

**MINUTES OF THE REGULAR MEETING OF THE COMMISSIONERS
OF THE HOUSING AUTHORITY OF THE CITY OF
SPARTANBURG, SOUTH CAROLINA**

July 16, 2013

PRESENT: Charles Love, Chris Steed, Thomas Lounds, Suzanne Cole, and Irene Sims

ABSENT: Kittie Collins Tullis

STAFF: Harry A. Byrd, Jr., John Kinsey, Daryl Dalton, Lou Zammett, Eva MacDonald, Tiffany Askew, Valerie Forsberg, Jayne Floyd, Penny Culp, Margaret Woodson, Joann Harris, James Whitcomb, and Lois Menken (recorder).

The meeting was held at the Mary Wright Center meeting room, Spartanburg, SC 29306.

Chairman Love called the meeting to order at 5:30 PM. He then announced that public notice of this meeting was posted at least twenty-four (24) hours prior to the commencement of the meeting as required by the South Carolina Freedom of Information Act.

INVOCATION: Daryl Dalton

QUESTIONS FROM THE FLOOR: None

APPROVAL OF THE MINUTES:

A motion to approve the minutes of the June 18, 2013 Board meeting was made by Commissioner Cole, seconded by Commissioner Lounds and unanimously carried.

SPECIAL ORDER OF BUSINESS:

1. Appointment of Members to the Board of Directors of the SHA Property Company
 - a. The SHA created SHA Property Company in 2006 to land bank properties for the SHA. SHA Property Company owns three properties including a vacant lot on South Liberty Street, a small parking lot on Caulder Avenue and 325 S. Church Street. SHA Property Company is the managing member and designated Property Manager for the Mary Wright Center. The Articles of Incorporation reflect that the Board of Directors for the SHA Property Company is appointed by the Commissioners of the SHA Board.
 - b. Commissioner Suzanne Cole was nominated to serve as a Commissioner on the SHA Property Company Board by Chairman Charles Love. A motion to approve the appointment of Commissioner Cole to the SHA Property Company Board of Commissioners was made by Commissioner Steed, seconded by Commissioner Rush, and unanimously carried.

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A. President Resident Council: Archibald Resident Council Vice President, Carmen Freeman reported that since the June Board meeting, many activities have been happening at Archibald with regards to their complaints that were presented to the Board. The Resident Council has been meeting weekly with Eva MacDonald and James Whitcomb. Mr. Byrd, John Kinsey and Daryl Dalton also met with the residents and Resident Council. A lot of progress on the improvements has been made. On behalf of the Resident Council and the residents, they want to thank SHA staff for all their efforts in addressing these issues.

- Chairman Love commented on the progress report on improvements at Archibald that was reported to the Board and the number of improvements that have been made to date. Commissioner Love commended Mr. Byrd and his staff for their immediate attention and conscientious efforts to see that improvements have been made.

B. Board Chairman: No written report.

C. Executive Director: Mr. Byrd submitted his written report to the Board and briefly discussed the following highlights during the meeting:

1) Community Activities and Programs:

- a) **Meeting with City Staff:** We are currently negotiating a contract with a potential developer partner on a pre-development contract. This is a pre-development contract that is a type of agreement prior to a master development contract, which would bind us for the next five years. We want to ensure that we can negotiate the cost within our funding limitations and also keep the project moving based on HUD and our requirements.
- b) **Meeting with County Staff:** We are trying to build eight units out at The Ridge and are working with the County on this project. Draft plans will be presented to the Board in August with more specifics on our plans and cost. The money is in place. We would like to thank the County for their efforts in working with us to make this happen. The County has been a partner with us for a long time. We made a presentation to the County Transportation Advisory Committee along with Commissioner Lounds.
 - i) Commissioner Lounds stated the presentation of the recognition resolution to the County was well received. They were very pleased to hear that we appreciated their partnership during the entire process and even invited us to make a similar presentation to a larger committee of the County because that particular larger group does not hear all the good news. We are investigating this at this time.
- c) **Cammie Claggett:** We have roughly 50% of the units at Cammie Claggett that are currently off-line. We have been working with the residents keeping them informed. It is time for us to get

together to figure out a PR strategy. We are keeping HUD up to date on and they have been approving each unit we take off-line but having half the units closed up can be an eyesore and we want to keep ahead of this.

- 2) **Special Legal Consultant:** We are working on the Mary Wright project with our special legal consultant. We reconstituted our SHA Property Company Board of Commissioners of which our current Board members, Suzy Cole as the Chair and Thomas Lounds as the Co-Chair. We have had several meetings and on Thursday, July 11, 2013 we had a meeting to talk further about our plans, efforts and resources required to stabilize the Mary Wright Center. We are continuing conversations with Wells Fargo. Today we invited realtors in to help us look at the possibility of leasing up space in the main office here and possibly selling the 325 S. Church Street property.
- 3) **FY 2013-2014 Budget:** We are in the midst of preparing for our budget for the new fiscal year. Each year it becomes more challenging because of revenue streams from Washington, D.C. Every housing authority is getting less money. We have to do two critical things; one is to prepare a strict budget and stay within our resources. The staff has been a commendable job but there may be a need for further reductions based on the sequestration. We plan to come to the Finance Committee with our proposed new fiscal year budget in early August and then to the Board at the August Board meeting give you more detail on our budget.
- 4) **Archibald Improvements:** At the last Board meeting, the Board charged us with addressing the concerns at Archibald right away. We immediately engaged with our residents and resident leaders. We worked together with the planning. The residents provided us input and the things we didn't know about. We compiled a list and instituted an improvement plan to address these issues. Our goal was to reestablish a level of trust with the residents and let the residents know and feel that we do care about their living conditions. We will continue to work with the residents. In the future, we will put better housing at Archibald and the residents will have us plan this effort. We want to thank Eva MacDonald and James Whitcomb for taking the lead and also the Senior Staff, John Kinsey and Daryl Dalton for making these improvements happen.

D. Departmental Reports: Written reports provided for informational purposes.

1. Housing Operations – *Highlights to written report by Daryl Dalton*

- Our goal is to have an occupancy rate of public housing units at 98%. For the past two months we have consistently maintained a 99% occupancy rate.
- Section 8 we continue to issue vouchers to families on our waiting list in an effort to increase our utilization rate. We have had some success rate and there is likelihood that over the coming months we will have exhausted our waiting list. We may open the waiting list in the next several months.
- We have had good success with our The YouthBuild program. We had two of our participants obtain a high school diploma and four to receive their

GED. We had gains both in credentials, literacy and number gains. In the Spartanburg Herald Journal, there was an article on the award of a new grant, Face Forward. The amount of this award is just under \$1 million. This program is very similar to YouthBuild but it involves a diversion program with the court systems. Rather than placing the youths in jail, sentencing and probation, they will be placed in this program where they will do similar things as the YouthBuild participants. We are in a six-month planning phase right now.

2. Planning and Development – *Highlights to written report were given by John Kinsey.*

- We continue to work with our residents with our Family Self-Sufficiency (FSS) Program. This program is a feeder for our Homeownership Program. There are two different segments in the FSS Program. The first segment is a 12-month session designed to train interested persons in the Homeownership Program. We have done a good job over the past eight months on selling some of the houses we have. We still have three houses to sell. We have contracts on two of them at this time and we hope to close within two months.
- The month of June was National Safety Month. We presented sessions to our seniors on Medication Safety, Safety in the Streets and Safety at Home.
- Also in June was our Fatherhood Initiative celebration. We had volunteers from First Baptist work with us at this event.
- During the month of June Mr. Byrd and John Kinsey traveled to Washington, D.C. for a Choice Neighborhood Forum. We had the opportunity to meet with other grantees in the Planning Grant as well as those in the Implementation Grant. We were able to get some good ideas and concepts from other Housing Authorities.
- We are starting to look at development opportunities at Page Lake and we will be spending more time on this over the next two months.
 - Chairman Love asked about the foreclosures. We are working with our general council, David Sereque, on the drafted letter that will be going out next week to all of the individuals which will notify them in clear English that they will understand. We will provide the legal notification to start the foreclosure process. Titles are also being checked.

- Commissioner Steed questioned as to how long after the letters are sent out for the foreclosure process to begin. This process may take as much as six months time.

3. Finance Report – *Lou Zammett gave a brief overview of the submitted finance reports. (Please see written report for more detailed figures.)*

- Ms. Margaret Woodson is our new Procurement Officer. She joins our agency with 20 years procurement experience. She recently joined us from York Technical College where she was the Procurement Coordinator. Prior to that, she headed the Director of the Governor's Office, a small minority business in the state of South Carolina. She also worked at USC DHEC where she did procurement. She has a great amount of technical training and we are happy she is with our agency.
- We received a communication last Friday from HUD talking about a new way of reconciling all of the calendar year of 2012 for Section 8. We stated in March that HUD where they were going to take back all our reserves and hold it in their bank accounts. When we have a need to spend this money, we have to ask permission from HUD to spend it. This amounts to approximately \$805,000 that HUD will be holding for us. At this time, we are uncertain as to whether we can touch this money or not.
 - It's challenging for us to manage in that way. One challenge for the CFO and the auditors have is do we count this on our books or does HUD count this on their books. This is why HUD is giving us guidance on this take back. HUD has promised us that if we ask for the money, they will get the money right away to us so we will see how this works out.
 - Mr. Byrd stated how we can generate income understanding that our revenue is being cut. We are currently working on is now bringing back the management of our Tax Credit properties. We feel it is in our best interest and also an opportunity for us to be experts in Property Management. Our goal is to be the best property management company in Spartanburg or the state. Mr. Byrd introduced another new employee to the Board, Ms. Joann Harris who is our new Tax Credit Property Manager Specialist expert. She is a former employee of the SHA. We will be coming back to the Board in the future with our plan on taking these tax credit properties back so we can make money to put back into housing. We are happy to have Ms. Harris on board.

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OLD BUSINESS: None

NEW BUSINESS:

1. Designation of “Stockpile” Soil from Roadway Construction at Page Lake as Surplus Material and Approval of Disposition.
 - a. We have been presenting to you the updates regarding the Matthew J. Perry Parkway and Grand Central Avenue at Page Lake. As a part of construction, we have a stockpile of material that was excavated. We do not have a use for this material. We have been working with our engineer, Mr. Mike Garrett. Mr. Garrett was responsible for obtaining partnership with the County on the Matthew J. Perry project and is also currently working with us on the Brawley Street project. We appreciate everything he has done and continues to do for our agency. We talked about the possibilities whether the material out at Page Lake could be. Mr. Garrett did some investigative work and brought us back a report.
 - b. John Kinsey introduced Mike Garrett to the Board. Mr. Garrett stated that there is approximately 20,000 cubic feet of soil which has been stockpiled down at the intersection of Grand Central Avenue and Matthew J. Perry Parkway. This property is owned by the SHA and the soil was left there by the contractor who built the road. The soil is clean, but the quality of the soil is variable because some of it came out of the creek that they crossed. The classification of the soil varies but it is good soil for fill material. The SHA has asked Mr. Garrett at ways we can sell this material. The soil is a commodity and it is worth what the demand is, around \$2.00 per cubic yard. Mr. Garrett created a flyer for the sale of this soil to be sent out to local and regional grading contractors who haul and move dirt for excavation projects. Contractors would load the dirt into their truck while managing the stockpile site to keep it clean and avoid an environmental issues. Money from the sale of this dirt is unrestricted.
2. Third Quarter FY 2013 Bad Debt Write Off.
 - a. We are bringing to the Board the bad debt write-off for the third quarter of fiscal year 2013 in the amount of \$25,727.41. We included a comparative analysis of the same quarter of last fiscal year and there has been a reduction of approximately \$6,000 from last year’s figure.

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RESOLUTIONS:

1. **2013-22:** A motion to approve the Designation of "Stockpile" Soil from Roadway Construction at Page Lake as Surplus Material and Approval of Disposition was made by Commissioner Lounds, seconded by Commissioner Steed, and unanimously carried.
2. **2013-23:** A motion to approve the Third Quarter FY 2013 Bad Debt Write Off was made by Commissioner Steed, seconded by Commissioner Cole, and unanimously carried.

COMMUNICATIONS: None

ADJOURN:

A Motion to adjourn was made by Commissioner Cole, seconded by Commissioner Steed, and unanimously carried.

Meeting Adjourned.

Respectfully submitted,

A handwritten signature in blue ink, reading "Harry A. Byrd, Jr.", is written over a horizontal line.

Harry A. Byrd, Jr.
Executive Director