

# Housing Authority of the City of Charlotte

## Regular Meeting of the Board of Commissioners

Dillehay Courts  
2600 North Pine Street  
Charlotte, NC 28206

*February 19, 2008*

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

### **Regular Meeting Agenda:**

1. Pledge of Allegiance
2. Public Hearing: *FY 2008-2009 Operating Budgets*
3. Public Forum
4. Additions to the Agenda
5. Consideration to Approve the Minutes for:
  - Regular Board Meeting held *January 15, 2008 (Tab 6)*
6. Resident Advisory Council (RAC) Report
7. Monthly Report from the CEO
  - Monthly Scorecard **(Tab 1)**
  - Moving To Work (MTW) Update
  - Budget to Actual Reports (BAR) December 2007 **(Tab 2)**
  - Cash and Balance Restriction Report December 2007 **(Tab 3)**
  - Land Sales Proceeds Report December 2007 **(Tab 3)**
  - Administrative Budget Changes **(Tab 3)**
8. Committee Reports:
  - Client Relations Committee
  - Development Committee
  - Finance and Audit Committee
9. **Consent Agenda Action Items:**
  - A. Contracts for Lawn and Landscape Services **(p.1)**
  - B. Savanna Woods Repositioning **(p.2)**
  - C. Sale of Managing Member Interest in Prosperity Creek **(p.4)**
  - D. Belmont Acquisition **(p.5)**
  - E. CHA Office Predevelopment **(p.6)**
  - F. Budget Amendment: Asset Management Project Budget **(p.7)**
  - G. Budget Amendment: Central Office Cost Center **(p.8)**
  - H. Budget Amendment: Section 8 **(p.9)**

- I. Budget Amendment: Fairview Homes Hope VI Grant (Park @ Oaklawn) **(p.10)**
- J. Banking Services Contract **(p.11)**
- K. Copier Services Contract **(p.12)**
- L. Collection Loss Report for the Quarter Ended 12/31/07 **(p.13)**

10. **Business Agenda Action Items:**

- A. McAlpine Terrace Land Sales Proceeds **(p.15)**
- B. FY 2008-2009 Moving to Work Annual Plan **(p.16)**

**Consent Agenda:**

**Consent Agenda items for the February 19, 2008 Regular Board Meeting of the Charlotte Housing Authority Board of Commissioners.**

**9. A Contracts for Lawn and Landscape Services**

<p><b>Action:</b>      <b>Approve Resolution No <u>1547</u> to Negotiate and Award Multiple Lawn and Landscaping Service Contracts for Thirty (30) CHA Properties and Fourteen (14) CHA Residential Vacant Lots</b></p>
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**Staff Resource:**      Ken Widis, George Connor

**Strategic Business:**      Maintain Existing Housing Stock

**Strategic Goal:**      Provide Highest Quality Real Estate Management Services

**Explanation:**

Solicitations for Lawn and Landscape Services were advertised in the Charlotte Observer on December 9, 2007. A total of six (6) firms submitted proposals which were due January 10, 2008. One firm was disqualified due to non-responsiveness. The Request For Proposal (RFP) solicitation process allows for awards to be made based upon price and other criteria. Selection criteria consisted of:

- Company/organization structure
- Past performance of comparable work
- Management Approach
- Cost

After a thorough evaluation of the proposals by the Operations Department, all five (5) rated firms were selected for contract award. Those firms were:

- Crown Landscape Management Services, LLC - \$92,231.50
- Environmental Design Landscape, Inc. - \$147,690.41
- Eric Kelly Landscaping -\$46,920.00
- Phoenix Landscape Management of Charlotte, Inc. - \$108,880.00
- Sanders Lawn Service - \$23,100.00

The annual contract amounts are for basic lawn and landscape services. Prices on additional requested services such as flowers, shrubbery, etc will be negotiated.

Based upon past experience, the CHA has decided to award the various properties to more than one contractor minimizing the risk of nonperformance. Lawn and Landscape Services will begin April 1 2008 and continue until the end of the fiscal year March 31, 2011. This will be a three (3) year Performance Based Contract and there will be an option to extend the contract for two (2) one (1) year additional periods.

**Committee Discussion:**

Resolution 1547 was discussed at the Client Relations Committee meeting on February 6, 2008. A motion was made to recommend Resolution 1547 to the full Board and it was unanimously approved.

**Funding:** Conventional Funds – 2008/2009 Approved Budgets

**Attachments:**

Exhibit A – Annual Fixed Cost for Various Contracts (**Tab 4**)  
Resolution No. **1547** (**Tab 5**)

**9. B Savanna Woods Repositioning**

<b>Action:</b> <b>Approve Resolution <u>1554</u> - the Asset Management decision regarding the repositioning of Savanna Woods.</b>
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**Staff Resource:**      Frank Narron

**Key Business:**      Real Estate

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

**Explanation:**

Savanna Woods is a 49 unit public housing project located on Marsh Road near the intersection of Marsh and Park Roads. There are twelve buildings containing townhouse units. The property was built in 1983.

Earlier this year Operations was planning for the rehab of units at Savanna Woods Apartments. As has recently been the process, Cheryl Campbell initiated an appraisal. When the appraisal was complete, it became clear that, given the high land value per unit (\$64,000+), staff should take the project through the Asset Management analysis in order to develop a plan for the future of the property.

After further review, there appeared to be an error in POLARIS (the county's Property Ownership and Land Records Information System) that was not detected by the appraisal. Land records indicate that the parcel contains 7.59 acres. The property is actually estimated to be 12.97 acres. Therefore instead of a

\$3,560,000 value – the property at current zoning (equivalent of R12), would support a value of \$6,150,000.

We completed the evaluation regarding repositioning, however, given the high per unit value of the land, the analysis of the evaluation ended with land value at \$125,500 – 150% higher than CHA's leveraged per unit cost.

Having reached that conclusion, staff began building a conceptual scenario for repositioning that would meet the economic, mission, and political goals of the organization. We engaged a land designer to justify density on the site. Our guidance was that we'd like the flexibility to develop the property in two phases with appropriate density for the area and further that we'd like to maintain the option of having separate entrances in the event phase II doesn't come to fruition and CHA chooses to dispose of the second site through a sale.

In an earlier Development Committee discussion about the project, staff was asked to meet with some local developers and ask for their ideas for the site – specifically on how much density the site would support and what mix of uses. We have had meetings with David Furman and Dennis Richter (Boulevard Centro), David Klepser and Todd Williams (Grubb), and David Ravin, Adam Ford, Dionne Nelson, and Roger Lewis (Crosland). These meetings and the thoughts of the developers are detailed on an attachment. To summarize, while all of the developers had some slight differences and varying areas of emphasis, they all considered this to be a strictly residential site and thought it would support somewhere between 200-300 units (the higher number was thought to be a possibility if we could secure the corner that is currently owned by Crescent Resources).

Staff is asking for approval of the Asset Management Decision and the corresponding authority to make application for resources and to seek studies and services required to move forward the concept of redevelopment including a rezoning effort. Staff is also asking for the establishment of a Rezoning Budget of up to \$100,000.

**Committee Discussion:** There was some discussion around the merits of success based compensation for a zoning consultant. Staff was directed to have conversations with others knowledgeable in the field. The Committee unanimously recommended that the Board approve resolution #1554.

Staff told the Committee that a budget breakdown would be provided at the Board of Commissioners meeting.

**Community Input:** Will be necessary for rezoning  
**Summary of Bids:** N/A  
**MWBD Consideration:** N/A  
**Attachment:** Resolution No. 1554 (Tab 5)

**9. C Authorize the sale of the managing member interest in Prosperity Creek**

<p><b>Action:</b> Approve Resolution No. <u>1556</u> to authorize the sale of the managing member interest in Prosperity Creek to a real estate fund sponsored by CB Richard Ellis.</p>
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**Staff Resource:** Tylee Kessler

**Strategic Business:** Real Estate

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

**Explanation:**

Wood Partners, the entity who owns and manages WP Prosperity, L.L.C. is proposing to sell a 51% interest in its entire enterprise and assets to a real estate fund sponsored by CB Richard Ellis. As part of this transaction, 51% of the interest in WP Prosperity, L.L.C. will be transferred to this real estate fund.

The real estate fund will make all necessary certifications to HUD and will pledge to maintain the asset according to the tax credit and HUD regulations for the affordable units onsite. The new owner will also step into the guaranty of the withdrawing interests. The day to day operations will remain with the Wood Partners principals who currently manage WP Prosperity, L.L.C. and these principals have signed five year contracts and non-compete agreements.

**Committee Discussion:**

The Development Committee unanimously approved at their February 6, 2008 meeting.

**Community Input:** None

**Summary of Bids:** N/A

**MWBD Consideration:** N/A

**9. D Belmont Acquisition**

**Action:** Approve Resolution No. 1546 to Authorize Staff to Perform Due Diligence and Spend Funds for Pursuit Costs Associated With Entering into Option Agreements for Available Viable Properties in the Belmont Neighborhood, Including

- A. Approval of use of HOPE VI Funds of up to \$50,000; and
- B. Authorize Staff To Negotiate Terms And Execute All Documents Necessary And Appropriate to Option Land for an Off-Site Housing Component.

**Staff Resource:** Michelle Allen

**Key Business :** Real Estate

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

**Explanation:**

There are acquisition opportunities in the Belmont neighborhood that CHA staff has become aware of; however, there is one property that staff would like to pursue immediately. The owner of the property has expressed a willingness to sell. The property is located along Seigle Avenue between the McAden Park site and the Seigle Point site and is a .92 acre parcel currently zoned MUDD-O and MUDD-CD and would allow for multi-family housing development. Staff has estimated that 30-36 units could be developed on the site. There is an old vacant building on a portion of the parcel that would have to be demolished. Demolition would be a condition of the sale.

Approximately \$633K is remaining in the City Acquisition Fund for CHA to purchase land in Belmont and would be used should we decide to acquire the property. We would be limited to serving families at 80% and below of the AMI if we utilize these funds.

We are working in partnership with Grubb Properties. Because this parcel contains a vacant building, CHA would have Grubb Properties obtain an option on the property on our behalf. CHA would provide the funds for all due diligence costs including a fully refundable earnest deposit. Staff would engage Grubb

Properties to act as its representative in the purchase transaction should we purchase the property.

Staff is asking authorization to proceed with the due diligence process on this parcel as well as other available properties. We would come back to the Development Committee/Board for approval to purchase should we decide to acquire a property and for final use of the land.

**Committee Discussion:** The Development Committee took action on this item at its February 6, 2008 meeting. After some discussion and questions, the Committee recommended approval of up to \$50,000 in HOPE VI funds to include up to \$25,000 towards a refundable earnest deposit and up to \$25,000 for non-refundable due diligence costs.

**Community Input:** N/A

**Summary of Bids:** N/A

**MWBD Consideration:** N/A

**Funding:** HOPE VI, City Acquisition Funds

**Attachment:** Resolution No. 1546 (Tab 5)

## **9. E CHA Office Predevelopment**

**Action:** Approve Resolution No. 1555 to approve a predevelopment budget for a preliminary feasibility analysis for CHA to develop an office building on one of the CHA owned parcels at Youngblood.

**Staff Resource:** Frank Narron

**Key Business :** Real Estate

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

**Explanation:**

CHA has long been looking at options to relocate all departments in a central location. Because Strawn will be a subject of repositioning and because the current central office site (1301 South Boulevard) would be the highest value at Strawn, we have looked at existing buildings and vacant sites for a replacement location. As staff narrowed the search, Youngblood became an obvious choice.



- 1) It wouldn't require rezoning, but could be rezoned very easily.
- 2) CHA owns the property.
- 3) The property wouldn't need subdivision because there are already 2 parcels. The parcel on the corner (under the existing building) is about 2 acres and the parcel that is mostly fenced in is about 3 acres.

We anticipate that we would be able to sell the 3 acre parcel and use the proceeds as a financing source for the new building. Attached are maps and a rough preliminary budget for the development.

Staff recommends that a budget of up to \$30,000 be established for preliminary studies, drawings, tests, etc. that may lead to a formal recommendation to the Board of Commissioners.

**Schedule:** Return to Board with a recommendation in May.

**Committee Discussion:** The Committee voted unanimously to recommend approval to the Board of Commissioners.

**Community Input:** N/A

**Summary of Bids:** N/A

**MWBD Consideration:** N/A

**Attachment:** Resolution No. 1555 (Tab 5)

**9. F Budget Amendment: Asset Management Project Budget**

**Action: Approve Resolution No. 1551 which amends Resolution No. 1543 which amended 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:**

Staff in this amendment is adjusting revenues and expenses within the asset management project budget. These adjustments are necessary because HUD clarified regulations pertaining to asset management since the original budget was prepared. In the revenue area, additional Operating Subsidy from the final proration of 83.4 and additional subsidy for new projects added during the year

are shown. The realignment of subsidy from Other Revenue to Operating Subsidy has also been included.

The savings from our energy conservation measures have been added at each site and the associated debt service on the energy loans has been reallocated between sites. Finally the savings apportioned by HUD to the Central Office Cost Center (COCC) and payment to Ameresco, the energy conservation company, have been transferred to the COCC.

We have removed the transfer of the capital fund transfers from the sites to the COCC and instead the COCC will receive payment of direct cost for front line capital fund cost.

In summary, revenues increased by \$479,443 mainly due to the additional Operating Subsidy from the additional units. Operating expenses increased by \$831,714, which also includes the additional Operating Subsidy that we will pay to our private partners and future appropriation dollars. Our transfers changed by \$352,271 due to the reduction of the line item for the capital transfer to the COCC. These transactions are shown on Exhibit A.

**Committee Discussion:**

This item was discussed and unanimously approved at the Finance & Audit Committee meeting on February 6, 2008.

**Funding:** Operating Subsidy

**Attachments**

Exhibit A-Asset Management Project Budget (**Tab 4**)

Resolution No. 1551 (**Tab 5**)

**9. G Budget Amendment: Central Office Cost Center**

**Action: Approve Resolution No. 1552 which amends Resolution No. 1532 which adopted the Central Office Cost Center Budget for the fiscal year ending March 31, 2008.**

**Staff Resource:** Ralph Staley

**Strategic Business:** Finance Administration

**Strategic Goal:** Attain Long – Term Financial Viability

**Explanation:**

Staff in this amendment is adjusting revenues and expenses within the Central Office Cost Center (COCC) budget. These adjustments are necessary because

HUD clarified regulations pertaining to asset management since the original budget was prepared. In the revenue section, revenues are increased to include Capital Fund Income and decreased in New Construction Fees. These adjustments are necessary because capital fund revenue is a direct charge and not a transfer of funds from the asset management projects budget. New Construction Fees are decreased because of the reduction of fees earned from the Vantage 78 property. Fund balance is being appropriated for preliminary studies at the Youngblood site. The Youngblood site is the possible location for a new building for all CHA staff. This property consists of 5 acres to be subdivided into a 2 and 3 acre parcel. Partial financing for this new building would come from the sell of the 3 acre parcel of land. Staff is requesting a budget of \$30,000 for preliminary studies and other pursuit cost for this project.

Administrative expenses have a net decrease as a result of an addition for the preliminary cost for the Youngblood building and a decrease in other administrative expenses. General expenses are increased for the payment to Ameresco, the energy conservation company. The transfer section is decreased because of reduced transfers from the asset management project budget.

On Exhibit A revenues and expenses have been increased by \$448,152 with the inclusion of fund balance appropriated.

**Committee Discussion:**

This item was discussed and unanimously approved at the Finance & Audit Committee meeting on February 6, 2008.

**Funding:**

Fund Balance Appropriated  
Capital Fund

**Attachments:**

Exhibit A-Central Office Cost Center Budget (**Tab 4**)  
Resolution No. 1552 (**Tab 5**)

**9. H Budget Amendment: Section 8**

**Action: Approve Resolution No. 1550 to Amend Resolution No. 1537, 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:**

In Resolution No. 1505 the Board was informed that we were no longer the Contract Administrator for the project based Section 8 vouchers at the Midland Commons property. Staff also reported that at some future date we would not be Contract Administrator for the Vantage 78 property. We have now been informed that we will no longer perform this function for the Vantage 78 property. Because of this, Operating Subsidy revenue should be decreased by \$252,765 and administrative fees-vouchers by \$12,938. This will also cause a decrease in Housing Assistance Payments expense of \$252,765, administrative expense of \$16,718 and tenant and social service expense of \$6,048. The net of this will be a \$9,828 decrease in appropriated fund balance. These adjustments to the Section 8 budget are shown in Exhibit A.

**Committee Discussion:**

This item was discussed and unanimously approved at the Finance & Audit Committee meeting on February 6, 2008.

**Funding:** Section 8

**Attachments:**

Exhibit A-Section 8 Budget (Tab 4)

Resolution No. 1550 (Tab 5)

**9. I Budget Amendment: Fairview Homes Hope VI Grant (Park at Oaklawn) Project**

**Action:** Approve Resolution 1545 to Amend Resolution No. 1497, Exhibit B which approved the Fairview Homes Hope VI Grant (Park at Oaklawn) Project Budget.

**Staff Resource:** Ralph Staley

**Strategic Business:** Finance Administration

**Strategic Goal:** Attain Long – Term Financial Viability

**Explanation:**

This budget amendment is necessary to reallocate Park at Oaklawn funds in order to prepare for the last two building phases of the grant. Expenses have been increased in Fees and Cost, Dwelling Structures and Site Improvement and decreased in Relocation Cost, Demolition and Site Acquisition. This reallocation of expenses is shown in Exhibit A.

**Committee Discussion:**

This item was discussed and unanimously approved at the Finance & Audit Committee meeting on February 6, 2008.

**Funding:** Fairview Homes Hope VI Grant (Park at Oaklawn) Project Budget

**Attachment:**

Exhibit A-Fairview Homes Hope VI Grant (Park @ Oaklawn) (Tab 4)

Resolution No. 1545 (Tab 5)

**9. J Authorize the negotiation and execution of a Banking Services Contract**

**Action:** Approve Resolution No. 1548 to authorize the CEO, or his designee, to negotiate and execute a contract for banking services for the five (5) year period beginning April 1, 2008 and ending March 31, 2013.

**Staff Resource:** Ralph Staley

**Strategic Business:** Finance

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

**Explanation:**

In March 2002 the Authority entered into a contract with First Charter Bank for banking services. The contract was for three (3) years, with two (2) additional one (1) year renewals. The contract expires on March 31, 2008.

On December 9, 2007 the Authority advertised in the Charlotte Observer the Request for Proposals for Banking Services. A total of seven (7) banking institutions downloaded the solicitation package and six (6) institutions submitted proposals, which were due January 15, 2008. One institution submitted a letter explaining that they were not going to submit a proposal because they could not offer all of the services we requested. The six (6) institutions that responded to the solicitation were as follows:

- 1) Bank of America
- 2) Branch, Banking and Trust
- 3) Fifth Third Bank (First Charter Bank)
- 4) First Citizens Bank
- 5) Sun Trust Bank
- 6) Wachovia Bank

A panel of two (2) Authority employees and one (1) Authority Commissioner evaluated the responses.

The proposals were evaluated based on three (3) criteria:

- 1) Ability to provide the technical aspects of the proposal
- 2) Optional Services
- 3) Net overall Cost

After all proposals were evaluated, the top ranked institution was Fifth Third Bank (First Charter Bank).

The Board is asked to authorize the CEO, or his designee, to negotiate and execute a five (5) year contract with Fifth Third Bank (First Charter Bank) to begin April 1, 2008 and end March 31, 2013. If an agreement cannot be reached with Fifth Third Bank (First Charter Bank), the Board is asked to authorize the CEO, or his designee, to negotiate a five (5) year contract with the next highest ranked institution until a contract is executed.

**Committee Discussion:**

The Finance and Audit Committee unanimously approved at their February 6, 2008 meeting.

**Community Input:** None

**Summary of Bids:** N/A

**MWBD Consideration:** N/A

**Attachment** Resolution No. **1548** (Tab 5)

**9. K Authorize the negotiation and execution of a Copier Services Contract**

<b>Action:</b>	<b>Approve Resolution No. <u>1549</u> to authorize the CEO, or his designee, to negotiate and execute a contract for copier services for the five (5) year period beginning April 1, 2008 and ending March 31, 2013. The cost of the contract will be approximately \$40,000 per year.</b>
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**Staff Resource:** Ralph Staley

**Strategic Business:** Finance

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

**Explanation:**

On April 1, 2004, the Authority entered into a five (5) year copier services contract with Toshiba Business Solutions. The Authority has almost completed the fourth year of that contract. Due to new copier requirements, the Authority

has a desire to end the current contract and enter into a new five (5) year copier services agreement with Toshiba Business Solutions. Toshiba has agreed to this renegotiation which would cancel the current contract as of March 31, 2008 and begin the new contract as of April 1, 2008. Toshiba was on the North Carolina State Contract back in 2004 and is still a qualified vendor on the North Carolina State Contract (#600B). The CHA has taken advantage of that solicitation process.

Toshiba will be installing new copiers at all of the sites which include Automatic Feeders and Finishers. This is a service contract and the cost includes the copier equipment along with all supplies except paper and sorter staples.

The Board is asked to authorize the CEO, or his designee, to negotiate and execute a five (5) year contract with Toshiba Business Solutions to begin April 1, 2008 and end March 31, 2013.

**Committee Discussion:**

The Finance and Audit Committee unanimously approved this item at their February 6, 2008 meeting.

**Community Input:** None

**Summary of Bids:** N/A

**MWBD Consideration:** N/A

**Attachment:** Resolution No. 1549 (Tab 5)

**9. L Collection Loss Report for the Quarter Ended 12/31/07**

<p><b>Action:</b> Approve the write-off of \$41,127.92 in accounts receivable due to collection losses for tenants vacated through 9/30/07.</p>
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**Staff Resource:** Heather Franklin

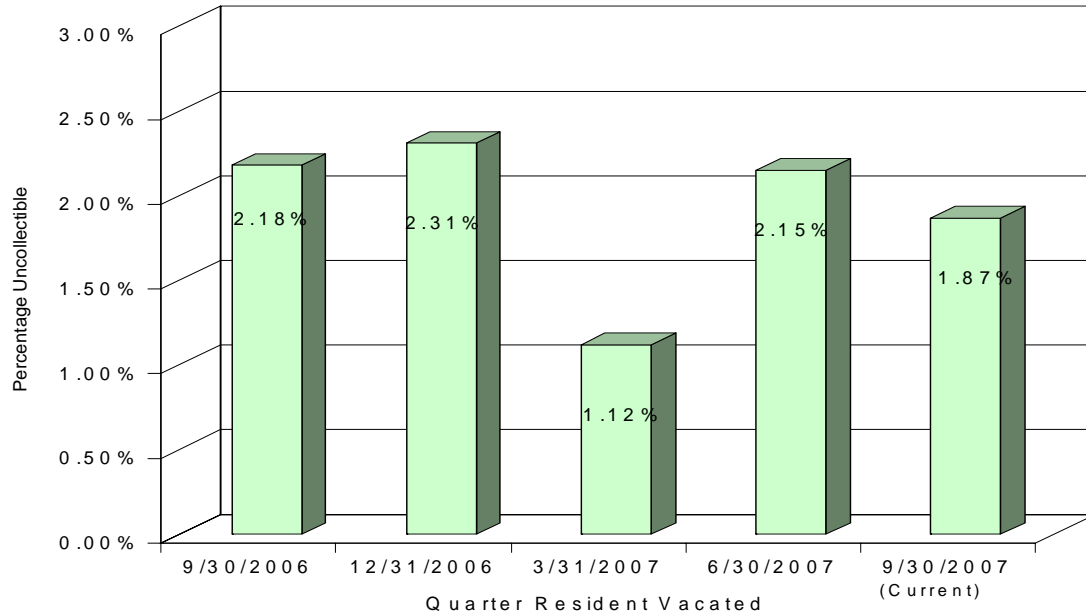
**Strategic Business:** Finance Administration

**Strategic Goal:** Attain Long-Term Financial Viability

**Explanation:**

We are requesting to write-off as per the policy, the receivables outstanding as of December 31 2007 from tenants who vacated during the quarter ending September 30, 2007. The amount proposed for write-off is \$41,127.92, which represents 1.87% of total charges for the quarter then ended. Below is a graphical

depiction of the write-offs percentages over the past several quarters. All quarters below compare Total Charges.



**Committee Discussion:**

The Collection Loss Report was unanimously approved at the Finance Committee meeting.

**Community Input:** None.

**Funding:** Conventional and Horizon Development

**Attachment:** Collection Loss Report, 12/31/07 (Tab 4)



**BusinessAgenda:**

**Business Agenda items for the February 19, 2008 Regular Board Meeting of the Charlotte Housing Authority Board of Commissioners.**

**10. A McAlpine Terrace Land Sales Proceeds**

**Action:** Approve Resolution No. 1553 which Amends Resolution No. 1448 and Authorizes CHA to make a loan up to an amount of \$1,250,000 of Land Sales Proceeds funding for McAlpine Terrace and Authorizes Staff to Enter into Related Agreements

**Staff Resource:** Frank Narron

**Key Business:** Real Estate

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

**Explanation:**

At the February 2007 Board meeting, Resolution No. 1448 was approved, which authorized CHA to make a HOPE VI loan up to \$1,000,000 and a Land Sales Proceeds Loan up to \$800,000.

The previous HOPE VI amount exceeded the TDC requirements and the HUD amount allowable per unit. Therefore it was necessary to decrease the HOPE VI loan amount and increase the Land Sales Proceeds loan. (See the comparison attached)

**Committee Discussion:** The Committee requested a more detailed explanation and description of the changes that occurred between February, 2007 and February, 2008. That information is included in the attached schedule.

**Community Input:** N/A

**Summary of Bids:** N/A

**MWBD Consideration:** N/A

**Attachments:**

McAlpine Terrace Exhibit (**Tab 4**)

**10. B Fiscal Year 2008-2009 Moving to Work Annual Plan Submission**

**Action: Approve Resolution No. 1557 to Authorize CHA to Submit the Moving to Work (MTW) Annual Plan for Fiscal Year 2008-2009 to the U.S. Department of Housing and Urban Development.**

**Staff Resource:** Shaunte Evans

**Strategic Business:** Executive

**Strategic Goal:** Provide Highest Quality Real Estate Management Services

**Explanation:**

Moving to Work (MTW) is a demonstration program authorized by Congress and implemented by the U.S. Department of Housing and Urban Development. In establishing MTW, Congress granted broad authority that would permit agencies to design and test new approaches to providing housing assistance that would achieve Congressionally-established goals for the program. The following are the established statutory objectives of the MTW program:

- 1) Reduce cost and achieve greater cost effectiveness in Federal expenditures;
- 2) Give incentives to families with children where the head of household is working, seeking work, or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient; and
- 3) Increase housing choices for low-income families.

Charlotte Housing Authority's FY 2008-2009 MTW Annual Plan describes its goals and objectives for the coming year, including activities that will be undertaken to implement the three statutory objectives of MTW. The MTW Annual Plan was prepared by following the format provided by HUD. The MTW Annual Plan and all supporting documents were available for public inspection for 45 days prior to the Public Hearing held on February 1, 2008.

**Committee Discussion:**

The submission of the FY 2008-2009 MTW Annual Plan was discussed at the Client Relations Committee meeting on February 6, 2008. The Annual Plan initiatives were discussed at the Client Relations Committee meeting held on January 9, 2008.

**Community Input:**

The MTW Annual Plan was available for review and comments for 45 days prior to the Public Hearing. The staff held several meetings with residents and the Resident Advisory Council to discuss the initiatives described in the plan and provided an overview of the planning process for the upcoming fiscal year. A public hearing was held on February 1, 2008. A notice was posted in the Charlotte Observer to announce the public hearing.

**Funding:** None

**Attachment:** Resolution No. 1557 (Tab 5)

**MINUTES OF THE REGULAR BOARD MEETING  
OF THE COMMISSIONERS OF THE HOUSING  
AUTHORITY OF THE CITY OF CHARLOTTE  
HELD ON TUESDAY, JANUARY 15, 2008**

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, NC 28203* at 12:00 noon on January 18, 2008.

**Present:**            *Chairman David Jones*  
                         *Vice-Chairman Rodney Moore (via conference call)*  
                         Commissioner Sandra Peters  
                         Commissioner Chris Moffat  
                         Commissioner Montega Everett (*via conference call*)  
                         Commissioner Will Miller  
                         Commissioner Dan Page

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

**Pledge of Allegiance:**

Chairman Jones asked that everyone stand to recite the pledge. Following the pledge, the public hearing was opened.

**Public Hearing:**

It was stated by Chairman Jones that our first order of business is to hold a public hearing regarding the Charlotte Housing Authorities Admissions and Occupancy Administrative Plan. The purpose of the revisions of these policies is to bring them into compliance with federal, state and local laws. Additionally some changes are proposed to incorporate our new Moving to Work initiatives. There are several proposed changes to our A&O and Administrative Plan policy which have been highlighted when put out for review on November 30, 2007. The policies were placed at the following locations: Main Branch of the Charlotte-Mecklenburg Public Library, City Hall, CHA Administrative Office-1301 South Boulevard, Charlotte; CHA Resident Selection-2600 Youngblood Street; and CHA Section 8 Office-135 Scaleybark Road. Below are a few of the proposed changes:

- Minimum rent for both policies is currently \$25 and is proposed to be increased to \$50.
- The establishment of a site based waiting list for public housing.
- The fact that the Authority may elect not to renew a lease for another one year term, if not renewed the resident will be informed of the reason and will be entitled a grievance hearing regarding the non-renewal.
- Criminal history may result in denial of admission into public housing for up to seven years instead of the current three years.

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- Require Good Neighbor Training to participants in the Section 8 program.
- Updated definition of who a victim of domestic violence is pursuant to Chapter 50B and Chapter 50C of the NC General Statues.

At the Client Relations Committee held on December 10, 2007, the proposed policy changes were reviewed and then approved at the January 9, 2008 committee meeting. It was also noted at the meeting that this hearing would be held today. Commissioner Miller questioned if the policy was approved or just discussed. Chairman Jones stated that at the meeting held on December 10, 2007 they were reviewed and/or discussed at that time and the committee met again on January 9, 2008 and approved the changes. Therefore discussed first and then approved. Stating this information Chairman Jones now opened the public hearing.

Several people were available to speak regarding the changes. The comments are as follows:

- Ms. Lucielle Puckett, resident president, of the Dillehay Courts Community spoke out against the changes. She would not accept this until the residents are better informed.
- Ms. Melony Heath resident of the Meadow Oaks Community. Ms. Heath does not oppose all of the changes, however her main complaint is concerning the housing applications proposed head of household must be 21. She is asking to take into consideration that the age should be 18. A young person gets out of foster care at 18 and this change in the age could possibly force them into homelessness. Also in the proposed language stating that for each child in the household under 16 being charged with a crime as opposed to being convicted. As far as children under 16 being charged that information should be considered a private issue; however, if convicted that information should be disclosed.
- Ms. Janice Belk residing in Edwin Towers stated that RAC (Resident Advisory Council) was not at the table to give their input concerning this document. She feels that the RAC organization was not consulted on any of these changes nor was there a copy left at the communities. She is also against the signing of this document.
- Ms. Lucy Brown newly elected president of the Sunridge Community. She has an issue with the minimum rent payment of \$25 being increased to \$50. Her comment was “ If you can’t pay \$25 then how can you pay \$50”.
- Ms. Mary Stitt, RAC president, had the following comments. We are here to ask the Board not to pass this document because this was not brought to the RAC organization until Wednesday concerning a public hearing on this. Therefore they did not have any knowledge. They are asking that this not be passed until there is opportunity to meet and discuss.

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- Mr. Ted Fillette, Senior Managing Attorney, for Legal Aide of North Carolina and Charlotte. Mr. Fillette stated that he was the first lawyer to represent the RAC (Residents Advisory Council) for the Housing Authority beginning in 1976. In the past management has found that it was better to sit down with the residents and discuss the proposed changes in great detail. As expressed by the residents present today, they would like to return to that method of operation. He was in full support of the residents request not to sign the document.

- Ms. Linda Johnson, Attorney, for Legal Aide of North Carolina and Charlotte, has been representing RAC since 1994. When she began representing RAC there was very little positive constructive interaction between the residents and staff. However there were some resident leaders who wanted to change that and that resulted in the first MOU (Memorandum of Understanding) that was signed between RAC and the staff of the Housing Authority. She feels that we have come a long way. However she feels that there should be meaningful participation with RAC in developing policy that affects their daily lives.

- Mr. Bret Loftis, Executive Director for the Council of Children's Rights. He had a few brief concerns. One is about the change in the age regarding head of household. They have been working diligently with the Department of Social Services and other community groups to build bridges around our children who are in foster care. When they leave foster care at age 18 making sure they have a safe place to go; subsidized housing/affordable housing in a large piece and without it they will almost assuredly become homeless. Also the other piece is about the children and the report of the criminal charges. There is a reason that general court files are sealed; it is specifically designed for the rehabilitation of children so they will get treatment and the education services they need. You do not need to punish families with children that have problems and they are getting help. He is asking that we not sign this document until further dialogue with the residents.

With there being no more speakers, Chairman Jones declared the public hearing closed. He then took the opportunity to thank everyone who took the time to come and share their thoughts on the proposed changes on this document. The highlights on the issues that came before us are:

- The level of involvement by the Resident Advisory Council (RAC) of concerns regarding the change in minimum rent.
- Concerns around the Housing Authority's ability to not renew leases at the end of the term.
- Issues concerning the appropriate cutoff as far as the age of head-of-household.
- How we address both criminal and arrest records of individuals under 16.

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Chairman Jones stated that the purpose of the public hearing was to get these comments. All that spoke today provided a great service. He would like to get a motion to refer the plan to the Client Services Committee to review the comments with Mr. Troy White, COO, and to make a recommendation to the full Board next month.

**ACTION:**

Motion was made by:	Commissioner Peters
Motion was seconded by:	Commissioner Moffat
Outcome of the vote:	Passed unanimously

**Public Forum:**

There were no speakers present; therefore, the public forum was closed.

**Additions/Changes to the Agenda:**

Chairman Jones stated there are two changes to the agenda; the first is removing Item 9.C under the consent agenda from consideration. Before we can act on that item we need clearance from HUD and we do not have that as of this time. Then we need to add under Item 10 a new business item to approve the budget that relates to the Live Oaks Seniors matter. Hearing no other additions/changes to the agenda, a motion was requested to approve as amended.

**ACTION**

Motion was made to approve by:	Commissioner Page
Motion was seconded by:	Commissioner Peters
Outcome of the vote:	Passed unanimously

**Consideration to Approve the Minutes for:**

- Regular Board Meeting held *December 18, 2007*

**ACTION:**

Motion was made to approve by:	Commissioner Miller
Motion was seconded by:	Commissioner Page
Outcome of the vote:	Passed unanimously

**Resident Advisory Council (RAC) Report:**

The following update was give by Ms. Janice Belk, RAC Secretary:

- ✓ RAC hosted the election for Sunridge on December 20, 2007. The newly elected president is Ms. Lucy Brown.
- ✓ The RAC Board meeting took place on January 2, 2008, 2:00 p.m. at Charlottetown Terrace.
- ✓ The Happy-go-Lucky Senior Citizens Club meeting was held on January 8, 2008, 10:00 a.m. at the Strawn Activity Center.
- ✓ RAC meeting was held January 8, 2008 at the Strawn Activity Center at 4:30 p.m.

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- ✓ Elections will be hosted by RAC at Boulevard Homes on January 22, 2008 at 6:00 p.m.
- ✓ The RAC Quality Circle meeting will be held January 22, 2008 at 2:00 p.m. at Strawn Activity Center.
- ✓ RAC transported Charlottetown Terrace, Parktowne Terrace, Strawn Apts. and Tarlton Hills to the grocery stores throughout the month of January.
- ✓ The Happy-go-Lucky Seniors Club will sponsor a Fish Fry, February 2, 2008 from 10:00 a.m. to 3:00 p.m.
- ✓ RAC is still reviewing the MTW program.

The next Quality Circle meeting is scheduled to take place on Tuesday, January 22<sup>nd</sup> 2:00 p.m. at the Strawn Activity Center. Chairman Jones stated he would not be able to attend therefore he asked for another commissioner to volunteer. Commissioner Will Miller committed to attend.

**Monthly Report from the CEO:**

**Monthly Scorecard:**

Mr. Woodyard, CEO, introduced Mr. Troy White, COO, to give an update on the scorecard.

On page one, tab one, concerning the Section 8 utilization; we are adding 124 vouchers that are portable vouchers being absorbed into the program. It will be reflected in the March 2008 report. Our utilization will be increased.

On page two, which includes all Conventional Public Housing Sites - CHA managed and Affordable – CHA managed, we are hitting the mark on occupancy. Mr. White stated that after next months Clients Relations Committee meeting he would like to spend time presenting a TARS (Tenants Accounts Receivable) workshop with the committee because they are responsible for the scorecard going forward. There will be a detailed presentation that will explain what it actually takes to collect rent, what is our process, how the evictions affect us, and why we are at the percentage we are at, etc. We will discuss with the committee the benchmark which is set for 96%. Commissioner Page has been questioning what it will take to get to the benchmark. Currently we are at 83%. Regarding the affordable communities we are at 92%, there is one property that is included in the affordable and that is Villa Court, which unfortunately has brought the number down. There are quite a few people that are on minimum rent. If you net out Villa we are at 95%. Villa is actually a Section 8 property; however, it is more affordable.

On page three, the private management companies, are at 96% for their TARS, they are at 15 days overall. There are still some issues surrounding Crosland's reporting. One unit that was noted at Nia Point that shows 47 days is due to an unfavorable background check for the potential client; however, it was discovered that some of the background information was not true but through further investigation it was revealed that the person



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was income ineligible. The next person had to give a 30 day notice which added more time to the process.

**Moving to Work (MTW) Update:**

Ms. Shaunte Evans, CAO, gave a brief update:

Prior to the Asst. Secretary leaving office he signed an agreement for all MTW agencies, which was an amended and restated agreement. Basically everybody got the same agreement, which means that Charlotte has to sign an amended agreement as well. It actually is not a big issue for CHA but it is for some of the other Housing Authorities because it changes their program completely. Presently we are going through the document to determine if any substantial changes have been made, but we will still have to sign another agreement. **NOTE:** The MTW hearing for the Annual Plan will take place February 1, 2008 at 10:00 a.m. in the Board Room. Mr. Woodyard, CEO, would like to encourage everyone with ideas about the name of the program to give them to the Ms. Evans.

**Committee Reports**

**Client Relations Committee:**

Mr. Troy White, COO, gave the following update on Vice-Chairman Moore's behalf:

- Meeting was called to order on January 9, 2008 at 10:35 a.m. Chairman Jones did attend the meeting. At the meeting there was detailed discussion of the MTW annual plan.
- Also review of the interim agreement with a detailed update on the initiatives.
- A brief portion of time was used to discuss some of the future initiatives.
- Future initiatives that were discussed (i.e. rent reform, work requirements, possibly a section 8 homeownership program and establishing a portability policy for the Section 8 program).
- RAC gave their monthly update.
- There is one new business item that is not a part of the agenda. The item is a committee related approval for the client relations business plan.
- Another update relating to the A&O (Admissions & Occupancy) policy and the Administrative Plan.

Vice-Chairman Moore gave the following commentary. It was stated that he was very encouraged by the feedback from the participants regarding the public hearing. As we go forward with this new era with the Charlotte Housing Authority as it relates to different policy changes. It is very important that we have consensus on each side of the table. Vice-Chairman Moore looks forward to working with everyone involved. Also today is a special day with it being the actual birthday of Dr. Martin Luther King, Jr. Being reflective on this day, his dream for us as a people for true justice, equality and human dignity. Vice-Chairman Moore is very glad to be a part of this process.

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**Development Committee:**

Commissioner Moffat gave the following update:

- The committee met on January 9<sup>th</sup>. There has been a considerable amount of activity during the first part of the year.
- Two preliminary tax credit applications: one for Cedar Knoll and one for McCreesh Place II were filed on January 11, 2008 with the North Carolina Housing Finance Agency. He thanked Deb Williams and the administrative staff for that effort.
- Today's Business Agenda has the approval of a construction bridge loan for Live Oak Seniors and a similar bridge loan to 940 Brevard was repaid late last week thus making funds available for this loan. Ralph Staley, CFO, was concerned about this at the time of the meeting.
- Two items are on today's consent agenda. The first being the refinancing for Seneca Woods and the other financing for McCreesh Place II. Another item on the consent agenda will be moved to a future date.
- Discussion of some revisions to the project based Section 8 selection policy.
- Also received an update from the staff on the WISH Program.
- Looked at an acquisition model and rehab model prepared by staff to consider as we go forward.

**Finance and Audit Committee Meeting:**

Commissioner Peters gave the following update:

- The meeting took place on January 9<sup>th</sup> at 1:45 p.m.
- Commissioner Jones presided due to the delay of Commissioner Peters.
- The majority of the meeting covered Consent Agenda Items C – K that will be voted on today.
- We recommended a public hearing on the annual budget which will take place at the February 19<sup>th</sup> Board meeting.
- Mr. Staley, CFO, passed out copies of the 2008 – 2009 budgets. This will be discussed at the Finance & Audit Committee meeting in February 2008 and again at the Board/Executive Staff Retreat.
- CFO update: Congress did approve and the president signed the budget that based on HUD's projected request for operating subsidy we would be funded at 84%.
- Also discussion of the meeting with the Banking committee to review banking proposals which will take place on January 17<sup>th</sup> at 3:00 p.m.

**Consent Agenda Action Items:**

Chairman Jones 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 9.A – Item 9.K.**

Regular Board Meeting  
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**NOTE:** Item 9.C has been pulled therefore, if there are no further comments then it is requested that we make a motion to approve **Items A, B, & D- K .**

**ACTION:**

Motion was made to approve Consent Agenda as adjusted: Commissioner Moffat  
Motion was seconded by: Commissioner Peters  
Outcome of the vote: Passed unanimously

**Business Agenda Action Item:**

**10.A Live Oak Seniors**

Use \$1,400,000 of Land Sales Proceeds as a Short-Term Construction Loan for Live Oaks Seniors.

**ACTION:**

Motion was made to approve: Commissioner Moffat  
Motion was seconded by: Commissioner Page  
Outcome of the vote: Passed unanimously

**10.B Budget Amendment Asset Management Project Budget**

Approve Resolution No. **1543** which amends Resolution No. 1529 which amended the Asset Management Project Budget for the fiscal year ending March 31, 2008.

**ACTION:**

Motion was made to approve: Commissioner Page  
Motion was seconded by: Commissioner Peters  
Outcome of the vote: Passed unanimously

Chairman Jones asked if there was any more business to come before the Board today; hearing none he asked for a motion of adjournment. Motion was made to adjourn by: Commissioner Peters, Motion was seconded by: Commissioner Miller, Outcome of the vote: Passed unanimously. The meeting was officially closed.

Minutes respectfully prepared by:

Barbara G. Porter  
Executive Assistant to the CEO

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*The next meeting will take place on Tuesday, February 19<sup>th</sup> at 12 noon, at Dillehay Courts, 2600 North Pine Street, 28208. (NOTE: THERE WILL BE A TOUR OF DILLEHAY COURTS AT 11:30 A.M. THEN LUNCH WILL BE SERVED). If any questions/comments please contact the Executive Assistant at 704.336.5221.*

**Horizon Development Properties, Inc**  
**Meeting of Directors**  
**AGENDA**

*Dillehay Courts*  
*2600 North Pine Street*  
*Charlotte, NC 28206*

*February 19, 2008*

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***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 *December 18, 2007*
3. **Business Agenda Item:**
  - A. Fairmarket Square **(p.1)**
  - B. Budget Amendment: Horizon Development Properties **(p.3)**

## **Business Agenda**

### **Business Agenda items for the February 19, 2007 meeting of the Horizon Development Properties, Inc. Board of Directors**

#### **3. A Fairmarket Square – Horizon Development Properties, Inc.**

**Action:** Authorize Horizon to execute documents necessary and appropriate for the Acquisition and Rehabilitation of Fairmarket Square, including Resolution to authorize staff to negotiate terms of the acquisition, financing, and rehabilitation, and the provision of Public Housing units.

**Staff Resource:** Frank Narron

**Strategic Business:** Real Estate

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

**Explanation:**

CHA staff is recommending that Horizon purchase Fairmarket Square from Crosland for a total of **\$2,155,000**. This includes the assumption of \$1,275,000 in City of Charlotte debt. This transaction would net \$840,000 to Crosland. The price is well below the most recent appraisal of \$2,800,000. The purchase amount represents a decrease of \$60,000 related to the polybutylene pipe finding during due diligence (as compared to the originally agreed upon purchase price). CHA Operations estimates total pipe replacement at \$190,000 or a reserve of \$2,000 per unit or \$120,000. When we reduce the purchase price by \$60,000 and include an item in the budget for pipe replacement/repair, it produces a budget of up to \$120,000 for that purpose. The underwriting also includes \$290 per unit per year in replacement reserve deposits. I wrote a letter to Crosland on January 31<sup>st</sup> stating our case about the reduction and have heard that they are discussing our proposal internally. The City has determined that City Council approval is needed for the existing loan assumption and for the additional loan commitment. They aren't taking it to Council until the first March meeting which will require that we execute a new instrument to evidence our commitment to purchase (the Option expires February 29) assuming we can agree on new terms with Crosland.

Fairmarket Square is comprised of 36 two bedroom and 24 three bedroom units for families located near the intersection of The Plaza and Milton Road. The project was built in 1990 as a low income housing tax credit project. The compliance period for the tax credit has ended and Crosland has removed the investor entity from the ownership structure.

The units are located in 6 two and three story walkup buildings surrounding a circular drive / parking lot. The site is 4.85 acres and the density is 12.37 units per acre. The 2

bedroom units are 829 SF and the 3 bedroom units are 1,055 SF. The units contain a living room / dining room and a standard kitchen with pantry. The units have a master bedroom with full walk in closet. The 3 bedroom units also have a second bath in the master. All of the units have washer / dryer hookups and patio / balcony.

The current rents are \$445 / \$480 for the 2/3 BR units. The underwriting assumes that the non-ACC units would absorb a \$10 per month increase in rent for the last six months of 2008. Crosland is in the process of imposing increases as leases expire. We have assumed that 16 of the units will receive an allocation of HOPE VI (Earle Village) and that the remainder are to be leased to families at 40% of AMI – the current restriction related to the City of Charlotte existing loan.

The current financing includes a City of Charlotte loan that does not amortize and has an interest rate of 0%. The original term of the loan has expired and Crosland has received 1 year extensions. We have assumed (at Crosland’s urging), that the loan could be extended with the same terms for another 15 year period. The offer would also be contingent on receiving a Land Sales Proceeds commitment from CHA. The financing is summarized below.

A recent appraisal indicated that the value of the project is \$2,800,000. However, that value was based on “market” and did not anticipate keeping the units targeted to families at 40% of AMI and below.

<b>Sources</b>	<b>October, 2007</b>	<b>February, 2008</b>
City of Charlotte	\$1,275,000	\$1,275,000
Housing Trust Fund	95,000	95,000
CHA – HOPE VI **	728,194	770,909
CHA – LSP **	<u>700,535</u>	<u>750,000</u>
Total	2,798,729	\$2,890,909
 <b>Uses</b>		
Acquisition	\$2,215,000	\$2,155,000
Transaction/ Carry	25,250	63,697
Rehabilitation	276,500	392,830
Soft costs *	142,750	142,382
Reserves	<u>139,229</u>	<u>137,000</u>
Total	\$2,798,729	\$2,890,909

\* includes Developer Fee/OH/Construction Management Fee of \$81,000 to CHA.

\*\* assumes that all loans are 0% interest with no debt service (to mirror City loan).

In addition to the Developer Fee, there would be a \$5,000 annual asset management fee payable to CHA. Another \$16,000 would be applied as a tenant services fee. Included in the Acquisition budget is a capitalized tenant services reserve of \$70,000.

The rehab cost of approximately \$4,358 per unit is within Cheryl Campbell's estimate after a brief inspection of the project (There is another \$2,000+ per unit in the budget to cover pipe replacement / repair & contingency). Ms. Campbell reported the property to be in good condition and well maintained. The other material addition to the budget is an additional \$38,000+ for acquisition costs (specifically carrying cost related to the use of the Acquisition Line of Credit).

**Committee Discussion:**

The Committee asked that the comparison budgets be presented at the Board of Commissioners meeting.

**Community Input:** None

**Summary of Bids:** N/A

**MWBD Consideration:** N/A

**Funding:** Making application

**Attachment:** Resolution

**3. B Budget Amendment: Horizon Development Properties, Inc.**

<p><b>Action: Approve an Amendment to the Horizon Development Properties, Inc. Budget for the Fiscal Year Ended March 31, 2008.</b></p>
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**Staff Resource:** Ralph Staley

**Strategic Business:** Finance Administration

**Strategic Goal:** Attain Long-Term Financial Viability

**Explanation:**

The Real Estate group is pursuing a project for the Savanna Woods property. In this amendment, staff is requesting to appropriate fund balance in the amount of \$100,000 for the redevelopment planning - including rezoning - at Savanna Woods. This is considered to be the best use for the future of this property. Under current zoning, the Savanna Woods property would support a value of \$6,150,000 and as a residential site would support between 200-300 units.

This would require an appropriation of Fund Balance in the amount of \$100,000. Exhibit A shows the increase in revenues and expenses and the budget remains balanced with the inclusion of fund balance.

Also as a part of this amendment the Chief Executive Officer (CEO) or his/her designee may transfer funds as provided below. All such transfers must be consistent with state or federal laws and local board policies. The CEO or his/her designee must report any such

transfers at the regular meeting of the board at which the budget to actual results are discussed and transfers between functions must be entered in the minutes of that meeting.

1. The CEO may transfer between sub-functions and objects of expenditure within a function.
2. The CEO may transfer amounts not to exceed \$50,000 between functions.
3. The CEO may not transfer any amounts between funds or increase the total amount of a fund.

**Committee Discussion:**

This item was discussed and unanimously approved at the Finance & Audit Committee meeting on February 6, 2008.

**Funding:**

Appropriated Fund Balance

**Attachment**

Amended Horizon Budget

**RECORDING OFFICER'S CERTIFICATION**

I, Barbara Porter, the duly appointed Secretary of the Horizon Development Properties, Inc., do hereby certify that the above item was properly adopted at a regular meeting held February 19, 2008.

(SEAL)

BY: \_\_\_\_\_  
Barbara Porter, Secretary



**MINUTES OF HORIZON DEVELOPMENT PROPERTIES, INC.  
BOARD MEETING HELD ON TUESDAY, DECEMBER 18, 2007**

**Regular Meeting:**

**Additions to the Agenda:**

*None*

**Consideration to approve the minutes for:**

- Meeting held *November 20, 2007*

**ACTION:**

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

**Business Agenda Items:**

**3.A Budget Amendment: Horizon Development Properties, Inc.**

Approve an Amendment to the Horizon Development Properties, Inc. Budget for the Fiscal Year Ended March 31, 2008.

**ACTION:**

Motion was made to approve:	Commissioner Moore
Motion was seconded by:	Vice-Chairperson Peters
Outcome of the vote:	Passed unanimously

**3.B First Ward Apts. Settlement Payment Request Budget Amendment**

Approve Settlement Payment Amount Requested by CHA Board of Commissioners and an Amendment to the Horizon Development Properties, Inc. Budget for the Fiscal Year Ended March 31, 2008.

**ACTION:**

Motion was made to approve:	Commissioner Moffat
Motion was seconded by:	Commissioner Jones
Outcome of the vote:	Passed unanimously

Chairman Page asked for a motion of adjournment. The motion was made by Commissioner Moffat and seconded by Commissioner Jones, outcome of the vote passed unanimously.

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Minutes respectfully prepared by:

Barbara G. Porter  
Executive Assistant

**Horizon Acquisition Corporation  
Meeting of Directors  
AGENDA**

*Dillehay Courts  
2600 North Pine Street  
Charlotte, NC 28206*

*February 19, 2008*

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***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 *December 18, 2007*
3. **Business Agenda Item:**
  - A. Live Oak Seniors **(p.1)**
  - B. Live Oak Multifamily **(p.2)**
  - C. Prosperity Creek Member Interest **(p.3)**

## **Business Agenda**

### **Business Agenda items for the December 18, 2007 meeting of the Horizon Acquisition Corporation Board of Directors**

#### **3. A Live Oak Seniors – Horizon Acquisition Corporation**

**Action:** Approve Resolution to Amend the August 21, 2007 and October 16, 2007 Resolutions to reflect changes in the financing.

**Staff Resource:** Twyla Taylor

**Strategic Business:** Real Estate

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

**Explanation:**

On August 21, 2007 and October 16, 2007 respectively, the Board of Directors of Horizon Acquisition Corp. adopted and consented to certain Resolutions regarding Live Oak Seniors. Horizon Acquisition Corp. is a Member of the Ownership Entity, South Park Seniors, LLC. Since the adoption of the August 21, 2007 and October 16, 2007 Resolutions, the financing for the project has changed, thus requiring an amendment to the aforementioned Resolutions. The new financing is equal to the following amounts:

- Housing Authority of the City of Charlotte, N.C. (construction/permanent loan)- \$2,090,847
- Housing Authority of the City of Charlotte, N.C. (construction loan) - \$1,400,000
- City of Charlotte Housing Trust Funds (construction/permanent loan) - \$600,000
- North Carolina Housing Finance Agency (NC LIHTCs loan) - \$476,210
- Apollo Housing Capital, LLC (LIHTCs equity) - \$4,089,876
- Deferred Developer Fees - \$172,284

This financing is in the best interest of Horizon Acquisition Corp. and South Park Seniors, LLC. Moreover, staff desires to authorize Charlotte Mecklenburg Housing Partnership, Inc., a North Carolina corporation (CMHP), the Managing Member of the Owner Entity, to enter into and execute and deliver certain documents required to consummate the financing, including but not limited to adding any member loans if necessary. The Charlotte Housing Authority's Board of Commissioners has authorized the CEO to execute and negotiate all necessary documents and at this time staff is requesting Horizon Acquisition Corp to approve same as described in the attached Resolution.

**Committee Discussion:** N/A

**Community Input:** None

**Summary of Bids:** N/A

**MWBD Consideration:** N/A

**Funding:** None

**Attachment:** Resolution

**3. B Live Oak MF (Ashley Park Apartments) – Horizon Acquisition Corporation**

<b>Action:</b> <b>Approve a Resolution to Reflect the Financial Structure for the Development and Project Operations.</b>
---

**Staff Resource:**      Jeff Meadows

**Strategic Business:**   Real Estate

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

**Explanation:**

The Board of Directors of Horizon Acquisition Corp. is being asked to adopt a Resolution indicating the financial structure is equal to the following amounts:

- Tax-Exempt Bond Proceeds - \$19,010,000
- Apollo Housing Capital, LLC (LIHTC’s equity) - \$2,085,456
- Housing Authority of the City of Charlotte, N.C. (HOPE VI -- construction/permanent loan) - \$2,195,290
- Housing Authority of the City of Charlotte, N.C. (Replacement Housing Factor Funds -- construction/permanent loan) - \$ 1,771,155
- Housing Authority of the City of Charlotte, N.C. (Land Sales Proceeds -- unsecured loan) - \$ 856,500
- City of Charlotte (Housing Trust Fund -- construction/permanent loan) \$1,100,000
- Retail Sales Proceeds - \$ 1,520,000

The financial structure is in the best interest of Horizon Acquisition Corp. and Live Oak Apartments, LLC. Moreover, staff desires to authorize BACDC, the Managing Member of the Owner Entity, to enter into and execute and deliver certain documents required to consummate the financing. The Charlotte Housing Authority’s Board of Commissioners has authorized the CEO to execute and negotiate all necessary documents and at this time staff is requesting Horizon Acquisition Corp to approve same as described in the attached Resolution.

**Committee Discussion:**

Recommended by the Development Committee unanimously for adoption.

**Community Input:** None

**Summary of Bids:** N/A

**MWBD Consideration:** N/A

**Funding:** None

**Attachment:** Resolution

**3. C Authorize the sale of the managing member interest in Prosperity Creek**

<p><b>Action:</b>        <b>Approve the resolution to authorize the sale of the managing member interest in Prosperity Creek to a real estate fund sponsored by CB Richard Ellis.</b></p>
---

**Staff Resource:**        Tylee Kessler

**Strategic Business:**    Real Estate

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

**Explanation:**

Wood Partners, the entity who owns and manages WP Prosperity, L.L.C. is proposing to sell a 51% interest in its entire enterprise and assets to a real estate fund sponsored by CB Richard Ellis. As part of this transaction, 51% of the interest in WP Prosperity, L.L.C. will be transferred to this real estate fund.

The real estate fund will make all necessary certifications to HUD and will pledge to maintain the asset according to the tax credit and HUD regulations for the affordable units onsite. The new owner will also step into the guaranty of the withdrawing interests. The day to day operations will remain with the Wood Partners principals who currently manage WP Prosperity, L.L.C. and these principals have signed five year contracts and non-compete agreements.

**Committee Discussion:**

The Development Committee discussed CHA's approval at their February 6, 2008 meeting and unanimously approved.

**Community Input:** None

**Summary of Bids:** N/A

**MWBD Consideration:** N/A

**Attachment:** Resolution

**MINUTES OF HORIZON ACQUISITION CORPORATION  
BOARD MEETING HELD ON TUESDAY, DECEMBER 18, 2007**

**Regular Meeting Agenda:**

**Additions to the Agenda:**

*None*

**Consideration to Approve the Minutes for:**

- Meeting held on *October 16, 2007*

**ACTION:**

Motion was made by:	Commissioner Jones
Motion was seconded by:	Vice-Chairperson Peters
Outcome of the vote:	Passed unanimously

**Business Agenda Item:**

**3.A Budget Amendment: Horizon Acquisition Corporation**

Approve an Amendment to the Horizon Acquisition Corporation Budget for the Calendar Year Ended December 31, 2007.

**ACTION:**

Motion was made by:	Vice-Chairperson Peters
Motion was seconded by:	Commissioner Moore
Outcome of the vote:	Passed unanimously

Motion was made by Commissioner Everett, and motion was seconded by Commissioner Jones to call for adjournment. Outcome of the vote, passed unanimously. Meeting was adjourned.

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