

Housing Authority of the City of Charlotte

Regular Meeting of the Board of Commissioners

Central Office
1301 South Boulevard
Charlotte, NC 28203

October 21, 2008

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

Regular Meeting Agenda:

1. Pledge of Allegiance
2. Public Forum
3. Additions to the Agenda
4. Consideration to Approve the Minutes for:
 - Regular Board Meeting held *September 16, 2008* (**Tab 4**)
5. Resident Advisory Council (RAC) Report
6. Monthly Report from the CEO
 - a) Monthly Scorecard (**Tab 1**)
7. Committee Reports:
 - Client Relations Committee
 - Development Committee
 - Finance and Audit Committee
8. **Consent Agenda Action Items:**
 - A. Construction Loan-Townhomes @ Seigle Point (**p.1**)
Budget Amendment: MTW Funds (**p.1**)
 - B. Arrowood Senior Apartments Bond Inducement (**p.3**)
 - C. Moores Chapel Apartments Bond Inducement (**p.4**)
 - D. Budget Adoption: 2008 Replacement Housing Factor Budgets (**p.5**)
 - E. Budget Amendment: Asset Management Project Budget (**p.6**)
9. **Business Agenda**
 - A. First Ward Homeownership Policy (**p.7**)
 - B. Belmont Acquisition (**p.9**)
10. **Discussion Items**
 - A. Directors and Officers (D&O) Insurance
11. **Executive Session**
 - A. CEO Workplan

Consent Agenda:

Consent Agenda items for the October 21, 2008 Regular Board Meeting of the Charlotte Housing Authority Board of Commissioners.

**8. A Construction Loan for the Townhomes at Seigle Point
Budget Amendment: MTW Funds**

Action:	<ol style="list-style-type: none">1. Approve Resolution No. <u>1617</u> to Authorize CHA to Provide up to \$2M of MTW Funds as Construction Loan for the Townhomes at Seigle Point.2. Approve Resolution No. <u>1618</u> to Amend Resolution No. 1609 which Amended the MTW Fund Budget for the fiscal year ending March 31, 2009.
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Staff Resource: Michelle Allen, Ralph Staley

Strategic Business: Real Estate Development, Finance Administration

Strategic Goals: Maximize the economic, physical and social value of our real estate portfolio; Attain Long – Term Financial Viability

Explanation:

On September 17, 2008, we received HUD approval of our Homeownership Proposal for the Townhomes at Seigle Point project. As you are aware, there have been substantial delays since the initial start of presales of the units in spring 2007. Grubb Properties (Grubb) had secured an initial commitment from Bank of America (BOA) for construction financing in August 2007. That commitment expired and was renewed with even more strict terms and conditions. The renewed commitment expired on June 20, 2008. Due to the current unsettled economic and financial market, BOA has essentially decided not to extend a construction loan to the project. To date, Grubb has been able to secure contracts on 33 of the 50 units which equates to \$4.5M in pre-sales and has initiated aggressive marketing efforts that will enable them to continue sale of the remaining units.

We feel strongly that it is vital to the overall success and mixed-income nature of the Seigle Point development to get the townhomes underway as soon as possible. Also, it is critical to our expending HOPE VI (second mortgage) funds by the September 30, 2009 deadline. Staff therefore requests approval of the use of up to \$2M in MTW funds to make a construction loan to this project to be made available at closing. \$2M is the most we could extend and stay within TDC limits for this project. Closing costs would be paid by GREIC, who would also be contractually obligated to repay this loan. We anticipate closing within the next 30 days.

HUD has also approved the use of MTW funds for the purpose of making a construction loan to this project. No further HUD approval is needed; however, staff is required to submit to HUD a simple explanation regarding the change in the source of funds for construction.

The loan is safe and a prudent use of funds because:

1. Pre-sales requirements have been met;
2. The loan will be collateralized by a first lien on the property;
3. The construction completion will be 100% guaranteed by the Grubb Real Estate Investment Company, LLC who are also providing a 100% guarantee of the principal balance (We have reviewed and have been satisfied with the GREIC financials in past transactions and are now reviewing current financials);
4. The loan interest rate will be LIBOR plus 250 bps;
5. The loan will be repaid in 30 months following loan closing. MTW funds and interest earnings could then be used for additional MTW-authorized purposes.

Attached is Exhibit A which establishes the budget for the construction loan for the Townhomes at Seigle Point in the amount of \$2,000,000. As shown in Exhibit A, staff is reallocating expenses from Capital Projects to Loans to Others.

Committee Discussion: This item was discussed on October 8, 2008. The Committee raised questions and comments primarily around the guarantor's ability to guarantee the loan and the CHA's risk as a lender. After a lengthy discussion, the Committee recommended approval to the Board.

Funding: MTW Funds

Attachments:

Exhibit A for Resolution No. 1618 (**Tab 2**)

Resolution No. **1617** (**Tab 3**)

Resolution No. **1618** (**Tab 3**)

8. B Arrowood Senior Apartments Bond Inducement

Action: 1. Approve Resolution No. 1622 to Adopt an Inducement Resolution for a Proposed Issuance of Revenue Bonds in an Amount Not to Exceed \$9,000,000 to Finance the Acquisition, Construction and Installation of Arrowood Senior Apartments
2. Approve Resolution No. 1623 to Authorize a Loan to Arrowood Senior Apartments.

Staff Resource: Kathleen Foster and J. Wesley Daniels

Strategic Business: Real Estate Initiatives

Strategic Goal: Develop Collaborative Relationships for Housing Solutions

Explanation:

VSL Construction (VSL) is a Bingham Farms, Michigan-based multifamily development company which proposes to build up to 130 units on a site near the intersection of Arrowood Road and Nations Ford Road in southwest Charlotte. The development will be located just over one mile from the new Arrowood/South Boulevard stop on the light rail line. Approximately 54% (70) of the units will be affordable at 60% of AMI; 17% (22) will be affordable at 30% of AMI (Section 9), 6% (8) will be affordable at Project-Based Section 8 and 23% (30) will be targeted for market-rate residents.

VSL has requested that the Charlotte Housing Authority be the bond issuer for tax-exempt bonds. VSL and CHA have agreed “in principle” to include twenty-two (22) Section 9 units and eight (8) Project-Based Section 8 units within the development in exchange for secondary, soft mortgage financing by CHA. CHA is proposing a conditional financing commitment to the development contingent upon further CHA underwriting and NCHFA approval.

VSL has applied for tax-exempt bond financing and the final application is due October 10, 2008. A bond inducement resolution is required for that application. Note that the inducement resolution is subject to a number of conditions including “...satisfactory review by the Authority of the financial capability of the Borrower and satisfactory underwriting of the Development.....” The inducement resolution is basically the first step in the issuance process.

Committee Discussion: The Committee voted unanimously to recommend Board approval of the Bond Inducement for Arrowood Senior Apartments. The Committee, simultaneously, voted to recommend Board approval of a conditional loan commitment contingent upon further underwriting, NCHFA and HUD approval.

Community Input: None

Funding: None

Attachments:

Resolution No. 1622 (Tab 3)

Resolution No. 1623 (Tab 3)

8. C Moores Chapel Apartments Bond Inducement

Action: 1. Approve Resolution No. 1624 to Adopt an Inducement Resolution for a Proposed Issuance of Revenue Bonds to Finance the Acquisition, Construction and Installation of Moores Chapel Apartments in an Amount Not to Exceed \$5,500,000

2. Approve Resolution No. 1625 to Authorize a Loan to Moores Chapel Apartments

Staff Resource: Kathleen Foster and J. Wesley Daniels

Strategic Business: Real Estate Initiatives

Strategic Goal: Develop Collaborative Relationships for Housing Solutions

Explanation:

VSL Construction (VSL) is a Bingham Farms, Michigan-based multifamily development company which proposes to build up to 108 units at 9400 Kendall Drive in northwest Charlotte near I-485. Approximately 56% (60) of the units will be affordable at 60% of AMI; 35% (38) will be affordable at 30% of AMI (Section 9), 2% (2) will be affordable at Project-Based Section 8 and 7% (8) will be targeted for market-rate units.

VSL has requested that the Charlotte Housing Authority be the bond issuer for tax-exempt bonds. VSL and CHA have agreed “in principle” to include thirty-eight (38) Section 9 units and two (2) Project-Based Section 8 units within the development in exchange for secondary, soft mortgage financing. CHA is proposing a conditional financing commitment to the development contingent upon further CHA underwriting and NCHFA approval.

VSL has applied for tax-exempt bond financing and the final application is due October 10, 2008. A bond inducement resolution is required for that application. Note that the inducement resolution is subject to a number of conditions including “...satisfactory review by the Authority of the financial capability of the Borrower and satisfactory underwriting of the Development....” The inducement resolution is basically the first step in the issuance process.

Committee Discussion: The Committee voted unanimously to recommend Board approval of the Bond Inducement for Arrowood Senior Apartments. The Committee, simultaneously, voted to recommend Board approval of a conditional loan commitment contingent upon further underwriting, NCHFA and HUD approval.

Community Input: None

Funding: None

Attachment:

Resolution No. 1624 (Tab 3)

Resolution No. 1625 (Tab 3)

8. D Budget Adoption: 2008 Replacement Housing Factor Budgets

<p>Action: Approve Resolution No. <u>1601</u> which adopts the 2008 Replacement Housing Factor Increment # 1 and Replacement Housing Factor Increment #2 budgets</p>

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 requires housing authorities to adopt a project ordinance as defined in General Statute 159-13.2. for those programs which span two or more fiscal years. In the past the authority has presented budgetary information on grant projects as a part of the grant process, but has not set out a separate resolution to adopt a grant project ordinance. In an effort to clearly show compliance with the State statute, the staff of the authority intends to prepare a grant project ordinance for each grant and have the Board adopt the project ordinance by resolution.

The CHA received notice of its final formula award for the 2008 Capital Fund grants. Included in the award was two Replacement Housing Factor grants totaling \$592,676 and they are awarded as follows:

Replacement Housing Factor	\$ 290,100 (1 st Increment)
Replacement Housing Factor	\$ 302,576 (2 nd Increment)

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

The attached 2008 Replacement Housing Factor grants and Resolution No. 1601 need to be approved by the Board.

Committee Discussion:

This item was discussed and unanimously approved at the Finance & Audit Committee meeting on October 8, 2008.

Funding:

Replacement Housing Factor 1st Increment
Replacement Housing Factor 2nd Increment

Attachments:

Exhibit A Replacement Housing Factor Grants #1 and #2 budget (**Tab 2**)
Resolution No. **1601** (**Tab 3**)

8. E Budget Amendment: Asset Management Project Budget

Action: Approve Resolution No. 1619 to Amend Resolution No. 1610 which amended the Asset Management Project Budget for the Fiscal Year Ending March 31, 2009.

Staff Resource: Ralph Staley

Strategic Business: Finance and Administration

Strategic Goal: Attain Long – Term Financial Viability

Explanation:

The Charlotte Housing Authority sold 4.0211 acres of land at Arbor Glen to Thompson Child and Family Focus on March 19, 2008 for \$653,429. Staff is requesting the use of \$474,161 for the Fairmarket Square Apartments Capital Project. Funding is from the appropriation of fund balance-land sales proceeds line item.

In August, staff was informed that the Housing Authority would receive \$95,000 in funding from the City Housing Trust Fund for Fairmarket Square. This loan was previously not expected to materialize and land sales proceeds was appropriated. With the funding now in place, it is no longer necessary to use the land sale proceeds for that purpose.

Exhibit A shows revenue of \$379,161 in Fund Balance Appropriated-Land Sale Proceeds for the Fairmarket Square Apartments Capital Project. The \$379,161 represents the appropriation of \$474,161 and the reduction in the appropriation of \$95,000. The total expense of \$379,161 represents the \$474,161 in the General Expense line item and the reduction of funds from the Transfer Out line item.

Committee Discussion:

This item was discussed and unanimously approved at the Finance & Audit Committee meeting on October 8, 2008.

Attachments:

Exhibit A for Resolution No. 1619 (Tab 2)
Resolution No. 1619 (Tab 3)

Business Agenda:

Business Agenda items for the October 21, 2008 Regular Board Meeting of the Charlotte Housing Authority Board of Commissioners.

9. A First Ward Homeownership Policy

<p>Action: Approve Resolution No. <u>1626</u> to Amend Resolution No. <u>1302</u> regarding the First Ward Homeowners, to allow deferral of payment on the CHA Second Mortgage until the home is sold or refinanced; and in the case of threatened foreclosure, allowing staff to negotiate on a case by case basis to recover as much as possible of CHA's second mortgage or other investment.</p>

Staff Resource: Twyla Taylor

Strategic Business: Real Estate

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

Explanation:

In 1995 under the First Ward HOPE VI grant the CHA established the First Ward Homeownership Institute. The goal was to provide homeownership opportunities for 40 families that graduated from the Homeownership Institute. Of those 40 families, 20 purchased within the First Ward community and 20 were allowed to purchase off-site within Mecklenburg County. The CHA provided soft second mortgages for the participants in order to make the homes more affordable.

In 2005 interest rates were at an all-time low and home values in the area had almost doubled. Families began to inquire about refinancing options however no provisions were in place for loan modifications. Since the initial loan terms did not allow families to refinance, staff approached the CHA Board of Commissioners for direction. The Commissioners at the time were concerned about the amount of equity in the homes and as a result, adopted Resolution No. 1302. This Resolution allowed

the option to refinance the first and second mortgage and convert the “shared appreciation” portion into a new second mortgage which would be secured by a lien on the property.

Today, with the drastic change in the market and property values rapidly declining, more families are facing foreclosure than ever before. Families that purchased homes within the First Ward community will be faced with a hardship when the payment of the second mortgage becomes due. Likewise, families that purchased in the surrounding neighborhoods where property values were hit the hardest are experiencing foreclosure. Unlike the on-site participants, the families that purchased off-site do not have sufficient equity to cover the first and second mortgage.

Proposal:

To assist these families and maintain affordability in the various neighborhoods, staff recommends expanding the language in Resolution No. 1302 to include delaying the anniversary date of the Promissory Note until the home is sold or refinanced. The deferred payment shall continue to accrue interest at the rate of three percent (3.0%) per annum on the principal balance. Furthermore, in the event of pending foreclosure, CHA reserves the right to negotiate the terms and make necessary decisions, on a case-by-case basis in an attempt to recover all or a portion of the CHA’s second mortgage or other investment. This may include negotiating short sales, discounting notes, and/or devising other innovative solutions to cure the pending foreclosure. Staff also proposes to examine various resources to support the families while protecting the CHA’s interest and make any necessary adjustments.

Community Input: None

Committee Discussion: Committee approved moving forward to Board Meeting but item to be placed on Business Agenda for full Board discussion.

Summary of Bids: N/A

MWBD Consideration: N/A

Funding: First Ward Program Income

Attachments:

First Ward Second Mortgage Analysis (**Tab 2**)

2nd Mortgage Chart (**Tab 2**)

Resolution 1626 (**Tab 3**)

9. B Belmont Acquisition

Action: Approve Resolution No. <u>1578</u> to Authorize Staff to Acquire Property Located along Seigle Avenue in the Belmont Neighborhood; and Negotiate And Execute Terms And Documents.

Staff Resource: Michelle Allen and Frank Narron

Key Business : Real Estate

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

Explanation:

In February 2008, the Board authorized staff to option land and proceed with the due diligence process for property located in the Belmont neighborhood. The property is comprised of 3 separate but contiguous parcels that total .92 acre. At that time, staff indicated that it would come back to the Development Committee/Board for approval to purchase should we decide to acquire the property.

Staff engaged Grubb Properties (Grubb) to act as CHA's representative in transactions associated with the purchase of the subject parcel. The property will be assigned to CHA once the demolition has been completed. A sales price of \$525,000 was negotiated and Grubb entered into a contract with the owner on March 19, 2008. The option agreement has been extended three times and will expire on October 24, 2008. Survey, appraisal, Phase I and II Environment Site Assessment reports have been completed. The Phase II report revealed a contaminant (benzene) in the soil from an off-site source; likely from the adjacent property which once operated as a gas station.

During the Board's September 16, 2008 meeting, Tom Griffin, an environmental attorney reported that the risks were minimal, but recommended that we perform at least an initial review of "vapor intrusion" risks based on the groundwater results, using current guidance and "look up" tables, and confirm that vapor intrusion is not likely to be an issue, and also advise us whether additional soil gas testing would be warranted. Following this recommendation, the Board requested that further vapor ("soil gas") testing be performed. Additional tests were performed and revealed that there is no unacceptable increased risk at the site. At the writing of this report, staff has not yet seen the results or the report, but was told that ECS used the most conservative assumptions and data (that is, using the "most risky" data and information under the circumstances), and the results still came up with acceptable results that are well below the residential thresholds. We expect to have received written results by the October 21st Board meeting.

Staff proposes to use City Acquisition (Grant) Funds to finance costs associated with the purchase.

Committee Discussion:

During the September 3, 2008 meeting, the Committee discussed how the Phase 2 assessment might impact CHA as a prospective owner and its responsibility to DENR in light of the benzene issue. Commissioner Jones agreed to review the matter further and consult with an environmental partner within his firm for direction in terms of what CHA's next steps should be.

Community Input: N/A

Summary of Bids: N/A

MWBD Consideration: N/A

Funding: City Acquisition Funds, CHA Line of Credit

Attachments:

Resolution No. 1578 (Tab 3)

**MINUTES OF THE REGULAR BOARD MEETING
OF THE COMMISSIONERS' OF THE HOUSING
AUTHORITY OF THE CITY OF CHARLOTTE
HELD ON TUESDAY, SEPTEMBER 16, 2008**

The Board of Commissioners of the Housing Authority of the City of Charlotte, North Carolina held a regular meeting at the *Charlotte Housing Authority, 1301 South Boulevard, Charlotte, NC 28236* at 12 noon on September 16, 2008.

Present: *Chairman David Jones*
 Vice-Chairman Rodney Moore
 Commissioner Will Miller
 Commissioner Dan Page

Absent: Commissioner Chris Moffat
 Commissioner Montega Everett

Also Present: Charles Woodyard, CEO
 Eric Pristell, General Counsel

Pledge of Allegiance:

Vice-Chairman Moore asked that all stand and recite the pledge. Once completed, the public forum was opened.

Public Forum:

Chairman Jones opened the public forum. There were two visitors present. The speakers were Mary Stuart Reid and Alice Marshall, both presently reside at First Ward. They successfully completed the Charlotte Housing Authority's Homeownership Program and have been residents since 1998. It was explained by Ms. Reid that when she and Ms. Marshall purchased their homes they were promised that if they resided in the home for ten years that the second mortgage loans would be forgiven. They asked that the Board investigate and honor the pledge that the second mortgage loan would be forgiven. It was stated that even though this pledge was not given to the homeowners in writing, it was given as a verbal commitment. Both residents have recently met with Ms. Twyla Taylor, Development Officer, to discuss this matter and it was explained that this request is being considered. Chairman Jones stated that he has spoken with Ms. Taylor as well as Ms. Kathleen Foster, VP of Real Estate Development, concerning this matter and staff is in the process of reviewing this request and will come back with a full report either at the Client Relations Committee or the October Board meeting. The public forum was then closed.

Regular Board Meeting
September 16, 2008

Additions to the Agenda:

Chairman Jones stated that he had two changes to the agenda, they are as follows: Under the Consent Agenda Action Items, **Item 8.A** will be moved to Executive Session for discussion. **Item A** under the Discussion Items will be deferred to next month, when Sherrod Banks, General Counsel, will be prepared to report on this topic. Chairman Jones asked for a motion to approve the agenda as amended. Motion was made by Vice-Chairman Moore and seconded by: Commissioner Page, the motion carried. Also it was mentioned that in the August 29, 2008 Board meeting Additions to the Agenda, a motion was called for by Chairman Jones regarding the following changes; however, there were no changes listed. The correction was noted.

Consideration to Approve the Minutes for:

- Regular Board Meeting held *August 29, 2008*

ACTION:

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

Resident Advisory Council (RAC) Report:

Ms. Belk gave the following report:

- ✓ The RAC group had the privilege of attending the Tenant Support Conference (TSSI) Conference which was held in Philadelphia. They were very impressed with the great presentations. Ms. Belk read a small portion of a statement from the conference to the Board; it was pertaining to the importance of listening. The group expressed an interest in attending the next training which will be held in Texas.
- ✓ Ms. Stitt asked that a commissioner volunteer to attend the next Quality Circle meeting. Commissioner Page graciously accepted the invitation. Also, Ms. Stitt indicated that she has a presentation for Mr. Troy White, COO; it was described as a plaque of appreciation, however she would have to give it to him at the Quality Circle meeting.

Monthly Report from the CEO

Mr. Woodyard, CEO, updated the Board on his trip to Washington, DC to visit our legislators. His visit consisted of Senator Dole, Congressman Watt who are both on the House side of the Banking and Housing Committee and on the Senate side, Senator Dole is on the Banking and

Regular Board Meeting
September 16, 2008

Urban Affairs Committee. These committees handle public housing, which is a strategic issue for the authority. Additionally Mr. Woodyard met with Sue Myrick. The purpose of the visit was to make them aware of Boulevard Homes and to get their support of the reauthorizing of the HOPE VI program. Presently, there is a Senate and a House of Representative Bill out to reauthorize the HOPE VI program. It appears that neither of these bills will be voted on and/or approved before the end of the Federal Fiscal Year. On the positive note this is good news because the current HOPE VI law and appropriations amount will still be in affect. All three legislatures were very excited about Boulevard Homes particularly Mr. Watt who grew up not too far from the site. Additionally, all three were enthusiastic about supporting reauthorization of HOPE VE and are planning to attend the Seigle Point ribbon cutting ceremony which will take place next month.

Mr. Woodyard also wanted to speak to them about the MtW and some of the provisions of that rule that affect us. We would like to have the ability to operate a housing program outside of Section 8 and Section 9 and that is currently not in the MtW legislation. They understand and could support that. They are also willing to support repeal or amendment of the Faircloth amendment which sets the cap on the number of Section 9 units that a public housing authority can have. They are really willing to work on that; however, they will not be able to do so this year but next year they are willing to put in some other legislation.

Monthly Scorecard:

Mr. Woodyard, CEO, recognized Mr. Troy White, COO, to give the report:

Referring to tab 1, we are utilizing the Section 8 program at 99.3%. We have slightly over 3,600 families that are currently on the waiting list. In the upcoming Client Relations Committee meeting we will discuss the Landlord Briefing packet. In collaboration with Mr. Ellis Mitchell, Section 8 Director, a landlord outreach process has been established and we are starting to hold meetings.

On page 2, refer to our Conventional Public Housing Sites. If you will notice, the Tenant Accounts Receivables (TARS) are at 96% with the adjustment requested previously by the Board. On the affordables we are at 94% this month, the variance is at Villa Courts I & II properties, which affect our TARS, however we are not far off target.

On page 3, concerning the private company's, we are at 93% for the account receivables. Our vacancy turn is good. It was explained that Montgomery Gardens does have some issues; however, that is a private managed property by Crosland. Crosland has had to write-off over

Regular Board Meeting
September 16, 2008

\$2,700 due to lack of collections. It was emphasized that the write-off was not that of CHA. Relating to our process we caught it as soon as we received the report. It is being monitored.

Committee Reports

Client Relations Committee:

The following update was given by Vice-Chairman Moore:

- ✓ The meeting took place on September 3, 2008.
- ✓ There was discussion concerning MtW relating to our Admission and Occupancy Policy and the Section 8 Administrative policy was reviewed we will adopt a consensus by January 7, 2009.
- ✓ RAC reported on their trip to the National Empowerment conference in Philadelphia.
- ✓ RAC visited Cedar Knoll, Leafcrest, Mallard Ridge and Glendale in an effort to get them organized.
- ✓ A quarterly Quality Circle meeting which was scheduled for September 17, 2008 has been **rescheduled** for a later date.
- ✓ On September 1, 2008, we contracted with a professional security service for security at the high rises.
- ✓ There was an intense discussion concerning the Idlewild Apartments located in East Charlotte.

Mr. Woodyard, interrupted, and commented that Chairman Jones asked for staff to get crime stats on Section 8 household located in the Idlewild Apartment Community. We have been advised by CMPD that the way their system operates we cannot get those stats. However staff has been asked to work with CMPD and a meeting will be set up with police Chief Monroe. We have offered any assistance possible to get that information. A follow-up will be given with the results of those conversations in the near future.

Development Committee:

The report was given by Kathleen Foster, VP of Real Estate Development:

- ❖ The main agenda item was the report on Seigle Point. An in-depth presentation was given on each of the components and we were joined by our partners.
- ❖ A summarization: our project is on time and within budget relating the HOPE VI expenditures. With regard to the market conditions, everywhere is experiencing some slowdown in the market rate component development that we are continuing to work on and reporting on.

Regular Board Meeting
September 16, 2008

- ❖ We also addressed Belmont Infill which is a project that will be discussed in today's closed session.
- ❖ A slight restructuring of the Arbor Glen Homeownership development.
- ❖ Approval of community based rental assistance policy, which is a new name for project based Section 8 policy and closed with the general real estate report.

Finance and Audit Committee:

The report was given by Commissioner Page:

- Most of the items discussed are on today's consent agenda.
- It was noted that there was extensive discussion about approving budgets for development projects. In the past we approve the project in the Development Committee then immediately after that we will approve again in the Finance & Audit Committee. In order to streamline the process, it was decided to try approving the project and the budget in the Development Committee. This new process will be implemented at the next meeting.

Chairman Jones clarified that there would be two separate motions when items are voted on; in order to keep an accurate paper trail.

Consent Agenda Action Items:

Chairman Jones explained that these are the Consent Agenda action items which previously have been brought before their individual working committees. At this time you can select any item for discussion if you need further information or you can leave all the items as they are shown under consent through **Item 8.A – 8.I**. NOTE: Commissioner Miller briefly questioned Item 8.G, which is Code of Ethics/Standards of Conduct Policy Revision relating to article 5 which is about receiving gifts from people who may be trying to gain favoritism. Mr. Woodyard, CEO, deferred the question to Mr. Ralph Staley, CFO and with limited discussion clarified the inquiry.

ACTION:

Motion was made to approve by:	Commissioner Miller
Motion was seconded by:	Vice-Chairman Moore
Outcome of the vote:	Passed unanimously

Business Agenda Items:

9.B Quarterly Board Workshops

Mr. Woodyard, explained that since his tenure, the real work of the Housing Authority Board goes on in committee. It is being suggested, considering all the initiatives the

Housing Authority is involved in, to pick some topics once a quarter and have that on your agenda which can be discussed in-depth. The committee structure is great; however, there is varying attendance at the committee level. This would be an opportunity for the entire Board to discuss an issue, not necessary to vote, but to thoroughly dig into an issue.

Chairman Jones asked if this would be in addition to our regular Board meetings or in lieu of Board meeting. This would be in lieu of a Board meeting, it would be considered as a workshop. All commissioners agreed that this would be a great idea. Mr. Woodyard stated that he and staff would work with the commissioners regarding consensus on the topics and provide them with a schedule.

Chairman Jones requested a motion that we suspend the regular meeting and convene a meeting for Horizon Development then CORE Programs, Inc. The motion was made by: Commissioner Page and seconded by: Vice-Chairman Moore, passed unanimously. Once both meetings were adjourned, it was then reconvened to the regular Board meeting and was officially adjourned. Motion was made by: Vice-Chairman Moore seconded by: Commissioner Page and then passed unanimously.

Minutes respectfully prepared by:

Barbara G. Porter
Executive Assistant to the CEO

The next meeting will be held on October 21, 2008, at the Charlotte Housing Authority, 1301 South Boulevard, Charlotte, NC 28203 starting promptly at 12 noon. Lunch will be provided at 11:30 a.m. If any questions/comments, please contact the Executive Office at 704.336.5221.

Horizon Development Properties, Inc
Meeting of Directors
AGENDA

Central Office
1301 South Boulevard
Charlotte, NC 28203

October 21, 2008

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 16, 2008*
3. **Business Agenda Item:**
A. Budget Amendment: Fairmarket Square Apartments

Business Agenda:

Business Agenda items for the October 21, 2008 Meeting of the Horizon Development Properties Board of Directors

3. A Budget Amendment: Fairmarket Square Apartments

Action: Approve the Amendment of the Capital Project Budget for Fairmarket Square Apartments in Horizon Development

Staff Resource: Ralph Staley

Strategic Business: Finance and Administration

Strategic Goal: Attain Long-Term Financial Viability

Explanation:

Staff is requesting to modify the funding source for this project as it relates to funds from HOPE VI. In the original funding for this project, staff requested the use of up to \$800,000 in HOPE VI funds or other public housing capital funds. Only \$325,839 remains in the Arbor Glen grant to be used for this project. The leftover \$474,161 for the project would come from land sale proceeds from the sale of land to Thompson. Total revenue and expense for the project is \$2,920,000 an increase of \$29,091. The increase is accounted for in the land sale proceeds funding. Staff is also showing major expense for this project in the capitalized item account. These changes are shown in the attached Exhibit A.

Also as a part of this amendment the Chief Executive Officer (CEO) or his/her designee may transfer funds as provided below. All such transfers must be consistent with state or federal laws and local board policies. The CEO or his/her designee must report any such transfers at the regular meeting of the board at which the budget to actual results are discussed and transfers between functions must be entered in the minutes of that meeting.

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

Committee Discussion:

The Finance & Audit Committee will discuss at its meeting on October 8, 2008.

Funding:

Moving To Work Funds
City of Charlotte Loan
City Housing Trust Funds
Arbor Glen HOPE VI Funds
Land Sale Proceeds

Attachment

Amended 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 October 21, 2008.

(SEAL)

BY: _____
Barbara Porter, Secretary

**MINUTES OF HORIZON DEVELOPMENT PROPERTIES, INC.
BOARD MEETING HELD ON TUESDAY, SEPTEMBER 16, 2008**

Regular Meeting:

Additions to the Agenda:

None

Motion was made to approve the agenda as submitted:	Commissioner Page
Motion was seconded by:	Vice-Chairman Moore
Outcome of the vote:	Passed unanimously

Consideration to approve minutes for:

- Meeting held on August 29, 2008

ACTION:

Motion was made to approve:	Commissioner Miller
Motion was seconded by:	Vice-Chairman Moore
Outcome of the vote:	Passed unanimously

Business Agenda:

3.A Budget Amendment: Horizon Development Properties, Inc.

Approve the amendment of the Horizon Development Properties, Inc. budget for the fiscal year ending March 31, 2009. Explained by Ralph Staley, CFO, this item was discussed in committee and approved unanimously.

ACTION:

Motion was made for approval:	Commissioner Page
Motion was seconded by:	Vice-Chairman Moore
Outcome of the vote:	Passed unanimously

Motion was made to adjourn this meeting and open the business meeting for Core Properties, Inc. Motion was made by: Commissioner Miller, seconded by Vice-Chairman Moore, outcome of the vote, passed unanimously.