



Charlotte Housing Authority

**BOARD OF COMMISSIONERS
SPECIAL BOARD MEETING**

April 8, 2009

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

Mission Statement

“The Charlotte Housing Authority serves those Charlotte families for whom conventional housing is unaffordable. Our mission is to provide these families with safe, decent and sanitary housing while supporting their efforts to achieve economic independence and self-sufficiency.”

*David Jones-Chairman
Rodney W. Moore-Vice Chairman
Dan Page
Chris Moffat
Will Miller
Joel Ford
Lucille Puckett*



**HOUSING AUTHORITY OF THE CITY OF
CHARLOTTE**

NOTICE

BOARD OF COMMISSIONERS SPECIAL MEETING

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

April 8, 2009

NOTICE is hereby given that a Regular Board meeting of the Board of Commissioners of the Housing Authority of the City of Charlotte will be held on *April 8, 2009* as follows:

TIME/Date: *11:45 A.M.
April 8, 2009*

LOCATION: *Charlotte Housing Authority
1301 South Boulevard
Charlotte, NC 28203*

Ralph Haley

for Charles Woodyard
Secretary

Housing Authority of the City of Charlotte

Special Meeting of the Board of Commissioners

Central Office
1301 South Boulevard
Charlotte, NC 28203

April 8, 2009

11:45 a.m. - Special Board Meeting Convenes:

Special Meeting Agenda:

1. Pledge of Allegiance
2. Public Hearing: 2009 American Recovery and Reinvestment Act (ARRA) Capital Fund Formula Grant
3. Additions to the Agenda
4. Consideration to Approve the Minutes for:
 - Special Board Meeting held *January 14, 2009 (Tab 3)*
5. **Business Agenda Action Items:**
 - A. Budget Adoption: 2009 American Recovery and Reinvestment Act (ARRA) Capital Fund Formula Grant

Business Agenda:

Business Agenda items for the April 8, 2009 Regular Board Meeting of the Charlotte Housing Authority Board of Commissioners.

5. A Budget Adoption: 2009 American Recovery and Reinvestment Act (ARRA) Capital Fund Formula Grant

Action: Approve Resolution No. 1683 which adopts the 2009 ARRA Capital Fund Grant.
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Staff Resource: Ralph Staley

Strategic Business: Finance and Administration

Strategic Goal: Attain Long – Term Financial Viability

Explanation:

In 2001 the North Carolina State Legislature passed General Statute 159-42 entitled “Special regulations pertaining to public housing authorities”. The statute requires housing authorities to adopt a project ordinance as defined in General Statute 159-13.2. for those programs which span two or more fiscal years. In the past the authority has presented budgetary information on grant projects as a part of the grant process, but has not set out a separate resolution to adopt a grant project ordinance. In an effort to clearly show compliance with the State statute, the staff of the authority intends to prepare a grant project ordinance for each grant and have the Board adopt the project ordinance by resolution.

In compliance with the American Recovery and Reinvestment Act of 2009 (ARRA), HUD announced the award of \$2.985 billion in ARRA Capital Fund amounts calculated in accordance with the 2008 Capital Fund formula. CHA has been allocated \$7,508,295 under the ARRA. The attached Exhibit A shows the allocation of the grant by major categories. Also attached are the Annual Statement/Performance and Evaluation Report Capital Fund Program, Capital Fund Program Replacement Housing Factor and Capital Fund Financing Program- Form 50075.1 Parts I & II which has to be sent to HUD.

Form 50075.1 Parts I & II and Resolution No. 1683 should be accepted and approved by the Board.

Committee Discussion:

At the Finance & Audit Committee meeting members were informed of the above stated award. Approval of this item will be at a called meeting on April 8, 2009.

Funding:

ARRA Formula Grant for Capital Improvements

Attachments:

Form 50075.1 Parts I & II (**Tab 1**)

Exhibit A for Resolution No. 1683 (**Tab 2**)

Resolution No. **1683** (**Tab 2**)

**MINUTES OF THE *SPECIAL* BOARD MEETING
OF THE COMMISSIONERS OF THE HOUSING
AUTHORITY OF THE CITY OF CHARLOTTE
HELD ON WEDNESDAY, JANUARY 14, 2009**

The Board of Commissioners of the Housing Authority of the City of Charlotte, North Carolina held a *SPECIAL* meeting at the *Charlotte Housing Authority, 1301 South Boulevard, Charlotte NC 28236* at 11:45 a.m. on January 14, 2009.

Present: ***Chairman David Jones***
 Vice-Chairman Moore
 Commissioner Chris Moffat
 Commissioner Will Miller
 Commissioner Joel Ford
 Commissioner Dan Page

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

Additions to the Agenda:

Chairman Jones asked for additions/modifications to the agenda. Hearing none the special meeting was officially convened at 11:50 a.m.

Business Agenda:

2.A Fiscal Year 2009-2010 Moving to Work Annual Plan Submission

Approve Resolution No. **1643** to authorize CHA to submit the Moving to Work (MtW) Annual Plan for the Fiscal Year 2009-2020 to the U.S. Department of Housing and Urban Development.

The following discussions took place regarding the item listed above. Chairman Jones opened the floor for questions/comments. He questioned the first initiative listed on the second page of the matrix which refers to resident safety. He questioned that we are presently spending money on resident safety and he didn't have a handle on how much; he would like to know the magnitude of increase these numbers represent. He then stated that Mr. Troy White, COO, has advised him that the current spending on resident safety in these areas is about \$600,000. Therefore the numbers are between \$260,000 - \$300,000 increase over a three year period and the target reduction for crime will be changed to 5%, which is a more realistic matrix. Some of this information will be determined on the stats that will be received from CMPD (Charlotte-

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Mecklenburg Police Department). Therefore this is a slight change both on the benchmark and gives a better context as to what we are trying to buy for that amount of money. His main concern was to make the full Board aware of this information.

Commissioner Will Miller made the following comment: He stated that he was slightly confused about what we are trying to accomplish. Are we being asked to approve the submission of this plan to HUD so we can get this clock going or are we also being asked to approve the plan? The way he interprets the resolution, it is asking for both as well as some additional authority to give to staff and the Board chair. He is trying to clarify exactly what we are trying to do. He has recently sent Mr. Woodyard, CEO, an email asking him the same question. Response received was that we are trying to approve the submission of the plan and we are not being asked to approve the plan itself. Mr. Woodyard clarified his email stating that the Board can still tweak the budget if needed. The way the plan is written you can tweak certain initiatives and measures inside of that, as well as the budget. Commissioner Miller commented are we approving all strategies and all initiatives to be carried out or are we just approving asking HUD to give us the ability to carry the initiatives out? Mr. Woodyard stated that it is the ability to carry these initiatives out. If there are substantial changes in the plan, then it would have to go back out for public review. The plan should have enough flexibility for us to make changes. Chairman Jones wanted to give his view for further clarification. He thinks we are both asking for the authority from HUD to implement this plan and we are saying this is the plan we want implemented. This is the staff work plan in these specific areas. Each time the staff submits a proposal there is a budget that will be attached to it; therefore, we will have to vet that on the basis of what is advised by staff. Most of this plan is general in nature but sets strategy for staff to work from. Mr. Woodyard suggested that maybe it would be helpful, to Commissioner Miller, that we spend some time on issues that he is concerned with which may assist in answering specific questions. Mr. Miller is concerned that the Board has received a lot of information and a lot of data in a short period of time. He does not feel as a Board member that he is adequately prepared to approve some of the metrics/benchmarks, dollar allocations enclosed in this document in such a short period of time.

Chairman Jones slightly disagreed about how much information and in what period of time it was received. He stated that a number of issues have been discussed in the Client Services Committee for the past year. Although some of the measurement standards may be first seen in this chart he does not think we have the ability as a Board to do a lot of second guessing. At some level we must defer to the staff, their experience/expertise and see over time if they are

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doing what they should be. He explained that yes some of the metrics received are probably the newest information but we have received a fair amount of information. Chairman Jones feels that staff has done a credible job over the last several months giving this information to us in various formats. He then urged the Board that we have had the information and the staff needs to be moving in the right direction and it must be submitted to HUD in a timely manner. He further stated that when we get into the depth of each initiative and if it is not working then the Board has the ability to say stop this is not what we thought we were getting. Once again, he does think we need to start the wheels turning and give staff the green light to get started.

Commissioner Miller stated that in regard to the seventh whereas paragraph of the resolution which states: Whereas, CHA is requesting the Board of Commissioners to adopt CHA's FY 2009-2010 MtW Annual Plan and authorize the submission of the FY 2009-2010 MtW Annual Plan to HUD. Does the plan have to be submitted with this clause? Commissioner Moffat responded that yes, the plan cannot be submitted without first being adopted. Commissioner Ford asked Commissioner Miller what challenges he has with this clause. Commissioner Miller stated that he does not feel that he understands the plan well enough or the priorities of the plan well enough to endorse the plan. Commissioner Ford once again stated that he understands that we have broad enough strokes that we could tweak this plan if necessary but we do need to submit this document so we will have a frame work and/or guidelines we can operate from. If this document is not submitted then we do not have a plan, at all. Chairman Jones agreed fully. Vice-Chairman Moore asked Ms. Shaunte Evans, CAO, have we reached our statutory y limit surrounding the submission of this plan. She stated the plan has to be in HUD's possession by Friday, January 16, 2009. Mr. Woodyard, CEO, added if the document is not received in a timely manner to HUD then we have no idea when they will give us the approval which will put us in limbo. Chairman Jones stated that we have worked extremely hard and do not want to put ourselves in that position.

Commissioner Page commented that he is in favor of the MtW Plan however he does think there are some items in the document that need to be tweaked, but is confident that we can do that. There are two items in the plan, one particularly that he is very much opposed to and think it is bad policy. He has spoken with Ms. Kathleen Foster, VP of Real Estate Development, prior to this meeting; however, specifically it starts on page 66 – 67 of the MtW booklet. It is item A, a, and b (the Neighborhood Revitalization Unit Acquisition Program) he is not sure how opposed he is to this topic because there is not enough information, but in concept he has a

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problem with it. In b (the Neighborhood Stabilization Program) he is very much opposed. He thinks it is absolutely the wrong use of CHA funds and he thinks we have lost our way when we consider something like this. He has been with the Board for several years and remembers when CHA was struggling with communities that were not getting the proper maintenance and were not financially self-sufficient. The Board embarked on a program to try to make our properties self-sufficient. He feels that we have been doing well with that. We now find ourselves with MtW funds to have a large amount of funds available and there is great need in this community, and he feels that we have lost sight of keeping our own house in good financial order. One of the things that has helped us to get where we are today is that many years ago we invested and built communities in areas that may not have been considered in the best part of town then, but now we find that they are in a good part of town so we are taking that land, recycling it and financially it is helping us build better homes for our clients. Although we may have some extra funds, where we can go out and help the Federal Government stabilize foreclosed neighborhoods he does not think that is our charge. Our charge is to continue with what has been outlined and keep our agency in good financial standing. He feels that rather than invest in foreclosed single family homes it is the best for the authority to continue multi-family housing. It is all in one place which assists in easier management/maintenance. He would like to vote for this plan, overall he feels generally this is a good plan, however if these two policies remain as stated then he will not be able to vote for the MtW plan. Even though this is just a play book, we should not be considering these plays.

Commissioner Moffat stated that we acknowledged when this was approved at the Development Committee level and at the Board level that there were a lot details. If we were to remove these two items from this plan, strike them continue in the track we are on, gathering more information. If something were to come to light in that process that made it seem to us to be more consistent with the plan, would this be something that you could present to HUD outside of this MtW plan and still get approval. Short version, if it is taken from this, is it dead, or if it is taken from this, is it still something we could consider but it would be something HUD would have to consider on as submitted/requested bases. Mr. Woodyard, CEO, stated that his understanding is that we have made a local commitment prior to this meeting and if we take it out that will void out the local commitment. Commissioner Moffat responded that we have made a local commitment subject to the receipt of additional information. Chairman Jones clarified that these are two related yet separate items. Sub a, is the local commitment that was previously adopted at the last Board meeting subject to deal specifics. Kathleen Foster, VP of Real Estate Development, offered a possible solution, she distributed a document to each Board member that perhaps a possible solution is that we add some language to the plan itself. Still referring to page 66 & 67, she would like to call the attention that before any of these initiatives

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are described, referencing the top of page 66, it specifically states that participation of programs is being explored and no commitments have been made at this time. However, to make it absolutely clear what process we plan to follow, additionally there has been conversation with Mr. Ralph Staley, CFO, and she proposed that we add this language at the bottom, which states the following: please note that the following program concept is being explored as a framework and presented for HUD approval. Each individual real estate transaction will be reviewed by the Board per its usual Development Committee process. Ms. Foster is hopeful that would address everyone's concern, that we not actually spend money until you have seen the real estate transaction being proposed. Or if there is another way to change the language to make it so that we could get MtW approval to have this in the play book with the understanding that there are some serious reservations and nothing will happen until we come back to the Board to get full buy-in regarding spending money on these two initiatives.

Chairman Jones presented to Commissioner Page that if adding this language will mean the difference between a "yes" vote or a "no" vote on the plan? Commissioner Page responded, yes, because he wants something in the plan that acknowledges his strong disagreement with that. Commissioner Moffat announced that there will be discussion in the Development Committee meeting today with an update on the Neighborhood Stabilization situation; however he feels that it is incumbent upon us as a group that we add this topic back as an agenda item on the February Development Committee. At that point we will revisit our decision that was made in December, which was made on a short cycle for a variety of reasons, and if it is decided by the Board that it is bad policy then we can take the information that has been determined by Kathleen and staff between now and February and add that to how we presently feel which may initiate a full blown discussion which may change the direction of the conversation.

Synopsis: Commissioner Moffat stated that we add the language stated above and get the plan on the way to Washington, DC in a timely manner. Then perhaps make it a topic for both the Development Committee and if appropriate the Board meeting in February. Chairman Jones added that we can always take something away from the plan; however, it cannot be added.

Commissioner Miller made a suggestion that we add the specific language to the entire plan. Chairman Jones responded that he had no objection. Additionally he is in agreement with making it clear that we may have to tweak the language. Mr. Ralph Staley, CFO, added that this document does not spend one dollar it only authorizes the Authority with HUD to be able to spend. The budget document that will be distributed later today, any dollars in this document does not authorize anyone to spend anything, only the Board adopted budget resolution authorizes the expenditure of funds. Once submitted in that capacity it still has another layer of

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review. Chairman Jones feels that we are getting closer to reaching some type of consensus. He is comfortable with not making it explicit, he is equally comfortable making explicit in the introduction or overlay section. Therefore this does not give the staff any authority to do any specific item without the appropriate level of Board approval.

Chairman Jones asked that Ms. Shaunte Evans, Chief Administrative Officer, work with Sherrod Banks, General Counsel, to find some sort of overlay statement to that effect, in addition that he gets a motion of amendment to the plan. Then in an effort to expedite it was asked: would someone make a motion that the plan before us be amended to add the specific language to the sections on page 66 & 67 and to add a general statement to the same effect for the entire plan.

ACTION:

Motion was made by:

Vice-Chairman Moore

Motion was seconded by:

Commissioner Page

Prior to the final outcome vote Mr. Woodyard, CEO, commented that he feels it is a good idea to add this language to Items a & B on pages 66&67. However he would prefer that if we have a blanket statement like it is, because in his opinion the presumption is always there that we bring back. He is concerned about what signal we may send to HUD, he suggests if you want to have specific direction of me about how to handle this plan, that can be done, but it does not have to be put in the resolution or the plan. He is concerned that we might send unusual signals to HUD on a document that we have never sent this type of signal before. By this being the third submission to HUD surrounding the MtW plan it may look suspicious. Chairman Jones stated that he hears that but in his opinion a statement of making it clear that specific programs will be subject to an appropriate level of Board authorization, would not be viewed as suspicious to HUD. If they bounce this plan over that type of statement then there are different issues going on. If they ask a question, then we can answer appropriately. Commissioner Miller added that he thinks that it may be comforting to HUD to know that there is another level of thought and/or scrutiny. Chairman Jones statement to Mr. Woodyard's concern was that he hears his concern; however, he is willing to run that risk.

Outcome of vote:

Passed unanimously

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Commissioner Ford questioned page 30 & 31 he would like to highlight the marketing message of work pays. He was slightly disturbed, although he understands that we cannot control the Charlotte Observer and its headlines, he does believe that from an agency standpoint, that while the MtW train has already left the station that we can craft our own message. He does not think that we have done a good job of that. He wanted to highlight and thinks that we could use a tool is the Hardship Exemption of Work Requirements. There is a volunteerism component that he thinks would be pliable for everyone involved and also shining a positive light on CHA in terms of what this program is truly about. He wants to make sure that we don't allow the Observer or anybody else write our story for us and the Authority write its own story and do a better job of promoting it. If we could address some of these issues he feels it would help us go a long way in creating the goodwill that we need in an effort to have significant impact on this plan. Mr. Woodyard responded that we have put together an editorial letter that will be submitted to the observer at 2:00 p.m. He, Jennifer Gallman, PR Director and Cyndee Paterson, of the Lee Institute, are meeting to submit the letter of his rebuttal and have it published. They will be walked through some misperceptions of the organization. There will be a presentation on March 23rd, by Carolina PR, which will discuss communication strategies surrounding the MtW program. With Board approval either as is or with changes then we will be launching that initiative to address Commissioner Ford's statement.

Commissioner Miller wanted to comment on the last bullet on the last page. Which states: We are authorizing the CEO to negotiate this plan with HUD. He questioned what does that mean? Mr. Woodyard, CEO, clarified that just because we submit a plan does not automatically mean that it is approved. If there are parts of the plan that are not approved he is authorized to try to negotiate. He points out that this means you also have the ability on our behalf to make changes to the plan based on HUD. Mr. Woodyard restated that if they do not approve the plan, you are authorizing him to try to get the plan approved. Commissioner Miller stated that he would not want a negotiation on the behalf of the Board to take place with Mr. Woodyard and HUD, something be negotiated away that was important or the Board felt was important without the Board knowing about it. He knows that this would not be intentional. Commissioner Ford expressed that although he is new, he thought that Mr. Woodyard who is the CEO, is authorized to negotiate on behalf of the Charlotte Housing Authority. As the Board we are the overseer of those actions. When he hears language which has just been stated by Commissioner Miller, he is concerned, that perhaps there have been some actions that have been taken in the past without the Board's consent or there is something else going on. He views us as a checks and balance and when you start chipping away your CEO's authority, it diminishes his role and we need to change his title. Commissioner Miller stated that is not what he was saying. What he intended

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to say is that we all hope that when HUD gets this document they are very pleased and approve it. In the event HUD pushes back on this, he (Charles) has our authority to negotiate on our behalf to get them to accept the document. Commissioner Ford injected yes, within the context and the framework of this MtW plan. He continued that he does not think that Mr. Woodyard has a track record or history of going out in left field. Commissioner Miller stated that he was not saying that he does, he is saying that as a Board having oversight, we would be responsible to make sure. Commissioner Moffat commented that we have that oversight. Mr. Woodyard gave the following example: “presently this plan does not allow us to move forward with a housing program, whether construction or subsidy program, that does not fit into either a Section 8 or Section 9 category” He has spoken with the Board about this issue before and this one of the reasons we had about getting WISH into the program under the write-up we had before. What we would really prefer is the ability to enter into some type of housing program that did not fit neatly into the Section 8 or Section 9 category. However this is not in the plan, but he wants it to be in the plan, and he trying to negotiate. The process is to come back to the Board and say we are about to do this and the language has been crafted, the research has been done, and he thinks HUD will agree. The next step is the public hearing process because that is a substantive change to this plan. What he wants to ask for is something more flexible than has already been given and he would not ask for more flexibility without asking the Board to give their approval. In essence he cannot negotiate anything of that substantive nature because it is not written in the plan. Commissioner Moffat voiced that Mr. Woodyard negotiates on our behalf everyday. A motion was then asked for approval of Resolution No. 1643.

ACTION:

Motion was made for approval of Resolution No. <u>1643</u> :	Commissioner Page
Motion was seconded by:	Commissioner Ford
Outcome of the vote:	Passed unanimously

Chairman Jones called for adjournment. Motion carried.