



ACQUISITION, RENOVATION & DEVELOPMENT COMMITTEE

October 21, 2015

AGENDA

1. Call to Order
2. Roll Call
3. Approval of the Agenda
4. Approval of the Minutes
 - September 23, 2015
5. WHA Project Update
6. HEO Project Update
7. Resolutions:
 - a.) **Resolution No. 0974** authorizing execution of documents for the conversion of Rankin Terrace under the Rental Assistance Demonstration Program
 - b.) **Resolution No. 12-036** authorizing execution of documents for the conversion of Rankin Terrace under the Rental Assistance Demonstration Program
 - c.) **Resolution No. 12-037** authorizing execution of documents for the State Tax Credit Loan Closing for Rankin Terrace
 - d.) **Resolution No. 12-038** approving negotiation and execution of CDBG/Home Documents for the construction of Pearce House
8. CEO Remarks
9. Adjournment



ACQUISITION, RENOVATION & DEVELOPMENT COMMITTEE MEETING

OF THE HOUSING AUTHORITY OF THE CITY
OF WILMINGTON, NORTH CAROLINA
September 23, 2015

The regular monthly meeting of the Acquisition, Renovation and Development Committee was held on Wednesday, September 23, 2015 at 4:00 p.m. at the Wilmington Housing Authority, 1524 South 16th Street, Wilmington, North Carolina.

Committee Members Present: Jeff Hovis, Chair
Greg Neel, Commissioner
Stuart Franck, Commissioner

Committee Members Absent: Deb Hays, Commissioner

Commissioners Present: Betsy Kahn, Commissioner

Others Present: Katrina H. Redmon, CEO
Linda D. Philipp, Executive Assistant to the CEO
Vernice Hamilton, Director of Operations/HR
Glenn Floyd, Director of HEO
Michelle Kerwin, Director of Finance
Karen Schraml, HEO Coordinator
Dawn Tucker, Assistant Director of Finance
Shanetta Moye, Interim Director, HCV
Paul D'Angelo, Planning Manager
Matt Scaparro, Director of Property Management
Chris Gnapinski, Procurement Manager

1. Call to Order

The meeting of the Acquisition, Renovation, and Development Committee, "ARD" was called to order by Jeff Hovis, Chair of the Committee, at 4:00 p.m. on September 23, 2015, pursuant to the notice sent to the Commissioners and Staff of Wilmington Housing Authority.

2. Roll Call

Roll call was taken and a quorum was present.

3. Approval of Agenda

Agenda of the ARD Committee meeting were reviewed, Commissioner Neel made the motion to approve the agenda as presented and Commissioner Kahn seconded. Agenda were unanimously approved.

4. Approval of Minutes

Minutes of the August 19, 2015 ARD Committee meeting were reviewed, Commissioner Neel made the motion to approve the minutes as presented and Commissioner Kahn seconded. Minutes were unanimously approved.

5. Rankin

Mr. Floyd presented the Rankin Terrace Tax Credit Rehabilitation project overview:

Phase 1:

- Move-in: 37 units
- Certificate of Occupancy: 39 units

Phase 2

- Contractors are on site and working
- 38 units are being worked on
- Air testing and maintenance are complete
- New sewer lines
- Framing
- Inspectors – 5 units

Construction of the Community Center – following items have been complete and provided an update:

Exterior:

- Sheathing
- Roofing felt
- House siding
- Windows
- Roof shingles
- Front room, which is the community meeting room, has 16' ceilings
- Brick work
- Foam Board – being installed
- Siding: contractor on site

Interior:

- Inspection complete and passed
 - Rough-in plumbing
 - Rough-in electrical
 - Rough-in mechanical

Ms. Schraml reported the following update on RAD:

- Worked on the Significant Amendment to the Authority's current Annual Plan
- Public Notice of the proposed Significant Amendment was published for 45 days
- Public Hearing comment period is scheduled for tomorrow, September 24, 2015

Commissioner Hovis asked if there were any questions pertaining to Rankin Terrace. No other questions at this time and moving on to the next item.

6. Pearce House

Ms. Schraml stated they are still continuing on working on Pearce House with the city. Ms. Schraml reviewed the agreements and documents from the City and working on closing documents.

Commissioner Hovis asked if there were any questions pertaining to Pearce House. No other questions at this time and moving on to the next item.

7. Project Matrix

Mr. Floyd reported on the following:

- Hillcrest mail boxes
 - Concrete pad complete
 - Parcel boxes pending installation
- Ground source heat pumps with air to air heat pumps at Hillcrest completed on September 14, 2015
- Contractor has completed 39 units

Commissioner Hovis asked if there were any questions pertaining to the project matrix. No other questions at this time and moving on to the next item.

8. Resolutions

- a.) **Resolution No. 0966** authorizing amendment to the agency Annual Plan
- b.) **Resolution No. 0967** authorizing the legal services contract: Banks Law Firm
- c.) **Resolution No. 0968** authorizing the extension of legal contract: Reno & Cavanaugh
- d.) **Resolution No. 0969** authorizing legal services contract: Shipman & Wright
- e.) **Resolution No. 0970** authorizing bed bug services authority-wide: Bug-N-A-Rug

Ms. Redmon deferred to Ms. Schraml to discuss Resolution No. 0966.

Ms. Redmon deferred to Mr. Gnapinski to discuss Resolution No. 0967, 0968, 0969, and 0970.

A motion made by Commissioner Neel to recommend the Resolutions items a) through item d) as presented to the Board and seconded by Commissioner Franck carried unanimously.

9. CEO Remarks

Ms. Redmon's following remarks:

- By-Laws
- Elevator update provided by Mr. Scaparro
 - Fire drills
- Annual Plan update presented by Mr. D'Angelo
- Kathleen Foster – contractor from HUD to discuss RAD
- Introduction: the Interim HCV Director – Shanetta Moye

10. Adjournment

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

Projects Out To Bid

Project Management Action List
10/1315

Item	Est. Completion Date	Project Manager	Site	Status

Other Items

Project Management Action List
10/13/15

Item	Est. Completion Date	Project Manager	Site	Status
Property Tax Values	On going	Karen	Creekwood South, Taylor properties	Continuing to work with New Hanover County Tax Dept. regarding receipt of first property tax bill for Creekwood. Received property tax bills for the Taylor properties. Resolved an error on the New Brooklyn Homes invoice. Invoices sent to Excel for payment.
Insurance Renewals	Ongoing	Karen	Taylor Estates/Creekwood South/Rankin Terrace	Annual renewal of insurance for LIHTC properties. Creekwood South renewed on 7/1/15. Taylor Senior and Taylor Pointe renewed 8/15. Will transfer responsibility to Property Management department for future renewals.
Rankin Terrace RAD	8/15/15	Karen / Paul / Glenn	Rankin Terrace	Application submitted to HUD prior to LIHTC closing and disposition of property; Received CHAP for 77 units in AMP 81; Amended CHAP received for 58 units in AMP 21. Inventory removal of units in PIC completed. Financing Plan submitted to HUD 8/15/15. Pending receipt of RCC (Rad Conversion Commitment) and closing details. Significant Amendment submittal to HUD for approval.

Projects Under Contract/In Process

Project Management Action List
10/13/15

Item	Est. Completion Date	Project Manager	Site	Status
Supportive Housing I	9/1/16	Glenn / Karen	Jervay Supportive Housing	Storm water permit has been approved and received from NCDENR. Received 9 month extension of NCHFA commitment. Financial closing with SECU and NCHFA pending. Resolution for updated cost from contractor and ground lease approved by Board. Permits have been approved by the County. Worked with CFPUA to reduce tap fees from \$36,905 to \$11,410.
CDBG	9/1/16	Karen	Jervay Supportive Housing	City council approved \$200,000 to be put to Pearce House. Working with City on documents required for closing.
Rankin Terrace LIHTC	12/31/15	Glenn / Karen	Rankin Terrace	Received certificates of compliance on 39 units in Phase 1 . Roofing completed in Phase 1 and Phase 2. Contractor working in 38 of 38 units in Phase 2. Community Building plumbing, mechanical and electrical rough-in complete. Insulation installation complete. Block 1 HAP contract executed 8/6/15; Block 2 HAP contract executed 9/23/15. Working with legal counsel on State Tax Credit closing.
Concrete Repair/Replacment	7/16/17	Glenn	Authority Wide	Under contract.
Vesta Village Community Center	10/16/15	Glenn	Vesta Village	Contractor began work 9/8/15.
New Cluster Mailboxes at Hillcrest	11/25/15	Glenn	Hillcrest	Under contract. Work began 9/16.
Replacement of Hillcrest Window Panes	11/15/15	Glenn	Hillcrest	Under contract. Work began 9/28.
Sunset South	ASAP	Glenn / Karen	Sunset South	State inspected storm water ponds on 9/30. Awaiting receipt of compliance inspection report. Awaiting City Operations Department review for maintenance list regarding dedication of roads. Stormwater Permit Ownership Change Form was returned to the HOA per the terms of the settlement agreement.



**BOARD RESOLUTION AUTHORIZING EXECUTION OF DOCUMENTS FOR THE
CONVERSION OF RANKIN TERRACE UNDER THE RENTAL ASSISTANCE
DEMONSTRATION PROGRAM**

Resolution No. 0974

- WHEREAS, Rankin Place Terrace, LLC, a North Carolina limited liability company (the “Owner”) is the owner of Rankin Terrace (the “Project”);and
- WHEREAS, HEO Partners IV, LLC (the “Company”), a North Carolina limited liability company, is the manager-member (“Manager-Member”) of the Owner; and
- WHEREAS, Housing and Economic Opportunities, Inc. (“HEO”), a North Carolina corporation and an instrumentality of the Housing Authority of the City of Wilmington, North Carolina (“WHA”), is the manager-member of the Company; and
- WHEREAS, the Housing Authority of the City of Wilmington, North Carolina (the “Authority”) submitted an application to the U.S. Department of Housing and Urban Development (“HUD”) in September, 2013 for the conversion of the Rankin Terrace public housing units under the Rental Assistance Demonstration (“RAD”); and
- WHEREAS, as a result of the successful application under the RAD program, a Commitment to Enter Into Housing Assistance Payments (“CHAP”) was awarded to the Authority on February 27, 2105 for 77 units of public housing at Rankin Terrace; and
- WHEREAS, the CHAP was subsequently amended on April 23, 2015 to reflect the changes that occurred at the property since the date of application, particularly the closing of the low income housing tax credits and reconfiguration of the property to 19 Project Based Voucher units and 58 public housing units; and
- WHEREAS, the Authority has fulfilled the milestones and deadlines identified in Section 1.12 of the PIH Notice 2012-32 (HA), including acceptance of the Commitment to Enter into Housing Assistance Payment (CHAP) and submission of the Financing Plan; and

WHEREAS, HUD is currently reviewing the Financing Plan submitted in August, 2015; and

WHEREAS, upon acceptance of the Financing Plan, HUD will issue a RAD Conversion Commitment (RCC) outlining the key components of the planned RAD conversion and conditions required to be satisfied in order to close the conversion; and

WHEREAS, the Authority will have thirty (30) calendar days to execute the RCC and return it to HUD in order to close in a timely manner; and

WHEREAS, the Authority may be required to amend agreements, business terms, and other documents originally included as part of the mixed finance/equity closing with RBC Capital Markets in order to reflect the change in the partnership's transaction due to the RAD conversion; and

WHEREAS, in order to finalize the RAD transaction, the CEO of the Authority desires to be allowed to execute and deliver certain documents as may be necessary and appropriate for the closing of Rankin Terrace under RAD; and

NOW, THEREFORE, BE IT RESOLVED, that the Board of Commissioners of The Housing Authority of the City of Wilmington, North Carolina hereby approves and authorizes the CEO to execute and deliver certain documents as may be necessary and appropriate for the closing of RAD, including the amending of any and all documents required by the partnership in order to convert Rankin Terrace under RAD.

BE IT FURTHER RESOLVED, this Resolution becomes effective October 26, 2015.

Katrina H. Redmon
Chief Executive Officer

(SEAL)



**BOARD RESOLUTION AUTHORIZING EXECUTION OF DOCUMENTS FOR
THE CONVERSION OF RANKIN TERRACE UNDER THE RENTAL
ASSISTANCE DEMONSTRATION PROGRAM**

Resolution No. 12-036

- WHEREAS, Rankin Place Terrace, LLC, a North Carolina limited liability company (the “Owner”) is the owner of Rankin Terrace (the “Project”);and
- WHEREAS, HEO Partners IV, LLC (the “Company”), a North Carolina limited liability company, is the manager-member (“Manager-Member”) of the Owner; and
- WHEREAS, Housing and Economic Opportunities, Inc. (“HEO”), a North Carolina corporation and an instrumentality of the Housing Authority of the City of Wilmington, North Carolina (“WHA”), is the manager-member of the Company; and
- WHEREAS, the Housing Authority of the City of Wilmington, North Carolina (the “Authority”) submitted an application to the U.S. Department of Housing and Urban Development (“HUD”) in September, 2013 for the conversion of the Rankin Terrace public housing units under the Rental Assistance Demonstration (“RAD”); and
- WHEREAS, as a result of the successful application under the RAD program, a Commitment to Enter Into Housing Assistance Payments (“CHAP”) was awarded to the Authority on February 27, 2015 for 77 units of public housing at Rankin Terrace; and
- WHEREAS, the CHAP was subsequently amended on April 23, 2015 to reflect the changes that occurred at the property since the date of application, particularly the closing of the low income housing tax credits and reconfiguration of the property to 19 Project Based Voucher units and 58 public housing units; and

- WHEREAS, the Authority has fulfilled the milestones and deadlines identified in Section 1.12 of the PIH Notice 2012-32 (HA), including acceptance of the Commitment to Enter into Housing Assistance Payment (CHAP) and submission of the Financing Plan; and
- WHEREAS, HUD is currently reviewing the Financing Plan submitted in August, 2015; and
- WHEREAS, upon acceptance of the Financing Plan, HUD will issue a RAD Conversion Commitment (RCC) outlining the key components of the planned RAD conversion and conditions required to be satisfied in order to close the conversion; and
- WHEREAS, the Authority will have thirty (30) calendar days to execute the RCC and return it to HUD in order to close in a timely manner; and
- WHEREAS, the Authority may be required to amend agreements, business terms, and other documents originally included as part of the mixed finance/equity closing with RBC Capital Markets in order to reflect the change in the partnership's transaction due to the RAD conversion; and
- WHEREAS, in order to finalize the RAD transaction, the President of HEO desires to be allowed to execute and deliver certain documents as may be necessary and appropriate for the closing of Rankin Terrace under RAD; and

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of Housing and Economic Opportunities, Inc. hereby approves and authorizes the President to execute and deliver certain documents as may be necessary and appropriate for the closing of RAD, including amending any and all documents required by the partnership in order to convert Rankin Terrace under RAD.

BE IT FURTHER RESOLVED, this Resolution becomes effective October 26, 2015.

Katrina H. Redmon
President

(SEAL)



**BOARD RESOLUTION AUTHORIZING EXECUTION OF DOCUMENTS FOR
THE STATE TAX CREDIT LOAN CLOSING FOR RANKIN TERRACE**

Resolution No. 12-037

- WHEREAS, Rankin Place Terrace, LLC, a North Carolina limited liability company (the “Owner”) is the owner of Rankin Terrace (the “Project”);and
- WHEREAS, HEO Partners IV, LLC (the “Company”), a North Carolina limited liability company, is the manager-member (“Manager-Member”) of the Owner; and
- WHEREAS, Housing and Economic Opportunities, Inc. (“HEO”), a North Carolina corporation and an instrumentality of the Housing Authority of the City of Wilmington, North Carolina (“WHA”), is the manager-member of the Company; and
- WHEREAS, HEO submitted a preliminary rehabilitation tax credit application on January 25, 2013 to the North Carolina Housing Finance Agency (“NCHFA”) under the 2013 Low Income Housing Tax Credit (“LIHTC”) funding cycle for Rankin Place Terrace (“the project”); and
- WHEREAS, HEO further submitted a full rehabilitation tax credit application to NCHFA on May 17, 2013; and
- WHEREAS, the Project was awarded low income housing tax credits in August, 2013 and a State Tax Credit loan from NCHFA in the amount of \$395,356; and
- WHEREAS, the State Tax Credit loan shall accrue interest at the rate of zero percent (0%) per year with a balloon payment due on the maturity date of forty years (40) from the date of closing; and
- WHEREAS, the State Tax Credit loan will be used to pay down the principal of the Construction Loan from First Citizens Bank; and

WHEREAS, in order to finalize the loan closing, the President of HEO desires to be allowed to execute and deliver certain documents as may be necessary and appropriate for the closing of the State Tax Credit loan for Rankin Terrace; and

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of Housing and Economic Opportunities, Inc. hereby approves and authorizes the President to execute and deliver certain documents as may be necessary and appropriate for the closing of the State Tax Credit loan.

BE IT FURTHER RESOLVED, this Resolution becomes effective October 26, 2015.

Katrina H. Redmon
President

(SEAL)



**RESOLUTION APPROVING NEGOTIATION AND EXECUTION OF
CDBG/HOME DOCUMENTS FOR THE CONSTRUCTION OF
PEARCE HOUSE, 809 VIRGIE RHODES LANE**

Resolution No. 12-038

- WHEREAS, Supportive Housing I, LLC (the “LLC”) was organized for the purpose of owning and operating eight (8) supportive housing units to be known as Pearce House and to be constructed at 809 Virgie Rhodes Lane, Wilmington, North Carolina (the “Project”); and
- WHEREAS, Housing and Economic Opportunities, Inc. (“HEO”) is the sole member of the LLC and will be the developer of the Project; and
- WHEREAS, the City of Wilmington (the “City”) has agreed to loan funds allocated under the Community Development Block Grant/HOME Investment Partnership (“CDBG/HOME”) in the amount up to \$200,000 (“CDBG/HOME Loan”) to the Project; and
- WHEREAS, the CDBG/HOME Loan will be evidenced and secured by certain loan documents, including a loan agreement, promissory note, leasehold deed of trust and security agreement, and declaration of deed restrictions; and
- WHEREAS, the loan shall accrue interest at the rate of zero percent (0%) with a maturity date of thirty years (30) from the date of closing; and
- WHEREAS, as the sole member of Supportive Housing I, LLC, HEO is required to sign certain loan documents on behalf of the LLC in order to effectuate the closing of the CDBG loan; and

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of Housing and Economic Opportunities, Inc. hereby approves and authorizes the President to execute and deliver certain documents as may be necessary and appropriate for the closing of the CDBG loan.

BE IT FURTHER RESOLVED, this Resolution becomes effective October 26, 2015.

Katrina H. Redmon
President

(SEAL)