

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

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

November 20, 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 *October 16, 2007 (Tab 8)*
5. Resident Advisory Council (RAC) Report **(Tab 7)**
6. Monthly Report from the CEO
 - Monthly Scorecard **(Tab 1)**
 - Moving To Work (MTW) Update
 - Budget to Actual Reports (BAR) September 2007 **(Tab 2)**
 - Cash Balance and Restriction Report September 2007 **(Tab 3)**
 - Land Sales Proceeds Report September 2007 **(Tab 3)**
 - Notice of Administrative Budget Changes **(Tab 3)**
7. Committee Reports:
 - Client Relations Committee
 - Development Committee
 - Finance and Audit Committee
8. **Consent Agenda Action Items:**
 - A. Seigle Point Land Lease **(p.1)**
 - B. Budget Amendment: 2003 HOPE VI Belvedere Demolition Grant Fund **(p.2)**
 - C. Budget Amendment: Dalton Village HOPE VI Grant (Arbor Glen) **(p.3)**
 - D. Budget Amendment: Piedmont Courts HOPE VI Grant (Seigle Point) **(p.3)**
 - E. Budget Amendments: 2004 & 2005 Replacement Housing Factor Grants **(p.4)**
 - F. Dissolution of Live Oak Development Partnership, LLC **(p.5)**
 - G. Collection Loss Report for the Quarter Ended 9/30/2007 **(p.5)**

Consent Agenda:

Consent Agenda items for the November 20, 2007 Regular Board Meeting of the Charlotte Housing Authority Board of Commissioners.

8. A Seigle Point Land Lease

<p>Action: Approve Resolution No. <u>1516</u> 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</p>

Staff Resource: Michelle Allen

Strategic Business: Real Estate Development

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

Explanation:

This item was discussed during the October 3, 2007 Development Committee meeting. The Committee asked for clarification on the following issues which have been addressed by Trinity Episcopal School (TES):

- **The term of the scholarship that will be awarded to a CHA youth**
The school will commit to provide the value of one scholarship per year.
- **Construction period**
The school wishes to start construction as soon as possible. It is anticipated that construction will start as soon as all requirements have been met to satisfy the city as well as the county building department.
- **The lease term**
TES will commit to a 49 year lease with the opportunity to renew up to five times every ten years.
- **Parking related issues**
TES has agreed to pay the costs associated with parking. CHA would pay for the cost of new basketball courts if and when it is decided to build this amenity.

A revised MOU is attached that reflects terms agreed upon by and between TES and CHA.

Committee Discussion: Revisions to the MOU were discussed and approved.

Community Input: None

Funding: Infrastructure Funds

Attachments: Revised Draft MOU (Tab 4)
Resolution No. 1516 (Tab 6)

8. B Budget Amendment: 2003 HOPE VI Belvedere Demolition Grant Fund

Action: Approve Resolution No. 1522 which amends Resolution No. 1213 which adopted the 2003 HOPE VI Belvedere Demolition Grant Fund

Staff Resource: Ralph Staley

Strategic Business: Finance and Administration

Strategic Goal: Attain Long Term Financial Viability

Explanation:

This budget amendment represents the final revision for the 2003 HOPE VI Belvedere Demolition Grant to bring the budget into agreement with actual expenditures. The grant funds were completely expended as of September 30, 2007. Exhibit A shows the final budget based on expenditure of funds.

Committee Discussion:

The Finance & Audit Committee discussed at its November 7, 2007 meeting and unanimously approved this for inclusion on the consent agenda.

Funding: 2003 HOPE VI Belvedere Demolition Grant Fund

Attachments: Exhibit A (Tab 4)
Resolution No. 1522 (Tab 6)

8. C Budget Amendment: Dalton Village HOPE VI Grant (Arbor Glen)

Action: Approve Resolution 1524 to Amend Resolution No. 1502 which approved the Dalton Village HOPE VI Grant (Arbor Glen).

Staff Resource: Ralph Staley

Strategic Business: Finance Administration

Strategic Goal: Attain Long – Term Financial Viability

Explanation:

This budget amendment is necessary to recognize a revision to program income in the amount of \$619,768 which is to be earned through the end of the fiscal year for the Dalton Village HOPE VI Grant (Arbor Glen). The total for program income as of March 31, 2008 will be \$1,591,998. Program income consists of social services fees, developer fees, ground leases and note repayments. The revision is shown in Exhibit A.

Committee Discussion:

The Finance & Audit Committee discussed at its November 7, 2007 meeting and unanimously approved this for inclusion on the consent agenda.

Funding: Dalton Village HOPE VI Grant (Arbor Glen)

Attachment: Exhibit A (Tab 4)
Resolution No. 1524 (Tab 6)

8. D Budget Amendment: Piedmont Courts HOPE VI Grant (Seigle Point)

Action: Approve Resolution 1525 to Amend Resolution No. 1500 which approved the Piedmont Courts HOPE VI Grant (Seigle Point)

Staff Resource: Ralph Staley

Strategic Business: Finance Administration

Strategic Goal: Attain Long – Term Financial Viability

Explanation:

This budget amendment is necessary to recognize program income for the Piedmont Courts HOPE VI Grant (Seigle Point) to be received through the end of

the fiscal year. Program income received for this grant consists of developer fees and interest earned. The revision is shown in Exhibit A.

Committee Discussion:

The Finance & Audit Committee discussed at its November 7, 2007 meeting and unanimously approved this for inclusion on the consent agenda.

Funding: Piedmont Courts HOPE VI Grant (Seigle Point)

Attachment: Exhibit A (Tab 4)
Resolution No. 1525 (Tab 6)

8. E Budget Amendment:
2004 Replacement Housing Factor Grant 2nd Increment and
2005 Replacement Housing Factor Grant 1st and 2nd Increments

<p>Action: Approve Resolution No. <u>1526</u> To Authorize the Amendment of Resolution Nos. 1225 and 1304 which Adopted the 2004 Replacement Housing Factor 2nd Increment and 2005 Replacement Housing Factor 1st and 2nd Increments Capital Grant Funds respectively.</p>
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Staff Resource: Ralph Staley

Strategic Business: Finance and Administration

Strategic Goal: Attain Long – Term Financial Viability

Explanation:

We are amending the 2004 Replacement Housing Factor Grant 2nd Increment and the 2005 Replacement Housing Factor Grant 1st and 2nd Increments to Reallocate funds to agree to the overall replacement housing funding for the Seigle Point Apartment Homes project of the Piedmont Courts HOPE VI grant.

The realignment of funds is shown on Exhibits A, B and C.

Committee Discussion:

The Finance & Audit Committee discussed at its November 7, 2007 meeting and unanimously approved this for inclusion on the consent agenda.

Funding:

2004 2nd Increment
2005 1st Increment
2005 2nd Increment

Attachments: Exhibits A, B, C (**Tab 4**)
Resolution No. **1526** (**Tab 6**)

8. F Dissolution of Live Oak Development Partnership, LLC

Action: Approve Resolution No. 1523 for the Dissolution of Live Oak Development Partnership, LLC.

Staff Resource: Ralph Staley

Strategic Business: Finance

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

Explanation:

Live Oak Development Partnership, LLC was organized on November 18, 2005 for the purpose of pursuing the re-zoning of the Housing Authority's Live Oak Senior and Multi-Family Mixed Income projects.

CHA filed its rezoning application for the Live Oak Seniors and Multi-Family Mixed Income projects in November of 2005, under the name of Live Oak Development, LLC. A separate application was later filed in December to cover the commercial use. Since that time, CHA has not used this entity for any other purpose, the entity has not acquired any assets nor incurred any liabilities and its status has been inactive.

Committee Discussion:

The Finance & Audit Committee discussed at its meeting on November 7, 2007, and unanimously approved for inclusion on the consent agenda.

Community Input: N/A

Attachment: Resolution No. **1523** (**Tab 6**)

8. G Collection Loss Report for the Quarter Ended 9/30/07

Action: Approve the write-off of \$45,394.82 in accounts receivable due to collection losses for tenants vacated through 6/30/07.

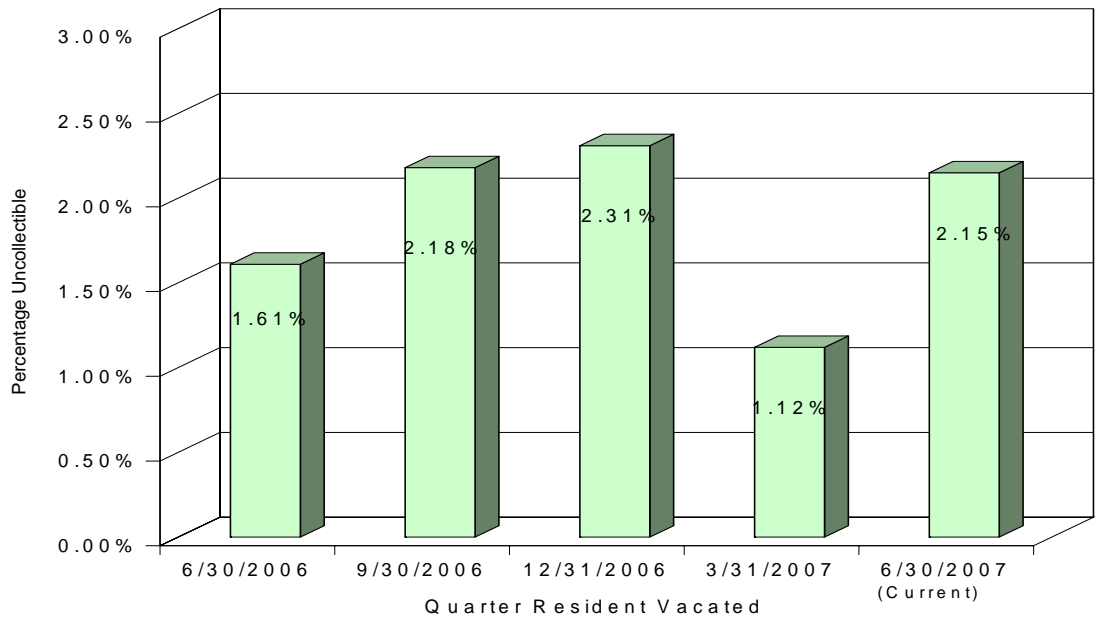
Staff Resource: Heather Franklin

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 September 30, 2007 from tenants who vacated during the quarter ending June 30, 2007. The amount proposed for write-off is \$45,394.82, which represents 2.15% 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 Finance & Audit Committee discussed at its November 7, 2007 meeting and unanimously approved this for inclusion on the consent agenda. Explanations were given for the largest amounts.

Community Input: None.

Funding: Conventional and Horizon Development

Attachment: Collection Loss Report, 9/30/07 (Tab 5)

9. H Call for a Public Hearing on the Moving to Work Agreement

Action: Approve Call for a Public Hearing on the Moving to Work Agreement with the United States Department of Housing and Urban Development to be held on December 21, 2007.

Staff Resource: Shaunte Evans

Strategic Business: Executive

Strategic Goal: Develop Collaborative Relationships for Housing Solutions

Explanation:

Moving to Work (MTW) is a demonstration program authorized by Congress and implemented by the U.S. Department of Housing and Urban Development. In establishing MTW, Congress granted broad authority that would permit agencies to design and test new approaches to providing housing assistance that would achieve Congressionally-established goals for the program. The following are the established statutory objectives of the MTW program:

- 1) Reduce cost and achieve greater cost effectiveness in Federal expenditures;
- 2) Give incentives to families with children where the head of household is working, seeking work, or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient; and
- 3) Increase housing choices for low-income families.

The Charlotte Housing Authority (CHA) anticipates executing a Moving to Work Agreement with the United States Department of Housing and Urban Development by January 4, 2008. CHA shall hold a public hearing at which time any persons who wish to comment on the agreement may appear. The agreement will be available for public review for 30 days prior to the hearing.

Committee Discussion: NA

Community Input: The public hearing will be held on December 21, 2007.

Attachment: NA

**MINUTES OF THE REGULAR BOARD MEETING
OF THE COMMISSIONERS OF THE HOUSING
AUTHORITY OF THE CITY OF CHARLOTTE
HELD ON TUESDAY, OCTOBER 16, 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 October 16, 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

Absent: Sherrod Banks, General Counsel

Pledge of Allegiance:

Chairman Page asked that everyone stand to recite the pledge. Once completed the public forum was opened.

Public Forum:

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

Additions/Changes to the Agenda:

Charles Woodyard, CEO, stated that it has been requested by a Board member to pull **Item 9-D** for discussion. Hearing no other changes the meeting was continued.

Consideration to approve the minutes:

- Regular Board meeting held on *September 18, 2007*

NOTE: Commissioner Moffat had the following amendments. The minutes ended with our suspending the meeting for the Horizon meeting; however, it does not reflect that we had an Executive Session, nor does it reflect at some point we reconvened and there was a motion to adjourn. With these comments the minutes were approved.

ACTION:

Motion was made to approve with the comments listed above: Commissioner Everett
Motion was seconded by: Commissioner Miller
Outcome of the vote: Passed unanimously

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Resident Advisory Council (RAC) Report:

Chairman Page introduced Ms. Belk to give the report:

- RAC report from the October 3, 2007.
- September 27th – 29th RAC held their 5th annual retreat in Savannah Georgia. Some of the discussion points were:
 - RAC purpose
 - Liaison Role/Responsibility
- The MOU (Memorandum of Understanding) was reviewed by RAC. They found that all the parties are following the signed document. RAC would like an official training with the managers, COO and CEO, as well as Section 8 staff and Finance Department.
- A & O (Admissions & Occupancy) Policy: RAC reviewed the policy and procedures and is planning to educate their residents on policy and procedures.
- RAC & Residents Bylaws: We reviewed each bylaw and agreed to view the bylaws as often as possible. Presidents are requested to educate their residents on the RO's (Resident Officers) bylaws. We will bring specific questions at the next Quality Circle Meeting.
- There was a tour of the Savannah Public Housing and we met three staff members. Savannah Public Housing policy is one offence and you are evicted. We asked if they had implemented MTW they stated that not at this time however it will be in the future; residents are given funds for utility. They have a program for those with chronic illnesses (i.e. AIDS, cancer) and they live among the regular residents.
- RAC discussed their accomplishments and goals for 2007/2008.

Note: It was questioned by Commissioner Moore that RAC had mentioned that there is a problem with the young disabled residents. Ms. Belk responded that the problems are mainly occurring in the high rises. It is requested that the Charlotte Housing Authority be more specific in defining disabled. If the person is mentally disabled it can be a potential danger to senior citizens because they feel intimidated. Some of the mental residents have the potential to become violent. It is difficult for the elderly to feel comfortable with this type of living arrangement. Ms. Belk commented that if it supposed to be a senior citizen building then why not make it solely a senior building.

Monthly Report from the CEO

Section 8 Crime Presentation:

Mr. Troy White, COO, stated that Mr. Thomas Ludden, from UNC-Charlotte came to CHA and presented the study that he did for District 5 on Section 8 properties and crime. The presentation was given this summer at a town meeting hosted by Nancy Carter. Mr. Ludden was asked to visit and give the same presentation to the CHA full Board. Mr. Ludden stated that he actually evaluated this work about a year ago.

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At that time Mr. Ludden was working with Project Safety Neighborhood Grants UNC-C's research partner in collaboration with the Charlotte-Mecklenburg Police Department. Additional analysis was requested by CMPD regarding crime and Section 8 properties because they have been getting several questions at community meetings. The preliminary analysis was prepared and it was then that Mr. Troy White, COO, Mr. Allison Preston, Resident Safety Director, of the Charlotte Housing Authority were invited for discussion about some of the results. Mr. Ludden stated that residents have been making statements and believing that Section 8 housing residents especially in some specific neighborhoods were causing an increase in the levels of crime in their neighborhoods. Therefore, Deputy Chief Graham requested further analysis. The key question discussed was: does the level of crime elevate in proportion to the increase of Section 8 units? It also analyzed the proportion of overall crime in the Neighborhood. In an effort to show a comparison, the data used was violent and property crime for a six month period (2005/2006) and the number of Section 8 residents in these neighborhoods.

The results showed that there was a moderate relationship between the crime rate and the proportion of Section 8 households in the neighborhood level. However, there are some caveats. It is difficult to determine causality. We don't know if those households are causing the crime; we don't know the preexisting conditions of those neighborhoods prior to those residents moving in. There are several questions that were raised as a result. However the key finding was that there was no relationship between the change in Section 8 households and the change in crime at the neighborhood level. Those results were presented to the Deputy Chief, as well as a few representatives from CMPD, also Troy White and Allison Preston of the Charlotte Housing Authority. As a result of that discussion it was requested to get some further analysis to better understand the problem. It was asked to specifically study crimes for single family properties, which is a much more doable analysis. The summarization of that analysis was: Rental single family properties were twice as likely to experience violent or property crimes within 100 feet than single family properties regardless of ownership. **(NOTE: That does not mean that crime was committed by someone living there. Could have been somebody from outside the neighborhood.)** Section 8 single family properties were five times as likely to experience violent property crimes within a 100 feet than single family properties regardless of ownership. Therefore Section 8 single family properties experience higher rates of violent and property crimes than all rental single family properties. This research opened the door for additional questions that we want to explore. Mr. Woodyard stated that we are following up on this study as part of our MTW initiative. This research was originally funded by Project Safe Neighborhoods which was funded by the Department of Justice.

Monthly Scorecard:

Mr. White, COO, requested that you turn to tab 1. Before we begin it was requested to make a brief note that we are going to be working with the Client Relations Committee

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Chairman, Commissioner Moore, to set-up goals and a business plan. We will be incorporating the score card and some performance measures. Wanted to give an update to the full Board.

On page one, listed is the Section 8 utilization. This month Mr. White has asked the director, Bill Walters, to increase our utilization which will enable us to accomplish the remaining of our project based through the management of programs. There will be a move to get that utilization over 98%. On page two, let it be noted, that the affordables had 27 days, in which two units at Groove Place; one was 39 days, which reflected a problem with the maintenance and one unit that was 32 days; the other unit was 21 days which gave us an average 27 for the year. We are presently on target as well as working to improve the TARS (Tenant Accounts Receivables). Staff is aware of what has to be done to balance that out.

On page three, the units at McAlpine Terrace and Glen Cove are off line because we will be starting the renovation process; therefore we need to move residents. A decision has been made to start paying Lane Management because we have purposely left units vacated in the relocation process.

Moving to Work Update:

Mr. Woodyard stated that we are at a point to begin talking to Mayor Pat McCrory to put advocacy pressure on HUD and Congress to move the issue forward for the Authority. Dan Page, Board Chairman, and Charles will meet with the mayor on Wednesday, October 17, 2007. Mr. Woodyard is in contact with Senator Dole's office on a more than weekly basis. Our plan is to meet with Chris Dodd's staff, the Senator from Connecticut, who seems to be the lynch-pin of this entire situation. The bottom line is that there are certain affordable housing advocacy groups that disagree with the MTW program.

PHAS High Performer:

As an FYI to the full Board, the Charlotte Housing Authority, has received its latest PHAS score. We are scored as a 95 performer out of 100. Previously we were a 93, therefore we have increased. This score qualifies us as a 99 performer under SEMAP, which is the Section 8 scorecard, and a 95 performer under public housing.

Homes4NC Affordable Housing Achievement Project of the Year Award:

This is an award that was won for the Park at Oakland. Mr. Woodyard was in Raleigh to accept the award on behalf of the Board, staff and our partners, Crosland and the Housing Partnership. A brief DVD was presented. Homes for North Carolina is a foundation that was created by the NC Association of Realtors and the, NC Association of Home Builders and maybe one other group. There were people from all over the state and there were two projects that received this award. We are very happy and proud of our work, just wanted to share with all.

Annual Utilities Savings through EUA:

Ralph Staley, CFO, requested that we turn to the last page in tab one. Several years ago the Authority entered into some energy conservation contracts which are referred to as EUA contracts because that is the name of the vendor that we partnered with. We replaced lights, flush valves and different things within the water savings arena. On this page shows that since 2003 – 2006 we have achieved over 1 million dollars in electrical savings due to the modifications that were done through these programs. Additionally we have achieved over 1.4 million dollars in water savings. We issued debt to do the projects and after the debt payment we had about 1.5 million dollars which we share 40% to the contractor and 60% to the Authority. Over the last four years the Authority has saved over 1.1 million dollars after debt and payments to our contractor partner on our Utilities program.

ACC Unit Subsidy Discussion:

Mr. Woodyard wants to follow-up on the discussion that took place in committee meetings a couple of weeks ago. The issue discussed regarded the number of ACC units, (regular public housing units) that we have the ability to put on the ground and receive the HUD subsidy. It results from the number of demolition or units we have lost over the years. The other issue is the Section 8 vouchers that we have received over the years. The vouchers we have received over the years have more than made up for the public housing units that we have lost. The ultimate issue is, are we meeting the affordable housing need in the Charlotte-Mecklenburg community? It is very easy to see that there is a large need and we are making very small incremental steps to meet the need. We started in 1993 with a little over 3,907 units but our limit, because of the Brookings Amendment, is 4,076 units. Presently we have 3,072 units. Which is a reduction over the years of 835 public housing units or roughly 21%.

Section 8 vouchers, started with a little over 2,100 vouchers in 1993 and now we are at 4,250 vouchers, which is an increase of 2,138 or 101% increase. The vouchers have more than made up for the lost of public housing units. Presently we are serving more clients than we did in 1993; it equates to about 22% more than we served in 1993. Beginning in the year 2000 we were able to get the data from the City discussing the need for housing for families who earned 30% and below in Charlotte-Mecklenburg. In 2000 that need was over 9,000 units, going forward to 2004 the need is 10,178 units of housing that should be affordable to 30% and below to families that was needed, however was not available. Moving forward to 2007, the projected need would be 11,353 units, if we are following the same pattern of increases then that would be the number for 2007. As you can see the gap is very large and it is not getting smaller. We are serving more customers; however, we are only making a little dent in the overall need. Finally, this was put together as information to let the full Board know that we really need to work on the ACC units (the public housing); however, because of that gap the federal government

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has on us that is still only going to get us so far. Mr. Woodyard stated that this is not just the Charlotte Housing Authorities problem, so the city and county need to partner with us and develop a way to remedy this problem. Mr. Woodyard is suggesting that the best way to fill this need is through the WISH (Work Force Initiative for Supportive Housing) program that needs to get off the ground. This jurisdiction has got to find a way to solve this problem. This Housing Authority, which is a \$60 million operation, with several million dollars in capitol cannot fulfill this need alone.

The following is a brief summarization of comments:

Commissioner Miller had the following comments; he suggested that we focus on growing our share of the pie, as best and efficiently as we can. Also if we are not the lead advocate, then there isn't anybody else out there to do it. Commissioner Miller feels it is part of our job. Mr. Woodyard commented that if we are going to do 100% public housing communities that we have presently, then through our initiatives with HUD we must make sure that those communities are fairly self sustaining. The Charlotte Housing Authority is looking at that through our Asset Management initiatives; therefore if we've got assets that are not performing then what do we need to do to make them perform. This is a dual mission along with increasing the number. Mr. Woodyard stated that he has started his own one-on-one with council members concerning this situation therefore when it brought forward to the Council then they are prepared.

Commissioner Jones had the following comments; he stated that Commissioner Miller is raising a question of institutionally setting aside some tactical measures to get council members to take this seriously. He commented that the WISH program is a great example of an innovative step that we are working hard on that would actually do something. The questions is do we also have the capacity for staff to be viewed as leaders in the community surrounding the housing issue for folks that earn 30% or less of median income. In summarization Commissioner Jones states that we should be even more aggressive in public about our leadership.

Commissioner Moffat commented that he was in agreement with Commissioner Miller and Commissioner Jones that we need to take leadership. He feels we should be cautious; however, part of that leadership needs to be as an education for the community as to what is affordable housing. We begin our advocacy by educating. Maybe it is time to tackle this education in a public relation component.

Commissioner Everett commented that this Board has taken a drastic change and she sees us elevating to the level being discussed. She reflects on when she started on the Board and it was totally different. It was not as pro-client as it is now. The Board has taken a change to going toward what about the people, they are included now. She agrees with the majority of her colleagues comments; and feels that we are going in that direction.

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This Board is a lot more caring as to what is going on with the people than in the past. She is seeing wonderful things.

Commissioner Moore commented that it is a thin balance between the visionary component of the Board as well as the day to day management and activity. We must have a clear understanding of the laws and the regulations and also have to be advocates as mentioned by his fellow colleagues. He encourages that the Board stay focused.

Chairman Page stated that if he could draw a string around this discussion there is a lot more to discuss as we revisit our strategic plan; however it is tough to accomplish that in a Board meeting. He thinks that in the past the Board retreats have been very beneficial and suggest that it is probably time for another one. Mr. Woodyard agreed and will make the Board aware of the next retreat.

Committee Reports

Client Relations Committee:

Commission Moore gave the following report:

- Troy White, COO, talked about the assessment that was done by CPCC for our residents. There will be a report by December 2007.
- Discussed MTW, the PHAS and SEMAP score.
- Discussion concerning a contract with a professional service to do Section 8 inspections. This is a consent item on the Board agenda.
- Talked about the interim MTW budget and went on a tour to one of our properties. (Gladedale)

Development Committee:

Commissioner Jones gave the following report:

- The Development Committee met and no items of controversy were discussed. There are a few items on the consent agenda, however one of which will be pulled for more in depth discussion and one which will be pulled because he cannot vote on it.
- There will be a ground breaking at Seigle Point (former Piedmont Courts) which will take place at 11:00 a.m. on Friday, October 21st.

Finance & Audit Committee:

Vice-chairperson Peters gave the following report:

- Everything that needs to be voted on is on the Consent Agenda Action Items.
- HUD has announced the final proration of 2007 at 83.4%. The budget was based on 82%. The excess money will be factored into the budget with most of it going to the housing development sites.

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Consent Agenda Action Items:

Chairman Page explained that these are the Consent Agenda Action items which previously have been brought before their individual working committee. At this time

Item 9.D will be pulled from the Consent Agenda. Also for the first vote **Item 9.B** will be pulled so we are now voting on **Items A, C, E, F, G, H and I.**

ACTION:

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

Chairman Page stated that we will now vote on **Item 9.B:**
NOTE: Commissioner Jones will be unable to vote on this item.

ACTION:

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

Business Agenda Action Item:

10.A Live Oak Multifamily Apartments: Findings and Final Resolutions

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.

ACTION:

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

Chairman Page stated that we will suspend the regular meeting to go into Executive Session to discuss Real Estate Matters. When Executive Session adjourns we will go back to the regular meeting; then adjourn to go into the Horizon Development Properties, Inc. & Horizon Acquisition Corporation meetings. Motion was made to suspend the meeting by: Commissioner Moffat, motion was seconded by: Vice Chairperson Peters, motion passed unanimously.

Once the Executive Session was ended a motion was called to adjourn and return to our Regular Session. Motion was made by: Commissioner Miller and seconded by: Commissioner Moffat. Outcome of the vote: Passed unanimously. The Regular Session was adjourned.

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

Horizon Development Properties, Inc.
Meeting of Directors
AGENDA

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

November 20, 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 *October 16, 2007*
3. **Business Agenda Item:**
 - A. Budget Adoption: Fairmarket Square Apartments (**p.1**)
 - B. Line of Credit Approval and Utilization Criteria (**p.2**)

Business Agenda

Business Agenda items for the November 20, 2007 meeting of the Horizon Development Properties Board of Directors

3. A Budget Adoption: Fairmarket Square Apartments

Action: **Approve the Capital Project Budget for Fairmarket Square Apartments in Horizon Development Properties, Inc.**

Staff Resource: Ralph Staley

Strategic Business: Finance and Administration

Strategic Goal: Attain Long-Term Financial Viability

Explanation:

In 2001 the North Carolina State Legislature passed General Statute 159-42 entitled “Special regulations pertaining to public housing authorities”. The statute require housing authorities to adopt a project ordinance as defined in General Statute 159-13.2. for those programs which span two or more fiscal years. In an effort to clearly show compliance with the State statute, this grant project ordinance is prepared to allow the Board to adopt the project ordinance by resolution.

Also, in October, the Board approved Resolution No. 1515 for acquiring, financing and rehabilitating Fairmarket Square Apartments. We are presenting in this agenda item the Capital Project Budget for Fairmarket Square Apartments. The attached Exhibit A shows the budget by major categories and needs to be approved by the Board.

And finally, 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 Committee will discuss at its meeting on November 7, 2007.

Funding:

Land Sale Proceeds
Housing Trust Fund
HOPE VI
City of Charlotte Loan

Attachment: Fairmarket Square Apartments Capital Project Budget

RECORDING OFFICER’S CERTIFICATION

I, Barbara Porter, the duly appointed Secretary of the Horizon Development Properties, Inc., do hereby certify that the above item was properly adopted at a regular meeting held November 20, 2007.

(SEAL)

BY: _____
Barbara Porter, Secretary

3. B Line of Credit Approval and Utilization Criteria

Action: To authorize the CEO to negotiate and enter into a line of credit financing arrangement of up to \$5,000,000 with a financial institution and approve the criteria under which the line of credit may be utilized.

Staff Resource: Ralph Staley

Strategic Business: Finance and Administration

Strategic Goal: Attain Long – Term Financial Viability

Explanation:

In June 2007, staff sent out a request for proposal to acquire a financial partner that would commit to a line of credit for Horizon Development Properties, Inc. due in July 2007. At that time we received four responses. One response was a verbal response that no proposal would be submitted, two written responses of no proposal and one actual proposal from First Charter Bank. First Charter Bank is our current lead bank.

With having a line of credit in place staff felt that it would also be necessary to have in place a set of criteria for the utilization of the line of credit. Staff proposes that the

following process be used to ensure appropriate Board oversight of any draws on the Line of Credit:

1. The Real Estate group will be authorized to seek existing apartment complexes for acquisition with the goal of re-financing, adding units affordable at 30% of median either through Section 9 or Section 8 and thereby creating mixed income communities. Each year, a budget will be established to cover preliminary due diligence costs and provide up to \$100,000 of option funding. The minimum length of time for any option shall be 90 days to allow for Board review in the first 30 days and subsequent full due diligence.
2. Once a property is under option, and before any significant expenditure of funds for property due diligence, the Real Estate group will present an underwriting analysis to the Development Committee of the Board. This analysis will be in the format attached as Exhibit 1. In addition, for each acquisition target, staff will present two take-out scenarios. **Scenario A** will provide an assessment of the potential best case leveraged financing, including tax credits, bond financing, Housing Trust Fund and/or Affordable Housing Program of the Federal Home Loan Bank, and the estimated amount of CHA funding, either through land sales proceeds or more traditional HUD funding, such as Replacement Housing Factor Funds or Capital Fund grants. **Scenario B** will provide an assessment of the potential worst case, non-leveraged financing. This scenario would assume that the only funding available would be conventional debt (market rates), any committed public funds, and CHA land sales proceeds funding. The Development Committee will evaluate the staff's assessment of likelihood of these two options and make a recommendation to the full Board. The full Board votes on whether to support an extension the line of credit and whatever land sales proceeds dollar commitment is required at its next meeting.
3. After Board approval, the Real Estate staff will proceed with necessary expenditures for full due diligence. Assuming that the due diligence review is satisfactory; staff will proceed to close on the acquisition and immediately begin to pursue the leveraged financing described in #2 above.
4. It is anticipated that no more than two acquisitions would be pending on the line at any one time, though that may vary depending on the size of the transaction.

Committee Discussion:

The Finance & Audit Committee discussed at their November 7, 2007 meeting and unanimously approved for inclusion on the agenda.

Funding: Existing pursuit cost funds repaid at deal closing.

Attachments: Exhibit 1: Project Underwriting Summary

RECORDING OFFICER'S CERTIFICATION

I, Barbara Porter, the duly appointed Secretary of the Horizon Development Properties, Inc., do hereby certify that the above item was properly adopted at a regular meeting held November 20, 2007.

(SEAL)

BY: _____
Barbara Porter, Secretary

**MINUTES OF HORIZON DEVELOPMENT PROPERTIES, INC.
BOARD MEETING HELD ON TUESDAY, OCTOBER 16, 2007**

Regular Meeting:

Additions to the Agenda:

None

Consideration to approve the minutes for:

- Meeting held *September 18, 2007*

ACTION:

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

Business Agenda Item:

3.A Authorizations-Acquisitions/Rehabilitation of Fairmarket Square

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.

ACTION:

Note: Commissioner Jones stated that he would not be able to vote on this item.

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

3.B McAlpine Terrace Apartments (Approval of Loan Commitments)

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.

ACTION:

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

Regular Horizon Acquisition Properties, Inc.
October 16, 2007

3.C Glen Cove Apartments (Approval of Loan Commitments)

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.

ACTION:

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

Commissioner Moffat made a motion that we adjourn Horizon Development, motion was seconded by: Commissioner Jones, outcome of the vote passed unanimously. Meeting was adjourned.

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