



**Charlotte Housing Authority**

**BOARD OF COMMISSIONERS**

*Regular*  
**BOARD MEETING**

*September 21, 2010*

*Seigle Point Community Center*  
*110 Winding Path Way*  
*Charlotte, NC 28204*

*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”*

*Joel Ford - Chairman*

*Will Miller - Vice Chairman*

Lucille Puckett

Benjamin Hill

Geraldine Sumter

Rodney Moore

David Jones



**HOUSING AUTHORITY OF THE CITY OF  
CHARLOTTE**

***NOTICE***

***BOARD MEETING***

BOARD OF COMMISSIONERS MEETING

***September 21, 2010***

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***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 ***September 21, 2010*** as follows:

**TIME/Date:**        ***5:00 P.M.***  
                              ***September 21, 2010***

**LOCATION:**        ***Seigle Point Community Center***  
                              ***110 Winding Path Way***  
                              ***Charlotte, NC 28204***

  
\_\_\_\_\_  
***Charles Woodyard/CEO***

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

*Seigle Point Community Room  
110 Winding Path Way  
Charlotte, NC 28204*

*September 21, 2010*

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**5:00 p.m. - Regular Board Meeting Convenes:**

## **Regular Meeting Agenda:**

1. Pledge of Allegiance
2. Public Hearing
  - Proposed Changes to the Rent Reform Policy
3. Public Forum
4. Review and Approval of the Agenda
5. Consideration to Approve the Minutes for:
  - Regular Board Meeting held *August 17, 2010*
  - Special Board Meeting held *September 8, 2010*
6. Resident Advisory Council (RAC) Report (**Tab 1**)
7. Monthly Report from the CEO
  - A. Business Plan Update
  - B. Affordable Housing Communication/Bond Referendum
  - C. Monthly Scorecard (**Tab 2**)
8. Committee Reports:
  - Client Relations Committee
  - Development Committee
  - Finance and Audit Committee
9. **Consent Agenda Action Item:**
  - A. Approve Procurement Contract-Armen Construction, LLC (**p.1**)
10. **Business Agenda Action Items:**
  - A. Approve Proposed Changes to Rent Reform Policy (**p.4**)
  - B. Approve Procurement Contract-HOPE VI Evaluation (**p.6**)
  - C. Approve Procurement Contract Extensions-FSS Supportive Services (**p.8**)
11. **Executive Session:**
  - Real Estate Matters

**Consent Agenda:**

**Consent Agenda item for the September 21, 2010 Regular Board Meeting  
Of the Charlotte Housing Authority Board of Commissioners.**

**9.A Approve Procurement Contract - Armen Construction, LLC**

<b>Action: Approve Procurement Contract for HVAC Installation and Interior Paint Project at Meadow Oaks with Armen Construction, LLC for \$258,410.</b>
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**Staff Resource:** Ralph Staley/Steve Lamphere/Cheryl Campbell

**Strategic Business:** Finance and Administration/Capital Assets

**Strategic Goal:** Ensure the Authority's Long-Term Financial Viability

**Background/Policy Framework:**

As part of the 2009-2010 operating budget staff included a capital project at Meadow Oaks (32 units) to remove the inefficient baseboard heating system, install a centralized system that would also include air conditioning, and do interior painting. This project was budgeted at a total of \$318,400 and originally approved by the Board under Resolution No. 1722 at the August 18, 2009 meeting. The project was postponed while staff worked on obligating the additional award of \$7.5 million in capital fund ARRA received and, therefore under Resolution No. 1742, the asset management project budget was amended to remove this item until such time as bids were received.

On June 15, 2010, the CHA Board of Commissioners approved the final update to the CHA Procurement Policy that requires a review and approval by the Board for Procurement actions exceeding the dollar threshold set for that individual classification of material or service as set below:

**Dollar Threshold Procurement Classification**

\$100,000	New Construction and Substantial Rehabilitation contracts.
\$50,000	Professional Service contracts, consultants, architects and engineers.

Additionally, any procurement that will cause a single vendor to exceed the above amounts during a rolling twelve (12) month period will require prior approval from the CHA Board of Commissioners, before additional contracts are awarded to the vendor.

**Explanation:**

The contract with Armen Construction, LLC for the HVAC Installation and Interior Paint services requires Board approval of this agenda item to proceed with the improvements.

Procurement Phase: Standard formal bidding procedures were followed:

- The project was advertised in the Charlotte Observer, all Charlotte plan rooms, Demand Star (notice) and, TPM (McGraw-Hill) who handled plan distribution; pre-proposal conference held and sealed bid opening.
- Five (5) bids were received with Armen Construction, LLC being the lowest responsive bidder. Armen Construction, LLC references were checked (other owners, BBB, licensure, etc) and found to be acceptable. Additionally, Armen Construction, LLC has performed satisfactorily on previous work for CHA and is a MWBE/HUB.

**Recommendation:**

Award contract to Armen Construction, LLC for the capital improvements at Meadow Oaks in the amount of \$258,410 which includes a 10% contingency to be used only at owner’s direction (and returned if unused). Bid amount is 15% below staff’s independent cost estimate and within budget. Project will be secured by a 100% Payment and 100% Performance Bonds will be supplied by an approved surety, as required by HUD.

The General Manager of Armen Construction, LLC worked previously as the building superintendent for the general contractor who worked on the HVAC installation at Sunridge Apartments. The HVAC sub-contractor selected by Armen Construction, LLC was the HVAC sub-contractor at the HVAC Installation Project at Sunridge Apartments; and also worked the HVAC installation at Fairmarket Square apartments as the primary. This subcontractor has performed CHA HVAC maintenance work.

**Committee Discussion:** At the September 8, 2010 Client Relations Committee meeting, the item was approved to be placed on the consent agenda for the September 21, 2010 meeting.

**Summary of Bids:**

<b>Armen Construction, LLC*</b>	<b>\$234,918</b>
<b>R Black &amp; Associates</b>	<b>\$243,500</b>
<b>LCM Constructors</b>	<b>\$291,047</b>
<b>Ponder &amp; Co</b>	<b>\$295,000</b>
<b>Gibraltar Construction</b>	<b>\$370,000</b>

\*MWBE/HUB

**Section 3/MWBE Consideration:**

Section 3- 1 new hire

MWBE- 100%, GC and Painting and HVAC Subcontractors

**Funding:**  
Project Operating Expense

**Attachment:**  
None

**Business Agenda:**

**Business Agenda item for the September 21, 2010 Regular Board Meeting of the Charlotte Housing Authority Board of Commissioners.**

**10.A Approve Proposed Changes to Rent Reform Policy**

**Action:        Recommend Approval of Resolution No. 1876 for Proposed Changes to the Housing Occupancy Policy Appendix N: Rent Reform**

**Staff Resource:**        Cheryl Campbell/Shannon Bodnar

**Strategic Business:**    Operations

**Strategic Goal:**        Create an environment that encourages client families to reach their highest potential.

**Background/Policy Framework:**

- CHA has modified the formula for calculating families' (elderly and disabled Household participation will be voluntary) rental obligation to provide a strong financial incentive for residents to increase their earnings. The new formula will allow all residents to build assets as their earnings grow. It also will ensure that rent levels remain affordable at all times, while nevertheless preparing residents to afford market rents as their incomes grow.
- Staff has submitted modifications to the Rent Reform Policy and proposes implementation of three changes to the Housing Occupancy Plan (HOP) Appendix N: Rent Reform.
- At the May 18, 2010 Board of Commissioners meeting, Resolution No. 1848 was approved, authorizing the CHA to revise policy for the HOP. Included in this revision was an update to the Rent Reform Policy (Appendix N). The interim recertification process was also modified (to follow our MTW rent reform initiative) to require changes in income/expenses or family composition to last longer than 30 days for an interim recertification to be completed.
- At the August 4, 2010 Client Relations Committee meeting, the Board authorized staff to send the proposed changes out for public review/comments. Staff noted that pending discussions with the interim RAC Board would take place, prior to submission of the final proposed changes and public review hearing on September 21, 2010.

**Explanation:**

- A summary of the proposed changes were placed at the following locations: the main branch of the Public Library; City Hall; 1301 South Boulevard, Charlotte, NC 28203;

2600 Youngblood Street, Charlotte, NC 28203; 135 Scaleybark Road, Charlotte, NC 28209; and at all property management offices.

- On August 6, 2010, a legal notice was placed in the Charlotte Observer to receive comments on the Authority's HOP Appendix N: Rent Reform. To conclude the 45-day public review/comment period of the CHA's proposed Rent Reform Policy changes, a Public Hearing is scheduled for September 21, 2010.
- Staff met with the interim RAC Board on August 10, 2010 and reviewed the current rent reform initiatives, highlighting the proposed changes currently out for public review. An additional training with RAC was held on September 9, 2010 (at the Carole Hoefener Center at 1:30 p.m.) to review the draft PowerPoint and Frequently Asked Questions (FAQs).
- **Proposed HOP Appendix N: Rent Reform Policy Changes (currently out for public review)**
  1. The rent portion set aside as an incentive account deposit monthly amount begins at \$10 and reaches a maximum of \$50. **(Proposed Revision: Due to notification from HUD this spring, CHA can treat our rent reform/incentive account for accounting purposes as an FSS escrow account thereby changing the cost neutrality point. The committee recommends increasing the monthly incentive account deposits to begin at \$25 and reach a maximum of \$100.)**
  2. The threshold to stop incentive account deposits is 50% AMI or three (3) years after reaching 40% AMI. **(Proposed Revision: Threshold will increase to 70% AMI or three (3) years after reaching 40% AMI, thus giving the residents additional opportunity to grow within the three (3) years and continue earning incentive account deposits.)**
  3. The grace period, to move after stopping escrow without loss of escrow (graduation period), was 2years/3years in the HOP approved on May 18, 2010. **(Proposed Revision: In order to continue families moving forward, the committee recommends the grace period to be shortened to twelve (12) months after stopping escrow. This will still allow four (4) years [three (3) years while making incentive deposits after reaching the 40% AMI mark and one (1) additional year without escrow deposits] for a participant to gain stability prior to moving. The goal is to allow families enough time to locate a place and move without disrupting the school schedules, but still encourage continued movement forward.)**
- The recommended changes are not structural changes to the rent reform MTW initiative. Therefore, the above changes to the rent reform MTW initiative will be incorporated in the MTW 2011-2012 Annual Plan and the 2010-2011 MTW Report.

#### **Committee Discussion:**

The recommended proposed changes were discussed at the September 8, 2010 Client Relations Committee meeting. The item will be placed on the September 21, 2010 business agenda.

#### **Community Input:**

Public Hearing September 21, 2010



**Summary of Bids:**

N/A

**Section 3/MWBE Consideration:**

N/A

**Funding:**

N/A

**Attachments:**

Summary of Proposed Changes to HOP (Tab 3)

HOP Appendix N: Rent Reform Policy Changes (Tab 3)

Resolution No. 1876 (Tab 3)

**10.B Approve Procurement Contract – HOPE VI Evaluation**

**Action: Approve Contract for the Evaluation of the HOPE VI Redevelopment of Boulevard Homes by the Center for Urban and Regional Studies, UNC Chapel Hill for four (4) years for \$334,007.00**

**Staff Resource:** Cheryl Campbell/Steve Lamphere/Twyla Taylor

**Strategic Business:** Client Services/Finance and Administration/Real Estate

**Strategic Goal:** Create an environment that encourages client families to reach their highest potential

**Background/Policy Framework:**

On June 15, 2010, the CHA Board of Commissioners approved a final update to the CHA Procurement Policy that requires a review and approval by the Board for Procurement actions that exceed the dollar threshold set for that individual classification of material or service as set below:

**Dollar Threshold      Procurement Classification**

\$100,000	New Construction and Substantial Rehabilitation contracts.
\$50,000	Professional Service contracts, consultants, architects and engineers.

Additionally, any procurement that will cause a single vendor to exceed the above amounts during a rolling twelve (12) month period will require prior approval from the CHA Board of Commissioners before additional contracts are awarded to the vendor.

**Explanation:**

As part of the HOPE VI Grant application process, CHA is required to develop a strict monitoring program to assess the Impact on the lives of the current residents and the effect of the redevelopment on the surrounding community. In order to complete such an enormous project to assess the efforts of the redevelopment, CHA requested a proposal from the Center for Urban and Regional Studies, UNC Chapel Hill. The proposal will evaluate all aspects of the HOPE VI Redevelopment on the following six indicators and will assess the success of the overall HOPE VI program:

- Impact on the lives of the current residents of Boulevard Homes;
- Nature and extent of economic development generated in the community;
- Effect of the redevelopment on the surrounding community;
- Success at integrating the physical redevelopment and the Community Supportive Services (CSS) components of the HOPE VI strategy;
- Impacts on the HOPE VI neighborhood; and
- Impacts on the HOPE VI development.

The Contract at a cost of \$334,007 will cover a four year time frame estimated to end September 30, 2014.

The Center for Urban and Regional Studies, UNC Chapel Hill (the Center) proposes to evaluate the HOPE VI redevelopment of Boulevard Homes to assess the impact of the redevelopment. In addition to the quantitative and qualitative assessment of the impacts of the HOPE VI redevelopment, the Center team will assess the implementation of the redevelopment and Community Supportive Services (CSS) components. In its evaluation, the Center will first establish baseline values against which any impact will be measured. The Center will then compare data gathered over the course of the evaluation to determine the impacts of the redevelopment on each of the indicators.

The Center will also work with CHA staff and case managers to develop and implement a data collection and management system to ensure that necessary data are collected to establish baseline measures, which will be updated over the life of the project.

Once the evaluation begins, the Center will prepare and deliver quarterly status reports on the evaluation. These reports will be based on the data available at the time the report is prepared and will include any recommendations that the Center may have to improve the implementation of the HOPE VI redevelopment or CSS component. The Center will provide semi-annual CSS reports detailing its findings with respect to implementation and utilization of the CSS program by residents. Every other semi-annual CSS report will include the CSS caseload analysis. After the end of each program year, the Center will prepare and deliver an Interim Report on the program, including analysis of the impacts and implementation process. The Report will also include recommendations for modifications to the redevelopment program.

After the end of the final program year, the Center will prepare and deliver its Final Report. That report will contain the Center's findings with respect to all six indicators,

including its assessment of the success that the program had at integrating the physical and CSS components.

This Procurement has been designated as a Non-Bid Procurement due to the “local governmental status” of UNC CH and bidding is not required for services from one agency to another. Cost is considered fair and reasonable because of previous bids solicited for similar type services such as Moving to Work (MTW). UNC CH and CHA have developed a performance contract to conduct the HOPE VI evaluation that includes individual targets, milestones and deliverables during the four (4) year contract.

**Recommendation:**

Approve CHA to enter into a contract agreement with The Center for Urban and Regional Studies at the University of North Carolina at Chapel Hill to provide evaluation monitoring for the HOPE VI grant required by HUD.

**Committee Discussion:**

The item was presented to the Client Relations Committee on September 8, 2010 and will be placed on the business agenda for the September 21, 2010 meeting.

**Section 3/MWBE Consideration:**

Possible Student Hires

**Funding:**

HOPE VI

**Attachment:**

None

**10.C Approve Procurement Contract Extensions – FSS Supportive Service**

<b>Action:</b>	<b>Authorize the CEO to Execute Monthly Contract Extensions for the Family Self-Sufficiency Services Contracts for Mélange Health Solutions, Lutheran Family Services and Symmetry Behavioral Health Systems.</b>
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**Staff Resource:** Cheryl Campbell/Karen Calder/Steve Lamphere

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

**Strategic Goal:** Create an environment that encourages client families to reach their highest potential

**Background/Policy Framework:**

On June 15, 2010 the CHA Board of Commissioners approved a final update to the CHA Procurement Policy that requires a review and approval by the Board for Procurement actions that exceed the dollar threshold set for that individual classification of material or service as set below:

<u>Dollar Threshold</u>	<u>Procurement Classification</u>
\$100,000	New Construction and Substantial Rehabilitation contracts.
\$50,000	Professional Service contracts, consultants, architects and engineers.

Additionally, any procurement that will cause a single vendor to exceed the above amounts during a rolling twelve (12) month period will require prior approval from the CHA Board of Commissioners before additional contracts are awarded to the vendor.

**Explanation:**

The current contracts for FSS case management required under previously awarded HOPE VI grants were extended by the Board on July 28, 2010 through October 31, 2010 for the three vendors providing services at 16 sites and serving 580 clients at a cost of \$1,000 per head of household per year.

During the Client Services Committee meeting on August 4, 2010 the staff presented an evaluation of contractors' performance and reviewed the quality assurance plan currently in place to monitor FSS contractor's performance. Vendors were found to be performing at adequate levels as outlined in each contract.

**Recommendation:**

Authorize the CEO to extend the existing contracts on a month-to-month basis until the formal RFP process is completed. Staff will include the 16 HOPE VI FSS sites in the Supportive Services RFP for Phase II of Moving Forward currently in development and scheduled to conclude in February 2011.

**Committee Discussion:**

Modification of the agreements was discussed during the September 8, 2010 Client Relations Committee Meeting. As a result of that discussion staff is recommending the month-to-month extensions and the inclusion of these sites into a formal RFP process.

**Section 3/MWBE Consideration:**

Mélange Health Solutions and Symmetry are MWBE firms.

**Funding:**

Project Operating Expense and/or MTW

**Attachment:**

None

# **TAB 1**

**September 21, 2010 Regular Board Meeting**

## **RAC REPORT FOR THE SEPTEMBER COMMISSIONERS MEETING**

Good Evening Everyone!!!!

First of all, RAC would like to thank everyone for their support in everything that we are doing in our effort to move forward. There was no Quality Circle Meeting on August 24 because the RAC President and our liaison were out of town attending a conference to help further empower the residents.

RAC is still moving toward our goal of establishing a Resident Council in all of the CHA qualifying Communities. We currently still are trying to setup nominating committees in the following Communities: Victoria Square, Robinsdale, Charlottetown Terrace, Dillehay Courts and Claremont. However, we have a nominating committee set up in Meadow Oaks and Autumn Place which are all currently organized but are due to have an election. Elections are scheduled in those two sites on September 16 and September 23.

The Tenant Patrol meetings and trainings are being scheduled. Ms. Brown, the Vice-President of RAC and the Parktowne Terrace Community Police had their first tenant patrol training first on August 26, 2010 and it was very successful. The next training is tentatively scheduled for September 29 at Edwin Towers.

# **TAB 2**

**September 21, 2010 Regular Board Meeting**

The Charlotte Housing Authority 2010-2011 Corporate Scorecard Measure

**SECTION 8**

**SECTION 8 VOUCHER ANALYSIS**

Generate Income to Underwrite Key Businesses: Utilize 98% of the housing choice vouchers.		Monthly % of Vouchers Utilized	Monthly # of Vouchers Utilized
<b>Target</b>		<b>98.0%</b>	<b>Total 4,666*</b>
March '10		90.13%	4,127
April '10		91.26%	4,179
May '10		91.32%	4,238
June '10		92.52%	4,294
July '10		92.43%	4,313
August '10		92.82%	4,331

Program	Base	DHAP	VASH	FUP	BLVD	TOTAL	NOTES
Voucher Units	4268	3	60	100	235	4666	
Vouchers Utilized	-4158	-3	-25	-55	-90	-4331	
Vouchers Issued	-71	0	-6	-29	-64	-170	In lease-up
Balance by Program	39	0	29	16	81	165	Bal - All Programs

Program	TOTAL
Balance All Programs	165
Special Use on Hold	-126
In base	39
CBRA vacancies	0
To be issued 7/20/10	-25
Balance of Voucher Availability	14

Current Utilization	97.42%	100.00%	41.67%	55.00%	38.30%	<b>92.82%</b>
Utilization - If all issued vouchers were to be leased up	99.09%	100.00%	51.67%	84.00%	65.53%	<b>96.46%</b>

Serve a growing proportion of the Charlotte population: Reduce the waiting list by placing voucher holders in housing	Vouchers on the Street	Waiting List	New Landlord Packages	# Portables to Charlotte
	March '10 April '10 May '10 June '10 July '10 August '10	207 188 138 98 163 170	2,344 2,342 2,343 2,343 2,343 2,343	33 59 37 70 61 65



# The Charlotte Housing Authority 2010-2011 Corporate Scorecard Measure

## All Conventional Public Housing Sites - CHA Managed

Maximize Benefit/Cost: Maximize the long-term financial viability of CHA-owned communities.	Occupancy Rate		Collection Loss (QTR)		Total Tenant Accounts Receivables (all outstanding charges)		Tenant Accounts Receivable (uncollected rent without pending action)		Vacancy Turns Make Ready/Lease/Total	
	96%	2.00%	96%	2.00%	96%	96%	96%	20 days		
<b>Target</b>										
March '10 - 29 units turned	100%	1.20%	96%	1.20%	99%	99%	10+5 = 15 days			
April '10 - 25 units turned	100%	-	93%	-	98%	98%	9+2 = 11 days			
May '10 - 18 units turned	100%	-	91%	-	99%	99%	10+1 = 11 days			
June '10 - 38 units turned	100%	2.10%	93%	2.10%	98%	98%	10+1 = 11 days			
July '10 - 26 units turned	98%	-	94%	-	97%	97%	9+2 = 11 days			
August '10 - 30 units turned	100%	-	92%	-	98%	98%	10+4 = 14 days			

\*\*\*\* The average collection loss for the entire CHA portfolio is 1.78%

\* Total does not include private management data

## Affordable Properties

Sites Include: Grove Place, Oak Valley, Valley View, Villa Courts, McAlpine Terrace, Glen Cove & Seneca Woods	Occupancy Rate		Collection Loss (QTR)		Total Tenant Accounts Receivables (all outstanding charges)		Tenant Accounts Receivable (uncollected rent without pending action)		Vacancy Turns Make Ready/Lease/Total	
	96%	2.00%	96%	2.00%	96%	96%	96%	20 days		
<b>Target</b>										
March '10 - 2 units turned	98%	2.33%	99%	2.33%	100%	100%	11+4 = 15 days			
April '10 - 3 units turned	100%	-	97%	-	99%	99%	8+32 = 40 days			
May '10 - 3 units turned	100%	-	95%	-	100%	100%	8+1 = 9 days			
June '10 - 3 units turned	100%	0.15%	94%	0.15%	100%	100%	13+9 = 22 days			
July '10 - 4 units turned	100%	-	97%	-	100%	100%	7+1 = 8 days			
August '10 - 10 units turned	100%	-	92%	-	100%	100%	7+1 = 8 days			

\*\*\*\* The average collection loss for the entire CHA portfolio is 1.78%

# The Charlotte Housing Authority 2010-2011 Corporate Scorecard Measure

## Private Management Companies

Occupancy Rate	Collection Loss (QTR)	Total Tenant Accounts Receivables (all outstanding charges)	Tenant Accounts Receivable (uncollected rent without pending action)	Vacancy Turns Make Ready/Lease/Total
<b>96%</b>	<b>2.00%</b>	<b>96%</b>	<b>98%</b>	<b>20 days</b>
March '10 - 15 units turned	1.20%	97%	99%	12+6 = 18 days
April '10 - 13 units turned	99%	95%	98%	8+15 = 23 days
May '10 - 15 units turned	100%	93%	97%	8+20 = 28 days
June '10 - 4 units turned	2.10%	95%	99%	10+11 = 21 days
July '10 - 16 units turned	-	94%	98%	4+0 = 4 days
August '10 - 18 units turned	-	92%	99%	11+5 = 16 days
<b>Target</b>				

\*\*\*\* The average collection loss for the entire CHA portfolio is 1.73%

## Month: August '10 - Private Management Companies

Property	Overall Community Occupancy Rate	Section 8 & 9 Occupancy Rate	Total Tenant Accounts Receivables (all outstanding charges)	Tenant Accounts Receivable (uncollected rent without pending action)	Vacancy Turn Averages			
					Make Ready	Lease Up	Vacancy Turn Totals	
940 Brevard (40 Section 9 & 80 PSB8 units)	100%	100%	100%	100%	0	0	0	0
Arbor Glen 50 (25 Section 9 units)	100%	100%	96%	96%	0	0	0	0
Arbor Glen 50 (25 Section 9 units)	99%	100%	100%	100%	7	12	19	2
Arbor Glen I (60 Section 9 units)	98%	100%	100%	100%	9	5	14	2
Arbor Glen II (40 Section 9 units)	100%	100%	100%	100%	0	0	0	0
Arbor Glen III (12 Section 9 units)	90%	100%	94%	94%	0	0	0	0
Ashley Square (22 Section 9 units)	97%	100%	100%	100%	0	0	0	0
Fairmarket Square (16 Section 9 units)	94%	100%	98%	98%	12	4	16	6
First Ward (132 Section 9 units)	80%	90%	74%	100%	0	0	0	0
Glen Cove (10 Section 9 units)	85%	N/A	95%	100%	0	0	0	0
Hampton Crestle	85%	97%	95%	100%	0	0	0	0
McAden Park (30 Section 9 & 30 PSB8 units)	85%	100%	90%	100%	0	0	0	0
McAlpine Terrace (26 Section 9 units)	100%	N/A	100%	100%	0	0	0	0
McMullen Woods	95%	96%	N/A	97%	0	0	0	0
Mill Pond (51 PSB8)	96%	100%	97%	97%	0	0	0	0
Montgomery Gardens (20 Section 9 units)	94%	100%	78%	98%	21	8	29	1
Nia Point (29 Section 9 units)	98%	100%	93%	100%	13	0	13	4
Park @ Oaklawn (89 Section 9 units)	100%	100%	100%	100%	0	0	0	0
Prosperity Creek (72 Section 9 & 84 PSB8 units)	98%	100%	100%	100%	0	0	0	0
Rivermere (20 Section 9 units)	95%	98%	90%	100%	7	10	17	2
Rivermere (20 Section 9 units)	96%	88%	75%	100%	0	0	0	0
Seneca Woods (17 Section 9 units)	97%	100%	100%	100%	0	0	0	0
South Oak (20 Section 9 units)	100%	100%	100%	100%	0	0	0	0
SpringCrest at Ashley Park (18 Section 9 & 18 PSB8 units)	97%	100%	72%	95%	11	4	15	1
Springfield Gardens (22 Section 9 units)	70%	100%	60%	96%	0	0	0	0
Stonehaven East (24 Section 9 units)	94%	99%	92%	99%	11	5	16	18
<b>Grand Average</b>								

# **TAB 3**

**September 21, 2010 Regular Board Meeting**

Summary of Proposed Changes to HOP with Comments/Changes from Public Review

CURRENT HOP	PROPOSED LANGUAGE CHANGES	COMMENTS/CHANGES FROM PUBLIC REVIEW
<p>Rent Portion set aside as an incentive account deposit monthly amount begins at \$10 and reaches a maximum at \$50</p>	<p>Due to notification from HUD this spring, that CHA could treat our rent reform/incentive account for accounting purposes as an FSS escrow account, changing the cost neutrality point, the committee recommends increasing the monthly incentive account deposits to begin at \$25 and max out at \$100.</p>	<p><b>Comments:</b> Response was generally favorable. The only concern raised was are the new amounts sufficient or should they be increased higher.  <b>Recommendation:</b> Proceed with Proposed change. Samples show participants earning 3,000-5,000 in incentive during their stay.</p>
<p>The threshold to stop incentive account deposits is at 50% AMI or 3 years after reaching 40% AMI</p>	<p>Threshold will increase to 70% AMI or 3 years after reaching 40% AMI thus giving the residents additional opportunity to grow within the 3 years and continue earning incentive account deposits.</p>	<p><b>Comments:</b> Response was favorable, allows for additional income growth before graduation period  <b>Recommendation:</b> Proceed with Proposed Change</p>
<p>The grace period to move after stopping escrow without loss of escrow was three years in the plan/2 in the HOP</p>	<p>In order to continue families moving forward, the committee recommends the grace period be shortened to 12 months after stopping escrow. This will still allow 4 years (3 years while making incentive deposits after reaching the 40% AMI mark and 1 additional year) for a participant to gain stability prior to moving. The goal is to allow families enough time to locate a place and move without disrupting the school schedules, but still encouraging continued movement forward.</p>	<p><b>Comments:</b> Concern regarding perceived 4 year time limit. After a few examples and more detailed review (including adding an additional FAQ), concerns faded. Discussion examples showed that the 4 year period (years earning incentive and 1 additional year to move before loss) only began if and when a household reached the 40% AMI band. Some households may reach this point in 6 months, others may take 3 years, and some on fixed incomes, may never.  <b>Recommendation:</b> Proceed with Proposed Change</p>
<p>Additional grammatical and clarifying changes were also included in the proposed HOP Revision</p>	<ol style="list-style-type: none"> <li>1. Clarify that Earned Income Disregard is no longer available as we have the modify disregard within bands</li> <li>2. Clarify any conflict between the body of the HOP and the Appendix N which document shall supersede.</li> </ol>	<p><b>Recommendation:</b> Proposed additional language clearly stating Earned Income Disregard is no longer available.  <b>Recommendation:</b> Proposed additional language explaining the Appendix N will supersede when applicable.</p>

Summary of Proposed Changes to HOP with Comments/Changes from Public Review

CURRENT HOP	PROPOSED LANGUAGE CHANGES	COMMENTS/CHANGES FROM PUBLIC REVIEW
<p>Additional Requested changes, not originally included in proposed changes/public review</p>	<ol style="list-style-type: none"> <li>1. Postpone Minimum Rent Increase Implementation schedule</li> <li>2. Use a modified Fair Market Rent</li> </ol>	<p><b>Recommendation:</b> Proceed with current implementation schedule. The stepped minimum rent increase schedule was originally approved with the FY 09-10 MTW Annual Plan (also included the 2009 HOP, 10-11 MTW Annual Plan, and the 2010 HOP Revision). Originally, the increase to \$75 was going to occur on 4/1/2010, however, due to software delays, it has been postponed 8 months to 12/1/2010. The current approved HOP language states the increase will happen in the fiscal year, so without a public review process, the increase could be (but is not recommended) postponed until 3/1/2011.</p> <p><b>Recommendation:</b> Use a CHA Fair Market Rent Schedule. A CHA Fair Market Rent Schedule has been drafted using properties rented by our HCV participants in conjunction with social serve data. Comparisons were gathered by zip code and bedroom size and then averaged to create the CHA Fair Market Rent. Unfortunately there was a lack of comparison properties in the 5 bedroom size, so as HUD does in determining the HUD established Fair Market Rents, we increased the 4 bedroom CHA Fair Market Rent by 15%.</p>

Other Comments Received during public review and addressed in FAQs:

1. Is the Hardship Policy still available?
2. If I am in an income band that is eligible to earn incentive account savings, but have no earned wages, do I pay the same TTP/Rent?
3. Do I have to move because of Rent Reform?
4. How can the elderly/disabled residents get access to their incentive account (since they may not have the income to move)? What happens if I earn incentive account savings and die, can my estate have the money?
5. How does Rent Reform affect Excess Utility Charges?
6. What happens to current FSS Participants?
7. What happens if I have to relocate (Charlottesville, Strawn residents)?
8. How does my rent change if I change if I move from efficiency apartment to a one bedroom apartment?
9. How does my rent change if I am a seasonal worker and only work 9 months of the year?

## APPENDIX N: RENT REFORM POLICY

### Recertifications

CHA has modified the formula for calculating families' total tenant payment to provide a financial incentive for participants to increase their earnings. Elderly and disabled household participation will be voluntary.

#### **Interim Recertifications** (~~currently approved in HOP~~)

Participants will still be afforded interim rent recertification between annual recertifications providing they have met the established criteria. If there is a decrease in the family's income, or an increase in medical expense or childcare expense (and will change their flat deduction eligibility) which is expected to last longer than ~~sixty (60) days~~ forty-five (45) days, the participant may request that an interim recertification be performed. Participants must still report changes in family size. Participants still need permission to add a household member.

#### **Annualized Income** (~~currently approved in HOP~~)

Income earned by seasonal employment will be annualized if the employee has maintained employment for more than 60 days. The income of employees of temporary employment agencies will be annualized after an initial 30 days of assignments.

#### **Zero Income Recertifications** (~~currently approved in HOP~~)

All families claiming zero income will have ~~90 days~~ three (3) months to establish either earned or unearned income. ~~After 90 days~~ At the end of the three (3) month period they will be required to report to the CHA the status of their income; they will continue reporting to the Charlotte Housing Authority every ~~90 days~~ three (3) months until income has been established.

### Income Exclusions

Income from assets ~~of with a combined value of less than \$5,000 or less~~ will be excluded allowing the accumulation of more assets before they are included in income. The annual recertification will include self-certification for assets-household with combined assets below \$5,000, or third-party verification for assets over \$5,000. The use of a self-certification will reduce staff time when completing recertifications.

## Expense Adjustments

Traditional Medical, Disability and Childcare deductions are eliminated. Participants need only verify enough unreimbursed expense to meet the requested deduction level listed below.

Medical Expenses	Medical Deduction	Childcare Expense	Childcare Deduction
\$0 - \$2,499	\$0	\$0 - \$2,499	\$0
\$2,500 - \$4,999	\$2,500	\$2,500 - \$4,999	\$2,500
\$5,000 - \$7,499	\$5,000	\$5,000 - \$7,499	\$5,000
\$7,500+	\$7,500	\$7,500+	\$7,500

Households will continue to be given the HUD elderly/disabled household and dependent allowances as applicable.

### **Minimum Rents** (~~currently approved in HOP and MTW annual plan~~)

"Minimum Rent" is fifty dollars (\$50.00) for fiscal year 2009; seventy-five dollars (\$75.00) in fiscal year 2010; and one hundred dollars (\$100.00) in fiscal year 2011. The minimum rent increases will occur no sooner than 12 months from the prior minimum rent increase.

### **Revised Rent Schedule**

An income-based stepped flat rent with stepped escrow deposits. The income bands will be a \$2500 range with the stepped rent being 30% of the range low end (ex: 5,000 - \$7,499 annual income band low end is 5,000/12 (monthly)\* 30% = \$125 total tenant payment). Annual adjusted income will be used to establish total tenant payment. Escrow deposits will begin when the household adjusted income including wages reaches \$12,500 and ends when the household adjusted income reaches ~~50%~~70% area median income (AMI) or 3 years after reaching 40% AMI whichever comes first. A ceiling flat rent will be established at Fair Market Rents.

### **Three-Year Incentives Period** (approved in previous rent reform / MTW annual plan)

Once a participant's earnings reach 40% AMI, the resident has three years (or until their income reaches ~~50%~~70% AMI) in which to build assets based on increased earnings. During this incentives period, residents can build assets in their Incentive Accounts by maintaining or increasing their earnings.

**Disbursing Incentive Accounts** (~~approved in previous rent reform / MTW annual plan~~)

Participants can access their Incentive Accounts for any reason once they leave subsidized housing. While they remain in subsidized housing, however, account access will be limited to amounts needed to help residents overcome specific verifiable barriers to work. An example is for repairs to, or purchase of, a car needed to get to work. Disbursing Incentive Accounts will be done on a case-by-case basis.

**End of Program** (~~approved in previous rent reform / MTW annual plan~~)

Once the three-year Incentives Period is over, participants do not build any additional incentive account. However, they may continue to receive assistance until they are ready to move on. Participants will be encouraged to move when 40% of AMI is attained. If a participant moves within ~~2 years~~ 12 months of completion they will be entitled to the full account balance; after ~~2 years~~ 12 months the incentive will begin to diminish as shown in the chart below.

Timeframe for participant to exit program after completion	Percentage of Incentive Account participant is entitled to
<u>Within 3 years0-12 months</u>	100%
<u>3-4 years13-24 months</u>	80%
<u>4-5 years25-36 months</u>	60%
<u>5-6 years37-48 months</u>	40 %
<u>6-7 years49-60 months</u>	20%
<u>More than 7 years61 or more months</u>	0%



## RESOLUTION NO. 1876

### RECOMMEND APPROVAL OF RESOLUTION NO. 1876 FOR PROPOSED CHANGES TO THE HOUSING OCCUPANCY POLICY APPENDIX N: RENT REFORM

**WHEREAS**, CHA has modified the formula for calculating families' (elderly and disabled Household participation will be voluntary) rental obligation to provide a strong financial incentive for residents to increase their earnings. The new formula will allow all residents to build assets as their earnings grow. It also will ensure that rent levels remain affordable at all times, while nevertheless preparing residents to afford market rents as their incomes grow;

**WHEREAS**, staff has submitted modifications to the Rent Reform policy and proposes implementation of three changes to the Housing Occupancy Plan (HOP) Appendix N: Rent Reform;

**WHEREAS**, at the May 18, 2010 Board of Commissioners meeting, Resolution No. 1848 was approved, authorizing the CHA to revise policy for the HOP. Included in this revision to the HOP was an update to the Rent Reform Policy (Appendix N). The interim recertification process was also modified (to follow our MTW rent reform initiative) to require changes in income/expenses, or family composition to last longer than 30 days for an interim recertification to be completed;

**WHEREAS**, at the August 4, 2010 Client Relations Committee meeting, the Board authorized staff to send the proposed changes out for public review/comments. Staff noted pending discussions with the interim RAC Board would take place prior to the final proposed changes submission and public review hearing on September 21, 2010;

**WHEREAS**, a summary of the proposed changes were placed at the following locations: the main branch of the Public Library; City Hall; 1301 South Boulevard, Charlotte, NC 28203; 2600 Youngblood Street, Charlotte, NC 28203; 135 Scaleybark Road, Charlotte, NC 28209; and at all property management offices;

**WHEREAS**, on August 6, 2010, a legal notice was placed in the Charlotte Observer to receive comments on the Authority's HOP Appendix N: Rent Reform. To conclude the 45-day public review/comment period of the CHA's proposed Rent Reform policy changes, a Public Hearing is scheduled for September 21, 2010;

**WHEREAS**, staff met with the interim RAC Board on August 10, 2010 and reviewed the current rent reform initiatives highlighting the proposed changes currently out for public review. An additional training with RAC will be held on September 9, 2010 (at the Carole Hoefener Center at 1:30 p.m.) to review the draft PowerPoint and Frequently Asked Questions (FAQs);

**WHEREAS**, Proposed HOP Appendix N: Rent Reform Policy Changes (currently out for public review) includes:

1. The rent portion set aside as an incentive account deposit monthly amount begins at \$10 and reaches a maximum of \$50. **(Proposed Revision: Due to notification from HUD this spring, CHA can treat our rent reform/incentive account for accounting**

purposes as an FSS escrow account thereby changing the cost neutrality point. The committee recommends increasing the monthly incentive account deposits to begin at \$25 and reach a maximum of \$100.)

2. The threshold to stop incentive account deposits is 50% AMI or three (3) years after reaching 40% AMI. (**Proposed Revision:** Threshold will increase to 70% AMI or three (3) years after reaching 40% AMI, thus giving the residents additional opportunity to grow within the three (3) years and continue earning incentive account deposits.)
3. The grace period, to move after stopping escrow without loss of escrow (graduation period), was 2years/3years in the HOP approved in May 18,2010. (**Proposed Revision:** In order to continue families moving forward, the committee recommends the grace period to be shortened to twelve (12) months after stopping escrow. This will still allow four (4) years [three (3) years while making incentive deposits after reaching the 40% AMI mark and one (1) additional year without escrow deposits] for a participant to gain stability prior to moving. The goal is to allow families enough time to locate a place and move without disrupting the school schedules, but still encourage continued movement forward.); and

WHEREAS, the recommended changes are not structural changes to the rent reform MTW initiative. Therefore, the above changes to the rent reform MTW initiative will be incorporated in the MTW 2011-2012 Annual Plan and the 2010-2011 MTW Report.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Housing Authority of the City of Charlotte to authorize approval of Resolution No. 1876.

#### RECORDING OFFICER'S CERTIFICATION

I, Charles Woodyard, the duly appointed and qualified Secretary of the Housing Authority of the City of Charlotte, North Carolina, do hereby certify that Resolution No. 1876 was properly adopted at a regular meeting held on September 21, 2010.

(SEAL)

BY: \_\_\_\_\_  
Charles Woodyard, Secretary  
CEO

# **TAB 4**

## **MINUTES**

*August 17, 2010 Regular Board Meeting*

*September 8, 2010 Special Board Meeting*

**MINUTES OF THE REGULAR BOARD MEETING  
OF THE COMMISSIONERS OF THE  
HOUSING AUTHORITY OF THE CITY OF CHARLOTTE  
HELD ON TUESDAY, AUGUST 17, 2010**

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 28203* at 5:00 p.m. on Tuesday, *August 17, 2010*.

**Present:**        *Chairman Joel Ford*  
                      *Vice-Chairman Will Miller*  
                      Commissioner Lucille Puckett  
                      Commissioner Ben Hill  
                      Commissioner Geraldine Puckett  
                      Commissioner David Jones  
                      Commissioner Rodney Moore

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

**Pledge of Allegiance:**

Chairman Ford officially opened the meeting and led us in the pledge of allegiance.

**Public Forum:**

The next order of business is the public forum. He asked if there was anyone present to address the Housing Authority's Commissioners. Hearing none he accepted a motion that we close the public forum.

**ACTION:**

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

**Review and Approval of the Agenda:**

Chairman Ford asked for any additions or deletions to the agenda. Hearing none he accepted a motion for the agenda as presented.

**ACTION:**

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

**Consideration to Approve the Minutes for:**

- Emergency Board Meeting held *July 21, 2010*

**ACTION:**

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

- Regular Board Meeting held *July 28, 2010*

**ACTION:**

Motion was made by: Vice-Chairman Miller  
Motion was seconded by: Commissioner Sumter  
NOTE: Prior to final approval Commissioner Sumter informed the Board that there was a correction to be made, which was personally discussed with Ms. Porter.  
Outcome: Passed unanimously

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

The update was given by Ms. Donna Greene, President of the Gladedale community:

- ✓ First, the RAC organization would like to thank everyone who supported us and helped out during our Breakfast Buffet.
- ✓ Unfortunately we were unable to hold a Quality Circle Meeting on July 27 because of the HUD visit. Due to a scheduling conflict we were unable to reschedule the meeting in July.
- ✓ RAC is still moving toward their goal of establishing a Resident Council in all of the CHA qualified communities.
- ✓ We currently have Nominating Committee in the following communities: Victoria Square, Robinsdale, Charlottetown Terrace and Claremont.
- ✓ We are setting up a Nominating Committee in Dillehay Courts. However we have Nominating Committee's set up in Meadow Oaks and Autumn Place which is all currently organized but is due to have an election. Southside Homes had their election on July 13, 2010 and the new president is Ms. Angela Moore.
- ✓ The Tenant Patrol meetings and trainings are being scheduled and we are trying to move forward. We have our first tenant patrol training since our reorganization scheduled for August 26, 2010 at Parktowne. Transportation will be provided.

- ✓ Dillehay Courts, Gladedale and Sunridge presidents attended the Cox & Schepp Construction Information Forum held on August 9, 2010 from 2 – 4 p.m. We received information concerning employment and training opportunities which was taken back to our communities.

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

#### **Business Plan Update:**

Chairman Ford introduced Mr. Charles Woodyard, CEO, to give the report. Mr. Woodyard stated that he wanted to update the Board that he has extended an offer to a COO candidate. He feels good about his chances of accepting it. There should be an answer by the end of the week. The other business plan update is he did send all the Board members the notice of the attendees at the Advisory Council meeting. He wants to advise the Board that the general feeling about that meeting was they were very supportive of assisting the housing authority in expanding its footprint as well as expanding the Board and its jurisdiction. Senator Clodfelter was a part of that and mentioned how we might be able to go through on state legislature and maybe giving us some guidance on how we might explore tax incentives or private developers to do more affordable housing. Mr. Woodyard continued that one of the commitments he has made to the mayor was when we put together a position paper on the housing locational policy he would share that with the Board soon. Chairman Ford added that he was very pleased with the attendance and the attitudes toward the authority in the spirit of cooperation.

#### **Monthly Scorecard:**

Ms. Cheryl Campbell, Deputy COO, gave the following update:

Behind Tab 1 you will find the monthly stats on the Section 8/Section 9 programs. She stated that Section 8 is going well. We do have a slightly slow lease up with the Family Unification Program (FUP) and the Veterans Affairs Supportive Housing (VASH) vouchers. They currently have 22 and 27 respectively outstanding to be issued to clients. That is probably our biggest focus at the current time, is to get those leased-up. Our total current utilization is at 92%. Our base is at 97% and the VASH and the FUP are at 35% & 46% respectively. We hope to see some movement with those two programs as we start talking to the case management firms. Commissioner Sumter questioned that she did not understand the negative numbers. When you say vouchers utilized, you are telling us number of vouchers; whereas your total number is 4,268 and you have 4,171 utilized then another 68 issued. Therefore you only have 29 remaining. She is confused where you have voucher availability that is that stack that you hold back for emergencies. Ms. Campbell explained that the 190 comes directly from the balance available in all programs.

Turning the page to our management statistics on occupancy rate, Tenant's Accounts Receivable and vacancy turns, she is pleased to say that all are looking really good for the authority. Occupancy rate is at 98% for our conventional public housing and 100% on the affordable. Vacancy turns are at 11 days and 8 days respectively for that group of units.

Our private management also improved substantially this month, for the vacancy turn rate of four days for their units. Please note that Mill Pond and Ashley are added to the bottom of your private management company statistics. She would like to remind the Board that this is one thing we are looking at changing for next month. The occupancy rate listed here is for our assisted units that are in these developments. We are going to explore adding another column of what the overall occupancy rate is for the entire property since at many of those mixed income properties we depend on good lease up numbers for the market rate units as well. She advised that Mill Pond's overall occupancy rate for the entire site is currently 95.2%. This does include some short term leases and roughly seven notices to vacate within the next sixty days. So if you subtract all those you are looking at 88% overall for the property. Ashley's overall occupancy rate is now at 90.3% which is a really big jump.

CHA continues to have weekly phone conversations on both Ashley Park and Mill Pond to make sure we are staying on top of their leasing activities. Ms. Campbell then asked for questions. Commissioner Puckett stated that the numbers just received relating to occupancy rate is not reflected here. Ms. Campbell asked are you looking at the private management. Commissioner Puckett responded yes. Ms. Campbell continued that those are for our assisted units that are contained within that development. For example Glen Cove, we only have 10 units out of the fifty. This is reporting on the units that receive our rental subsidy. Commissioner Puckett continued that the rental assisted units are at 90%. Ms. Campbell continued that we are talking of adding another column so the Board can see what the overall occupancy is. Hearing no other questions, Mr. Ralph Staley, CFO, came forward to give the following financial information.

**Budget to Actual Reports – 6/30/2010:**

Mr. Ralph Staley, CFO, explained that the reports were disseminated at the Finance & Audit Committee Meeting and asked if there were any questions. To date there have been no questions. If there are any today he would be glad to give an answer. If not, you can still call him and he will be glad to give an answer.

**Quarterly Report of Deposits and Investments – 6/30/2010:**

Mr. Staley presented on this item. He noted that likewise this was disseminated at the Finance & Audit Committee Meeting. He explained that he has had no questions to date, however if you have anyone has questions he will be glad to discuss them. Commissioner Hill questioned the reasons for the public housing operating subsidy amount, then the Section 8 operating subsidy amount. Mr. Staley explained that the amount we budget for the public housing operating

subsidy; HUD has not determined the final funding for 2010 therefore they are funding us at the 2009 levels. At this point we had budgeted more in public housing subsidy based on what we estimated our 2010 funding to be. We are still being funded at 2009 thus far and that amount is lower so the amount that HUD is funding us is being lowered by \$300,000. HUD will eventually set the funding for 2010 probably sometime in October after their year end.

Commissioner Sumter asked that Mr. Staley explain footnote N which states "housing assistance payment surplus deficit from operations" and it states that it is an unfavorable variance due to more portable voucher expense budgeted. Is this saying people came with vouchers from housing markets with lower rental rates than Charlotte and we had to make up the difference? Mr. Staley clarified that more people have come to Charlotte with a voucher than we originally budgeted for therefore we have paid more out. Mr. Staley continued that we will get that money back from the other authority. At some point once we determine a good number we will make a projection to recognize the revenue coming from the other authorities and to increase that expense line item. Mr. Staley asked for any additional questions on the BAR reports, hearing none he moved to the next item.

**Land Sales Proceeds Detail – 6/30/2010:**

Mr. Staley asked for questions relating to this item. Commissioner Sumter stated that land sales proceeds is when we are selling the property and getting money, then going out and buying other properties or whatever we are doing with it. Mr. Staley responded yes, we do with the proceeds whatever the Board directs us to do. Commissioner Sumter continued how would we show a loss from the revenue from the land sales? She states there was one that showed some loss somewhere, is that because we invested it in a project that still had a loan or something? Mr. Staley could not locate what Commissioner Sumter was referring to, but rather than holding up the meeting she stated she would find it and they could discuss it at a later time. Mr. Staley agreed.

**Notification of Administrative Budget Changes – 6/30/2010:**

Mr. Staley continued and asked for any questions on this report. Hearing none he concluded his report.

Commissioner Moore questioned Mr. Woodyard where are we in the process of the VP of Real Estate position. Mr. Woodyard responded that we have five candidates that the consultant is looking at. They are coming in for interviews with the consultant and Mr. Woodyard tomorrow, August 18, 2010. There will be preliminary discussions with them tomorrow moving forward to the next round in the interview process.

**Committee Reports**



**Client Relations Committee:**

Commissioner Jones gave the following update:

- The committee met on August 4, 2010.
- An update was received that HUD had approved our Amendment 1 and Amendment 2 to the 2011 Moving Forward Annual Plan.
- A report was received that construction on Arbor Glen Center for Employment Services is roughly 90% complete. It is hopeful that facility will be opening shortly after Labor Day.
- Received an update and explanation of changes to the Rent Reform program.
- An update was given by Commissioner Jones and Karen Calder, Client Services Director, regarding the tracking matrix being worked on for our new community partners.
- A Section 3 update was received to enhance the Section 3 employment.
- We received a presentation from Carolina PR dealing with questions concerning their study about familiarity of the housing authority.
- Received a schedule from Ms. Cheryl Campbell, Deputy COO, about the implementation of our local voucher program that we are in the process of rolling out on an experimental basis.
- Update on the performance of three vendors in the Family Self-Sufficiency program that we had extended on an emergency basis. We have now extended for a full year based on the data received at the time.
- Lastly a brief report from Ms. Campbell that she and Commissioner Sumter are still in the process of reviewing the grievance policy. We should be expecting some minor modifications to our grievance procedures in the near future.

Chairman Ford stated for clarification in his report as it relates to an extension to a contract for a year, it is his understanding that it is from month-to-month. Commissioner Jones agreed that he had made a mistake.

**Development Committee:**

Commissioner Moore gave the following update:

- The meeting took place on August 4, 2010
- Discussion about disposition of Villa Court. There is a pending appraisal which has since been completed.
- Additional discussion on the overall development of Seigle Point.
- Discussed listing the Real Estate Development activities on the deals list report which is received from staff.

**Finance and Audit Committee:**

Vice-Chairman Miller gave the following update:

- The committee recognized some income from C.O.R.E. Programs grant.
- Villa Courts and McMullen Creek were added to our budgets.
- Approved Collection Loss Reports for Horizon and CHA.
- Received an update on the Land Sales Proceeds, Administrative Budget changes and the BAR reports.
- A brief update was given on our IRS audit or lack thereof.

**Consent Agenda Action Items:**

**8.A CHA Collection Loss Report for Quarter Ended 6/30/2010:**

Approve the write-off of \$39,360.31 in accounts receivable due to collection losses for tenants vacated through 03/31/10.

**ACTION:**

Motion was made for approval:

Commissioner Puckett

Motion was seconded by:

Commissioner Hill

Outcome:

Passed unanimously

**Business Agenda Action Items:**

**9.A HOPE VI Grant Agreement – Boulevard Homes (1871):**

Approve Resolution No. 1871 authorizing the Chief Executive Officer to execute the Grant Award Agreement for the HOPE VI Grant for Boulevard Homes.

Mr. Woodard, CEO, explained that this is a manner of bureaucracy that you have to sign the agreement. We will adhere to the agreement timeline of September 2015 we will have to spend the grant funds. Also he has a 1044 document to sign once the Board makes a decision. Chairman Ford asked for any questions, hearing none he requested a motion to approve Resolution no. 1871.

**ACTION:**

Motion was made by:

Commissioner Moore

Motion was seconded by:

Commissioner Sumter

Outcome:

Passed unanimously

**9.B Approve Procurement Contract – Environmental Services for Asbestos Abatement and Project Bid and Design:**

Approve Contracts for Procurement of Environmental Services for Asbestos Abatement project bid and design and air quality testing by ECS Carolina, LLP

- a) ECS Carolinas, LLP \$14,480
- b) ECS Carolinas, LLP \$12,680
- c) ECS Carolinas, LLP \$950

Steve Lamphere, Procurement Director, gave a brief explanation. It was explained that this is a part of the approval process where we are required to come back to the Board. This is \$50,000 for non-construction and \$100,000 for construction. Basically these three purchase orders have hit the system for various projects which have gone above the \$100,000 mark. Chairman Ford asked for questions, hearing none he then asked for a motion of approval.

**ACTION:**

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

\*\*\*\*\*

Commissioner Jones motioned to suspend Charlotte Housing Authority regular board to enter into the Horizon Development Properties, Inc. Board meeting. Motion carried. Once Horizon Development Properties, Inc. was adjourned a motion was stated to go back into the Charlotte Housing Authority regular session Board meeting. A motion was then made to adjourn the regular Board meeting by Commissioner Jones; seconded by: Commissioner Moore to go into Executive Session for discussion of legal and real estate matters. Motion carried unanimously.

\*\*\*\*\*

<b>Minutes respectfully prepared by:</b>	<b>Barbara G. Porter</b>
	<b>Executive Assistant to the CEO</b>

\*\*\*\*\*

***The next meeting will take place on September 21, 2010 @ Seigle Point Community Center, 110 Winding Path Way, Charlotte, NC 28204 at 5:00 p.m.***

**MINUTES OF THE SPECIAL BOARD MEETING  
OF THE COMMISSIONERS OF THE  
HOUSING AUTHORITY OF THE CITY OF CHARLOTTE  
HELD ON WEDNESDAY, SEPTEMBER 8, 2010**

The Board of Commissioners of the Housing Authority of the City of Charlotte, North Carolina held a *special* meeting at the *Charlotte Housing Authority, 1301 South Boulevard, Charlotte, NC 28203* at 10:15 p.m. on Wednesday, September 8, 2010.

**Present:**        *Chairman Joel Ford*  
                      *Vice-Chairman Will Miller*  
                      Commissioner Ben Hill  
                      Commissioner Geraldine Sumter  
                      Commissioner David Jones  
                      Commissioner Lucille Puckett

**Absent:**         Commissioner Rodney Moore  
                      Sherrod Banks, General Counsel

**Also Present:** Charles Woodyard

**Pledge of Allegiance:**

Chairman Ford called the meeting to order at approximately 10:15 a.m. Chairman Ford led us in the pledge of allegiance.

**Additions to the Agenda:**

**ACTION:**

Motion was made approval as submitted by:	Commissioner Jones
Motion was seconded by:	Vice-Chairman Miller
Outcome:	Passed unanimously

**Business Agenda Action Items:**

**3.A Approve Procurement Contract-Executive Recruitment:**

Approve Executive Recruitment Contract for Senior Real Estate Executive position with Anderson & Associates. Mr. Woodyard stated that although he is not the staff resource he gave the following explanation. This request is to allow the Charlotte Housing

*Special Board Meeting  
September 8, 2010*

Authority to use the services of the consultant that we hired for the VP of Real Estate process because we have at least one candidate that may be able to fill-in, not for the VP position, but for another job in real estate. If we use one of the candidates that they brought to us, we must pay them a fee and per Board policy we must bring this action before the Board. Chairman Ford asked for further questions, hearing none he asked for a motion for approval.

**ACTION:**

Motion was made by:	Commissioner Puckett
Motion was seconded by:	Commissioner Hill
Outcome:	Passed unanimously

Chairman Ford stated that there are no other items on the agenda therefore he will accept a motion for adjournment.

**ACTION:**

Motion was made by:	Commissioner Puckett
Motion was seconded by:	Commissioner Hill
Outcome:	Passed unanimously

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**Minutes prepared by:**

**Barbara G. Porter  
Executive Assistant to the CEO**

**HORIZON  
DEVELOPMENT  
PROPERTIES, INC.**

*September 21, 2010*

**Horizon Development Properties, Inc**  
**Board of Directors**  
**AGENDA**

*Seigle Point Community Room*  
*110 Winding Path Way*  
*Charlotte, NC 28204*

*September 21, 2010*

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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:
  - Regular Meeting held on *August 17, 2010*
3. **Business Agenda Items:**
  - A. Budget Amendment-Mill Pond

**Business Agenda:**

**Business Agenda item for the September 21, 2010 regular meeting of the Horizon Development Properties, Inc. Board of Directors.**

**3.A Budget Amendment: Horizon Development Properties, Inc.-Mill Pond**

**Action: Approve an Amendment of the Horizon Development Properties, Inc. Budget for Mill Pond for the fiscal year ended March 31, 2011.**

**Staff Resource:** Ralph Staley

**Strategic Business:** Finance and Administration

**Strategic Goals:** Ensure the Authority's Long-Term Financial Viability

**Background/Policy Framework:**

Mill Pond Apartments is a 168-unit, multifamily, mixed-income apartment community located at 3515 Laurel Mill Drive. Horizon Development Properties, Inc. acquired Mill Pond Apartments in late January 2010. The preliminary operating budget for Mill Pond Apartments was approved and adopted by the board in April 2010.

**Explanation:**

Upon adopting the budget in April 2010, staff informed the Board that because this property is new to the portfolio, the operating budget submitted for Mill Pond Apartments would need to be revised when better information became available. The budget is now being revised to reflect the inclusion of 51 CBRA units in the lease-up of the property. The table below shows the original and revised budgets for Mill Pond Apartments.

Mill Pond Apartments

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Variance</u>
Tenant Rents	\$ 1,014,400	\$ 1,319,733	\$ 305,333
Other Revenue	<u>50,681</u>	<u>25,787</u>	<u>(24,894)</u>
Total Revenue	1,065,081	1,345,520	280,439
Administrative	232,961	225,088	(7,873)
Utilities	62,578	88,800	26,222
Ordinary Maintenance	103,336	119,134	15,798
Other General	<u>666,206</u>	<u>912,498</u>	<u>246,292</u>
Total Expenditures	\$ 1,065,081	\$ 1,345,520	\$ 280,439



Exhibit A shows the net result of additional Revenue and Other Sources and Total Expenditures of \$280,439 to cover the inclusion of the 51 CBRA units.

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:**

This item was discussed and unanimously approved at the Finance & Audit Committee meeting held on September 8, 2010.

**Funding:**

Dwelling Income

**Attachment:**

Amended Horizon Development Properties, Inc. 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 September 21, 2010.

(SEAL)

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

September Horizon Item - Mill Pond			Exhibit A
REVENUE:	April 2010 - March 2011 Horizon Development Properties, Inc.	Revision	April 2010 - March 2011 Horizon Development Properties, Inc.
Tenant Revenue	4,837,261	305,333	5,142,594
Other Revenue	1,897,406	(24,894)	1,872,512
<b>Total Operating Revenue</b>	<b>6,734,667</b>	<b>280,439</b>	<b>7,015,106</b>
<i>Other Sources:</i>			
Operating Transfer In - COCC	1,029,397		1,029,397
Restricted Donation	3,500,000		3,500,000
Proceeds from Loans, Notes and Bonds	427,479		427,479
Fund Balance Appropriated	378,379		378,379
<b>Total Other Sources</b>	<b>5,335,255</b>	<b>-</b>	<b>5,335,255</b>
<b>TOTAL REVENUE AND OTHER SOURCES</b>	<b>12,069,923</b>	<b>280,439</b>	<b>12,350,362</b>
<b>EXPENDITURES:</b>			
Administrative:	3,672,637	(7,873)	3,664,764
Tenant and Social Services:	367,625		367,625
Utilities:	633,394	26,222	659,616
Ordinary Maintenance and Operation:	2,228,827	15,798	2,244,625
General Expenditures:	1,667,440	246,292	1,913,732
<b>TOTAL OPERATING EXPENDITURES:</b>	<b>8,569,923</b>	<b>280,439</b>	<b>8,850,362</b>
<i>Other Items:</i>			
Special Items	3,500,000		3,500,000
<b>Total Other Items</b>	<b>3,500,000</b>	<b>-</b>	<b>3,500,000</b>
<b>TOTAL EXPENDITURES:</b>	<b>12,069,923</b>	<b>280,439</b>	<b>12,350,362</b>

**HORIZON  
DEVELOPMENT  
PROPERTIES, INC.**

**MINUTES**

*August 17, 2010 Regular Meeting*

**MINUTES OF HORIZON DEVELOPMENT PROPERTIES, INC.  
BOARD MEETING HELD ON TUESDAY, AUGUST 17, 2010**

**Regular Meeting:**

**Additions to the Agenda:**

Chairman Ford officially opened the meeting. He asked for any additions/changes to the agenda; hearing none he requested a motion to approve the agenda as submitted.

**ACTION:**

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

**Consideration to Approve the minutes for:**

- Regular Meeting held on *July 28, 2010*

**ACTION:**

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

**Business Agenda Action Item:**

**3.A Horizon Development Properties, Inc. - Villa Courts Apartments:**

Adopt a resolution to authorize Horizon to dispose of Villa Court Apartments at current market value.

Michelle Allen, Sr. Development Officer, came forward to give a brief explanation. Ms. Allen explained that this is a 36 unit community located on 2 acres in the Grier Heights neighborhood. This is also a HUD multifamily Project Based Section 8 property and those contracts are administered out of HUD Greensboro. This is a unique asset in our portfolio, meaning it is the only one administered with contracts out of HUD Greensboro. Staff did present this to the Development committee on August 4, 2010 after receiving an unsolicited offer from the buyer. Staff did negotiate that purchase price up to \$900,000 which is about \$25,000/per unit. At the time of the discussion on August 4, 2010, there was an appraisal pending and there were some concerns about the appraisal supporting this purchase price. The appraisal has come back at a value of \$910,000. Staff has reached out to the buyer's broker. Ms. Allen stated that the buyer has been out

of the country and is still out of the country. However the buyer's broker has not been able to get a response from the buyer. As of today we do not have a response from the buyer on that price. There was another request made of staff at the Development Committee meeting that we reach out to Myers Park Presbyterian Church to see if they had an interest in this asset. That has been done and they stated that they have no interest in multi-family properties. Given where we are today, staff is asking that we be allowed to attempt to negotiate with the buyer. Chairman Ford asked for questions. Commissioner Jones asked if we have a contract with the buyer for \$900,000 that was not contingent on appraisal, just an offer, therefore we are trying to counter the offer at \$910,000. Ms. Allen responded we are.

Commissioner Puckett's questioned , where does the resident organization involvement come into play. Commissioner Puckett explained that she thought any property the Charlotte Housing Authority is interested in selling must come before the residents or the resident organization first. Mr. Woodyard responded that we are not under ACC with this property. These are all Project Based Section 8 contracts.

Vice-Chairman Miller asked are we in a hurry to sell this property. Ms. Allen responded that we have received an unsolicited offer and it is at the pleasure of the Board. She continued that staff is not in a hurry however we would like to. As indicated on August 4<sup>th</sup> it is an asset we would like to dispose of because it has created some challenges for our property management. Vice-Chairman Miller suggested that since the potential buyer is out of the country that we table this until he gets back into the country. He stated that we don't want to force the sell and reminded the Board that this is absolutely the worst time to be selling anything anyway. He recommends that we remove this from the agenda and bring it back to the Board at the appropriate time. Ms. Allen responded it is at the pleasure of the Board.

Chairman Ford continued that what is before us is a resolution to authorize Horizon to dispose of Villa Courts apartments at the current market value. We do have another suggestion coming from a Commissioner however are there any other thoughts on this resolution?

Commissioner Hill inquired if we are administering the Section 8 vouchers. Mr. Woodyard responded that they are administered from HUD.

Chairman Ford asked if there was any further discussion or debate on this item before further action is requested from this Board.

**ACTION:**

Motion was made for adoption by: Commissioner Jones

Motion was seconded by: Commissioner Moore

***Discussion:*** Vice-Chairman Miller stated for clarification, approval to sell at what price? Chairman Ford reiterated that the resolution states to dispose of the property at the current market value. However after further discussion it was decided to table this item to executive session. Commissioner Moore asked what will happen to the motion on the floor. Chairman Ford officially announced that the motion is on hold until further discussion in executive session and then the vote will take place after discussion in open session.

***NOTE:*** Once the Executive Session was adjourned a motion was made by Mr. Sherrod Banks, General Counsel, to authorize the Authority to determine and execute documents to complete the sale. Mr. Woodyard, CEO, added that an assumption should be made that the price would not be nothing less than \$900,000. Results of the motion are listed below:

**ACTION:**

Motion was approved by: Commissioner Moore  
Commissioner Sumter  
Commissioner Hill  
Commissioner Jones  
Chairman Ford

Motion was **opposed** by: Vice-Chairman Miller  
Commissioner Puckett

**3.B Budget Amendment: Horizon Development Properties, Inc. - Villa Courts**

Approve an amendment of the Horizon Development Properties, Inc. budget for Villa Courts for the fiscal year ending March 31, 2011.

Mr. Ralph Staley, CFO, explained that this item is not related to the disposition of Villa Court as Item 3.A, this is relating to the operating budget for Horizon for Villa Court. This item was presented at the Finance & Audit Committee and was unanimously approved. Chairman Ford asked for questions; hearing none he requested a motion for this item.

**ACTION:**

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

**3.C Budget Amendment: Horizon Development Properties, Inc. – McMullen:**

Approve an amendment of the Horizon Development Properties, Inc. budget for McMullen Wood Apartments for the Fiscal Year Ending March 31, 2011.

**ACTION:**

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

**3.D Horizon Development Properties, Inc. Collection Loss Report for the Quarter Ended 6/30/2010:**

Approve the write-off of \$560.67 in accounts receivable due to collection losses for tenants vacated through 03/31/10.

**ACTION:**

Motion was made for approval: Vice-Chairman Miller  
Motion was seconded by: Commissioner Sumter  
Outcome: Passed unanimously

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Commissioner Jones motioned that we suspend the meeting of Horizon Development Properties, Inc. and go into the meeting of the C.O.R.E. Programs, Inc. Motion was seconded by: Commissioner Moore; outcome, passed unanimously.

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Once the Executive Session was completed Commissioner Jones motioned that we adjourn the Horizon Development Properties, Inc.; Seconded by: Vice-Chairman Miller; Motion carried that we go back into regular session of the Charlotte Housing Authority meeting.

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