

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

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

October 16, 2007

12:00p.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 *September 18, 2007 (tab 5)*
5. Resident Advisory Council (RAC) Report **(tab 4)**
6. Section 8 Crime Presentation-Thomas Ludden, GIS Consultant, UNC Charlotte
7. Monthly Report from the CEO
 - Monthly Scorecard **(tab 1)**
 - Moving To Work (MTW) Update
 - PHAS High Performer
 - Homes4NC Affordable Housing Achievement Project of the Year Award
 - Annual Utilities Savings through EUA
 - ACC Unit Subsidy Discussion
8. Committee Reports:
 - Client Relations Committee
 - Development Committee
 - Finance and Audit Committee
9. **Consent Agenda Action Items:**
 - A. Approval of Contract for Evaluation Services for Section 8 Properties **(p.1)**
 - B. Fairmarket Square Acquisition **(p.2)**
 - C. Thompsons Child and Family Focus Agreement Negotiations/Execution **(p.4)**
 - D. Seigle Point Land Lease **(p.5)**

- E. Budget Adoption for 2007 Capital Fund Program **(p.7)**
- F. Section 8 MTW Budget Amendment **(p.8)**
- G. Asset Management Project Budget Amendment **(p.10)**
- H. Allocation of Land Sales Proceeds **(p.11)**
- I. Live Oak Multifamily Apartment Loan for Redevelopment **(p.13)**

10. **Business Agenda Action Items**

- A. Live Oak Multifamily Apartments: Findings and Final Resolutions **(p.14)**

Consent Agenda:

Consent Agenda items for the October 16, 2007 Regular Board Meeting of the Charlotte Housing Authority Board of Commissioners.

9. A Evaluation Services for Section 8 Properties

Action: Approve Resolution No. <u>1517</u> for the Evaluation Services for Section 8 Properties.
--

Staff Resource: Troy D. White

Strategic Business: Operations

Strategic Goal: Provide Highest Quality Real Estate Management Services

Explanation:

Each property will be evaluated based on its' exterior appearance using City of Charlotte Code Enforcement Standards and U.S. Department of Housing and Urban Development Housing Quality Standards (HQS). Additionally, each property will be rated in regards to its rent reasonableness, utilizing data such as comparables of neighboring properties.

CHA has approximately 4,600 housing choice vouchers under lease in Charlotte-Mecklenburg. There are nearly 1,800 landlords providing housing opportunities for Section 8 residents. CHA is requesting PSI to inspect 200 units/properties or landlords per quarter to complete this assignment. It is estimated that this will take 2½ years to perform all services under this contract. The reports are to be submitted electronically to CHA weekly.

The scope of the project is as follows:

- 1) performing an exterior inspection of all CHA Section 8 properties. Inspection includes all four sides of unit and landscape;
- 2) developing a quantitative evaluation rating system for the exterior appearance of a property using City of Charlotte Code Enforcement Standards and the U.S. Department of Housing and Urban Development Housing Quality Standards (HQS). The rating system will be summarized in Excel or Access spreadsheets and be user-friendly. Each evaluation will produce a report of findings on a property and explain the rating that the property received along with rent reasonableness; and

- 3) inspecting a minimum of ten percent (10%) of Section 8 landlords' properties on a quarterly basis until all properties have been inspected and evaluated.

The total amount of the Performance-Based Service Contract (#1653) is \$243,000 over a two and a half (2½) year period.

Community Input: NA

Committee Discussion:

Resolution 1517 was discussed at the Client Relations Committee meeting on October 3, 2007. A motion was made to recommend Resolution 1517 to the Full Board and it was unanimously approved.

Funding: MTW – Using Section 8 HAP funding.

Attachment: Resolution 1517 (tab 2)

9. B Fairmarket Square – Financing Proposal

Action: Approve Resolution No. 1515 to Authorize CHA to Make a HOPE VI Loan and a Land Sales Proceeds Loan to Horizon Development Properties, Inc. for the Purpose of Acquiring, Financing, and Rehabilitating Fairmarket Square Apartments.

Staff Resource: Frank Narron

Strategic Business: Real Estate

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

Explanation:

CHA staff is recommending that the Board authorize the commitment of two loans to Horizon Development Properties, Inc. for the purchase and rehabilitation of Fairmarket Square Apartments. A HOPE VI loan of up to \$750,000 (from the Earle Village/First Ward Grant) and a Land Sales Proceeds loan of up to \$750,000 are anticipated as part of the financing of the transaction.

Fairmarket Square is comprised of 36 two bedroom and 24 three bedroom units for families located near the intersection of The Plaza and Milton Road. The project was built in 1990 as a low income housing tax credit project. The compliance period for the tax credit has ended and Crosland has removed the investor entity from the ownership structure.

The units are located in 6 two and three story walkup buildings surrounding a circular drive / parking lot. The site is 4.85 acres and the density is 12.37 units per acre. The 2 bedroom units are 829 SF and the 3 bedroom units are 1,055 SF. The units contain a living room / dining room and a standard kitchen with pantry. The units have a master bedroom with full walk in closet. The 3 bedroom units also have a second bath in the master. All of the units have washer / dryer hookups and patio / balcony.

The current rents are \$435 / \$470 for the 2/3 BR units. The underwriting assumes that the non-ACC units would absorb a \$20 per month increase in rent. Crosland is in the process of imposing increases as leases expire. We have assumed that 16 of the units will receive an allocation of HOPE VI (Earle Village) funds and the remaining units are to be leased to families at 40% of AMI – the current restriction related to the City of Charlotte existing loan.

The current financing includes a City of Charlotte loan that does not amortize and has an interest rate of 0%. The original term of the loan has expired and Crosland has received a 1 year extension. We have assumed (at Crosland’s urging) that the loan could be extended with the same terms for another 15 year period. The offer would also be contingent on receiving a Land Sales Proceeds commitment from CHA. The financing is summarized below.

A recent appraisal indicated that the value of the project is \$2,800,000. However, that value was based on “market” and did not anticipate keeping the units targeted to families at 40% of AMI and below.

Sources

City of Charlotte	\$1,275,000
Housing Trust Fund	95,000
CHA – HOPE VI **	728,194
CHA – LSP **	<u>700,535</u>
Total	2,798,729

Uses

Acquisition	\$2,215,000
Transaction/ Carry	25,250
Rehabilitation	276,500
Soft costs *	142,750
Reserves	<u>139,229</u>
Total	\$2,798,729

* includes Developer Fee/OH of \$50,000 to CHA.

** assumes that all loans are 0% interest with no debt service (to mirror City loan).

In addition to the Developer Fee, there would be a \$5,000 annual asset management fee payable to CHA. Another \$16,000 would be applied as a tenant services fee. Included in the Acquisition budget is a capitalized tenant services reserve of \$71,229.

The rehab cost of approximately \$4,350 per unit is within Cheryl Campbell's estimate after a brief inspection of the project. Ms. Campbell reported the property to be in good condition and well maintained. Further examination would be necessary as part of due diligence.

Committee Discussion:

The Committee asked that we make sure that the Purchase Agreement has a condition that closing on the transaction would require a commitment, on the part of the City of Charlotte, and the City's existing loan can be assumed as part of the purchase for an extended 20 year term and with the same repayment terms.

Community Input: None

Summary of Bids: N/A

MWBD Consideration: N/A

Funding: HOPE VI from Earle Village/First Ward
Land Sales Proceeds

Attachment: Resolution No. 1515 (tab 2)

9. C Authorize the Negotiation and Execution of a Purchase and Sale Agreement with Thompsons Child & Family Focus for Vacant Parcel at Arbor Glen

<p>Action: Approve Resolution No. <u>1518</u> to Authorize the Negotiation and Execution of a Purchase and Sale Agreement with Thompsons Child & Family Focus for 3.75 to 4.0 acres of the vacant parcel of land at Arbor Glen for \$162,500 per acre (\$609,375 to \$650,000).</p>
--

Staff Resource: Alan Collins & Kathleen Foster

Strategic Business: Real Estate

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

Explanation:

The property has been continuously marketed since the rezoning of the property for commercial use in 1999 by several qualified retail development entities, with little or no interest from the major tenants necessary for the development of the property. A Wal-Mart Supercenter-based project has recently opened within the primary market area for the site and absorbed all retail demand for this submarket. The contract provides for the sale of the rear half of the site at a commercially viable rate, to an entity, Thompsons Child & Family Focus (TCFF), which has provided assistance to children and families in the Charlotte area for over 100 years. TCFF will offer preferential assistance to the children and families of the Arbor Glen neighborhood and the West Boulevard community.

Committee Discussion: This matter was discussed and approved at Committee.

Community Input: Re-zoning meeting was held September 13, 2007.

Summary of Bids: N/A

Funding: None

Attachment: Resolution 1518 (tab 2)

9. D Seigle Point Land Lease

Action: Approve Resolution No. 1516 to Authorize Staff to Negotiate Terms and Execute Documents Necessary and Appropriate for the Long Term Lease of a Portion of Property at Seigle Point

Staff Resource: Michelle Allen

Strategic Business: Real Estate Development

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

Explanation:

Several months ago, Trinity Episcopal School (TES) approached Charlotte Housing Authority (CHA) staff about the possibility of CHA providing land for the development of tennis and basketball courts at Seigle Point. In addition, TES has been meeting with City Planning Commission staff, CATS representatives and Mecklenburg County Parks and Recreation (MCPR) staff in an effort to acquire control of land from both parties to construct a soccer field and a baseball field on property adjacent to Seigle Point just north of our site. MCPR has agreed to provide land for the soccer field. TES continues to negotiate with the City and

CATS for the land needed to construct a baseball field, and TES would enter into separate agreements with the City and County for this portion of the development of recreational fields.

The portion of CHA land in question would house up to six (6) tennis courts and two (2) half court size basketball courts and is approximately 3.5± acres. The land is part of the “green” space already being ground leased to Seigle Point, LLC. Also, a 1.6 acre strip of land along the Sugar Creek was to be dedicated to the MCPR for greenway improvements as part of the Sugar Creek Greenway Improvement Plan; however, that land would be incorporated into the 3.5 acre tract in the event this land lease moves forward.

TES would be responsible for financing the design, permitting and building this recreational development and would have first rights to use the space while school is in session during the weekday and some evenings. CHA would have “second” rights to the use of the land.

A draft MOU is attached and provides a platform to frame a formal agreement whereby the MCPR or TES would lease 3.5± acres for \$1 per year for 99 years. The lease and all terms and conditions would be subject to HUD approval. The MOU would be non-binding, but would reflect a mutual intent to negotiate a binding agreement based upon terms as spelled out in the attached draft document.

Committee Discussion: The item was discussed at the October 3rd meeting and several questions were asked of staff. The Committee asked for clarification on the following issues which will be addressed by staff:

- The term of the scholarship that will be awarded to a CHA youth
- Construction period
- The lease period
- Parking related issues

Staff pointed out a change to the resolution after which the Committee recommended approval of Resolution 1516 as amended.

Funding: Infrastructure Funds

Attachments: Resolution No. 1516 (tab 2)
Draft MOU (tab 3)
Site Plans (tab 3)

9. E 2007 Capital Fund Budget

Action: Approve Resolution No. 1512 which Adopts the Budget for the 2007 Capital Fund Program Grant including Replacement Housing Factor Increment # 1 and Replacement Housing Factor Increment #2

Staff Resource: Ralph Staley

Strategic Business: Finance and Administration

Strategic Goal: Attain Long – Term Financial Viability

Explanation:

The CHA received notice of its final formula award for the 2007 Capital Fund grants. The total Capital Fund Program (CFP) award is \$5,660,227 and it is awarded as follows:

Capital Fund	\$4,915,755
Replacement Housing Factor	\$511,410 (1 st Increment)
Replacement Housing Factor	\$233,062 (2 nd Increment)

The Board approved the CHA’s Agency Plan submission that included estimated budgets for the CFP grants. Based on the final formula amounts listed above, staff has prepared the required final grant budgets.

The attached 2007 Capital Fund and Replacement Housing Factor grants and Resolution No. 1512 needs to be approved by the Board.

Committee Discussion:

This item was discussed and unanimously approved at the Finance & Audit Committee meeting on October 3, 2007.

Funding:

2007 Capital Fund
Replacement Housing Factor 1st Increment
Replacement Housing Factor 2nd Increment

Attachments:

Resolution No. 1512 (tab 2)
Capital Grant Fund, Replacement Housing Factor Grants Exhibit A (tab 3)

9. F Budget Amendment Section 8 MTW Budget

Action: Approve Resolution No. 1513 Which Amends Resolution No. 1508, Exhibit A Which Adopted the Section 8 Budget for the Fiscal Year Ending March 31, 2008

Staff Resource: Ralph Staley

Strategic Business: Finance and Administration

Strategic Goal: Attain Long – Term Financial Viability

Explanation:

Develop the initial budget for the Interim MTW Agreement initiatives listed below.

Initiative 1: CHA will have the ability to establish payment standards between 90 percent and 120 percent of fair market rent (FMR) by census tract instead of HUD established FMR jurisdiction.

Conduct an annual review of the locations for all Housing Choice Vouchers to determine if clustering of vouchers is taking place and establish fair market rent percentages by census tract in several areas of Mecklenburg County.

Initiative 2: CHA is authorized to utilize excess Housing Assistance Payment (HAP) funding to fund mandatory training for Housing Choice Voucher participants. CHA is partnering with Central Piedmont Community College to utilize the Community University’s “Good Neighbors Program”. The training will provide a Housing Choice Voucher holder with the basis for independent living within any of the Charlotte neighborhoods. There will be a special emphasis on the differences between residing in a multifamily dwellings and single family dwellings.

Initiative 3: CHA will develop a property rating system to evaluate properties in Charlotte-Mecklenburg County. This system will be used to increase the Housing Quality Standards (HQS) of property owners (landlords) that participate in the Housing Choice Voucher program.

Project #1: Affordable Housing Impact Studies

The University of North Carolina at Charlotte will address one of the most critical public policy challenges facing affordable housing advocates and providers: How does affordable housing impact the neighboring property owners and the surrounding community? The proposed project will use local social and economic data and geographic information science (GIS) technology to examine

this question. The research framework will examine the pattern and density of affordable housing and measure the association between this housing stock and crime rates, housing and property values, and school equity in surrounding residential communities.

Three research reports will be completed. Each report will use the volume, density, and distribution of affordable housing as the basis for the analysis. A GIS platform will be constructed and statistical methods will be utilized to structure the data and carry out correlation analysis and measures of association. One report will examine the relationship between the pattern of affordable housing and crime rates. The research design for this document will replicate methods used in a previous report prepared by the UNC Charlotte project team for the Charlotte-Mecklenburg Police Department, examining the relationship between crime and Section 8 households. A second report will examine the relationship of affordable housing and school equity. A final research report will examine the relationship between affordable housing and housing and property values. This report will utilize the most recent property values data, including sales information from the Mecklenburg County Property Tax Office.

Project #2: Resident and Landlord Assessment Tracking Program

The CHA has requested assistance in developing a database that can be used to track key Charlotte neighborhood variables and the Authority's housing clients, including residents and property owners. This database will be utilized by the CHA to measure and assess the effectiveness of the CHA's new residential training program, as well as, landlord assessments. The database development is expected to take three to six months to complete, with quarterly assessment reports utilizing the database starting in May 2008.

The resident and landlord assessment tracking program will involve the development of a database structured around data collected by the CHA and augmented with additional government data files. The data collected from the CHA will include, but not be limited to, information collected for the landlord assessment program and the residential training program. Local data sources maintained by city and county agencies, including, but not limited to the Charlotte-Mecklenburg Police Department, the City of Charlotte Neighborhood Development Key Business, and the Mecklenburg County Property Tax Office, will be collected and compiled for this program. This information will be geocoded to the individual property owner and residents information. The data will be compiled on a quarterly basis, in order to assess the changing conditions around the CHA properties. Quarterly reports for two years will be compiled to provide the necessary information to assess the conditions and results of these programs. Following the building of the database, the data files and associated documentation will be provided to the CHA for future use and maintenance.

GIS mapping will be used to identify each voucher holder within Mecklenburg County. Then each census tract with a large number of vouchers holders will be analyzed. Non-concentrated NSA's / census tracts will be comprehensively analyzed to determine current housing cost and whether there are affordable housing opportunities available. Once a comprehensive analysis is completed, recommendations will be made to increase FMR's in specific census tracts.

The CHA is in the process of getting approval from HUD to amend the Interim Agreement to include the Section 8 Assessment. Pending approval of the amendment, we are including funding in the amount of \$ 88,875 for the Section 8 Assessment.

The interim funding is established at an amount of \$200,000. This funding covers the cost of the Affordable Housing Impact Studies - \$37,125, Resident Training - \$20,000, Resident, Landlord Assessment Tracking System Program - \$54,000 and Section 8 Assessment - \$88,875. Funding is from Appropriated Fund Balance- Excess HAP and both revenue and expenses are shown in Exhibit A.

Committee Discussion:

The Finance & Audit Committee discussed and unanimously approved this item at its meeting on October 3, 2007.

Funding:

Appropriated Fund Balance- Excess HAP

Attachments:

Resolution No. 1513 (tab 2)

Amended Section 8 Budget Exhibit (tab 3)

9. G Budget Amendment Asset Management Project Budget

<p>Action: Approve Resolution No. <u>1514</u> which amends Resolution No. 1509, Exhibit A, 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:

The Board in Resolution No. 1507 approved a short term license agreement for parking and/or construction staging at Sixth & Davidson. This amendment

recognizes revenue of \$35,000 from the license agreement and the associated expense for legal fees and environmental costs at Sixth & Davidson. The revenue and expenses are shown in Exhibit A

Committee Discussion:

The Finance & Audit Committee discussed and unanimously approved this item at its meeting on October 3, 2007.

Funding: Fund Balance Appropriated

Attachments

Resolution No. **1514 (tab 2)**

Asset Management Projects Budget Exhibit A **(tab 3)**

9. H Policy Amendment: Allocation of Land Sale Proceeds

<p>Action: Approve a reallocation of Land Sales Proceeds received by the CHA through the fiscal year 2007-2008 to 100% Development / 0% Preservation.</p>
--

Staff Resource: Ralph Staley

Strategic Business: Finance and Administration

Strategic Goal: Attain Long – Term Financial Viability

Explanation:

In February 2006, the Board set a policy that land sales proceeds would be allocated 50% to new development (including new construction and acquisition/rehab) and 50% to preservation of the existing CHA portfolio.

Prior to February 2006 the CHA had received \$4,595,185.53 in land sale proceeds plus interest and had spent \$1,581,678.23 on development activities leaving a balance of \$3,013,507.30. However, this entire balance was committed or restricted to the following:

- Piedmont Courts related cost (\$137,327.87 with an additional \$128,342 needed from future sales)
- Arbor Glen 50 renovations (\$118,930.03 with an additional \$281,069.97 needed from future sales)
- McAlpine/Glen Cove acquisition (\$1,536,467 with an additional \$140,929 needed from future sales)
- Proceeds restricted to use at First Ward Apartments Phase II (\$1,220,782.40).

Since February 2006 the CHA has received \$5,170,768.44 in additional land sale proceeds plus interest and has spent an additional \$2,073,794.87 (\$1,673,794.87

on development activities and \$400,000 on Preservation) leaving a balance of \$6,110,480.87. This balance has commitments or restrictions in the amount of \$4,386,053.40 as follows:

- Piedmont Courts related cost (\$128,342)
- McAlpine/Glen Cove acquisition (\$140,929)
- Live Oak Multifamily (\$896,000)
- 940 Brevard Bridge Loan (\$2,000,000)
- Proceeds restricted to use at First Ward Apartments Phase II (\$1,220,782.40)

Based on the Board policy the land sale proceeds after February 2006 (\$5,170,768.44) less the amounts committed from future sales at February 2006 (\$550,340.97) amounts to \$4,620,427.47 that would be allocated 50/50. This equates to \$2,310,213.73 to Development and Preservation each.

As you can see from the current commitments above, \$2,896,000 has been committed to development activities and is over the 50% share allocated. This would not have been an issue if the Hall House disposition had not encountered difficulties and the Belvedere Homes sale had closed. However, with no definite time frame for resolution on Hall House we have a problem. The Real Estate group is currently considering the acquisition of and/or rehabilitation of several assets including Fairmarket Square, Seneca Woods and Savanna Woods. These projects could require in excess of \$2,000,000 in total.

In addition, several preservation projects that Operations had scheduled for this fiscal year, including Boulevard Homes and Savanna Woods have been postponed pending the completion of the full Asset Management Plan review of all assets. Other scheduled preservation projects are being handled with available capital fund allocations from HUD.

The proposed reallocation would allow the Real Estate group to move forward with consideration of acquisition of and rehabilitation of several assets including Fairmarket Square.

Committee Discussion:

The Finance & Audit Committee discussed this policy amendment at its meeting on October 3, 2007 and unanimously approved the change.

Funding: Land Sale Proceeds

Attachments: NA

9.1 Live Oak Multi-Family Apartments Loans For Redevelopment

Action: Approve Resolution No. 1519 To Amend Resolution No. 1486 to Authorize Loans of Approximately \$4.83 Million in First Ward HOPE VI, Replacement Housing Factor Funds and Land Sales Proceeds for the Live Oak Multi-Family Apartments.

Staff Resource: Jeff Meadows

Strategic Business: Real Estate Initiatives

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

Explanation:

The Board approved \$4.6M in funding on June 19, 2007 to assist the Charlotte Housing Authority (CHA) in conjunction with Banc of America Community Development Corporation (BACDC) to redevelop the Live Oak community. Plans still include reconstructing a portion of the site, where the former 32 Public Housing Units existed that were demolished, into a mixed-income community comprised of up to 176 family units to include up to 36 ACC units and/or Section 8 units.

Loans from the HOPE VI, RHFF and Land Sales Proceeds in the amount of \$4.83M, an increase of \$230,000 over the previous Board approved amount, are included as project resources. The amount of HOPE VI/RHFF funds requested for this phase will not exceed Total Development Cost (TDC) limits established by HUD. The additional funding requested is required to address a funding gap created by increased construction cost. HUD has increased the TDC allowed for 2007 and staff has received “extraordinary site cost” approval. The combination of the new TDC and the extraordinary site cost inclusion allows an increased amount of HOPE VI/RHFF to be included.

Committee Discussion:

The Development Committee recommended this funding strategy at the October 3, 2007 meeting after much discussion of BACDC’s gap closure strategy. The Committee offered this solution for Board consideration to move the project into construction.

Funding: HOPE VI/RHFF/Land Sales Proceeds-\$4,830,000

Attachments: Resolution No. 1519 (tab 2)

Business Agenda:

Business Agenda items for the October 16, 2007 Regular Board Meeting of the Charlotte Housing Authority Board of Commissioners.

10. A Live Oak Multi-Family Apartments: Findings and Final Resolutions

Action: Approve Resolution No. 1520 and 1521 to Authorize the finance team and make certain findings for the issuance and sale of Multi-family Housing Revenue Bonds – Series 2007 for the Live Oak Multi-Family Apartments.

Staff Resource: Jeff Meadows

Strategic Business: Real Estate Initiatives

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

Explanation:

Live Oak Apartments, LLC, a North Carolina limited liability company (the “Borrower”), has requested that the Authority assist in financing a portion of the cost of the acquisition, construction and equipping of a multifamily residential rental project currently known as Live Oak Apartments, consisting of 176 units and located on approximately 2.4 acres at 6701 Okengate Lane, in the City of Charlotte, Mecklenburg County, North Carolina (the “Development”) and the Authority has agreed to consider doing so. The attached Findings and Final Resolutions provide approval of: the finance team; the issuance of the “Bonds”; and sale of the “Bonds”. The adoption of these resolutions is needed to comply with NC Statutes related to the use of “Bonds”.

Committee Discussion: None

Funding: Multi-family Housing Revenue Bonds – Series 2007

Attachments: Resolutions No. 1520 and 1521 (tab 2)

**MINUTES OF THE REGULAR BOARD MEETING
OF THE COMMISSIONERS' OF THE HOUSING
AUTHORITY OF THE CITY OF CHARLOTTE
HELD ON TUESDAY, SEPTEMBER 18, 2007**

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

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

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

Pledge of Allegiance:

Chairman Page introduced Commissioner Moore to lead us in reciting the pledge. Once completed the public forum was opened.

Public Forum:

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

Additions to the Agenda:

Chairman Page asked for additions and/or deletions to the agenda. Commissioner Jones stated that he would like to give an FYI to the Board that on October 12, 2007, UNC-Chapel Hill center for Civil Rights along with various co-sponsors, are having a conference at George Watts Hill Alumni Center from 9 – 3 p.m. titled One People, One Nation Housing and Social Justice: The Intersection of Race, Place, and Opportunity. There will be several panels with nationally known speakers. Commissioners Jones wanted to bring it to staff and commissioners. Mr. Woodyard, CEO, offered to send the link to everyone as an FYI. Chairman Page recommended that it would be beneficial for anyone if they could work this into their schedule.

Consideration to approve the minutes:

- Regular Board meeting held on *August 21, 2007*

ACTION:

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

Regular Board Meeting
September 18, 2007

Resident Advisory Council (RAC) Report:

Chairman Page introduced Ms. Janice Belk to give the report:

- On August 23, 2007 Southside Homes held their election.
- RAC president and secretary attended the Tenant Support Services National Resident Conference in Philadelphia, Pa. August 23 - 26, the conference was very interesting. There was a lot of information shared concerning the state of public and assisted housing.
- Dillehay Court held their election on August 27th.
- RAC held its monthly Quality Circle Meeting on August 28th.
- The month of September RAC assisted various communities to Wal-Mart and other outings.
- September 2nd, Charlottetown Resident Association held an attic sale which was very successful.
- The RAC Board meeting was held on September 5th.
- On September 6th there was a special workshop for all tenant patrol captains from the City of Charlotte concerning the matching grant.
- On September 11th the RAC meeting was held.
- September 25th the RAC Quality Circle meeting will take place at 2:00 p.m. at the Strawn Activity Center.

Mr. Woodyard asked if someone from the Board would commit to attend the next Quality Circle meeting. Commissioner Miller and/or Commissioner Moffat will plan to attend.

Monthly Report from the CEO

Monthly Scorecard:

Mr. Woodyard introduced Mr. Troy White, COO, to give the update:

We will briefly go the scorecard and then update the Board on a project we are working on in Operations regarding the closing of our public housing waiting list; and making them site based. Page one is the Section 8 utilization and we are under the mark in an effort to reserve units for project based. Page two, the occupancy rate for "all conventional" are at 99 percent rate. We are currently at 88 percent for the TAR's. We have several sites, i.e. Boulevard Homes, which have over 18 people that are in termination. This constitutes thousands of dollars for that TAR report and several that are coming up for termination. Some will pay and others will not, however we will terminate those that do not pay. At the bottom we are at 100 % of occupancy for our managed portfolio at 95%. On our TAR we have had some movement from the 90% to 95%. On page three, for our private management companies we are at 99% for our occupancy rate and we are at 95% for our TAR's. This reflects a 2% increase over the last year. We average 23 vacancy turns on the totals for the month; and we are where we should be on the 99%.

Regular Board Meeting
September 18, 2007

Mr. Woodyard wanted to point out to the Board that even though we are not meeting our goal on the TAR amount; we are exceeding our goal on the collection loss which is not reflected on the scorecard. It was further explained that it takes an extra layer of review to sort the collection loss data by the same categories listed on the scorecard. We can take another look at that and let you know that even though our TAR's are not hitting the mark; what happens in-between the TAR not hitting the mark and the actual charge-off period is that there is moment/activity and we are exceeding our collection loss goal. Chairman Page questioned that the waiting list under Section 8 dropped 600 since April of 2007; what has caused the dramatic drop? Mr. Troy White, COO, responded that we are putting more vouchers on the street. At this time Mr. White wanted to inform the Board that we are in the process of closing the public housing waiting list for 2, 3 & 4 bedroom units so we can move the waiting list to site based. Therefore each property will have a site based waiting list. We currently have 3,476 people on the public housing waiting list and our plan will be implement before the end of the fiscal year, transitioning those individuals to each of our public housing sites. The effective date of that closure is October 2nd.

Moving-to-Work (MTW) Update:

Mr. Woodyard gave the following update. He stated that he has made a round of calls to various staff members of congressional delegation: to check the status of where they are on their efforts with MTW. However did not get anyone personally but did leave messages and will be awaiting return calls. Also, copies of the package that was sent to the congressional delegates have been sent to the city manager and the mayor. A call has been place to Curt Walton, city manager, to ask how to introduce the advocacy request that we have of council members on our behalf for MTW. What is being suggested is that we make this a dinner meeting agenda and we go over the packet.

Committee Reports:

Client Relations Committee:

Commissioner Moore gave the following report:

- Allison Preston, Resident Safety Director, updated the group on some security initiatives which are trying to be implemented specifically in the high-rise senior residents. It has been brought to our attention that some type of criminal activity may be taking place at these properties.
- There was a fair housing presentation from Charlotte-Mecklenburg Community Relations
- Discussion of a public housing tour that will take place at the October 3rd meeting.
- We are partnering with UNC-C Urban Institute in an effort to continue the study in the assessment of our Section 8 as it relates to certain areas regarding the crime stats.

Regular Board Meeting
September 18, 2007

Development Committee:

Commissioner Jones gave the following report:

- The committee met on September 5th and there are two items listed on the business agenda for approval.
- We received reports on progress at Siegle Point; as well as an update as to where we are with the county on the PILOT (payment in lieu of taxes) program.
- Discussed a few potential acquisitions and received a detailed analysis on both 2008 HOPE VI grant application process and Live Oak multi-family funding; which will be discussed further in today's closed session.
- The Green Affordable Housing Meeting which was held last Friday was well attended. There were speakers from both the city and nationally known redevelopment organizations. The staff will continue to analyze this in an effort to see if we can incorporate the Green concepts in some of our developments.

Finance & Audit Committee:

Ralph Staley, CFO, gave the following report:

- The meeting took place on September 5th and have two items listed on the consent agenda for the Section 8 budget and the Asset Management Project budget, which were approved unanimously. As well as a Horizon Development item to ratify the McAlpine/Glen Cove purchase.

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-B**. It was decided by the Board to vote as one Consent Agenda item.

ACTION:

Motion was made by:

Commissioner Jones

Motion was seconded by:

Vice-Chairperson Peters

Outcome of the vote:

Passed unanimously

Business Agenda Action Items:

9.A Live Oak Seniors Funding Allocation:

Approve resolution no. **1511** to amend resolution no. **1479** to increase the HOPE VI loan amount from \$1,955,518 to \$2,090,847 and authorize Staff/CEO to negotiate and execute terms and documents necessary and appropriate for the development of Live Oaks Seniors including but not limited to necessary loans and land leases.

Regular Board Meeting
September 18, 2007

ACTION:

Motion was made by:	Commissioner Jones
Motion was seconded by:	Vice-Chairperson Peters
Outcome of the vote:	Passed unanimously

9.B Park Meadow Multi-Family Apartments Bond Inducement:

Approve resolution no. **1510** to adopt an inducement resolution for a proposed Issuance of revenue bonds to finance the acquisition, construction and installation of Park Meadow multi-family apartments in an amount not to exceed \$14,000,000.

ACTION:

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

Chairman Page requested that a motion be made to suspend the regular meeting to convene the Horizon Development meeting. Motion was made by: Commissioner Moffat and seconded by: Commissioner Moore. The motion carried.

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

***The next meeting will be held on Tuesday, October 16, 2007 at the Charlotte Housing Authority, 1301 South Boulevard, Charlotte, NC 28203 @ 12:00 noon.
Reminder: NEW MEETING TIME IS 12:00 noon.***

Horizon Development Properties, Inc.
Meeting of Directors
AGENDA

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

October 16, 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 *September 18, 2007*
3. **Business Agenda Item:**
 - A. Authorizations-Acquisition/Rehabilitation of Fairmarket Square **(p.1)**
 - B. McAlpine Terrace Apartments (Approval of Loan Commitments) **(p.3)**
 - C. Glen Cove Apartments (Approval of Loan Commitments) **(p.3)**

Business Agenda

Business Agenda items for the October 16, 2007 meeting of the Horizon Development Properties Board of Directors

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

Action: Authorize Horizon to Execute Documents Necessary and Appropriate for the Acquisition and Rehabilitation of Fairmarket Square, Including Resolution to Authorize Staff to Negotiate Terms of the Acquisition, Financing, and Rehabilitation, and the Provision of Public Housing Units.

Staff Resource: Frank Narron

Strategic Business: Real Estate

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

Explanation:

CHA staff is recommending that Horizon purchase Fairmarket Square from Crosland for a total of \$2,215,000. This includes the assumption of \$1,275,000 in City of Charlotte debt. This transaction would net \$940,000 to Crosland. The price is well below the most recent appraisal of \$2,800,000.

Fairmarket Square is comprised of 36 two bedroom and 24 three bedroom units for families located near the intersection of The Plaza and Milton Road. The project was built in 1990 as a low income housing tax credit project. The compliance period for the tax credit has ended and Crosland has removed the investor entity from the ownership structure.

The units are located in 6 two and three story walkup buildings surrounding a circular drive / parking lot. The site is 4.85 acres and the density is 12.37 units per acre. The 2 bedroom units are 829 SF and the 3 bedroom units are 1,055 SF. The units contain a living room / dining room and a standard kitchen with pantry. The units have a master bedroom with full walk in closet. The 3 bedroom units also have a second bath in the master. All of the units have washer / dryer hookups and patio / balcony.

The current rents are \$435 / \$470 for the 2/3 BR units. The underwriting assumes that the non-ACC units would absorb a \$20 per month increase in rent. Crosland is in the process of imposing increases as leases expire. We have assumed that 16 of the units will receive an allocation of HOPE VI (Earle Village) and that the remaining units are to be leased to families at 40% of AMI – the current restriction related to the City of Charlotte existing loan.

The current financing includes a City of Charlotte loan that does not amortize and has an interest rate of 0%. The original term of the loan has expired and Crosland has received 1 year extensions. We have assumed (at Crosland’s urging), that the loan could be extended with the same terms for another 15 year period. The offer would also be contingent on receiving a Land Sales Proceeds commitment from CHA. The financing is summarized below.

A recent appraisal indicated that the value of the project is \$2,800,000. However, that value was based on “market” and did not anticipate keeping the units targeted to families at 40% of AMI and below.

Sources

City of Charlotte	\$1,275,000
Housing Trust Fund	95,000
CHA – HOPE VI **	728,194
CHA – LSP **	<u>700,535</u>
Total	2,798,729

Uses

Acquisition	\$2,215,000
Transaction/ Carry	25,250
Rehabilitation	276,500
Soft costs *	142,750
Reserves	<u>139,229</u>
Total	\$2,798,729

* includes Developer Fee/OH of \$50,000 to CHA.

** assumes that all loans are 0% interest with no debt service (to mirror City loan).

In addition to the Developer Fee, there would be a \$5,000 annual asset management fee payable to CHA. Another \$16,000 would be applied as a tenant services fee. Included in the Acquisition budget is a capitalized tenant services reserve of \$71,229.

The rehab cost of approximately \$4,350 per unit is within Cheryl Campbell’s estimate after a brief inspection of the project. Ms. Campbell reported the property to be in good condition and well maintained. Further examination would be necessary as part of due diligence.

Committee Discussion: N/A

Community Input: None

Summary of Bids: N/A

Funding: Making application

Attachment: Resolution

3. B Horizon Development Properties, Inc. – McAlpine Terrace Apartments

Action: Requesting authorization for Staff to negotiate terms and execute documents necessary and appropriate for the rehabilitation of McAlpine Terrace, including the provision of public housing units

Staff Resource: Frank Narron

Key Business: Real Estate

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

Explanation:

McAlpine Terrace was acquired by Horizon Development Properties, Inc. (Horizon) on October 30, 2006. Previously, CHA approved Resolutions #1448 and #1481 that provided authorization for the Authority to make HOPE VI and Land Sales Proceeds loans to Horizon for the rehabilitation of Glen Cove. The attached resolution will authorize Horizon to accept those loans and staff to negotiate and execute loans.

Committee Discussion: TBD

Funding: HOPE VI – Earle Village (First Ward)

Attachment: Resolution

3. C Horizon Development Properties, Inc. - Glen Cove Apartments

Action: Requesting authorization for Staff to negotiate terms and execute documents necessary and appropriate for the rehabilitation of Glen Cove, including the provision of public housing units

Staff Resource: Frank Narron

Key Business: Real Estate

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

Explanation:

Glen Cove was acquired by Horizon Development Properties, Inc. (Horizon) on October 30, 2006. Previously, CHA approved Resolution #1449 that provided authorization for the Authority to make HOPE VI and Land Sales Proceeds loans to Horizon for the rehabilitation of Glen Cove. The attached resolution will authorize Horizon to accept those loans and staff to negotiate and execute loans.

Committee Discussion: TBD

Funding: HOPE VI – Earle Village (First Ward)

Attachment: Resolution

**MINUTES OF HORIZON DEVELOPMENT PROPERTIES, INC.
BOARD MEETING HELD ON TUESDAY SEPTEMBER 18, 2007**

Regular Meeting:

Additions to the Agenda:

None

Consideration to approve the minutes for:

- Meeting held *May 15, 2007*

ACTION:

Motion was made to approve:

Commissioner Moore

Motion was seconded by:

Commissioner Miller

Outcome of the vote:

Passed unanimously

Business Agenda Item:

3.A Ratification of the McAlpine/Glen Cove Purchase

Approve Exhibit A for the ratification of the purchase of McAlpine Terrace and Glen Cove apartments.

ACTION:

Motion was made to approve:

Vice-Chairperson Peters

Motion was seconded by:

Commissioner Everette

Outcome of the vote:

Passed unanimously

Commissioner Jones moved that we adjourn and re-open the regular Board meeting and go into closed session. Motion was seconded by: Commissioner Moore.

Minutes prepared by:

Barbara G. Porter

Executive Assistant to the CEO

**Horizon Acquisition Corporation
Meeting of Directors
AGENDA**

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

October 16, 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 *August 21, 2007*
3. **Business Agenda Item:**
 - A. Live Oak Seniors

Business Agenda

Business Agenda items for the October 16, 2007 meeting of the Horizon Acquisition Corporation Board of Directors

3. A Live Oak Seniors – Horizon Acquisition Corporation

Action: Approve Resolution to Amend August 21, 2007 Resolution to reflect changes in the financing and unit mix.

Staff Resource: Twyla Taylor

Strategic Business: Real Estate

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

Explanation:

On August 21, 2007, the Board of Directors of Horizon Acquisition Corp. adopted and consented to a certain Resolution regarding Live Oak Seniors. Horizon Acquisition Corp. is a Member of the Ownership Entity, South Park Seniors, LLC. Since the adoption of the August 21, 2007 Resolution, the financing and unit mix of the project has changed, thus requiring an amendment to the August 21, 2007 Resolution. The new financing is approximately equal to the following amounts:

- Housing Authority of the City of Charlotte, N.C. - \$2,090,847
- City of Charlotte Housing Trust Funds (construction/permanent loan) - \$600,000
- North Carolina Housing Finance Agency (NC LIHTCs loan) - \$476,210
- Apollo Housing Capital, LLC (LIHTCs equity) - \$4,089,876
- Deferred Developer Fees - \$172,284

The increase in the Housing Authority of the City of Charlotte, N.C. loan culminates in an increase in the public housing units from 17 to 18 units.

This financing is in the best interest of Horizon Acquisition Corp. and South Park Seniors, LLC. Moreover, staff desires to authorize Charlotte Mecklenburg Housing Partnership, Inc. to enter into and execute and deliver certain documents required to consummate the financing, including but not limited to adding any member loans if necessary. 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

Summary of Bids: N/A

MWBD Consideration: N/A

Funding: None

Attachment: Resolution

**MINUTES OF HORIZON ACQUISITION CORPORATION
BOARD MEETING HELD ON TUESDAY, AUGUST 21, 2007**

Regular Meeting Agenda:

Additions to the Agenda:

None

Consideration to approve the minutes for:

- *Meeting held on June 19, 2007*

ACTION:

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

Business Agenda Items:

3.A 940 Brevard – Horizon Acquisition Corporation

Approve Resolution for the Development of 940 Brevard-Senior Apartments.

3.B Live Oak Seniors – Horizon Acquisition Corporation

Approve resolution to authorize the president of Horizon Acquisition Corporation 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 Oaks Seniors Project.

ACTION

Motion was made to approve both Item 3.A & 3.B -	Commissioner Jones
Motion was seconded by:	Vice-Chairperson Peters
Outcome of the vote:	Passed unanimously

3.C Budget Adoption Horizon Acquisition Corporation

Approve the adoption of the Horizon Acquisition Corporation Budget for the calendar year ended December 31, 2007.

ACTION:

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

A motion was requested by Chairman Page to adjourn the Horizon Acquisition Corporation meeting. A motion was made by Commissioner Jones, and seconded by Commissioner Moffat. The motion passed unanimously.

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