

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

Central Office
1301 South Boulevard
Charlotte, NC 28203

June 17, 2008

12:00 p.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 *May 20, 2008* (**Tab 4**)
5. Resident Advisory Council (RAC) Report
6. Monthly Report from the CEO
 - Monthly Scorecard (**Tab 1**)
 - Moving to Work Update
7. Committee Reports:
 - Client Relations Committee
 - Development Committee
 - Finance and Audit Committee
8. **Consent Agenda Action Items:**
 - A. Approval of Disposition of Tall Oaks-Cherry (**p.1**)
 - B. Fairmarket Square-Financing (**p.2**)
 - C. Hall House-Memorandum of Agreement and Purchase Agreement (**p.4**)
 - D. Negotiate and Finalize Architect for CHA Office Building (**p.5**)
 - E. Budget Amendment: Central Office Cost Center Budget (**p.6**)
 - F. Budget Amendment: Asset Management Project Budget (**p.7**)
 - G. Budget Amendment: Section 8 (**p.8**)
 - H. Budget Amendment: 2004 RHF Grant and RHF Program Income Budget (**p.9**)
 - I. Budget Amendment: Piedmont Courts HOPE VI Grant (Siegle Point) (**p.10**)
 - J. Budget Amendment: MTW Fund (**p.11**)
 - K. Renewal Authorization for Banking Depository Agreements (**p.12**)

Consent Agenda:

Consent Agenda items for the June 17, 2008 Regular Board Meeting of the Charlotte Housing Authority Board of Commissioners.

8. A Approval of Submission of Dispositions for Tall Oaks-Cherry

<p>Action: Approve Resolution No. <u>1589</u> to Authorize the Authority to Submit a Disposition/Demolition Application for Five (5) Parcels Containing 18 Units and a Community Center at Cherry-Tall Oaks; and to Enter into a Negotiated Sale at Fair Market Value on Four (4) Parcels Containing 14 Units.</p>

Staff Resource: Frank Narron

Strategic Business: Real Estate Development

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

Explanation:

Charlotte Housing Authority as part of its Public Housing Agency Plan has approved plans to redevelop Live Oak, 1301 South Boulevard and Strawn Cottages, Tarlton Hills, Tall Oaks at Tarlton Hills, Gladedale, Hall House, Edwin Towers and Tall Oaks-Cherry.

In 2006 the Board of CHA approved the release of an RFQ for development services regarding the redevelopment of Cherry Tall Oaks. Redevelopment efforts with the selected developer did not progress and the project was put on hold. Since that time, CHA staff has determined that it needs to retain and continue operations of the 32 units on Cherry Street. The remaining scattered 18 units and Community Center are to go through the disposition/demolition process via HUD's Special Applications Center.

At present, staff is recommending disposition of 18 units and the Community Center located on parcels: 125-234-23, 125-234-16, 125-234-11, 125-232-26 and 125-233-06.

Parcel 125-234-23 contains the Community Center and four (4) units, which CHA intends to demolish at a time in the future yet to be determined. The remaining four (4) parcels containing 14 units will be sold via negotiated sale at Fair Market Value. An appraisal is currently being prepared.

Committee Discussion:

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

Community Input: None

Attachments:

Locational Map (Tab 2)

Resolution No. 1589 (Tab 3)

8. B Fairmarket Square – Financing

Action: Approve Resolution No. 1590 and Authorize CHA to Increase its Land Sales Proceeds Loan Commitment to Horizon Development Properties, Inc. for Fairmarket Square by \$95,000.

Staff Resource: Frank Narron

Strategic Business: Real Estate

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

Explanation:

The following is a revision of the budget to provide for the above mentioned change.

Sources	October, 2007	February, 2008	June, 2008
City of Charlotte	\$1,275,000	\$1,275,000	\$1,275,000
City of Charlotte (new)	95,000	95,000	0
CHA – HOPE VI **	728,194	770,909	770,909
CHA – LSP **	<u>700,535</u>	<u>750,000</u>	<u>845,000</u>
Total	2,798,729	\$2,890,909	\$2,890,909

Uses

Acquisition	\$2,215,000	\$2,155,000	\$2,155,000
Transaction/ Carry	25,250	63,697	63,697
Rehabilitation	276,500	392,830	392,830
Soft costs *	142,750	142,382	142,382
Reserves	<u>139,229</u>	<u>137,000</u>	<u>137,000</u>
Total	\$2,798,729	\$2,890,909	\$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)

Committee Discussion:

Clarification was provided that this agenda item is scheduled for a vote by City Council on June 23, 2008 which is after the CHA's Board meeting. Should Council respond favorably to the City providing the \$95,000 then the need to increase land sales proceeds will not exist.

Community Input:

None

Summary of Bids:

N/A

MWBD Consideration:

N/A

Funding:

HOPE VI from Arbor Glen
Land Sales Proceeds

Attachment

Resolution No. 1590 (Tab 3)

8. C Negotiate and Finalize Memorandum of Agreement and Purchase Agreement

Action: Approve Resolution No. <u>1595</u> to Authorize CHA to Negotiate and Finalize, as an Invited Signatory, a Memorandum of Agreement (“MOA”) between HUD and the North Carolina State Historic Preservation Officer (“SHPO”) and to Negotiate and Finalize a Purchase Agreement that is contemplated in the MOA.
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Staff Resource: Tylee Kessler

Strategic Business: Real Estate Development

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

Explanation:

In November 2007, HUD placed a hold on the disposition of Hall House pending a Section 106 negotiation process. Pursuant to this, CHA has participated in the Section 106 process with HUD, the NC SHPO and consulting parties, and come to an agreement. The MOA contemplates the sale of the property with a covenant to redevelop the Hall House according to the Secretary of the Interior’s Historic Standards to a current buyer at a price exceeding the current appraised value. If this agreement is not finalized, the MOA dictates a public bid process for the property with consideration to historic buyers.

The resolution gives CHA staff the authority to negotiate and finalize the Memorandum of Agreement and the Purchase Agreement contemplated therein.

Committee Discussion:

The Development Committee unanimously recommended approval.

Community Input: Section 106 process

Summary of Bids: N/A

Funding: None

Attachment

Resolution No. 1595 (Tab 3)

8. D Negotiate and Finalize Architect for CHA Office Building

Action: Approve Resolution No. 1593 to Authorize CHA to Negotiate and Finalize an Architect Agreement with FMK Architects for the design of the CHA Office Building.

Staff Resource: Frank Narron, Rick Porter, and Diane Carter

Strategic Business: Real Estate Development

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

Explanation:

On May 15, 2008, the CHA formally advertised a Request for Qualifications (“RFQ”) from qualified architectural firms to assist CHA in the design of its new headquarters to be constructed on one of the parcels that now houses the CHA Operations Center at Youngblood Street. The purpose of the RFQ was to select the most qualified firm with which to negotiate an Architect Agreement for the specified services.

CHA received ten (10) responses and all proposals were evaluated based on the firm’s:

- Ability to perform the work as indicated by the experience of staff;
- Capability to provide services in a timely manner;
- Past performance related to cost control and quality;
- Experience with similar projects and familiarity with LEED standards;
- Demonstrated knowledge of local building codes and requirements; and
- Evidence of LEED certification by participants, if any.

The top three respondents were also interviewed to confirm their capabilities. The evaluation committee thoroughly reviewed all proposals and ranked FMK Architects with the highest overall point total. (See score sheet below)

After the initial evaluation and the interview process, the selection committee ranked FMK Architects as the most qualified firm. We are requesting approval to move forward with negotiating an Architect Agreement that will include all HUD requirements and comply with all applicable HUD regulations. Compensation will be part of the negotiation. We request authorization to negotiate and execute the Architect Agreement and move forward with the design of the CHA Office Building.

Committee Discussion:

The Committee will recommend approval unanimously with the following amendment. The resolution, as presented at the Committee meeting, provided for staff to negotiate a contract for services not to exceed \$300,000. Staff will also require that FMK Architects provide a Schedule of Values / Benchmarks by which progress can be judged and appropriate service values assigned to various thresholds.

Community Input:

None

Summary of Bids:

Respondent	Score	Rank
FMK Architects	75.33	1
WGM Architecture	74.33	2
Gantt Huberman	73.33	3

Funding:

None

Attachment

Resolution No. 1593 (Tab 3)

8. E Budget Amendment: Central Office Cost Center Budget

Action: Approve Resolution No. 1585 to Amend Resolution No. 1571 which Amended the Central Office Cost Center Budget for Fiscal Year Ending March 31, 2009.

Staff Resource: Ralph Staley

Strategic Business: Finance and Administration

Strategic Goal: Attain Long Term Financial Viability

Explanation:

In Resolution No. 1560, \$10,000 was appropriated for sub-dividing the land between the Central Office Cost Center and Strawn. Staff needs to re-appropriate \$6,502 for that same purpose.

Also staff would like to appropriate funds to repair the HVAC system at the Central Office. The HVAC system has been in need to repair for several years as evidenced by frequent calls for service. This repair will refurbish the air conditioning units. The cost of repair is \$24,000.

Total appropriation for the two items is \$30,502. These changes can be seen in Exhibit A and the budget remains balanced with the appropriation of fund balance.

Committee Discussion:

The Finance & Audit Committee discussed and unanimously approved this policy for inclusion on the consent agenda at its meeting on June 11, 2008.

Funding:

Fund Balance Appropriated

Attachments:

Exhibit-Central Office Cost Center (Tab 2)

Resolution No. 1585 (Tab 3)

8. F Budget Amendment: Asset Management Project Budget

Action: Approve Resolution No. 1586 to Amend Resolution No. 1584 which amended the Asset Management Project Budget for the fiscal year ending March 31, 2009.

Staff Resource: Ralph Staley

Strategic Business: Finance and Administration

Strategic Goal: Attain Long Term Financial Viability

Explanation:

In Resolution No. 1470, staff re-appropriated \$305,470 for energy conservation measures at Sunridge and Edwin Towers. In this amendment, staff needs to re-appropriate \$152,000 for energy conservation at Sunridge.

In Resolution Nos. 1504 and 1529 staff appropriated \$80,000 for the disposition of Hall House. In this amendment staff needs to re-appropriate \$30,781 for consultants to assist with the sale and marketing of Hall House and \$25,579 for legal services.

And in Resolution No.1560, staff appropriated \$10,000 for the cost of subdividing the land between the Central Office and Strawn. In this amendment staff needs to re-appropriate \$6,502 for the same purpose.

In Horizon Development Properties, Inc staff requests to transfer \$20,978 to the AMP properties for participants in the Scholarship program. These funds will be used for a stipend for an intern, student development workshops, additional mailings to students and other miscellaneous supplies.

In the Fairmarket Square Capital Project Budget, staff requested an additional \$95,000 in Land Sale Proceeds because the original City of Charlotte commitment for a \$95,000 loan did not materialize. In this amendment, the request is made to appropriate fund balance – from land sale proceeds and to transfer those funds to the Fairmarket Square Capital Project,

The increase in other sources and expenses totaling \$330,840 are reflected 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 June 11, 2008.

Funding:

Fund Balance Appropriated

Attachments

Exhibit-Asset Management Project Budget (Tab 2)

Resolution No. 1586 (Tab 3)

8.G Budget Amendment: Section 8

<p>Action: Approve Resolution No. <u>1587</u> to Amend Resolution No. 1558 (Exhibit D) which Adopted the Section 8 Budget for the fiscal year ending March 31, 2009.</p>

Staff Resource: Ralph Staley

Strategic Business: Finance Administration

Strategic Goal: Attain Long Term Financial Viability

Explanation:

The Section 8 Department, through the 2008-2009 budget process, added 6 positions this fiscal year and therefore requires additional work area to accommodate current overcrowding, as well as the additional staff. Several months ago, staff requested of Crosland (landlord) an additional 1,500 square feet of the total 3,678 square feet available at the existing Section 8 location. Crosland did not wish to subdivide the space and agreed to lease all available space at a reduced rate. To fund the expansion of space, along with furniture, office equipment and security, staff is requesting an additional appropriation of \$57,280 from the MTW fund.

Also in this amendment staff needs to recognize additional revenue and expenses due to receiving 10 additional vouchers from HUD for Victoria Townhouse. CHA will receive Housing Assistance Payments in the amount of \$79,236 and an administration fee in the amount of \$5,220. These vouchers must be handled outside of the MTW program in the 2008-2009 budget year.

Finally in this amendment, staff needs to reallocate expenses to move funds from the Administrative section-(\$108,000)-to the Ordinary Maintenance and Operations section - \$108,000 - for exterior inspections and evaluations which is part of our MTW plan for Section 8 Inspections.

Exhibit A shows an increase in revenues and expenses of \$141,736.

Committee Discussion:

The Finance & Audit Committee discussed and unanimously approved this policy for inclusion on the consent agenda at its meeting on June 11, 2008.

Funding:

ACC No. A-4156

Attachments:

Exhibit-Section 8 (Tab 2)

Resolution No. 1587 (Tab 3)

8.H Budget Amendment: 2004 Replacement Housing Factor Grant 1st and 2nd Increments and Replacement Housing Factor Program Income Budget

Action:	Approve Resolution No. <u>1588</u> to Amend Resolution Nos. 1409, 1526 and 1493 which Amended the 2004 Replacement Housing Factor Grant 1st & 2nd Increments and the Replacement Housing Factor Program Income Budget.
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Staff Resource: Ralph Staley

Strategic Business: Finance and Administration

Strategic Goal: Attain Long Term Financial Viability

Explanation:

In order to close out the last of our available 2004 Replacement Housing Factor (RHF) grants, staff reallocated the budgets of two of our project budgets, McAden Park and Seigle Point Apartments. The budgets in this amendment are the final budgets for the 2004 1st Increment RHF Capital grant and 2004 2nd Increment RHF Capital grant as shown in Exhibits A and B. Further staff reallocated the

remaining budget for McAden Park in these two grants to our RHF Program Income budget. Staff could then reallocate from the RHF Program Income budget to the correct budget line item number 1460, Dwelling Structures, and utilize the final available funds from the two RHF Capital grants for Seigle Point Apartments as shown in Exhibit C. The McAden Park RHF project budget is almost fully completed and the remaining budget of \$2,462 may not be needed.

Committee Discussion:

The Finance & Audit Committee discussed and unanimously approved this policy for inclusion on the consent agenda at its meeting on June 11, 2008.

Funding:

2004 1st Increment
2004 2nd Increment
RHF Program Income

Attachments:

Exhibit-Replacement Housing Factor Grant (Tab 2)
Resolution No. 1588 (Tab 3)

8. I Budget Amendment: Piedmont Courts HOPE VI Grant (Seigle Point)

Action: Approve Resolution <u>1591</u> to Amend Resolution No. 1574 which Amended the Piedmont Courts HOPE VI Grant (Seigle Point)
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Staff Resource: Ralph Staley

Strategic Business: Finance Administration

Strategic Goal: Attain Long Term Financial Viability

Explanation:

This budget amendment is to record the Federal Home Loan Bank Affordable Housing Program Grant that will be a part of the Seigle Point Apartment phase of the Piedmont Courts HOPE VI Grant in the amount of \$500,000. The Board was first apprised of this funding source via a resolution in Horizon Acquisition Corporation in July, 2007.

Also in this amendment, staff wishes to reallocate expenses to move money from Fees and Cost to Total Dwelling Equipment – Nonexpendable for furniture and equipment at Seigle Point Apartments to match HUD’s project budget.

The change in revenue and expenses 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 June 11, 2008.

Attachment:

Exhibit-Piedmont Courts Hope VI Grant (Seigle Point) (Tab 2)
Resolution No. 1591 (Tab 3)

8. J Budget Amendment: MTW Fund

Action: Approve Resolution No. 1592 to Amend Resolution No. 1558 (Exhibit A) which Adopted the MTW Fund Budget for the fiscal year ending March 31, 2009.

Staff Resource: Ralph Staley

Strategic Business: Finance Administration

Strategic Goal: Attain Long Term Financial Viability

Explanation:

The Section 8 Department added 6 additional positions this fiscal year and requires additional work area to accommodate current as well as the additional staff. To fund the expansion of space along with furniture, office equipment and security, staff is requesting a transfer of \$57,280 from the MTW fund.

Exhibit A shows a reallocation of expense in the amount of \$57,280.

Committee Discussion:

The Finance & Audit Committee discussed and unanimously approved this policy for inclusion on the consent agenda at its meeting on June 11, 2008.

Attachments:

Exhibit-MTW Fund (Tab 2)
Resolution No. 1592 (Tab 3)

8. K Renewal Authorization for Banking Depository Agreement

Action: Approve Resolution No. 1594 for the Renewal of Banking Depository Agreements and Designation as Official Depositories for Fifth Third Bank, First Trust Bank, Mechanics & Farmers Bank, Bank of America, Wachovia and Self-Help Credit Union.

Staff Resource: Heather Franklin

Strategic Business: Finance and Administration

Strategic Goal/Policy: HUD PIH notice and N.C State Law

Explanation:

In December 2007 the Housing Authority published an RFP for banking services with one main provider. The result of that process was a Service Contract awarded to First Charter Bank/Fifth Third Bank by the Board. From time to time, the Housing Authority also places money in CD's and other accounts with area banks, such as First Trust Bank, Mechanics & Farmers Bank, Bank of America, Wachovia and Self-Help Credit Union, as needed for the financial benefit of Authority.

The Board is asked to renew their authorization for staff to establish and maintain bank accounts with Fifth Third Bank during the normal course of business as needed and in compliance with the Service Contract Agreement and to maintain accounts with the other stated banks as needed. This action is necessary in order to maintain appropriate audit trails in conjunction with the banking services contract.

HUD PIH Notice 2002-13 requires that the Housing Authority have a Banking Depository Agreement with all banks utilized and NCGS 159-31 requires that the governing board designate official depositories. With this item the Board will be giving approval of both renewals required in a single formal action.

Committee Discussion:

This action was discussed and approved unanimously by the Finance and Audit Committee with the addition of the Self-Help Credit Union.

Attachments:

None

**MINUTES OF THE REGULAR BOARD MEETING
OF THE COMMISSIONERS' OF THE HOUSING
AUTHORITY OF THE CITY OF CHARLOTTE
HELD ON TUESDAY, MAY 20, 2008**

The Commissioners of the Housing Authority of the City of Charlotte, North Carolina held a regular meeting at the *Carole A. Hoefener Center, 610 East 7th Street, Charlotte, NC 28202* at 12:00 noon on May 20, 2008.

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

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

Pledge of Allegiance:

Chairman Jones asked that we stand and recite the pledge. The pledge was led by Vice-Chairman Moore; once completed the public forum was opened.

Public Forum:

Chairman Jones announced that there was one speaker present. Ms. Pam Jackson came forward as an advocate for "I believe in God ministries". She would like the Board to consider reviewing the policy for ministries to use the community centers located within the Charlotte Housing Authorities communities. She stated that God ministries have recently contacted the center at Dillihey Courts to have a two day revival. The organization was advised that they would have to secure a \$5 million policy. Ms. Jackson stated that with the economic challenges of today, is there anyway possible that the amount of insurance be reduced. This would assist in a more affordable price range. Chairman Jones thanked Ms. Jackson for her comments and stated that Mr. Troy White, COO, which is responsible for operations, would take the lead on this request.

Additions to the Agenda:

Chairman Jones asked if there were any additions/changes to the agenda, hearing none a motion was requested to approve the agenda as circulated. Motion was made by Commissioner Page, seconded by Vice-Chairman Moore, the motion passed unanimously.

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Consideration to Approve the Minutes:

- Regular Board Meeting held on *April 15, 2008*

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

Resident Advisory Council (RAC) Report:

The report was give by Lucy Brown:

- Transportation was provided for the various communities to Wal-Mart for the month of May '08.
- Ms. Stitt met with Donna Hughes, Client Services Director, & Gwen Isley, MTW Coordinator.
- RAC Board of Directors held their monthly meeting.
- WSOC Channel 9 News did a report on RAC and RAC president, Ms. Mary Stitt.
- On May 9, 2008 the communities of RAC delivered 170 Mother Day Gift bags to the Women's Shelter.
- The Happy-Go-Lucky Senior Citizens of the Charlotte Housing Authority held a meeting.
- Ms. Lucy Brown attended the workshop with the Charlotte Housing Authority Scholarship Fund.
- Regular monthly meeting was held. RAC adopted/supported Michael Brown, Section 8 resident, who has graduated from Winston Salem State University.
- There will be a grievance workshop held and all elected officers, in collaboration with Legal Aide and RAC will have a workshop in the month of June '08.
- Also there will be fundraiser breakfast on June 6, 2008 at 7:30 a.m. – 11:30 a.m.

Monthly Report from the CEO

Mr. Charles Woodyard, CEO, requested to transpose the order of the first two items of his report. Therefore, we will start with the Moving to Work Update.

Moving to Work Update:

Mr. Woodyard stated that there will be three topics. The Charlotte Housing Authority has just chosen a new communications and public relations firm to work with the agency in an effort to communicate our Moving-to-Work (MTW) initiatives and goals to the community. The firm chosen is Carolina PR and we will begin negotiations with them on an agreement next Thursday. The second item is City Council; on June 2, 2008 Mr. Woodyard will give a current MTW report. Also, the staff and the City of Charlotte have agreed that instead of an oral report to the council there would be a memo sent outlining MTW. Therefore, the conflict regarding the ULI panel discussion at Strawn is not quite as severe therefore Chairman Jones would not need to be at City Council.

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However, Mr. Woodyard and Mr. Allison Preston, CHA Safety Director, will be required to be present at the City Council meeting. The CMPD will give a report on safety referring to public housing and Section 8. Chairman Jones commented that it is hoped that our City Council will read the report and ask questions. It is important that we get a public audience with City Council and we should be assertive on keeping the issues in general. Mr. Woodyard stated that included in his memo to them he will ask the city to refer the issue to the Housing & Neighborhood Development Committee (H&ND). Therefore, MTW will be presented before that committee as a standing agenda item. It is thought that we will be going back to City Council sometime this summer depending on what the adhoc committee recommends and the Board approves as a strategy. The MTW plan was approved by HUD this week; therefore, that is a significant milestone for CHA.

Monthly Scorecard:

Mr. Troy White, COO, was introduced to present the report. Referring to tab 1, the Section 8 utilization is 4,216 out of 4,260, there were ten vouchers added in April 2008 to the total voucher count from a project that was assigned to us by HUD. Currently, we are at 99.2%. The waiting list has dropped from 4,500 to 3,600. Behind tab 2, we are at 12 days utilization for the month of April 2008. Mr. White noted that as promised the collection loss column was added back to the report. For the quarter we have 1.48%. Below that we are at two days for the unit turn for the month. On the affordable property, we are at 2.61 % and when you blend that rate we are under the 2% rate for an agency. On page 3, we are at 20 days turn for the private management companies. Once again we are at 1.48% for the quarter.

Preliminary Budget to Actual Reports (BAR) March 31, 2008:

Mr. Ralph Staley, CFO, gave the following report. It was mentioned that in an effort to reduce the tree destruction, we did not include the Preliminary Budget to Actual Reports (BAR) March 31, 2008, Cash and Balance Restriction Report March 31, 2008 and the Land Sales Proceeds Report March 31, 2008 reports in the Board package. The preliminary reports have been reviewed in the Finance & Audit Committee. If anyone needs a copy of the report it will be provided. The numbers were very preliminary on all the reports because finance had not completed closing the books for the fiscal year. Mr. Staley asked for questions, hearing none he moved on the next topic.

Administrative Budget Changes:

As explained by Mr. Staley, this Administrative Budget Change sheet needs to be entered into the minutes. These are amendments that were made to the budget that were below a certain dollar threshold established by the Board. For staff to move money for efficiency purposes it was pointed out, that the maintenance amount of \$673,000 , the total general amount of \$786,000 and the Asset Management project cost are over \$100,000. Those were individual items and all the extra money received from HUD through this year's appropriation we have put in a general fund and transferred to specific projects, mostly

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which were maintenance. This explains why that number is over \$50,000; however, each individual line item was below that amount.

Committee Reports:

Finance and Audit Committee:

Mr. Ralph Staley, CFO, gave the report:

- On May 7, 2008 the committee met and discussed Consent Agenda Action Items 8.B – 8.E and each were approved unanimously. Additionally they also discussed business agenda item 9.D which will be reviewed later in this meeting.
- The preliminary BAR, Cash Balance, Land Sales proceeds and Administrative Budget Changes were distributed in the meeting.

Client Relations Committee:

Vice-Chairman Moore gave the report:

- The meeting took place on May 7th, 2008.
- Mr. Woodyard introduced Ms. Gwen Isley who is our new MTW Coordinator.
- There was an update from RAC.
- Discussed changes to the By-laws of the Charlotte Housing Authority Scholarship Fund. There was lively discussion regarding verbal changes in the agreement as well as appointing one committee member to the advisory Board.
- There was a detailed discussion surrounding our recent PHAS score.
- There was a discussion concerning the SEMAP scores.
- MTW tier system and our grievance procedures.
- Mr. Allison Preston, Safety Director, gave an update on our resident safety for this quarter. Mr. Donna Hughes, Client Services Director, also gave an update for her department.
- Discussed business plan for the client relations committee.
- Vice-Chairman Moore stated that he would like to encourage every Commissioner to come out to the next meeting which will take place on June 11, 2008. There will be in-depth discussion concerning MTW service model as well as a presentation from UNC-C.

Development Committee:

Kathleen Foster, VP of Real Estate, gave the report:

- The meeting took place on May 7, 2008.
- Detailed discussion surrounding the sale of property in Pine Valley. It was requested that the staff work diligently to sale these properties, preferably within 30 days. Noted by Kathleen was that a special Board meeting was held after the Development and the Finance & Audit committee meetings to approve resolution no. 1583 to expedite the sales.

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- A special called meeting of the Horizon Board was held to authorize a bridge loan to enable the start of construction at Seigle Point Townhomes in order to preserve building permits.
- Listed on today's Consent Agenda is one item relating to the selection of Boulevard as the next HOPE VI redevelopment site, subject to consensus by the City of Charlotte officials and City Council.
- Extended discussion of the proposed rules for CHA in the redevelopment and the need to address procurement issues in the selection of contractors.
- Sherrod Banks, General Counsel, provided an update on PILOT.
- Jeff Meadows, Sr. Development Officer, presented a format for more detailed construction reporting on construction status for the projects currently being built.
- The Board members were reminded of the ULI panel on June 2 – 4 , 2008. Jeff Meadows will provide a schedule at the today's meeting.
- Quick reminder that a group named Common Ground, which provides supportive housing in New York, and other major metropolitan area will be visiting Charlotte Housing Authority on June 10th, 2008. All Board members are welcomed to participate. A final schedule is not available at this time; however one will be disseminated when finalized.

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 8.A – 8.E**

ACTION:

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

Business Agenda Action Item:

9.A Section Eight Management Assessment Program (SEMAP) Certification

Approve resolution no. **1582** to authorize the submission of the Section 8 Management Assessment Program (SEMAP) Certification for the year ending March 31, 2008.

ACTION:

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

9.B Real Estate Working Group

Approve the formation of a Real Estate Working Group to develop long range strategies to address the affordable housing need in Charlotte.

Chairman Jones stated that this group would be composed of appointed commissioners and CHA staff to meet on a regular schedule and start brainstorming various productions, preservation, acquisition strategies, etc. relating to the connection with MTW; create a new way of thinking, new programs and new ways around how we put more units on the ground. Chairman Jones has spoken to Commissioner Moffat and Commissioner Miller both who are willing and enthusiastic as well as the Charles Woodyard, CEO, and Tylee Keesler Sr. Development Officer has agreed to serve. It was requested by the Chairman that Commissioner Miller be the convener of the group charged with setting the meeting times and dates. Commissioner Miller accepted the appointment. He was requested to start reporting in the July 2008 meeting.

9.C Budget Amendment: Asset Management Project Budget

Approve Resolution No. **1584** which amends resolution no. 1577 which amended the Asset Management Project Budget for the fiscal year ending March 31, 2009.

ACTION:

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

9.D Remove Declaration of Trust & Reassign Assets

Approve resolution no. **1579** to authorize the removal of the declarations of trust and reassignment of non-dwelling property from public housing program assets to the central office cost center.

ACTION:

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

Chairman Jones entertained a motion to suspend the Charlotte Housing Authority meeting to conduct the Horizon Development meeting. Motion was made to suspend by: Commissioner Miller, Motion was seconded by Vice-Chairman Moore, outcome of the vote passed unanimously. Motion was made to adjourn the regular Board meeting and go into Executive Session. Motion was made by Commissioner Everett and seconded by Commissioner Page, outcome of the vote passed unanimously.

The next meeting will be held on June 17, 2008 at the Charlotte Housing Authority, 1301 South Boulevard, Charlotte, NC 28203 starting promptly at 12 noon. Lunch will be served at 11:30 a.m.

Horizon Development Properties, Inc
Meeting of Directors
AGENDA

Central Office
1301 South Boulevard
Charlotte, NC 28203

June 17, 2008

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 20, 2008*
3. **Business Agenda Item:**
 - A. Budget Amendment: Horizon Development Properties, Inc. **(p.1)**
 - B. Fairmarket Square-Horizon Development Properties, Inc. **(p.2)**
 - C. Budget Amendment: Fairmarket Square **(p.4)**

Business Agenda:

Business Agenda items for the June 17, 2008 Meeting of the Horizon Development Properties Board of Directors

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

<p>Action: Approve the Amendment of the Horizon Development Properties, Inc. Budget for the Fiscal Year Ended March 31, 2009.</p>
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Staff Resource: Ralph Staley

Strategic Business: Finance Administration

Strategic Goal: Attain Long-Term Financial Viability

Explanation:

In previous years funds were donated and included in Charlotte Housing Authority Properties, Inc. (CHAP) funds and restricted for use by the participants in the Scholarship Fund program. Since the dissolution of CHAP and the creation of Horizon Development Properties Inc., these funds, in the amount of \$20,978, have been included in Horizon Development Properties, Inc. balances. Staff would now like to utilize these funds for the following purposes: stipend for an Intern; student development workshops; additional mailings to students and other miscellaneous supplies. These expenses will occur in the AMP budgets and therefore would require a transfer of the funds.

Exhibit A shows the transfer of funds from Horizon Development Properties, Inc. to the AMP budget.

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:

The Finance & Audit Committee discussed and unanimously approved this policy for inclusion on the consent agenda at its meeting on June 11, 2008.

Funding:

Fund Balance Appropriation

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 June 17, 2008.

(SEAL)

BY: _____
Barbara Porter, Secretary

3. B Fairmarket Square – Horizon Development Properties, Inc.

Action: Approve Authorization for staff to use the Horizon Acquisition Line of Credit to Bridge Finance the Acquisition of Fairmarket Square and to Assign Other Assets as Collateral for Such Loan Draw.

Staff Resource: Frank Narron

Strategic Business: Real Estate

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

Explanation:

The following is a revision of the budget to provide for the above mentioned change. No other changes have occurred since the February board action.

Sources	October, 2007	February, 2008	June, 2008
City of Charlotte	\$1,275,000	\$1,275,000	\$1,275,000
City of Charlotte (new)	95,000	95,000	0
CHA – HOPE VI **	728,194	770,909	770,909
CHA – LSP **	<u>700,535</u>	<u>750,000</u>	<u>845,000</u>

Total	2,798,729	\$2,890,909	\$2,890,909
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Uses

Acquisition	\$2,215,000	\$2,155,000	\$2,155,000
Transaction/ Carry	25,250	63,697	63,697
Rehabilitation	276,500	392,830	392,830
Soft costs *	142,750	142,382	142,382
Reserves	<u>139,229</u>	<u>137,000</u>	<u>137,000</u>
Total	\$2,798,729	\$2,890,909	\$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)

Community Input:

None

Summary of Bids:

N/A

MWBD Consideration:

N/A

Funding:

Making application

Attachment

Resolution

3. C Budget Amendment: Fairmarket Square

Action: Approve the Amendment of the Capital Project Budget for Fairmarket Square Apartments in Horizon Development Properties, Inc

Staff Resource: Ralph Staley

Strategic Business: Finance and Administration

Strategic Goal: Attain Long-Term Financial Viability

Explanation:

Staff is requesting an additional investment of \$95,000 in the Fairmarket Square Apartments Capital Project. The original City of Charlotte commitment for an additional \$95,000 loan did not materialize.

The following is a revision of the budget to provide for the above mentioned change. No other changes have occurred since the February board action.

Sources	October, 2007	February, 2008	June, 2008
City of Charlotte	\$1,275,000	\$1,275,000	\$1,275,000
City of Charlotte (new)	95,000	95,000	0
CHA – HOPE VI **	728,194	770,909	770,909
CHA – LSP **	<u>700,535</u>	<u>750,000</u>	<u>845,000</u>
Total	2,798,729	\$2,890,909	\$2,890,909

Uses

Acquisition	\$2,215,000	\$2,155,000	\$2,155,000
Transaction/ Carry	25,250	63,697	63,697
Rehabilitation	276,500	392,830	392,830
Soft costs *	142,750	142,382	142,382
Reserves	<u>139,229</u>	<u>137,000</u>	<u>137,000</u>
Total	\$2,798,729	\$2,890,909	\$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)

Exhibit A shows a decrease of revenue from the City of Charlotte Loan line item and an increase of revenue in Land Sale Proceeds line item due to a transfer of funds from the asset management projects.

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 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:

The Finance & Audit Committee discussed and unanimously approved this policy for inclusion on the consent agenda at its meeting on June 11, 2008.

Funding:

Land Sale Proceeds

Attachment

Amended Fairmarket Square Apartments Capital Project 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 June 17, 2008.

(SEAL)

BY: _____
Barbara Porter, Secretary

**MINUTES OF HORIZON DEVELOPMENT PROPERTIES, INC.
BOARD MEETING HELD ON TUESDAY, MAY 20, 2008**

Regular Meeting:

Additions to the Agenda:

None

Motion was made to approve the agenda as submitted:	Commissioner Miller
Motion was seconded by:	Vice-Chairman Moore
Outcome of the vote:	Passed unanimously

Consideration to approve the minutes for:

- Minutes held on *April 15, 2008*

ACTION:

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

Business Agenda Item:

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, 2009.

ACTION:

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

Chairman Jones requested a motion for adjournment of Horizon Development Properties, Inc. meeting.

ACTION:

Motion was made for adjournment:	Vice-Chairman Moore
Motion was seconded by:	Commissioner Moffat
Outcome of the vote:	Passed unanimously