. If she does, then she would like to make some brief comments. Chairman Page agreed.

Additions to the Agenda:

Chairman Page asked if there were any additions to the agenda. Charles Woodyard, CEO, advised that there would be an addition. The addition was regarding the 6th and Davidson ground parking agreement. This item will be added as 8.H to the consent agenda.

Consideration to Approve the minutes:

- Regular Board meeting held on *July 17, 2007*

NOTE: Vice-Chairperson Peters stated there were two corrections: under Committee reports, the first entry that is printed Finance should be Development. On the next page Development should be printed Finance and Audit.

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August 21, 2007

ACTION:

Motion was made to approve w/corrections:	Commissioner Moore
Motion was seconded by:	Commissioner Moffat
Outcome of the vote:	Passed unanimously

Resident Advisory Council (RAC) Report:

Troy White, COO, advised everyone that Ms. Stitt, RAC President, would not be able to attend the meeting therefore the RAC report would not be given. Chairman Page asked that everyone refer to TAB 6 in the Board package. Commissioner Jones has a notation on his calendar to attend the next Quality Circle Meeting.

Monthly Report from the CEO

Monthly Scorecard:

Mr. Woodyard introduced Troy White, COO, to give the update:
On page one of the scorecard, there are no major highlights. We are working within target and working on the Tenant Accounts Receivables (TAR) to continue to improve those numbers and the unit turn numbers continue to do well.

On page two, McAlpine/Glen Cove, has received a “no lease order” so that we can start vacating units as discussed for the redevelopment of this property. The average for the private properties is 21 days for the month. Chairman Page stated that he noted that our goal is 96% and we have not approached that in some time. Is that an achievable goal? Troy responded that it is a delicate mix; however we do have some initiatives in place to improve the numbers. Chairman Page requested that once we have a chance to analyze this information that we get back with an update. Commissioner Jones asked for clarification concerning the Section 8 table where we are using 95% or more of the number of vouchers and only 83% of the dollars. What is the reason for that difference? Mr. White stated that it is a combination of events i.e. we get more money for our HAP payments. When we reduced our FMR’s from 110% to 100% we were still locked into a higher rate. Presently we are getting more money for the HAP payments than we are utilizing and we do have people who are utilizing less of that HAP money. The reserves will be drawn on for MTW. Presently we do not have to send that money back to HUD.

Moving to Work:

Mr. Woodyard referred to a letter that was passed out at the meeting. The letter was sent to: Senators Dole and Burr, Congresswoman Myrick, and Congressman Hayes and Watt. The letter was a result of a conversation with the Assistant Secretary Cabrera who informed Mr. Woodyard that there will not be a new MTW template before year-end. It was then that Mr. Woodyard decided to fashion a letter asking HUD not to wait on the template but to sign an agreement with us under the old legislation. Mr. Woodyard stated

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August 21, 2007

that time is of the essence and our “Business Model” hinges on a lot to be done under MTW.

Interim MTW Agreement:

It was reminded that this agreement is for Section 8. We have initiated the RFP process to go out and assess the Section 8 landlords in an effort to categorize them (i.e. good, bad & ugly). Also we are in discussion with local people concerning doing the same assessment that was done for public housing residents for Section 8 residents. We would like to fund several initiatives across the organization with the surplus Section 8 dollars; however, we must have a MTW agreement in place.

BAR Report:

Mr. Ralph Staley, CFO, stated that the report was in compliance; however, there is one error on the Section 8 sheet. Under letter G-Housing Assistance payment, the surplus deficient from operations that states it as a negative \$1,227,000 that is actually a positive \$1,686,636 and the net surplus in the variance column is \$1,474,934. Overall the budgets looked very favorable with the exception of Horizon Development which was anticipated because that is where we fund the real estate development group. Other than that all budgets have net surpluses. Anyone with questions may contact Ralph at 704.336.5346.

Board Meeting Schedule:

Mr. Woodyard stated that he added this item to the agenda on behalf of Commissioner Everett. He would like to stimulate discussion regarding a change in the Board meeting time. Regularly, the meeting takes place every third Tuesday at 5:00 p.m. and once a quarter at 1:45 at a property site. However Commissioner Everett has explained that because of her recent change in her professional career that the 5:00 p.m. meeting time will be difficult for her to attend. Her schedule will still permit for her to make the committee meetings. Mr. Woodyard stated that a few years ago the Board meeting time was changed from 1:45 p.m. to 5:00 p.m. and at that time it was a better fit; therefore, Mr. Woodyard is putting to discussion the time change from 5:00 p.m. to 12:00 noon lunch meeting. Chairman Page asked the Board what would be their preference. A consensus was agreed that the Board meeting time would be changed from 5:00 p.m. to 12 noon on the third Tuesday of each month until further notice.

Committee Reports

Client Relations Committee:

Commissioner Moore gave the following report:

- Ledger Morrissette, of Community Relations, would like to come to present a Fair Housing presentation at the next meeting. This would be in an effort to keep us updated on Fair Housing information.
- Discussed the letter that Mr. Woodyard sent to the different legislators referring to MTW. Also a brief update was given on the MTW initiative.

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- Ms. Stitt gave the RAC report; which sparked discussion of her and the treasurer would possibly be going to Philadelphia for resident training.
- Brief discussion of the designated housing plan, which is consent Item 8.A.
- Continuation of the survey relating to CPCC.
- Mr. White discussed family tiering and how that affects us.
- RFP for the Section 8 grading system.
- Discussion of getting the Section 8 crime stats report that was prepared UNCC.

Development Committee:

Commissioner Jones gave the following report:

- The meeting took place on August 8, 2007 at 12 noon.
- The committee is recommending that the full Board adopt the Strategic Portfolio Management Policy which we discussed at the retreat in spring of '07. This item is listed on the consent agenda as Item 8.B.
- Additionally on the consent agenda is listed the item asking the Board to approve a short-term lease for parking @ 6th & Davidson site.
- Received a report from the Development staff on Savannah Woods and Seneca Woods concerning how those properties are worked through the Portfolio Management Policy. We are continuing to look at the results of that process and will make recommendations in the near future.
- We were advised that the "Authority" has hired the law firm of Reno & Cavanaugh to assist in resolving some regulatory issues regarding the MTW program.

Finance and Audit Committee:

Vice-Chairperson Peters gave the following report:

- ✓ Meeting also took place on August 8, 2007.
- ✓ All items that were discussed are presently listed on the consent agenda action items.
- ✓ It was mentioned that the collection lost report for June 30th included some items being written off to losses for the quarter ending March 31, 2007. The amount is \$23,339 which is 1.1 per/cent of the total charges.

Consent Agenda Action Items:

Chairman Page explained that these are the Consent Agenda Action items which previously have been brought before their individual working committees. At this time you can select any item for discussion if you need further information or you can leave all the items as they are shown under consent through **Item 8.A – Item 8-H.** It was decided by the Board to vote as one Consent Agenda Item.

ACTION:

Motion was made by:

Commissioner Moffat

Motion was seconded by:

Vice-Chairperson Peters

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Discussion: Commissioner Jones stated that he had a question which dealt with **Item 8.A** (Approve the Designated Housing Plan Renewal). He noted that Hall House is still on as a designed housing option for elderly/near elderly. Is this a multi-year plan? The response was that the plan is renewed every two (2) years. Commissioner Jones asked if we were hopeful that within two years we will have our issues resolved and a demo approval and it will not be elderly/near elderly housing. Troy White, COO, responded that would be great however in the event that is delayed we wanted to have it in the Designated Plan.

Commissioner Miller questioned **Item 8.B** (Approve the Strategic Portfolio Management Policy) the term used Leveraged Cost Per Unit. It would be recommended that we think of some other way to define that term. We understand and know what it means, however to Commissioner Miller it is not a cost it is an investment. It is equity investment in the real estate. He does not recommend that “the Authority” put something in writing that does not accurately reflect the benchmark we are setting for ourselves. Also under corporate goals there are five (5) mentioned; however, nothing refers to fact that we are trying to maximize the number of units we can provide. It reads as if we are a real estate company and not a housing authority. Lastly, the first full paragraph on page two discusses other data recorded, includes but not limited to, should specifically state the potential for appreciation of the asset and it does not appear that is covered. Mr. Woodyard stated we would approve with the caveat that it will be brought back for discussion. Regarding the five (5) goals there are some objectives discussed at the Board retreat that took place 5 years ago, it is probably time to re-visit. Commissioner Miller was satisfied.

Outcome of the vote: Passed unanimously

Commissioner Jones asked for a motion to suspend the regular meeting and open the Horizon Acquisition Corporation meeting. Once the Horizon Meeting is adjourned we would then go into Executive Session. Motion was made by Commissioner Moore. Motion passed unanimously.

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

*The next meeting will be held on Tuesday, September 18, 2007 at the Charlotte Housing Authority, 1301 South Blvd. Charlotte NC 28203@ 12:00 noon.
Reminder: New Meeting time is 12:00 noon.*

Horizon Development Properties, Inc.
Meeting of Directors
AGENDA

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

September 18, 2007

Directly After CHA Board Meeting – Meeting Convenes:

Regular Meeting Agenda:

1. Additions to the Agenda
2. Consideration to Approve the Minutes for:
 - Meeting held on *May 15, 2007*
3. **Business Agenda Item:**
 - A. Ratification of the McAlpine/Glen Cove Purchase

Business Agenda

Business Agenda items for the September 18, 2007 meeting of the Horizon Development Properties Board of Directors

3. A Ratification of the McAlpine / Glen Cove Purchase

Action: Approve Exhibit A for the Ratification of the Purchase of McAlpine Terrace and Glen Cove Apartments

Staff Resource: Ralph Staley

Strategic Business: Finance and Administration

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

Explanation:

During the fieldwork phase of the Fiscal Year 2006-2007 financial audit it was discovered that there was no formal approval in the records of the Horizon Development board for the purchase of McAlpine Terrace and Glen Cove Apartments from Wachovia. With this agenda item the Board is asked to ratify the purchase of the two properties that was made in October 2006 and have it officially recorded in the records.

Committee Discussion:

This item was discussed in the Finance and Audit Committee meeting on September 5, 2007 and was unanimously approved.

Community Input:

None.

Funding:

None.

Attachment:

Exhibit A

Horizon Development Properties, Inc.
Meeting of Directors
AGENDA

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

September 18, 2007

Directly After CHA Board Meeting – Meeting Convenes:

Regular Meeting Agenda:

1. Additions to the Agenda
2. Consideration to Approve the Minutes for:
 - Meeting held on *May 15, 2007*
3. **Business Agenda Item:**
 - A. Ratification of the McAlpine/Glen Cove Purchase