

Housing Authority of the City of New Bern

BOARD OF COMMISSIONERS MEETING

Monday, March 21, 2016

4:30 p.m.

Trent Court Auditorium

837 South Front Street

AGENDA

1. Call to Order
2. Roll Call
3. Special Presentation regarding RAD/Craven Terrace/Signage
4. Public Comment Period
5. Approval of Minutes – Executive Committee Meeting of February 17 and March 9, 2016

Board Meeting of February 15, 2016
6. Police Department Report
7. Fire Department Report
8. Finance Department Report – Alan Reese
9. Public Housing Report – Virginia Stanley
10. CNI Report – Mickey Miller
11. Old/ New Business
 - a. Fire Alarm Upgrade – New Bern Towers
 - b. TCG Development Advisors
12. Executive Director's Report
13. Adjourn

TO: Board of Commissioners

FROM: Martin Blaney, Executive Director



RE: RAD/Craven Terrace/Signage
Agenda item # 3

DATE: March 21, 2016

The RAD developer agreed to pay \$35,000 for interpretive signs to identify and explain significant historical events that pertain to the African American heritage within the Craven Terrace neighborhood. This commitment is the result of negotiations between the North Carolina State Historic Preservation Office, HUD, the developer and NBHA. The purpose is to mitigate the historical loss when seven Craven Terrace buildings located in the flood zone are demolished.

The Dryborough Neighborhood Association and the New Bern Historical Society were invited to participate and to take a leading role in the design and placement of these signs.

Commissioner Becton asked to give the Board an update on the development of the signs. She will be accompanied by Mr. Bernard George. Please join me in welcoming Mr. George on Monday.

HOUSING AUTHORITY OF THE CITY OF NEW BERN
MINUTES OF THE MEETING
OF THE EXECUTIVE COMMITTEE OF THE BOARD OF COMMISSIONERS
HELD ON WEDNESDAY, FEBRUARY 17, 2016

The meeting of the Executive Committee of the Board of Commissioners of the Housing Authority of the City of New Bern ("Authority") was held at 1:30 p.m. on Wednesday, February 17, 2016 via conference call.

Chair Monte called the Executive Committee meeting to order at 1:30 p.m.

The following people were present via conference call:

Chair Monte
Marty Blaney
Cresswell Elmore

James W. Norment
Stephanie C. Crosby

The Executive Committee continued discussing Peter Behringer's email of February 3, 2016 regarding repayment of the developer fee advances. Chair Monte said that he had met with Ms. Mitchell to get some historical information about the Master Development Agreement. After a review of the historical information by Chair Monte, Mr. Elmore said that he would like to see some better documentation from Mr. Behringer about hours worked and time expended. Mr. Norment asked Mr. Blaney to provide him with copies of the invoices submitted by Mr. Behringer. Mr. Norment will draft an email to Mr. Behringer and will send it to the Executive Committee for review.

No formal action was taken.

The meeting was adjourned.

HOUSING AUTHORITY OF THE CITY OF NEW BERN
MINUTES OF THE MEETING
OF THE EXECUTIVE COMMITTEE OF THE BOARD OF COMMISSIONERS
HELD ON WEDNESDAY, MARCH 9, 2016

The meeting of the Executive Committee of the Board of Commissioners of the Housing Authority of the City of New Bern ("Authority") was held at 1:30 p.m. on Wednesday, March 9, 2016 via conference call.

Chair Monte called the Executive Committee meeting to order at 1:30 p.m.

The following people were present via conference call:

Chair Monte
Marty Blaney
Cresswell Elmore
Rob Overman

James W. Norment
Stephanie C. Crosby
Michael J. Parrish

The Executive Committee agreed that they liked the draft of the letter to Peter Behringer that was drafted by Michael Parrish. Chair Monte made a motion to move forward with sending the letter to Mr. Behringer and Mr. Blaney seconded the motion. The motion was approved.

Mr. Norment told the Executive Committee that Andy Shiff was requesting a letter of support for the Gaston Boulevard project similar to what had been done the last couple of years. Mr. Blaney said that the development off Amhurst (Quail Forest) also is requesting a similar letter. Mr. Blaney will send to Ward and Smith a copy of the letter that he has been working on for that development.

Mr. Blaney said that he is putting together a list of payments that should be coming in from Evergreen.

Mr. Poulin has been pushing for Resident Services Coordinator positions to be filled. Mr. Blaney expects to make offers shortly.

The meeting was adjourned.

HOUSING AUTHORITY OF THE CITY OF NEW BERN

MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS HELD ON MONDAY, FEBRUARY 15, 2016

A meeting of the Board of Commissioners of the Housing Authority of the City of New Bern ("Authority") was held at 4:30 p.m. on Monday, February 15, 2016 in the 5th floor social room at New Bern Towers, New Bern, North Carolina, which is the place, hour, and date set forth in the notice announcing the meeting.

Chair Monte called the meeting to order at 4:30 p.m.

Roll call was as follows:

Present:
Carol B. Becton (arrived after roll call)
Cresswell Elmore
Thomas C. Hardin
Molichia Hardy (arrived after roll call)
Barbara Lee
Rachelle Martin
Etteinne Mitchell
Pete Monte
Willie W. Newkirk
Robert W. Overman
Joshua W. Willey, Jr.

Following roll call, Chair Monte determined that a quorum was present.

Martin Blaney, Executive Director, James W. Norment, attorney, and Stephanie Crosby, paralegal, from Ward and Smith, P.A. also were present.

Members of the public and staff were present.

Public Comment Period

No public comments were made.

Minutes of January 25, 2016 Meeting

Commissioner Elmore made a motion to approve the minutes of the January 25, 2016 meeting of the Board of Commissioners. Commissioner Willey seconded the motion. The motion was approved unanimously.

Police Department Report -- Officer Hollowell

Officer Hollowell presented the Police Department Report which was included in the board information packet. Officer Hollowell reported that there was only one incident reported in the last thirty days. A subcontractor left his jacket, with his truck keys in the pocket, in the hallway and it was stolen. Mr. Jedrey reported to Officer Hollowell that a resident had picked up the jacket thinking another resident had left it. The jacket was returned to the subcontractor.

Fire Department Report

No report was submitted by the Fire Department but Mr. Blaney reported that there was one grease fire but no damage was reported.

Finance Report -- Alan Reese, CPA

Mr. Reese reviewed the Finance Report which was included in the board information packet. Mr. Reese reported that he had been working with Preservation Management on remitting operating subsidies for each month and there is now a system in place. This system will work through 2016 and then in 2017 the operating subsidies will be paid directly to Preservation Management by HUD. Commissioner Mitchell made a motion to approve the Finance Report. Commissioner Lee seconded the motion. The motion was approved unanimously.

Public Housing Report -- Virginia Stanley

Ms. Stanley presented the Public Housing Report which was included in the board information packet. Occupancy for Trent Court for January was 95% and New Bern Towers was 90%. There was one person in Trent Court who vacated for a criminal lease violation.

Choice Neighborhoods Report -- Mickey Miller

Ms. Miller presented the Choice Neighborhoods Report which was included in the board information packet. Ms. Miller provided an update on the CDFIA Brownfields Project Response Team which was on site in New Bern recently meeting with stakeholders. Theresa Lee continues to work with the CNI Leadership Academy which kicked off with a "train the trainer" workshop in January. The final Transformation Plan is due to HUD on February 22.

Old/New Business

1. Executive Committee Minutes -- The minutes of the February 10, 2106 Executive Committee meeting were distributed to the Board.
2. Procurement of Trent Court Developer -- Ms. Miller told the Board that after extensive interviews, two experienced development firms were invited to submit best and final offers. After conducting due diligence, the review panel recommends entering into discussions with Pennrose Properties, LLC which hopefully will lead to a memorandum of understanding and then a Master Development Agreement. Pennrose is a nationwide firm and the Authority would be dealing with their Chattanooga office. Mr. Blaney said that there also will be an RFQ for outside legal counsel for this project. Commissioner

Elmore said that he had been part of the review process and that although both were good proposals, Pennrose was exceptional.

Commissioner Mitchell made a motion to move forward with developing a memorandum of understanding with Pennrose Properties, LLC. Commissioner Newkirk seconded the motion. The motion was approved unanimously.

Executive Director's Report

Mr. Blaney presented the Executive Director's Report which was included in the board information packet. He said that Trent Court received a REAC score of 50 which is the lowest it has ever been since Mr. Blaney has been at the Authority. However, Mr. Blaney questioned some of the report's scoring and will appeal. Some issues noted were deteriorating bricks on the exterior of the building, which as Mr. Blaney noted, is not that unusual for a 70-year old building. Mr. Jedrey is working on the appeal and Mr. Blaney will report when the results are provided to the Authority.

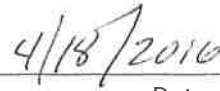
Mr. Blaney thanked Ms. Livingston and Mr. Reese for all of their work in getting the payments to Preservation Management handled especially since contradictory information was received from HUD. He also thanked Ms. Stanley for her work in closing out the books of Craven Terrace.

Mr. Monte announced that the Commissioners and public were invited to tour the renovations that were being made to New Bern Towers as soon as the meeting adjourned.

There being no further business, the meeting was adjourned at 5:05 p.m.

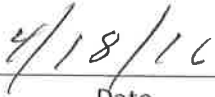


Pete Monte, Chair



Date

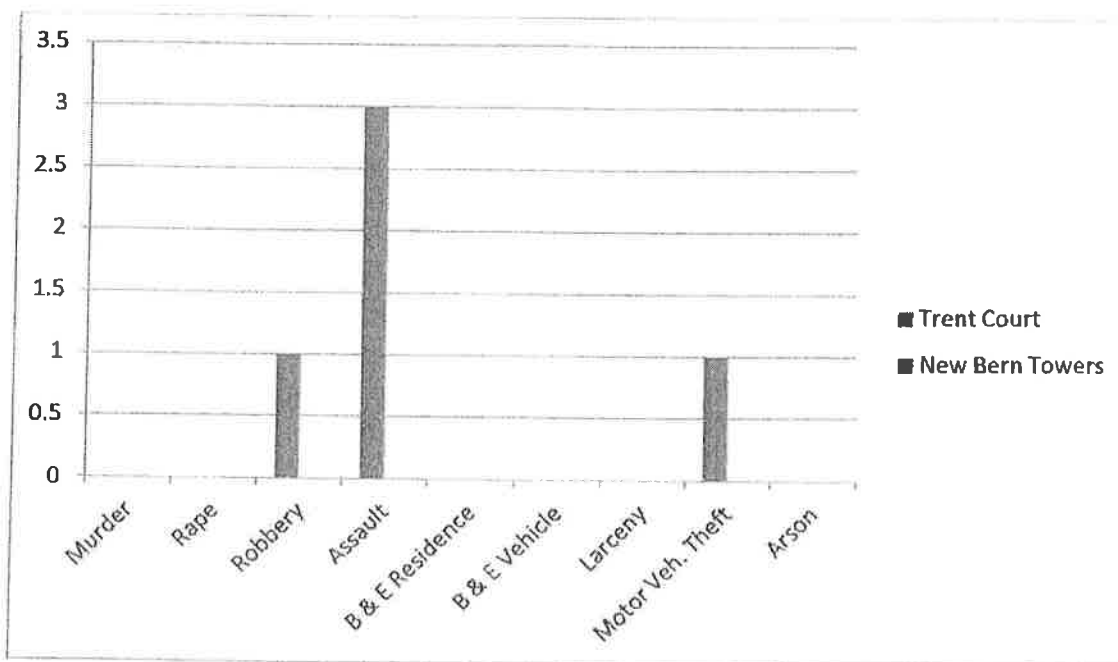

Martin Blaney, Executive Director



Date

Part 1 Crimes February 10, thru March 14, 2016

Offenses	Trent Court	New Bern Towers	TOTAL
Murder			
Rape			
Robbery	1		1
Assault	3		3
B & E Residence			
B & E Vehicle			
Larceny			
Motor Veh. Theft	1		1
Arson			



Noted Incidents

Trent Court:

On 02/24/2016 a female tenant in the J Building was involved in a physical confrontation with her boyfriend. Both subject were charged and arrested for assault.

On 02/24/2016 a female tenant in the F Building reported her ex-boyfriend entered her apartment without permission and assaulted her after he checked her cellphone messages. No warrants on file at this time.

On 03/10/2016 a male visiting a tenant in the Q Building was robbed of his wallet, money and his rental vehicle. No suspects have been identified.

New Bern Towers:

No reported activity

THE FINANCE REPORT WAS NOT READY AT PRESS TIME.

It will be distributed during Monday's meeting,

We apologize for the inconvenience.

New Bern Housing Authority Vacancy Report

JANUARY 2016 – FEBRUARY 2016

Public Housing

	Total JAN Occupancy	FEB Move Outs	FEB Move Ins	Total FEB Occupancy	# Vacant	Occupancy %
Trent Court 218 (*216)	208 (*206)	3	7	212 (*210)	6 (*4)	97%

* 2 Units offline in Trent Court

Section 8 - New Construction

	Total JAN Occupancy	FEB Move Outs	FEB Move Ins	Total FEB Occupancy	# Vacant	Occupancy %
NBT 106	95	0	3	98	8	92%

FEBRUARY 2016

	Pending terminations for non-payment	Pending terminations for criminal lease violations	Pending terminations for other lease violations
Trent Court	64 (14-day)	0	0
New Bern Towers	10 (30-day)	0	1 (vacated)

Court Session FEBRUARY 25, 2016 11 cases - nonpayment

	# Cases to be heard	#Tenants vacated after court	# Tenants paid all court chgs	# Writs filed/ to be filed	#Writs to be served	#Writs served; 7- day wait or vacated
Trent Court	11	2	9	0	0	0
New Bern Towers	0	0	0	0	0	0

Updated 3/11/16



Choice Neighborhoods Planning Update
March 21, 2016

1. **Final Transformation Plan.** The final Transformation Plan was completed and submitted to HUD on Feb. 22. You can review the plan at www.ChoiceNewBern.com/final-transformation-plan/.
2. **CNI Leadership Academy.** The first Leadership Academy class graduated on Mar. 7 at City Hall with Mayor Outlaw presiding. The class of fourteen, a mix of public housing residents, neighborhood residents, and partner representatives, honed their planning, problem-solving, and conflict resolution skills in the six-week course. Dr. Ely of Carolina A&T has agreed to return to New Bern to facilitate future classes if funding is available.
3. **Trent Court developer MOU and kick-off visit.** The NBHA Board of Commissioners authorized entry into a Memorandum of Understanding (MOU) with Pennrose for the redevelopment of Trent Court under the CNI Transformation Plan. Currently under negotiation, the MOU will lay out goals, a general process, roles, and timetable leading to a future master development agreement. Meantime, we are setting a date for a kick-off visit by the Pennrose team in April. They will meet with the Board of Commissioners, Board of Aldermen, City staff, key partners, and CNI committee members to discuss the way ahead.
4. **Legal Consultant RFP.** On Feb. 24, NBHA issued an RFP for procurement of a legal consultant with mixed-income housing development experience to advise on the Trent Court redevelopment. Responses are due Apr. 1. We have received some inquiries and anticipate several responses.
5. **CNI coordination.** With the final HUD deliverable complete and the grant term ending, there will no longer be an overall CNI coordinator. The CNI Implementation Committee will continue to meet to coordinate activities and programs. I will close out the grant and continue to coordinate the housing redevelopment activities with the NBHA.
6. **Moving to implementation.** New Bern has turned the corner from planning to implementation. Area agencies, nonprofits, the faith community, and residents are partnering to implement the strategies contained in the Transformation Plan. An impressive list of programs and improvements already underway is attached.

Mickey Miller
CNI Grant Coordinator
mmiller@newbernha.com
ph. 252-626-0419
www.ChoiceNewBern.com
www.facebook.com/ChoiceNewBern

The Path to Implementation -- Doing While Planning

This Transformation Plan is just the beginning. Knowing that the future is in their hands, New Bern's leaders, support organizations, nonprofits, faith community, and businesses are working together to promote community development, neighborhood revitalization, and quality of life in the Greater Five Points area. These ongoing and recently completed programs demonstrate New Bern's high level of commitment and investment in improving this neighborhood:

NEIGHBORHOOD IMPROVEMENTS:

- **Sidewalk improvements.** The City's CDBG Plan includes \$100K in expenditures over five years for construction and improvement of sidewalks in Greater Five Points. Construction is already underway.
- **River Walk extension.** The Downtown River Walk was recently extended from Trent Court to Leander Morgan Park. This \$240k project funded by the City and a Coastal Area Management Act Waterfront Access grant includes two docks, a pavilion, and kayak launch.
- **Historic fountain and parks.** A plan is approved and fundraising is in progress to reconstruct the former historic fountain with adjoining pocket park on City-acquired property at Pollock and Queen Streets in Walt Bellamy. An additional pocket park at the corner of Jones and Liberty will include a sculpture by a local artist to commemorate New Bern native Walt Bellamy.
- **Carter-Sampson Park.** This pocket park and playground located in a "play desert" at Green and Sampson Streets opened in May 2015. It was constructed by City on donated property with \$16.5K funds raised by Swiss Bear Downtown Development Corporation and other private donors.
- **Paint Your Heart Out New Bern and Group Cares: Mission New Bern.** The Neuse River CDC, Duffyfield Resident Council, City of New Bern, Eastern Carolina Council and Choice Neighborhoods, along with the national nonprofit youth ministry Group Cares, are partnering on a home rehab and painting program for homes in the Greater Five Points neighborhood in July 2016.
- **Joseph Farmers Market expansion.** Genesis 457 CDC recently received a \$94K USDA grant to increase outreach for their monthly farmer's market. They are currently looking at centrally-located sites for relocation in the Greater Five Points area.
- **Historic Signage Campaign.** Community partners including New Bern Historical Society and Historic Dryborough Association have collaborated with community volunteers on a signage campaign that will highlight significant African-American events, figures, and locations throughout the neighborhood. Evergreen Management has pledged \$35K to this effort as part of the Craven Terrace rehabilitation project.
- **1st Street Gateway Corridor Improvements, City Market and Trades Center.** A concept plan has been developed and funding is being sought for adaptive reuse of property on First Street into a multi-use City Market with a focus on fostering and incubating new businesses. Also planned is a workforce development training center for Craven Community College to offer workforce training tailored to meet identifiable shortfalls of local employers, such as construction skills, welding, electrical and HVAC repair,

and culinary arts. Roadway improvements to support this project are also planned, including sidewalks and bike/pedestrian pathways.

- **CDFA Brownfields Technical Assistance Program.** New Bern was selected as one of eight communities nationwide to participate in CDFA's 2016 Brownfields Technical Assistance Program. In February 2016 a technical assistance team provided guidance on a range of redevelopment finance tools to address brownfields conditions in Greater Five Points, with a focus on Trent Court. This report will be used to identify and pursue funding for cleaning sites and building infrastructure.
- **Veterans Employment Basecamp and Organic Garden (VEBCOG).** Recently established at Henderson Park on City-provided property, VEBCOG's mission is to assist homeless veterans with transitional employment and disabled veterans with horticultural therapy; excess vegetables are provided to local residents.
- **Facade grants.** Over \$36K in grants have been provided for nine commercial properties in Greater Five Points; improvements include parking lots, awnings, entries and windows, sidewalks, painting, and landscaping.
- **3rd Ave realignment and beautification.** \$1 million CDBG grant was used to provide safe and attractive two-way access to Greater Duffyfield neighborhoods by acquiring and demolishing 22 dilapidated houses and realigning 3d Avenue with 1st Street.
- **Third Avenue home construction.** Nonprofits Habitat for Humanity and Coastal Community Action are partnering with City of New Bern to build homes along Third Avenue for affordable home-ownership opportunities. This initiative will involve approximately \$150K in CDBG funding over 5 years.
- **Urban Forest at F & Biddle Streets.** Adjoining the recently constructed stormwater retention pond, the small urban forest was sponsored by the City, Greater Duffyfield Resident Council, and other local partners with a Legacy Tree Fund grant. Discussions are ongoing about additional improvements including a pavilion, benches and improved parking.
- **K Street Community Garden expansion.** In response to the need for more community gardens, initial planning has begun to expand the K St. Garden site in the heart of Duffyfield. A broad collaboration of partners are at work developing a concept plan that includes leasing garden plots, cooperative crop space, ecological education gardens and community gathering space.

PEOPLE INITIATIVES:

- **Workforce development training.** Craven Community College and Religious Community Services have partnered to bring workforce development training to the Greater Five Points neighborhood! The STEP program – "Strive, Train, Earn, Prosper" – offers courses in forklift operations and construction trades at RCS with tuition assistance available.
- **Health Initiatives and Health Fair.** In response to the need identified during Choice Neighborhoods planning, NBHA is working with CARE2U Health Clinic to bring their mobile health clinic into public housing and the surrounding neighborhood. The Trent Court and Craven Terrace resident councils hosted a Health Fair drawing over 150 residents to explore the feasibility of the mobile health clinic.

Area health providers offered free medical screenings and health information. The Trent Court resident council has also recently formed a fitness walking group.

- **Resource Center and Resident Services Coordinator.** As a part of the extensive renovations at Craven Terrace, a full building will be converted into a wrap-around resource center. The resource center will provide a convenient location for local resource providers to offer such services as classes, health screenings, and childcare to residents. NBHA has hired two full-time resident services coordinators to facilitate service provision and provide case management.
- **New Bern Boys and Girls Club.** The Boys and Girls Club of Coastal Carolina has expanded to New Bern with one of their two locations at JT Barber Elementary School. Within a few short weeks over 100 children were enrolled at this site within walking distance of the Greater Duffyfield neighborhood. The Club provides a safe, structured and enriching environment for area youth.
- **Choice Neighborhoods Leadership Academy.** The grassroots leadership program "A Place at the Table" was recently launched to develop strong community leaders in the neighborhood. Beginning with a train-the-trainer workshop led by a community development specialist from NC A&T, it also includes sessions on generational, social, and civic leadership. Plans are underway to repeat the Academy in future to develop more leaders across the community.
- **Genesis 457 CDC initiatives.** Genesis 457 CDC targets residents of the Greater Five Points neighborhood for their regular workshops to assist community churches, small businesses, and entrepreneurs to access resources such as grants, loans, and credit. A seminar on home-ownership and foreclosure is also planned.
- **The Entrepreneur Center of Craven County (TEC3).** A collaboration between Craven County, the City of New Bern, Swiss Bear Development Corporation, the Small Business Center, and other partners, this entrepreneurial business incubator and resource center will be located within walking distance of the Greater Five Points area. Already partially funded through multiple grants, TEC3 is projected to be operational in 2017.
- **Race Relations dialogues.** Local faith-based, civic, and social organizations are partnering to promote increased City-wide dialogue about race relations and socio-economic issues. Events included Peletah Ministry/Genesis 457 CDC's two-day racial reconciliation seminar with acclaimed civil rights leader Dr. John Perkins, as well as several community gatherings and a race forum at the NC History Center.
- **YMCA Swim Program.** The YMCA has developed an annual program of free swim lessons during spring break for public housing children. Transportation is provided by New Bern Parks & Recreation Department and a local bank provides free bathing suits and goggles.
- **"Because We Care, We're Coming To You."** The faith community, Police Department, NAACP, and civic groups have organized three walks through the community with more to follow. Area churches have also volunteered to serve as host worksites for juveniles performing restitution, with more related activities planned for future
- **"Five Points C.A.R.E.S." (Community Awareness and Response to End Sexual Violence)** -Local nonprofit sexual assault resource center Promise Place has developed this program for public housing residents. Funding has been requested and focus groups interviewed.

- **Reimaging campaign.** The Greater Duffyfield Resident Council in collaboration with the City and other partners has received a \$10K grant from Bate Foundation for a reimaging and branding effort to attract business and home-ownership into the Greater Five Points area. Craven Community College has pledged \$20K of in-kind marketing and communications support.
- **Play and Learn Kindermusik program.** Responding to the need for pre-school enrichment activities identified in the CNI planning process, Craven Smart Start secured a grant to offer a weekly program for preschoolers in the Greater Five Points area.
- **Youth yoga.** As an off-shoot of participation in Choice Neighborhoods planning, the owner of a downtown yoga studio recently initiated youth yoga classes at Stanley White Recreation Center.
- **Homeownership preparation.** Neuse River Community Development Corporation (NRCDC) and Genesis 457 CDC have begun workshops on homeownership to assist residents as they prepare for buying and owning a home.

TO: Board of Commissioners

FROM: Martin Blaney, Executive Director

RE: Fire Alarm Upgrade – New Bern Towers
Agenda Item # 11.a.



DATE: March 21, 2016

The fire system control panel at the Towers was replaced a little over three years ago. At that time, the detection system was checked and found to be completely functional. However, we recently had a failure in the detection system: one (of 108) smoke/heat detectors failed and had to be replaced. These are located throughout common and mechanical areas, are wired into the control panel and are separate from individual smoke detectors which are located in each apartment.

The existing detection system is original equipment and is nearly 36 years old yet works as intended. Residents are safe. However, when we experienced the smoke/heat detector failure, we found that the units are no longer manufactured and replacements are very difficult to find.

Tyco Integrated Security, Inc., has the maintenance contract for the Towers and located the replacement unit for us. They provided a proposal for complete replacement of the system in the amount of \$23,171.00. We checked pricing and found their proposal to be reasonable.

This is to request the Board's consideration of awarding a contract to Tyco at the indicated price. Justification is as follows:

1. Tyco currently has the maintenance contract for the alarm and security systems. They recently installed the key fob entry system and we were extremely pleased with their performance.
2. While no resident is currently in danger, we can only expect more failures and more difficulty finding replacement units. When one unit fails the integrity of the entire system is lost. Consequently, I consider this to be an "emergency" procurement.
3. Quoted price is competitive.

I will be glad to answer any questions on Monday.

TO: Board of Commissioners

FROM: Martin Blaney, Executive Director



RE: TCG Repayment to NBHA
Agenda Item # 11.b

DATE: March 21, 2016

TCG Development Advisors, LLC, ., was the master developer for the RAD conversion at Craven Terrace. Our agreement provided that the Authority advance payments to cover overhead costs and that we would be reimbursed at closing. Advances totaled \$170,000 and no reimbursement has been made. TCG's Mr. Peter Behringer acknowledged their commitment yet thought it appropriate to negotiate the reimbursement since TCG did work on other properties, including Trent Court. The essence of his initial proposal was presented in the February 15, 2016, Board packet in the Executive Director's report.

This matter was discussed during the recent Executive Committee meetings. The Executive Committee found Mr. Behringer's initial proposal to be deficient and directed counsel to draft a response detailing the Committee's concerns. During their meeting of March 9, 2016, the Committee approved the draft and it was mailed on Friday, March 11, 2016. A copy is attached.

This is to bring the full Board current on this important issue. No final action will be taken without presentation before the full Board, discussion and vote.

Attachment

1001 College Court (28562)
Post Office Box 867
New Bern, NC 28563-0867

P: 252.672.5411
F: 252.672.5477
mjp@wardandsmith.com

March 11, 2016

VIA EMAIL AND FIRST CLASS MAIL

Mr. Peter Behringer
TCG Development Advisors, LLC
348 Thompson Creek Mall, Suite 357
Stevensville, MD 21666
behringer@tcgdevelopment.com

RE: Repayment of Monthly Overhead Advances
Our File 950632-00052

Dear Mr. Behringer:

The Executive Committee of the Housing Authority of the City of New Bern (the "Housing Authority") asked us to contact you about your email to Jamie Norment wherein you made a proposal to repay only a portion of the \$170,000.00 in monthly overhead advances (the "Advances") paid by the Housing Authority to TCG Development Advisors, LLC ("TCG") in connection with the Master Development Agreement ("Agreement") entered into by the Housing Authority and TCG.

The Housing Authority values its relationship with TCG and the work you have done to help close the Craven Terrace project. The Housing Authority also appreciates your desire to reach a fair outcome with regard to the repayment of the Advances, but we are sure you understand that the Housing Authority must be a good steward of its limited financial resources. In short, the Executive Committee believes we need to take a different approach. As explained below, the Housing Authority is open to receiving additional information from you that might lead to a resolution that is equitable and based on the Agreement.

As we understand it, your proposal acknowledges that TCG is obligated to repay all \$170,000.00 of the Advances, but suggests that TCG should be able to retain \$81,600.00 because it did work for potential projects relating to New Bern Towers and Trent Court. Therefore, we must be clear about the Housing Authority's position:

First, your proposal for TCG to retain \$81,600.00 is not supported by the Agreement. Section 6.5 makes clear that the Advances are not earned by TCG and, but "shall be reimbursed [by TCG] at the closing..." The closing of the Craven Terrace development occurred in December of 2015, and TCG is

Mr. Peter Behringer
March 11, 2016
Page 2

technically past due on its obligation to repay to the Housing Authority all \$170,000.00 of the Advances. The Housing Authority has agreed to extend the due date while we discuss your proposal, but this extension is not a waiver of the underlying commitment and is not indefinite. The Housing Authority preserves, and does not waive, all of its rights under the Agreement. Your proposal suggests that TCG should be able to retain \$81,600.00 of the Advances because it performed work on potential projects which did not close. The Agreement provides only one manner by which TCG may be compensated – from receipt of development fees for projects which close. Importantly, the Agreement does not provide that the Housing Authority is to pay TCG anything for its work. In fact, the Agreement does not require the Housing Authority to compensate TCG for time spent on developments which did not close. TCG's work on potential projects was for its own benefit – with its potential reward coming from development fees if the projects closed – and at its own risk. However, we do appreciate the unique circumstances of your interaction with the Housing Authority's former executive director, and the Housing Authority is willing to consider that some adjustment might be appropriate.

Second, your proposal suggests that TCG would repay the Housing Authority by submitting a portion of future developer fees received by TCG. Although the Housing Authority is willing to consider a payment plan, it finds that repayment structure in your proposal to be indefinite and unacceptable. Any agreement which might be reached for repayment of the Advances would, at a minimum, require specific dates for payments, and specific means of enforcement in the event of noncompliance.

Third, because your proposal is couched as a percentage of the total number of units owned by the Housing Authority, your proposal appears to us to assume that TCG spent the same amount of time on work relating to Craven Terrace, New Bern Towers, and Trent Court. The Housing Authority firmly believes that TCG spent much less time on any exploratory work for potential projects relating to New Bern Towers and Trent Court than it did on the Craven Terrace project, which actually closed. Accordingly, the method by which you calculated the proposed amount of repayment is not reasonable.

The Housing Authority is open to continuing to pursue a mutually acceptable resolution to this matter. However, before the Housing Authority would be able to formulate any proposals of its own, it needs to receive from TCG all records which would reflect the (1) expenses (including travel and overhead specifics), (2) the amount of time spent on efforts relating to the potential projects at New Bern Towers and Trent Court and (3) the work product resulting from such efforts. In the event that TCG creates any chart or summary with that information, the Housing Authority will need to verify the underlying data. Please provide this information to us as soon as possible, but certainly by April 15.

Finally, as you know, the Housing Authority has come under intense scrutiny by the media, tenants, some members of the public, and HUD since entering into the Agreement with TCG. The Housing Authority's responses to the scrutiny have demonstrated time and again that the Board of Commissioners has acted, and will continue to act, in the best interest of its mission consistent with its obligations to HUD and the tenants. Therefore, the Housing Authority must thoroughly evaluate any deviation from the Agreement and be able to explain to the public and HUD any resulting alternative reimbursement plan for TCG. We are confident that you understand why this is so important to the Housing Authority, and why we must request additional data that justifies any deviation.

WARD AND SMITH, P.A.

Mr. Peter Behringer
March 11, 2016
Page 3

Please do not hesitate to contact me or Jamie Norment with any questions. We look forward to hearing from you.

Yours very truly,

A handwritten signature in black ink, appearing to read "MJP", written over a horizontal line.

Michael J. Parrish

ND: 4850-0354-5902, v. 1

cc: Martin Blaney, Executive Director (via email)

TO: Board of Commissioners

FROM: Martin Blaney, Executive Director

RE: Executive Director's Report
Agenda Item # 12

DATE: March 21, 2016

Pennrose Properties – Trent Court Developer

We are currently negotiating a Memorandum of Understanding with Pennrose. We anticipate no problems and hope to have a product for your consideration during the April meeting. Pennrose has been responsive to our concerns. We are planning for their visit in April. One of their priorities will be to meet with local stakeholders.

Legal

We have advertised the RFP for legal services specifically for Trent Court development and are receiving inquiries.

Audit

The 2015 audit RFP was issued. I hope to make a recommendation next month.

Personnel

Ms. Della Walley and Ms. Latisha Bell came on board on Wednesday, March 16, 2016, as Resident Services Coordinators. They will work at Craven Terrace but will have offices at Trent Court. Expenses will be reimbursed by PMI.

Ms. Mickey Miller's last official day was Friday, March 18, 2016. She has agreed to assist with several CNI work items.

Mr. Travis Bell was hired as the New Bern Towers Night Monitor effective Friday, March 18, 2016.

Board of Commissioners

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HUD

Ms. Stanley and I attended the HUD Rountable in Greensboro, February 29 and March 1, 2016. I met with Mr. Michael Williams and asked about the status of HUD's Departmental Enforcement Center's (DEC) review. He said that the review had been complete for some time but that it had not been issued. Consequently, I infer that the review's findings were insignificant and/or inconsequential.

There was a very interesting session on smoking in public housing. We are expecting HUD's publication of a final rule which will ban all smoking in public housing, extending 25 feet from buildings. For all intents and purposes, this would prohibit smoking on the Trent Court campus. The prohibition will cover residents, guests, staff, contractors and vendors. Implementation is expected in 2017. It is vital that we communicate and cooperate with residents. I will keep you posted on developments.

Miscellaneous

Our A/E firm inspected the Charles Taylor Building on March 24. We await his report.

The grass cutting season has begun! Since we are considerably smaller, we will tackle this job ourselves rather than using a contractor. I may have to hire temporary help.

Annual inspections were recently completed at New Bern Towers. **Not one** roach – dead or alive – was observed!

We have placed a dumpster off Bern Street. We hope to erect an attractive enclosure. We are also installing new litter receptacles on Bern and Fleet Streets.

We continue to work on the web site. Please feel free to provide updated biographies if you wish.