



**Charlotte Housing Authority**

**BOARD OF COMMISSIONERS**

***SPECIAL***  
**BOARD MEETING**

***SEPTEMBER 13, 2012***

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***AUTUMN PLACE***  
***321 NORTH DAVIDSON 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”*

**Commissioners:**

*Commissioner Joel Ford - Chairman*  
*Commissioner David Jones - Vice-Chairman*  
*Commissioner Pamela Gordon*  
*Commissioner Benjamin Hill*  
*Commissioner Will Miller*  
*Commissioner Marcia Simpson*  
*Commissioner Geraldine Sumter*



**HOUSING AUTHORITY OF THE CITY OF  
CHARLOTTE**  
*Board of Commissioners*

***SPECIAL MEETING  
PUBLIC NOTICE***

*September 13, 2012*

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***NOTICE*** is hereby given that a ***Special Board Meeting*** of the ***Board of Commissioners of the Housing Authority of the City of Charlotte*** will be held on ***September 13, 2012*** as follows:

**TIME/Date:** *1:45 p.m.*  
*September 13, 2012*

**LOCATION:** *Autumn Place*  
*321 North Davidson Street*  
*Charlotte, NC 28202*

**TOPIC:** *Lofts at Seigle Point*

  
***Heather Franklin, Interim CFO***

***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”***

**Housing Authority of the City of Charlotte**  
**Special Meeting of the Board of Commissioners**

Autumn Place  
321 North Davidson Street  
Charlotte, NC 28202

*September 13, 2012*

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*1:45 p.m.* - *Special Board Meeting Convenes:*

**Special Meeting Agenda:**

1. Pledge of Allegiance
2. Review and Approval of the Agenda
3. Consideration to Approve the Minutes for:  
N/A
4. **Business Agenda Action Item: (pg. 4)**
  - A. The Lofts at Seigle Point CHA Transaction Resolution

#### **4.A The Lofts – Transaction Approval**

**Action:** To Replace Resolution 1836, Authorize Staff to Convey Land to The Lofts, LLC, Accept a Promissory Note for the Land from Horizon Development Properties, Inc. for the Benefit of The Lofts, LLC, and Provide a Grant to Horizon Development Properties, Inc. for an Equity Investment in The Lofts, LLC for the Development of The Lofts at Seigle Point.

**Staff Resource:** Jeff Meadows

**Strategic Business:** Real Estate and Finance Administration

**Strategic Goal:** Maximize Economic, Physical, and Social value of our Real Estate Portfolio; Ensure the Authority's Long – Term Financial Viability.

**Background/Policy Framework:**

In September 2009 a predevelopment budget was adopted and in May 2011 the project approval and budget were adopted. These actions were followed by an amended budget adoption in July 2012.

**Explanation:**

The previous Board approvals included project and budget approvals including the transfer of MTW funds in the form of a loan. However, Berkadia, the lender, is now requiring specific resolutions providing CHA, Horizon Development Properties, Inc. and The Lofts, LLC approvals for the "Transaction". The Transaction includes all actions necessary in conveyance of the land, issuance of the Promissory Note for the Land, consummation of the HUD 221D4 loan, and the Equity Investment. Staff is requesting the conversion of the CHA MTW Loan to a CHA MTW Grant to Horizon Development Properties, Inc. to assist in the development of The Lofts at Seigle Point.

**Committee Discussion:**

This item is being considered in a Special Board Meeting September 13, 2012 and will not be discussed in the RE Committee.

**Funding:**

MTW  
Land Conveyance

**Attachment:**

Resolution

## RESOLUTION

**TO REPLACE RESOLUTION 1836, AUTHORIZE STAFF TO CONVEY LAND TO THE LOFTS, LLC, ACCEPT A PROMISSORY NOTE FOR THE LAND FROM HORIZON DEVELOPMENT PROPERTIES, INC., AND PROVIDE A GRANT TO HORIZON DEVELOPMENT PROPERTIES, INC. FOR AN EQUITY INVESTMENT IN THE LOFTS, LLC FOR THE DEVELOPMENT OF THE LOFTS AT SEIGLE POINT.**

**WHEREAS**, the Housing Authority of the City of Charlotte, N.C. (the "Authority") has previously adopted Resolution 1836 providing a loan commitment to The Lofts, LLC in an amount up to \$5,000,000.00 in Moving to Work ("MTW") funds to assist with the acquisition (by ground lease) and development of 190 multifamily rental units, including 38 Community Based Rental Assistance units, along the northwest quadrant of East 10<sup>th</sup> Street and Seigle Avenue to be known as The Lofts at Seigle Point (the "Project");

**WHEREAS**, the Authority desires to convey its real property located along the northwest quadrant of East 10<sup>th</sup> Street and Seigle Avenue consisting of approximately 2.367 acres (the "Property") to The Lofts, LLC for the development of the Project;

**WHEREAS**, Horizon Development Properties, Inc., a North Carolina non-profit corporation and instrumentality of the Authority, is the manager and sole member of The Lofts, LLC;

**WHEREAS**, Horizon Development Properties, Inc. has resolved to issue to the Authority, and the Authority desires to accept, a promissory note in the amount of \$2,470,000.00 for the benefit of The Lofts, LLC (the "Note") as consideration for the conveyance of the Property, valued at \$2,470,000.00, to The Lofts, LLC;

**WHEREAS**, the Authority desires to provide Horizon Development Properties, Inc. with a grant in the amount of \$5,000,000.00 from its MTW funds (the "Grant") for the purchase of 100% of the ownership interests in The Lofts, LLC; and

**WHEREAS**, the Authority desires to provide operating subsidies to the 38 Community Based Rental Assistance units in the Project.

**NOW, THEREFORE, BE IT RESOLVED**, by the Board of Commissioners of the Housing Authority of the City of Charlotte, N.C. that the Interim Chief Financial Officer, Interim Chief Operating Officer, and/or Chief Executive Officer of the Authority (the "Authorized Signatories") are authorized to convey the Property to The Lofts, LLC;

**RESOLVED** that the Authorized Signatories are authorized to accept the Note from Horizon Development Properties, Inc. in consideration for the conveyance of the Property to The Lofts, LLC;

**RESOLVED** that the Authorized Signatories are authorized to provide the Grant to Horizon Development Properties, Inc. for investment in The Lofts, LLC;

**RESOLVED** that the Authorized Signatories are authorized to provide Community Based Rental Assistance for 38 units in the Project;

**RESOLVED** that the Authorized Signatories are authorized to take any and all actions, execute any and all documents and instruments, make any and all filings and reasonable expenditures and take any and all reasonable steps deemed to be necessary, desirable or appropriate in order to carry out the purpose and intent of the foregoing resolutions in the name of and on behalf of the Authority;

**RESOLVED** that all actions taken to effectuate the foregoing resolutions by the Authorized Signatories on behalf of the Authority shall be valid and binding obligations of the Authority;

**RESOLVED** that all actions taken by the Authorized Signatories on behalf of the Authority in connection with the development and operation of the Project prior to the date hereof are ratified and confirmed.

#### **RECORDING OFFICER'S CERTIFICATION**

I, Shauntè Evans, the duly appointed Interim Secretary of Housing Authority of the City of Charlotte, do hereby certify that this Resolution was properly adopted at a Special Meeting held September 13, 2012.

(SEAL)

BY: \_\_\_\_\_  
Shauntè Evans  
Interim Secretary

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

Autumn Place  
321 North Davidson Street  
Charlotte, NC 28202

*September 13, 2012*

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***Directly After Special CHA Board Meeting – Meeting Convenes:***

Special Horizon Development Meeting Agenda:

1. Review and Approval of the Agenda
2. Consideration to Approve the Minutes for:
  - N/A
3. **Business Agenda Action Item: (pg. 8)**
  - A. The Lofts at Seigle Point Horizon Transaction Resolutions

**3.A The Lofts – Horizon Development Properties, Inc.  
Transaction Approval**

**Action:**

- A. Authorize Horizon Development Properties, Inc. to Issue a Promissory Note to CHA for its Land for the Benefit of The Lofts, LLC.**
- B. Authorize Horizon Development Properties, Inc. to Accept a Grant from CHA and use said funds for the Purchase of an Ownership Interest in The Lofts, LLC.**
- C. Authorize The Lofts, LLC to Enter into a Loan with Berkadia, Mortgage Insurance with HUD, Undertake the Transaction to Consummate the Loan, and Conveyance of Property.**

**Staff Resource:** Jeff Meadows

**Strategic Business:** Real Estate and Finance Administration

**Strategic Goal:** Maximize Economic, Physical, and Social value of our Real Estate Portfolio; Ensure the Authority's Long – Term Financial Viability.

**Background/Policy Framework:**

In September 2009 a predevelopment budget was adopted and in May 2011 the project approval and budget were adopted. These actions were followed by an amended budget adoption in July 2012.

**Explanation:**

The previous Board approvals included project and budget approvals. However, Berkadia, the lender, is now requiring specific resolutions providing Horizon Development Properties, Inc. and The Lofts, LLC approvals for the "Transaction". The Transaction includes all actions necessary in consummation of the HUD 221d4 loan and issuance of the Promissory Note for the land.

**Committee Discussion:**

This item is being considered in a Special Board Meeting September 13, 2012 and will not be discussed in the Real Estate Committee Meeting.

**Funding:**

HUD FHA 221d4  
Land Conveyance  
MTW Grant

**Attachments:**

Resolution - Horizon Development Properties, Inc.  
Resolution – The Lofts, LLC



**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 special meeting held September 13, 2012.

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

(SEAL)

**RESOLUTION OF  
THE LOFTS, LLC**

**RESOLUTION TO AUTHORIZE THE LOFTS, LLC TO UNDERTAKE THE  
TRANSACTION TO DEVELOP THE LOFTS AT SEIGLE POINT**

**WHEREAS**, The Lofts, LLC, a North Carolina limited liability company desires to acquire from the Housing Authority of the City of Charlotte, N.C., a North Carolina public body and a body corporate and politic (the "Authority"), vacant property in Mecklenburg County, North Carolina located along the northwest quadrant of East 10<sup>th</sup> Street and Seigle Avenue consisting of approximately 2.367 acres (the "Property");

**WHEREAS**, the Authority desires to convey the Property to The Lofts, LLC to assist in the development of 190 multifamily rental units, including 38 Community Based Rental Assistance units (the "Project");

**WHEREAS**, The Lofts, LLC desires to obtain a mortgage loan in the amount of \$22,996,900.00 (the "Loan") from Berkadia Commercial Mortgage LLC to assist in the development of the Project;

**WHEREAS**, the Loan will be insured under Section 221(d)(4) of the United States Department of Housing and Urban Development Federal Housing Administration mortgage insurance program;

**WHEREAS**, Horizon Development Properties, Inc., a North Carolina nonprofit corporation and instrumentality of the Authority, is the manager and sole member of The Lofts, LLC;

**WHEREAS**, The Lofts, LLC will receive an equity investment from Horizon Development Properties, Inc. in an amount up to \$5,000,000.00 to assist in the development of the Project ("Equity Investment");

**WHEREAS**, The Lofts, LLC has determined that the conveyance of the Property, the Loan and the Equity Investment are in the best interests of The Lofts, LLC, and that it desires to enter into, execute and deliver certain documents required to consummate the Loan and Equity Investment (collectively, the "Transaction"), including but not limited to a loan agreement, promissory note, deed of trust, security agreement, use agreement, regulatory agreements, operating agreements, membership certificate, (together with all other documents and instruments which govern, secure or otherwise relate to the Transaction, which The Lofts, LLC is required to execute and deliver); and

**WHEREAS**, The Lofts, LLC desires to enter into, execute and deliver all documents necessary for the financing, development and operation of the Project;

**NOW THEREFORE, BE IT RESOLVED** that the Transaction is in all respects authorized and approved, and all reasonable actions, in good faith, by The Lofts, LLC to

consummate the Transaction are hereby confirmed and approved as being in the best interests of The Lofts, LLC;

**RESOLVED** that the Interim Chief Financial Officer, the Interim Chief Operating Officer and/or President/CEO of Horizon Development Properties, Inc. (the "Authorized Signatories") are authorized to execute and deliver any and all Transaction documents and other documents or instruments as may reasonably be required on behalf of The Lofts, LLC;

**RESOLVED** that the Authorized Signatories are hereby authorized to take any and all actions, execute any and all documents and instruments, make any and all filings and reasonable expenditures and take any and all reasonable steps deemed to be necessary, desirable or appropriate in order to carry out the purpose and intent of the foregoing resolutions in the name of and on behalf of The Lofts, LLC;

**RESOLVED** that the Authorized Signatories are hereby authorized to execute and deliver all documents or instruments as may reasonably be required to facilitate the financing, development and operation of the Project;

**RESOLVED** that all actions taken to effectuate the foregoing resolutions by the Authorized Signatories on behalf of The Lofts, LLC shall be valid and binding obligations of The Lofts, LLC;

**RESOLVED** that all actions taken by The Lofts, LLC, and the Authorized Signatories on behalf of The Lofts, LLC, in connection with the development and operation of the Project prior to the date hereof, are ratified and confirmed.

#### **RECORDING OFFICER'S CERTIFICATION**

I, Barbara Porter, the duly appointed secretary of Horizon Development Properties, Inc., which is the Manager-Member of The Lofts, LLC, do hereby certify that this Resolution was properly adopted at a Special Meeting held September 13, 2012.

(SEAL)

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

**RESOLUTION OF  
HORIZON DEVELOPMENT PROPERTIES, INC.**

**RESOLUTION TO AUTHORIZE THE LOAN ON BEHALF OF AND ISSUE A  
PROMISSORY NOTE FOR THE BENEFIT OF THE LOFTS, LLC AS  
CONSIDERATION FOR THE CONVEYANCE OF PROPERTY IN MECKLENBURG  
COUNTY, NORTH CAROLINA TO BE DEVELOPED INTO THE LOFTS AT SEIGLE  
POINT, AND ACCEPT THE GRANT FOR THE PURCHASE OF THE OWNERSHIP  
INTEREST IN THE LOFTS, LLC**

**WHEREAS**, on May 5, 2010, this Board of Directors adopted a resolution authorizing and directing its staff to accept a Moving To Work (“MTW”) loan from the Housing Authority of the City of Charlotte, N.C. (the “Authority”) in an amount up to \$5,000,000.00 in MTW funds and \$20,200,000.00 in 221(d)(4) loan proceeds for the development of 190 multifamily rental units, including 38 Community Based Rental Assistance units, along the northwest quadrant of East 10<sup>th</sup> Street and Seigle Avenue to be known as The Lofts at Seigle Point (the “Project”);

**WHEREAS**, the Authority now desires to provide Horizon Development Properties, Inc. with a grant in an amount up to \$5,000,000.00 from its MTW funds (the “Grant”) to be used for the purchase of 100% of the ownership interests in The Lofts, LLC, a North Carolina limited liability company (the “Ownership Interest”);

**WHEREAS**, Horizon Development Properties, Inc. now desires to issue a promissory note in the amount of \$2,470,000.00 to the Authority for the benefit of The Lofts, LLC (the “Note”) as consideration for the conveyance of vacant property in Mecklenburg County, North Carolina located along the northwest quadrant of East 10<sup>th</sup> Street and Seigle Avenue consisting of approximately 2.367 acres (the “Property”), valued at \$2,470,000.00, to The Lofts, LLC;

**WHEREAS**, Horizon Development Properties, Inc. is the manager and sole member of The Lofts, LLC; and

**WHEREAS**, Horizon Development Properties, Inc. has determined that the receipt of the Grant, the purchase of the Ownership Interest, and the issuance of the Note are in its best interest.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of Horizon Development Properties, Inc., that the Interim Chief Financial Officer, Interim Chief Operating Officer, and/or President/CEO of Horizon Development Properties, Inc. (the “Authorized Signatories”) are authorized to accept the Grant from the Authority;

**RESOLVED** that the Authorized Signatories are authorized to purchase the Ownership Interest from The Lofts, LLC for \$5,000,000.00;

**RESOLVED** that the Authorized Signatories are authorized to execute and deliver the Note to the Authority;

**RESOLVED** that the Authorized Signatories are hereby authorized to take any and all actions, execute any and all documents and instruments, make any and all filings and reasonable expenditures and take any and all reasonable steps deemed to be necessary, desirable or appropriate in order to carry out the purpose and intent of the foregoing resolutions in the name of and on behalf of Horizon Development Properties, Inc.;

**RESOLVED** that all actions taken to effectuate the foregoing resolutions by the Authorized Signatories on behalf of Horizon Development Properties, Inc. shall be valid and binding obligations of Horizon Development Properties, Inc.; and

**RESOLVED** that all actions taken by Horizon Development Properties, Inc., and the Authorized Signatories on behalf of Horizon Development Properties, Inc., in connection with the development and operation of the Project prior to the date hereof, are ratified and confirmed.

#### **RECORDING OFFICER'S CERTIFICATION**

I, Barbara Porter, the duly appointed secretary of Horizon Development Properties, Inc., do hereby certify that this Resolution was properly adopted at a Special Meeting held September 13, 2012.

(SEAL)

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