



ACQUISITION, RENOVATION & DEVELOPMENT COMMITTEE

October 21, 2014

AGENDA

1. Call to Order
2. Approval of Minutes
 - a) August 20, 2014
3. RAD (Construction)
4. SHDP1
5. Rankin Terrace LIHTC
6. Project Matrix
7. Other Business
8. Adjournment



**ACQUISITION, RENOVATION AND DEVELOPMENT
COMMITTEE MEETING**
OF THE HOUSING AUTHORITY OF THE CITY
OF WILMINGTON, NORTH CAROLINA
August 20, 2014

The regular monthly meeting of the Acquisition, Renovation and Development Committee was held on Wednesday, August 20, 2014 at 4:00 p.m. at the Wilmington Housing Authority, 1524 South 16th Street, Wilmington, North Carolina.

Committee Members Present: Jeffrey G. Hovis, Commissioner
Greg Neel, Commissioner
Debra H. Hays, Commissioner
Stuart Franck, Commissioner

Committee Members Absent: Helayne Levy, Commissioner

Others Present: Katrina H. Redmon, CEO
Vernice Hamilton, Director of Operations/HR
Glenn Floyd, Director of HEO
Michelle Kerwin, Director of Finance
Karen Schraml, HEO Coordinator
Sara Davis, Executive Assistant
Paul D'Angelo, Choice Neighborhoods Program Manager
Rhonda Mack, Director of Special Projects/HCV

1. Call to Order

The meeting of the Acquisition, Renovation, and Development Committee, "ARD" was called to order by Jeffrey G. Hovis, Chair of the Committee, at 4:00 p.m. on August 20, 2014, pursuant to the notice sent to the Commissioners and Staff of Wilmington Housing Authority.

2. Approval of Minutes

Minutes of the June 18, 2014 ARD Committee meeting were reviewed, Commissioner Neel made the motion to approve and Commissioner Franck seconded. Minutes were unanimously approved

3. RAD (Construction)

Mr. Floyd reported progress is being made with Telesis and a letter is going out regarding the payment portion of the capital funds 2013, 2014 and subsequent years. Mr. Floyd stated that number is approximately \$50,000 for one year and \$53,000 for another year.

Mr. Floyd stated a signed copy of the supplement to the declaration should be in the offices of Faison Sutton by August 25th. Telesis is aware we will not transfer the funds until we receive the signed copy.

Mr. Floyd reported having the signed MOU from Elderhaus for the Pearce House.

Commissioner Hovis asked when the projected start date is and Mr. Floyd stated if everything is submitted for RAD by the end of August then we are looking at beginning the end of October.

Ms. Redmon asked how close the RAD portion was and Ms. Mack stated the problem has been finding forty, two bedroom units, which are all in one place. Ms. Mack stated staff is looking at the Northeast corner and part of that would be the tax credit. She reported HUD said since the tax credit was not in hand we need another plan and they apologized for not telling staff last year at this time.

Ms. Mack stated that staff is looking at other options and one option is not going to RAD but to develop the property using PBV to help it cash flow. She stated it would actually cash flow better than using RAD.

Ms. Redmon asked if we put more public housing units back on the ground would it cash flow and Ms. Mack stated she had not run those numbers and does not know how many can be built on that space.

Ms. Mack said her concern is that we are putting all of our available capital funds and RHF funds into one project.

The committee held a discussion on the different options.

4. SHDP1

Ms. Schraml reported the MOU has been signed by Elderhaus and they are waiting for the storm water to be signed to finish the bank loan.

Commissioner Hovis asked what Elderhaus will be providing and Ms. Schraml stated someone would be there 24/7 taking care of the services for residents.

5. Rankin Terrace LIHTC

Mr. Floyd differed to the project matrix.

6. Project Matrix

Mr. Floyd reported on the following:

- Staff has been in discussions with HUD Washington and said they are aware of the problem of disposing of property that is not returning as 100% public housing. Mr. Floyd stated HUD Washington is working on the issue of disposition and properties with tax credits.
- Mix finance application is being worked on; 58 (75%) units will be public housing and 19 (25%) will be vouchers.
- Rental term sheets have been delivered to HUD.
- Subsidy Layering Review will go to HUD Greensboro this week.
- Disposition was submitted back in June and was rejected. It has been resubmitted with the understanding it is a streamline disposition.
- First Citizens commitment for a \$750,000 permanent loan has been received.
- 10% cost carry over is coming up on October 3rd.
- Houston Moore roof replacement has started.

- Youthbuild grant was not received.

Mr. Floyd explained Resolution No. 12-028 stating, if we are not able to close in time and suggested buying stored materials totaling \$450,000. He said there are capital funds available that are tied to the 40 RAD units and the goal is to buy the materials which would put us over the 10%. The loan would only be from the time the materials are purchased to 3-4 weeks. Once equity is closed repayment can be made.

Commissioner Franck asked if all contractors are still on board and ready to go and Mr. Floyd stated the contractor has been sitting on this for approximately a year and is ready.

Commissioner Neel stated the risk is buying the materials and having something go wrong. Mr. Floyd agreed and said there are two options; return materials and lose what money was spent on the bonded warehouse and any charges for returns or buying materials that we could use anywhere else in the Authority.

Commissioner Neel asked how much more time this would give us and Mr. Floyd said December 31, 2015 for finished and occupied units.

Commissioner Neel asked about Winfield Smith and Ms. Kerwin stated the quarterly interest payment was made July 1st and the next principal payment is April 1st. There has been no interest shown in purchasing the property.

Mr. D'Angelo informed the committee there is a video available from the City regarding the Independence Blvd. Extension. Mr. D'Angelo agreed to send the link to committee members.

7. Resolutions

a) Resolution No. 0917 authorizing a promissory note between Rankin Place Terrace, LLC and the Housing Authority of the City of Wilmington.

b) Resolution No. 12-028 approving a promissory note for carry over cots between Rankin Place Terrace, LLC and HEO, Inc.

8. Other Business

No other business came before the committee.

9. Adjournment

A motion made by Commissioner Franck and seconded by Commissioner Neel to adjourn the meeting carried unanimously.

Projects in Planning Stages

Project Management Action List
10/14/14

Item	Est. Completion Date	Project Manager	Site	Status
Multifamily Service Coordinator Grant	10/1/14	Karen	Glover	Applied for "no cost" time extension for grant. Pending HUD approval.
Exterior Lighting	10/30/14	Glenn	Eastbrook	Underground issues at Eastbrook resolve; awaiting installation by Duke Energy.
REAC Inspection	10/20/14	Glenn	Solomon	Conducting inspections in accordance with UPCS for Solomon REAC inspection.
Annual Plan/5 Year Plan	12/15/14	Glenn	Central Office	Drafting documents for demo/dispo statement, annual capital fund reports, and 5 year capital fund plan.

Projects Out To Bid

Project Management Action List
10/14/14

Item	Est. Completion Date	Project Manager	Site	Status
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Projects Under Contract/In Process

Project Management Action List
10/14/14

Item	Est. Completion Date	Project Manager	Site	Status
Property Tax Values	On going	Karen	CWS	Did not receive property tax bill for Creekwood as expected. Working with NHC to determine status of invoice and to correct billing for New Brooklyn Homes.
Certified Payrolls	On going	Karen	HW	Processing certified payrolls for capital fund and LIHTC projects.
Supportive Housing I	11/15/14	Glenn/Karen	Jervay	Permit set delivered to contractor. Erosion and sedimentation permit has been approved and received from NCDENR. Storm water information has been delivered to NCDENR for permitting. Financial closing with SECU and NCHFA pending storm water approval.
Dawson Street Lofts (Hillcrest RAD)	11/15/14	Glenn	Hillcrest / Dawson St	HK Jordan under contract as of 12/16; Received approval of FHEO (HUD Fair Housing); Pending HUD closing for RAD financing. Permit set delivered to contractor. Storm water information has been delivered to NCDENR for permitting, erosion and sedimentation plan has been approved. Seeking approval to revise unit mix from 3 buildings totaling 40 units to one building of 16 units.
CDBG	5/30/14	Karen	Hillcrest / Dawson St	Awarded \$200,000 CDBG; approved by City Council
Rankin Terrace LIHTC	10/30/14	Glenn/Karen	RT	Submitted disposition application to HUD for 75% PH/25% PBV with RAD application to be done when available. Subsidy Layering Review pending disposition approval by HUD. Subsidy sources must be in place prior to closing with equity investor. Have received \$750,000 permanent loan commitment from First Citizens Bank to complete sources. Mixed Finance application went to HUD Committee on 9/9/14. Rental Term Sheet and Rental Term Sheet Calculator delivered to HUD Headquarters, plans sent to HUD San Francisco to review 504 compliance. 10% cost carryover was met. Working on Equity and Construction Loan Due Diligence. NCHFA agreed to change of roofing materials. Capital Funds used to purchase stored materials will be reimbursed upon closing equity and construction loan.
Byrne Criminal Justice Grant	5/6/14	Karen	CNI	Received notice that application was not awarded funding.
Winfield Smith	Ongoing	Glenn/Karen	WS	Searching for options/funding for development of property.
Sunset South	2/3/15	Glenn/Karen	SS	NCDENR inspected retention ponds per settlement agreement; report pending. No major issues noted during walk-through. As-built survey in process for street dedication.

Projects Under Contract/In Process

Project Management Action List
10/14/14

Item	Est. Completion Date	Project Manager	Site	Status
Vacancies	Ongoing	Glenn	Authority Wide	Working on methods to streamline reduction in vacancy days