



**HOUSING COMMISSION OF ANNE ARUNDEL COUNTY
BOARD MEETING MINUTES
September 18, 2017**

Present:

Peter J. Ponne, Chairman
Danny Boyd, Commissioner
Beryle Downs, Commissioner
Sandra Ervin, Commissioner
Tanya Hill-Brown, Commissioner
Carrie Blackburn Riley, Legal Counsel
Clifton C. Martin, Chief Executive Officer
Diane Haislip, Deputy Chief Executive Officer
Gina Dyer, Director of Property Management
Michael Hale, Director of Modernization
Lanita Hillen, Director of Housing Services
William Sansing, Fiscal Analyst

Teleconference:

Absent:

Bob Bradshaw, Vice Chair
William F. Utz, Commissioner
Carole Ann Brazeal, Executive Services Administrator
Christopher Ostovitz, Director of Information Technology

Guest:

(sign in sheet)

Location:

Freetown Village, 7820 Darrell Henry Ct., Pasadena, MD 21122

Meeting called to order at 6:00 p.m. by Chair Ponne.

RESIDENT COUNCIL

Chairman Ponne noted residents in attendance and acknowledged guests and visitors. No topics were presented for discussion.

MINUTES

Chair Ponne opened the discussion of the minutes.

- Chair Ponne asked if there were any questions concerning the minutes from the July 2017 meeting.
- No comments made.
- Chair Ponne asked for a motion to approve the minutes. Motion made by Commissioner Ervin, seconded by Commissioner Boyd and all in favor.

BUSINESS AGENDA

Chair Ponne moved on to the first item on the business agenda, Update on RAD Processes:

- Mr. Martin stated that we have completed all of our submissions for Freetown and are essentially finished with all of the drawings and design. We are now waiting on the State to give us the final approval. As of right now, it looks as though we will have the approval to move forward in late November. Mr. Martin revealed that we are looking to close the deal at the end of February. Once all the papers are signed we can begin with the projects.
- Mr. Martin mentioned that the conversion process for Freetown Village has been slightly complicated due to the wetlands that border the area. However, we have asked the County to allow us to relocate the playground that is in the wetlands and we are now waiting for a response.
- Mr. Martin indicated that the next step is to develop a schedule of when each unit will be renovated (This will most likely be discussed in November or December). Renovations will be done in clusters at a time. Mr. Hale added that the first block of renovations will be about 10 to 14 units at a time, residents will receive a notice of when the work is expected to be completed.
- **Note:** Residents in attendance asked a series of questions for clarification, with the following answers: 1) Work will commence after the winter months, 2) The community name change is still being considered, 3) Washers and Dryers will not be placed in units, 4) Stainwell replacements are not currently in the renovation plan but will be looked into due to concern over safety that currently exists, and 5) Lighting options will be evaluated after concern by Ms. Hill Brown (resident Commissioner) about poor lighting in the current dining areas.

RAD Processes for Meade Village:

- Mr. Martin announced that we will be adding twenty-four new units at Meade Village.
- Mr. Martin stated that there are a number of five and six bedroom units at Meade Village that are difficult to lease out. These units will be converted into two and three bedroom units, as they have the highest demand.
- Mr. Martin adds that we are now at the financing stages for Meade Village. We have done a Federal procurement on construction loan, and have had six different banks come back with options. The loan is a HUD financed loan (221(d)4) and will total about \$9,000,000. After the team and consultants reviewed the options and based on the scoring it was decided that AGM and BB&T were the top two contenders for the loan. We have final say in which bank to choose. Mr. Martin announced that BB&T was the best option despite the higher fees as BB&T is our current bank and the Agency has years of history with the bank. We are now moving forward on negotiating the terms which is the next step to move forward. Legal Counsel Riley stated that she was concerned with the fact that there is no clear indication of the legal fees, and that she was worried that there would end up being a surprise fee that would be very costly.





- Legal Counsel Riley also asked if there was a chart for the bank scoring comparison that could be presented to the board members. Mr. Martin stated that we will look into the legal fee issue and put the data together and hold a conference call or send an email prior to October to review further. She also asked if we could talk to BB&T, since they are the lead vendor, about a “best and final” on fees.
- Chair Ponne asked if the chart could elaborate on the “recourse” and “guaranty” issues, what does that mean? Do all of the Commissioners feel comfortable understanding that language. He asked if the chart could be revised and shared with him before sent out for comment or support? Mr. Martin agreed that would be most feasible.
- Mr. Martin asked the residents in attendance if there were any questions or comment about the process we just went through. There were no questions.

Chair Ponne moved on to the second item on the business agenda, Chief Executive Officer Report:

- Mr. Martin mentioned that he had already hit many of the topics in his written report about RAD, so he didn't need to restate those items.
- Mr. Martin addressed the personnel matter regarding a letter sent to the Commission by an employee. Mr. Martin and Ms. Haislip are working to remedy the issue. Since this is a delicate issue, if there is any need to discuss further it should be in a closed meeting. Commissioner Downs stated that there should be a special meeting to discuss the matter. Chair Ponne asked if Mr. Martin could schedule a closed meeting and make sure we follow the protocol for that.

Chair Ponne moved on to the Dashboard.

- Mr. Martin stated significant funds are still being laid out for RAD, but we are basically finished with the large architect and engineering funds.
- Mr. Martin revealed that Meade Village is at 65% viability. There will be some tweaking as we get to the 90% drawings.
- Freetown Village is submitted and done.
- Mr. Martin stated that we are showing negative cash flow for Meade and Freetown early this fiscal year for the significant architectural and engineering fees we are paying upfront.. Mr. Martin, Ms. Haislip, and Ms. Francis believe that those losses will start to be recovered each month. Chair Ponne asked about the use of the line of credit for the outstanding invoices. Mr. Martin responded that we have that line of credit if we need it, but we haven't touched it. We have been very diligent about paying the bills with operating and capital fund proceeds.
- Legal Counsel Riley noticed that the fee reimbursement was not addressed in the letter of intent for Freetown Village and asked if we have received a firm commitment on the reimbursement on all of the pre-paid fees. Mr. Martin replied that there was no firm commitment as of now, however the letter of intent already has obsolete components, and we need to hammer that out in the Partnership and Management agreement. There have already been some changes made by HUD on the letter of intent with caps imposed on fees.



- Chair Ponne asked staff to clarify the amount of the line of credit we were issued. Ms. Francis answered that we have \$500,000 from BB&T and we have also received a \$750,000 loan that we can utilize if needed. Ms. Francis also added that HUD pays us in arrears, so as stated earlier, we will make up some of the negative cash on hand for several communities.
- Mr. Martin talked about the **Choices** program, which is an expansion of the FSS (Family Self Sufficiency) program. The money to fund this program comes from the County. The money is used for things like GED classes, GED testing, tuition for residents to go to community college or specialized vocational/certification training. Mr. Martin added that in the Fall we will introduce financial literacy courses, and if a resident takes three courses they will receive a rent credit. Commissioner Downs asked if a resident can be in both the Choices program and the FSS program, to which Mr. Martin replied that a resident could participate in both. Legal Counsel Riley asked how much money the Commission was receiving for this program. Mr. Martin answered that we were receiving a little over \$200,000 on a yearly basis. Legal Counsel Riley questioned why there was such a low number of clients on the Choices monthly report. Ms. Haislip stated that it should read number of "new" clients as opposed to number of clients. Commissioner Ervin asked the number of participants enrolled in the choices program, Mr. Martin responded that there were 38 currently participating at some level.
- Commissioner Downs asked the residents if they are educated on the program and asked how have they heard about what we offer? Several residents stated that Dominick, the program coordinator, is very accessible and a strong presence in the community. He reaches out constantly.
- **Note:** Several residents in attendance took the opportunity to tell the board that: 1) they appreciated the programs and one resident proudly displayed her certificate of GED diploma, 2) one resident is eager to get into Nursing Training and asked if she could go to the Meade Village center to start the process (she was told "yes"), and 3) many mentioned that the **on-site staff were doing a fantastic job** and helping them to become more independent.

Chair Ponne moved on to **Old Business**.

- No comments made.

Chair Ponne moved on to **New Business**.

- Mr. Martin announced that the next board meeting will be on November 20, 2017 at 11AM.
- Commissioner Downs would like it on record that there will be a special meeting in October to discuss the personnel matter.

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

Commissioner Hill-Brown made the motion and the meeting adjourned at 8:00 pm.