

# Housing Authority of the City of Charlotte Regular Meeting of the Board of Commissioners

Central Office  
1301 South Boulevard  
Charlotte, NC 28203

*December 16, 2008*

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

## **Regular Meeting Agenda:**

1. Pledge of Allegiance
2. Public Hearing-FY 2009-2010 MTW Annual Plan
3. Public Forum
4. Additions to the Agenda
5. Consideration to Approve the Minutes for:
  - Regular Board Meeting held *November 18, 2008 (Tab 3)*
6. Resident Advisory Council (RAC) Report
7. Monthly Report from the CEO
  - a) Monthly Scorecard (**Tab 1**)
8. Committee Reports:
  - Client Relations Committee
  - Development Committee
  - Finance and Audit Committee
9. **Consent Agenda Action Items:**
  - A. Personnel Policy Manual Revision (**p.1**)
  - B. Budget Adoption: CATS Bus Pass Grant (**p.2**)
  - C. Budget Amendment: MTW Fund (**p.3**)
  - D. Budget Amendment: Asset Management Project Budget (**p.4**)
  - E. Retirement Vote Authorization (**p.5**)
10. **Discussion:** MTW Annual Plan

**Consent Agenda:**

**Consent Agenda items for the December 16, 2008 Regular Board Meeting of the Charlotte Housing Authority Board of Commissioners.**

**9. A Personnel Policy Manual Revision**

<b>Action:</b> <b>Approve Resolution No. <u>1638</u> to adopt a revision to the Housing Authority of the City of Charlotte Personnel Policy Manual.</b>
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**Staff Resource:**              Charlene Wall

**Strategic Business:**        Finance and Administration

**Strategic Goal:**             Attain long-term financial viability

**Explanation:**

During the Finance Committee meeting on November 3<sup>rd</sup>, the committee considered a proposal to adopt a revised and updated Personnel Policy Manual for the employees of the Housing Authority of the City of Charlotte. This meets our goal of ensuring our policies and practices remain current and are easily understandable to readers and to our work force. This policy was last updated in 2005 and has now been simplified and brought in line with current employment and business practices. The following significant changes were made:

- Policy language was simplified and redundancies eliminated, such that a policy which was a previous 147 pages in length is now ~66; yet the main requirements of the policy remain.
- Our language on sexual harassment has been changed to require all complaints be put in writing to supervision or to Human Resources. We have spelled out that once an allegation is made, nothing can be held off the record.
- We have changed our policy on allowable hiring of relatives to be set at the department rather than the division level, due to the large number of employees in one division. Now, no relative may be hired within the department of a current employee.
- The word ‘probationary’ has been changed to ‘introductory’ to address concerns which have been seen in the courts revolving around probationary periods and the implication of continued employment after that period.
- We have clarified employee responsibility and requirements under our electronic time-keeping/payroll system.
- We have limited the amount of compensatory leave which may be taken by employees to no more than three (3) consecutive days at any one time.
- Bereavement leave policy, which allows one day of leave for ‘other family members’ now has more clarity on the definition of these members. We have also

increased the bereavement allowance which may be taken with immediate family members from 3 to 5 days, to fall more in line with private and with city policy on this.

- Our educational initiative policy, which allows up to 6 hours of leave per year for teacher visits, now includes grandchildren for whom the employee is the legal guardian and has been expanded to include volunteer pay for work with schools for all employees.
- Juvenile leave (leave for parents under court order to handle juvenile issues), is now included, to address recent legislation on this issue.
- Crisis suspensions, to be utilized for immediate disciplinary situations, have been added.
- The Hatch Act (holding of public office by government employees) has been specifically addressed.

**Committee Discussion:**

This item was discussed at the Finance Committee Meeting on December 3, 2008 and a decision made to recommend full adoption to the Board. In addition, a review will be conducted of employee suggestion award and bonus programs.

**Community Input:**

None.

**Funding:**

None.

**Attachment:**

Resolution No. 1638 (Tab 2)

**9. B Budget Adoption: CATS Bus Pass Grant**

<p><b>Action: Approve Resolution No. <u>1639</u> which adopts the CATS Bus Pass Grant ending June 2009.</b></p>
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**Staff Resource:** Corsha Caughman, Ralph Staley

**Strategic Business:** Client Services, Finance and Administration

**Strategic Goals:** Facilitate the Development of Client Families,  
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 Charlotte Area Transit System (CATS) made grant funding available to community groups who served clients needing transportation assistance. The Charlotte Housing Authority submitted a grant application to CATS to provide bus passes to residents that are seeking employment, attending job training classes, or currently employed. The original grant was for \$64,550 and the CHA was required to provide matching funds as a requirement of the grant. We were awarded an additional \$40,000 because CATS had a surplus of passes available. The grant will be administered by the Client Services Department.

Exhibit A shows the budget of the grant award.

**Committee Discussion:**

The Finance & Audit Committee unanimously approved this amendment for inclusion on the consent agenda.

**Attachments:**

Exhibit A for Resolution No. 1639 (Tab 2)

Resolution No. 1639 (Tab 2)

**9. C Budget Amendment: MTW Fund**

<p><b>Action: Approve Resolution No. <u>1640</u> to Amend Resolution No. 1627 which Amended the MTW Fund Budget for the fiscal year ending March 31, 2009.</b></p>
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**Staff Resource:** Ralph Staley

**Strategic Business:** Finance Administration

**Strategic Goal:** Attain Long Term Financial Viability

**Explanation:**

The Charlotte Area Transit System (CATS) made grant funding available to community groups who served clients needing transportation assistance. The Charlotte Housing Authority submitted a grant application to CATS to provide bus passes to residents that are seeking employment, attending job training classes, or currently employed. The original grant was for \$64,550 and the CHA was required to provide matching funds as a requirement of the grant.

Exhibit A shows the transfer of MTW funds to the grant as the matching funds for the grant in the amount of \$64,550.

**Committee Discussion:**

The Finance & Audit Committee unanimously approved this amendment for Inclusion on the consent agenda.

**Funding:**

MTW Funds

**Attachments:**

Exhibit A for Resolution No. 1640 (Tab 2)

Resolution No. 1640 (Tab 2)

**9. D Budget Amendment: Asset Management Project**

**Action: Approve Resolution No. 1641 to Amend Resolution No. 1628 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:**

During the Client Relations Committee meeting on November 3<sup>rd</sup>, the committee considered a proposal to fund Hall House for use as interim housing for families. At the November 18<sup>th</sup> Board meeting, the Board agreed to allow the use of Hall House and authorized the Chair of Client Relations, the Chairman of the Board, and/or the CEO to make decisions.

CHA will partner with Charlotte-Mecklenburg Schools, The Salvation Army and a Child’s Place to fund the operating expenses for the six and a half month period. It is anticipated that CHA would have incurred operating expenses for boarding up the facility for the winter and these expenses were already scheduled to be paid through the Hall House AMP. Staff is requesting that the Board fund up to \$200,000 from the land sales proceeds of Belvedere Homes for operating expenses to be incurred for the use of Hall House as an interim housing facility for families with school age children.

Also this amendment is to authorize the CEO to enter into grant agreements and lease transactions as required.

Exhibit A shows total revenue and expenses for use in this project of \$200,000.

**Committee Discussion:**

This item was discussed at the Finance & Audit Committee meeting and acceptance of the amendment is pending a decision from HUD concerning subsidy at Hall House.

**Funding:**

Land Sale Proceeds- Belvedere

**Attachments:**

Exhibit A for Resolution 1641 (Tab 2)

Resolution No. 1641 (Tab 2)

**9. E Retirement Vote Authorization**

**Action: Approve Resolution No. 1642 to authorize a call for vote of the Charlotte Housing Authority (CHA) employees on the option to enter the North Carolina Local Government Employees Retirement System (LGERS).**

**Staff Resource:** Charlene Wall and Ralph Staley

**Strategic Business:** Finance Administration

**Strategic Goal:** Attain Long-Term Financial Viability

**Explanation:**

The CHA has had a defined contribution plan as its retirement plan since it decided to offer a retirement plan and currently contributes 5.5% of covered payroll, which is also required of employees. In 2003 the CHA entered into discussions about the eligibility of the CHA to enter the LGERS, which is a defined benefit pension plan. A determination was made that the CHA was eligible for membership if there was approval by the CHA Board to hold a vote of employees and an affirmative vote of the employees. At that time, based on employee data related to length of service, age of employees and total salary, the cost to enter was very high and the CHA was one of the lowest funded housing authorities in the country.

During the current year, heightened by recent global financial situations, the CHA entered into discussions with the LGERS again to see if the CHA’s current data would yield any different result. What was found was that the CHA did have a younger workforce, lower years of service and a smaller total payroll (primarily due to a reduced number of total employees). However the cost to enter is still estimated to be over \$8.2 million as a onetime payment or 6.35% (prior service cost) of covered payroll for a 24 year period (this is estimated to be ~\$450,000 per year for the 24 years after which cost would be a decrease of ~\$56,000 from current cost from that time forward). This cost is to buy the prior years of service of employees with the CHA as being LGERS eligible years of service. This is a LGERS requirement, but can be waived to start from the date of entry into the LGERS with a vote of the State Legislature on a local bill (this has been done before as recently as last year). The

CHA required plan contribution would be 4.8% (normal cost) of covered payroll and employees would be required to contribute 6% of covered pay.

During discussions staff asked if the current defined contribution plan could be rolled over into the LGERS to lower the cost of entry, but that is prohibited by law. If an affirmative vote of the Board and employees is obtained, the current plan would change to a voluntary contribution plan and the required plan would be the LGERS plan.

The benefits of being in a defined benefit plan vs. a defined contribution plan for the employees and the CHA are as follows:

1. More valuable to employees at retirement.
2. Promotes employee loyalty and longevity.
3. Aides in recruitment of employees.
4. Decrease in the CHA annual normal retirement cost.

The negatives of being in a defined benefit plan vs. a defined contribution plan for the employees and the CHA are as follows:

1. Increased cost for 24 years to fund the past service cost before the cost savings are realized in year 25 forward.
2. Employees have a .5% increase in required contribution.

**Committee Discussion:**

This item was discussed at the Finance and Audit Committee on December 3, 2008 and the Board noted that while they would like to fund the past service of the employees, it is not economically feasible for the Housing Authority to do so at this time. Committee members did note their belief that entry into the LGERS system would be good for the employees of the CHA and recommended the path of entry into LGERS without purchase of past service be pursued. Committee members authorized an employee vote on entry into LGERS as a first step in possible pursuit of this course.

**Community Input:**

None.

**Funding:**

AMP's, COCC, Section 8, Grant Programs and Horizon Development

**Attachment**

Resolution No. 1642 (Tab 2)

**MINUTES OF THE REGULAR BOARD MEETING  
OF THE COMMISSIONERS' OF THE HOUSING  
AUTHORITY OF THE CITY OF CHARLOTTE  
HELD ON TUESDAY, NOVEMBER 18, 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 November 18, 2008.

**Present:**        ***Chairman David Jones***  
                  ***Vice-Chairman Rodney Moore***  
                  Commissioner Dan Page  
                  Commissioner Chris Moffat  
                  Commissioner Joel Ford  
                  Commissioner Will Miller

**Absent:**         Commissioner Montega Everett  
                  Note: Chairman Jones announced that Commissioner Everett has tendered her resignation effective January 1, 2009.

**Also present:** Charles Woodyard, CEO  
                  Sherrod Banks, 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:**

Ms. Lucille Puckett spoke concerning communication:  
She wanted to stress the importance of communication; stating that it builds relationships and trust. She explained that she sees the residents in a direct relationship with the Charlotte Housing Authority and this Board. Without the residents this governing body would not be necessary, therefore why do we fall short in communicating? On the surface it appears that the residents are represented (i.e. resident representation on CHA Board, RAC, resident organizations in some communities and public forums). However, somewhere there seems to be a lapse in communication. Over the years she has requested that CHA investigate several trouble makers in her community (which is Dillehay Courts) (i.e. fights, drug activity, etc.). In closing, she clarified that if CHA is to be successful in their mission statement there must be buy-in with a lot of true communication and trust. Chairman Jones closed the public forum and proceeded with the meeting.

**Additions to the Agenda:**

Chairman Jones requested two additions; the introduction of the new Board member, also move from the Business Agenda, Item 9.A, Hall House, into Executive Session. The handout for Business Agenda Item 9.B, Neighborhood Stabilization Program, was distributed at the meeting.



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**ACTION:**

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

As customary the newest Commissioner, Joel Ford, spoke briefly concerning his credentials. He is currently general manager for Joe Dirt Construction. Additionally he has a Solid Waste management background. He is also a member of the Council for Children's Rights Executive Board. He has a very strong passion for children. He is currently married with one daughter, named Trinity. He is a graduate of NC A&T State University in Greensboro, NC. Commissioner Ford looks forward to working with everyone on the Board. He was officially welcomed to the Board.

**Consideration to Approve the Minutes for:**

- Regular Board Meeting held *October 21, 2008*

The following comments were presented by: Commissioner Miller

- Referring to the top of page 3 of the October 21, 2008 minutes, where Mr. Griffin, Environmental Attorney, discussed the environmental matter surrounding the Belmont Acquisition, it should be mentioned that the source of the contamination has been removed/taken-out therefore what is remaining is the byproduct.
- Referring to Item 10.B, Adhoc Committee update: it is stated that we feel at this point we are ready to send out an RFP to commission our own study, however it should reference as to why and what the study is.  
The correction is as follows: The adhoc committee was appointed to think strategically about housing production and related matters. The RFP relates to the housing strategy discussion of the committee.
- Also typo correction, should be Kathy IZARD not Katy IZARD.

A motion was requested with modifications: Commissioner Moffat  
Motion was seconded by: Vice-Chairman Moore  
Outcome of the vote: Passed unanimously

**Resident Advisory Council (RAC) Report:**

The report was given by Ms. Lucy Brown, president of the Sunridge Community:

- ✚ The 6<sup>th</sup> annual retreat was held in Myrtle Beach, SC and it was facilitated by Cheryl Campbell & Donna Hughes.
- ✚ Classes on rent reform and rent requirements were attended. However the next time classes are presented it would be preferred to add another day due to the volume of information.

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- ✚ Quality Circle will hold its monthly meeting next Tuesday, November 25, 2008 at 2:00 p.m. in the Strawn Activity Center.
- ✚ The Happy-go-Lucky Seniors will have a Fish Fry on December 5<sup>th</sup> at 11:00 a.m.
- ✚ RAC will hold their election December 9<sup>th</sup> at 4:00 p.m. at the Strawn Activity Center.

### **Monthly Report from the CEO**

#### **Monthly Scorecard:**

Mr. Woodyard, CEO, introduced Mr. Troy White, COO, to give the update. Prior to the report Mr. Woodyard, announced that perhaps in January 2009 we will be moving to a new format for the scorecard which will include more relevant information, in a different format and welcome your feedback once completed.

Mr. White referenced tab 1 page 1 of the scorecard. Our utilization is at 97.5% for Section 8. We are slightly below the target. There are only four vouchers on the street and that is in direct correlation to when we issue vouchers. For project based we hold off on putting a lot of vouchers on the street so we are not over utilized. Chairman Jones questioned is this related to 51% of the dollars being utilized? Mr. White responded no; it is two different correlations. Actually that measure will be coming off the scorecard because we are a single budget organization. On the new scorecard, which a draft will be revealed at the December Client Relations Committee meeting, will be more visible and hone in on operation. Commissioner Page questioned because we have a target of 98%, which we never approach that, please explain what Y-T-D % of Dollars Utilized column is. Mr. White explained that this column is to reflect the amount of HAP subsidy that we receive and if you add all columns it will show you the bench mark between the amounts of money we get vs. how much we are spending each month. In the short, it means that we have more dollars available on the street in the HAP balance under single budget for other initiatives. Sensing some confusion, Chairman Jones made an attempt to clarify; stating that the main difference in the percentage of money used is so much lower than the percentage of vouchers used is that most of the places that are accepting vouchers are in lower rent apartment projects therefore the voucher values will hit the fair rental value that we process but so many customers are getting cheaper units so we are saving money on the budget because the places with higher rent are not accepting vouchers. Commissioner Page stated that he understood and suggested that this be discussed in-depth at a later date.

#### **Conventional Public Housing Sites:**

We had 14 days for vacancy/unit turn. We are at 98% on the TARS (Tenant Accounts Receivable).

#### **Affordable Properties:**

We are at 14 days and 96% for TARS, therefore we are on target.

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**Private Management Sites:**

Referring to page 3, it was stated that we had 17 days for unit turn and gained a percentage point this month which moved us to 95% for the TARS. We are working with our private partners to achieve the 96% TARS standard.

**Preliminary Budget to Actual Reports (BAR) June 30, 2008:**

Mr. Ralph Staley, CFO, gave the following report:

This item was thoroughly discussed in the Finance Committee. If you have any questions/comments, please contact Ralph at 704.336.5346.

NOTE: report dates should be September 30, 2008.

**Cash and Balance Restriction Report June 30, 2008:**

Mr. Staley, stated this item also was thoroughly discussed in the Finance Committee. If you have any questions/comments, please contact Ralph at 704.336.5346.

NOTE: report dates should be September 30, 2008.

**Land Sales Proceeds Report June 30, 2008:**

Mr. Staley stated that this report is to keep the Board apprised of land that has been sold and the amount of those funds that have been committed to future projects by the Board. Hearing no questions, he ended the report. NOTE: report dates should be September 30, 2008.

**Administrative Budget Changes:**

Mr. Staley explained that as part of adopting the budget, the Board allows staff and/or CEO/designee to move money between line items in the budget without going back before the Board. However, the amount could not exceed more than \$50,000 between line items. Any amount over that has to be presented before the Board for approval. It is \$100,000 in capital grant projects. These are the changes that have been made in the last quarter under that authority. He asked for questions, hearing none that ended his report.

**Moving-to-Work Update:**

Mr. Woodyard, CEO, reminded the Board that last month we informed them we would be putting together the MTW Annual Plan. We have made this information available to the public and at the December 16, 2008 Board meeting we will have the public hearing. At that time we will receive comments on the MTW annual plan.

**Committee Reports**

**Client Relations Committee:**

Report was given by Mr. Troy White, COO:

- ✓ The meeting took place on November 5, 2008 at 10:30 a.m.

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- ✓ Gwen Isley, MtW Coordinator , distributed the MtW 2009 – 2010 Annual Plan. Specific to the business area there was a brief discussion about the purpose of the plan both short term and long term. The plan has been distributed at the Section 8 office, Operation Office, Central Office, City Hall and the main Public Library. Additionally, the plan was copied and distributed to each site. The group was lead through a MtW step-by-step update relating to the work requirement and the rent policy.
- ✓ Resolution no. 1634, Hall House Emergency Winter Shelter, was discussed. Also it will be discussed in today's Executive Session.
- ✓ Informational update was given by our Section 8 Director, Ellis Mitchell, concerning the Tennant Based Rental increases and Customer Satisfaction.
- ✓ Update was given by Allison Preston, Resident Safety Director, on a basic overview of the security company's we are using at the high rise buildings. As well as the overall safety of the residents.

**Development Committee:**

Update was given by Commissioner Moffat:

- ❖ The meeting took place on November 5, 2008, from 12:30 – 2:00 p.m.
- ❖ There are three items on today's consent agenda, which are Items A – C, McCreesh Place, Local MtW Subsidy Analyst and the First Ward Homeownership Policy.
- ❖ Discussed update on the potential late fee on the Bridge Loan at the South Park Seniors LLC. We have received written confirmation that the funds have been contributed by the equity partner and that the funds are in route to CHA.
- ❖ There is a single item under the Business Agenda, concerning approval of conditional funding commitments for city and state neighborhood stabilization program.
- ❖ Also reviewed the VP report and had additional discussion on the CHA office relocation.

**Finance and Audit Committee:**

Update was given by Mr. Ralph Staley, CFO:

- The meeting also took place on November 5, 2008.
- Items 6.B – 6.E under the Monthly Report from the CEO were discussed. Additionally Items 8.D – 8.I. There is another item discussed which is located under the Horizon Agenda.

**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 – Item 8.I.**

**ACTION:**

Motion was made to approve by:

Commissioner Moffat

Motion was seconded by:

Vice-Chairman Moore

Outcome of the vote:

Passed unanimously

**Business Agenda:**

**9.A Hall House discussion:**

This item was moved to Executive Session.

**9.B Neighborhood Stabilization program:**

The update was given by Kathleen Foster, VP of Real Estate.

It was explained that this is a program that comes out of the HERA Legislation that was passed at the end of July 2008 as part of the Economic Recovery. The national legislation is trying to address some of the foreclosure issues in Charlotte. There are two ways to get the Neighborhood Stabilization program funds; the City of Charlotte has put together a program and they have \$5.4 million of their own allocation and they will also be applying \$5 million of an allocation from the State's funding. CHA has been attending meetings about using those funds locally; basically the program has an emphasis on stabilizing some of the homeownership neighborhoods where the foreclosure rates have been particularly high. Ms. Foster calculated that this program may influence about 100 houses in Charlotte. While this is a good program it is not a huge program and by no means addresses the projected 8,300 foreclosures that are anticipated in Charlotte within the coming year. However, it is what we have and is the federal money we have to start to address the problem. The CHA's role will be a financing role to try to get some units generated through this program to be affordable to our key client group, which are families at 30% of median and below. The state also has an allocation and we were allowed to apply for up to \$1 million, which we did with our Board chairman and our development committee chair approval last week at the deadline. That money we would try to target to the West Boulevard Corridor. Additionally stabilizing our investments around Arbor Glen which would also count as additional leverage on the HOPE VI application for Boulevard Homes. Our goal, if we get these funds, would be to use the same model as the City but we would do all rentals and try to focus them on West Boulevard. This program is being put together very rapidly and is operating on a very tight deadline. This item was discussed in Development Committee and Chairman Jones raised an issue that this felt a lot like Pine Valley, acquiring properties, which are very hard to manage, therefore we have altered the resolution and added a provision that is located in the middle of the page, stating that our *participation would be specifically conditioned on any scattered site, single family units being owned and managed by an experienced non-profit entity.*

There was an H&ND (Housing & Neighborhood Development) Committee meeting to discuss the City's allocation last week. The program was relatively well received although Councilman Lassiter pointed out why we are helping families that make between 50 and 120% of median. Haven't we learned that these homeowners can not afford to be in these houses and why not allocate all of this money to generation of additional rental housing? There is a meeting scheduled for November 19<sup>th</sup> that is intended to address Councilman Lassiter's concern. Much will be determined either in the

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HN&D Committee meeting tomorrow or also there will be a presentation to Council later in the month. The deadline is all in agreement on everything and file with the Federal Government by December 1, 2008.

**Synopsis:** Our goal today is to ask the Board to give authorization to Mr. Woodyard, CEO, to be able to sign a letter to make a conditional commitment of rental subsidies and MtW money and that commitment would be conditioned on further review of the final deal by the Board and on HUD approval as well. Commissioner Page questioned, what is the amount of MtW money we are committing? Ms. Foster stated it would be \$2 million for the City's program and \$1 million to match the million we are asking for on our own from the State. It will be a total of \$3 million. Commissioner Page expressed deep concern about his desire to keep this amount of money in-house. Therefore this stimulated further extensive discussion. Once the discussion was completed a motion was requested to authorize this request. Chairman Jones presented the following action item: The Board to authorize Charles Woodyard, CEO, to sign the application that the City is submitting for this money and our application to participate in the State program; which would be subject to subject to further Board approval.

**ACTION:**

Motion was made to approve resolution no. 1637:	Vice-Chairman Moore
Motion was seconded by:	Commissioner Miller
<i>Let it be noted that there was one opposed:</i>	Commissioner Page
Let it be noted that there was one abstained:	Commissioner Joel Ford
Outcome of the vote:	Passed with one opposed and one abstained

Chairman Jones asked for a motion to suspend the meeting of the Charlotte Housing Authority and open the meeting for Horizon Development then reconvene for the Workshop Discussion.

**ACTION:**

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

Chairman Jones stated that the Horizon Development Properties, Inc. meeting was adjourned we then reconvened the Regular Board Meeting of the Charlotte Housing Authority.

**Workshop Discussion**

**Customer Self-Reliance Focus of our MtW Demonstration Program:**

Mr. Woodyard, CEO, stated that as a reminder it was decided that once a quarter we would have a workshop/workshops in conjunction with the Regular Board Meeting. This is the first of a series of Workshop discussions.

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Mr. Jeff Lubell, Executive Director for the Center for Housing Policy, could not be here in person to guide us through this presentation however he made himself available via conference call speakerphone. Mr. Troy White, COO, will walk us through some of the thinking behind the initiatives we will be proposing toward Customer Self Reliance. All the information presented is in an effort to get the Board to come to a consensus on how we approach the client self reliant element of our MtW Demonstration Program. At the end of the presentation, Mr. Troy White, COO, will bring three options to guide the Board in making a decision.

A power point presentation package was disseminated to the Board as well as the Moving to Work rent policy/rent reform, work requirements, the Program Advisory Council and lastly the Current of Change Program. According to the survey information it has been determined that the three main barriers for public housing residents are: transportation, child care and job training/education. The average income for our Public Housing families is roughly about \$10,055; and the Section 8 incomes are a little higher, those average incomes are slightly over \$11,500. The HOPE VI average annual income, this population is located at our mixed income sites, is \$16,513. First Ward was the highest of those sites because it has been in existence the longest, that income is at \$19,188. Our data shows that we serving slightly over 16,000 individuals. Also stemming from the survey it has been determined that there is a large number of school aged children in Section 8 families which will have a greater impact on our programs. Once the presentation was completed, the following options were presented to the Board.

**Option 1:** is the current production strategy; this was presented to the Board in much more detail by Charles Woodyard, CEO. In this option if we just did production and no services for the residents we would be looking at in 5 years producing slightly over 1,500 units of affordable housing. Out of that number 797 units would be ACC or Section 9 type units. He wanted to illustrate if we did nothing but production and did not do services, we calculated that we would be able to build another 234 units. The MtW funds that would support that is \$41,430 more dollars per unit. This does not include the other sources we would need; we cannot build a unit for \$41,000. However this is production illustration. **Option 2:** if we served the families with the fewest barriers, which are those most likely to move up and out, from the CPCC survey are about 100 families, it would take about 12 to 24 months to move those families to self-reliance, at an average cost of roughly \$960. If you did the production strategy to build the 1,571 units you would be able to add 224 additional units. **Option 3:** a matrix of services was presented. The number of family members that we would be serving and the 5 year horizon we would be projecting to serve nearly 8,000 household members in our portfolio. We would be paying on average about \$1,200 dollars/per family for services. We would still be able to build the 1,571 additional units of housing. We would have more families striving toward self-reliance in this option.

**Synopsis:** Our recommendation would be that the Board move toward Option 3 and we continue the production strategy that has been presented and also use the 10 percent to move the families toward self reliance. This will position us to be in compliance with congressional mandates and continue us toward the strategy of affordable housing production and lastly would help us start to break the cycle of generational poverty. We would like to get the Board consensus to

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to move forward with Option 3 strategy. Comments from Chairman Jones were expressed and the Board is not willing to make a decision at this time therefore he recommends deferring for further discussion to Client Relations Committee meeting. Then bring back for discussion before the December 16, 2008 Board meeting. This was agreed upon by the Board. No action was necessary.

Then a motion was requested to go into Executive Session to discuss matters of acquisition, disposition of real estate and personnel matters.

**ACTION:**

Motion was approved by:	Vice-Chairman Moore
Motion was seconded by:	Commissioner Moffat
Outcome of the vote:	Passed unanimously

Minutes respectfully prepared by:	Barbara G. Porter Executive Assistant to the CEO
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*The next meeting will be held on December 16, 2008 at the Charlotte Housing Authority, 1301 South Boulevard, Charlotte, NC 28203 starting promptly at 12 noon. 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*

*December 16, 2008*

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***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 November 18, 2008*
3. **Business Agenda Item:**
  - A. Budget Amendment: Horizon Development Properties **(p.1)**
  - B. Budget Amendment: McAlpine/Glen Cove Capital Project Budget **(p.3)**
  - C. Budget Amendment: Fairmarket Square Apartments **(p.4)**
  - D. Seneca Woods Restructuring Resolution **(p.5)**

## **Business Agenda:**

### **Business Agenda items for the December 16, 2008 Meeting of the Horizon Development Properties Board of Directors**

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

**Action: Approve an Amendment of the Horizon Development Properties, Inc. Budget for the Fiscal Year Ending March 31, 2009.**

**Staff Resource:** Ralph Staley

**Strategic Business:** Finance Administration

**Strategic Goal:** Attain Long-Term Financial Viability

**Explanation:**

This budget amendment is necessary to recognize \$102,500 as income to Horizon Development Properties, Inc. which represents the repayment of pursuit costs related to the acquisition of land at Krefeld. On November 21, 2008, Horizon Development closed on the acquisition of 9.5 acres of land at the Krefeld site at the corner of Krefeld and Margaret Wallace in Charlotte, NC. Prior to the closing, in accordance with Board approval, Horizon spent approximately \$64,716 in predevelopment costs which were paid from the Horizon pursuit cost budget. This amount should be recognized as repayment of pursuit costs and characterized as income. At the closing, \$37,784 was drawn down from the Fifth-Third line of credit as part of the acquisition cost for the land and should be characterized as operating funds.

This amendment is also necessary to also obtain the approval of the Board of Horizon Development Properties, Inc for this project. The Board is asked to authorize the acceptance of the grant agreements and lease transactions as required.

In Resolution No. 1641, the amount of \$200,000 was appropriated in the Asset Management Project Budget to be used to help pay the cost of using Hall House as an interim housing facility for families with school aged children. CHA has agreed to lease Hall House to Horizon for that purpose.

Exhibit A shows total revenue of \$668,309 which consists of \$102,500 of revenue from the repayment of pursuit cost and restricted donations in the amount of \$565,809. In the restricted donation amount, \$200,000 is derived from CHA and \$365,809 is from other donors. Expenses of \$668,309 are for the pursuit costs as shown in the Administrative category in the amount of \$102,500. All other expenses are for using Hall House as interim housing for families with children which totals \$565,809.

Finally, 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 unanimously approved this amendment for inclusion on the consent agenda.

**Funding:**

Repayment of Pursuit Cost  
Restricted Donations

**Attachment**

Amended Horizon 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 December 16, 2008.

(SEAL)

BY: \_\_\_\_\_  
Barbara Porter, Secretary

### **3. B Budget Amendment: McAlpine Terrace/Glen Cove Apartments Capital Project Budget**

**Action:** Approve an Amendment of the Capital Project Budget for McAlpine Terrace/Glen Cove Apartments in Horizon Development Properties, Inc.

**Staff Resource:** Ralph Staley

**Strategic Business:** Finance and Administration

**Strategic Goal:** Attain Long-Term Financial Viability

**Explanation:**

This amendment is necessary to agree with the F-1 Construction Budget submitted to HUD for the McAlpine/Glen Cove Capital Project Budget in reference to the amount paid for the properties and rehabilitation. After review, staff needs to increase the Land Sale Proceeds amount by \$83,820. Also in this amendment, staff is reallocating expenses from Administrative in the amount of \$784,776 and Maintenance in the amount of \$1,925,480 to properly show in Capitalized Items. Also shown in Capitalized items is the \$83,820 from the increase cost of the properties for a total increase of \$2,794,076. These adjustments can be seen in the attached Exhibit A.

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 \$100,000 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 unanimously approved this amendment for inclusion on the consent agenda.

**Funding:**  
Land Sale Proceeds

**Attachment:**  
Exhibit A - McAlpine Terrace/Glen Cove 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 December 16, 2008.

(SEAL)

BY: \_\_\_\_\_  
Barbara Porter, Secretary

**3. C Budget Amendment: Fairmarket Square Apartments**

<p><b>Action: Approve an Amendment of the Capital Project Budget for Fairmarket Square Apartments in Horizon Development Properties, Inc</b></p>
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**Staff Resource:** Ralph Staley

**Strategic Business:** Finance and Administration

**Strategic Goal:** Attain Long-Term Financial Viability

**Explanation:**

This amendment is necessary to budget for the repayment of the line of credit that was used in the purchase of Fairmarket Square Apartments. Exhibit A shows a change in the source of funding of \$903,587 in Proceeds from Notes, Loans and Bonds and \$903,587 in General Expenses for the repayment of the loan.

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 \$100,000 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 unanimously approved this amendment for inclusion on the consent agenda.

**Funding:**

Horizon Development, Inc. Line of Credit

**Attachment:**

Exhibit A - 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 December 16, 2008.

(SEAL)

BY: \_\_\_\_\_  
Barbara Porter, Secretary

**3. D Horizon Development Properties Inc.: Seneca Woods Restructuring Resolution**

**Action: Approve Resolution to Authorize Staff to Rehabilitate and Restructure Seneca Woods Apartments**

**Staff Resource:** Jeff Meadows

**Key Business :** Real Estate

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

**Explanation:**

Seneca Woods Apartments, located off of Park Road just south of the intersection of Park Road and Woodlawn, is a 49-unit (with an additional unit used as a management office) was approved for restructuring and rehabilitation in January 2008. The attached resolution is required to satisfy certain lender requirements

(City of Charlotte and North Carolina Housing Finance Agency) placed on the project to allow the financing to proceed and the project to be rehabilitated.

**Committee Discussion:** N/A

**Community Input:** N/A

**Summary of Bids:** N/A

**MWBD Consideration:** N/A

**Funding:** N/A

**Attachment:** Resolution

**MINUTES OF HORIZON DEVELOPMENT PROPERTIES, INC.  
BOARD MEETING HELD ON TUESDAY, NOVEMBER 18, 2008**

**Regular Meeting:**

**Additions to the Agenda:**

*None*

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

**Consideration to approve minutes for:**

- Meeting held on *October 21, 2008*

**ACTION:**

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

**Business Agenda Items:**

**3.A Budget Amendment: Horizon Development Properties:**

Approve the amendment of the Horizon Development Properties, Inc. budget for the fiscal year ending.

**ACTION:**

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

**3.B Laurel Walk Apartments-Horizon Development Properties, Inc.**

Authorize Horizon to explore the potential purchase of Laurel Walk Apartments including underwriting and due diligence and establishing a \$50,000 budget for this purpose.

**ACTION:**

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



Horizon Development Properties, Inc.  
November 18, 2008

Motion was requested to adjourn the Horizon Development Properties, Inc.

**ACTION:**

Motion was made by:

Commissioner Miller

Motion was seconded by:

Vice-Chairman Moore

Outcome of the vote:

Passed unanimously