

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

McAlpine Terrace
6130 Pineburr Road
Charlotte, NC 28211

August 21, 2007

1:45 p.m. - Regular Board Meeting Convenes:

Regular Meeting Agenda:

1. Pledge of Allegiance
2. Public Forum
3. Additions to the Agenda
4. Consideration to Approve the Minutes for:
 - Regular Board Meeting held *July 17, 2007* (**will be distributed prior to commencement of meeting**)
5. Resident Advisory Council (RAC) Report (**tab 6**)
6. Monthly Report from the CEO
 - Monthly Scorecard (**tab 1**)
 - Moving To Work (MTW) Update
 - Budget to Actual (BAR) Reports (**tab 2**)
 - Board Meeting Schedule
7. Committee Reports:
 - Client Relations Committee
 - Development Committee
 - Finance Committee
8. **Consent Agenda Action Items:**
 - A. Approve the Designated Housing Plan Renewal (**p.1**)
 - B. Approve the Strategic Portfolio Management Policy (**p.2**)
 - C. Budget Amendment Asset Management Project Budget (**p.3**)
 - D. Budget Amendment Section 8 Budget (**p.4**)
 - E. Budget Amendment Dalton Village HOPE VI Grant (Arbor Glen) (**p.5**)
 - F. Budget Amendment Piedmont Courts HOPE VI Grant (Seigle Point) (**p.6**)
 - G. Collection Loss Report for the Quarter Ended 6/30/07 (**p.6**)
9. **Executive Closed Session**
 - A. Construction Settlement Claim

Consent Agenda:

Consent Agenda items for the August 21, 2007 Regular Board Meeting of the Charlotte Housing Authority Board of Commissioners.

8. A CHA Designated Housing Plan Renewal

Action: Approve Resolution No. <u>1501</u> for the Designated Housing Plan Renewal.

Staff Resource: Troy D. White and Cheryl Campbell

Strategic Business: Operations

Strategic Goal: Provide Highest Quality Real Estate Management Services

Explanation:

The Housing Authority of the City of Charlotte (“CHA”) has revised its Plan for the designation of eleven communities as Designated Housing (the “Plan”), 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), for nine of its existing high-rise conventional public housing communities and two proposed housing developments that will increase the number of designated units by 89 units. 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 one-bedroom units at CHA’s senior and disabled communities. The Plan is required to be renewed every two years. The existing Plan will expire in September 2007.

CHA requests approval to renew its Plan according to the following: (a) CHA proposes to re-designate nine of its existing communities for exclusive occupancy by the elderly, near elderly, and disabled. Those communities are: Autumn Place, Edwin Towers, Strawn Apartments, Arbor Glen, Hall House, Parktowne Terrace, Prosperity Creek, Live Oak, and 940 Brevard. (b) CHA will continue to divide one of its communities, Strawn Apartments, into two portions with one portion (the high-rise building) to be designated for exclusive occupancy by the elderly and near-elderly, and the other portion (the “cottages”) to be designated for mixed occupancy (the elderly, near-elderly, and disabled). As discussed in the Plan, the physical configuration of the Strawn community readily lends itself to such a division. (c) Finally, CHA proposes to add two developments McAlpine Terrace and McCreesh Place to the Plan.

Community Input: The Designated Housing Plan Renewal was briefly discussed at the July 24, 2007 RAC Quality Circle Meeting.

Committee Discussion: The Designated Housing Plan Renewal was discussed at the Client Relations Committee meeting on August 8, 2007. A request was made for approval to increase the number of units under our Designated Housing Plan adding an additional 89 units (in McCreesh Place and McAlpine Terrace) and asking the committee to approve Resolution 1561 for the Board Consent Agenda.

The motion to recommend the Board to approve Resolution 1501 was unanimously approved.

Funding: None

Attachments:

Resolution **1501** (tab 3)

Designated Housing Plan (tab 4)

8. B Strategic Portfolio Management Policy

Action: Approve Resolution No. 1469 to adopt the strategic portfolio management policy to establish standards and procedures for making strategic decisions regarding the Authority's real estate.

Staff Resource: Charles Woodyard

Strategic Business: Executive

Strategic Goals: Provide the Highest Quality Real Estate Management Services; Maximize the Economic, Social, and Physical Value of Real Estate; Attain Long-Term Financial Viability

Explanation:

The Charlotte Housing Authority (CHA) has a responsibility to operate and manage its properties in a professional manner and provide safe, decent and sanitary housing for its residents. CHA must make strategic decisions to ensure that all resources are utilized efficiently and effectively. The Authority has adopted an asset management philosophy that seeks to maximize the value of its assets and guides all decision for its financial well being, as well as our clients.

CHA has developed a strategic portfolio management policy that will establish standards and procedures for making strategic decisions regarding the real estate of the Authority. CHA will use an Asset Management Model as a decision-making guide to evaluate company assets. An Asset Management Database has

been created to be used as the foundation for determining the properties that possess the most favorable characteristics and those that may be a drain on CHA resources.

The Strategic Portfolio Management Policy should be adopted by the CHA Board of Commissioners and any substantive policy changes should also be approved by the Board.

Committee Discussion:

The Real Estate Development committee discussed this policy at the committee meeting on April 11, 2007. The committee decided to postpone a recommendation to the full board until after staff presentations on affordable housing financing. Sessions were held on May 15 and July 17, 2007. It was agreed that this policy and particular measurements such as the Leveraged Cost per unit will continue to evolve as our experience, environment and funding evolves. On August 8, 2007, the Development Committee unanimously approved this policy for inclusion on the board consent agenda

Community Input:

None

Funding:

None

Attachments:

Resolution No. 1469 (tab 3)
Strategic Portfolio Management Policy (tab 5)
Decision Tree Example (tab 5)

8. C Budget Amendment Asset Management Project Budget

<p>Action: Approve Resolution No. <u>1504</u> which amends Resolution No. 1492, Exhibit A, which adopted the Asset Management Project Budget for the fiscal year ending March 31, 2008.</p>
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Staff Resource: Ralph Staley

Strategic Business: Finance and Administration

Strategic Goal: Attain Long – Term Financial Viability

Explanation:

The amendment is necessary to recognize additional expenses associated with the Hall House Disposition. First, a consultant will be hired to submit the disposition application to HUD. Second, we had to retain outside counsel to assist with the

Section 106 historic review of the disposition. These expenses are estimated to be \$23,000. These transactions are reflected on the attached Exhibit A.

Committee Discussion:

The Finance & Audit Committee discussed and unanimously approved this policy for inclusion on the consent agenda at its meeting on August 8, 2007.

Funding:

Fund Balance Appropriated

Attachments

Resolution No. **1504** (tab 3)

Exhibit A Asset Management Project Budget (tab 5)

8. D Budget Amendment Section 8 Budget

Action: Approve Resolution No. 1505 to Amend Resolution No. 1452, Exhibit C 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:

We received our final allocation of funding for Housing Assistance Payment (HAP) and Administrative Fees for 2007 which includes the MTW component for the Housing Choice voucher program. Based on this information, we received an increase over our budgeted amount of \$5,895,302 in HAP funding and \$81,258 in administration fee funding. The budgeted amount was based on HUD's estimate of funds we would receive.

We have been Contract Administrators for two project based Section 8 properties for HUD, Vantage 78 and Midland Commons. As of July 1, 2007 we are no longer the Contract Administrator for Midland Commons and we do not have a specific timetable for when those duties will be transferred for Vantage 78. Because of this, we need decrease HAP by \$260,906, administration fees by \$12,770, and asset management and bookkeeping fees by \$9,246.

Finally, included in this amendment are some reallocation of expense line items in the Section 8 budget. We need to move \$629,472 from the Administration section to the Resident Services section. And \$16,000 needs to be shifted from the Administration section to the Other General Section to cover bad debt expense for the fiscal year.

The net result of these adjustments is that HAP increases by \$5,634,396, administration fees increase by \$68,488 and fund balance appropriated is decreased by \$68,488. All these changes are reflected on Exhibit A which is attached.

Committee Discussion:

The Finance & Audit Committee discussed and unanimously approved this policy for inclusion on the consent agenda at its meeting on August 8, 2007

Funding:

Section 8

Attachments:

Resolution No. 1505 (tab3)

Exhibit A Section 8 Budget Amendment (tab 5)

**8. E Budget Amendment Dalton Village HOPE VI Grant (Arbor Glen)
Budget**

<p>Action: Approve Resolution <u>1502</u> to Amend Resolution No. 1497, Exhibit A, which approved the Dalton Village HOPE VI Grant (Arbor Glen).</p>

Staff Resource: Ralph Staley

Strategic Business: Finance Administration

Strategic Goal: Attain Long – Term Financial Viability

Explanation:

This budget amendment is necessary to reallocate expenses for the Springfield Garden phase of the grant. This reallocation has been approved by HUD. The revision is shown in Exhibit A.

Committee Discussion:

The Finance & Audit Committee discussed and unanimously approved this policy for inclusion on the consent agenda at its meeting on August 8, 2007.

Funding:

Dalton Village HOPE VI Grant (Arbor Glen)

Attachments:

Resolution No. 1502 (tab 3)

Exhibit A Dalton Village Hope VI Grant (Arbor Glen) (tab 5)

8. F Budget Amendment Piedmont Courts HOPE VI Grant (Seigle Point) Project Budge

Action: Approve Resolution 1500 to Amend Resolution No. 1497, Exhibit C, which approved the Piedmont Courts HOPE VI Grant (Seigle Point) Project Budget.

Staff Resource: Ralph Staley

Strategic Business: Finance Administration

Strategic Goal: Attain Long – Term Financial Viability

Explanation:

This budget amendment is necessary to reflect the reallocation of expenses for the new revitalization plan for the Piedmont Courts (Seigle Point) HOPE VI Grant. HUD approved the first revitalization plan for Piedmont Courts in April 2005. The major components of this amendment are to provide funds for an on-sight community center and additional offsite replacement public housing units. The reallocation is shown in Exhibit A.

Committee Discussion:

The Finance & Audit Committee discussed and unanimously approved this policy for inclusion on the consent agenda at its meeting on August 8, 2007.

Funding:

Piedmont Courts HOPE VI Grant (Seigle Point)

Attachment:

Resolution No. 1500 (tab 3)

Exhibit A Piedmont Courts Hope VI Grant (Seigle Point) (tab 5)

8. G Collection Loss Report for the Quarter Ended 6/30/07

Action: Approve the write-off of \$23,338.77 in accounts receivable due to collection losses for tenants vacated through 3/31/07.

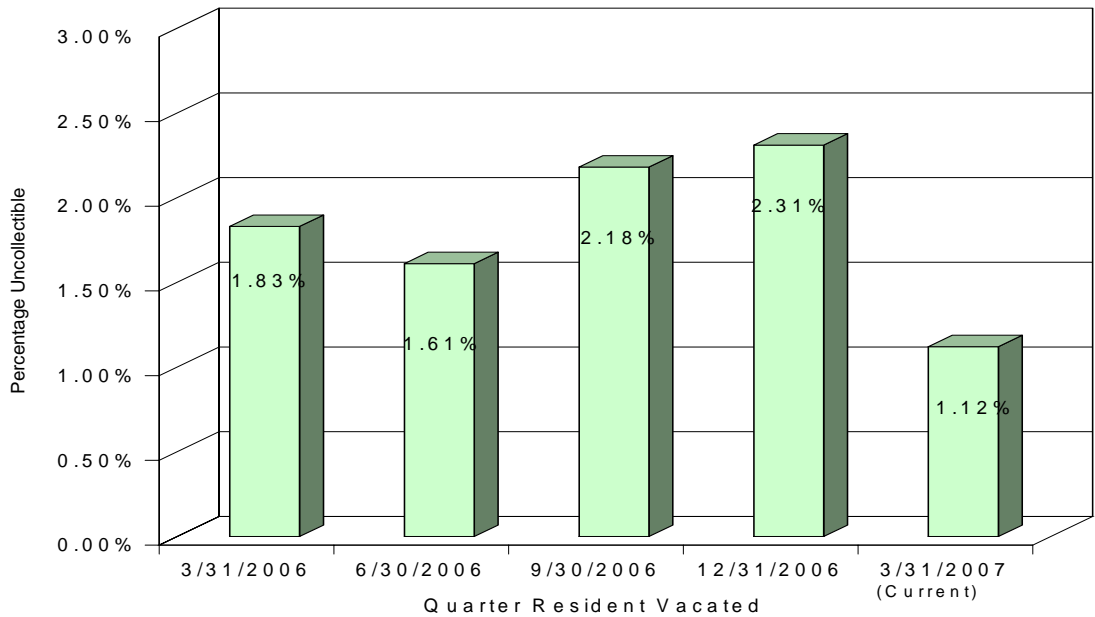
Staff Resource: Heather Franklin

Strategic Business: Finance Administration

Strategic Goal: Attain Long-Term Financial Viability

Explanation:

We are requesting to write-off as per the policy, the receivables outstanding as of June 30, 2007 from tenants who vacated during the quarter ending March 31, 2007. The amount proposed for write-off is \$23,338.77, which represents 1.12% of total charges for the quarter then ended. Below is a graphical depiction of the write-offs percentages over the past several quarters. All quarters below compare Total Charges.



Committee Discussion:

The Collection Loss Report will be discussed at the Finance Committee meeting. Explanations will be given for the largest amounts.

Community Input: None

Funding: Conventional and Horizon Development

Attachment

Collection Loss Report 3/31/07 (tab 5)

**MINUTES OF THE REGULAR BOARD MEETING
OF THE COMMISSIONERS' OF THE HOUSING
AUTHORITY OF THE CITY OF CHARLOTTE
HELD ON TUESDAY, JULY 17, 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, North Carolina 28203* at 5:00 p.m. on July 17, 2007.

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

Absent: Chairman Dan Page (was available via conference call for executive session only)

Also Present: Charles Woodyard, CEO
Sherrod Banks

Public Forum:
No speakers present; therefore, the public forum was closed.

Additions to the Agenda:
Commissioner David Jones presided in the absence of Chairman Dan Page. It was stated that Item **7.A** listed under the Consent Agenda Action Items would be moved to Item **8.B** under the Business Agenda Action Items.

Consideration to Approve the minutes:
- Regular Board meeting held on *June 16, 2007*

NOTE: Commissioner Moore stated that the following change be made under the MTW Update: the date of June 28, 2007 should be June 21, 2007. With this correction made the minutes were approved.

ACTION:
Motion to approve with correction: Commissioner Moore
Motion was seconded by: Commissioner Everett
Outcome of the vote: Passed unanimously

Regular Board Meeting
July 17, 2007

Resident Advisory Council (RAC) Report:

Janice Belk, RAC Secretary, gave the report:

- RAC transported the following communities to Wal-Mart and other outings: Charlottetown, Parktowne, Strawn & Tarlton Hills.
- The Paul Drayton Lodge #7 will sponsor a cookout at Edwin Towers on Saturday, July 28th.
- The RAC meeting was cancelled for the month of July 2007.
- A workshop named the Women-Way-Out will be sponsored by RAC. The date, time and speaker will be announced at a later date. This workshop is motivating women to have better self-esteem, coping skills to deal with difficult problems in a healthier way and be effective in a positive way and how to speak up for themselves and not be intimidated.
- RAC Quality Circle Meeting: Tuesday, 24th @ 2:00 p.m. @ Strawn Activity Center. Board Commissioners are welcome.
- Ms. Stitt & Ms. Belk will attend a resident empowerment conference to be held in Philadelphia on August 22nd thru August 26th.
- RAC/CHA will host a mini retreat in the very near future.

Monthly Report from the CEO

Mr. Woodyard introduced Mr. Troy White, COO, to present the Balanced Scorecard. Mr. White stated that the scorecard had been modified because CHA was a high performer in PHAS and had maintained an average unit turns under 20 days for more than 16 months in the conventional public housing program. Mr. White note that on page one there was a unit that needs extensive vacancy prep work prior to it being leased. On page two, one unit was assigned but the person was unable to provide the security deposit timely. The unit was leased by another person but it took 31 days in the leasing process by the private management companies. At McAlpine and Glen Cove, the management company is continuing to market the property and try to increase their waiting list. Any unit not turned within the 20 day performance measure standard is deducted from the management fee the private management company would earn monthly.

Committee Reports:

Finance Committee:

Commissioner Jones gave the following report:

- Update given by Frank Narron & Twyla Taylor regarding Boulevard. At this time no action was required.
- A Hall House update was given by Tylee Kessler. It was recommended to go before the Board of Commissioners for approval of Resolution No. **1490** to authorize CHA to submit a disposition application on Hall House to HUD.
- Tall Oaks/Cherry update was given by: Frank Narron & Twyla Taylor. No action required at this time.

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- McCreesh Place was discussed by Tylee Kessler and no action was required.
- The Green Development Roundtable-information only was given by Frank Narron.
- Arbor Glen III and Nia Point (NCHFA RPP Loans) were discussed by Frank Narron. It was recommended to be brought before the Board of Commissioners to request approval of Resolution No. **1498** to authorize the corresponding LLC's to accept additional debt.

Development Committee

Vice-Chairperson Sandra Peters gave the report:

- The audit report which was prepared by McGladrey and Pullen, LLP stated that the Authority received an unqualified audit opinion. There were no findings of significant deficiencies and material weakness in their audit. A motion was made to recommend that the Board approve Resolution No. **1499** to adopt the Financial Statements and the Independent Audit report.
- Discussion of the 940 Brevard Construction Bridge Loan. A motion was made to recommend that the Board approve Resolution No. **1489** to authorize CHA to loan \$2 million of land sales proceeds as a short-term construction bridge loan for 940 Brevard.
- Recommendation to adopt a budget for the program income that we have received on our Replacement Housing Factor (RHF) grant.
- A motion was made to recommend that the Board approve Resolution No. **1491** to amend the Central Office Cost Center budget as stated.
- Recommend that the Board approve Resolution No. **1492** which amends the Asset Management Project budget.
- Recommendation that the Board approve Resolution No. 1496 that authorizes the amendment of Resolution No. **1456**, which moves the Sunridge HVAC project to the 2005 grant year and reallocates contingency dollars to actual projects in order to begin to close out this grant.
- Approve Resolution No. **1494**, which amends Resolution No. **1408** that adopted the Earle Village HOPE VI Grant (First Ward) project budget that recognizes program income that has been earned and moved the funds to be used for the McAlpine Terrace/Glen Cove projects instead of the First Ward Apartment.
- Board requested to approve Resolution No. **1497**, which recognizes program income earned from the HOPE VI grants as stated above.

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Consent Agenda Action Items:

Commissioners Jones explained that these are the Consent Agenda Action items which previously have been brought before their individual working committees. At this time you can select any item for discussion if you need further information or you can leave all the items as they are shown under consent through **Item 7.B – Item 7.I**. It was decided by the Board to vote as one Consent Agenda Item.

ACTION:

Motion was made by:	Commissioner Miller
Motion was seconded by:	Commissioner Moore
Outcome of the vote:	Passed unanimously

Business Agenda Action Items:

8.A Audit Report for Fiscal Year 2006 – 2007

Approve Resolution No. 1499 to adopt the Financial Statement and Independent Audit Report for the fiscal year ending March 31, 2007.

ACTION:

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

8.A Use \$2 million of Land Sales Proceeds as a Short-Term Construction Bridge Loan for 940 Brevard.

Approve Resolution No. 1489 to authorize CHA to Loan \$2 million of land sales proceeds as a short-term construction bridge loan for 940 Brevard.

ACTION:

Motion was made by:	Commissioner Moore
Motion was seconded by:	Commissioner Everett
Outcome of the vote:	Passed unanimously

Commissioner Jones asked for a motion to close the regular meeting to go into Dinner Session then Executive Session. Motion was made by Commissioner Moore and passed unanimously.

Minutes respectfully prepared by:	Barbara G. Porter Executive Assistant to the CEO
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**Horizon Acquisition Corporation
Meeting of Directors
AGENDA**

*McAlpine Terrace
6130 Pineburr Road
Charlotte, NC 28211*

August 21, 2007

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 *June 19, 2007*
3. **Business Agenda Item:**
 - A. 940 Brevard **(p.1)**
 - B. Live Oak Seniors **(p.1)**
 - C. Budget Adoption **(p.2)**

Business Agenda

Business Agenda items for the August 21, 2007 meeting of the Horizon Development Properties Board of Directors

3. A 940 Brevard – Horizon Acquisition Corporation

Action: Approve Resolution for the Development of 940 Brevard - Senior Apartments.
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Staff Resource: Kathleen Foster and Jeff Meadows

Strategic Business: Real Estate Development

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

Explanation:

The CHA previously approved the project through Resolution #1260 in February 2005 and Horizon Acquisition adopted a Resolution in March 2007. The March Resolution allowed for Horizon Acquisition to carry out its assigned duties associated with the development of the 940 Brevard project. The financial structure for the project changed as a result CHA Resolution #1489 allowing for an equity bridge construction loan and the addition of a lease acquisition loan. As a result of the new financing structure another Resolution is needed to accurately reflect the final financial structure. The financial structure is reflected in the attached Resolution.

Committee Discussion: None

Funding: Hope VI – Seigle Point/Piedmont Court

Attachment: Resolution

3. B Live Oak Seniors – Horizon Acquisition Corporation

Action: Approve Resolution to Authorize the President of Horizon Acquisition Corp. to Execute and Deliver all Documentation Evidencing the Financing and any other Documents or instruments as may be required to Facilitate the Development and Operation of the Live Oak Seniors Project.

Staff Resource: Twyla Taylor

Strategic Business: Real Estate

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

Explanation:

Horizon Acquisition Corp. is a Member of the Ownership Entity, South Park Seniors, LLC. Pursuant to a Ground Lease, South Park Seniors, LLC is constructing a senior affordable housing apartment project known as Live Oak Seniors. The project will consist of 50 housing units, all of which will be operated and maintained as Low-Income Housing Tax Credits units, 17 of which will be operated as public housing units and 18 will be operated as Project Based Section 8 units.

In order to finance the construction and development of the project, the Owner Entity has obtained funds from the City of Charlotte, State and Federal Tax Credits as well as HOPE VI. The Charlotte Housing Authority's Board of Commissioners has authorized the CEO to execute and negotiate all necessary documents and at this time staff is requesting Horizon Acquisition Corp to approve same as described in the attached Resolution.

Committee Discussion: None

Community Input: None

Funding: None

Attachment: Resolution

3. C Budget Adoption Horizon Acquisition Corporation

<p>Action: Approve the Adoption of the Horizon Acquisition Corporation Budget for the Calendar Year Ended December 31, 2007.</p>

Staff Resource: Ralph Staley

Strategic Business: Finance Administration

Strategic Goal: Attain Long-Term Financial Viability

Explanation:

The Board of Commissioners for Horizon Acquisition Corporation, acting through its delegated officers, has the primary responsibility for ensuring that Horizon Acquisition 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 Horizon Acquisition Operating Budget. This resolution is the formal resolution related to the Board adopting the 2007 Horizon Acquisition budget as shown in Exhibit A. Approval is expressed in this duly executed board resolution.

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

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

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

Committee Discussion:

The Finance & Audit Committee discussed and unanimously approved this policy for inclusion on the consent agenda at its meeting on August 8, 2007.

Funding:

Horizon Acquisition

Attachment

Exhibit A Horizon Acquisition Budget

RECORDING OFFICER'S CERTIFICATION

I, Barbara Porter, the duly appointed Secretary of the Horizon Acquisition Corporation., do hereby certify that the above item was properly adopted at a regular meeting held August 21, 2007.

(SEAL)

BY: _____
Barbara Porter, Secretary

**MINUTES OF HORIZON ACQUISITION CORPORATION
BOARD MEETING HELD ON TUESDAY, JUNE 19, 2007**

Regular Meeting Agenda:

Additions to the Agenda:

None

Consideration to approve the minutes for:

- Meeting held on *March 20, 2007*

ACTION:

Motion was made to approve minutes:

Commissioner Jones

Motion was seconded by:

Commissioner Everett

Outcome of the vote:

Passed unanimously

Business Agenda Item:

3.A Seigle Point Apartment Homes

Approve resolution for the development of Seigle Point Apartment Homes. Kathleen Foster, VP Real Estate, stated that this is the approval of the ownership entity which will be held in Horizon Acquisition Corporation rather than CHA. This item will then be consistent with the last 5 tax credit investments that have been done by the Authority.

ACTION:

Motion was made by:

Commissioner Moore

Motion was seconded by:

Commissioner Everett

Outcome of the vote:

Passed unanimously

3.B Springfiled Gardens-Horizon Acquisition Corp.

Approve resolution to amend the September 2006 unanimous written consent. Ms. Foster stated that this is a completed project and was approved by the Board in a previous meeting with a unanimous written consent in September 2006.

ACTION:

Motion was made by:

Commissioner Jones

Motion was seconded by:

Commissioner Everett

Outcome of the vote:

Passed unanimously

Minutes respectfully prepared by:

Barbara G. Porter
Executive Assistant to the CEO