

**MINUTES OF THE REGULAR AND ANNUAL BOARD MEETINGS  
HOUSING AUTHORITY OF THE CITY OF DURHAM  
330 East Main Street, Durham, NC 27701  
January 23, 2019**

**AGENDA ITEM I**

Call to Order

The regular meeting was called to order by the Chair, Daniel C. Hudgins at 5:35 p.m.

**Present:**

Daniel C. Hudgins  
George K. Quick  
Robert "Bo" Glenn  
Deb Anderson  
Patrice Y. Nelson  
Jillian Johnson, City Council Liaison

**Absent:**

None

**Conference:**

Gloria Nottingham

**Staff Present:**

Anthony Scott, CEO  
Barbara Newman  
Meredith Daye  
Sabrina Sinegal  
Matthew Scaparro  
Olive Joyner  
Ashanti Brown  
Denita Johnson  
Charles Lyon  
Lorraine Erhunmwunsee  
Doris Jackson

**Also Present:**

Eric Pristell, Esq.

A quorum was present, and the Regular Meeting was called into session.

**AGENDA ITEM II – PUBLIC COMMENT PERIOD**

- ◆ There was none.

**AGENDA ITEM III -- CHANGES TO THE AGENDA**

- ◆ There were none
- ◆ *Introduction of DHA's New Board Member* – Chairman Hudgins introduced Deb Anderson as the new member on the board who was appointed by Mayor Schewel. Chairman Hudgins said she came with years of experience in development. In addition, he mentioned that Meredith Daye, Director of Development, would use her expertise very well. Chairman Hudgins appointed Commissioner Anderson to the Development Committee.

## AGENDA ITEM IV – BOARD ACTION

- Approval of the Minutes of the Board of Commissioners' Regular Meeting held on December 19, 2018

**Motion: Commissioner Quick; Seconded: Commissioner Glenn  
Approved: Unanimously**

## AGENDA ITEM V – PRESENTATIONS

*Update on Durham Downtown and Neighborhood Planning efforts presentation by  
CEO, Anthony Scott*

Mr. Scott provided the Board a PowerPoint presentation that was shown on January 18, 2019 at a meeting with Durham's City Manager, Mr. Thomas Bonfield.

Mr. Scott stated that a lot of it is the same that was provided at the Board/Staff retreat in December. The exception being the number of units, the cost, and the renderings that have been completed.

The downtown neighborhood sites are clustered in three (3) areas – DHA Offices and Oldham/Liberty Sites is one cluster, JJ Henderson and Forest Hill Heights and DHA's Fayetteville corridor site.

The plan looks comprehensively at the downtown area identified on the map including the Durham-Orange Light Rail Project, city and county sites and private development sites that they are going on. This approach was taken to look at every opportunity to partner with the City, the County and the private sector to best facilitate the redevelopment of DHA's sites in conjunction with the Rental Assistance Program (RAD). This plan allows the 447 public housing units that are currently on these sites, to remain within downtown community.

The planning process started with looking at the existing conditions, and conducting resident and community meetings. We conducted surveys of our residents with a response rate of approximately 80%.

Mr. Scott said they finally moved to Phase IV which is where they are today. Photos were shown of DHA's efforts at their community meetings. During the community meetings, participants were asked to look at different examples of housing types, materials, density, types of services or usages. Each site looked at the different housing designs and residents gave comments. Feedback was synthesized and incorporated into a "Preferred Plan." The Preferred Plan most captured the feedback from the residents, the community in general, city partners, etc.

Mr. Scott said that this does not mean this is exactly what it is going to be the final design. As DHA engages their development partners, they will then develop an actual team for what they are going to build and how they are going to build it. Each phase was presented and consisted of the following:

**Oldham Towers/Liberty Street Apartments Sites:** This Preferred Plan showed over 500 units and over 47,000 sq. ft. of commercial space on the main street corridor. It also included a great open space – central park.

**DHA's existing office.** With the existing office, also included was the county Criminal Justice Building next door. DHA asked permission of the county if they would approve the idea of DHA looking at a combined use of our site and their site for the purpose of maximizing our ability to create housing. With this theme, they came up with 290 units and a little over 21,000 feet of retail commercial space. This particular approach keeps the county building in tact as they preferred.

**Rigsby Street Substation:** The City asked DHA to take a look at as an opportunity for redevelopment. This would include 136 units of housing on this site with a parking component included in this.

**Fayette Place Site** – the 20 acre site that is completely vacant. The Preferred Site Plan demonstrated over 500 units of housing and over 21,000 of retail commercial. The preferred use in one area was the grocery store (which the community felt strongly).

**Southside 3:** Another City own. This is the third phase of the Southside community development. The 3-D schematic showed 144 units and the site to the right could be used for parking.

**Forest Hill Heights:** (15 acres – 55 cottage style units) scheme showed almost 600 units and 14,000 sq. ft. of commercial retail space.

**JJ Henderson:** (178 units) is the only site that would be completely rehabbed. This will utilize a 4% tax credit that will be submitted in June. A new construction 9% tax credit development was submitted in January. The schematic showed an L-shaped building adjacent to JJ Henderson Towers. A third potential opportunity is being explored to include townhouse units on the Duke Street site.. The overall revised plan is now 2541 units and an increase in the budget to \$561 million. This is the version that will be shared with the public and with this plan there is a funding gap of approximately \$84 million. DHA will push to close the gap with the development partners that are brought on and seek additional

assistance from the City. This is a plan that was developed in conjunction with the Community Development Department. Other departments that provided input include the Planning Department and Transportation Department.

Mr. Scott asked if there were any questions.

Mayor Pro Tem Johnson asked, "Where does the rest of the funding come from?"

Mr. Scott responded, "The rest will be a combination of the 4% tax credit, the 9% bank credit, regular bank loans (housing authority resources – capital reserves, operating reserve, equity and contribution of the land)."

Mayor Pro Tem Johnson asked, "How much is contingent upon the 9%?"

Mr. Scott responded, "This plan represent 17 phases. 10 of those phases expect to be 9% LIHTC submittals. We do have some 4% phases that is half of the equity contribution – which is the biggest driver of the gap. The 9% means we have less of a gap."

Mayor Pro Tem Johnson asked, "If you don't get the 9% could you get the 4%?"

Mr. Scott responded, "Correct."

He said, "If you think about JJ, for example, we have a 4% for the existing building and we have a 9% component. If we don't get the 9%, we are still going to proceed with the 4% for that particular site. This is the only rehab building in the entire scheme. The other 4% phases would be new construction.

All rents are factored into the financial model. You look at the rents not just the RAD units, the 60/80% unit factor into market rate and unit sizes. Our selection of the one, two and three bedroom units are based on our waiting list and what we know is the market demand. It's the same thing in the private sector. The modeling around this is try to make sure we have looked at the market for what our demand is and mirror that with the type of units that people are interested."

Mayor Pro Tem Johnson closed by saying "This is really exciting!"

#### **AGENDA ITEM VI -- CHIEF EXECUIVE OFFICER'S BUSINESS REPORTS**

- CEO, Anthony Scott, did not add any additional comments to his business report.
- Commissioner Bo Glenn did mentioned the future meetings that Mr. Scott has planned with the U. S. Senators, specifically as it related to Habitat.

There were no additional questions or comments regarding the CEO's Business Report.

**VII. GENERAL BUSINESS ACTION ITEMS (COMMITTEE REPORTS)**

*Chairman Hudgins stated that this is for the purpose of accepting reports from the four (4) standing committees. The information from these committees were also included in the previously distributed board package. The reports were as follows:*

Note: There were no December minutes to approve since a Board/Staff Retreat was held.

**Development Committee Report**

*Chairman Hudgins recommended acceptance of the November 8, 2018 minutes.*

Commissioner Glenn mentioned the information in the minutes regarding the delays. He asked if a third party could conduct a review to determine if the delay is appropriate.

Meredith Daye, Director of Development, responded that they had looked at and wording with attorneys ref. the delays and time around change orders. They are obtaining information from the general contractor.

Ms. Daye said they had reached out to KMW and sent notices regarding delivery. In November discussion was held with legal regarding the delays and feedback from general contractor. We discussed and then received notification from the bonding company asking for an update. At the end of December we sent notification from bonding company to notify the general contractor regarding the delay and attached a letter to increase workforce.

At the last Development Committee meeting, it was recommended that there be a separate meeting held on contractor delays.

Commissioner George Quick asked Ms. Daye to look at the project summary referencing tub issue at Morreene Road. 60" tubs were approved; however, Change Order No 2 was for a 54" vs. 60" due to size of tub.

Additional discussion regarding how to proceed with Morreene Road will be discussed at the next Development Committee Meeting.

The minutes were accepted with the amendment to make the changes to the first three lines (page 31) of the minutes:

**Motion: Commissioner Glenn; Seconded: Commissioner Quick;  
Approved: Unanimously**

**Finance Committee Report (Chaired by Commissioner George Quick)**

Commissioner Quick said they did not have a discussion regarding the 4<sup>th</sup> Quarter Finance Report since they are closing the books for the year. Those number will be seen when the audit is completed. There is no indications that there are any concerns.

**Operations Committee Report (Chaired by Commissioner Bo Glenn)**

The November minutes were not provided for acceptance at this meeting.

Commissioner Glenn requested that Charles Lyon, Resident Safety Manager speak on the three drive-by shootings at Club Boulevard, Oxford Manor, and McDougald. Mr. Lyon said steps had been taken to notify residents to work with the police department. He also holds regular meetings on crime and possible remedies. The police walks through the communities and assists in identifying any lighting issues. Most importantly, is to get the residents involved.

Commissioner Glenn said all hands need to be on deck to deal with these drive-by shootings. Notify residents of the risk and how to avoid the risk. Resident Councils could be involved in getting the communication out.

Commissioner Glen stated that the PHAS score is in line and more work needs to be done on the waiting list.

Commissioner Hudgins complimented Denita Johnson, Director of the Housing Choice Voucher Program, and her staff regarding her report. He quoted the spending rate of 104%, 131 on the street and that we will end up with more money in 2019 than in 2018.

**Resident Services Committee Report (Chaired by Commissioner Gloria Nottingham)**

Commissioner Hudgins recommended acceptance of the October 17, 2018 and July 12, 2018 minutes.

**Motion: Commissioner Glenn; Seconded: Commissioner Nelson;  
Approved: Unanimously**

**AGENDA ITEM VIII -- RESOLUTIONS FOR APPROVAL**

***The Chair, Daniel Hudgins, introduced the following resolutions:***



**RESOLUTION NO. 3562**

**RESOLUTION AUTHORIZING THE WRITE-OFF OF CONVENTIONAL HOUSING COLLECTION LOSSES FOR THE PERIOD BEGINNING November 1, 2018 AND ENDING November 30, 2018**

*Comments: Commissioner Quick mentioned that the write-offs were less than 50% of what was budgeted.*

**WHEREAS**, the Housing Authority of the City of Durham has determined that it has exerted all efforts to collect monies owed from former residents; and

**WHEREAS**, the property management staff has notified each former resident of the amount owed; and

**WHEREAS**, the regulations of the U.S. Department of Housing and Urban Development require a housing authority to write off any and all monies owed that cannot be collected.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Commissioners of the Housing Authority of the City of Durham approves the write-off of rents, utilities, repair charges, court costs and late fees owed as per the listing of delinquent accounts shown in the amount of **\$60.00** for the period beginning November 1, 2018 and Ending November 30, 2018.

This resolution shall take effect immediately.

**Motion: Commissioner Nottingham; Seconded: Commissioner Quick;  
Approved: Unanimously**

**RESOLUTION NO. 3563**

**RESOLUTION AUTHORIZING SUBMISSION TO NCHFA OF A 2019 PRELIMINARY 9% LOW-INCOME HOUSING TAX CREDIT APPLICATION FOR A NEW CONSTRUCTION AFFORDABLE HOUSING PROJECT TO BE DEVELOPED BY LAUREL STREET RESIDENTIAL, LLC AND DEVELOPMENT VENTURES INCORPORATED ON A PORTION OF THE EXISTING JJ HENDERSON PUBLIC HOUSING SITE (JJ HENDERSON SENIOR TOWERS PROJECT)**

**WHEREAS**, Development Ventures Incorporated ("DVI") is a North Carolina nonprofit corporation and instrumentality of the Housing Authority of the City of Durham ("DHA");

**WHEREAS**, in May 2018, DVI selected Laurel Street Residential, LLC ("Laurel Street") as a development partner to assist with the redevelopment of DHA's and/or DVI's properties;

**WHEREAS**, Laurel Street and DVI wish to submit a preliminary 9% low-income housing tax credit application for the project to be known as the JJ Henderson Senior Towers project;

**WHEREAS**, the JJ Henderson Senior Towers project will consist of eighty (80) new construction low-income housing tax credit units, a management office, community space and amenities situated on a portion of the existing JJ Henderson

public housing development site which includes +/- 3.26 acres of real property (the "Land") and is located in Durham, Durham County, North Carolina (the "Project");

**WHEREAS**, DHA is the current owner of the existing JJ Henderson public housing development site which will partially comprise the Project site;

**WHEREAS**, DHA will convey a portion of the Land by ground lease to an owner-entity to be managed by a wholly-owned subsidiary of Laurel Street;

**WHEREAS**, the Project will receive a transfer of housing assistance from twenty-one (21) JJ Henderson and Liberty Street public housing units; and

**WHEREAS**, the housing assistance will be converted to Project-Based Voucher (PBV) Assistance under the HUD Rental Assistance Demonstration (RAD) program.

**NOW THEREFORE, BE IT RESOLVED**, by the Board of Commissioners of the Housing Authority of the City of Durham, as follows:

1. DHA is authorized to execute and deliver all documents and instruments in conjunction with the submission to NCHFA of the 2019 preliminary 9% low-income tax credit application in connection with the Project.
2. DHA is 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 it deems to be necessary, desirable or appropriate in order to carry out the purpose and intent of the foregoing resolutions in the name of DHA.
3. The Chief Executive Officer and Director of Development of DHA are hereby authorized to execute and deliver all documents or instruments as may reasonably be required to facilitate submission to NCHFA of the 2019 Preliminary 9% low-income housing tax credit application in connection with the Project.
4. All actions taken to effectuate the foregoing resolutions by DHA, the Chief Executive Officer and Director of Development of DHA are hereby ratified and confirmed.
5. This Resolution shall take effect immediately.

**Motion: Commissioner Quick; Seconded: Commissioner Nottingham;  
Approved: Unanimously**

#### **AGENDA ITEM IX – DHA ANNUAL MEETING**

Chairman Hudgins read the following at approximately 6:35 p.m.:

"I'm calling the Annual Meeting to order for Durham Housing Authority. A quorum has been established. I need a motion for the Chair."

Commissioner Bo Glenn Reaffirmed DHA's existing Chair, Daniel C. Hudgins. A motion was made to accept the nomination.

**Motion: Commissioner Glenn; Seconded: Commissioner Nelson;  
Approved Unanimously**



Commissioner Hudgins asked for a motion for the Vice Chair.

Commissioner Bo Glenn Reaffirmed DHA's existing Vice Chair, George Quick. A motion was made to accept the nomination.

**Motion: Commissioner Glenn; Seconded: Commissioner Nottingham; Approved Unanimously**

Chairman Hudgins make a motion to close the Annual Meeting for Durham Housing Authority.

**Motion: Commissioner Glenn; Seconded: Commissioner Nelson; Approved Unanimously**

**Chairman Hudgins said,** *"Thank you for the confident. I did not know how rewarding this is. See a bright future ahead."*

**AGENDA ITEM X – CLOSED SESSION**

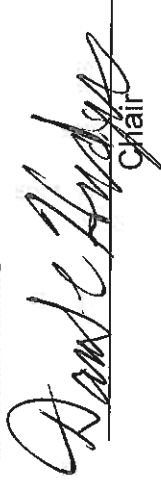
- ◆ There was none.

**AGENDA ITEM XI -- ADJOURNMENT**

*Comment:* CEO Anthony Scott mentioned that 2019 was Durham Housing Authority's 70<sup>th</sup> Anniversary. Preliminary plans are in the folder with DHA's 70<sup>th</sup> anniversary logo.

The meeting was adjourned at 6:37 p.m.

**Motion: Commissioner Quick; Seconded: Commissioner Nottingham; Approved: Unanimously**

  
Chair

(SEAL)

  
Secretary

