

Minutes of the September 28, 2016 Meeting of the
Eastern Shore of Virginia Housing Alliance
The Enterprise Building
Accomac, Virginia

Directors Present

Chris Bannon
Louise Coles
Faith Custis
Shenia Davis
Robert Duer
Diana Giddins
Richard Jenkins

Diane Musso
Ellen Richardson
Michael Selby
Dottie Swisher
David Vaughn
Barbara Widgeon

Directors Absent

Jacqueline Chatmon

Angel Collins

Others Present

Elaine Meil
Melissa Matthews

Susan Haycox
Kat Edwards

1. Call to Order

President Richardson called the meeting to order at 7:00 p.m.

2. Invocation

Director Jenkins gave the invocation.

3. Minutes of July 27, 2016 Meeting

The Minutes of July 27, 2016 Meeting were presented.

Board approval of the minutes of the July 27, 2016 Meeting was requested.

Director Bannon moved to approve the minutes of the July 27, 2016 meeting. Seconded by Director Custis, the motion carried by unanimous vote.

4. Bills Payable/Financial Statement

Board approval of the following Bills Payable/Financial Statements was requested:

ESVHA Bills Payable

A-NPDC	July/August Expenses	\$ 31,525.89
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Financial Statements for ESVHA operating account and IP/R Construction funds were presented.

Pine Street Apartments

The current Pine Street Apartments budget report and financial statement was also presented.

Director Custis moved to approve the Bills Payable/Financial Statements as presented. Seconded by Director Musso, the motion carried by unanimous vote.

5. Current Financial Status Report

The report indicated that 15.37 percent of the Administrative Budget and 13.00 percent of the Client Services Budget had been expended while 16.67 percent of the fiscal year had passed.

Board acceptance of the presented Financial Status Report was requested.

Director Custis moved to approve the current Financial Status Report as presented. Seconded by Director Jenkins, the motion carried by unanimous vote.

6. FY 2016 Audits

The draft FY 2016 Audit for the Pine Street Apartment Project prepared by Dunham & Aukamp, PLC was attached. The Executive Committee was scheduled to meet prior to the Board Meeting to review the FY 2016 Draft Audit. Any Board Members who wanted to attend were welcome.

Pending Executive Committee recommendations, acceptance of the FY 2016 Pine Street Apartment Project Audit as prepared by Dunham & Aukamp, PLC was requested.

The Executive Committee recommended approving the FY 2016 Pine Street Audit.

Director Duer moved to approve the FY 2016 Pine Street Apartment Project Audit as prepared by Dunham & Aukamp, PLC. Seconded by Director Custis, the motion carried by unanimous vote.

For your information, the annual Pine Street Audit is due to Rural Development by September 30. The FY 2016 combined audit for all financials related to the Eastern Shore of Virginia Housing Alliance is being completed by the auditor and will be presented at the November Board meeting.

7. Property Management

Pine Street Apartments

Our property manager is reporting two vacancies, one of which will be filled on the 27th. Six tenants are behind with rent payments, all of whom are expected to become current by the 23rd. Maintenance has replaced a water heater in one unit, but overall, management is trying to keep non-critical repairs to a minimum in preparation for the upcoming rehabilitation work.

Accomack Manor

The property manager at Accomack Manor did not submit a report in time for the packet. Staff will attempt to have an update at the meeting.

8. Indoor Plumbing/Rehabilitation Program

2016 IP/R Program

We received the official compliance audit letter from DHCD. The only item listed as non-compliance was an old existing travel trailer on the property of the Cheriton replacement house that had not been demolished. Staff had been trying to demolish the trailer for months, but the owner would not remove his personal items and continued to use it for storage. Staff gave the owner another deadline for removal of his personal items at the beginning of September, and this time the owner complied. The travel trailer has now been demolished and Staff is providing documentation to DHCD.

The replacement house under construction in Texaco Town is 75% complete. The replacement house under construction just outside of Painter is about 75% complete. Construction on the replacement house located within the Town of Painter has begun. The existing unrepairable house has been demolished, and the foundation for the new house has been installed. The poured footings at this house were enlarged to compensate for the poor soil conditions.

2017 IP/R Program

Preliminary eligibility documents are in progress for the 2017 IP/R Program. Income documentations, inspections, site plans, sewer permits and bid documents are some of the required documents for project set-up. Staff is beginning the long process of completing the environmental reviews for each applicant. The ER which must be completed before DHCD will approve a project.

Board approval of the attached IP/R financial records was requested.

Director Jenkins moved to approve the IP/R financial records as presented. Seconded by Director Musso, the motion carried by unanimous vote.

9. Housing Development Projects

Bailey Road Apartments USDA Project

Our architect has promised to deliver the full revised plans and specification by next week. The new plans and specifications will reflect the revisions required in order to bring the bid price in line with our development budget. Subsequently, an AIA construction contract will be executed with the low-bidding contractor, Community Housing Partners, based on the new plans and specifications. Once we have the executed contract, we can close on the construction loan with Virginia Community Capital and transfer the NCALL pre-development loan balance to the construction loan. Along the same timeline, CHP will be submitting the plans to Accomack County along with their application for a building permit.

The Board was asked to reaffirm their authorization for the Executive Director and President to sign all documents required to move forward on the construction of Bailey Road Apartments, including the construction contract and all documents required to close on the construction loan and the Rural Development loan and grant.

Director Jenkins moved to reaffirm the Board's authorization for the Executive Director and President to sign all documents required to move forward on the construction of the Bailey Road Apartments. Seconded by Director Custis, the motion carried by unanimous vote.

Jerusalem Road Apartments USDA Project

Once construction starts on Bailey Road Apartments, staff will request a meeting with Rural Development to identify next steps towards the construction of Jerusalem Road Apartments.

Pine Street Apartments Tax Credit Project

Our architect has completed the preliminary plans and specifications for the rehabilitation of Pine Street Apartments. Our consultants have promised to deliver the update to the Phase I Environmental Report, and the Capital Needs Assessment by the end of this week. Virginia Community Capital is processing our request for a construction loan, and will submit the request package to their loan committee at their October 10th meeting.

It is our goal to submit the request for authorization to transfer ownership of Pine Street to our L.L.C. by the end of this week. The transfer is required in order to allow our tax credit investors to enter the L.L.C. as a partner and take ownership of the credits in exchange for the capital required to complete the rehabilitation.

The Board was asked to reaffirm their authorization for our Executive Director and President to execute all documents required to proceed with the tax credit funded rehabilitation of Pine Street Apartments including the ownership transfer to our L.L.C, the closing of a construction loan with Virginia Community Capital, the closing with the equity tax credit fund and their inclusion as a partner in our L.L.C., and the AIA contraction contract.

Director Coles moved to reaffirm the Board's authorization for our Executive Director and President to execute all documents required to proceed with the tax credit funded rehabilitation of Pine Street Apartments. Seconded by Director Custis, the motion carried by unanimous vote.

Pine Street Surety Agreement

We received word from the Virginia Community Development Corporation (VCDC), our tax credit syndicator, that preliminary discussions with one of the investors in the equity fund that will purchase the Pine Street Apartments' tax credits had uncovered a new requirement within their underwriting process. The investor, Capital One Bank, is concerned that the Alliance may not have the capital reserves to cover any potential construction costs overruns that exceed the budgeted contingency of \$150,000.00. VCDC contends that Capital One is being overly cautious in that, up until now, their investors have always treated tax credit projects as "stand alone deals" that did not rely on the financial reserves of the owner/developer as back-up. None the less, Capital One is requiring a guarantee that, in the very unlikely event that the project experiences huge unforeseen costs overruns, they will be covered. Staff has asked the Accomack-Northampton Regional Housing Authority to provide a surety agreement for Pine Street construction overruns to satisfy the concerns of Capital One.

It was requested that the Board authorize the Executive Director to enter into a surety agreement on behalf of the Alliance with the Accomack-Northampton Regional Housing Authority that would provide a \$100,000 financial guarantee to cover construction costs overruns that exceed the budgeted contingency. For providing the surety, the Authority would be paid \$2,500 (2.5%) from the development budget at the final closing of the fund.

Director Bannon moved to authorize the Executive Director to enter into a surety agreement on behalf of the Alliance with the Accomack-Northampton Regional Housing Authority that would provide a \$100,000 financial guarantee to cover construction costs overruns that exceed the budgeted contingency. Seconded by Director Musso, the motion carried by unanimous vote, with exception of Director Jenkins. He recused himself from the vote since he also sits on the A-NRHA Board.

10. Housing Services Programs

Homeownership Program

Pre-Purchase Counseling	Current Month: August		
# of orientations held	0		
Orientation attendees	0		
Client Intakes	4		
Additional Counseling Sessions Held	2		
# of final workshops held	2		
Mortgage submissions	2		
Mortgage closings	0		
Financing leveraged	\$0		

Growing Your Money Financial Literacy	Current Month: August		
New GYM participants	15		
GYM graduates	0		

Default and Foreclosure Counseling	Current Month: August		
Intake sessions	2		
Additional Foreclosure Sessions	5		
Positive Foreclosure Prevention Outcomes	1		
Homeowner Budget/Predatory lending Counseling	3		

New VHSP 0

Follow Up VHSP 5

-A Pre-Purchase Workshop was held at ESCC with 17 in attendance both nights.

-Bobbie Wert and Patricia Grove participated in the Poverty Simulation on August 18 at Nandua Middle School.

-Two Financial Literacy Classes were conducted for the families attending the Section 8 Briefing.

Virginia Homeless Solutions Grant

Total Assessments YTD: 49

Serving:

Prevention: 3

Rapid Rehousing: 9

Shelter: 0

Qualified and Searching:

Prevention: 1

Rapid Rehousing: 2

Closed Cases that have received funding:

Prevention: 1

Rapid Rehousing: 2

Shelter Operations: 0

Closed Cases that have NOT received funding:

Prevention: 0

Rapid Rehousing: 2

Shelter Operations: 0

Budget:

Prevention: \$42,000 - \$4,976.31 (\$37,023.69 remaining)

Rapid Rehousing: \$75,633 - \$17,245.25 (\$58,387.75 remaining)

Shelter Operations: \$6,535 - \$1820.10 (\$4,714.90 remaining)

11. Executive Director's Report

NCALL Line of Credit

No update. The line of credit will be repaid upon the construction financing closing.

Pit Privy Survey

The homes found have been put into a Geographic Information System database. Staff has obtained an update to Accomack County's 911 and assessment data in preparation for additional work. As long as funding allows, staff and Area on Aging will continue the count on the seaside of Accomack County.

Bayview Property

Staff is working to rent the second Bayview property located at 22244 Woodcock Circle. An application has been received and is being processed. A couple has expressed interest in purchasing the 3 bedroom house located at 22256 Woodcock Circle.

12. Public Participation

There was no public participation at this time.

13. Other Matters

Due to the Thanksgiving holiday, it was suggested the next meeting be held on Wednesday, November 30th.

Director Bannon moved to move the next meeting to Wednesday, November 30th. Seconded by Director Custis, the motion carried by unanimous vote.

14. Adjournment

There being no further business brought before the Board, the meeting was adjourned.

Ellen Richardson, President

Elaine K. N. Meil, Executive Director