

THE HOUSING AUTHORITY OF THE CITY OF COLUMBIA, SC
November 15, 2018

The Board of Commissioners of The Housing Authority of the City of Columbia, SC convened on Thursday, November 15, 2018 at 4:35 p.m in the CHA Board Room.

The Chairperson called the meeting to order and upon roll call, those present and absent for the Housing Authority of the City of Columbia were as follows:

PRESENT: Bobby D. Gist, Chairperson
Ernest Cromartie, III, Commissioner
Alexena Furgess, Commissioner
George Green, Commissioner
Selena Pickens, Commissioner
Jennifer Rubin, Commissioner
Bessie Watson, Commissioner
Gilbert Walker, Executive Director
Ed Eubanks, Legal Counsel

STAFF: Howard Thomas, Melanie Baker, Donna Gilbert, Ramonda Pollard, Lee McRoberts, Adam Dalenburg, Gary Wilhelm

Mr. Gist called the meeting to order at 4:35 pm and Mr. Green opened with a prayer.

Upon motion of Mrs. Rubin, seconded by Mr. Green, the minutes of the October 18, 2018 meeting were unanimously approved.

Mr. Walker reported that the all bills have been paid and communication is good throughout the Authority.

Mr. Walker gave the Secretary Treasurer's report. Mr. Walker gave an update on the Commercial Site and tax credit units. The Lorick Place project is moving towards closing, updates will be provided as the project progresses. The roof at the Commercial Site is still experiencing some leaking in spite of previous work, once the weather permits, staff will reevaluate and make the necessary repairs. Staff is also waiting on the weather to clear to reseal the parking lot, work started before the rain began and will be completed as weather permits.

Mr. Walker reported that the Bayberry Mews and Capital Heights properties are doing well. All income generated by these properties is unrestricted and they consistently perform well financially. The State Housing Finance and Development Authority audited the properties in October; staff has not received the final report yet but does not anticipate any issues. Celia Saxon I and II and TS Martin continue to do well.

Mr. Walker gave an update on Gonzales Gardens. There is currently an \$8 million dollar funding gap for this project. Work on the next 8 homeownership units is beginning and a list of interested buyers is being maintained. Final cost for these units is expected to be between \$160,000 - \$180,000 because of rising construction costs. Approval for a line of credit will be

requested later to fund infrastructure costs to get the project started, the City has also committed to helping with the infrastructure expenses. Staff estimates the project will take 3 – 5 years to complete and anticipate construction beginning in the fall of next year.

Mr. Walker gave the Committees Report. Mrs. Rubin reported that the Development Committee met on November 5. Staff presented the following issues for consideration; the acquisition of the last 4 privately owned units at Yorktown, the construction of VASH units on Waites Rd. which would utilize Project Based Vouchers, the potential sale of Marion St., and the potential purchase of a complex from the Department of Mental Health.

Mrs. Rubin said that the Yorktowne acquisition had been discussed previously and the Committee supported staff moving forward with the purchase. Total purchase price for the last building in the complex will be \$152,000 which is comparable to the price paid for the original units. Upon motion of Mrs. Rubin seconded by Mrs. Watson, it was unanimously approved.

Mrs. Rubin said the Waites Rd. VASH housing project would be built on land acquired some time ago that has been sitting empty since the buildings were demolished. Utilizing project based vouchers for the units will give the Authority leverage with banks to secure financing. As part of this development, an additional 6 units would be built in Cayce on empty land at Spencer Place; the Cayce Board is in support of the project and has approved their portion. Mr. Walker said that it would be a good opportunity to add additional units for veterans. Upon motion of Mrs. Rubin, seconded by Mr. Cromartie, it was unanimously approved to move forward.

Mrs. Rubin said that staff has been approached by an outside investor about buying Marion St. Mr. Walker stated that the investor has been inquiring about purchasing the property for over a year, Mr. Walker initially gave him a price of \$10 million and he countered with an offer of \$6 million. Mr. Walker wanted to present it to the Board because of the funding gap at Gonzales Gardens and the possible push from HUD to convert public housing units to the Rental Assistance Demonstration program (RAD).

Mr. Walker said that in recent communications from HUD, PHAs nationwide are being encouraged to “reposition” their existing public housing inventory to the Rental Assistance Demonstration (RAD) program; this eliminates operating subsidy and capital funds for public housing. Several authorities in SC have converted either in part or totally to RAD and a consultant came to the Authority recently to discuss disposition options for Marion St. Mr. Walker added that Marion St. is in need of a total plumbing rehab and that is estimated to cost approximately \$4 million. Mr. Walker said that he believes HUD will start moving towards the disposition of older, inefficient properties.

Mrs. Rubin said that the Committee was concerned that Gonzales Gardens was not moving fast enough and that the process needs to be competitive if the Board were to allow the disposition. Ms. Pickens said that the property was prime real estate based on location and that value could be understated given the development in progress on Bull St. and the surrounding area. Mr. Cromartie agreed that property values could increase dramatically over the next few years and that the location could be worth much more than \$6 million.

Mrs. Rubin also said that the Committee was concerned about the potential relocation of the residents at Marion St. Mr. Walker said that the proposed buyer has purchased several properties from the Authority before, Elmtree Georgetown and Falling Springs, they own complexes across the country and have a 90% retention rate at properties they take over.

Mr. Walker said he would like Board approval to explore the proposal further but would not take any action without Board review and involvement. Upon motion of Mrs. Rubin, seconded by Mr. Cromartie, it was unanimously approved that Mr. Walker and staff be allowed to do further research on the disposition of Marion St.

Mrs. Rubin said that the final matter brought to the Committee was the proposed acquisition of 30 2 bedroom units located on Carter St, currently owned by the Department of Mental Health. They are currently vacant and the property also includes several administration buildings on 5 acres. Additionally DMH will pay \$25k for renovations for up to 7 units that would be dedicated to DMH clients. The purchase price is \$300,000. Upon motion of Mrs. Rubin, seconded by Mr. Cromartie, it was unanimously approved to purchase the property.

Mr. Walker added that the same buyer has expressed interest in Petan Apartments and has offered \$42k per door which would net a \$1 million dollar profit if sold. Mr. Walker will report back to the Board when additional information is available.

Mrs. Watson gave a briefing on the recent Finance Committee meeting. Staff presented several issues to the Committee; financing for the acquisition of the last 4 units at Yorktown, financing for the acquisition of the DMH property on Carter St., a line of credit for infrastructure work at Gonzales Gardens and the proposed addition of spouses to retiree health insurance policies for staff retiring with at least 28 years of service.

Ms. Baker said that the SC Community Bank has given the Authority letters of commitment for lines of credit to purchase Yorktown and Carter St., lines of credit are preferable to permanent financing in these situations because of the flexibility they provide if the units are approved as public housing by HUD. Upon motion of Mrs. Rubin, seconded by Mr. Cromartie these lines of credit were unanimously approved.

Ms. Baker said that First Citizens has extended a letter of commitment for a line of credit for \$1.75 million to begin infrastructure work at Gonzales Gardens. This line of credit would be leveraged against a bond account that contains \$2.2 million in proceeds from the sale of Elmtree Georgetown and Falling Springs. Upon motion of Mrs. Rubin seconded by Mr. Cromartie it was unanimously approved.

Mr. Walker stated that CHA currently pays the employer portion of retiree's health insurance for retirees with at least 28 years of service. Staff is proposing that retirees who retired after June 30, 2018 be offered the option of adding their spouse to their insurance policy. CHA would pay the current employer portion for a single subscriber plus half of the difference between that and the employer portion for a retiree plus spouse. Mrs. Rubin stated she was not supportive of the proposal. Mrs. Watson said that the State offers this benefit already. Mr. Cromartie asked what the risk to the Authority would be. Mr. Walker said that if approved, the

extra benefit could be reviewed annually to determine whether or not it was financially prudent to continue. Information was distributed showing the number of retirees and possible financial impact to the Authority. Ms. Baker said that due to new accounting standards the insurance liability will now be calculated on an annual basis. Mr. Cromartie asked that the Board receive an annual evaluation of what the costs are if approved. Mr. Thomas said that it would be included with the Annual Budget presentation. Upon motion of Mr. Cromartie, seconded by Mr. Green the motion to adopt the change as presented was passed by majority. Mrs. Rubin voted Nay on the proposal.

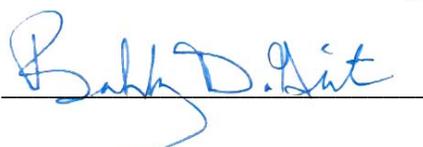
Mr. Thomas gave the Operations Report for Public Housing. Twenty-nine incident reports were collected during the last month. CHA security is working closely with the City and County to address ongoing problems in our communities.

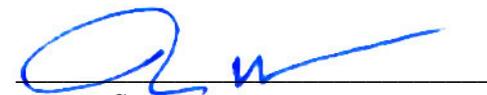
Mrs. Pollard gave the Operations Report for the Housing Choice Voucher program. New landlords are being recruited and orientations for new clients held on a regular basis. Referrals are coming in from the VA for the VASH program and staff is excited about the new developments on Waites Rd. and in Cayce.

The Edgewood Branch of the Richland County Public Library will be holding a VIP pre-opening event on December 6 from 4:30 pm until 6:00 pm.

Mr. Walker said that CHA is hosting a Senior Christmas Gala for housing authorities across the state on December 6 at the Drew Wellness Center, approximately 250 guests are expected. CHA will also participate in the City of Columbia's Christmas Parade on Saturday, December 1.

There being no further business, it was unanimously decided to end the meeting at 6:05 pm.

APPROVED:  _____


Secretary