

DRAFT

HOUSING COMMISSION OF ANNE ARUNDEL COUNTY BOARD MEETING MINUTES July 24, 2017

Present: Peter J. Ponne, Chairman
Bob Bradshaw, Vice Chair
William F. Utz, Commissioner
Sandra Ervin, Commissioner
Beryle Downs, Commissioner
Clifton C. Martin, Chief Executive Officer
Diane Haislip, Deputy Chief Executive Officer
Christopher Ostovitz, Director of Information Technology
Lanita Hillen, Director of Housing Services
Anupama Francis, Director of Finance
William Sansing, Fiscal Analyst

Teleconference:

Absent: Danny Boyd, Commissioner
Tanya Hill-Brown, Commissioner
Carrie Blackburn Riley, Attorney-at-Law
Michael Hale, Director of Modernization
Gina Dyer, Director of Property Management
Carole Ann Brazeal, Executive Services Administrator

Guest: Kathleen Hughes, Legal Aid

Location: HCAAC, 7477 Baltimore-Annapolis Blvd, Third Floor, Glen Burnie, MD 21061

Meeting called to order at 11:00 a.m. by Chair Ponne.

RESIDENT COUNCIL

Chairman Ponne welcomed guest Kathleen Hughes, Legal Aid. Chairman Ponne noted no residents in attendance and no topics were presented for discussion.

MINUTES

Chair Ponne opened the discussion of the June 2017 minutes.

- Chair Ponne asked if there were any questions concerning the minutes from the April 2017 meeting.
- Commissioner Ervin wanted to clarify a statement made by her in the minutes that she meant she was more concerned with our operating reserve.
- Mr. Martin said when we are done with Freetown financing we will be reimbursed all of the upfront cost at settlement plus the developer fee and we can use it as cost for moving forward.
- Chair Ponne asked for a motion to approve the minutes. Motion made by Commissioner Ervin, seconded by Commissioner Utz and all in favor.

BUSINESS AGENDA

Chair Ponne moved on to the first item on the business agenda, Resolution #645 – Collection Losses.

- Mr. Martin we had low losses for Public Housing for the period, which was excellent.
- Chairman Ponne asked for a motion to accept Resolution #645 as presented. Vice Chair Bradshaw made the motion, Commissioner Ervin seconded and all in favor.

Chair Ponne moved on to the second item on the business agenda, Update on RAD Processes.

Mr. Martin said he would move on to the third item on the business agenda, Chief Executive Officer Report where the RAD update is listed under discussion.

- Mr. Martin gave an update on the DEMO/DISPO at Heritage Overlook - Things are proceeding very quickly now and buildings are going up and some are under roof! While we are still slightly behind schedule, good weather and a strong team will put a major dent in any delay at the beginning. We are already discussing leasing the property. Changes with Penrose staffing and we have a new project manager. Once buildings done Penrose management team steps in. Diane said Mike Hale attends a weekly meeting with Harkins and the construction team and DHCD. Chair Ponne added they are Construction progress meetings and asked what percent is completed. Mr. Martin said Heritage Overlook is 55 to 60% complete. Chair Ponne added should be completed by November and we will be closing Freetown in November. Mr. Martin said we should be leasing Heritage Overlook around the holidays.
- Mr. Martin gave an update RAD. After a final review by Maryland DHCD, they felt that too many renovations were eliminated in an effort to maximize the 48 new units at Freetown Village. They mandated that we add new windows, new HVAC systems, water heaters and a few other smaller items into the renovation budget. Chair Ponne noted this is a good thing instead of replacing down the road. Unfortunately, with a set allotment for financing, this will force us to reduce the number of new constructed units. We need to reduce 12 of the new units. Mr. Martin stated it is back in the architect's hands. Also, DHCD has already started discussions with us on meeting the gap in financing; there are cost reduction efforts and financing strategies being investigated by all parties, including DHCD. However, they would like us to consider cost reductions or increasing revenues (we were very conservative) prior to their consideration of Partnership Funding or other resources. There has been considerable discussion on the payments of the soft loans via cash flow on the Freetown Village project. At this time, DHCD is insisting on 50% of the cash flow and ACDS is insisting on 25%. This leaves the remaining 25% of cash flow to the project. Mr. Martin said he will attend the ACDS Public Hearing in October for consideration of a loan of \$750,000 and they will approve it during their hearing. He said Meade is coming along and we should settle between April and July and being 9% it should be easier. Mr. Martin said architectural and engineering designs are complete. Mr. Martin stated we have a new HUD official so we have to re-explain everything. Mr. Martin said we are beginning pricing for remaining 4 communities. Mr. Martin said our HAI Transaction Manager, Brian Robinson has left HAI and is working with a Development Firm, Baker Tilly, and we will continue to work with him. Chair Ponne asked when the next RAD meeting? Mr. Martin said possibly in early August, possibly the 9th. Ms. Haislip updated the Commissioners on the meetings with the Freetown residents along with 2 representatives from Legal Aid. She stated there were about 25 residents in attendance. They talked about a name change for the community and offered a contest to decide a name. They talked about services that would be in place when they have to be out of their units for the day. Commissioner Ervin asked if residents had any concerns or recommendations. Ms. Haislip said the overall comments were good and how life would be better in the end. She said pamphlets have been given out door to door. Commissioner Downs reiterated Ms. Hill-Brown's concern for residents with small children and bathtubs. Ms. Haislip said they will have bathtubs except in the disabled units. Chair Ponne asked with this increase in construction items will this affect projection on moving people around during construction. Ms. Haislip said we do not plan to move a lot of people around, but are moving residents who are in an accessible unit now and do not need it. Mr. Martin added our back up plan is to use the Extended Stay for residents if needed. Vice Chair Bradshaw noted how high the architect fees are. Mr. Martin said the architect fees also include engineers site and land work, geotechnical work, civil permits, noise studies etc. and CDA watches those fees. Chair Ponne added fortunately we have Ms. Riley for Legal work.

- Mr. Martin said we have been working with the County to amend the Payment in Lieu of Taxes (PILOT) for our communities. The current PILOT will not apply to our converted properties; so an amendment must be considered and passed by the County Council in September or early October. The bill will be introduced on September 5.

Chair Ponne moved on to the Dashboard.

- Mr. Martin noted the year end numbers show Meade clearly has paid out some RAD expenses, Pinewood and Pinewood East finished very well, and Freetown also shows RAD expenses coming out. Once we settle, Meade and Freetown accounts will be reimbursed. He added a lot of Housing Authorities do not have the budget to move ahead with RAD.
- Mr. Martin stated HUD told us to stop leasing 8 months ago. Total Hap received for June was 1,576,000 and we paid out 1,681,000 so we paid \$105,000 over and our reserves are depleted. HUD just called and said start leasing. Ms. Hillen said we can't, we are at 99%. Then HUD said "your right, so stop,"
- Commissioner Downs asked how Head Start is doing. Ms. Haislip added business as usual. Community Action has Freetown and the YWCA took over at Meade Village.
- Commissioner Ervin asked why is there a waitlist for FSS. Ms. Haislip said if we have our max numbers HUD allows then we need the waitlist. Mr. Martin added we have the Choices program to pick up other costs.
- Mr. Martin is working on data to show the amazing results of the programs!
- Mr. Martin said the NAHRO Conference will be in Pittsburgh in October and Commissioners will also be receiving emails for the election of NAHRO officials.
- Mr. Martin said the September Meeting will be held at Freetown Village on 9/18/2017 at 6:30pm.

Chair Ponne said if there is no other business we will adjourn, Chair Ponne asked for a motion to adjourn.

Commissioner Utz made the motion and the regular meeting adjourned at 12:19 pm.