



Charlotte Housing Authority

**BOARD OF COMMISSIONERS
BOARD MEETING**

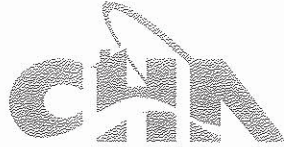
December 15, 2009

*Carole A. Hoefener Community Services Center
610 East 7th Street
Charlotte, NC 28202*

Mission Statement

“To lead, develop, and execute community-wide strategies that meet the broad range of housing needs for families who cannot otherwise attain conventional housing”

*David Jones-Chairman
Rodney W. Moore-Vice Chairman
Dan Page
Will Miller
Joel Ford
Lucille Puckett
Benjamin Hill*



**HOUSING AUTHORITY OF THE CITY OF
CHARLOTTE**

NOTICE

BOARD MEETING

BOARD OF COMMISSIONERS' MEETING

*Carole A. Hoefener Community Services Center
610 East 7th Street
Charlotte, NC 28202*

December 15, 2009

NOTICE is hereby given that a Board meeting of the Board of Commissioners' of the Housing Authority of the City of Charlotte will be held on *December 15, 2009* as follows:

TIME/Date: *12 Noon
December 15, 2009*

LOCATION: *Carole A. Hoefener Community Service Center
610 East 7th Street
Charlotte, NC 28202*


Charles Woodyard/CEO

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

Carole A. Hoefener Community Services Center
610 East 7th Street
Charlotte, NC 28202

December 15, 2009

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 *November 17, 2009 (Tab 3)*
5. Resident Advisory Council (RAC) Report
6. Monthly Report from the CEO
 - Business Plan Update
 - Special Recognition: Dan Page
7. Committee Reports:
 - Client Relations Committee
 - Development Committee
 - Finance and Audit Committee
8. **Consent Agenda Action Items:**
 - A. FY 2010-2011 Moving Forward Annual Plan Submission (1776) (p.1)
 - B. Community Based Rental Assistance (CBRA) Target Goals (1770) (p.3)
 - C. Woodlawn House Apartments-CHA Loan Commitments (1775) (p.3)
Budget Amendment: MTW Funds (1784)
 - D. Strawn Tower and Parktowne Terrace Disposition (1780) (p.6)
 - E. Steele Creek Seniors Apartments (1781) (p.7)
Budget Amendment: MTW Funds (1782)
Budget Amendment: Replacement Housing Factor Funds (1788)
Allocation of 60 Community Based Rental Assistance (CBRA) Units
 - F. Charlottetown Terrace Demolition and Disposition (1790) (p.10)
 - G. Adoption of Settlement-CHA & Jones Grading and Fencing, Inc. (1791)
(p.11)
 - H. Budget Adoption: Neighborhood Stabilization Grant (1787) (p.13)
NSP Signatory Authorization (1789)

I. Selection of Independent Auditor for Annual Audit Services (1785)(p.14)

9. **Business Agenda Action Items:**

A. Mill Pond - Authorize CHA Loan to Horizon Development Properties, Inc.
(1777) (p.16)

Budget Amendment: Asset Management Projects (1778)(p.16)

10. **Executive Session:**

A. Personnel Matters

B. Legal Matters

Consent Agenda:

Consent Agenda items for the December 15, 2009 Regular Board Meeting of the Charlotte Housing Authority Board of Commissioners.

8.A Fiscal Year 2010-2011 Moving Forward Annual Plan Submission

Action: Approve Resolution No. 1776 to Authorize CHA to Submit the Moving Forward Annual Plan for Fiscal Year 2010-2011 to the U.S. Department of Housing and Urban Development.

Staff Resource: Shaunté Evans and Gwen Isley-Boykin

Strategic Business: Executive

Strategic Goals: Provide Highest Quality Real Estate Management Services, Collaborative Relationships, Long Term Financial Viability, and Development of Client Families to Reach Their Highest Potential.

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.

Charlotte Housing Authority's FY 2010 - 2011 Moving Forward Annual Plan describes its goals and objectives for the coming year, including activities that will be undertaken to implement the three statutory objectives of MTW. The MTW Annual Plan was prepared by following the format provided by HUD. The MTW Annual Plan and all supporting documents were available for public inspection for 45 days prior to the Public Hearing held on November 17, 2009.

Plan highlights include:

- A request to allow Supportive Housing Providers with Public Housing Assistance To waive the lease term requirement;
- Revised Rent Reform Initiative;
- Revised Current of Change implementation process and;
- Occupancy Training Expansion

Committee Discussion:

The Annual Plan initiatives were discussed at the Client Relations Committee meeting held on October 7, 2009. Commissioner Jones asked staff to create a summary of the Plan. Commissioner Puckett requested that feedback from the community meetings be added to the Annual Plan documents. The Client Relations Committee recommended approval of Resolution 1776 to submit the FY 2010 – 2011 Annual Plan.

Community Input:

The MTW Annual Plan was available for review and comments for 45 days prior to the Public Hearing. A notice was posted in the Charlotte Observer to announce the public hearing. The staff held several meetings with residents and participants to discuss the initiatives described in the plan and provided an overview of the planning process for the upcoming fiscal year. Feedback received included explore Section 8 homeownership program, the need for daycare assistance, work with the Department of Social Services to keep benefits from decreasing as soon as the client reports increase in income, provide training for jobs that earn more than minimum wage, and allow a broader use of the bus passes. During the November 17, 2009 public hearing, one speaker spoke requesting CHA provide more vocational opportunities for residents, in addition to a request for more information about the ROSS program, CHA's Harlem Children's Zone exploration, use of block grant funds outside of Section 8, the Charlotte Housing Authority Scholarship Fund and the manual for Occupancy Training.

Funding:

None

Attachment:

Appendix A HUD Resolution and Certifications (**Tab 1**)

Resolution No. 1776 (**Tab 2**)

8.B Community Based Rental Assistance (CBRA) Allocations Under MTW

Action: To Approve Resolution No. 1770 for Allocations of Community Based Rental Assistance (CBRA) by the CHA Board on a Project-By-Project Basis.

Staff Resource: Kathleen Foster

Key Business: Real Estate and MTW

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

Explanation:

The MTW approval for Community Based Rental Assistance (CBRA) allows the Charlotte Housing Authority to produce a volume of CBRA units in any given fiscal year as directed by the Board of Commissioners.

Committee Discussion:

The Committee discussed the value and importance of CBRA and emphasized its desire to approve allocations on a deal by deal basis and to have staff bring proposed allocations to the Board as early in the process as possible.

Attachment:

Resolution No. 1770 (Tab 2)

8.C Woodlawn House Apartments-CHA Loan Commitments Budget Amendment: MTW Funds

Action: 1. Approve Resolution No. 1775 to Authorize CHA to Commit up to \$500,000 in NSP Funds and \$6,500,000 in MTW Funds as a Loan to Horizon Development Properties, Inc. for the Purchase and Rehabilitation of Woodlawn House Apartments and to make a Loan up to \$625,000 of the \$6,500,000 MTW Funds To Horizon Development Properties, Inc. for Predevelopment Expenses Related to the Rehabilitation.

2. Approve Resolution No. 1784 to Amend Resolution No. 1759 Which Amended the MTW Funds Budget for the Fiscal Year Ending March 31, 2010.

Staff Resource: Frank Narron and Ralph Staley

Strategic Business: Real Estate and Finance and Administration

Strategic Goal: Maximize Economic, Physical, and Social Value of our Real Estate Portfolio; Attain Long-Term Financial Viability

Explanation:

Status: Pre-development

Horizon Development Properties, Inc. purchased Woodlawn House on October 7, 2009. We have selected a design team and are ready to initiate the design phase and put out an RFP for asbestos remediation. In order to do this, staff requests a loan of up to \$625,000 to Horizon Development Properties, Inc. Approximately \$125,000 of the funds will be used for design, \$450,000 for remediation, and \$50,000 for demolition.

Financing for the purchase and rehabilitation will come from three sources. We have allocated CHA NSP funds to the project in the amount of \$500,000 (from the \$2,100,000 awarded CHA). Staff applied to the City of Charlotte for an allocation from their NSP award and on November 9, 2009 City Council approved that application in the amount of \$1,500,000. The remainder of the funds is proposed to be from MTW (currently estimated to be \$6,365,756). All of the units will be marketed to seniors and they will be structured 50% Section 9 and 50% Community Based Rental Assistance (“CBRA”). These units, depending on the timing of rehabilitation, may serve as replacement housing for the other senior rehabs currently being contemplated by CHA.

CURRENT UNDERWRITING

Rents (including common area utilities and project paid utilities):

Type	SF	#	Revenue
ACC 1BR/1BA	640	31	\$335
ACC 1BR/1BA	740	3	\$335
ACC 2BR/2BA	975	11	\$335
ACC 2BR/2BA	1,088	7	\$335

CBRA

1BR/1BA	640	31	\$538
1BR/1BA	740	3	\$538
2BR/2BA	975	11	\$644
2BR/2BA	1,088	7	\$644

Sources		Per Unit
NSP – City of Charlotte (a)	\$1,500,000	14,423
NSP - CHA (b)	500,000	4,808
CHA – MTW (c)	<u>6,365,756</u>	<u>61,209</u>
Total	\$8,365,756	\$80,440

Uses

Acquisition	\$3,250,000	31,250
Transaction/ Carry	153,750	1,478
Rehabilitation	3,794,470	36,485
Soft costs (c)	872,536	8,390
Reserves	<u>295,000</u>	<u>2,837</u>
Total	\$8,365,756	\$80,440

- (a) Assumes debt service with interest only payments of \$15,000 payable to the City.
- (b) Assumes debt service with interest only payments of \$5,000 to CHA.
- (c) Assumes interest only payment at 2% (\$127,315 annually to CHA – contingent on available cash flow).
- (d) includes Developer Fee of \$500,000 to Horizon / CHA.

In addition to the Developer Fee, there is projected \$52,000 annually for tenant services and \$7,500 for asset management fees as well as about \$65,000 capitalized in the development budget. Without regard to the Developer Fee, tenant services, and asset management fees, the property generates average annual cash on cash return equal to 1.8% - within established investment policy parameters.

Income and Expenses:

Income:	\$5,458 – PUPY	\$567,632	- Total Annual
Vacancy (a):	\$164 - PUPY	\$17,056	- Total Annual
Expenses (b):	\$4,022 - PUPY	\$418,288	- Total Annual
NOI:	\$1,272 - PUPY	\$132,288	- Total Annual
Debt Svc:	no, must pay debt service		
Cash Flow:	\$1,272 - PUPY	\$132,288	- Total Annual

- (a) Since this project is 100% CHA subsidized, staff assumed a 3% vacancy as opposed to the standard 7% that we traditionally used on mixed-income projects.
- (b) Includes \$52,000 annually in tenant services and \$7,500 in asset management fees.

Exhibit A shows a reallocation of expenditures from Capital Projects- Real Estate to Loans to Others in the amount of \$625,000 for predevelopment expenditures for Woodlawn House Apartments.

Committee Discussion:

Commissioner Miller asked how the budget was determined and staff answered that the budget is still based on a contractor walk through during due diligence. The staff is beginning the design phase and does not yet have drawings and specs for bid purposes. Commissioner Miller also asked if we thought it was conservative and staff answered that the contractor assumed the worst in terms of replacement. Commissioner Miller asked if there would be any conventional financing on the project and how the social services budget of \$52,000 would be spent. Staff answered that there will be no conventional financing because the project is 100% very low income and that services include computer training, craft sessions, etc. Commissioner Ford asked if there was a way to increase the cash flow/return to CHA and staff responded that it would require that we reduce the number of Section 9 units. The resolution was approved with one no vote.

Section 3 and MWBE Consideration:

Staff will ensure that CHA’s Section 3/MWBE policy goals are prominently incorporated in all agreements and will make strong, affirmative efforts to encourage all contractors and service providers to meet and exceed those goals.

Funding:

Initially the 5th/3rd line of credit.

Applications for refinancing have been submitted.

Attachment

Exhibit A for Resolution No. 1784 (Tab 2)

Resolution No. 1775 (Tab 2)

Resolution No. 1784 (Tab 2)

8.D Strawn Tower and Parktowne Terrace Disposition

Action: Approve Resolution No. 1780 to Authorize Staff to Submit a Disposition Application to HUD for Strawn Tower and Parktowne Terrace.

Staff Resource: J. Wesley Daniels

Key Business: Real Estate

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

Explanation:

Status: Pre-development

In June 2009, The Board committed MTW funding in the amount of Strawn (\$5MM) and the Parktowne commitment of \$4MM followed in August 2009. In September 2009, the Board induced the bonds for all three towers in pursuit of the CFFP transaction. Later in September 2009, Charlottetown was awarded a CFRC grant of \$6.2MM and withdrawn from the CFFP transaction. As a result, only Strawn and Parktowne remain for the CFFP transaction.

CHA will be redeveloping Strawn Tower and Parktowne Terrace utilizing HUD's Capital Fund Financing Program. Staff is requesting authorization to submit disposition applications to HUD to dispose of Strawn Tower and Parktowne Terrace to low-income housing tax credit, public private partnerships to substantially rehabilitate these properties. In addition, to facilitate additional affordable housing opportunities, Staff will be subdividing excess land from the Strawn and Parktowne sites.

Committee Discussion:

Committee voted unanimously to recommend approval by the Board.

Community Input:

Resident meetings and design charettes were held several times throughout the year.

Section 3/MWBE Consideration:

Staff will ensure that CHA's Section 3/MWBE policy goals are prominently incorporated in all agreements and will make strong, affirmative efforts to encourage all contractors and service providers to meet and exceed those goals.

Attachments:

Resolution No. 1780 (Tab 2)

8.E Steele Creek Senior Apartments

Budget Amendment: MTW Funds

Budget Amendment: Replacement Housing Factor Funds

- | |
|---|
| <p>Action:</p> <ol style="list-style-type: none">1. Approve Resolution No. <u>1781</u>, Amending Resolution 1758, for the Authorization to Loan up to \$2,407,324 of MTW Funds and \$592,676 of 2008 Replacement Housing Factor Funds (RHFF) for Expenditure on the Development of Steele Creek Senior Apartments.2. Approve Resolution No. <u>1782</u> to Amend Resolution No. 1784 Which Amended the MTW Funds Budget for the Fiscal Year Ending March 31, 2010.3. Approve Resolution No. <u>1788</u> to Amend Resolution 1601 Which Adopted the 2008 Replacement Housing Factor Funds Grant, Increments I & II.4. Approve the Allocation of 60 Community Based Rental Assistance (CBRA) Units. |
|---|

Staff Resource: Jeff Meadows and Ralph Staley

Key Business: Real Estate and Finance and Administration

Strategic Goal: Maximize Economic, Social, and Physical Value of Real Estate
Attain Long Term Financial Viability

Explanation:

The status of this project: Project Variance.

In October of 2009 the Board approved a long term loan of \$3,000,000 in MTW funds to be expended for the project. This request reduces \$592,676 of the MTW Budget and utilizes the RHFF Budget in the same amount. This action will ensure that the timing restrictions of the RHFF are met within the prescribed guidelines. The \$3,000,000 will be split into two amounts, one for pre-development and the other for development expenditures. The predevelopment expenditures are being shared 50/50 with Wood Partners. The estimated predevelopment budget is \$635,000. The CHA share will be \$317,500 (MTW) and is anticipated to be spent by March 30, 2010. The remaining funds, \$2,682,500 (\$2,089,824/MTW and \$592,676/RHFF), will be expended after March 30, 2010 at closing and during construction of the project.

The Steele Creek Senior project continues to involve the new construction of 120 tax credit units located off of Steele Creek Road in Southwest Charlotte.

The project will include one and two bedroom units with 60 units serving as Section 9 units [all one bedrooms] and 60 units are currently targeted to seniors at 60% or less of AMI. This request, if approved, will add 60 CBRA [One and Two Bedroom Units] replacing the straight tax credit units. The allocation of CBRA creates additional housing opportunities. The rents remain unchanged with the change to CBRA versus the 60% AMI units since the rents are determined by the market study. However, the residents of these units would now pay 30% of their income for housing expense and CBRA covers the remaining amount. The addition of CBRA also increases investor interest due to greater certainty created by the demand for CHA units in the community which eliminates operating risk. The site based waiting list at Prosperity Creek Seniors, an existing Wood Partners project with a similar profile, indicates a need for these units.

The proposed units will be contained in a four story elevator building within a brick and hardiplank structure. The project amenities include a community gathering room with warming kitchen, exercise room, laundry rooms as well as other indoor and outdoor amenities.

Rents:

- a. Section 9/ACC: \$278/unit (60 one bedroom units)
- b. CBRA / 60% AMI: \$662/unit and \$760/unit (42 one bdr. and 18 two bdr.)

Sources:

<u>Sources</u>	<u>Amount</u>
Housing Trust Fund	1,183,395
CHA MTW	2,407,324
CHA RHFF	592,676
State Tax Credit Loan	1,088,552
Investor Equity	7,400,936
Deferred Dev. Fee	<u>388,083</u>
Total	\$13,060,966

MTW and RHFF Budget Amendment:

In Resolution No. 1759, \$3,000,000 was reallocated from Capital Projects- Real Estate to Loans To Others. Exhibit A for Resolution No. 1782 shows a reallocation of expenditures to move \$592,676 from Loans to Others to Capital Projects Real Estate for the Steel Creek Seniors Apartments.

In Exhibit A for Resolution 1788 expenditures have been reallocated in RHFF Increment I from Site Acquisition (125,000) to Dwelling Structures. In Increment II fund have been reallocated from Fees and Costs (61,474) and Site Acquisition (149,311) to Dwelling Structures (210,785).

Committee Discussion:

The discussion at the Development committee meeting held on December 2, 2009 included the inclusion of CBRA units in the Boulevard HOPE VI application as replacement units for the demolished Boulevard units, the replacement units were not necessarily the units for the residents moving out of Boulevard (the Boulevard residents will be offered a section 8 voucher or section 9 housing based on their choice), the proportional use of CBRA in family vs. senior units and achieving the appropriate balance, the value of the CBRA to a project owner and the use of CBRA on CHA owned vs. partner owned projects. At the conclusion of the discussion items 1-4 of the request were unanimously recommended for approval.

Funding:

MTW Funding
RHFF Funding

Attachments:

Resolution No. 1781 (Tab 2)
Resolution No. 1782 (Tab 2)
Resolution No. 1788 (Tab 2)
Exhibit A for Resolution No. 1782 (Tab 2)
Exhibit A for Resolution No. 1788 (Tab 2)

8.F Charlottetown Terrace Demolition and Disposition

Action: Approve Resolution No. <u>1790</u> to Authorize Staff to Submit a Demolition and Disposition Application to HUD for Charlottetown Terrace.
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Staff Resource: J. Wesley Daniels

Key Business : Real Estate

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

Explanation:

Status: Pre-development

In September 2009, Charlottetown Terrace was awarded \$6.2MM in CFRC grant funds. As part the redevelopment of Charlottetown, the first and eleventh floor, a total of nineteen (19) units, will be converted to amenity and supportive service space. Staff is requesting authorization to submit a demolition/disposition application to HUD to partially demolish the common and dwellings areas on the first and eleventh floor to accommodate the additional amenity and supportive service space.

At the November 2009 Board meeting, the Board approved this action as related to the building only.

In preparation of filing the required financing protocols, legal counsel advised staff to include the excess land disposition with the partial demolition request to HUD. In an effort to facilitate additional affordable housing opportunities, Staff is requesting authorization to subdivide excess land from the Charlottetown site in the disposition application.

Committee Discussion:

Committee vote unanimously recommend approval by the Board.

Community Input:

Resident meetings and design charettes were held several times throughout the year.

Section 3/MWBE Consideration:

Staff will ensure that CHA's Section 3/MWBE policy goals are prominently incorporated in all agreements and will make strong, affirmative efforts to encourage all contractors and service providers to meet and exceed those goals.

Attachments:

Resolution No. 1790 (Tab 2)

8.G Adoption of settlement – CHA & Jones Grading and Fencing, Inc.

Action: Approve Resolution No. 1791 to adopt the settlement reached in *Jones Grading and Fencing, Inc. v. Housing Authority of the City of Charlotte and TCG Charlotte, LLC*.

Staff Resource: Ralph Staley and Michelle Allen

Strategic Business: Finance Administration

Strategic Goal: Attain Long-Term Financial Viability

Explanation:

The Charlotte Housing Authority (“CHA”) is a defendant in a civil action entitled *Jones Grading and Fencing, Inc. v. Housing Authority of the City of Charlotte, N.C. and TCG Charlotte, LLC*, Civ. No. 3:09-cv-194, now pending in the United States District Court for the Western District of North Carolina (the “Civil Action”). The Civil Action arose following a dispute concerning the award of a contract for asbestos abatement and demolition in connection with CHA’s revitalization of the Piedmont Courts public housing community.

The Banks Law Firm, P.A. is defending the Civil Action on behalf of CHA. CHA’s insurance carrier, the North Carolina Housing Authorities Risk Retention Pool (“NCHARRP”) has agreed to pay for the cost of the defense.

On November 10, 2009, the parties to the Civil Action participated in a mediated settlement conference and reached a settlement (the “Settlement”). The terms of the Settlement were memorialized in a Memorandum of Settlement attached hereto as Exhibit 1.

Settlement Terms:

Under the terms of the Settlement, NCHARRP will pay \$10,000 to Jones Grading and Fencing, Inc (“Jones”) on behalf of CHA. TCG Charlotte, LLC (“TCG”) will pay Jones \$100,000, with the possibility of another \$20,000 payment being made by TCG if it has additional funds available. In addition, CHA will observe the following terms as they relate to Jones and Section 3 of the United States Housing Act of 1937:

1. CHA will work cooperatively and expediently with Jones to have Jones certified and qualified as a Section 3 contractor entitled to contract with and perform work for CHA on current or future HUD grants or construction projects,
2. CHA will notify Jones of all demolition or site construction Section 3 covered contracting opportunities made available for a period of three (3) years from the date of the Settlement,

3. CHA will provide priority preference to Jones for all demolition or site construction applications submitted by Jones in response to Section 3 covered contracting opportunities to the full extent permitted by law or applicable HUD regulations, and
4. CHA and/or its development partner(s) will specifically notify Jones of any bid and/or contracting opportunities for demolition at the Boulevard Homes project, and give priority consideration, to the full extent permitted by law or applicable HUD regulations, to Jones for the award of such work.

These four conditions are identical to those CHA was prepared to agree to as part of a voluntary conciliation agreement drafted in connection with a Section 3 complaint filed by Jones. Settlement of this matter will not require CHA to make any payments to Jones.

In exchange for the above, Jones will dismiss its lawsuit against CHA and TCG, with prejudice, and will release CHA and TCG from all claims arising out of the events that led to this dispute. Settlement of the Civil Action pursuant to these terms will avoid the time and expense of future litigation.

Action Requested:

Adopt the Settlement reached on November 10, 2009 in the matter of *Jones Grading and Fencing, Inc. v. Housing Authority of the City of Charlotte, N.C. and TCG Charlotte, LLC*, and authorize the CEO and any other appropriate CHA personnel to execute such documents and take such actions as are necessary to fulfill the Settlement terms.

Board Discussion:

This item was discussed and approved unanimously by the Finance and Audit Committee at its meeting on December 2, 2009.

Funding:

None

Attachment:

Memorandum of Settlement (**Exhibit 1**) (**Tab 1**)

Resolution No. 1791 (**Tab 2**)

8.H Budget Adoption: Neighborhood Stabilization Program (NSP) Grant

Action: 1. Approve Resolution No. 1787 to adopt the Neighborhood Stabilization Program (NSP) Grant Budget.

2. Approve Resolution No. 1789 authorizing staff to sign Requisition of Funds to submit to the North Carolina Division of Community Assistance for the Neighborhood Stabilization Program (NSP) Grant.

Staff Resource: Ben Collins, Ralph Staley

Key Business: Real Estate, Finance and Administration

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

In June 2009 CHA entered into a Grant Agreement with the North Carolina Division of Community Assistance (DCA) for \$2,100,000 in Neighborhood Stabilization Program funding. The purpose of the program is to stabilize neighborhoods that have been adversely impacted by foreclosures. CHA staff has been actively seeking investment opportunities that meet the grant criteria and further CHA’s goals. As these opportunities are finalized they will be brought to the CHA Board for consideration. It is anticipated that these opportunities will include the acquisition and renovation of foreclosed multi-family properties along with the redevelopment of vacant multi-family properties.

Exhibit A shows Revenue of \$2,100,000 from the North Carolina Division of Community Assistance and expenditures budgeted as \$100,000 in Administration and \$2,000,000 in Dwelling Structures for renovations.

Committee Discussion:

The Finance & Audit Committee discussed and unanimously approved this item for inclusion on the consent agenda at its meeting on December 2, 2009.

Funding:

Neighborhood Stabilization Program (NSP) Grant

Attachments:

Exhibit A for Resolution No. 1787 (Tab 2)

Resolution No. 1787 (Tab 2)

Resolution No. 1789 (Tab 2)

8.I Selection of Independent Auditor for annual audit services for the Fiscal Year Ended March 31, 2010

Action: To approve Resolution No. 1785 to approve the selection of Reznick Group, PC to perform the annual audit services for the Fiscal Year Ended March 31, 2010 with options to renew for 4 additional one year periods.

Staff Resource: Heather Franklin / Ken Widis

Strategic Business: Finance and Administration

Strategic Goal: Attain long-term financial viability

Explanation:

The Single Audit Act passed by Congress in 1984, and amended in 1996, requires all recipients of federal funds in excess of \$500,000 to have an annual audit conducted. The Local Government Commission (LGC) requires that the auditor be selected by and report directly to the governing board of the local government entity. The required audit must be performed in accordance with Generally Accepted Auditing Standards (GAAS), Government Auditing Standards (“Yellow Book”) and OMB Circular A-133.

A Request for Proposal (RFP) for annual audit services was published on October 16, 2009 with a response deadline of November 16, 2009. Six firms responded to the solicitation, and they are as follows:

- 1.) Berman Hopkins Wright and LaHam CPAs, LLP
- 2.) Cherry, Bekaert and Holland, LLP
- 3.) Novogradac & Company LLP
- 4.) McGladrey and Pullen, LLP
- 5.) Reznick Group, P.C.
- 6.) Yeager & Boyd, LLC

A panel of three (3) CHA employees as well as the Finance and Audit Committee Chairman evaluated the responses.

The proposals were evaluated based on six (6) criteria:

- 1.) Staffing and qualifications
- 2.) Relevant experience and past performance
- 3.) Respondent's approach and responses to scope of services
- 4.) Total Audit Cost
- 5.) Section 3 Compliance
- 6.) M/WBE Participation

After all proposals were evaluated, McGladrey and Pullen, LLP was the top ranked firm. However, they are not eligible based on our policy of mandatory rotation. Therefore, the contract would then be awarded to the second highest ranked firm, Reznick Group, PC.

Committee Discussion:

The Auditor selection, the RFP process and rankings were discussed by the Finance and Audit Committee at their meeting on December 2, 2009. The Board unanimously approved the selection of Reznick Group, PC subject to successful contract negotiation, which has been completed.

Community Input:

None

Summary of Bids:

1. McGladrey and Pullen
2. Reznick Group, PC
3. Cherry, Bekaert & Holland
4. Berman Hopkins Wright & LaHam
5. Yeager & Boyd
6. Novogradac & Company

MWBE Consideration:

MWBE has been included as part of the overall scoring process.

Funding:

Funding comes from the AMPs, Horizon, Section 8 and the Central Office Cost Center.

Attachments:

Resolution No. 1785 (Tab 2)

Business Agenda:

Business Agenda items for the December 15, 2009 Regular Board Meeting of the Charlotte Housing Authority Board of Commissioners.

**9.A Authorize CHA Loan to Horizon Development Properties, Inc.
Budget Amendment: Asset Management Projects**

- Action:** 1. Approve Resolution No. 1777 to Authorize CHA to Make a Land Sales Proceeds Loan in the Amount of up to \$3,000,000 to Horizon Development Properties, Inc. for the Purpose of the Acquisition and Renovation of Mill Pond.
2. Approve Resolution No. 1778 to Amend Resolution No. 1760 Which Amended the Asset Management Funds Budget for the Fiscal Year Ending March 31, 2010.

Staff Resource: Ben Collins and Ralph Staley

Key Business: Real Estate and Finance and Administration

Strategic Goal: Maximize Economic, Social, and Physical Value of Real Estate
Attain Long Term Financial Viability

Explanation:

The status of this project: Project Budget Approval

Horizon Development Properties, Inc. will be acting as developer for the acquisition of Mill Pond. In November 2009, the CHA Board unanimously approved a commitment of up to \$3,000,000 for the acquisition and renovation of Mill Pond. Mill Pond is a 168-unit, multifamily community located at 3515 Laurel Mill Drive. The property has recently completed construction and is currently in lease-up. Of the 117 market rate units 89 units were occupied as of 11/20/09. Mill Pond would serve two primary functions:

- 1.) It would provide Development Leverage for our HOPE VI application.
- 2.) It would provide replacement housing for Boulevard Homes

Staff is proposing to structure this transaction with private bank financing (assumption of existing Wachovia construction loan with an outstanding balance of roughly \$8.94mm) and LSP funds. The proposed acquisition price is \$11,250,000 or \$66,964/unit (or \$57,692 per Section 8 & Section 9 unit). Staff is nearing completion of due diligence and have not seen any concerns and do not anticipate that any concerns shall arise.

This acquisition meets all Board-specified criteria in the Acquisition Policy.

Mill Pond is located in an “amenity-rich” area in close proximity to employment and educational opportunities. Mill Pond sits in the Mecklenburg County ETJ on the boarder of Cabarrus County and is adjacent to Concord Mills Mall and a newly opened Super Wal-Mart. Mill Pond is located in very good school districts: Mallard Creek High, Ridge Road Middle and Mallard Creek Elementary. Transit access is convenient via the Concord-Kannapolis Rider, which picks up at Concord Mills Mall every hour during the week. In addition, there is a CATS Express Bus that runs from Concord Mills Mall to Uptown Charlotte and back every weekday in addition to all day on Saturday.

Staff is proposing to acquire Mill Pond and incorporate 23 Section 8 and 28 Section 9 units.

Sources and Uses:

	CONSTRUCTION		PERMANENT	
	Amount	Per Unit	Amount	Per Unit
SOURCES				
CHA MTW Loan ¹	\$ 3,000,000	\$ 17,857	\$ 3,000,000	\$ 17,857
Debt	<u>8,950,000</u>	<u>53,274</u>	<u>9,699,900</u>	<u>57,738</u>
Total Sources	\$ 11,950,000	\$ 71,131	\$ 12,699,900	\$ 75,595
USES				
Acquisition	\$ 11,250,000	\$ 66,964	\$ 11,250,000	\$ 66,964
Soft Costs ²	400,000	2,381	999,900	5,952
Reserves	<u>300,000</u>	<u>1,786</u>	<u>450,000</u>	<u>2,679</u>
Total Uses	\$ 11,950,000	\$ 71,131	\$ 12,699,900	\$ 75,595

¹ 20 year term, 2% interest only, cash flow contingent

² includes Developer Fee of \$369,900, of which all but \$50k will be paid at Perm Loan closing

Revenue and Expense Summary:

	Budget	Per Unit
Schedule Rent	\$ 1,401,793	\$ 8,344
Concessions	(91,875)	(547)
Vacancy	(100,926)	(601)
	<u>1,208,992</u>	<u>7,196</u>
Other Income	<u>40,000</u>	<u>238</u>
Total Revenue	<u>1,248,992</u>	<u>7,434</u>
Total Expenses	<u>517,330</u>	<u>3,079</u>
Net Operating Income	<u>731,038</u>	<u>4,351</u>
Total Debt Service	<u>616,393</u>	<u>3,669</u>
Total Cash Flow ¹	114,645	682
Support Services ²	51,000	268
CHA LSP ³	<u>60,000</u>	<u>316</u>
Net Cash Flow	<u>\$ 3,645</u>	<u>\$ 19</u>

¹ Provides min. 1.15 Debt Coverage

² Provides \$1,000/Sec. 8 & 9 unit

³ Assumes LSP is an interest only loan at 2%

Rents:

Description	# of Units	SF/Unit	Rent/Unit	Rent/SF
A1 - 1BR/1BA - Mkt	24	650	\$ 675	\$ 1.04
A2 - 1BR/1BA - Mkt	12	650	\$ 695	\$ 1.07
B1 - 2BR/2BA - Mkt	33	1,050	\$ 775	\$ 0.74
B2 - 2BR/2BA - Mkt	28	1,050	\$ 795	\$ 0.76
B1 - 2BR/2BA - PBS8 ¹	23	1,050	\$ 700	\$ 0.67
C1 - 3BR/2BA - Mkt	20	1,300	\$ 975	\$ 0.75
C1 - 3BR/2BA - ACC	<u>28</u>	<u>1,300</u>	<u>\$ 316</u>	<u>\$ 0.24</u>
TOTAL/AVERAGE	168	1,036	\$ 695	\$ 0.67

¹ PBS8 rents are based on 110% FMR for 2009

Schedule:

Due Diligence Complete:	December 15, 2009
Closing:	January 15, 2010
Stabilized Occupancy:	April 15, 2010
Permanent Financing:	September 15, 2010

Exhibit A shows Fund Balance Appropriated of \$3,000,000 in Other Sources and expenditures of \$3,000,000 in Loans to Others.

Committee Discussion:

The item was pulled at the December 2, 2009 Development and Finance and Audit Committee meetings since due diligence had not been completed.

Community Input:

This project is in compliance with the City of Charlotte Housing Locational Policy and does not require community input.

Section 3 MWBE Consideration:

Staff will ensure that CHA's Section 3/MWBE policy goals are prominently incorporated in all agreements and will make strong, affirmative efforts to encourage all contractors and service providers to meet and exceed those goals.

Funding:

This project will require an assumption of an existing Construction Loan from Wachovia/Wells Fargo. A commitment letter with terms acceptable to Horizon has been issued.

Attachment:

Resolution No. 1777 (Tab 2)

Resolution No. 1778 (Tab 2)

Exhibit A for Resolution No. 1778 (Tab 2)

**MINUTES OF THE REGULAR BOARD MEETING
OF THE COMMISSIONERS OF THE
HOUSING AUTHORITY OF THE CITY OF CHARLOTTE
HELD ON TUESDAY, NOVEMBER 17, 2009**

The Board of Commissioners of the Housing Authority of the City of Charlotte, North Carolina held a regular meeting at *CHA Central Office, 1301 South Boulevard, Charlotte, NC 28203* at 12 noon on Tuesday, November 17, 2009.

Present: ***Chairman David Jones***
 Vice-Chairman Rodney Moore
 Commissioner Lucille Puckett
 Commissioner Benjamin Hill
 Commissioner Joel Ford
 Commissioner Dan Page
 Commissioner Will Miller

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

Pledge of Allegiance:

Chairman Jones opened the meeting at approximately 12 noon. The pledge was led by Vice-Chairman Moore. Once completed the public hearing was opened. Chairman Jones stated that before we enter into the formal part of the meeting, we must have a public hearing.

Public Hearing:

The purpose of this public hearing is to conclude a 45-day comment period involving the housing authority's fiscal 2010 – 2011 Moving Forward plan. This hearing is required before we submit the plan to HUD. The purpose of the Moving-to-Work Demonstration Program, which is referred to as Moving Forward, is to give housing authorities the flexibility to design and test innovative approaches for providing and administering housing assistance that accomplishes three primary goals. Programmatic efficiency and reduction of cost, self sufficiency among our assisted families and increasing housing choices for low income households.

In accordance with the program we are required to submit an annual plan that describes our goals for the coming year. The highlights of next years plan include a request to allow supportive housing providers with public housing assistance to waive the lease term requirement related to

that, to revise our rent reform initiative, to revise our current process of change implementation process and to expand occupancy training.

This plan was made available for public viewing on October 2, 2009 and this hearing was noticed in the Charlotte Observer on October 1, 2009. As well as in our public housing monthly news letter. A draft copy of the plan has been discussed at an annual meeting of our residents and at eight different public community meetings. This plan has also been discussed at our Client Relations Committee. Copies of the plan were available for review at the main branch of the public library, at City Hall, at all of our properties and at the offices on South Boulevard, 2600 Youngblood Street and Scaleybark Road.

Chairman Jones announced that his notes indicated that we have two people present requesting to speak at the public hearing. The following speaker stepped forward:

Speaker:

Lord Nacep, 2605 Booker Avenue, Charlotte, NC 28216.

Mr. Nacep stated that he was concerned with the vagueness of self-sufficiency in terms of the ROSS Program. He wanted to know the number of family members in training and what type of educational programs CHA had. He also inquired about CHA's exploration to the Harlem Children's Zone. What is it, what tactics did CHA get out of this exploration, how much has been spent on the exploration and where are the study results to see what mode CHA will undertake? Mr. Nacep asked how we are getting public housing residents ready for self sufficiency. He noted that he is a strong proponent of vocational skills and there is a need for programs for those who will not go to college. He referenced his idea for teaching residents how to sew. It is a low cost program that could use the space of one of the units to teach 60 women/girls every 60 days. Mr. Nacep also mentioned he had received a certification in whole house weatherization in a 3 day training program and stated CHA should look at specialized skills training for residents. He remarked that NC is going green and CHA should look at opportunities for resident in that area. He further inquired about the Charlotte Housing Authority Scholarship Fund in terms of how much is in the fund and who receives the funds and where is the training manual for Occupancy Training. He also wanted to know why the Housing Authority is using block grant funds outside of Section 8 even though he sees it in the booklet that it is to enhance properties, he still wants more information. Mr. Nacep closed asking that he be referred to a supervisor to answer many of the questions he had.

Mr. Nacep was referred to the Deputy Chief Operations Officer, Ms. Cheryl Campbell, to address his questions. The number of family members and types of programs for those in the

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self sufficiency programs was provided in the Currents of Change information in the FY11 Annual Plan. The MTW Coordinator, Ms. Gwen Isley, had previously met with Mr. Nacep regarding his proposal for a sewing class. CHA's Assistant Director of Client Services, Mr. Chris Campbell, had initiated a follow-up with Mr. Nacep regarding the sewing class prior to the hearing.

Once Mr. Nacep finished speaking, Chairman Jones asked if there was anyone else who would like to speak on the 2010 – 2011 MtW Plan, hearing none, a motion was asked to close the public hearing.

ACTION:

Motion was made by:	Vice-Chairman Moore
Motion was seconded by:	Commissioner Puckett
Outcome:	Passed unanimously

Public Forum:

Chairman Jones stated that he was aware that there was a representative from the St. Matthews Catholic Church present to speak about a potential partnership. The speaker introduced herself as: Ms. Melanie Flowe, 12815 Hamilton Road, Charlotte came forward to speak. Ms. Flowe spoke at the September, 15, 2009 Board meeting. At that meeting she thought that what she heard were the concerns over the qualifications of Mercy Housing and the pre-qualification process of the Salvation Army in making the decision of assigning the women and children to the Hampton Creste property. She personally conducted research on Mercy Housing and her findings were that it was truly an honor to have Mercy Housing offer their services for this most worthy and urgently needed project. She shared some of the Mercy Housing statistics at the meeting. Once completed she finalized stating that Mercy Housing is most qualified for this project. She is very impressed with their credentials and they are most capable of managing this project. She is hopeful that the CHA will realize this as well.

Additionally it is her understanding that the Salvation Army will take on any and all liability for the pre-qualification procedure of those served by this project. She is sure that they have excellent procedures in place for this process and we should not let this hold us back from a most urgently needed project. In closing she asked that we please vote for the Hampton Creste item which is listed under the Consent Agenda on today's meeting.

Chairman Jones asked if there were any other speakers present; hearing none he closed the public forum.

Additions /Changes to the Agenda:

Chairman Jones stated that he has been requested by staff to move **Item 9.B**, which is Hampton Creste: Authorize CHA Loan to Horizon Development Properties, from the Consent Agenda to the Business Agenda and then it will probably go into an Executive Session discussion. Commissioner Page requested to pull **Item 9.C**, Community Based Rental Assistance Allocations under MTW, from the Consent Agenda to the Business Agenda for further discussion. Chairman Jones asked for a motion that the agenda be approved as amended.

ACTION:

Motion was made by:	Commissioner Puckett
Motion was seconded by:	Vice-Chairman Moore
Outcome:	Passed unanimously

Consideration to approve the minutes for:

- Special Board Meeting held *November 4, 2009*

Commissioner Miller referred to Item 9.B which was reflected in the October 20, 2009 Board meeting minutes. The correction request was noted in the November 4, 2009 minutes for Item 9.B to show no action taken. The change request was noted. However at the November 17, 2009 Board Meeting Commissioner Miller requested further clarification of Item 9.B is noted for the record the reason Item 9.B reflected no action. The reason that Item 9.B reflected *no action* is that the item was inadvertently overlooked at the October 20, 2009 Board meeting.

ACTION:

Motion was made to move approval with amended comments:	Vice-Chairman Moore
Motion was seconded by:	Commissioner Puckett
Outcome:	Passed unanimously

RAC Report:

Ms. Lucy Brown, president of the Sunridge Community, came forward and stated that there is not a report to be given at this meeting. For clarification she did not state a reason for not having a report.

Monthly Report from the CEO

Monthly Scorecard:

Mr. Woodyard, CEO, made the following comment prior to starting his report. He reminded the Board that most of what he would be discussing is going to be in Executive Session, therefore he

called on: Ms. Cheryl Campbell, Deputy COO, and Mr. Ralph Staley, CFO, to give their update as part of this report.

Ms. Campbell, stated that the voucher utilization is currently remaining steady at 94%. We are continuing our dialogue with the Department of Social Services on getting Special Use Vouchers approved and leased-up. We have received roughly about 26 referrals of which about six were approved and are in the process. Additionally we still have the vouchers which are currently being offered that are being leased-up and are currently on the street. Commissioner Page questioned how many vouchers do we have on hold? Ms. Campbell responded that we have about 147 special use vouchers. The breakdown is 100 for family unification, 35 for veterans and 12 for the KDHAP recipients. Chairman Jones questioned are all those held up due to the Department of Social Services? Ms. Campbell responded that 100 are in the possession of DSS. Presently the CHA meets with them weekly. We have attempted to streamline our processes to work with them and work with us so it is easier to process. Ms. Campbell has taken Commissioner Puckett's comment from last month on the possibility of the families that are in our current sites. Additionally Ms. Campbell has had discussion with Gainor Eisenlohr, Grant Writer for CHA, about the possibility of women and children that might be in the shelter being eligible. Our dilemma is that referrals must come through DSS for these vouchers. The families must be in jeopardy of losing their children. Ms. Campbell informed the Board that strong communications have been sent and she has indicated to DSS that we are looking at ways to utilize these vouchers in other programs that might be allowed under the rules and regulations. Unfortunately the regulations for this program are extremely strict. Referrals must come from your local child welfare division. Chairman Jones asked would it be conceivable that we contact HUD and ask for a waiver, rather than continue to wait on DSS. Ms. Campbell responded that it could be and coincidentally selected staff will be traveling to HUD Greensboro on Thursday, November 19th and we are considering asking the appropriate people if there is a way to use those vouchers for a different reason. Additionally Chairman Jones suggested that perhaps we give DSS a deadline and if they cannot comply we (CHA) will be going to HUD to request a waiver or whatever suggestion they give us.

Commissioner Page commented that when doing the math there should be more units somewhere. Ms. Campbell agreed there are 100 units which were pulled from the wait list in September. They are being offered to families which are not leased up yet. Commissioner Page further inquired whether we anticipate that by the next Board meeting those would all be taken care of. Ms. Campbell responded that she is hopeful that they will be taken care of. Commissioner Page stated that this is good information however we have such a long waiting list and we have been running at 94% since August 2009. It seems that a waiting list the length of ours the units would be moving out faster. Ms. Campbell appreciated the observation and stated that we are really beginning to push the wait list. We have not pulled from the wait list in many

years however we have pulled 136-140 clients in the past few months. We are beginning to see some movement in that wait list as people are getting terminated. Unfortunately those units cannot be used in that manner unless HUD will give a waiver. Commissioner Page accepted the explanation and Ms. Campbell moved to the next topic for discussion.

Ms. Campbell referred to vacancy turn. We are having some lease up issues at Seigle Point. They had five units and it took them almost 2 months to turn those units. She also reminded the Commissioners that she mentioned last month a meeting is scheduled tomorrow, November 18, 2009, to have the brainstorming session with the case managers, property managers and the asset management staff all together. This is the biggest concern at the present time. Ms. Campbell asked for questions, hearing none, her report was completed.

Budget to Actual Reports – 9/30/2009:

Mr. Ralph Staley, CFO came forward to give the update:

The information was forwarded to the commissioners in their committee packages and there were no questions at committee. However if anyone has any questions at this present time he will be glad to answer them. Commissioner Miller questioned if the PILOT issue was resolved or is it something we will revisit. Mr. Staley explained that Mr. Woodyard, CEO, signed the agreement with the County. It has been returned and should be signed by the Deputy County Manager and then mailed back to the CHA. That will set a grant in place for the affordability units. Commissioner Miller questioned for clarification that as soon as it is received are we good for the length of the projects remaining. Mr. Staley responded that as long as we keep the affordability according to the signed agreement. Once completed Mr. Staley asked for further questions, hearing none he proceeded to the next item for discussion.

Cash and Balance Restriction Report – 9/30/2009:

Mr. Staley stated that this item went through committee as well however he would be glad to take questions if there were any. Hearing none he moved on to the next topic.

Land Sales Proceeds Detail – 9/30/2009:

Mr. Staley advised that this is a quarterly report and not much had changed other than interest from the previous quarter. He asked for questions, however hearing none he moved on to the next topic.

Notification of Administrative Budget Changes – 9/30/2009:

Mr. Staley continued his presentation. He stated that this item is the most crucial because this is the report of the changes in accordance with your budget resolution which has to be brought before the Board for changes by the CEO during the quarter. This is the official report to the Board. He then asked for questions. Hearing none, that concluded his report. Mr. Woodyard

stated that this concluded his report until we go into Executive Session. Chairman Jones moved on to the Committee Reports.

Committee Reports

Client Relations Committee:

Vice-Chairman Moore gave the following update:

- The meeting took place on November 4, 2009.
- There was discussion concerning the Census 2010 Complete Count Committee. He notified the Board that we have a new partnership specialist, Ms. Crawford, who took the place of Mr. David Belton.
- Also notified that Vice-Chairman Moore had appointed Commissioner Puckett to serve as the Chairperson of the Complete Count committee.
- A meeting took place on the same day with our partner the Urban League. Mr. Patrick Graham, CEO of the Urban League and his assistant, Ms. McKnight along with Ms. Crawford were in attendance.
- Moving Forward update: Discussion of the Annual Plan was given by Chief Administrative Officer, Shaunté Evans.
- Mr. Woodyard gave a brief summary of his findings of his first hand look at the Harlem Children's Zone in New York. The conclusion from the trip is that the Harlem Children's Zone model would be a bit too aggressive for Charlotte. Therefore we would model something close to the Harlems Childrens Zone which would work better in Charlotte. This model would be used in the Boulevard Homes corridor.
- Update was given on Section 3 by Ms. Sharbara Ellis, Section 3 Coordinator.
- Comments were given by Mr. Allison Preston, Resident Safety Director, concerning our evacuation drill which took place at Edwin Towers.
- Discussion of the 5 year Designated Housing Plan. This is located on the Consent Agenda as Resolution no. 1771. That concluded his report.

Development Committee:

Commissioner Ford gave the following update:

- The Committee met on November 4, 2009.
- Items discussed at the meeting that are on today's agenda include, the Community Based Rental Assistance Program, Charlottetown Partial Demo and a recommendation for funding of Mill Pond project as a part of the HOPE VI application for Boulevard Homes.
- Additionally under the Business Agenda item is the Hampton Creste apartments which is a cooperative partnership with Mercy Housing, Habitat for Humanity and the Salvation Army. This project was discussed at the Development Committee meeting but due to uncertainty created by the URA issues staffs recommendation is that the final decision be

postponed until today's meeting. Staff invited the Board to tour the projects on Friday, November 13, 2009.

- There was an extended discussion concerning LEED certification. Staff invited three professionals to attend the meeting who would address the questions/concerns of the committee Board regarding the necessities and cost effectiveness of pursuing LEED certification, commissioning and certification of that particular process.
- Also discussed was the development process. Materials were presented with the intent to summarize the process that staff is currently using for development opportunities. During the discussion, Ms. Kathleen Foster, VP of Real Estate, pointed out two pending procurements: 1) Supportive housing developer pool; 2) relocation movers; then requested if any of the commissioners wanted to serve on those procurement panels.
- Chairman Jones asked whether the relocation movers should be handled in Client Services. Staff responded that it was a joint effort however they agreed to process it going forward through Client Relations Committee. There were no Board volunteers for either panel. Ms. Foster highlighted the Little Rock acquisition and indicated that it would be included in the Boulevard Homes application and brought to the Board for post due diligence review prior to March 2010. Highlights of the development projects/deals updates were provided in the written VP report. Commissioner Ford asked for questions; hearing none he concluded his report.

Finance and Audit Committee:

Chairman Jones gave the report on behalf of the Finance Committee.

- The meeting took place on November 4, 2009.
- There was a review of Items 9.B, 9.C, 9.E, 9.F and 9.G that are listed on the consent agenda. All items were recommended and Items 9.B & 9.C will be discussed on the business agenda.
- The loss write-offs were approved and recommended to the full board for acceptance. Directly following that discussion, there was a decision around the procurement policy and the level of Board review relating to the size of contracts. The committee voted to recommend the adoption of the procurement policy to the full Board. It is listed on this afternoon's Business Agenda rather than the Consent Agenda because there were some contracts in process that the CFO wanted to discuss with us.
- Received the various quarterly budget reports that were previewed earlier in the meeting by Mr. Staley, CFO. Finally two items discussed are on today's Business Agenda and approval of contract with our Legal Services Provider, The Banks Law Firm, which will be for discussion today.
- In order to complete an IRS questionnaire it was decided that the commissioners should receive copies of the 990's that are filed on behalf of CORE and Horizon. Each Board member should have received one in their email box. Once the email is received, Mr.

Staley, CFO will inform the IRS that copies of the 990's have been disseminated. That concluded his report.

Consent Agenda Action Items:

Chairman Jones explained this brings us to the Consent Agenda. He would like a motion that we approve **Items 9.A, 9.D, 9.E, 9.F and 9.G.**

ACTION:

Motion was made by:	Vice-Chairman Moore
Motion was seconded by:	Commissioner Puckett
Outcome:	Passed unanimously

Business Agenda Action Items:

10.A Selection of General Counsel Legal Services Provider (1773):

Approve Resolution No. 1773 to award a contract for general counsel legal services to The Banks Law Firm. Contract shall be for a two year term with an option to extend up to a total of five years.

Mr. Ralph Staley, CFO, gave a brief explanation as follows. There was a selection committee and there were two proposals received. The selection committee included staff and Board members who reviewed the information and recommended to negotiate a contract with the Banks Law Firm. A copy was e-mailed to the Board after last week's committee meeting. Presently it is a matter of whether to renew the contract or not to renew the contract. Commissioner Miller questioned for clarification that we only received two proposals. Mr. Staley responded that was correct. Commissioner Miller continued to comment that in this environment he would think we would get more than two responses. Chairman Jones tried to answer the question that his thought is that there is some perception among law firms that are capable of handling this work, that 1) in order to do it effectively you must have some experience dealing with HUD and there are not a multitude of general practice firms that do 2) then there is probably a perception that we would have issues as to what the rate for payment should be. The other firm that did apply, a local Charlotte based firm, did have some experience and it was a good proposal. The reason for the recommendation surrounding The Banks Firm is that they have far more expertise in this area than the other firm. Chairman Jones stated that to his knowledge he could not tell you another Charlotte based firm with any experience.

ACTION:

Motion was made for approval:	Commissioner Page
Motion was seconded by:	Commissioner Ford

Prior to the final vote Commissioner Hill commented that it is mentioned that there will be a 5% adjustment for inflation in the contract. He continued that it is hard to believe that in this environment anyone would expect a 5% inflation increase based on his observations of the market. Chairman Jones asked Mr. Staley for an explanation. He explained that the actual fee from last year to this year went up rather substantially however it was less than the other quoting firm. Each year we have a discussion with the Banks Law Firm; it gives them the ability to go up 5%. In the last contract period they had incurred one rate increase a little over half way through the contract. Commissioner Miller asked would it be acceptable to say not to exceed CPI. Mr. Woodyard, CEO, requested to offer another suggestion, that CPI may not be the appropriate index for a law firm. There are other cost indexed which may be used. However really what you want is some control below the 5% and related to some inflation mark. Therefore it does not necessarily have to be CPI. Chairman Jones requested that this item be approved subject to Mr. Staley, CFO, negotiating a sub-cap on the 5%. Commissioner Ford stated that this amendment is different from the original amendment just put forward and has been moved and seconded.

Commissioner Miller asked for approval with the following friendly amendment: *we approve this with the understanding that we will negotiate an inflation increase that more closely resembles the actual inflation of the CPI.*

ACTION:

Motion was made with the friendly amendment : Passed unanimously

10.B Procurement Policy Revision:

Approve Resolution no. 1774 to revise the CHA procurement policy related to the review and approval process for procurement actions from the CHA Procurement Policy adopted May 19, 2009. After a lengthy discussion Chairman Jones asked for a motion to be made to adopt Resolution 1774 with the exception of the contracts listed on the handout which was disseminated to the Board members by Mr. Staley, CFO.

For clarification the following projects are in the CHA pipeline and are considered as the exceptions:

<u>Project</u>	<u>Vendor</u>	<u>Service</u>
Seigle Lofts	Cline Design	Architectural
Woodlawn House	The Housing Studio	Architectural
Strawn Tower	Axiom	Architectural
Charlottetown	Axiom	Architectural
Parktowne Terrace	Narmour Wright	Architectural
PHA-Wide Dumpster Enclosures	Under Review	Repair

Exec Search Firm
Exec Search Firm

Coleman Lew & Assoc.
Anderson & Assoc.

Professional Service
Professional Service

ACTION:

Motion was made to approve:

Commissioner Puckett

Motion was seconded by:

Vice-Chairman Moore

Outcome:

Passed unanimously

Chairman Jones then stated that we would now bring forward **Item 9.C** which was requested by Commissioner Page to be pulled from the Consent Agenda and be discussed in the Business Session.

9.C Community Based Rental Assistance (CBRA) Allocations Under MTW

To approve Resolution No. **1770** for the allocations of Community Based Rental Assistance (CBRA) to 600 Family Units, 250 Senior Units and additional 150 Supportive Housing Units over the next three fiscal years.

Commissioner Page comments were as follows prior to voting on this item:

It was stated that there were 300 units set aside for approval in the MtW plan. To date we have used 100 and the motion in this item is to put 150 more in the group.

Commissioner Page wants to caution the Board that there have been several actions that have come before us that we have chafed at the HUD requirements which forces us to approve items before we get the facts. Because of HUD's schedule we have to approve deals before we get budgets and before we know all the details.

This is the same sort of situation however this we can control. When we put units in this group it is sending a message that staff can begin working and communicating on these sort of deals. In his opinion what happens is that they will talk to an organization and say we can help you, we can put some Section 8 units, not that we wouldn't do it however when that happens they come before us and the Boards back is against the wall. Based on other comments from other commissioners this is putting this program in that category. The bottom line is we want to encourage supportive housing but we do not want to pre approve these deals. He doesn't feel it is necessary before the fact to put these items in a group and get peoples expectations high and then we have angst when they are brought before us.

Secondly, no one on the Board with the exception of David remembers when the spicket wasn't turned on full blast as it is presently. He feels we should be able to evaluate everything on a case by case basis. These are really valuable to the Authority.

Ms. Foster responded that the purpose for us putting this out there is it was stated in the MtW plan that the Board would approve certain annual targets. Perhaps we could amend the MtW plan or we could set the targets lower. For clarification Commissioner Page restated that he is not asking to amend the MtW plan, you want to add to it and I am speaking against that. Ms. Foster continued that we want the Board to establish a target. The only approval we have is for 200 supportive housing units only; therefore a target is not set for either family or seniors units. Commissioner Page stated that if we do not vote today then we will have zero. Ms. Foster agreed. Lastly Commissioner Page restated that his goal is to examine each item case by case before they get exposed to the supportive housing groups.

Mr. Woodyard, CEO, stated that the current practice is that the Real Estate group, because they have a policy to cover the capacity, then they will be negotiating deals they have the ability to commit some Section 8 and at that point the supportive housing partner will have an expectation. Commissioner Page continued that if staff did not have this it would be said to these groups that they are meeting with on a regular rotation, this seems like a good program I would like to go back to the Authority and see if we can make this work.

In an effort to finalize this discussion Commissioner Ford stated that he is not completely comfortable with this therefore he is asking that staff have the opportunity to strike a balance. He does not want staff to lose its flexibility in crafting deals. If we must have more Board involvement with the process then can we get the input from staff but he is not completely comfortable in the direction we are heading today.

Synopsis:

Commissioner Ford asked that he have the opportunity to review this with staff and then come back to the Board at a later date. Chairman Jones agreed then called for a motion that **Item 9.C** be tabled for further consideration.

ACTION:

Motion was made by:	Vice-Chairman Moore
Motion was seconded by:	Commissioner Puckett
Outcome:	Passed unanimously

Board Workshop:

Budget Preparation Discussion:

Mr. Woodyard, CEO, stated that the last few months there has been decision about the budget and budget reporting as well as the type or delivery that is most helpful for the Board members.

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Therefore Ralph Staley, CFO, will spend some time today with a few different types of delivery scenarios with the budget. We would like to have feedback as to which one works the best for the Board.

Mr. Staley, CFO, disseminated documentation which he would be discussing. Using the documentation as a guide he took the Board through a variety of options in an effort to assist them in making a selection/decision.

Commissioner Ford commented that he has been one of the commissioners that has voiced his concern regarding the lack of detail/information. He stated that with the available technology we should give the commissioners the option. Meaning that you can follow your traditional model of how we produce your budget however you could make it available on disk. In the past, when he has asked for the information, he could not get it, therefore if he wants the option he would like for the option to be there. If it can be put together in an electronic form and if there is a certain program or budget he /Board that would like to look at in advance of approving the budget, then it can be brought before the Board with information. This would be extremely helpful.

Finalizing his comment he stated that if the information could be made available on disk or some type of electronic form he would be most appreciative.

Mr. Staley, CFO, responded that if you would like the program budget format, we currently do not prepare the budget in form therefore we would have to go back and get additional data from the departments and break things down by programs within divisions. Currently it is raw data in spreadsheets.

Commissioner Miller suggested that perhaps this discussion could be continued in the Finance & Audit Committee next month. Which will give us a chance to digest this and spend some time talking about it collectively. Mr. Woodyard, CEO, stated that he advised staff that he did not expect a decision to be made today because the information was not received in advance. Mr. Woodyard gave the following recommendation: He has long wanted to do a program budget for the Board plus detailed backup. We may not, unless you direct us too. We spend more time to get it ready for you next year, however I have always wanted to go to this but previous Boards have not wanted it in this format.

Chairman Jones stated that with the Boards approval this will be referred to the Finance & Audit Committee for further discussion and a recommendation will be made at next months meeting.

New Corporate Strategic Goals:

Chairman Jones suggested that this discussion has the potential to be lengthy. He is suggesting that we have not had a Board Retreat in about 18 months therefore this would be a better topic for discussion at a Board Retreat and would like to suggest that we look at a time period shortly after the first of the year. Certainly before the end of the fiscal year which will be in March 2010. He would like to start planning a Board Retreat and recommend that this topic among others be discussed.

Mr. Woodyard, CEO, stated that he would only be telling everyone what was behind the change. To make sure it reflects what direction the Board wishes us to go. Only two of the goals have changed substantially from what we have currently. Our intention is to continue the idea of being leaders in this industry and also discuss the equitable distribution of affordable housing and also reflect the expanded role in supportive and transitional housing. This is the intended direction we are hoping to take. Chairman Jones agreed. Commissioner Miller suggested that maybe it could be put on the December agenda in the interest of trying to get this done. Since Commissioner Page's term will be coming to an end we would like for him to be involved.

Mr. Woodyard, CEO, advised that a series of weekly meetings have been instituted with a small number of Board members. He would like to have this on the agenda and start building feedback from Board members over the next several weeks. Perhaps that can help us with the discussion when we finally do have it. Chairman Jones finalized that we will take under advisement how to get this back on the agenda at the appropriate time. Either a regular agenda or a retreat type agenda in the near future.

Chairman Jones asked for a motion to suspend this meeting to officially go into Horizon Development Properties, Inc. portion of the meeting.

ACTION:

Motion was made by:	Commissioner Ford
Motion was seconded by:	Vice-Chairman Moore
Outcome:	Passed unanimously

Chairman Jones asked for a motion to adjourn Horizon Development and reconvene the Regular Board Meeting ask for adjournment to go into Executive Session.

ACTION:

Motion was made by:	Commissioner Page
Motion was seconded by:	Vice-Chairman Moore
Outcome:	Passed unanimously

*Regular Board Meeting
November 17, 2009*

Minutes respectfully prepared by:

Barbara G. Porter
Executive Assistant to the CEO

The next Regular Board Meeting will be held on Tuesday, December 15, 2009 at the Carole A. Hoefener Community Services Center, 610 E. 7th Street, Charlotte, 28202. The meeting will start promptly at 12 noon and lunch/refreshments will be served for the commissioners at 11:30 a.m. If any questions/comments, please contact the executive office at 704.336.5221.

Horizon Development Properties, Inc
Board of Directors
AGENDA

Carole Hoefener Center
610 East 7th Street
Charlotte, NC 28202

December 15, 2009

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 17, 2009 (Tab 2)*
3. **Business Agenda Item:**
 - A. Budget Amendment-Arbor Glen 50 (p.1)
 - B. Accept Loan Commitments-Woodlawn House Apartments (p.3)
Budget Amendment: Woodlawn House Apartments

Business Agenda:

Business Agenda items for the December 15, 2009 Regular Board Meeting of the Horizon Development Properties, Inc. 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, 2010.

Staff Resource: Ralph Staley

Strategic Business: Finance Administration

Strategic Goal: Attain Long-Term Financial Viability

Explanation:

This board amendment recognizes revenue in the amount of \$137,713 from the 2008 Surplus Cash Distribution for Arbor Glen 50. Arbor Glen 50, distributed to Horizon Development Properties, Inc. as owner, excess cash after determining the financial needs of the property. The funds will be used for expenditures such as Horizon Development tax return, legal fees, closing fees for 5th 3rd line of credit, tax penalties and sponsorships. Any funds not used will flow through to fund balance.

Exhibit A shows total Revenue and Other Sources of \$137,713. Total Expenditures, which are broken out as \$60,000 in Administrative and \$77,713 in General Expenditures, are also shown in the amount of \$137,713.

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 discussed and unanimously approved this item for inclusion on the consent agenda at its meeting on December 2, 2009.

Funding:

Arbor Glen 50

Attachment

Amended Horizon Budget (**Tab 1**)

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 15, 2009.

(SEAL)

BY: _____

Barbara Porter, Secretary

**3.B Horizon Development Properties – Accept Loan Commitments
Budget Amendment: Woodlawn House Apartment**

- Action: 1. Approve Resolution to Authorize Horizon Staff to Accept Commitments of up to \$500,000 in NSP Loan Funds up to \$1,500,000 in NSP Loan Funds from The City of Charlotte, and \$6,500,000 in MTW Loan Funds for the Purchase and Rehabilitation of Woodlawn House Apartments and to Spend up to \$625,000 of the MTW Loan Funds for Predevelopment Expenses Related to the Rehabilitation.**
- 2. Amend the Woodlawn House Apartments Capital Project Budget in Horizon Development Properties, Inc.**

Staff Resource: Frank Narron and Ralph Staley

Strategic Business: Real Estate and Finance and Administration

Strategic Goal: Maximize Economic, Physical, and Social Value of our Real Estate Portfolio, Attain Long-Term Financial Viability

The status of this project: Pre-development

Explanation:

Horizon Development Properties, Inc. purchased Woodlawn House on October 7, 2009. We have selected a design team and are ready to initiate the design phase and put out an RFP for asbestos remediation. In order to do this, Staff requests a budget of up to \$625,000, approximately \$125,000 for design, \$450,000 for remediation, and \$50,000 for demolition.

Financing for the purchase and rehabilitation will come from three sources. We have allocated CHA NSP funds to the project in the amount of \$500,000 (from the \$2,100,000 awarded CHA). Staff applied to the City of Charlotte for an allocation from their NSP award and on November 9, 2009 City Council approved that application in the amount of \$1,500,000. The remainder of the funds is proposed to be from MTW (currently estimated to be \$6,365,756). All of the units will be marketed to seniors and they will be structured 50% Section 9 and 50% Community Based Rental Assistance (“CBRA”). These units, depending on the timing of rehabilitation, may serve as replacement housing for the other senior rehabs currently being contemplated by CHA.

Also in this amendment, staff is showing the repayment of the 5th 3rd line of credit in the amount of \$3,350,000 which was used to purchase the property. Therefore, Exhibit A shows an increase in Proceeds from Loans, Notes, Bonds of \$3,975,000 representing \$3,350,000 to repay the line of credit and \$625,000 for predevelopment costs. Total Expenditures, which are detailed above, show a corresponding increase of \$3,975,000.

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:

Commissioner Miller asked how the budget was determined and staff answered that the budget is still based on a contractor walk through during due diligence. The project is beginning the design phase and does not yet have drawings and specs for bid purposes. Commissioner Miller also asked if we thought it was conservative and staff answered that the contractor assumed the worst in terms of replacement. Commissioner Miller asked if there would be any conventional financing on the project and how the social services budget of \$52,000 would be spent. Staff answered that there will be no conventional financing because the project is 100% very low income and that services include computer training, craft sessions, etc. Commissioner Ford asked if there was a way to increase the cash flow/return to CHA and staff responded that it would require that we reduce the number of Section 9 units. The resolution was approved with one no vote.

Funding:

MTW Funds

Attachment:

Amended Woodlawn House Apartment Budget (**Tab 1**)

Resolution to Accept the Loan Commitment (**Tab 1**)

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 September 15, 2009.

(SEAL)

BY: _____
Barbara Porter, Secretary

**MINUTES OF HORIZON DEVELOPMENT PROPERTIES, INC.
BOARD MEETING HELD ON TUESDAY, NOVEMBER 17, 2009**

Regular Meeting:

Additions to the Agenda:

Let it be noted that **Item 3.A** will be acted upon in regular session, however **Item 3.B** will moved to Executive Session.

Chairman Jones asked for a motion to approve the agenda as submitted:

Motion was made by:	Commissioner Miller
Motion was seconded by:	Commissioner Ford
Outcome:	Passed unanimously

Consideration to Approve the minutes for:

- Meeting held on *September 15, 2009*

ACTION:

Motion was made to approve the minutes as submitted:	Vice-Chairman Jones
Motion was seconded by:	Commissioner Page
Outcome:	Passed unanimously

Business Agenda Items:

3.A Horizon Development Properties Collection Loss Report for the Quarter Ended 9/30/2009

Approve the write-off of \$4,393.02 in accounts receivable due to collection losses for tenants vacated through 6/30/09.

ACTION:

Motion was made to accept the collection loss report:	Commissioner Page
Motion was seconded by:	Vice-Chairman Moore
Outcome:	Passed unanimously

**3.B Accept MTW Loan (Hampton Crest)
Authorization to Purchase Hampton Creste and Utilize Line of Credit
Authorization to Accept United Community Bank Loan
Budget Adoption: Hampton Creste**

Note: This item was discussed extensively as the first item in the executive session.
Chairman Jones asked for a motion to approve this item.

Chairman Jones asked for a motion to adjourn the Horizon Development Properties, Inc. meeting to go back into regular CHA Board meeting to vote on Item 3.B.

ACTION:

Motion was made to approve:	Commissioner Puckett
Motion was seconded by:	Commissioner Ford
Outcome:	Passed unanimously

Chairman Jones requested a motion to go into Executive Session to discuss Real Estate; receive advice from counsel and a personnel matter.

ACTION:

Motion was made to approve:	Commissioner Puckett
Motion was seconded by:	Commissioner Ford
Outcome:	Passed unanimously

Meeting was adjourned:

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

*Carole Hoefener Center
610 East 7th Street
Charlotte, NC 28202*

December 15, 2009

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 *March 24, 2009*
3. **Business Agenda Item:**
 - A. Budget Amendment: Calendar Year Ending December 31, 2009 **(p.1)**
 - B. Budget Adoption: Calendar Year Ending December 31, 2010 **(p.2)**

Business Agenda for Horizon Acquisition:

Business Agenda:

3.A Budget Amendment: Horizon Acquisition Corporation

<p>Action: Approve an Amendment of the Horizon Acquisition Corporation Budget for the Calendar Year Ending December 31, 2009.</p>
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Staff Resource: Ralph Staley

Strategic Business: Finance and Administration

Strategic Goal: Attain Long Term Financial Viability

Explanation:

Horizon Acquisition Corporation is a for-profit corporation created to acquire, construct, develop, operate and/or hold title to affordable housing properties. It is composed of transactions that must go through a taxable corporation for the benefit of our new projects development partners. This budget is being amended to recognize anticipated excess cash distributions and miscellaneous revenue items. All excess income in Horizon Acquisition Corporation is paid as fees to Horizon Development Properties, Inc. to net a taxable income of zero.

Exhibit A shows an increase in revenues and expenditures in the amount of \$329,539. Also as a part of this budget adoption 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 is discussed and transfers between functions must be entered in the minutes of that meeting.

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

Committee Discussion:

The Finance & Audit Committee discussed and unanimously approved this item for inclusion on the consent agenda at its meeting on December 2, 2009.

Attachment:

Amended Horizon Acquisition Corporation Budget

RECORDING OFFICER’S CERTIFICATION

I, Barbara Porter, the duly appointed secretary of the Horizon Acquisition Corporation, do hereby certify the above item was properly adopted at a regular meeting held December 15, 2009.

(SEAL)

BY: _____
Barbara Porter, Secretary

3.B Budget Adoption: 2010 Horizon Acquisition Corporation

Action: Adopt the Horizon Acquisition Corporation Budget for the Calendar Year Ending December 31, 2010.

Staff Resource: Ralph Staley

Strategic Business: Finance and Administration

Strategic Goal: Attain Long Term Financial Viability

Explanation:

The Board of Horizon Acquisition Corporation, acting through its delegated officers, has the primary responsibility for ensuring that the organization is operated in an efficient and economical manner and that its financial integrity is maintained. This responsibility is exercised through the review, approval and control of the Operating Budgets. This Board Agenda Item is the formal

resolution related to the Board adopting the FY2010 Horizon Acquisition Corporation budget as shown in Exhibit A.

Also as a part of this budget adoption 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 is discussed and transfers between functions must be entered in the minutes of that meeting.

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

Committee Discussion:

The Finance & Audit Committee discussed and unanimously approved this item for inclusion on the consent agenda at its meeting on December 2, 2009.

Attachment:

2010 Horizon Acquisition Corporation Budget

RECORDING OFFICER'S CERTIFICATION

I, Barbara Porter, the duly appointed secretary of the Horizon Acquisition Corporation, do hereby certify the above item was properly adopted at a regular meeting held December 15, 2009.

(SEAL)

BY: _____
Barbara Porter, Secretary

**MINUTES OF HORIZON ACQUISITION CORPORATION
BOARD MEETING HELD ON TUESDAY, MARCH 24, 2009**

Regular Meeting:

Additions to the Agenda:

None

ACTION:

Motion made for approval:	Vice-Chairman Moore
Motion was seconded by:	Commissioner Ford
Outcome:	Passed unanimously

Consideration to approve the minutes for:

- Meeting held on *February 19, 2008*

Motion made for approval:	Commissioner Ford
Motion was seconded by:	Commissioner Moffat
Outcome:	Passed unanimously

Business Agenda Item:

3.A Budget Adoption: 2008 Horizon Acquisition Corporation

Adopt the Horizon Acquisition Corporation budget for the calendar year ending December 31, 2008.

ACTION:

Motion was made to approve by:	Vice-Chairman Moore
Motion was seconded by:	Commissioner Puckett
Outcome:	Passed unanimously

Motion was called for adjournment of Horizon Acquisition Corporation.	
Motion was made by:	Commissioner Miller
Motion was seconded by:	Vice-Chairman Moore
Outcome:	Passed unanimously

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