

ACCOMACK-NORTHAMPTON REGIONAL HOUSING AUTHORITY

MINUTES OF THE

March 23, 2016

4:00 p.m.

The Enterprise Building

Accomac, Virginia

DIRECTORS PRESENT:

Richard Jenkins
Katherine H. Nunez
Ernest H. Washington
Vincent Holt

Accomack County
Northampton County
Northampton County
Section 8 Representative

DIRECTORS ABSENT:

Steven B. Miner

Accomack County

OTHERS PRESENT:

Elaine Meil
Susan Haycox
Melissa Matthews
Christine Ross

David Annis
Kat Edwards
Colin Kean

1. Introduction of New Commissioner

As the attached letter indicated, Mr. Earnest H. Washington was unanimously appointed to fill the unexpired term of Mr. William Hughes who resigned in November.

Commissioners and staff welcome Mr. Washington.

2. Call to Order

Vice-Chairman Jenkins called the meeting to order at 4:00 p.m.

3. Minutes of the November 12, 2015 Meeting

Presented were the minutes of the January 27, 2016 meeting.

Adoption of the presented minutes was requested.

Director Nunez moved to approve the minutes of the January 27, 2016 meeting as presented. Seconded by Director Holt, the motion carried by unanimous vote.

4. Bills Payable and Financial Statement

Commission approval was requested for the following Bills Payable and attached Financial Statements:

General Operating Account		
A-NPDC	A-NRHA Management Services, Jan./Feb.	\$ 1,310.74
A-NPDC	Crispus Attucks Management, Jan./Feb.	919.47
A-NPDC	Sunnyside Village Management, Jan./Feb.	577.69
A-NPDC	William Hughes Management, Jan./Feb.	(90.72)
A-NPDC	Virginia Street Management, Jan./Feb.	753.36
A-NPDC	Mill Run Management, Jan./Feb.	1,014.47
A-NPDC	Tax Credit Compliance, Jan./Feb.	<u>2,472.10</u>
	Total Due A-NPDC	\$ 6,957.11*
Section 8 Checking Account		
A-NPDC	Administration, Jan./Feb.	\$48,398.31*

* Detail is included with agenda item "Current A-NPDC Financial Report".

Director Nunez moved to approve all the Bills Payable as presented. Seconded by Director Holt, the motion carried by unanimous vote.

5. FY 2016 Budget Amendments

Adoption of the following budget amendments was requested:

1.	3157	Section 8 (Housing Choice Voucher)	\$240,000.00
		Management Services	<u>+ 7,000.00</u>
			\$247,000.00

ITEM 1 represents the amendment adjusting anticipated revenues based on the increase in units leased and managed.

The requested amendment was reflected on the current A-NPDC financial report.

Director Holt moved to adopt the FY 2016 Budget Amendments. Seconded by Director Nunez, the motion carried by unanimous vote.

6. Current A-NPDC Projects Financial Report

The attached report indicates that 65.43 percent of the FY 2016 budget had been expended while 66.67 percent of the fiscal year had passed.

Board acceptance of the attached report was requested.

Director Holt moved to accept the Current A-NPDC Financial Report as presented. Seconded by Director Nunez, the motion carried by unanimous vote.

7. Investments

The Authority By-Laws state that officers of Chairman and Vice Chairman should be elected at least two months in advance of the end of the fiscal year, normally our March meeting.

The Authority By-Laws state that the Chair and Vice Chair serve for one-year terms and may serve up to three consecutive terms. Having served one term (Vice Chairman Jenkins was elected to fill the unexpired term of Director William Hughes in November), Chairman Miner and Vice Chairman Jenkins are eligible for re-election.

For your information, the Executive Director serves as Secretary-Treasurer and serves at the pleasure of the Board.

Board election of FY 2017 Chairman and Vice Chairman was requested.

Director Nunez moved to re-elect existing officers to their current positions. Seconded by Director Holt, the motion carried by unanimous vote.

8. Property Management

Mill Run Apartments – 26 Duplex Apartments

- Vacancies: Mill Run is fully leased!
- Rent: All rents are up to date.
- Maintenance Issues: Only routine maintenance issues.
- Other: Congratulations to the property manager and our RA staff.

Sunnyside Village – 23 Single Family Houses

- Vacancies: No vacancies.
- Rent: Two families are behind, but both are expected to make payment soon.
- Maintenance Issues: The floor issue has been resolved. Management will tap into the reserve/replacement account to pay for an unusually high number of heating/air conditioning maintenance expenses from last year.
- Other: Nothing to report.

Virginia Street – 10 Single Family Houses

- Vacancies: Fully leased.
- Rent: All rents are current.
- Maintenance issues: The 3-bedroom, two-story house is getting a new bathroom floor and will require additional work to shore-up the floor girders and beams. Also, the fascia and soffit is being wrapped with aluminum and vinyl trim.
- Other: Nothing to report.

Onancock Square – 40 Apartments in 4 Buildings

- Vacancies: One vacancy.
- Rent: One family is behind with rent payment.
- Maintenance: Only routine maintenance. Maintenance is currently putting-down mulch and planting flowers.
- Other: Management will be conducting unit inspections next week.

Crispus Attucks Apartments – 22 Duplex Apartments

- Vacancies: FULLY LEASED!!
- Rent: All rents are current.
- Maintenance: Day to day routine issues.
- Other: Thanks to the RA staff and property manager for getting and keeping us fully leased.

Staff met with NeuBeam back in January regarding the provision of high speed internet service to Crispus Attucks Apartments. Staff requested, and NeuBeam agreed to provide a written proposal that could be presented to the Board with specifics as to the infrastructure requirements and the costs. Since then, staff has received requests for more information from NeuBeam, but has not received a proposal.

William Hughes Apartments – 34 Apartments in 6 Buildings

- Vacancies: None.
- Rent: All rents are current.
- Maintenance issues: Only routine maintenance issues.
- Other issues: Nothing new to report.

Current financial reports for each property were attached for your review.

9. Housing Development Projects

William Hughes Apartments

Community Housing Partners, the general contractor for William Hughes Apartments, has agreed to complete a list of improvements to the apartments that experienced high interior humidity and moisture problems last summer. The improvements include the insulation of the ductwork that is located in the enclosed drop-down soffit, installing vents that will

allow for more air-flow between rooms, venting the drop-down soffits, re-programming the exhaust fans and providing thermostat lock-outs that will prevent a tenant being able to lower the temperature below 68 degrees during summer months. These improvements were based on the recommendations provided in the EarthCraft Virginia report, and comments from the representative of the manufacturer of the heat pump units

Many housing developers are experiencing the same humidity problems due to the extremely air tight construction standards and insulation requirements that the Virginia Housing Development Authority requires for tax credit projects. As a result, VHDA will now be requiring permanently installed dehumidifiers in all newly constructed or rehabilitated units located east of Interstate 95.

Virginia Street Houses

Staff has received a request from a tenant of one of our Virginia Street Houses to consider selling the house that she has occupied for several years. The tenant has a Housing Choice Voucher, but is current at zero HAP, meaning that she is paying the entire rent amount out-of-pocket. Staff believes that all rent and affordability compliance restrictions placed on the Virginia Street properties by the funding agencies have expired.

Board guidance was requested.

The Board discussed and decided unanimously to sell the home to the tenant, but she must first attend Patricia Grove's homeownership class.

10. Housing Choice Voucher Section 8 Program

SEMAP – RHA staff has sent our response and a copy will be available at the meeting for your review. We did point out some discrepancies between the HUD reviewer's findings and our records and asked for them to reconsider the zero point score for Indicator 10. We have received no response.

OLMSTEAD ACT PREFERENCE – Staff spoke with Eric Leebough of the Virginia Department of Behavioral Health and Developmental Services (DBHDS) regarding the referral process. He stated that the DBHDS maintains a state-wide waiting list for the target population and verifies that individuals meet the Settlement Agreement criteria before placing them on the list. Applications for this waiting list are received from the local community service boards, centers for independent living, departments of social services etc.

At this time there are no persons from Accomack or Northampton Counties on the State waiting list. Mr. Leebough offered to do some targeted outreach to our local service providers to inform them of the opportunity. When the local service providers make a referral to DBHDS, they will refer eligible families to us. They understand we have a maximum of four families to be served by this preference at a time. When a family is referred, they will be placed on the waiting list and receive points for the Olmstead preference in addition to all other preferences they are eligible for.

This will automatically bring them to the top of the list to be pulled. From this point they will follow our regular process.

Community Partners of the Eastern Shore

The Eastern Shore Community Services Board (ESCSB) Prevention Office has requested assistance to apply for a supplemental grant via the Virginia Alcoholic Beverage Control (ABC) for a community education grant. The grant will provide money to do local education campaigns around high risk drinking. They hope to use it to expand the Mental Health First Aid Trainings, do a public awareness campaign and support a local mini-conference on high risk drinking education.

Director of Housing Services Edwards requested permission to write a letter of support to VA ABC indicating the ESVHA will partner with the ESCSB Prevention Office and will support the above mentioned initiative and find the initiative needed in our community.

Director Nunez moved to grant permission for a letter of support to be written to assist the ESCSB in the above mentioned initiative. Seconded by Director Holt, the motion carried by unanimous vote.

11. Housing Counseling

Pre-Purchase Counseling	Current Month: Jan-Feb		
# of orientations held	0		
Orientation attendees	0		
Client Intakes	9		
Additional Counseling Sessions Held	5		
# of final workshops held	1		
Mortgage submissions	0		
Mortgage closings	0		
Financing leveraged	0		

Growing Your Money Financial Literacy	Current Month: Jan-Feb		
New GYM participants	7		
GYM graduates	0		

Default and Foreclosure Counseling	Current Month: Jan-Feb		
Intake sessions	3		
Additional Foreclosure Sessions	11		
Positive Foreclosure Prevention Outcomes	1		1 Permanent modification
Homeowner Budget/Predatory lending Counseling	3		

New VHSP **0**

Follow Up VHSP **6**

There was a Pre-Purchase Workshop held in January at ESCC with 14 in attendance and a Financial Workshop held at William Hughes sponsored by Cape Charles Baptist Church with 7 in attendance.

There are 3 New Construction Clients who have closed on their lots and are currently under construction. There are 2 Purchase clients who are pending closing on existing housing.

12. Executive Director's Report

Asset Management Activities

Fifteen individuals are also being managed for debt owed to the Housing Choice Voucher Program. Currently six clients are paying on their collections.

Project Planning

Staff has begun a review of past potential projects to begin strategic discussions about the initiation of new projects. Guidance is needed from the Board.

Market Studies

First, staff examined whether there is still a need for affordable rental housing development on the Eastern Shore of Virginia.

Accomack County, south - The most recent market study (April 2009) in Accomack County, including portions of Northampton and southern Accomack, was for Mill Run Apartments. The demand analysis found there were two types of demand: 218 income-qualified renters that were overburdened, and 76 income-qualified renters in own-to-rent or rent-to-rent (growth and movership).

Northampton County - The most recent market study (February 2012) in Northampton County was for William Hughes Apartments. The demand analysis found there were three types of demand: 293 income-qualified renters that were overburdened, 124 income-qualified renters in substandard housing, and 17 in place renters likely to remain.

The review shows that there is still a large demand in most of the Eastern Shore. These market studies were done for subsidized units and new studies would be needed to pursue projects that are mixed income, require debt and market rate units. Each study is estimated to cost \$3,500.

Ramifications of Project Basing No Longer Available for Housing Development

In the past, the A-NRHA had the potential to offer project based vouchers which allowed the A-NRHA to be competitive in obtaining Low Income Housing Tax Credits (LIHTC) for small complexes of new family housing. These vouchers are attached to specific units and this makes the project more desirable for the tax credit syndicator. The allowable amount of project based vouchers has been reached and this is no longer available. Housing Choice Vouchers are still available but this does not make A-NRHA projects more competitive.

Potential USDA Farmworker Rental Assistance & New Small Complex Development

Construction funding for new farmworker projects is available but the rental assistance provided is restricted to farmworkers or retired farmworkers. This is the type of assistance available at the A-NRHA William Hughes Apartments near Eastville, Virginia.

Potential Accomack Manor Style Tax Credit Projects

The LIHTC program is still available but to compete successfully without rental assistance the A-NRHA will need to reduce the per unit cost to obtain tax credits. The style of development would need to change into larger structures with more units. This type of complex would look more like Accomack Manor (90 units in one structure) near Parksley, Virginia. Political support would be necessary, as there are limited sites and special/conditional use permits would be needed, to develop this type of multifamily housing.

Provision of Sewer & Water Could Allow Additional Unit Development at Two Existing Locations

A-NRHA has two complexes where it may be possible to develop additional units, if water and sewer could be provided. Both of these are located in Northampton County. Political support would be needed to develop any additional multifamily housing.

Mixed Income Housing Development with Debt

Staff has looked into an exploratory project with mixed income and Virginia Housing Development Authority multifamily loan financing. An initial pro forma is attached. This would be a new type of project, with less income restrictions although these restrictions would not be completely eliminated, and would entail more risk since debt would be required unlike the existing complexes. Most would be unsubsidized units and so matching market rent and demand would be a key ingredient for success. A few units would have lower rents and be restricted to low or moderate income individuals. It is possible that A-NRHA will find that larger complexes would be necessary to proceed with this type of project.

Mixed Use Development/Housing Development in Infill Locations with Historic Tax Credits & Debt

Staff has looked into five projects using Historic Tax Credits, Virginia Housing Development Authority multifamily loan financing or LIHTC. Most would be unsubsidized units and so matching market rent and demand would be a key ingredient for success. A few units would have lower rents and be restricted to low or moderate income individuals. These project would entail more risk since debt would be required.

Four of these projects are housing development in former schools and one was the rehabilitation and development of mixed use (commercial & housing) development in a vacant downtown structure.

A preliminary pro forma is attached for the Cape Charles High School project (staff agree the construction costs are too low). Project financing remains a major issue for this type of development. So far, staff has found that the historic tax credits and the large schools do not cover the costs associated with the requirements imposed. Three of the four schools also are/were located in towns and political support is also needed. This support is needed prior to conducting pre-development activities. In one past project, A-NRHA invested resources and was unable to obtain support for affordable housing at that location. The schools also need market studies completed since it is unclear if all portions of the Eastern Shore need the number of units that the school would provide.

The mixed use project was also located in a Town and would have been commercial development on the first floor with apartments above.

Staff can obtain additional information, conduct market studies for selected areas or address any Board questions.

Discussion was requested.

Director Nunez requested staff obtain a price quote for a market study of the Eastern Shore. She also noted the A-NRHA needs to make a case for housing and share this information, and share this information with the Boards of Supervisors. Director Jenkins requested staff develop a series of articles or stories of people who have benefited from housing programs.

13. Other Matters

Executive Director Meil asked the Board if they would like to host their next meeting at the New Road community center. The Board voted by consensus to have their next meeting at the New Road community center.

14. Public Participation

No public participation took place at this time.

15. Adjournment

There being no further business, the meeting was adjourned.

Copy teste:

Steve Miner, Chairman

Elaine K. N. Meil, Secretary/Treasurer