



**Charlotte Housing Authority**

**BOARD OF COMMISSIONERS  
BOARD MEETING**

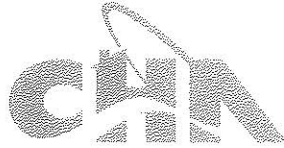
*November 17, 2009*

*Charlotte Housing Authority  
1301 South Boulevard  
Charlotte, NC 28202*

*Mission Statement*

*“To lead, develop, and execute community-wide strategies that meet the broad range of housing needs for families who cannot otherwise attain conventional housing”*

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



**HOUSING AUTHORITY OF THE CITY OF  
CHARLOTTE**

***NOTICE***

***BOARD MEETING***

**BOARD OF COMMISSIONERS' MEETING**

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

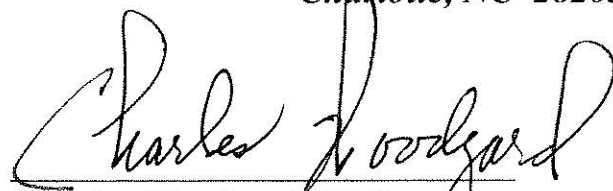
***November 17, 2009***

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***NOTICE*** is hereby given that a Board meeting of the Board of Commissioners' of the Housing Authority of the City of Charlotte will be held on ***November 17, 2009*** as follows:

**TIME/Date:**      ***12 Noon  
November 17, 2009***

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

  
***Charles Woodyard/CEO***

# Housing Authority of the City of Charlotte

## Regular Meeting of the Board of Commissioners

Central Office  
1301 South Boulevard  
Charlotte, NC 28203

*November 17, 2009*

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

### **Regular Meeting Agenda:**

1. Pledge of Allegiance
2. Public Hearing: FY 2010-2011 Moving Forward Annual Plan
  - a) Soahfi Uhmoh, speaker
  - b) Lord Nacep, speaker
3. Public Forum
4. Additions to the Agenda
5. Consideration to Approve the Minutes for:
  - Special Board Meeting held *November 4, 2009* (**Tab 6**)
6. Resident Advisory Council (RAC) Report
7. Monthly Report from the CEO
  - Monthly Scorecard (**Tab 1**)
  - Budget to Actual Reports-9/30/2009 (**Tab 2**)
  - Cash and Balance Restriction Report-9/30/2009 (**Tab 3**)
  - Land Sales Proceeds Detail-9/30/2009 (**Tab 3**)
  - Notification of Administrative Budget Changes-9/30/2009 (**Tab 3**)
8. Committee Reports:
  - Client Relations Committee
  - Development Committee
  - Finance and Audit Committee
9. **Consent Agenda Action Items:**
  - A. CHA New 5-Year Designated Housing Plan Submission (*1771*) (**p.1**)
  - B. Hampton Creste: Authorize CHA Loan to Horizon Development Properties (*1766*) (**p.3**)  
Budget Amendment: MTW Fund (*1767*)
  - C. Community Based Rental Assistance Allocations under MTW (*1770*) (**p.6**)
  - D. Charlottetown Terrace Partial Demolition (*1772*) (**p.7**)

- E. Loan Commitment: Mill Pond Apartments (1768) (p.8)
  - F. Budget Commitment Approval-Mill Pond Apartments (p.11)
  - G. Collection Loss Report for Quarter Ended 9/30/2009 (p.12)
10. **Business Agenda Action Items:**
- A. Selection of General Counsel Legal Services Provider (1773) (p.14)
  - B. Procurement Policy Revision (1774) (p.15)
11. **Board Workshop:**
- A. Budget Preparation Discussion
  - B. New Corporate Strategic Goals (p.18)
12. **Executive Session:**
- Personnel Matter

**Consent Agenda:**

**Consent Agenda items for the November 17, 2009 Regular Board Meeting of the Charlotte Housing Authority Board of Commissioners.**

**9.A CHA New 5-Year Designated Housing Plan Submission**

<p><b>Action:</b>      <b>Approve Resolution No. <u>1771</u> to Approve a New 5-Year Designated Housing Plan and Rescind Resolution No. 1732.</b></p>
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**Staff Resource:**      Cheryl Campbell

**Strategic Business:**      Operations

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

**Explanation:**

On August 18, 2009, the Board approved the submission of the Charlotte Housing Authority’s (CHA) renewal request of the Plan to HUD Greensboro by approving Resolution No. 1732. During the review process of the Plan it was determined by HUD Washington that Greensboro did not have the authorization to approve the renewal request with the requested changes, which was the addition of three new properties. Per the direct instructions of HUD Washington, CHA has to formally withdraw the request from Greensboro and submit a new five year Plan to HUD Washington for final approval.

CHA is required to submit a Designated Housing Plan (“The Plan”) to HUD Washington in order to designate specific communities for exclusive occupancy by the elderly, near elderly and/or disabled. The designations in the plan, if approved, will be effective for a period of five years. The Plan designates the communities for exclusive occupancy by the elderly, near elderly, and disabled pursuant to Section 10(a) of the Housing Opportunity Program Extension Act of 1996 (the “Act”) and HUD Notice PIH 2005-2 (HA) (January 5, 2005).

CHA requests approval to submit its new 5-year Plan according to the following:

- (a) CHA proposes to designate eight of its existing communities for exclusive occupancy by the elderly and near elderly in the following communities: 940 Brevard, Arbor Glen, Autumn Place, Edwin Towers, McAlpine Terrace, Parktowne Terrace, SpringCroft at Ashley Park, and Strawn Apartments (high-rise);

- (b) CHA proposes to designate two of its communities for exclusive occupancy by the disabled in the Charlottetown Terrace and McCreesh Place communities; and
- (c) CHA proposes to designate one community for the exclusive occupancy of the elderly in the Prosperity Creek community.

Separate and apart from the Plan, CHA will continue to adopt a local preference for the elderly, near-elderly, and the disabled for all efficiency and 1-bedroom units at CHA's family communities.

**Committee Discussion:**

The New 5-Year Designated Housing Plan was briefly discussed and was recommended for Board approval per Resolution No. 1771 at the November 4, 2009 Client Relations Committee meeting.

**Community Input:**

None

**Summary of Bids:**

Not applicable

**MWBD Consideration:**

Not applicable

**Funding:**

None

**Attachments:**

Designated Housing Plan (**Tab 4**)  
Resolution No. 1771 (**Tab 5**)

**9.B Authorize CHA Loan to Horizon Development Properties, Inc.  
Budget Amendment: MTW Fund**

**Action: 1. Approve Resolution No. 1766 to authorize CHA to make a MTW loan in the amount of up to \$1,500,000 to Horizon Development Properties, Inc. for the purpose of the acquisition and renovation Hampton Creste.**

**2. Approve Resolution No. 1767 to amend Resolution No. 1759 which Amended the MTW Funds Budget for the fiscal year ending March 31, 2010.**

**Staff Resource:** J. Wesley Daniels and Ralph Staley

**Strategic Business:** Real Estate and Finance Administration

**Strategic Goal:** Maximize Economic, Physical, and Social value of our Real Estate Portfolio; Attain Long-Term Financial Viability

**Explanation:**

Staff is currently performing due diligence on Hampton Creste. Hampton Creste is a 239-unit, multifamily community located at 920 N. Wendover Road. The property was foreclosed and is now held as an REO asset in the bank’s real estate arm. Based upon due diligence, Staff is recommending a MTW commitment of up to \$1,500,000 for the acquisition of Hampton Creste.

Currently, the Hampton Creste acquisition meets all Board-specified criteria for the “Class C – Value Added Property” in the Acquisition Policy with exception of the “construction and/or renovation” criteria. The community was built from 1965 to 1980. The Acquisition Policy Criteria matrix is attached.

Horizon Development Properties, Inc. will be acting as developer for the acquisition and renovation of Hampton Creste. Staff is proposing to structure this transaction with private bank financing (seller financing), MTW, NSP and in-kind contribution from Habitat for Humanity. Staff will also commit \$1,500,000 in CHA NSP funds to Hampton. In addition, Staff has applied for \$1,250,000 in City of Charlotte NSP funds.

The property is under contract for \$5,800,000 or \$24,267/unit. The closing must take place on or before December 15, 2009.

Staff is proposing to acquire and renovate Hampton Creste. Upon completion of the renovation, Staff will place sixty (60) Section 9 units at the site. Staff is also working with Neighboring Concepts to determine the feasibility of reconfiguring units to create three-bedroom and four-bedroom units to better serve our CHA families.

Hampton Creste is located in an “amenity-rich” area in close proximity to employment, transit and educational opportunities. Located in the Wendover corridor, Hampton Creste is adjacent to The Home Depot and across the street for a grocery-anchored shopping center. Two CATS bus-stops are located along the property’s frontage on Wendover providing excellent access to public transportation. Most importantly, Hampton Creste is located in excellent school districts: Myers Park High, AG Middle and Cotswold Elementary.

Staff has also proposed facilitating a cooperative partnership with Mercy Housing, Habitat for Humanity and The Salvation Army to possibly assist in the financing, renovation and supportive services required at the site.

**Sources and Uses:**

**Sources**

United Community Bank	\$ 4,640,000	\$19,414
CHA MTW	1,500,000	6,276
City NSP	1,250,000	5,230
CHA NSP	1,500,000	6,276
Habitat	<u>316,737</u>	<u>1,325</u>
	\$ 9,206,737	\$38,522

**Uses**

Acquisition	\$ 5,847,500	\$24,467
Renovation	2,049,737	8,576
Soft Costs*	766,500	3,207
Reserves	<u>543,000</u>	<u>2,272</u>
	\$ 9,206,737	\$38,522

*\*includes Developer Fee of \$500,000*

**Income and Expenses:**

Income	\$1,516,010	
Other Income	90,628	
Vacancy	<u>(112,465)</u>	
Effective Gross Income	1,494,173	
Expenses	<u>937,670</u>	\$3,923/unit



NOI	556,503
Reserve	(73,851)
Debt Service	354,335
Misc. Fees	7,725
Cash Flow	120,591

**Schedule:**

Closing:	November 2009
Construction Start:	February 2010
Construction Completion:	December 2010

Exhibit A reflects a reallocation of expenditures in the amount of \$1,500,000 from Capital Projects-Real Estate to Loans to others for the acquisition and renovation of Hampton Creste.

**Committee Discussion:**

The Development Committee discussed and recommended that this transaction be a Business Item at the Board meeting on November 17, 2009. Staff advised the Committee on potential URA risks. These risks will be determined and quantified by the November 17<sup>th</sup> meeting.

**Community Input:**

Staff is working collaboratively with Mercy Housing, Habitat for Humanity and Salvation Army to execute a MOU to collaborate on this project.

**Section 3/ MWBE Consideration:**

Staff will ensure that CHA's Section 3/MWBE policy goals are prominently incorporated in all agreements and will make strong, affirmative efforts to encourage all contractors and service providers to meet and exceed those goals.

**Funding:**

MTW Funds

**Attachment:**

- Acquisition Policy Criteria (Tab 4)
- Resolution No. 1766 (Tab 5)
- Exhibit A for Resolution No. 1767 (Tab 5)
- Resolution No. 1767 (Tab 5)

## **9.C Community Based Rental Assistance (CBRA) Allocations Under MTW**

**Action:** To Approve Resolution No. 1770 for the Allocations of Community Based Rental Assistance (CBRA) to 600 Family Units, 250 Senior Units, and an Additional 150 Supportive Housing Units Over the Next Three Fiscal Years.

**Staff Resource:** Kathleen Foster

**Strategic Business:** Real Estate

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

**Explanation:**

The MTW approval for Community Based Rental Assistance (CBRA) allows the Charlotte Housing Authority to produce a volume of CBRA units in any given fiscal year as directed by the Board of Commissioners. This action follows the general allocation of seniors and family units in our inventory – 30% seniors and 70% families. Previously, the Board approved an allocation to 300 Supportive Housing units and approximately 100 of those have been assigned. This action will add 150 units raising to 450 the total allocation to Supportive Housing units.

Staff is recommending that the Board sets these goals for the allocation of CBRA.

**Committee Discussion:**

There was discussion regarding the need to allocate these units. Staff explained that the MTW Plan provides for this strategy and empowers the Board to set the level to be allocated. 300 units had previously been allocated to Supportive Housing units; 100 of which have been allocated to three projects.

**Community Input:**

N/A

**Funding:**

N/A

**Attachment:**

Resolution No. 1770 (Tab 5)

## **9.D Charlottetown Terrace Partial Demolition**

<p><b>Action:</b> Approve Resolution No. <u>1772</u> to Authorize Staff to Submit a Partial Demolition Application to HUD for Charlottetown Terrace.</p>
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**Staff Resource:** J. Wesley Daniels

**Strategic Business:** Real Estate

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

### **Explanation:**

In September 2009, Charlottetown Terrace was awarded \$6.2MM in CFRC grant funds. As part the redevelopment of Charlottetown, the first and eleventh floor, a total of nineteen (19) units, will be converted to amenity and supportive service space. Staff is requesting authorization to submit a demolition/disposition application to HUD to partially demolish the common and dwelling areas on the first and eleventh floor to accommodate the additional amenity and supportive service space.

### **Committee Discussion:**

TBD

### **Community Input:**

Resident meetings and design charettes were held several times throughout the year.

### **Summary of Bids:**

N/A

### **Section 3/MWBE Consideration:**

Staff will ensure that CHA's Section 3/MWBE policy goals are prominently incorporated in all agreements and will make strong, affirmative efforts to encourage all contractors and service providers to meet and exceed those goals.

### **Funding:**

N/A

### **Attachments:**

Resolution No. 1772 (Tab 5)

## **9.E Loan Commitment: Mill Pond Apartments**

<b>Action:</b> To Approve Resolution No. <u>1768</u> for the Commitment of up to \$3,000,000 in CHA MTW Funds for the Acquisition of Mill Pond Apartments by Horizon Development Properties Inc.
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**Staff Resource:** Ben Collins

**Strategic Business:** Real Estate

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

### **Explanation:**

Horizon Development Properties, Inc. will be acting as developer for the acquisition of Mill Pond. Mill Pond is a 168-unit, multifamily community located at 3515 Laurel Mill Drive. The property has recently completed construction and is currently in lease-up. There is a sum of 117 market rate units with 84 units being occupied. Mill Pond would serve two primary functions:

- 1.) It would provide Development Leverage for our HOPE VI application.
- 2.) It would provide replacement housing for Boulevard Homes

Since Mill Pond is proposed to be included as replacement housing and development leverage in the HOPE VI application for Boulevard Homes staff has elected to present the project for a loan commitment at this time. While no Board approval is required for the application, staff is seeking feedback from the Board regarding the project. Once due diligence has been completed, staff will bring Mill Pond back to the Board for loan authorization and budget adoption.

This acquisition meets all Board-specified criteria in the Acquisition Policy.

Staff is proposing to structure this transaction with private bank financing (assumption of an existing Construction Loan) and MTW funds. The proposed acquisition price is \$11,250,000 or \$66,964/unit (or \$57,692 per Section 8 & Section 9 unit).

Mill Pond is located in an “amenity-rich” area in close proximity to employment and educational opportunities. Mill Pond sits in the Mecklenburg County ETJ on the border

of Cabarrus County and is adjacent to Concord Mills Mall and a newly opened Super Wal-Mart. Mill Pond is located in very good school districts: Mallard Creek High, Ridge Road Middle and Mallard Creek Elementary. Transit access is convenient via the Concord-Kannapolis Rider, which picks up at Concord Mills Mall every hour during the week. In addition, there is a CATS Express Bus that runs from Concord Mills Mall to Uptown Charlotte every weekday morning and afternoon in addition to all day on Saturday.

Staff is proposing to acquire Mill Pond and incorporate 23 Section 8 and 28 Section 9 units.

**Sources and Uses:**

	CONSTRUCTION		PERMANENT	
	Amount	Per Unit	Amount	Per Unit
<b>SOURCES</b>				
CHA MTW Loan <sup>1</sup>	\$ 3,000,000	\$ 17,857	\$ 3,000,000	\$ 17,857
Debt	<u>8,900,000</u>	<u>52,976</u>	<u>9,699,900</u>	<u>57,738</u>
Total Sources	\$ 11,900,000	\$ 70,833	\$ 12,699,900	\$ 75,595
<b>USES</b>				
Acquisition	\$ 11,250,000	\$ 66,964	\$ 11,250,000	\$ 66,964
Soft Costs <sup>2</sup>	350,000	2,083	999,900	5,952
Reserves	<u>300,000</u>	<u>1,786</u>	<u>450,000</u>	<u>2,679</u>
Total Uses	\$ 11,900,000	\$ 70,833	\$ 12,699,900	\$ 75,595

<sup>1</sup> 20 year term, 2% interest only, cash flow contingent

<sup>2</sup> includes Developer Fee of \$369,900

**Rents:**

Description	# of Units	SF/Unit	Rent/Unit	Rent/SF
A1 - 1BR/1BA - Mkt	24	650	\$ 675	\$ 1.04
A2 - 1BR/1BA - Mkt	12	650	\$ 695	\$ 1.07
B1 - 2BR/2BA - Mkt	33	1,050	\$ 775	\$ 0.74
B2 - 2BR/2BA - Mkt	28	1,050	\$ 795	\$ 0.76
B1 - 2BR/2BA - PBS8 <sup>1</sup>	23	1,050	\$ 700	\$ 0.67
C1 - 3BR/2BA - Mkt	20	1,300	\$ 975	\$ 0.75
C1 - 3BR/2BA - ACC	28	1,300	\$ 316	\$ 0.24
<b>TOTAL/AVERAGE</b>	<b>168</b>	<b>1,036</b>	<b>\$ 695</b>	<b>\$ 0.67</b>

<sup>1</sup> PBS8 rents are based on 110% FMR for 2009

**Revenue and Expense Summary:**

	Budget	Per Unit
Schedule Rent	\$ 1,401,793	\$ 8,344
Concessions	(91,875)	(547)
Vacancy	(100,926)	(601)
	<u>1,208,992</u>	<u>7,196</u>
Other Income	40,000	238
Total Revenue	<u>1,248,992</u>	<u>7,434</u>
Total Expenses	<u>517,330</u>	<u>3,079</u>
Net Operating Income	<u>731,038</u>	<u>4,351</u>
Total Debt Service	<u>616,393</u>	<u>3,669</u>
Total Cash Flow <sup>1</sup>	114,645	682
Support Services <sup>2</sup>	51,000	268
CHA MTW <sup>3</sup>	60,000	316
Net Cash Flow	<u>\$ 3,645</u>	<u>\$ 19</u>

<sup>1</sup> Provides min. 1.15 Debt Coverage

<sup>2</sup> Provides \$1,000/Sec. 8 & 9 unit

<sup>3</sup> Assumes MTW is an interest only loan at 2%

**Schedule:**

Due Diligence Complete:	December 1, 2009
Closing:	January 15, 2010
Stabilized Occupancy:	April 15, 2010
Permanent Financing:	September 15, 2010

**Committee Discussion:**

The Development and Finance & Audit Committee discussed and unanimously approved this item for inclusion on the consent agenda at its meeting on November 4, 2009.

**Community Input:**

This project is in compliance with the City of Charlotte Housing Locational Policy and does not require community input.

**Section 3/MWBE Consideration:**

Staff will ensure that CHA’s Section 3/MWBE policy goals are prominently incorporated in all agreements and will make strong, affirmative efforts to encourage all contractors and service providers to meet and exceed those goals.

**Funding:**

This project will require an assumption of an existing Construction Loan from Wachovia/Wells Fargo. It is anticipated that the approval of this assumption will be obtained prior to the expiration of the due diligence period (December 15, 2009).

**Attachment:**

Resolution No. 1768 (Tab 5)

**9.F Budget Commitment Approval-Mill Pond Apartments**

<p><b>Action:</b>        <b>Approve the Commitment of up to \$3,000,000 of CHA MTW funds for the Acquisition of Mill Pond Apartments by Horizon Development Properties, Inc</b></p>
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**Staff Resource:**        Ralph Staley

**Strategic Business:**    Finance and Administration

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

**Explanation:**

Horizon Development Properties, Inc. will be acting as developer for the acquisition of Mill Pond Apartments. Mill Pond Apartments is a 168-unit, multifamily community located at 3515 Laurel Mill Drive. The property is currently in lease-up and would serve two primary functions:

1. It would provide Development Leverage for our HOPE VI application.
2. It would provide replacement housing for Boulevard Homes

The commitment to use up to \$3,000,000 of MTW funds was presented to the Development Committee. This agenda item is necessary to approve the commitment of \$3,000,000 of MTW funds for the acquisition of Mill Pond Apartments.

**Committee Discussion:**

The Finance & Audit Committee discussed and unanimously approved this item at its meeting on November 4, 2009.

**Funding:**

MTW Funds

**Attachments:**

None

**9.G CHA Collection Loss Report for the Quarter Ended 09/30/09**

<p><b>Action: Approve the write-off of \$22,197.66 in accounts receivable due to collection losses for tenants vacated through 6/30/09.</b></p>
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**Staff Resource:** Heather Franklin

**Strategic Business:** Finance Administration

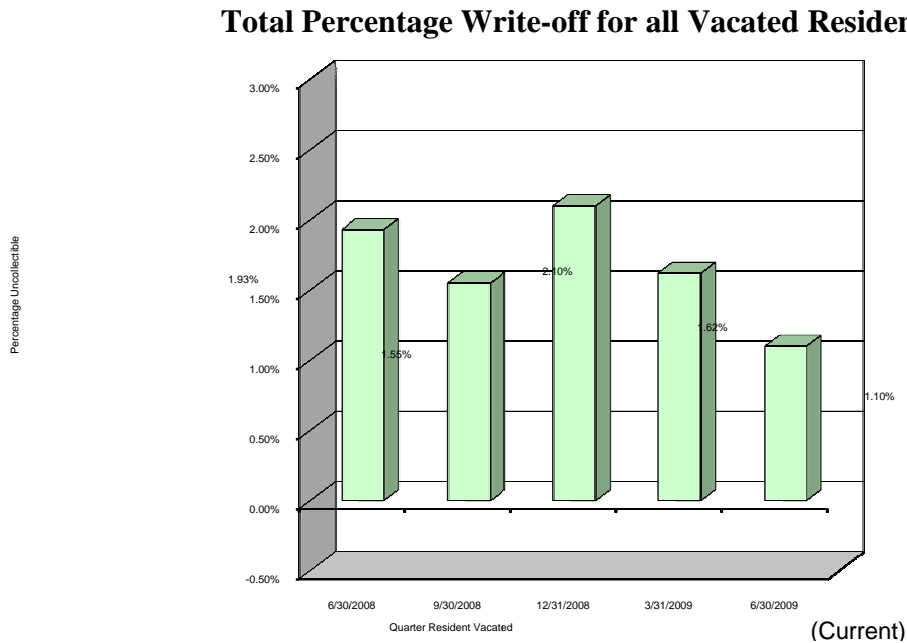
**Strategic Goal:** Attain Long-Term Financial Viability



**Explanation:**

We are requesting to write-off as per the policy, the receivables outstanding for all conventional public housing properties as of September 30, 2009 from tenants who vacated during the quarter ending June 30, 2009. The amount proposed for write-off is \$22,197.66, which represents 1.17% of total charges for the respective properties for the quarter then ended.

Below is a graphical depiction of the write-off percentages over the past several quarters for CHA and Horizon Development Properties combined. All quarters below compare Total Charges. The total percentage write-off for September 30, 2009 is 1.10%



**Committee Discussion:**

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

**Community Input:**

None.

**Funding:**

Conventional

**Attachment:**

Collection Loss Report, 09/30/09 (Tab 3)

**Business Agenda:**

**Business Agenda items for the November 17, 2009 Regular Board Meeting of the Charlotte Housing Authority Board of Commissioners.**

**10.A Selection of General Counsel Legal Services Provider**

**Action: Approve Resolution No. 1773 to Award a Contract for General Counsel Legal Services To The Banks Law Firm. Contract Shall Be For A Two Year Term With An Option To Extend Up To A Total Of Five Years.**

**Staff Resource:** Ralph S. Staley

**Strategic Business:** Finance and Administration

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

**Explanation:**

The Charlotte Housing Authority has a requirement for General Counsel Legal Services. The current contract with present outside counsel will expire at the end of November, 2009. A Request for Proposals was advertised and distributed. Outreach attempts were made to several firms including those having noted expertise with Public Housing Agencies. Two firms responded: One was Robinson, Bradshaw and Hinson and the other firm was The Banks Law Firm. Both firms were questioned by the Evaluation Committee during an oral interview to gain greater understanding with respect to their proposal submissions. The Evaluation Committee rated The Banks Law Firm as highest. The Evaluation Committee consisted of members of the Charlotte Housing Authority Board of Commissioners and the CEO and Vice President of Real Estate Development.

Negotiations were conducted with The Banks Law Firm and a contract was agreed upon with input from senior staff.

**Committee Discussion:**

No committee discussion on this agenda item.

**Attachments:**

Resolution No. 1773 (Tab 5)

## **10.B Procurement Policy Revision**

**Action:** Approve resolution 1774 to revise the CHA Procurement Policy related to the review and approval process for procurement Actions from the CHA Procurement Policy adopted May 19, 2009.

**Staff Resource:** Ralph Staley

**Strategic Business:** Finance and Administration

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

**Explanation:**

The CHA Board of Commissioners finds that it is in the best interest of the CHA to change the delegation of contracting authority related to CHA procurements in order to ensure quality control by the Board for procurement-related actions. It is requested that the Procurement Policy be amended for review and approval of Procurement actions from the current policy to accomplish this control procedure:

**Current:** Other than approval for this Procurement Policy, approval by the Board of Commissioners is not required for any procurement action, as permitted under Federal, State or local law.

**Proposed:** By approval hereof the Executive Director is authorized to approve all procurement actions up to:

\$100,000	Construction, Maintenance or Repair contracts.
\$50,000	Purchase of apparatus, supplies, materials and equipment. Also including service contracts, consultants, architects and engineers.

Any procurement that will cause a single vendor to exceed the above amounts during a rolling twelve (12) month period will require prior approval from the CHA Board of Commissioners before additional contracts are awarded to the vendor.

All procurement actions that exceed the dollar limits above will require coordination with the CHA Board of Commissioners. Prior to solicitation, development and/or broadcast of the procurement request, each procurement must be approved by the CHA Board except

for the exceptions listed below. In addition, if a selection committee is required as part of the process, the CHA Board of Commissioners will have an opportunity to decide if they want to be a part of that selection committee.

**Exceptions:** Due to the requirement to establish and negotiate a number of strategic entity-wide support contracts for many common use goods and services. These contracts are classified into three discrete categories:

**Other Materials and Supplies:** These are Standard Supplier Contracts based upon Intergovernmental Agreements (i.e. state and local contracts) and Cooperative Purchasing Agreements. A few agreements of these types of contracts include Maintenance, Repair and Operating Supplies (MRO) with Home Depot, Lowes and General Electric for appliances. Also includes such agreements as Office Supplies with Office Depot.

**Service Contracting:** These are Strategic Contracts for CHA services for day to day, year over year contracts and agreements to manage the day to day operations of the Housing Authority. Contracts include Lawn Services and Pest Control agreements, Copier Maintenance Services at all facilities, ADT Security services, some HVAC services and Elevator services for the High Rise Sites.

**Section 8 Landlords:** Contract agreements for payments to Charlotte area Landlords to provide privately owned subsidized housing at reduced rents to low-income tenants. Payments are made to Landlords under the housing choice voucher program. This program is the federal government's major program for assisting very low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing in the private market. Since housing assistance is provided on behalf of the family or individual, participants are able to find their own housing, including single-family homes, townhouses and apartments.

Procurement classifications are preliminary and will continue to be updated by Procurement.

**Committee Discussion:**

This item was discussed in detail by all members of the Finance & Audit Committee with most of the CHA Board of Commissioners in attendance. Some Committee members voiced apprehension and concern that the Board had very little oversight on the approval of some contracts of late and that they started to get concerned about the approval process. In response to the proposed change, Staff was most concerned with the additional time that would be required to get Board approval for future projects. During the discussion Committee members with some Staff input debated the issues with the

pros and cons and in the end the Committee voted six to one to approve the change to the Procurement policy. However, with all of the discussion concerning this issue, the Committee also stated that a final discussion would be held at the next Board meeting.

**Funding:**

N/A

**Attachment:**

Resolution No. 1774 (Tab 5)

## **Board Workshop**

### **11. A New Corporate Strategic Goals that Support the Revised Mission Statement**

**Action: Adopt New Corporate Strategic Goals that Support the Authority's Expanded Role in Meeting the Unmet Affordable Housing Need in Charlotte/Mecklenburg.**

#### **Explanation:**

The Authority has recently charged the CEO with charting a new course for the agency that emphasizes leadership and expansion of the mission. This new course focuses on meeting the affordable housing need along all points of the affordable housing continuum. The Authority has historically not addressed on homelessness, transitional housing or supportive housing. The new mission includes those areas of the housing continuum along with CHA's traditional roles. The previous Strategic Goals and highlights of the issues they were intended to address are as follows:

#### **Strategy #1: Lead the development of collaborative relationships for affordable housing solutions to a broad continuum of stakeholders**

- Meant to demonstrate collaborative leadership
- Intended to communicate that CHA was easy to work with, and a leader in affordable housing

#### **Strategy #2: Maximize economic, physical, and social value of CHA real estate portfolio**

- Intended to form the policy framework for the asset management decision-making model

#### **Strategy #3: Ensure that the CHA attains long-term financial viability**

- Divert scarce resources to maintaining physical structures
- Find new sources of income

#### **Strategy #4: Provide the best, most marketable real estate management services in the nation**

- Intended to push CHA to become a high performer in PHAS and SEMAP
- Meant to focus CHA on improving the Section 8 program
- Recognized the competitive nature of affordable housing locally with respect to funding and sought to make CHA more competitive

#### **Strategy #5: Create an environment that facilitates the development of client families to reach their highest potential**

- Emphasis on the word “facilitate” instead of “encourages” or the phrase “facilitate the development of” instead of “develops client families”
- Intended to emphasize the core mission of the Authority as property managers
- Meant to recognize the importance of supportive services

The new & revised Corporate Strategic Goals recommended by staff are listed below along with highlights of the issues they are meant to address:

**Strategy #1: Provide affordable housing solutions from homelessness to permanent housing through sustainable strategic partnerships.**

- Recognizes the expanded mission which includes meeting housing needs along the entire affordable housing continuum.
- Communicates the need to secure partners who provide housing services. Recognizes leveraging opportunities.

**Strategy #2: Maximize economic, physical, and social value of CHA real estate portfolio (unchanged)**

- Intended to form the policy framework for the asset management decision-making model

**Strategy #3: Ensure the Authority’s long-term financial viability (reworded)**

- Make sound investment decisions
- Take steps to continue the flow of funds from government sources
- Minimize financial risks
- Generate new funding sources

**Strategy #4: Provide high quality, cost effective real estate services that integrate client families into the community’s mainstream**

- Use quality and excellence to overcome NIMBY issues
- Become a model for innovatively solving affordable housing issues to the rest of the country

**Strategy #5: Create an environment that encourages client families to reach their highest potential**

- Use Moving Forward as a laboratory of reform that changes clients’ culture of dependence into one of self-reliance
- Increase the quality of life for seniors and disabled families in CHA’s portfolio

The Board is asked to review and discuss the recommend/revised goals and adopt a new set of Corporate Strategic Goals.

**MINUTES OF THE SPECIAL BOARD MEETING  
OF THE COMMISSIONERS' OF THE  
HOUSING AUTHORITY OF THE CITY OF CHARLOTTE  
HELD ON TUESDAY, NOVEMBER 4, 2009**

The Board of Commissioners of the Housing Authority of the City of Charlotte, North Carolina held a regular meeting at the *CHA Central Office, 1301 South Boulevard, Charlotte, NC 28203* at 9:00 a.m. on Wednesday, November 4, 2009.

***Present:***        ***Chairman David Jones***  
                      ***Vice-Chairman Rodney Moore***  
                      Commissioner Joel Ford  
                      Commissioner Lucille Puckett  
                      Commissioner Ben Hill  
                      Commissioner Dan Page  
                      Commissioner Will Miller

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

**Pledge of Allegiance:**

Chairman Jones opened the meeting at approximately 9:00 a.m. The pledge was led by Vice-Chairman Moore. Once completed, the public forum was opened. After seeing no speakers, Chairman Jones promptly closed the public forum.

**Additions/Changes to the Agenda:**

Chairman Jones announced that the CEO report would move into Executive Session which will be held immediately after this meeting. Hearing no further changes, a motion was requested to approve the agenda with the change as stated.

**ACTION:**

Motion was made by:	Commissioner Ford
Motion was seconded by:	Vice-Chairman Moore
Outcome:	Passed unanimously

**Consideration to Approve the Minutes for:**

- Regular Board meeting held *October 20, 2009*



Chairman Jones asked for a motion to approve the October minutes. Commissioner Miller had the following comments prior to approval.

- 1) Referring to page 8, Item 9.C which relates to enter into a Memorandum of Agreement with Thompson Child & Family Focus. Commissioner Miller refers to the quote that was stated by Commissioner Puckett; however, once a better explanation was given by Chairman Jones the issue was resolved.
- 2) Additionally referring to page 9, second paragraph it is listed as 2.5 wait list *correction* 2.5 year wait list. Correction was noted and will be entered.
- 3) Additionally, Item 9.B should reflect *no action taken*.

**ACTION:**

Motion was made with appropriate changes:

Vice-Chairman Moore

Motion was seconded:

Commissioner Puckett

Outcome:

Passed unanimously

**Report from the CEO:**

As stated by Chairman Jones, this will be deferred to the Executive Session.

**Business Agenda Action Items:**

**5.A Approval to enter into a Memorandum of Agreement with Thompson Child & Family Focus (Resolution 1762)**

Approve Resolution No. **1762** to authorize CHA to enter into a memorandum of agreement with Thompson Child and Family Focus to lease and operate a new child development center at the Boulevard Homes HOPE VI redevelopment.

**ACTION:**

Motion was made to approve:

Commissioner Ford

Motion was seconded by:

Vice-Chairman Moore

Outcome:

Passed unanimously

**5.B Boulevard Homes – CSS MTW Budget Commitment Approval**

Approve the commitment of up to \$3,800,000 of CHA MTW funds for the CSS plan for the HOPE VI redevelopment of Boulevard Homes.

**ACTION:**

Motion was made for approval:	Commissioner Ford
Motion was seconded by:	Commissioner Puckett
Outcome:	Passed unanimously

**5.C Boulevard Homes HOPE VI - MTW Commitment**

To approve resolution no. **1751** for the commitment of up to \$9,000,000 in CHA MTW funds for the HOPE VI redevelopment of Boulevard Homes. Further explanation was given by Kathleen Foster, VP of Real Estate Development and Ms. Tylee Kessler, Sr. Development Officer.

*Discussion:* Commissioner Miller questioned Kathleen Foster, VP of Real Estate Development, about the stated amount of \$8,000,000 however she is asking for \$9,000,000 therefore it appears to be a \$1,000,000 worth of cushion; he questioned if we needed that much. Tylee Kessler, Sr. Development Officer, responded it is really \$1,000,000 for an entire revitalization budget, including offsite of about \$130,000,000. Commissioner Miller agreed with the explanation.

**ACTION:**

Motion was made to approve:	Commissioner Ford
Motion was seconded by:	Vice-Chairman Moore
Outcome:	Passed unanimously

**5.D Boulevard Homes HOPE VI Authorization**

To approve resolution no. **1757** to approve the submission of a 2009 HOPE VI application for Boulevard Homes and authorize the Chairman to make necessary applicant certifications.

**ACTION:**

Motion was made to approve:	Vice-Chairman Moore
Motion was seconded by:	Commissioner Puckett
Outcome:	Passed unanimously

Chairman Jones asked for a motion to go into Executive Session to discuss legal matters and receive the report from the CEO.

*Special Board Meeting  
November 4, 2009*

**ACTION:**

Motion was made by: Vice-Chairman Moore  
Motion was seconded by: Commissioner Puckett  
Outcome: Passed unanimously

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Once the executive session was adjourned it was requested to reconvene the special board meeting. Commissioner Ford requested to bring forth a motion to suspend all funding to the RAC organization and to continue the investigation into RAC.

**ACTION:**

Motion was made by: Commissioner Ford  
Motion was seconded by: Vice-Chairman Moore  
Outcome: Passed unanimously

Chairman Jones then asked for a motion of adjournment for the *special* board meeting.

**ACTION:**

Motion was made by: Vice-Chairman Moore  
There was not a second request: No request  
Outcome: Passed unanimously

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

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***The next Regular Board Meeting will be held on Tuesday, November 17, 2009 at the Central Office of the Charlotte Housing Authority, 1301 South Boulevard, Charlotte, NC 28202. The meeting will start promptly at 12 noon and lunch/refreshments will be served for the commissioners at 11:30 a.m. If any questions/comments, please contact the executive office at 704.336.5221.***

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

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

*November 17, 2009*

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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 September 15, 2009 (Tab 2)*
3. **Business Agenda Item:**
  - A. Collection Loss Report for Quarter Ended 9/30/2009 (p.1)
  - B. Accept MTW Loan (Hampton Creste) (p.2)  
Authorization to Purchase Hampton Creste and Utilize Line of Credit  
Authorization to Accept United Community Bank Loan  
Budget Adoption: Hampton Creste

### **3.A Horizon Development Properties Collection Loss Report for the Quarter Ended 09/30/09**

**Action:** Approve the write-off of \$4,393.02 in accounts receivable due to collection losses for tenants vacated through 6/30/09.

**Staff Resource:** Heather Franklin

**Strategic Business:** Finance Administration

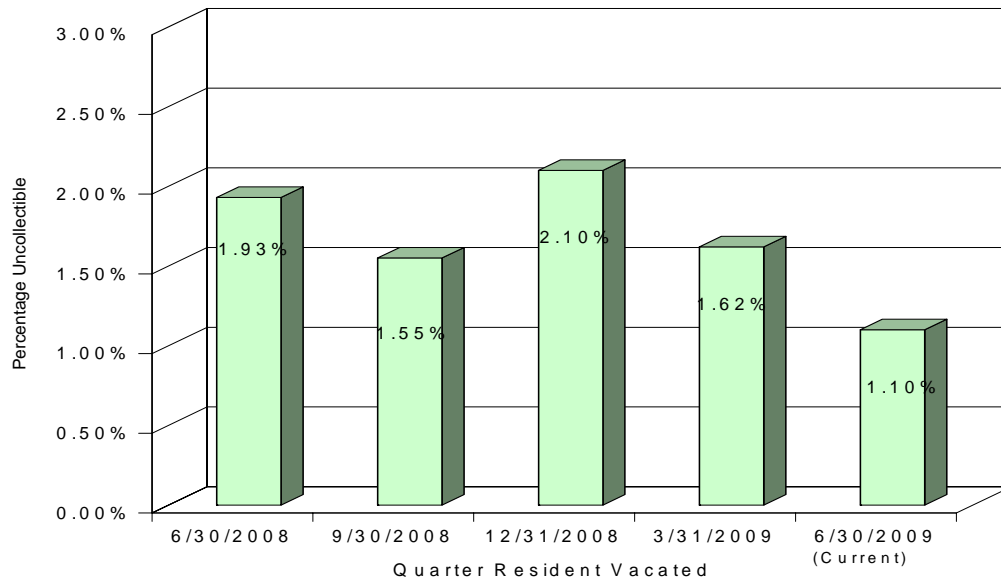
**Strategic Goal:** Attain Long-Term Financial Viability

**Explanation:**

We are requesting to write-off as per the policy, the receivables outstanding for all affordable properties as of September 30, 2009 from tenants who vacated during the quarter ending June 30, 2009. The amount proposed for write-off is \$4,393.02, which represents 0.84% of total charges for the respective properties for the quarter then ended.

Below is a graphical depiction of the write-off percentages over the past several quarters for CHA and Horizon Development Properties combined. All quarters below compare Total Charges. The total percentage write-off for September 30, 2009 is 1.10%

**Total Percentage Write-off for all Vacated Residents**



**Committee Discussion:**

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

**Community Input:**

None.

**Funding:**

Horizon Development

**Attachment**

Collection Loss Report, 09/30/09 (CHA Agenda Document-Tab 3)

**3.B Horizon Development Properties, Inc. – Accept MTW Loan  
Budget Adoption: Hampton Creste**

- Action:**
- 1. Request Authorization for Horizon Development Properties, Inc. to Accept the \$1,500,000 CHA MTW Loan for the Acquisition and Renovation of Hampton Creste**
  - 2. Request Authorization for Horizon Development Properties, Inc. to Purchase Hampton Creste Apartments and Utilize the 5<sup>th</sup>/3<sup>rd</sup> Line of Credit as the Source up to \$1,400,000**
  - 3. Request Authorization for Horizon Development Properties, Inc. to Accept a Loan up to \$4,640,000 from United Community Bank for the Acquisition of Hampton Creste**
  - 4. Approve the Adoption of a Development Budget for Hampton Creste in Horizon Development Properties, Inc.**

**Staff Resource:** J. Daniels, Ralph Staley

**Strategic Business:** Real Estate, Finance and Administration

**Strategic Goal:** Maximize Economic, Social, and Physical Value of Real Estate;  
Attain Long- Term Financial Viability

**Explanation:**

Horizon Development Properties, Inc. will be acting as developer for the acquisition and renovation of Hampton Creste. The CHA Board was asked to approve Resolution No. 1766 to provide authorization for CHA to make a MTW loan in the amount of

\$1,500,000 to Horizon Development Properties, Inc. for acquisition and renovation of Hampton Creste.

Staff is also requesting authorization to execute the necessary loan documents in order to obtain a loan from United Community Bank in an amount not to exceed \$4,640,000 for the acquisition of Hampton Creste.

In addition, staff is requesting to utilize the Fifth Third line of credit up to \$1,400,000. In accordance with policy, two takeout alternatives have been identified: 1) the line of credit will be paid back with partial proceeds of the \$1,500,000 CHA MTW loan or 2) Horizon would continue to operate Hampton Creste, stabilize occupancy and refinance the first mortgage at a 65% LTV (\$6MM). The \$1,400,000 in proceeds will go towards repaying the line of credit. The timeline for refinancing would be eighteen to twenty-four months.

Staff has negotiated an acquisition price of \$5,800,000 with a possible concession of \$250,000. Horizon has until December 15, 2009 to close the transaction. Earnest money will be credited to the purchase price. (The \$1,400,000 authorization includes \$1,160,000 for acquisition, up to \$180,000 in acquisitions expenses, and up to \$60,000 in due diligence expenses).

Upon approval, the attached resolution will authorize Horizon Development Properties, Inc. to accept this loan from CHA. In addition, staff will execute necessary loan documents.

### **Approve the Hampton Creste Development Budget in Horizon Properties, Inc.**

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.

The budget has an Exhibit A in which there are Others Sources and expenditures in the Capitalize line item in the amount of 1,500,000.

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 \$100,000 between functions.
3. The CEO may not transfer any amounts between funds or increase the total amount of a fund.

**Funding:**

CHA MTW Loan  
5<sup>th</sup>/3<sup>rd</sup> Line of Credit  
United Community Bank Loan

**Attachment:**

Resolution to Accept Loan (**Tab 1**)  
Resolution for Horizon Line of Credit (**Tab 1**)  
Resolution for Horizon United Community Bank Loan (**Tab 1**)  
Exhibit A (**Tab 1**)

**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 November 17, 2009.

(SEAL)

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



**MINUTES OF HORIZON DEVELOPMENT PROPERTIES, INC.  
BOARD MEETING HELD ON TUESDAY, SEPTEMBER 15, 2009**

**Regular Meeting:**

**Additions to the Agenda:**

*None*

**Consideration to Approve the minutes for :**

- Meeting held on *August 18, 2009*

**Business Agenda Items:**

**3.A The Lofts at Seigle Point – Horizon Development Properties, Inc. Budget Adoption:  
The Lofts at Seigle Point**

- Action: 1. To approve the resolution to authorize Horizon to incur expenses related to predevelopment expenses for The Lofts at Seigle Point, to establish a budget up to \$500,000 and to accept the loan for that purpose.
- Action: 2. To approve The Lofts at Seigle Point Capital Project Budget in Horizon Development Properties, Inc.

**ACTION:**

Motion was made to approve: Vice-Chairman Moore

Motion was seconded by: Commissioner Ford

NOTE: There was discussion concerning this item.

Chairman Jones asked to modify Item 3.A to include Action #1 only, with remaining Action #2 pending for further review.

After further discussion Chairman Jones requested a friendly amendment to approve both Action Items #1 & #2:

Motion was made to approve by: Commissioner Ford

Motion was seconded by: Vice-Chairman Moore

Opposed: Commissioner Page

Abstained: Commissioner Puckett

Outcome: Passed

**3.B Villa Court Apartments:**

Adopt a resolution to authorize Horizon to dispose of Villa Courts Apartments at appraised value.

**ACTION:**

Motion was made for approval:	Commissioner Page
Motion was seconded by:	Commissioner Ford
Outcome:	Passed unanimously

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

Approve an amendment of the Horizon Development Properties, Inc. budget for the Fiscal Year Ending March 31, 2010.

**ACTION:**

Motion was made for approval:	Commissioner Ford
Motion was seconded by:	Commissioner Puckett
Outcome:	Passed unanimously

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

Approve an amendment of the Horizon Development Properties, Inc. budget for the Fiscal Year Ending March 31, 2010.

**ACTION:**

Motion was made for approval:	Commissioner Puckett
Motion was seconded by:	Vice-Chairman Moore
Outcome:	Passed unanimously

**3.E Horizon Development Properties, Inc. – Accept CHA MTW Loan Budget Amendment: Strawn Apartments, Charlottetown Terrace and Parktowne Terrace**

- Action:
1. Requesting authorization for Horizon Development Properties, Inc. to accept the \$63,000 CHA MTW Loan for predevelopment activity.
  2. Approve the amendment of the development budget for Strawn Apartments in Horizon Development Properties, Inc.
  3. Approve the amendment of a development budget for Charlottetown Terrace in Horizon Development Properties, Inc.
  4. Approve the amendment of a development budget for Parktowne Terrace in Horizon Development Properties, Inc.

**ACTION:**

Motion was made for approval:	Commissioner Ford
Motion was seconded by:	Vice-Chairman Moore
Opposed:	Commissioner Page
Outcome:	Passed

Chairman Jones requested a motion to go into executive session to discuss Items 3.F, 3.G & 3.H. Motion was made by: Vice Chairman Moore, motion carried. Once the discussion was completed they returned to open session for the following vote:

**3.F Woodlawn House Apartments – Horizon Development Properties, Inc.**

Resolution to authorize Horizon to purchase Woodlawn House Apartments and that 5<sup>th</sup>/3<sup>rd</sup> line of credit be used as the source (up to \$3,525,000).

**ACTION:**

Motion was made to approve:	Commissioner Ford
Motion was seconded by:	Vice-Chairman Moore
Opposed:	Commissioner Puckett
Outcome:	Passed

**3.G Budget Amendment: Woodlawn House Apartments:**

Amend the Woodlawn House Apartments Capital project budget in Horizon Development Properties, Inc.

**ACTION:**

Motion was made by:	Commissioner Ford
Motion was seconded by:	Commissioner Page
Opposed:	Commissioner Puckett
Outcome:	Passed

**3.H McMullen Wood Apartments – Horizon Development Properties, Inc. Budget Adoption: McMullen Wood Apartments.**

Action: 1 Resolution to authorize Horizon to incur expenses related to due diligence and other acquisition expenses for McMullen Wood apartments and to establish a budget of up to \$130,000 for that purpose.

*Horizon Development Properties, Inc.*  
*September 15, 2009*

- Action: 2      Authorize Horizon to use the 5<sup>th</sup>/3<sup>rd</sup> bank line of credit for the binder, other expenses preliminary to the purchase, and the purchase if such purchase is approved by future action.
- Action: 3      Approve the McMullen Wood apartments Capital Project Budget in Horizon Development Properties, Inc.

**ACTION:**

Charles Woodyard made the following statement for clarification: Referring to action 3, which is similar to the previous item, therefore when they refer to capital budget it means the \$130,000.

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

Once completed Chairman Jones asked for a motion for adjournment.

Motion was made by:	Commissioner Puckett
Outcome:	Passed unanimously

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