

Housing Authority of the City of Charlotte

Regular Meeting of the Board of Commissioners

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

January 15, 2008

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

Regular Meeting Agenda:

1. Pledge of Allegiance
2. Public Hearing: *Admissions & Occupancy Policy/Section 8 Administrative Plan*
3. Public Forum
4. Additions to the Agenda
5. Consideration to Approve the Minutes for:
 - Regular Board Meeting held *December 18, 2007 (Tab 4)*
6. Resident Advisory Council (RAC) Report
7. Monthly Report from the CEO
 - Monthly Scorecard **(Tab 1)**
 - Moving To Work (MTW) Update
8. Committee Reports:
 - Client Relations Committee
 - Development Committee
 - Finance and Audit Committee
9. **Consent Agenda Action Items:**
 - A. Seneca Woods Restructuring **(p.1)**
 - B. McCreesh Place II **(p.4)**
 - C. Revised Project Based Section 8 Policy and Procedures **(p.7)**
 - D. Budget Amendment Central Office Cost Center **(p.8)**
 - E. Budget Adoption Moving to Work (MTW) Fund **(p.9)**
 - F. Contract for Southside Homes Phase V Architectural Services **(p.9)**
 - G. Submission of City of Charlotte HTF Grant Application-Edwin Towers **(p.10)**
 - H. Submission of City of Charlotte HTF Grant Application-Robinsdale **(p.12)**
 - I. Budget Amendment Section 8 Budget **(p.12)**
 - J. Budget Amendment for the 2004, 2005, 2006 Capital Fund Grants **(p.14)**
 - K. Call for a Public Hearing on the 2008-2009 Operating Budgets **(p.14)**

10. **Business Agenda Action Items:**

A. Live Oak Seniors (p.15)

B. Budget Amendment Asset Management Project Budget (p.16)-(Agenda Addition)

Consent Agenda:

Consent Agenda items for the January 15, 2008 Regular Board Meeting of the Charlotte Housing Authority Board of Commissioners.

9. A Seneca Woods Restructuring

<p>Action: Approve Resolution No. <u>1539</u> to Authorize Staff to Act as Developer to Rehabilitate and Restructure Seneca Woods Apartments, including:</p> <p style="padding-left: 40px;">A. Approval of a HOPE VI Loan and/or Capital or Replacement Factor Funds of up to \$1,400,000.</p> <p style="padding-left: 40px;">B. Approval of the use of up to \$650,000 in Land Sales Proceeds.</p>
--

Staff Resource: Jeff Meadows

Key Business : Real Estate

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

Explanation:

Seneca Woods Apartments, located off of Park Road just south of the intersection of Park Road and Woodlawn, is a 49-unit (with an additional unit used as a management office) tax credit development that was originally placed in service in 1992. It is located off of Park Road just south of Woodlawn. Fannie Mae was the original limited partner, but their interest (99%) was acquired by Horizon in 2004 after the ten year credit period. On December 31, 2006, the remaining 1% general partner's interest was transferred to Horizon as well.

The development currently needs approximately \$29,000 per unit in rehabilitation. There are no replacement reserves available. There are three loans on the property from CMHP, the City of Charlotte and NCHFA. These loan agreements restrict the rents and tenant incomes to 40% of the Area Median Income (AMI) through 2022. If this debt were paid in full, an extended use agreement on the property restricts the rents to 60% of Area Median Income through 2022.

In August 2007, staff presented the analysis of this property through the asset management model. The result was a decision to pursue the rehabilitation of the property and to attempt to restructure it by adding units at 30% and at 60% AMI, creating a more mixed-income community and more units for very low income families at 30% AMI.

Fundamental to this restructuring will be gaining HUD approval for the use of HOPE VI funds for the acquisition.

Rents (including common area utilities and project paid tenant utilities):

- a. ACC: \$265/unit (10 two bedroom)
 \$275/unit (10 three bedroom)

- b. 40% AMI: \$466/unit (6 two bedroom)
 \$539/unit (6 three bedroom)
 \$594/unit (2 four bedroom)

- c. 60% AMI: \$612/unit (6 two bedroom)
 \$675/unit (9 three bedroom)

Market Analysis:

A rent study was done in June 2007 as part of the appraisal. We have used these rents, discounted by 10%, for the 60% AMI rents.

Proposed Permanent Sources and Uses:

The following Sources and Uses includes the assumption of the City Loan (\$640,000) and the NCHFA Loan (\$300,000) and the prepayment of the CMHP Loan (\$550,000). The rehabilitation is estimated at \$29,000 per unit in total costs.

<u>Sources</u>		<u>% of Total</u>	
a. City Loan	\$ 640,000	18%	
b. NCHFA Loan	\$ 300,000	8%	
c. HOPE VI	\$ 1,200,000	34%	
d. Housing Trust Fund	\$ 750,000	22%	
e. Land Sales Proceeds	<u>\$ 650,000</u>	18%	
Total Sources	\$ 3,540,000		
<u>Uses</u>		<u>% of Total</u>	
a. Acquisition Price*	\$ 1,490,000	42%	
b. Rehab**	\$ 1,422,580	40%	
c. Transaction Costs***	<u>\$ 627,420</u>	18%	
Total Uses	\$ 3,540,000		\$72,244 Per Unit

**Acquisition prices includes assumption of \$640,000 City Loan and \$300,000 NCHFA Loan and prepayment of \$550,000 CMHP Loan.*

*** Rehab includes general requirements, contractor overhead and profit, & contingency.*

****Transaction costs include developer fee, relocation, reserves, soft costs, etc.*

Income and Expenses:

a. Net Income:	\$5,228 PUPY	\$ 256,155 Total Annual
b. Expenses:	\$5,036 PUPY	<u>\$ 246,748 Total Annual*</u>
		\$ 9,407 NOI
c. Debt Service:	\$ 0 (must-pay)	
d. Net Cash Flow:	\$ 0 (after payment of cash flow contingent loans)	

**Includes Social Services of \$24,000 annually.*

Development Fee and Construction Fees:

\$250,000 in Development Fee and approximately \$160,580 in Construction Fees.

CHA resources and net benefit to CHA:

Project financing includes \$1,200,000 (not to exceed HUD TDC limits) in HOPE VI/RHFF/Capital funds. CHA will make the interest-bearing HOPE VI/RHFF/Capital loan (at the allowable federal rate) anticipating that payments are subject to available cash flow. CHA would also provide up to \$650,000 in a Land Sales Proceeds loan at 2.0%, also subject to available cash flow. Because the loans would come behind the current City Loan and HTF Loan, no payments are projected.

Social services fees of \$24,000 annually are budgeted and will be paid to CHA. These fees total over \$500,000 (with escalation at 4%) over 15 years.

In addition to a developer fee of \$250,000, CHA will receive the General Contractor fees on this project as fees to the modernization group. These fees are estimated at \$160,580.

Schedule:

Apply for HTF*:	February	2008
HTF Results:	May	2008
HUD approvals:	June	2008
Closing:	August	2008
Rehabilitation Start	September	2008
Rehabilitation Finish	September	2009

**Requests for City Loan extension and restructuring will be considered as part of the HTF process.*

Committee Discussion: Recommended unanimously for adoption.

Community Input: N/A

Summary of Bids: N/A

MWBD Consideration: N/A

Funding: HOPE VI/RHFF/Capital Funds/Land Sales Proceeds

Attachment: Resolution 1539 (Tab 3)

9. B McCreesh Place II

Action: Approve Resolution No. 1540 to Authorize Staff to Assist in the Re-Financing of 64 SRO units and the new construction of up to 26 studio units at McCreesh Place, including:

- C. Approval of Section 8 and Section 9 rental subsidies; and**
- D. Assembling the necessary financing including low income housing tax credits, HTF funds and NCHFA supportive housing fund.**

Staff Resource: Kathleen Foster and Frank Narron

Key Business : Real Estate

Strategic Goal(s): Develop collaborative relationships for housing solutions

Explanation:

McCreesh Place is a 64 unit Single Room Occupancy (SRO) development for men on North Davidson Street in Charlotte, NC, which is managed by St. Peters Homes. The original development was financed through a \$1,000,000 Housing Trust Fund loan, a \$400,000 HUD grant and about \$400,000 in private fund-raising. In the past few years, the development has experienced operating shortfalls because the rental income is less than projected (residents can only pay 30% of their income for rent) and the service and security needs are higher. Cheryl Campbell and Tylee Kessler have already been working with the staff at McCreesh to obtain 25 Section 9 subsidies for the existing 64 units in an effort to lessen the operating shortfalls. McCreesh currently receives operating support in the form of grant funds from the County and through fund-raising in the faith community.

In the process of understanding the needs at McCreesh and helping them to expand their program to serve more individuals, CHA staff met with St. Peters staff and Board over several months to discuss the possibility of a re-financing, based on tax credit funding, which would allow them to build an additional 26 studio units, do about \$300,000 in physical improvements to the existing structure and establish a significant operating reserve (in excess of \$1 million). This operating reserve, combined with Section 8 and Section 9 rental subsidies would

substantially reduce (if not totally eliminate) the need for any on-going fund-raising for operations and put McCreech on sound financial footing for many years to come.

This potential partnership was discussed at the December Development Committee meeting.

Rents (including common area utilities and project paid tenant utilities):

- d. Section 9 (ACC): \$250/unit (64 SRO units)
- e. Section 8: \$400/unit (26 new studio units)

Market Analysis:

A rent study will be done by the North Carolina Housing Finance Agency. We anticipate very strong demand since all units will be subsidized and residents will pay 30% of their income for rent.

Proposed Permanent Sources and Uses:

The following Sources and Uses include the assumption of the existing City HTF Loan (\$1,000,000). The HUD funding was a \$400,000 grant and while not repayable; it brings with it a deed restriction on a portion of the units requiring that they remain available to persons with disabilities. (This is an existing programmatic restriction with which St. Peters Homes is comfortable).

<u>Sources</u>		<u>% of Total</u>
a. New HTF Loan	\$ 1,000,000	20%
b. Assumption of existing HTF Loan	\$ 1,000,000	20%
c. NC State Credit Loan	\$ 245,000	5%
d. NCHFA Special Needs funding	\$ 350,000	7%
e. Tax Credit Investor Equity	\$ 2,303,295	48%
Total Sources	\$ 4,899,295	
<u>Uses</u>		<u>% of Total</u>
d. Assumption of Debt	\$ 1,000,000	20%
e. Site Work	100,000	2%
f. Rehab	\$ 300,000	6%
g. New Construction	\$ 1,645,213	34%
h. Transaction Costs*	\$ 461,200	9%
i. Reserves	\$ 1,382,653	28%
Total Uses	\$ 4,899,295	\$55,671 Per Unit

**Transaction costs include developer fee, soft costs, etc.*

Income and Expenses:

- e. Net Income: \$3,383 PUPY \$ 297,677 Total Annual
- f. Expenses: \$4,017 PUPY \$ 353,496 Total Annual
(\$ 55,819) NOI
- g. Debt Service: \$ 0 (must-pay)
- h. Net Cash Flow: negative \$55,819 to be supplemented by annual draws on the up-front funded reserve of \$1,236,285.

Development Fee:

\$250,000 in Development Fee. Current proposal is that it be shared with \$100,000 to CHA; \$100,000 to David Furman (Boulevard Centro) and \$50,000 to St. Peters Homes.

Pre-development Expenses:

Furman is providing architectural services free of charge for the preliminary application. It is proposed that CHA will pay the \$5,400 application fee and that any additional costs for the HTF application will be split with St. Peters Homes. All costs would be reimbursed at closing.

CHA resources and net benefit to CHA:

No CHA loan or grant proceeds are currently projected for McCreesh II. CHA’s commitment will be limited to 64 Section 9 units (ACC) and 26 Project-based Section 8 units. CHA will primarily play the role of development consultant (for which we will be paid \$100,000) and project sponsor. (David Furman will provide architectural services and serve as project developer through the rehab and construction process.)

At this time it is proposed that St. Peters Homes will be the managing member of the LLC. Depending on investor and/or NCHFA requirements, it may be necessary for CHA to be a co-managing member. Furman understands that they would be responsible for construction completion guarantees; St. Peters understands that they will be responsible for any operating deficit guarantees. These arrangements would be subject to investor approval.

The primary benefit to CHA in this transaction is that it supports collaborative relationships in Charlotte addressing affordable housing issues. It also helps meet our commitment to provide an additional 300 project-based Section 8 for the disabled and adds 64 Section 9 (ACC) units to the inventory.

Schedule:

Tax Credit preliminary application:	January 10, 2008
Apply for HTF*:	February 15, 2008
HTF Results:	May 2008
Tax Credit final application	May 2008
Tax credit award	August 2008
Closing:	December 2008
Construction Start	March 2009
Construction Complete	March 2010

**Requests for City Loan extension and restructuring will be considered as part of the HTF process.*

Committee Discussion:

This item was discussed in the January 9th Development Committee meeting and the Committee voted to recommend it to the Board for approval. Since that time, plans have been finalized and it appears that the site will accommodate 2 additional studio units, bringing the total of studio units with project-based Section 8 subsidy to 26.

Community Input: N/A

Summary of Bids: N/A

MWBD Consideration: N/A

Funding: Up to 64 Section 9 subsidies
Up to 26 Project based Section 8 subsidies

Attachment: Resolution 1540 (Tab 3)

9. C Revised Project Based Section 8 Policy and Procedures

Action: Approve Resolution No. <u>1542</u> to Authorize Adoption of the Revised Project Based Section 8 Site Selection Policy and Procedures.
--

Staff Resource: Twyla Taylor

Strategic Business: Real Estate Development

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

Explanation:

In 2005 the Charlotte Housing Authority implemented the Project Based Section 8 Policy in compliance with HUD rules and regulations. Since that time the rules and regulations have been updated and the CHA received approval of the Moving to Work (MTW) Agreement which provided flexibility to the program. In accordance with the MTW Agreement and 24 CFR Part 983, the CHA has revised the Project Based Section 8 Policy and Procedures and request Board approval for implementation.

Committee Discussion:

The Development Committee voted unanimously to authorize adoption of the Revised Project Based Section 8 Policy and Procedures.

Funding: NA

Attachments:

Revised Project-Based Section 8 Policy (Tab 2)

Resolution No. 1542 (Tab 3)

9. D Budget Amendment Central Office Cost Center

Action: Approve Resolution No. 1532 which amends Resolution No. 1491, Exhibit A, which adopted the Central Office Cost Center Budget for the fiscal year ending March 31, 2008.

Staff Resource: Ralph Staley

Strategic Business: Finance Administration

Strategic Goal: Attain Long – Term Financial Viability

Explanation:

The Charlotte Housing Authority began performing relocation services for the City of Charlotte in 2004. As a part of the remuneration the City will pay for cost associated with temporary housing, moving and storage. This amendment recognizes additional revenues in the amount of \$75,630. Of that amount \$45,786 should have been billed previously for the above mentioned cost and \$29,844 is in additional second year revenue. Expenses associated with this additional revenue will be in temporary housing.

Each of these transactions is shown 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 January 9, 2008.

Funding: City Funding

Attachments:

Exhibit A (Tab 2)

Resolution No. 1532 (Tab 3)

9. E Budget Adoption Moving to Work (MTW) Fund

Action: Approve Resolution No. <u>1533</u> to Adopt the Moving To Work Fund Budget for the Fiscal Year Ending March 31, 2008.

Staff Resource: Ralph Staley

Strategic Business: Finance & Administration

Strategic Goal: Attain Long-Term Financial Viability

Explanation:

The Board of Commissioners for Charlotte Housing Authority, acting through its delegated officers, has the primary responsibility for ensuring that Charlotte Housing Authority is operated in an efficient and economical manner and that its financial integrity is maintained. This responsibility is exercised through the review, approval and control of the Charlotte Housing Authority Operating Budget. This resolution is the formal resolution related to the Board adopting the Moving to Work (MTW) Fund budget as shown in Exhibit A.

Revenue in the MTW fund is transferred from the Section 8 program. Expenses are for legal fees for the WISH and McCreesh Place projects and other MTW initiatives for the remainder of the fiscal year.

Approval is expressed in this duly executed board resolution.

Committee Discussion:

The Finance & Audit Committee discussed and unanimously approved this policy for inclusion on the consent agenda at its meeting on January 9, 2008.

Funding: Section 8

Attachments:

Exhibit A Moving to Work Fund Budget (**Tab 2**)

Resolution 1533 (**Tab 3**)

9. F Approve Contract for Southside Homes Phase V Architectural Services

Action: Approve Resolution No. <u>1534</u> to Authorize the CEO to Execute a Contract for Design and Construction Administration Services for Southside Homes Phase V Renovations under the Capital Fund and HTF Grants

Staff Resource: Cheryl Campbell

Strategic Business: Maintain Existing Housing Stock

Strategic Goal: Develop Collaborative Relationships for Housing Solutions

Explanation:

In June 21, 2004, CHA solicited responses to an RFQ that would qualify an architectural firm to provide design and construction administration services for perseveration projects planned in the Authority's Capital Fund and Housing Trust Fund grants. Proposals were received from three firms and a successful fee negotiation was reached with Perkins-Eastman Architects (PEA). One of PEA's contracts was for the design and administration services for the Southside Homes renovations. Phases I – IV have been completed and Phase V is ready to begin. We have reviewed the PEA fee proposal for Phase V and find it acceptable and seek permission to enter into a contract for Phase V. The \$109,418 fee includes updating existing construction documents, document re-use fee, and construction bidding and construction administration for all architectural, mechanical, plumbing and electrical disciplines.

Board approval is needed to enter into a contract with Perkins Eastman Architects for the Southside Phase V.

MWBD Consideration: None

Committee Discussion:

Presented at the 1/9/08 Finance meeting and was unanimously approved.

Funding: Capital Fund and HTF Grants

Attachment: Resolution 1534 (Tab 3)

9. G Submission of City of Charlotte Housing Trust Fund Grant Application

<p>Action: Approve Resolution No. <u>1535</u> to Authorizing the CEO to Execute the City of Charlotte Housing Trust Fund Grant Application for Special Needs for Edwin Towers.</p>

Staff Resource: Cheryl Campbell

Strategic Business: Operations

Strategic Goal: Develop Collaborative Relationships for Housing Solutions

Explanation:

In October 2007 Charlotte Housing Trust Fund issued a Request for Proposal for Special Needs Housing Development. Funding in the amount of \$1,727,553 is available through the City's Housing Trust Fund to provide loan and grant funds for the development of special needs housing on land and/or structures controlled by the proposer. The HTF funds are from the City's tax-exempt general obligation bond funds and other available City resources. The City funding is provided as gap financing and is used to finance housing for households earning 60% or less of the area median income (AMI) with priority for households earning 30% or less of the AMI. The Proposals are due by February 15, 2008.

The Housing Authority of the City of Charlotte is submitting a Grant Application for the modernization of the elevators and the purchase of air-conditioning units at Edwin Towers.

The Authority will combine its site-allocated capital fund dollars with the HTF dollars to accomplish the above work. The proposed financing for the project is as follows:

<i>Community</i>	<i>HTF Request</i>	<i>CHA Capital Dollars</i>	<i>Total Budget</i>	<i>Leverage Ratio</i>
Edwin Towers	\$222,500	\$222,500	\$445,000	1:1

Committee Discussion:

Presented at the 1/9/08 Finance meeting and was unanimously approved.

Community Input: None to date.

Summary of Bids: N/A

MWBD Consideration: N/A

Funding:

HTF Grant Application
Capital Fund 2006

Attachment: Resolution No. 1535 (Tab 3)

9. H Submission of City of Charlotte Housing Trust Fund Grant Applications

Action: Approve Resolution No. 1536 to Authorizing the CEO to Execute the City of Charlotte Housing Trust Fund Grant Application for Renovations at Robinsdale Apartments

Staff Resource: Cheryl Campbell

Strategic Business: Operations

Strategic Goal: Collaborative Relationships for Housing Solutions

Explanation:

In October 2007 Charlotte Housing Trust Fund issued a Request for Proposal for Multi-Family Rental Housing Development (new construction, rehabilitation and acquisition/rehabilitation). Funding in the amount of \$7,500,000 is available through the City's Housing Trust Fund to provide loan and grant funds for the development of special needs housing on land and/or structures controlled by the proposer. The HTF funds are from the City's tax-exempt general obligation bond funds and other available City resources. The City funding is provided as gap financing and is used to finance housing for households earning 60% or less of the area median income (AMI) with priority for households earning 30% or less of the AMI. The Proposals are due for submission by February 15, 2008.

The Housing Authority of the City of Charlotte is submitting a Grant Application for interior and exterior renovations of Robinsdale.

The Authority will combine its site-allocated capital fund dollars with the HTF dollars to accomplish the above work. The *proposed* financing for the project is as follows:

<i>Community</i>	<i>HTF Request</i>	<i>CHA Capital Dollars</i>	<i>Total Budget</i>	<i>Leverage Ratio</i>
Robinsdale	\$513,471	\$513,471	\$1,026,941	1:1

Committee Discussion:

Presented at the 1/9/08 Finance meeting and was unanimously approved.

Community Input: None to date.

Summary of Bids: N/A

MWBD Consideration: N/A

Funding:
HTF Grant Application
Capital Fund 2007

Attachment: Resolution No. 1536 (Tab 3)

9.1 Budget Amendment Section 8 Budget

Action: Approve Resolution No. 1537 to Amend Resolution No. 1513, Exhibit A Which Adopted the Section 8 Budget for Fiscal Year Ending March 31, 2008.

Staff Resource: Ralph Staley

Strategic Business: Finance and Administration

Strategic Goal: Attain Long – Term Financial Viability

Explanation:

The Charlotte Housing Authority became a Moving to Work (MTW) agency in December 2007. Staff is establishing the single fund budget with full flexibility with this amendment in accordance with the MTW agreement. Funds are being transferred from the Section 8 program in an amount up to \$16,700,000. Of the amount transferred, \$7,883,101 represents fund balance appropriated from previous year's excess HAP funds and the remaining transfer will be a reduction of the HAP expenditure line item in the current fiscal year.

These adjustments to the Section 8 budget are 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 January 9, 2008.

Funding: Section 8

Attachments:

Exhibit A (Tab 2)

Resolution No.1537 (Tab 3)

9. J Budget Amendment for the 2004, 2005 and 2006 Capital Fund Grants

Action: Approve Resolution No. 1538 to authorize the amendment of Resolution Nos. 1455, 1467 and 1496 which adopted the 2004, 2005 and 2006 Capital Fund Grants respectively.

Staff Resource: Ralph Staley

Strategic Business: Finance Administration

Strategic Goal: Attain Long Term Financial Viability

Explanation:

This amendment is necessary to close out the 2004 Capital Fund Grant. Expenses to be paid from the 2005 and 2006 grants will be paid from the 2004 Capital Fund Grant. Therefore, we are expending funds in the oldest grant first. This movement of expenses is shown in Exhibits A, B and C.

Committee Discussion:

The Finance & Audit Committee discussed and unanimously approved this policy for inclusion on the consent agenda at its meeting on January 9, 2008.

Funding:

2004 Capital Fund Grant
2005 Capital Fund Grant
2006 Capital Fund Grant

Attachments:

Exhibit A-2004 Capital Fund Grant (**Tab 2**)
Exhibit B-2005 Capital Fund Grant (**Tab 2**)
Exhibit C-2006 Capital Fund Grant (**Tab 2**)
Resolution No. 1538 (**Tab 3**)

9. K Call for a Public Hearing on the 2008-2009 Operating Budgets to be held on February 19, 2008

Action: Approve Call for a Public Hearing on the 2008-2009 Operating Budgets to be held on February 19, 2008

Staff Resource: Ralph Staley

Strategic Business: Finance and Administration

Strategic Goal: Attain Long – Term Financial Viability

Explanation:

During the 2001 session of the North Carolina Legislature, Article 3 of Chapter 159 of the General Statutes was amended to add Section 159-42 (c) Annual Budget. It states that housing authorities shall operate under an annual budget. Further it states that the proposed budget shall be available for public inspection.

Before adopting the budget, the housing authority shall hold a public hearing at which time any persons who wish to be heard on the budget may appear. The governing board shall cause a notice of the public hearing to be published in a newspaper of general circulation in the area once a week for two consecutive weeks prior to the public hearing.

Committee Discussion:

The Finance & Audit Committee discussed and approved this item at its meeting on January 9, 2008.

Community Input:

This is the purpose of this agenda item

Funding: MTW Fund

Attachment: None

Business Agenda:

Business Agenda items for the January 15, 2008 Regular Board Meeting of the Charlotte Housing Authority Board of Commissioners.

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

Action: Approve Resolution No. <u>1541</u> to Authorize CHA to Loan \$1,400,000 of Land Sales Proceeds as a Short-Term Construction Loan for Live Oak Seniors.

Staff Resource: Twyla Taylor

Strategic Business: Finance Administration; Real Estate Development

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

Explanation:

On September 18, 2007, the Board of Commissioners approved CHA's HOPE VI investment in Live Oak Seniors and authorized staff to negotiate and execute terms and documents necessary and appropriate to accomplish the development of the project.

CHA staff is proposing to use \$1,400,000 of available land sales proceeds as a construction loan to be made available at closing, tentatively scheduled for January 23, 2008. Apollo Housing Capital/RBC will be contractually obligated to repay this loan from the equity installment on or before October 1, 2008.

Amount: \$1,400,000

Term: Approximately 9 months, repayment on or before October 1, 2008 (*closing is expected to be January 23, 2008*).

Rate: 6%

Closing /

Legal costs: South Park Seniors, LLC

Guaranty: Apollo Housing Capital/RBC will be contractually obligated to repay this loan from the equity installment.

Committee Discussion:

Discussed informally at Committee; will be presented as a business item at the Board Meeting.

Funding: Land sales proceeds

Attachment: Resolution No. 1541 (Tab 3)

10. B Budget Amendment Asset Management Project Budget (*Agenda Addition*)

<p>Action: Approve Resolution No. <u>1543</u> which amends Resolution No. 1529 which amended the Asset Management Project Budget for the fiscal year ending March 31, 2008.</p>
--

Staff Resource: Ralph Staley

Strategic Business: Finance and Administration

Strategic Goal: Attain Long – Term Financial Viability

Explanation:

In Resolution 1541, staff asked the Board to authorize the use of \$1,400,000 in land sale proceeds as a short term construction loan for the Live Oaks Seniors project. In order to make this loan, we are recognizing the repayment of the

construction loan for 940 Brevard in the amount of \$2,041,905 principal and interest. The remaining \$641,905 will reside in the Future Appropriation line item. Apollo Housing Capital/RBC will be contractually obligated to repay this loan.

At the time we recognized revenue from the sale of Live Oak, we projected all expenditures from the General category. In this amendment, staff is moving the \$2,000,000 construction loan from the General category to Loans to Other line item.

Committee Discussion: None

Funding: Repayment of 940 Brevard Construction Loan

Attachments: Resolution No. 1543

**MINUTES OF THE REGULAR BOARD MEETING
OF THE COMMISSIONERS OF THE HOUSING
AUTHORITY OF THE CITY OF CHARLOTE
HELD ON TUESDAY, DECEMBER 18, 2007**

The Commissioners of the Housing Authority of the City of Charlotte, North Carolina held a regular meeting at the *Charlotte Housing Authority/Central Office, 1301 South Boulevard, Charlotte, NC 28203* at 12:00 p.m. on December 18, 2007.

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

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

Pledge of Allegiance:

Chairman Page asked that everyone stand to recite the pledge. Following the pledge, public forum was opened.

Public Forum:

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

Additions/Changes to the Agenda:

Mr. Woodyard stated that an Executive Session will be added to discuss personnel matters and performance/evaluation of the CEO. As well as discussing a litigation matter regarding Blue Ridge Enterprises dispute with the Charlotte Housing Authority.

Consideration to approve the minutes:

- Regular Board Meeting held on *November 20, 2007*

ACTION:

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

Resident Advisory Council (RAC) Report:

Ms. Janice Belk gave the following report:

- The RAC Quality Circle meeting scheduled for November 27, 2007 was cancelled due to needed repairs of the heating system at the Strawn Activity Center.
- During the month of December, RAC assisted Charlottetown Terrace, Autumn Place, Strawn and Tarlton Hills to Wal-Mart and other outings.

Regular Board Meeting
December 18, 2007

- December 6, 2007, Ms. Belk, President of Edwin Towers and Ms. Eddie Young, a resident, were on Channel 11 Fox morning news to express gratitude to the Homestead Organization for their donation of Christmas gifts to the seniors in housing. The gifts will be distributed on December 15, 2007 at 10:00 a.m.
- RAC held their board meeting and Christmas dinner on December 7, 2007 with invited guest.
- The regular meeting was held on December 11, 2007 along with a covered dish dinner for all presidents from the different sites. Our special guest was Ms. Shaunte Evans, Chief Administrative Officer, who made a presentation on MTW.
- December 20, 2007 RAC will host the Sunridge Community election.
- The Quality Circle meeting scheduled for December 2007 was cancelled due to the Holiday schedule. The next meeting will be January 22, 2008.
- In January 2008 RAC will host an election for Boulevard Homes.

Monthly Report from the CEO

Mr. Woodyard, CEO, gave the following update:

He thanked CHA staff as well as the Thompson's staff that worked on the rezoning. It was a successful joint effort of all involved. Regarding MTW, Mr. Woodyard stated that a detailed version would be discussed in Executive Session because it is related to his performance. However, the Assistant Secretary has executed the MTW agreement and it is up to CHA to complete the public process which is scheduled for December 21st.

Balanced Scorecard:

Mr. Troy White, COO, gave the following report. On page one, tab 1, it is noted that in Section 8 we are at 4,088 vouchers. Mr. White and the Section 8 Director have decided to absorb about 100 of the portable vouchers to get the utilization above the bench mark. There are 340 portables; however we generally fluctuate higher in the warmer months because people are coming to Charlotte and porting in. It was decided that it would be easier to absorb into our program and manage from there. If there is a need for Project Based Section 8 we will manage on a project-by-project and have the authority to issue vouchers. We plan to have that accomplished by February 2008.

On page two of the scorecard, we are on target for both the affordable and conventional sites regarding the occupancy rate. He noted the 84% in the Tenant Accounts Receivables (TAR) report and wants the Board to be aware we have been monitoring these numbers very actively. There were 109 processed evictions which 36 were at Boulevard Homes. However once the notices were received 12% of that 36 actually paid in full what was owed. We gained one point in the affordable portfolio which increased it to 95%.

Regular Board Meeting
December 18, 2007

On the last page, which is for private management companies, we are at 99% on the occupancy and 96% on the TARS. We are achieving what is needed. It was noted that some of the sites; Arbor Glen 50, Arbor Glen 3, and Arbor Glen 2 are at 87% and 86% on the TARS. There have been some process changes at Crosland relating to staff, meaning they have centralized some of their processes which are causing a delay in the reporting. We are hoping that process will be cleaned up in the New Year. The N/A for Montgomery Gardens is a combination of that reporting information we had the old way transitioning to the new staff process.

Mr. Woodyard announced that there has been a substantial staff change that the Board was not aware of. The Section 8 Director, Bill Walters, has announced his retirement which will take affect on January 4, 2008. The CHA Family did recognize him at our Christmas staff meeting and presented him with a token of our appreciation. Bill has taken the Section 8 program from a low/standard performer to a SEMAP score of 99. However, our succession plan has been slightly derailed, therefore we are presently advertising for the Section 8 Director and we are also doing a national search.

Committee Reports

Client Relations Committee:

Commissioner Moore gave the following report:

- An update was given by Shaunte Evans, CAO, on our MTW agreement. She informed the committee that this is a ten year agreement and a public hearing will be held on December 21st at 10:00 a.m.
- Discussion regarding Section 8 landlords and their increasing rate of foreclosures; which is adversely affecting our clients. The committee brainstormed some initiatives which would be helpful in this situation.
- There was brief discussion concerning the Client Relations Business Plan. Mr. Troy White, COO, gave a schedule of events concerning MTW and going forward.
- Mention was made of changes to our A&O Policy (Admissions & Occupancy). These changes would be discussed at the public hearing on January 15, 2008.

Development Committee :

Commissioner Jones gave the following report:

- The committee met on December 10, 2007 and there are two items on the consent agenda; which are dealing with allocating some project based Section 8 based units to the Cherry project which is undertaken by Stone Hunt. Also discussion of the Cedar Knoll Development and settlement of a dispute regarding First Ward Apartments.
- Brief discussion relating the number of potential developments. The item primarily discussed were some sites in Hidden Valley.

Regular Board Meeting
December 18, 2007

- News was received from Charles Woodyard, CEO, concerning the successful rezoning of the Arbor Glen site for the Thompson's relocation.

Finance and Audit Committee:

Vice-Chairperson Peters gave the following report:

- This committee also met on December 10th, 2007. The majority of the items are listed on the consent agenda.
- Under the CFO's update; Ralph Staley, CFO, advised that the budget had not been approved in Congress however if it is approved, it is expected that we will be funded under the Public Housing program at 84% , the Section 8 program will be fully funded and the Capital Fund will not be reduced as originally planned.
- Also the budget will be presented in January 2008 and the public hearing in February 2008 with the budget adoption in March 2008.

Consent Agenda Action Items:

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

ACTION:

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

Business Agenda Action Items:

9.A Cherry Gardens Funding Allocation

Approve Resolution No. **1531** to Authorize CHA to Issue 11 Project Based Section 8 Vouchers to the Affordable Housing Group to Subsidize the Rents at Cherry Gardens.

ACTION:

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

9.B Board Officer Elections

Elect a Chairperson and Vice-Chairperson for the Charlotte Housing Authority Board of Commissioners for the Calendar Year 2008 According to Authority By-Laws.

Regular Board Meeting
December 18, 2007

Chairman Page stated that this item is the election of Board Officers for the year 2008. He would not be a contender however he has served the past two years and has been honored to serve and is looking forward to continuing to serve under the new chairman. He requested nominations for the next year Chairman of the Board.

Vice-Chairperson Peters nominated Commissioner David Jones and Commissioner Moore seconded that nomination. The motion was made that all in favor of Commissioner Jones becoming Chairman for 2008, the vote passes unanimously and Commissioner Jones graciously accepted.

Chairman Page then asked for nominations for Vice-Chairperson. Vice-Chairperson Peters stated that MTW was going to be so important next year that we should have our Client Relations Chairman serve as our Vice-Chairman; therefore she nominated Commissioner Rodney Moore. Commissioner Will Miller seconded the nomination. The motion was made that all in favor of Commissioner Moore becoming Vice-Chairperson for 2008, the vote passed unanimously and Commissioner Moore graciously accepted.

Mr. Woodyard then briefly gave a few words of sincere appreciation to Chairman Page and Vice-Chairperson Peters for their dedicated service to the organization.

Chairman Page stated that we suspend the Regular Board meeting to open the Horizon Development Properties and Horizon Acquisition meetings. The Horizon meetings were adjourned, therefore a motion was made by Commissioner Jones to reopen the Regular Board Meeting, and then officially adjourn to go into Executive Session. Motion passed unanimously.

The next meeting will take place on Tuesday, January 15, 2008 12 noon at 1301 South Boulevard, Central Office. (Lunch will be served promptly at 11:30 a.m.). If any questions/comments please contact the Executive Office at 704.336.5221.