

ACCOMACK-NORTHAMPTON REGIONAL HOUSING AUTHORITY
MINUTES OF THE
May 25, 2016
4:00 p.m.
New Road Apartments Community Center
Exmore, Virginia

DIRECTORS PRESENT:

Richard Jenkins
Katherine H. Nunez
Vincent Holt

Accomack County
Northampton County
Section 8 Representative

DIRECTORS ABSENT:

Steven B. Miner
Ernest H. Washington

Accomack County
Northampton County

OTHERS PRESENT:

Elaine Meil
Susan Haycox
Melissa Matthews

David Annis
Kat Edwards
Colin Kean

1. Call to Order

Vice-Chairman Jenkins called the meeting to order at 4:05 p.m.

2. Minutes of the March 23, 2016 Meeting

Presented were the minutes of the March 23, 2016 meeting.

Adoption of the presented minutes was requested.

Director Nunez moved to approve the minutes of the March 23, 2016 meeting as presented.
Seconded by Director Holt, the motion carried by unanimous vote.

3. 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, Mar./Apr.	\$ 1,424.33
A-NPDC	Crispus Attucks Management, Mar./Apr.	177.74
A-NPDC	Sunnyside Village Management, Mar./Apr.	1,009.76
A-NPDC	William Hughes Management, Mar./Apr.	(27.94)
A-NPDC	Virginia Street Management, Mar./Apr.	3,409.02
A-NPDC	Mill Run Management, Mar./Apr.	1,404.92
A-NPDC	Tax Credit Compliance, Mar./Apr.	<u>2,237.80</u>
	Total Due A-NPDC	\$ 9,635.63*

Section 8 Checking Account		
A-NPDC	Administration, Mar./Apr.	\$31,666.16*

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

4. FY 2017 Budget

Deferral of adoption of the FY 2017 A-NRHA Budget and authority to expend funds at FY 2016 Budget levels until the next regular meeting was requested for the following reason:

Since the A-NPDC has not adopted its budget, benefit and indirect rates for FY 2017 have not yet been established.

Deferral of adoption of the FY 2017 Sunnyside and Virginia Street Budget and authority to expend funds at FY 2016 Budget levels until the next regular meeting was requested.

Director Nunez moved to defer adoption the FY 2017 A-NRHA, Sunnyside and Virginia Street Budgets and to expend funds at the FY 2016 Budget levels until the next regular meeting. Seconded by Director Holt, the motion carried by unanimous vote.

5. Current A-NPDC Projects Financial Report

The attached report indicates that 82.83 percent of the FY 2016 budget had been expended while 83.33 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.

6. Property Management

Mill Run Apartments – 26 Duplex Apartments

- Vacancies: Mill Run has one vacant unit that will be leased on the 27th.
- Rent: All rents are up to date.
- Maintenance Issues: One sewer pump was replaced. One unit turned.
- Other: Unit inspections were scheduled for May the 20th.

Sunnyside Village – 23 Single Family Houses

- Vacancies: No vacancies.
- Rent: All rents are current.
- Maintenance Issues: One house has a weak area of subflooring. Two driveways are scheduled for repairs. Management has tapped into the replacement reserve account to offset the costs of repairs to several heat pump systems.
- Other: Unit inspections were scheduled for the 23rd through the 25th.

Virginia Street – 10 Single Family Houses

- Vacancies: One vacant unit will be rented by mid-June.
- Rent: One family behind with rent payments.
- Maintenance issues: Usual routine maintenance.
- Other: Unit inspections set for the 18th.

Onancock Square – 40 Apartments in 4 Buildings

- Vacancies: Only one vacancy, with an approved family waiting to move in as soon as the unit is turned.
- Rent: Rents are up to date.
- Maintenance: Only routine maintenance, including springtime landscaping.
- Other: Nothing to report.

Crispus Attucks Apartments – 22 Duplex Apartments

- Vacancies: One vacant unit will be filled by the first of June.
- Rent: All rents are current.
- Maintenance: Only day to day routine issues.
- Other: Unit inspections are scheduled for June 6.

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.

7. Housing Development Projects

William Hughes Apartments

Community Housing Partners has completed the upgrades to 4 of the apartments that experienced humidity and moisture problems last summer. The work included 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 from lowering the temperature below 68 degrees during the summer months. The 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.

Virginia Street Houses

The Virginia Street tenant that had expressed an interest in purchasing the house she occupies in Virginia Street has started working with our housing councilor to address credit and debt issues and to complete the homeownership workshops. A first look at the tenant's financials was very encouraging.

Mill Run Apartments

Staff appeared before the Belle Haven Town Council in April of 2009 to request support for our tax credit application for the rehab and new units at Mill Run. At that meeting the Town agreed to provide the right of ways and/or easements required to construct a sidewalk that would start at the entrance to Mill Run and run to Belle Haven Road, and Staff agreed to include funds in the development budget to construct the walkway. It was also agreed that, in order to avoid the utility poles and drainage ditches that run alongside the road, the sidewalk would need to be located just outside of the VDOT right-of-way on the west side of Shields Bridge Road.

Despite their best efforts over the next several years, the Town was unable to acquire the right-of-ways needed to construct the walkway. The owner of lots number 16 and 15 on the attached map strongly opposed the construction of the walkway across his front yard, and has refused all attempts by the Town to acquire the needed property. We now have a request from the Town's Zoning Administrator to construct a sidewalk that would end at the property line of this family's front yard (see attached letter and maps).

Board guidance was requested.

Director Jenkins stated there was no benefit in constructing a partial sidewalk; however, if arrangements can be made to construct the full sidewalk within one year, then the Board would approve it. The motion passed by consensus.

8. Housing Choice Voucher Section 8 Program

SEMAP – Staff spoke with Catherine Lamberg, Director of the Public Housing Office, Richmond field office last week regarding our corrective action report and request for review.

After review her staff’s report and our letter she acknowledges there were errors on her staff’s part. To date her staff has not changed our rating from High Performer. She will conduct a further review but is right now inclined to leave us at that status. HUD will most likely conduct a desk audit of the A-NRHA this fall because of the discrepancies.

She will be sending a written response to our request as well.

9. Housing Counseling

Pre-Purchase Counseling	Current Month: April		
# of orientations held	0		
Orientation attendees	0		
Client Intakes	5		
Additional Counseling Sessions Held	6		
# of final workshops held	0		
Mortgage submissions	0		
Mortgage closings	2		
Financing leveraged	\$327,000		

Growing Your Money Financial Literacy	Current Month: April		
New GYM participants	6		
GYM graduates	0		

Default and Foreclosure Counseling	Current Month: April		
Intake sessions	1		
Additional Foreclosure Sessions	5		
Positive Foreclosure Prevention Outcomes	2	1 Permanent modification	1 Trial modification
Homeowner Budget/Predatory lending Counseling	1		

New VHSP	0
Follow Up VHSP	1

The next Pre-Purchase Workshop has been scheduled for May at ESCC.

Met with Area Director of USDA Courtland Office about their support for the Eastern Shore.

10. Executive Director's Report

Asset Management Activities

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

William Hughes Apartments Water

William Hughes Apartments has six wells. When it was originally constructed by Delmarva Rural Ministries, it appears the number of wells was put in to avoid getting a public water system permit. Additionally, some of the residents have been complaining of the smell and taste of the water. One resident spoke with the Health Department, who told them about the Flint Water Crisis. To address the resident's concerns, staff had the water tested and it was found to be safe but it is not aesthetically pleasing. Staff has discussed these issues and believes it would be desirable to either obtain water from the Town of Eastville or Northampton County.

Staff discussed the situation with Kris Tucker, Northampton County, and inquired about whether or not the county might be interested in extending the Eastville complex's water system to the apartments. He investigated and found that for the county to consider this they would need the A-NRHA to send a letter requesting it be considered.

Authorization to inquire as to whether or not William Hughes Apartments could become a customer of Northampton County's water system was requested.

Director Jenkins made to motion to send a letter to Northampton County to see if it is even possible to become a customer of their water system before any decisions are made. Director Nunez abstained. The motion passed by consensus.

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. An initial pro forma is attached for the Central Middle School project. 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 Jenkins stated that when the time comes to actually do the market study, he would like for staff to detail their experiences with our past housing projects.

11. Other Matters

No other matters were discussed at this time.

12. Public Participation

No public participation took place at this time.

13. Adjournment

There being no further business, the meeting was adjourned.

Copy teste:

Steve Miner, Chairman

Elaine K. N. Meil, Secretary/Treasurer