

MINUTES OF A REGULAR MEETING OF THE
COMMISSIONERS OF THE
CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY

The Commissioners of the City of Roanoke Redevelopment and Housing Authority met for a regular session on Monday, July 24, 2017, in the offices of the City of Roanoke Redevelopment and Housing Authority, 2624 Salem Turnpike, NW, in the City of Roanoke, Virginia.

I. CALL TO ORDER – ROLL CALL

Vice Chair Burruss called the meeting to order at 3:01 p.m. and declared that a quorum was present.

PRESENT: Commissioners Anguiano, Burruss, Butler, Garner

ABSENT: Commissioners Karnes, Smith and Witten

OFFICER PRESENT: Mrs. Glenda Edwards Goh, Secretary-Treasurer

ALSO PRESENT: Jackie Austin, VP of Finance/CFO; Kathy Beveridge, Interim HCV Manager; David Bustamante, VP of Housing; Stephanie Cooperstein, Section 3 Employment Coordinator; Betsy Crow, VP of HR and Administration; John Garland, Roanoke City Council Liaison; Frederick Gusler, Director of Redevelopment and Revitalization; Crystal Hall, Community Support Services Director; Mark Loftis, Legal Counsel; Joel Shank, VP of Operations; Melissa Wills, Executive Assistant

Vice Chair Burruss welcomed everyone to today's meeting.

II. REPORTS

1. Financial Report

Vice Chair Burruss stated that Mrs. Austin provided a Financial Narrative along

with a Financial Report.

Vice Chair Burruss asked if there were any comments or questions. There were none.

2. Executive Director's Report

Vice Chair Burruss asked for the Executive Director's report.

Mrs. Goh stated that, along with her written report, she had enclosed a chart showing the House Appropriations Bill funding for U.S. Department of Housing and Urban Development's (HUD) programs as well as the President's proposed budget funding. She noted that it appeared that the House bill would restore a fair amount of money to the budget, especially to the core programs. She said this would give reason to hope that the funding will not be as severely reduced as it might have been with the President's proposed budget cuts and that she will continue to monitor budget actions and inform the Board.

Mrs. Goh told the Board that she had received a call from the HUD Richmond Field Office Director regarding bringing Joe DeFelice, the new Regional Administrator of HUD's Mid-Atlantic region, to Roanoke during his visit to Virginia. She stated that the visit will occur in August, and she will inform Commissioners when the date is confirmed. She said that RRHA staff will plan a tour of some of the developments and programs.

Mrs. Goh updated the Board that staff is having monthly calls with HUD's Shortfall Prevention Team relative to the projected shortfall in the Housing Choice Voucher (HCV) program. She stated that RRHA has taken and will continue to take all of the actions that HUD has recommended. In return for taking these measures, HUD

has given assurance that shortfall funding will be provided to cover the amount of the shortfall near the end of the year. She said that, although a shortfall is likely, it should not create a crisis situation this year.

Mrs. Goh reported that HUD has issued a Notice of Funding Availability (NOFA) for Choice Neighborhoods Planning and Action Grants. She stated that this was somewhat surprising because, generally, a new administration does not carry forward a signature program of the previous administration. She explained that Mr. Gusler has reviewed the NOFA and determined that RRHA is not eligible for a Planning and Action grant unless a different Choice Neighborhood was selected because a grant is not available for a neighborhood that had received a previous Choice Neighborhoods Planning Grant.

She went on to say that, because there is funding in the budget, an announcement is expected soon regarding Choice Neighborhoods Implementation Grants. If RRHA intends to apply for another grant, she said it would be beneficial to hire a consultant with a proven track record to help as it is a very competitive process. She explained that Mr. Gusler has been doing research regarding the process. He consulted with the Richmond Redevelopment and Housing Authority, which submitted an application in the last round, their fifth attempt. Richmond hired a consultant to develop the application and made it past the first threshold and into the second round of the grant application process. She stated that she and Mr. Gusler have met with the City for preliminary discussions regarding interest in another application. She further stated that Mr. Gusler would be meeting with the City of Roanoke for another meeting to discuss whether to move forward. She said that involvement by Board members

may be requested. She said that the investment is approximately \$100,000 to contract with a firm to write the grant application, and the process is very competitive, so the decision will need to be considered thoughtfully by both RRHA and the City.

Commissioner Anguiano noted that the proposed funding is significantly lower than last year's amount and that the fee is a significant amount to spend for a smaller pool of funding. Mrs. Goh explained that the next round of applications will be funded from the FY 2017 budget, while the smaller amounts on the chart reflect FY 2018 proposals. She said that the FY 2017 budgeted amount is somewhat larger than the prior year, but that the FY 2018 proposed amount is not even enough for one full implementation grant. She said that FY 2017 funding would fund approximately five full grants nationwide. In response to a question from Vice Chair Burruss, Mrs. Goh confirmed that this was the same number of grants as prior years and that, previously, the grants have gone to large cities.

Commissioner Anguiano asked about the number of Public Housing Authorities that had advanced after the first round of the application process versus the total number awarded grants during the last application process. Mrs. Goh stated that she did not have that information but that she or Mr. Gusler would research it and report back to the Board with the answer.

Mrs. Goh distributed a report prepared by Mr. Gusler in follow up to a request from Commissioner Witten at last month's Board meeting regarding properties owned by RRHA that are not currently in development or active use. She explained that the properties and the plans that RRHA has for them, if applicable, are listed.

Mrs. Goh then distributed a packet regarding Low Income Housing Tax Credit

(LIHTC) properties in follow up to Commissioner Garner's request from the previous month. She said that this report includes a one page summary that includes the description of the property, the owner and partners along with pertinent dates; the Purchase Order and Right of First Refusal Agreement; the IRS form 8609 Low-Income Housing Credit Allocation Certification; last year's audit; and the most current financial statements. She stated that she is going to ask Neal Keesee, an attorney at Woods Rogers who handles LIHTC matters for RRHA, to attend the August Board meeting if possible and answer any questions that Board members may have. She encouraged Board members to review the packet and bring it with them to next month's meeting.

She went on to say that the first property that will be coming to the end of its compliance period is Stepping Stone Apartments on December 31, 2020. She explained that, at the end of the compliance periods, RRHA has a right of first refusal for all four properties addressed in the packet; however, the Right of First Refusal terms are not identical. She said that the packets are an educational tool so that Board members can begin to consider plans as compliance periods end. She stated that the purpose of having Mr. Keesee attend the meeting is to provide information, regarding options such as re-syndication of tax credits at the end of the compliance period, as well as explaining the terms of the Rights of First Refusal agreements. Mrs. Goh said that, since this will be a new process that RRHA has not been through before, she thinks education is a necessary first step.

Vice Chair Burruss asked if there were any other comments or questions. There were none.

3. Staff Reports

Vice Chair Burruss asked if there were any Staff reports, comments or questions. There were none.

4. Committee Reports

Vice Chair Burruss asked if there were any Committee reports. There were none.

5. Commissioner Comments

Vice Chair Burruss asked if there were any Commissioner comments. There were none.

6. City Council Liaison Comments or Discussion

Vice Chair Burruss thanked Council Member Garland for being at today's meeting and asked if he had any comments or discussion.

Council Member Garland addressed some false reports that had been circulating on Facebook regarding the Mill Mountain Star and gave an update regarding the process of finding a new City Manager, stating that the City has made an offer and is hopeful of having a new City Manager start work in September. He reported that an open house was held at the recently renovated Boxley building in downtown Roanoke. He stated that the building will house international school students from North Cross High School and Roanoke Catholic High School. Mr. Garland stated that the recent local events sponsored by Deschutes Brewery have been well attended, and that negotiations for a new tenant in the No. 1 Firehouse in downtown Roanoke are underway. He also mentioned the joint meeting between RRHA and Roanoke City Council and Mrs. Goh confirmed that the date would be

September 5, at 9:00 a.m.

7. Residents or other community members to address the Board

Vice Chair Burruss asked if there were any residents or community members who would like to address the Board. There were none.

III. CONSENT AGENDA

C-1 Minutes of the Regular Meeting of the Board of Commissioners held Monday, June 26, 2017.

RECOMMENDED ACTION: Dispense with the reading thereof and approve as recorded.

C-2 Monthly Operations Report for the month of June 2017.

RECOMMENDED ACTION: File as submitted

Commissioner Garner introduced a motion to approve the Consent Agenda.

The motion was seconded by Commissioner Butler and upon roll call the following vote was recorded:

AYES: Commissioners Anguiano, Burruss, Butler and Garner

NAYS: None

Vice Chair Burruss thereupon declared said motion carried as introduced.

IV. REGULAR AGENDA

1. Resolution No. 3929

Ms. Crow introduced Resolution No. 3929, requesting the Board to approve revisions to the Accidents and Injuries Reporting Policy No. 710 which is updated with changes made to the reporting process through VML, RRHA's insurance provider, and is more reflective of current practices. She explained that VML has also

recommended ways to save on future costs of workers' compensation coverage and, in an effort to achieve those cost savings, a new policy regarding Return to Work has been developed. This policy was written in consultation with VML and discussed at the last Personnel Committee meeting.

Responding to a question from Commissioner Butler as to why this type of administrative matter had to be Board approved, Ms. Crow responded that because the Return to Work Policy is new and the other policy had some changes to definitions included in the policy section, they required Board approval.

Vice Chair Burruss expressed her appreciation to Ms. Crow for her diligent attention in providing clarity to personnel policy matters, stating that while it may not always have immediate impact in the day to day work of an organization, it could have the potential for negative consequences if left undone.

Vice Chair Burruss asked if there were any other comments or questions.

There were none.

Commissioner Butler introduced Resolution No. 3929 and moved its adoption as introduced:

RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY APPROVING A REVISED PERSONNEL POLICY REGARDING ACCIDENTS/INJURY REPORTING AND A NEW PERSONNEL POLICY REGARDING RETURN TO WORK

WHEREAS, the City of Roanoke Redevelopment & Housing Authority (RRHA) has undertaken a review of its personnel policies to ensure they are relevant, meet the needs of the agency and are legally compliant; and

WHEREAS, RRHA has reviewed and is proposing revisions to Personnel Policy No. 710 regarding Accident/Injuries Reporting, dated December 12, 1996, and previously revised on July 1, 2011 and January 1, 2017, to better reflect current requirements and practices; and

WHEREAS, based on cost reduction recommendations and requirements of RRHA's Workers' Compensation insurance carrier, RRHA has determined it prudent and in RRHA's best interest to add Personnel Policy No. 711 regarding Return to Work; and

WHEREAS, the Personnel Committee of the RRHA Board of Commissioners supports and recommends approval of these revised and additional policies.

NOW, THEREFORE, BE IT RESOLVED by the Commissioners of the City of Roanoke Redevelopment and Housing Authority that the attached revised Personnel Policy No. 710, Accident/Injuries Reporting, and new Personnel Policy No. 711, Return to Work, are approved effective August 1, 2017.

The motion was seconded by Commissioner Garner and upon roll call the following vote was recorded:

AYES: Commissioners Anguiano, Burruss, Butler and Garner

NAYS: None

Vice Chair Burruss thereupon declared said motion carried and Resolution No. 3929 adopted as introduced.

2. Resolution No. 3930

Mr. Gusler introduced Resolution No. 3930, requesting the Board to award a contract for architectural and engineering services for ten new public housing units. He explained that the Operating Fund Financing Program (OFFP) will serve as HUD-required leverage for use of Replacement Housing Factor Funds for eight units. He stated that four duplex buildings will be built in Hurt Park. He went on to say that half of them would be 504 compliant, and the other half would be of universal design. He said that the last duplex would be located on Downing Street, which is in the area of Villages at Lincoln, and the funding source for that would be the proceeds from the sale of the former maintenance warehouse on Whiteside Street. Mr. Gusler explained that through the Request for Qualifications process, Hughes Associates had the

highest ranking and an acceptable pricing was reached with them.

Vice Chair Burruss asked if there were any comments or questions. There were none.

Commissioner Garner introduced Resolution No. 3930 and moved its adoption as introduced:

RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY AWARDDING A CONTRACT FOR ARCHITECTURAL AND ENGINEERING SERVICES FOR DEVELOPMENT OF 10 NEW PUBLIC HOUSING UNITS USING REPLACEMENT HOUSING FACTOR FUNDS GRANT NUMBERS VA36R01150212, VA36R01150213, VA36R01150214, VA36R01150215, AND VA36R01150216, AND PROCEEDS FROM SALE OF 3401/3403 WHITESIDE STREET, NE

WHEREAS, the City of Roanoke of Roanoke Redevelopment and Housing Authority (RRHA) has been awarded 2nd Increment Replacement Housing Factor (RHF) grants from the Department of Housing and Urban Development (HUD), which are grant numbers VA36R01150212, VA36R01150213, VA36R01150214, VA36R01150215, and VAR01150216; and

WHEREAS, HUD allows public housing authorities to use 2nd Increment RHF funds for the development of public housing units when the funds are leveraged; and

WHEREAS, RRHA has applied to HUD to use a portion of its Operating Fund Reserves as collateral for a loan under the Operating Fund Financing Program (OFFP), which was authorized by Resolution No. 3873 on February 22, 2016 by the Board of Commissioners, to finance the development of new public housing units; and

WHEREAS, the loan will qualify as the required leverage for the use of the 2nd Increment RHF funds; and

WHEREAS, the Board of Commissioners approved Resolution No. 3871 on February 22, 2016, authorizing the disposition of 3401/3403 Whiteside Street, NE, by sale at fair market value, with the proceeds to be used for the development of new public housing units; and

WHEREAS, RRHA was granted HUD approval of such disposition and use of proceeds from the sale for the development of public housing units; and

WHEREAS, RRHA accepted sealed bids for the sale of 3401/3403 Whiteside Street, NE; and

WHEREAS, CLP Properties, LLC submitted the highest bid with an amount of \$451,100, which was determined to be within the fair market value range; and

WHEREAS, the Board of Commissioners approved Resolution No. 3908 on December 19, 2016 authorizing the sale of 3401/3403 Whiteside Street, NE, for \$451,100 contingent upon HUD approval of such sale; and

WHEREAS, HUD approved the disposition of 3401/3403 Whiteside Street, NE, by sale to CLP Properties, LLC at the amount of \$451,100; and

WHEREAS, RRHA has received the proceeds from the sale; and

WHEREAS, architectural and engineering services are needed for the development of 10 new public housing units, eight of which will be on Westview Avenue, SW adjoining the Hurt Park Townhomes, and two of which will be on Downing Street, NW, adjacent to the Villages of Lincoln; and

WHEREAS, RRHA issued a Request for Qualifications (RFQ) on May 14, 2017 with Statements of Qualifications being due on June 1, 2017; and

WHEREAS, RRHA received five (5) Statements of Qualifications in response to the RFQ from the following companies:

- Martin & Co. Architects, Inc.;
- Lane Group;
- LMW, P.C.;
- Hughes Associates Architects and Engineers;
- CHP Design Studio; and

WHEREAS, the Executive Director assigned an Evaluation Panel comprised of five (5) RRHA staff members; and

WHEREAS, the Evaluation Panel reviewed and evaluated Statements of Qualifications according to the following evaluation criteria, which were published in the RFQ:

- A & E Background Data:
 - A. Statement describing A/E firm including list of staff members and job titles. (3 points)
 - B. Status and nature of projects firm has currently, or soon to be, under contract. (3 points)
 - C. Description of firm's organization and project management methodology. (9 points)
- Proposed Project Team:

- A. Profiles of the professional and technical competence of the principal(s) and proposed design team. Provide profile information on consultants that shall be a part of design team. (14 points)
 - B. Indication of specific team members whose involvement is required concurrently on other projects and the percent of time involved on those projects. Indicate the percent of time that members of the design team will be able to dedicate to RRHA projects. (6 points)
- Project History:
 - A. Description of previous work completed within the past ten years related to the modernization, renovation, and/or repair of public housing or other types of multi-family housing. (10 points)
 - B. Previous experience with development of comprehensive site plans for redevelopment work and providing associated surveying services. (5 points)
 - C. Previous experience with design of Section 504 housing. (5 points)
 - D. Previous experience with design of affordable housing using energy star, earth craft or other energy efficiency. (5 points)
 - Project Performance: Provide a spreadsheet with the following information from previously completed projects. Provide information for three (3) projects with construction cost less than \$250,000 and three (3) projects with construction costs greater than \$250,000.
 - A. Provide a description of each project. (4 points)
 - B. Provide client's pre-design budget amount for each project (4 points)
 - C. Amount of time required from date given by client for notice to proceed with design work until date of completion of design work for each project. (5 points)
 - D. A&E estimated construction cost versus actual construction cost for each project. (4 points)
 - E. A&E estimated construction time schedule versus actual time required for completion of each project. (3 points)
 - F. Number and amount for approved non-owner requested change orders for each project. (5 points)
 - Section 3:
 - A. Certified Section 3 Business Concern (8 points)
 - B. Section 3 Strategy (7 points); and

WHEREAS, the Evaluation Panel ratings for each A & E firm's Statement of Qualifications based on the published evaluation criteria were as follows:

- | | |
|--|-----------------|
| • Martin & Co., Architects, Inc. | 388 points |
| • Lane Group | 317 points |
| • LMW P.C. | 378.5 points |
| • Hughes Associates Architects & Engineers | 413.5 points |
| • CHP Design Studio | 387 points; and |

WHEREAS, the Evaluation Panel determined that Hughes Associates Architects & Engineers was the highest ranked firm. RRHA entered into negotiations for fees for services, and the cost of fees for services negotiated with Hughes Associates Architects & Engineers was fair and reasonable, based on comparison to RRHA's independent cost estimate completed prior to the beginning of the procurement process; and

WHEREAS, Hughes Associates Architects & Engineers has been found to be capable and in all other respects acceptable to RRHA; and

WHEREAS, the Evaluation Panel recommended to the Executive Director that a contract be awarded to Hughes Associates Architects & Engineers;

WHEREAS, the Executive Director has determined that this procurement complies with RRHA's Procurement Policy and that it is in the best interests of RRHA to accept such qualification and execute an appropriate contract.

NOW, THEREFORE, BE IT RESOLVED by the Commissioners of the City of Roanoke Redevelopment and Housing Authority that:

- (1) The Statement of Qualifications submitted by Hughes Associates Architects & Engineers be and hereby is accepted;
- (2) The Executive Director be and hereby is authorized and directed to execute form HUD-51915, Model Form of Agreement Between Owner and Design Professional, between Hughes Associates Architects & Engineers and RRHA for a term of two (2) years in the not to exceed amount of \$127,195.
- (3) The Executive Director be and hereby is authorized to take such other actions as may be necessary to fulfill the intent of this Resolution.

The motion was seconded by Commissioner Anguiano and upon roll call the following vote was recorded:

AYES: Commissioners Anguiano, Burruss, Butler and Garner

NAYS: None

Vice Chair Burruss thereupon declared said motion carried and Resolution No. 3930 adopted as introduced.

3. Resolution No. 3931

Mrs. Goh introduced Resolution No. 3931, requesting the Board to authorize

execution of a contract with Woods Rogers PLC to provide legal services. She explained that after going through a competitive procurement process in which four proposals were received and evaluated by a team comprised of three staff members and two commissioners, Commissioner Anguiano and Vice Chair Burruss, it was determined that it would be in the best interest of RRHA to accept the proposal from Woods Rogers PLC. She said that details of the rating criteria and results were outlined in the resolution along with the not to exceed amount of the two year contract and three option years. She said that the amounts for the total possible five years are based on usage in the past two years, with an additional five percent increase per year for cost of living increases.

In response to a question from Commissioner Garner, Mrs. Goh confirmed that it is standard practice in determining the not to exceed amount of a contract by reviewing expense history and then adding five percent per year for cost of living increases. She went on to say that this contract is approximately a little less than half of the previous legal services contract, as legal service expenses have been reduced considerably over the past several years. She said that RRHA had much higher legal expenses during previous years when the agency was involved in litigation, and the reduction of legal costs is quite positive.

Commissioner Anguiano stated that, as someone who was on the evaluation panel, he thoroughly enjoyed the process and the contribution by staff members and Vice Chair Burruss. He said that while due diligence and full consideration of all proposals was completed by the evaluation panel, there was also a high level of confidence in the service and support provided by Woods Rogers in the past and he

was glad to see that an agreement could be reached with them.

Mr. Loftis said that, on behalf of his firm, he wanted to express how much Woods Rogers values this agency, its mission and what it does in the community and that they are happy to be able to continue supporting that.

Mrs. Goh said that Woods Rogers, in recognition of the long term relationship that has been established, included in their proposal that Mr. Loftis would attend Board meetings at no charge throughout the term of the new contract.

Vice Chair Burruss asked if there were any other comments or questions. There were none.

Commissioner Garner introduced Resolution No. 3931 and moved its adoption as introduced:

RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY AUTHORIZING EXECUTION OF A CONTRACT WITH WOODS ROGERS PLC TO PROVIDE LEGAL SERVICES

WHEREAS, the City of Roanoke Redevelopment and Housing Authority (RRHA) released a Request for Proposals (RFP) to provide Legal Services for the Roanoke Redevelopment and Housing Authority on April 13, 2017 with a deadline for submission of proposals of May 15, 2017; and

WHEREAS, RRHA received four proposals in response to the RFP from the following firms:

- Ballard Spahr LLP
- Gynn & Waddell, P.C.
- Reno & Cavanaugh PLLC;
- Woods Rogers PLC

WHEREAS, the Executive Director assigned an Evaluation Panel comprised of three staff members and two Commissioners; and

WHEREAS, the evaluation panel reviewed and evaluated the proposals according to the following screening Criteria, which was published in the RFP:

- (36 Points) Specialized professional experience of the person(s) who would be assigned to carry out the legal services outlined in the solicitation
- (18 Points) Related experience in providing legal services to government agencies, related experience providing legal services to public housing authorities being highly preferred
- (9 Points) Specialized areas of practice
- (4 Points) Proof of good standing with the State Bar and AV rating
- (9 Points) Litigation experience, including Federal and State courts
- (9 Points) Flexibility, accessibility, and availability of the Offeror's staff who would be assigned to perform the services outlined in the solicitation
- (7 Points) Preference for Section 3 Business
- (8 Points) Preference related to acceptability of Section 3 Strategy

WHEREAS, the Evaluation Team rating for each firm's proposal based on the published Screening Criteria was as follows:

- | | |
|-------------------------|------------------|
| • Ballard Spahr LLP | 78.4 points |
| • Guynn & Waddell, P.C. | 55.6 points |
| • Reno & Cavanaugh PLLC | 75.6 points |
| • Woods Rogers PLC | 88.2 points; and |

WHEREAS, three firms met the established competitive range of 70 points or higher in the evaluation of proposals, Ballard Spahr LLP, Reno & Cavanaugh PLLC, and Woods Rogers PLC; and

WHEREAS, the three firms that met the competitive range criteria, Ballard Spahr LLP, Reno & Cavanaugh PLLC, and Woods Rogers PLC, were invited to interview with the Evaluation Panel, after which the Evaluation Panel rated the two firms based on the elements of the published Screening Criteria which were addressed in interviews, with resulting ratings as follows:

- | | |
|-------------------------|-------------|
| • Ballard Spahr LLP | 64.8 points |
| • Reno & Cavanaugh PLLC | 42.2 points |
| • Woods Rogers PLC | 78.2 points |

WHEREAS, with points rounded to the nearest whole number, two firms met the competitive range of 65 points established for the interviews, and RRHA offered the opportunity to submit best and final offers to Ballard Spahr LLP and Woods Rogers PLC; and

WHEREAS, RRHA completed a price analysis of the best and final offers as well as comparison to independent cost estimate and determined that Woods Rogers PLC provides the greatest value to RRHA; and

WHEREAS, based upon consideration of evaluation and interview ratings and pricing, the Evaluation Panel determined that awarding a contract to Woods Rogers PLC will best meet RRHA's needs for legal services; and

WHEREAS, review, evaluation, and confirmation of proposal documentation has been completed, and Woods Rogers PLC has been found to be capable and in all other respects acceptable to RRHA; and

WHEREAS, the Executive Director has determined that this procurement complies with RRHA's Procurement Policy and that it is in the best interests of RRHA to accept such proposal and execute an appropriate contract.

NOW, THEREFORE, BE IT RESOLVED by the Commissioners of the City of Roanoke Redevelopment and Housing Authority that the Executive Director be and hereby is authorized to execute a two-year term contract with three one-year renewal options with Woods Rogers PLC at rates specified in the Best and Final Offer submitted by the firm for the provision of legal services to the RRHA with a total contract amount of not-to-exceed \$277,307 for the two year contract term, and with the option of three one-year renewals at the not-to-exceed amounts of \$149,137 for option year 1, \$156,594 for option year 2, and \$164,424 for option year 3.

The motion was seconded by Commissioner Butler and upon roll call the following vote was recorded:

AYES: Commissioners Anguiano, Burruss, Butler and Garner

NAYS: None

Vice Chair Burruss thereupon declared said motion carried and Resolution No. 3931 adopted as introduced.

4. Resolution No. 3932

Mrs. Goh introduced Resolution No. 3932, requesting the Board to authorize participation in litigation relating to the Fiscal Year (FY) 2012 Public Housing Operating Reserve Offset that is detailed in the resolution. She stated that the Board

has already been made aware that a group of housing authorities litigated this matter and was successful in recouping reserves that were offset in the year 2012, and that RRHA is eligible to receive approximately \$2,000,000 that was offset from its budget allocation that same year. She said that the Public Housing Authorities Directors Association (PHADA) and the National Association of Housing and Redevelopment Officials (NAHRO) are coordinating a second round of litigation comprised of housing authorities that were not a part of the first litigation to be a part of a second legal action. She stated that this resolution authorizes RRHA to participate in that action. She explained that there is a \$3,000 fee to participate and that the fee will be paid from nonfederal funds as required by HUD.

Vice Chair Burruss asked if there were any comments or questions. There were none.

Commissioner Garner introduced Resolution No. 3932 and moved its adoption as introduced:

RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY AUTHORIZING LITIGATION RELATING TO THE FY 2012 PUBLIC HOUSING OPERATING RESERVE OFFSET

WHEREAS, Congress, through the FY 2012 Consolidated and Further Continuing Appropriations Act provided only \$3.9 billion for the Public Housing Operating Fund which was nearly \$1 billion less than Public Housing Authority ("PHA") subsidy eligibility; and

WHEREAS, in the 2012 Appropriations Act Congress provided that in determining the 2012 funding allocations the Department of Housing and Urban Development ("HUD") was authorized to take into account a PHA's excess operating reserves as determined by the Secretary; and

WHEREAS, this led to the offset of more than \$730,000,000 against existing operating reserves of PHAs; and

WHEREAS, in 2013 a number of PHAs filed a legal action against HUD, styled

Public Housing Authorities Directors Association, et al. v. The United States of America, Case Nos. 13-0006C & 13-6000C through 13-6356C (Consolidated), in the United States Court of Federal Claims, alleging that these offsets violated the terms of the Annual Contributions Contracts between the PHAs and HUD; and

WHEREAS, the City of Roanoke Redevelopment and Housing Authority ("RRHA") chose at the time, for various reasons, not to join in this legal action; and

WHEREAS, on January 18, 2017, the United States Court of Federal Claims issued an opinion in which it ruled in favor of the participating PHAs, holding that the reductions in funding allocations based on a PHA's excess operating reserves was a breach of the Annual Contributions Contracts and that HUD was in fact required to make funding reductions on a *pro rata* basis as specified in the applicable regulations incorporated into the Annual Contribution Contracts; and

WHEREAS, the United States of America subsequently consented to have judgment entered against it in the total amount of \$136,654,144.00, allocated to the plaintiff PHAs, representing the difference between (i) the funding those PHAs would have received for FY 2012 had funding the reductions been made on a *pro rata* basis and (ii) the amount of funding those PHAs actually received; and

WHEREAS, PHAs that did not participate in the first legal action have the opportunity to participate in a second legal action, to be filed on or before November 18, 2017, seeking to recover the amount of the offsets; and

WHEREAS, it appears that RRHA was eligible to receive approximately \$2,603,373.00 in additional funding for FY 2012 had HUD made the funding reductions on a *pro rata* basis as required by the Annual Contributions Contract; and

WHEREAS, it appears that RRHA has a credible claim against the United States of America that these funds were improperly offset and are legally owed to RRHA; and

WHEREAS, the governing boards of both NAHRO and PHADA have expressed support for this second legal action and will assist in the administration of this second legal action; and

WHEREAS, RRHA has identified non-federal funds in order to pay the \$3,000.00 fee to participate in the second legal action.

NOW, THEREFORE, BE IT RESOLVED by the Commissioners of the City of Roanoke Redevelopment and Housing Authority that:

1. RRHA wishes to participate in the second legal action to be filed against the United States of America seeking return of the operating subsidies that were improperly offset against PHA operating reserves.

2. The Executive Director, or her designee, is authorized to communicate to PHADA that RRHA desires to participate in the second legal action against the United States of America, and to provide to PHADA the information necessary for RRHA to participate in the second legal action.
3. RRHA is authorized to pay the \$3,000.00 fee required to participate in the second legal action against the United States of America, provided that this \$3,000.00 fee shall be paid from non-federal funds.

The motion was seconded by Commissioner Butler and upon roll call the following vote was recorded:

AYES: Commissioners Anguiano, Burruss, Butler and Garner

NAYS: None

Vice Chair Burruss thereupon declared said motion carried and Resolution No. 3932 adopted as introduced.

5. Resolution No. 3933

Mr. Bustamante introduced Resolution No. 3933, requesting the Board's approval to enter into a Memorandum of Agreement with the Virginia Department of Behavioral Health and Developmental Services (DBHDS) for implementation of the State Rental Assistance Program (SRAP). He explained that this program is similar to the Housing Choice Voucher (HCV) program but the money does not come from HUD; it comes from the Virginia General Assembly and is specifically related to the settlement agreement that Virginia has with the U.S. Department of Justice regarding housing individuals with developmental disabilities. He reminded the Board that ten of the HCV vouchers were set aside for this program and that most, if not all, of those have already been leased up. He said that DBHDS is looking to allocate ten to fifteen of these state vouchers to RRHA and, when comparing the money that will be received and the payment standards, they are equal or above what is currently being

received from HUD, so it is a very good program.

Commissioner Garner asked if this coincides with or is related to the program offered by Blue Ridge Behavioral Health (BRBH) that provides assistance with housing. Mr. Bustamante explained that RRHA has twenty-five vouchers set aside for individuals from BRBH, but that it is completely separate from this program; however BRBH can refer an individual with a disability to the DBHDS to be added to their waitlist. He said that it has to be specific to the population identified in the settlement agreement.

Vice Chair Burruss added that the settlement is specific to the closing of the state facilities for those with developmental disabilities, such as the one located north of Lynchburg and Amherst, the one in Southside, and one in Danville.

Mrs. Goh said that the state has a consent agreement with the Department of Justice so when reference is made to the settlement agreement population, that relates to the agreement to house those individuals within the community. She said that the individuals will also be receiving supportive services that allow them to live in the community, but RRHA would be providing only the housing assistance on behalf of the Commonwealth of Virginia.

In response to a question from Commissioner Anguiano regarding anticipating fifteen of these vouchers, Mr. Bustamante confirmed that this was correct and that RRHA has been contacted by the DBHDS because there are already individuals desiring to move to this area.

Commissioner Anguiano also asked if RRHA had sufficient manpower to administer the extra vouchers. Mrs. Goh confirmed that, particularly since RRHA is

not able to issue vouchers in the HCV program at this point, human resources are sufficient to add these vouchers. She also explained that this might need to be reevaluated in the future if the SRAP grows and RRHA is again issuing vouchers in the HCV program.

Vice Chair Burruss asked if there were any other comments or questions.

There were none.

Commissioner Anguiano introduced Resolution No. 3933 and moved its adoption as introduced:

RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY AUTHORIZING EXECUTION OF A MEMORANDUM OF AGREEMENT WITH THE VIRGINIA DEPARTMENT OF BEHAVIORAL HEALTH AND DEVELOPMENTAL SERVICES FOR IMPLEMENTATION OF THE STATE RENTAL ASSISTANCE PROGRAM

WHEREAS, the Commonwealth of Virginia entered a Settlement Agreement with the United States Department of Justice in January 2012 which provided for housing individuals with developmental disabilities (the Settlement Agreement Population) in the most integrated and independent settings appropriate to their needs; and

WHEREAS, the Virginia Department of Behavioral Health and Developmental Services (DBHDS) has created a State Rental Assistance Program (SRAP) to serve individuals with developmental disabilities in the Settlement Agreement Population who want to live in their own housing; and

WHEREAS, the SRAP is designed to provide rental assistance to single person families who meet the program eligibility criteria so they have the means to lease private market rental housing that meets their needs; and

WHEREAS, DBHDS has expressed a desire to enter a Memorandum of Agreement with the City of Roanoke Redevelopment and Housing Authority (RRHA) to administer rental assistance for persons who meet the program eligibility criteria and choose to live in rental housing in the Roanoke region; and

WHEREAS, providing rental assistance for individuals and families of low income is consistent with RRHA's mission and increasing availability of affordable housing options for persons with disabilities is a stated goal in RRHA's Strategic Plan 2014-2019; and

WHEREAS, the Virginia General Assembly appropriated \$6.3 million in state general funds for FY 2017 & FY 2018 to provide rental assistance to Virginians with developmental disabilities in the Settlement Agreement Population who want to live in integrated, independent housing; and

WHEREAS, SRAP funding levels meet or exceed levels for housing assistance and administrative fees for programs RRHA currently administers under the United States Department of Housing and Urban Development, and operational policies and requirements are similar to those programs for which RRHA has staff capacity and competency.

NOW, THEREFORE, BE IT RESOLVED by the Commissioners of the City of Roanoke Redevelopment and Housing Authority that the Executive Director is authorized and directed to execute a Memorandum of Agreement, in substantially the form attached, with the Virginia Department of Behavioral and Developmental Services for administration of the State Rental Assistance Program.

The motion was seconded by Commissioner Butler and upon roll call the following vote was recorded:

AYES: Commissioners Anguiano, Burruss, Butler and Garner

NAYS: None

Vice Chair Burruss thereupon declared said motion carried and Resolution No. 3933 adopted as introduced.

V. ADJOURNMENT

There being no further business to come before the Board, Commissioner Garner moved that the meeting be adjourned.

The motion was seconded by Commissioner Butler and upon roll call the following vote was recorded:

AYES: Commissioners Anguiano, Burruss, Butler and Garner

NAYS: None

Vice Chair Burruss declared the meeting adjourned at 3:31 p.m.



Daniel Karnes, Chair



Glenda Edwards Goh, Secretary-Treasurer



Policy No. 710

~~Date: December 12, 1996~~

~~Revised: 5/20/11 — Effective 07/01/11~~

ACCIDENTS/INJURIES REPORTING

I. PURPOSE

To ensure accurate and timely reporting of employee accidents.

II. SCOPE

The procedure applies to all Authority employees.

III. DEFINITIONS

A. Recordable Injuries or Illnesses. Recordable injuries and illnesses are defined as those resulting in:

1. fatalities

2. lost workdays; or

3. transfer to another job, medical treatment (other than first aid), or loss of consciousness or restriction of work or motion.

B. Occupational Illness. Occupational illness is defined as a disease cause by certain hazardous conditions or materials when there is a direct causal connection between the condition under which the work is performed and the occupational disease.

C. Worker's Compensation. Refers to the exclusive remedy under law for all covered employees for compensating injuries and occupational diseases arising in the course of within the scope of employment.

IV. POLICY

It is the policy of the Roanoke Redevelopment and Housing Authority to report employee accidents in a timely and efficient manner to the Worker's Compensation Insurance Carrier.

The Board of Commissioners has established this policy and delegates responsibility to the Executive Director to establish or modify procedures for implementation of the policy. Current procedures are detailed below.

IV. DEFINITIONS

~~A. Recordable Injuries or Illnesses. Recordable injuries and illnesses are defined as those resulting in:~~

~~1. fatalities~~

~~2. lost workdays; or~~

~~3. transfer to another job, medical treatment (other than first aid), or loss of consciousness or restriction of work or motion.~~

~~B. Occupational Illness. Occupational illness is defined as a disease cause by certain hazardous conditions or materials when there is a direct causal connection between the condition under which the work is performed and the occupational disease.~~

~~C. Worker's Compensation. Refers to the exclusive remedy under law for all covered employees for compensating injuries and occupational diseases arising in the course of within the scope of employment.~~

V. PROCEDURE

A. Responsibility

Employee - report employee accidents immediately to the appropriate supervisor, but no later than the end of the workday on the day of occurrence; report occupational illnesses immediately upon discovery to the appropriate supervisor.

Immediate Supervisor - direct the employee to appropriate medical attention, ensure that ~~accident/occupational illness forms are completed properly and routed~~the proper Worker's Compensation Reporting Procedures are followed and reported to the Risk Manager/Human Resources within eight hours of receiving the notification of the official injury/accident/occupational illness report.
~~injury.~~
(See HR Index for Worker' Compensation Claims Reporting Guide).

Risk Manager ~~reports employee accidents and occupational illnesses to appropriate Worker's Compensation carrier, maintains the file of follow-up medical reports, forwards copies of bills and medical reports to the insurance carrier,~~ logs employee accident or occupational illness on OSHA 200 Form and conducts ~~the any necessary~~ follow-up investigation with the appropriate supervisor.

Human Resources ~~Director Department~~ - ~~maintains the file of follow-up medical reports, forwards copies of bills and medical reports to the insurance carrier~~coordinates post accident/incident drug and alcohol testing where indicated with the appropriate testing facility, ~~maintains communication with employee and Worker's Compensation carrier regarding the status of all claims.~~

B. Implementation. Any employee shall immediately give or cause to be given to his supervisor notice ~~in writing~~ of any accidental injury or occupational disease before seeking medical attention except in an extreme medical emergency. The supervisor shall direct the employee to seek immediate medical attention for major injuries at the emergency room of one of the following hospitals: Community, Lewis Gale, or Roanoke Memorial. In cases where immediate medical attention is not needed, the supervisor ~~will coordinate with the Risk Manager and the Worker's Compensation carrier provide the employee with~~ ~~then the~~ panel of physicians ~~and call the toll-free number provided in the Worker's Compensation Guide to report the claim and to determine next steps regarding treatment options through the guidance of the Registered Nurse provided on the call line.~~ At the time of the accident, the employer must give the employee the names of at least three physicians from which the employee may select the treating physician. After normal working hours, nights and week-end injuries should be reported ~~using the call guidelines stated in the Worker's Compensation Reporting Guide and report to the supervisor~~ the next working day, and the panel of physicians will be offered to the employee at this time.

When Compensation is Not Allowed - no compensation shall be allowed for injury or death in the following situations, among others:

1. Due to the employee's willful misconduct, including intentionally self-inflicted injury.
2. ~~Growing out of this~~ Related to an attempt to injure another.
3. Due to alcohol and drug intoxication.
4. Due to willful failure or refusal to use a safety appliance or established safety procedure.

When employees are injured on the job, they must complete ~~the official injury/accident report to his/her supervisor immediately~~ reporting process immediately, but no later than the end of the workday on the day of occurrence. Failure to report an on-the-job injury by the end of the workday may result in disciplinary action and possible loss of Worker's Compensation benefits. ~~This report form should include the date, time, nature of the injury/accident and any witnesses to the accident in the employee's own words. The immediate supervisor has the responsibility to obtain the Witness' Report of Accident Form from all witnesses within the same time frame stated above.~~

The Supervisor should immediately contact the Human Resources Director in order to implement Appendix A, II, A & B of the Roanoke Redevelopment and Housing Authority's Drug and Alcohol Abuse Policy where indicated (Post Accident/Incident Drug and Alcohol Testing).

~~After the official injury/accident report and Witness Report of Accident Form(s) is submitted to the supervisor, he/she shall review them for completeness and forward the forms to the Risk Manager within eight working hours of receipt of these two forms.~~

~~After the Risk Manager receives the official injury/accident report and Witness Report of Accident Form(s), he/she will complete the Supervisor's Accident Investigation Report with the appropriate supervisor within eight working hours of receipt of these two forms.~~

~~When the Risk Manager receives the official injury/accident report, the Witness Report of Accident Form and the Supervisor's Accident Investigation Report, he/she will file with the Worker' Compensation Carrier an Employer's First Report of Accident.~~ All claims are subject to investigation by the Worker' Compensation Carrier to determine if the claim is compensable. The Risk Manager will also record the incident on the OSHA 200 log, ~~and forward a copy of the official injury/accident report to the Executive Director.~~

On the first day of a compensable injury or illness, an employee will be paid his/her regular pay for a regular work day. Thereafter, an employee will be entitled to take whatever amount of accrued but Personal Time Off necessary to cover lost time prior to commencement of Worker's Compensation benefits. Any Personal Time Off that an employee receives will be deducted from the amount to be paid through Worker's Compensation in the event the time off is deemed compensable. Medical appointments pertaining to the accident will be considered in accordance with regulations under Worker's Compensation.

No compensation will be allowed for the first seven calendar days of incapacity resulting from an injury except the benefits provided for in paragraph 65.2-603 of the Virginia Worker's Compensation Act. If the incapacity extends beyond that

period, compensation will commence with the eighth day of disability. If, however, such incapacity continues for a period of more than three weeks, then compensation will be allowed from the first day of such incapacity.

Upon the employee's request for time off, it is the responsibility of the supervisor to ask whether the requested leave time is related to the accident/illness. All absences related to the injury must be substantiated by a physician's certificate upon return to work.

Release of Physician - Duty to Return Promptly to Work - the injured employee shall not return to duty until released by the examining physician. The Certificate of Release must be submitted to the Supervisor immediately upon return to work.

~~Returning to Work - When Physician has placed restriction on the Employee's Work Activity - where the physician has placed restrictions on the type or amount of work that the injured employee may perform, the supervisor may comply with the restrictions and place an employee on light duty if light work is available. If there is no work available which can be performed by the injured employee in accordance with the physician's instructions, then the employee should remain on Worker's Compensation leave until released by the physician.~~

~~Returning to Work - Written Proof of Injury - when returning to duty, the injured employee shall present, if requested, written certification to his supervisor substantiating the claim that the employee was in fact away from work as a result of the on-the-job injury. See Policy #711 - Return to Work Policy~~

Maximum Amount of Compensation - the maximum amount of compensation payable to an employee shall be the same as that prescribed by state law.

Maximum Period of Compensation Where Employee is Medically Unable to Return to Work - the maximum period of time in which an employee is eligible for compensation where such employee is medically unable to return to work shall be the same as prescribed by state law.

Rate of Weekly Compensation Payments - the rate of compensation for all employees shall be as prescribed by state law.

Serious Health Conditions (FMLA) - if an employee's illness or injury constitutes a serious health condition within the meaning of the Family and Medical Leave Act (FMLA), all leave taken pursuant to Workers' Compensation ~~may also be will run concurrently with available designated as~~ FMLA leave in accordance with the Authority's FMLA policy.

Original Approval: December 12, 1996
Revised: 07/01/11, 01/01/2017, 08/01/2017

Policy No. 711

RETURN TO WORK POLICY

I. PURPOSE

An effective workers' compensation program includes many parts, all of which are important. This Policy addresses RRHA's deliberate, organized effort to return injured employees to productive employment as early as possible, compatible with physical restrictions and good medical practices.

A strong return to work effort yields several benefits including:

- acceleration of the injured employee's recovery;
- maintenance of an experienced workforce;
- reductions in claims costs; and
- improved employee relations.

II. SCOPE

This policy applies to all regular full-time and part time employees who incur an injury or illness while in the course of his/her employment with RRHA and are subsequently qualified for transitional work as defined by this policy.

III. DEFINITIONS

Transitional Work: This is defined as appropriate work to allow the resolution of the injury and to prevent re-injury. It also includes modification of the job according to the medical limitations. Setting a positive atmosphere and letting employees ease back into a routine by adjusting work expectations/encouraging employees to adhere to therapy schedules, and explaining the need for transitional work to the employee's co-workers to reduce peer resentment. Transitional work will be meaningful work, not "make-work projects as they are of little value. This is work assignments that are temporary based on the return to work recommendations that may fit with existing work needs.

IV. POLICY

Our first responsibility is the prevention of occupational injury and illness. Despite our best efforts, injuries and illnesses do sometimes occur. It then becomes our responsibility to mitigate the impact of the injury or illness on both the employee and the locality. RRHA is committed to providing transitional work, on a temporary basis.

The Board of Commissioners has established this policy and delegates responsibility to the Executive Director to establish or modify procedures for implementation of the policy. Current procedures are detailed below.

V. PROCEDURE

1. RRHA shall receive a medical report or physical capacity form which identifies specific employee restrictions.

2. RRHA shall review these physical restrictions and implement a temporary transitional assignment.
3. For employees who are released to light/modified work, a telephone call will be made to the employee notifying the employee of the availability of temporary transitional work and this conversation will be followed up with a letter.
4. The employer and employee will meet to discuss the temporary transitional work assignment and complete a temporary transitional work form in accordance with the treating physician's restrictions.
5. The employer will re-evaluate all temporary work assignments every 30 days to determine continued availability of temporary transitional assignments.

Original Approval: August 1, 2017

DBHDS Contract #___
Dated – August 1, 2017

THIS DOCUMENT CONSTITUTES AN AGREEMENT BETWEEN:

**DEPARTMENT OF BEHAVIORAL HEALTH
AND DEVELOPMENTAL SERVICES (DBHDS)**

AND

**CITY OF ROANOKE REDEVELOPMENT AND HOUSING
AUTHORITY (RRHA)**

**REGARDING IMPLEMENTATION OF THE STATE RENTAL
ASSISTANCE PROGRAM IN THE CITY OF ROANOKE,
ROANOKE COUNTY, BEDFORD CITY, BEDFORD COUNTY,
COVINGTON CITY, AND SALEM CITY, VIRGINIA**



This **MEMORANDUM OF AGREEMENT** (MOA) is made between:

Department of Behavioral Health and Developmental Services (hereinafter referred to as “DBHDS”), a principal agency established in the Executive Branch of government of the Commonwealth of Virginia;

AND

City of Roanoke Redevelopment And Housing Authority (hereinafter referred to as the “Public Housing Agency or PHA”), a political subdivision of the Commonwealth of Virginia;

Collectively hereinafter referred to as the (“Parties”)

I. RECITALS

WHEREAS, the Commonwealth of Virginia has developed *Virginia’s Plan to Increase Independent Living Options*, dated March 6, 2013 and revised January 11, 2016 (hereinafter referred to as the “Plan”) to increase the availability of independent housing options for individuals with intellectual and developmental disabilities. This Plan is intended to meet the requirements of Section III.D.3 of the Settlement Agreement with the United States Department of Justice.¹ A cornerstone principle of this Plan is the expansion of tenant-based rental assistance resources for the target population, so more individuals with intellectual and developmental disabilities and their families have greater choices about where to live, with increased access to affordable opportunities so they may live independently;

AND WHEREAS, the Virginia General Assembly fully funded the Governor’s Fiscal Year 2017 and 2018 biennial budget request for a State Rental Assistance Program for the Settlement Agreement target population;

AND WHEREAS, the City of Roanoke Redevelopment And Housing Authority has the knowledge, skills, capacity, and experience to effectively operate tenant-based rental assistance programs for the Settlement Agreement target population;

NOW THEREFORE, the Parties desire to join in this Memorandum of Agreement to implement the State Rental Assistance Program for eligible individuals in the Settlement Agreement target population in the City of Roanoke, Roanoke County, Bedford City, Bedford County, Covington City, and Salem City, Virginia.

¹ A copy of the Settlement Agreement is available at <http://www.dbhds.virginia.gov/library/developmental%20services/dds-doj-fullsettlementagreement.pdf>. A copy of *Virginia’s Plan to Increase Independent Living Options* is available at <http://www.dbhds.virginia.gov/individuals-and-families/developmental-disabilities/community-support-services>.

II. PURPOSE

The purpose of this MOA is to:

- Delineate the respective duties and responsibilities of the Parties in implementing activities related to the State Rental Assistance Program (SRAP).
- Outline the terms and conditions for the receipt and use of SRAP funding.
- Establish a broad framework between the Parties for partnership and collaboration. It is contemplated that this MOA will be tailored via Modifications to delineate the respective duties and responsibilities of the Parties as needed to adhere to specific requirements of a particular activity and/or funding opportunity.

III. BACKGROUND

In an effort to expand community integrated housing options for people who have a developmental disability, the 2016 Virginia General Assembly appropriated approximately \$6.3 million in state general funds to provide rental assistance. Virginians with developmental disabilities in the Department of Justice Settlement Agreement target population who want to live in integrated, independent housing in their own communities will benefit from this program.

The Virginia Department of Behavioral Health and Developmental Services (DBHDS) has created a rent subsidy program called the State Rental Assistance Program (SRAP) to increase the number of Virginians with developmental disabilities in the Settlement Agreement target population who live in integrated, independent housing. The program will provide rent assistance to individuals who meet program eligibility criteria so they have the means to lease rental housing on the private market that meets their needs. Individuals can choose where they live, with whom they live, and who supports them. Services and supports will be provided through sources separate from housing, including Medicaid Waiver-funded home and community based services, natural supports, privately paid supports, and other community resources.

DBHDS has identified several public housing agencies (PHAs) that will administer SRAP, including the City of Roanoke Redevelopment And Housing Authority (RRHA). These PHAs serve regions in the Commonwealth that have a large proportion of individuals in the target population and limited housing resources. In addition, these PHAs have a long track record of administering rental programs and has the required infrastructure in place to do so.

IV. DEFINITIONS

Area Median Income (AMI) - A number, released every year by the federal Department of Housing and Urban Development (HUD) for metropolitan areas that represents the combined income of an average household and is used as a basis to determine income qualifications for many housing programs.

Fair Market Rent (Fair Market Rent) - the amount of money that a given property would command, if it were open for leasing at the moment. Fair market rent is an important concept in the Housing and Urban Development's ability to determine how much of the rent is covered by the government for those tenants who are part of Housing Choice Voucher (formerly known as "Section 8"), as well as by other governmental institutions.

Fair Market Rent Standard- FMRs are gross rent estimates. They include the shelter rent plus the cost of all tenant-paid utilities, except telephones, cable or satellite television service, and internet service. HUD sets FMRs to assure that a sufficient supply of rental housing is available to program participants. To accomplish this objective, FMRs must be both high enough to permit a selection of units and neighborhoods and low enough to serve as many low-income families as possible. The level at which FMRs are set is expressed as a percentile point within the rent distribution of standard-quality rental housing units. The current definition used is the 40th percentile rent, the dollar amount below which 40 percent of the standard-quality rental housing units are rented. The 40th percentile rent is drawn from the distribution of rents of all units occupied by recent movers (renter households who moved to their present residence within the past 15 months). However, the FMRs for the Metropolitan Statistical Area in which the City of Roanoke is a part is set by HUD at the 50th percentile. HUD is required to ensure that FMRs exclude non-market rental housing in their computation. Therefore, HUD excludes all units falling below a specified rent level determined from public housing rents in HUD's program databases as likely to be either assisted housing or otherwise at a below-market rent, and units less than two years old.

Home and Community Based Services Waivers (i.e. Medicaid Waiver)- waivers approved by the Centers for Medicare and Medicaid Services that permit state Medicaid programs to provide long-term care services in home and community settings rather than institutional settings to eligible individuals with disabilities.

Public Housing Agencies (PHAs) – agencies that contract with HUD to administer HUD's rent subsidy programs. In most cases, these agencies are Public Housing

Authorities, but other public and non-profit agencies may also be designated by HUD to serve in this capacity.

Rental Assistance- funds provided to reduce the amount that eligible individuals and households pay to lease rental housing.

Settlement Agreement Target Population- individuals age eighteen (18) or older who have a developmental disability, as defined in the Code of Virginia, and are included in one of the following categories: 1) are transitioning from an skilled nursing facility, intermediate care facility, state training center, group home or other congregate setting and meet the Level of Functioning for a Building Independence (BI), Family and Individual Support (FIS) or Community Living (CL) Waiver; 2) are receiving Building Independence (BI), Family and Individual Support (FIS) or Community Living (CL) Waiver services; or 3) or have been determined eligible for and currently on a waitlist for the BI, FIS or CL Waiver; and 4) currently receive no other source of local, state, federal or private rent assistance, subsidy or supplement, whether tenant-based or project-based.

State Rental Assistance Program- Program created by the Department of Behavioral Health and Developmental Services, in partnership with local Public Housing Authorities, to provide funds to help people in the Settlement Agreement Target Population afford safe and decent housing.

State Rental Assistance Program Payments – Payments that are made to property owners/landlords on behalf of a program participant in order to defray the cost of leasing a unit.

Tenant-based Rental Assistance Programs- Programs that provide a rent subsidy that is used to help individual households afford housing costs such as rent and utilities. Typically, the household can take the assistance anywhere a landlord is willing to accept the assistance as a form of rent payment.

Virginia's Plan to Increase Independent Living Options- Plan developed by the Commonwealth of Virginia, in consultation with community stakeholders, to increase the availability of independent living options for individuals in the Settlement Agreement Target Population. The plan met the requirements of Section III.D.3 of the Settlement Agreement with the United States Department of Justice.

Administrative fee- is a fee charged by the PHA for administering the State Rental Assistance Program.

GAAP (generally accepted accounting principles) - is a collection of commonly-followed accounting rules and standards for financial reporting.

Program receipts- All funds disbursed by DBHDS to the PHA in connection with the State Rental Assistance Program.

Program reserve- is a fund balance set aside to provide a cushion against unexpected increases in program costs.

V. TARGET POPULATION

The target population for the State Rental Assistance Program (SRAP) is individuals age eighteen (18) or older who:

1. have a developmental disability as defined in the Code of Virginia
2. are in one of the following categories:
 - a. transitioning from an skilled nursing facility, intermediate care facility, state training center, group home or other congregate setting
 - b. receiving Building Independence (BI), Family and Individual Support (FIS) or Community Living (CL) Waiver services
 - c. determined eligible for and currently on a waitlist for the BI, FIS or CL Waiver
3. currently receive no other source of local, state or federal rent assistance, subsidy or supplement, whether tenant-based or project-based rent assistance.

Individuals who are seeking rental assistance to continue living with parents, grandparents or guardians are not part of the target population.

The target population must meet the eligibility criteria for SRAP. The eligibility criteria, including reasons for denying assistance, are available in the SRAP Manual, a copy of which is attached in Exhibit B.

VI. COVENANTS AND RESPONSIBILITIES OF PARTIES

- A. Each of the Parties hereby agrees to commit staff, time and resources to fulfill the duties and responsibilities as set forth in Exhibit A and incorporated herein by this reference, to the extent resources are available and as specified in subsequent Modifications to this MOA.

VII. STATEMENT OF WORK

- A. This MOA shall be based on activities delineated in the SRAP Program Manual, a copy of which is attached as Exhibit B. Any subsequent modifications or amendments to the SRAP Program Manual shall be immediately incorporated into and enforceable under the terms of this MOA.

B. Program Goals

The goals of SRAP are:

1. to increase access to mainstream, integrated, independent rental housing options for people in the Settlement Agreement target population

2. to increase housing opportunities for the Settlement Agreement target population by leveraging state rental assistance with local public and private housing resources

C. Summary of Proposed Activities and Responsible Parties

The primary activities of the State Rental Assistance Program are outlined below. Responsible parties are identified in parentheses.

1. Developing an annual funding allocation for State Rental Assistance (DBHDS and PHA)
2. Accepting, screening, assigning and tracking referrals for State Rental Assistance (DBHDS)
3. Processing SRAP applications and assessing applicant eligibility for the program (PHA)
4. Conducting income determinations and determining appropriate unit sizes and payment standards for eligible individuals (PHA)
5. Issuing SRAP rental certificates to eligible individuals and conducting rental assistance orientation meetings (PHA)
6. Issuing denials of assistance and appeal rights (PHA)
7. Processing reasonable accommodation requests based on disability needs (PHA)
8. Providing assistance with the housing search process (DBHDS)
9. Evaluating housing units for tenancy approval, including rent reasonableness and housing quality/safety standards at initial occupancy and periodically thereafter in accordance with the SRAP Manual (PHA)
10. Determining the approved rent and calculating the monthly utility allowance, tenant contribution toward rent, and rent assistance payment (PHA)
11. Preparing and administering SRAP payment contracts with landlords, processing and tracking State Rental Assistance payments, and filing W-9 and 1099-MISC tax forms for rent assistance payments (PHA)
12. Performing interim income re-examinations, and making adjustments to tenant contributions toward rent, rent assistance payments, and SRAP payment contracts (PHA)
13. Providing guidance on program policy and procedures (DBHDS)

D. Performance Indicators

Through the activities described in Exhibit B, the PHA commits to the following performance targets:

- Provide state rental assistance to at least 11 individuals leasing 10 units in the City of Roanoke in FY 2018, in accordance with the timeline and utilization milestones in Exhibit C.
- Maintain an average time from referral to certificate issuance of 45 days.
- Maintain a baseline participant satisfaction rating of 80%, based on DBHDS satisfaction surveys described in the SRAP Program Manual, and strive for continuous improvement.
- Maintain a baseline landlord satisfaction rating of 80%, based on DBHDS satisfaction surveys described in the SRAP Program Manual, and strive for continuous improvement.

There are no financial or programmatic penalties associated with failure to achieve these performance targets. However, PHA shall track specific program data elements and produce routine reports to measure progress against these performance targets. Exhibit D contains a complete list of required data elements and reports PHA must track and submit, including a reporting schedule.

PHA and DBHDS shall periodically review progress against the performance targets throughout the year and recommend strategies to help improve performance.

E. Program Reporting

PHA shall submit referral status reports, household data reports, and unit data reports in accordance with the requirements in Exhibit D.

PHA shall maintain written communication with DBHDS regarding the approved monthly SRAP subsidy for each slot, the unit address, the date of onset of assistance, the date assistance terminates, any changes to the monthly subsidy or unit, and the effective date of such changes.

PHA shall notify DBHDS when an individual's state rental assistance has been terminated and the reason for termination. Notification may be provided as part of the quarterly household data reporting process.

F. Financial Recordkeeping

PHA shall submit actual and projected subsidy expenditure reports, program income and expenditure reports, and program reserve reports in accordance with the requirements in Exhibit D.

The PHA's accounting system must ensure that agency funds are not commingled with funds from other federal, state or local sources. SRAP funds made available under this MOA must be accounted for separately. The PHA is

prohibited from commingling funds on either a program-by-program or project-by-project basis.

Funds specifically allocated and/or received for SRAP may not be used to support another PHA program or project. Where the PHA's accounting system cannot comply with this requirement, the PHA shall establish a system to provide adequate fund accountability for the SRAP funds it receives.

PHA must maintain complete and accurate books of account and records for a program. The books and records must be kept in accordance with Generally Accepted Accounting Principles, and must permit a speedy and effective audit.

PHA must furnish DBHDS such financial reports, records, statements, and documents at such times, in such form, and accompanied by such supporting data as required by DBHDS.

PHA must engage and pay an independent public accountant to conduct audits that are required by DBHDS. The audits shall consist of a review of financial information consistent with what the PHA is required to submit to HUD at the fiscal year end through the Financial Assessment Subsystem for Public Housing (FASS-PH), and through the Voucher Management System (VMS). The cost of audits required by DBHDS may be charged against program receipts.

G. Monitoring

PHA shall allow DBHDS the opportunity to monitor and review SRAP programmatic, financial and client records in a manner that is mutually agreeable to the parties.

Any such monitoring, or review, will be scheduled in advance on a date that is mutually agreed upon, and DBHDS staff shall send confirmation in writing.

The review may result in more than one visit depending on the outcome of the initial report.

DBHDS reviews may include but may not be limited to the following areas:

1. Adherence to the policies and procedures set forth in the SRAP Program Manual, including but not limited to:
 - a. SRAP participant eligibility determinations
 - b. Income determinations/redeterminations
 - c. SRAP participant agreements
 - d. the unit approval process
 - e. tenant rent contributions and subsidy determinations/SRAP payments to landlords
 - f. SRAP contracts

- g. reasonable accommodation decisions and appeals
 - h. program reserves
2. Progress toward program outcomes as indicated by the data from the referral status reports, household data reports, and unit data reports, subsidy expenditure reports, program income and expenditure reports, and the SRAP participant and landlord satisfaction surveys
 3. Maintenance of accurate, organized and accessible applicant and participant records

DBHDS shall also be allowed, at its expense, to conduct a financial audit.

A written report on the monitoring results shall be completed by DBHDS and provide to the PHA within 30 days of the review.

The PHA shall retain all books, records, and other documents relative to this agreement for five (5) years after this MOA terminates, or until audited by the Commonwealth of Virginia, whichever is sooner. DBHDS, its authorized agents, and/or state auditors shall have full access to and the right to examine and copy any of these materials during this period.

H. Funding Requests and Allocations

The Fiscal Year 2018 SRAP Funding Allocation for PHA are provided in Exhibit E.

It is understood and agreed between the parties herein that DBHDS shall be bound hereunder only to the extent of funds available or which may hereafter become available for the purpose of this MOA.

PHA has the authority to increase or decrease any line item in the funding allocation by up to ten percent, with the exceptions of the program reserve and the administrative fee, which require prior written approval by DBHDS. Any proposed increase or decrease to any line item of more than ten percent shall require prior written approval from DBHDS.

Each year, PHA shall develop and submit a proposed funding request for its SRAP program to DBHDS at least 60 days prior to the onset of the new fiscal year. The funding request shall be submitted in such form as DBHDS may require, and be based upon historical utilization patterns, estimated turnover and new lease-ups, and PHA's Agreement of the rental market and potential changes in rent amounts and utility allowances for individuals currently under lease. The funding request is subject to DBHDS approval and revision. Future funding allocations shall be incorporated as Modifications to this MOA.

SRAP funds must be used to supplement existing funds for program activities and must not replace those funds that have been appropriated for the same purpose, such as the federal Housing Choice Voucher program. Supplanting will be the subject of monitoring and audit. If there is a potential presence of supplanting, the PHA will be required to supply documentation demonstrating that the reduction in non-SRAP resources occurred for reasons other than the receipt or expected receipt of SRAP funds.

I. Billing

PHA shall submit a written request to DBHDS to advance SRAP funding (excluding the administrative fee) on a semi-annual basis, in July and January.

The July request shall include:

- The approved funding allocation for the fiscal year, including all income and expenditure line items
- The amount of funds required for July 1 through December 31, after adding the annual program reserve capitalization contribution and subtracting
 - anticipated income (e.g., overpayments recovered from tenants or landlords, interest on the program reserve, etc.)
 - The fund balance from the prior fiscal year that is to be carried over to the following fiscal year.

The January request shall include:

- The approved funding allocation for the fiscal year, including income and expenditure line items
- Actual income and expenditures from July 1 through December 31
- Projected income and projected expenditures from January 1 through June 30, including any deferred income from the July SRAP award
- Funds requested to bridge the gap between projected income and expenditures.

Except for payments from the program reserve account, the SRAP annual payments during a fiscal year shall not exceed the annual funding allocation for the program.

If DBHDS determines that payments by DBHDS to the PHA for a fiscal year exceed the amount of the annual program-related expenditures approved by DBHDS for the fiscal year, the excess must be applied as determined in writing by DBHDS. Such applications determined by DBHDS may include, but are not limited to, application of the excess payment against the amount of the annual payment for a subsequent fiscal year or against the capitalization of the program reserve. The PHA must take any actions required by DBHDS respecting the excess payment, and must, upon demand by DBHDS, promptly remit the excess payment to DBHDS.

Administrative Fees

DBHDS has established administrative fees to assist PHAs with covering the costs of the SRAP operations. The administrative fees may be used to support direct and indirect costs including, but not limited to, staffing (salaries and benefits), professional contracts, training, travel, supplies, office equipment, postage, phone, Internet service, office rent and utilities, provision of alternative formats and effective communication, criminal background checks, bank fees, and late fees to landlords.

Milestone Payments: The PHA is permitted to bill administrative fee payments for completing each of the following milestone activities outlined below.

- **SRAP Application.** Upon the eligible individual's submission of a completed SRAP application, the PHA may bill a one-time administrative milestone payment of \$80.00 in FY 2018.
- **SRAP Certificate Issued.** Upon issuance of an SRAP certificate, the PHA may bill a one-time administrative milestone payment of \$80.00 in FY 2018.

Base Administrative Fee: PHA is permitted to bill the Base SRAP Administrative Fee of \$80.00 per unit, per month commencing in the month it makes the first SRAP contract payment to the owner for an eligible unit. Ongoing administrative fees may only be claimed on units with an active SRAP payment contract.

PHA shall submit quarterly invoices to DBHDS for all administrative fees using the DBHDS Administrative Fee Invoice Form. The PHA shall provide a summary specifying the unit addresses for which administrative fees are being billed; the milestones being billed and dates each is accomplished; and for the Base Administrative Fee, the months being billed. PHA's total administrative fee for the fiscal year shall not exceed the allocated amount for the administrative fee.

DBHDS shall pay approved SRAP funding requests and approved invoices for SRAP administrative fees on a Net 30 basis.

J. Use of Program Receipts

The PHA must use program receipts to provide decent, safe, and sanitary housing for eligible individuals in compliance with DBHDS requirements as outlined in the SRAP Manual. Program receipts may only be used to pay program expenditures.

PHA shall not make any program expenditures, except in accordance with the DBHDS-approved funding estimate and supporting data for a program.

Interest on the investment of program receipts constitutes program receipts.

If required by DBHDS, program receipts in excess of current needs must be promptly remitted to DBHDS or must be invested in accordance with DBHDS requirements.

K. Depository

Unless otherwise required or permitted by DBHDS, all program receipts must be promptly deposited with a financial institution selected as depository by the PHA. The financial institution must be insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund and meet the reserve requirements of depository institutions set forth in the Federal Reserve Bank's Regulation D. All monies deposited by PHA with the Depository shall be credited to the PHA in an interest bearing account. The Depository shall promptly notify the PHA of any monies credited or deposited in the account.

Any portion of PHA funds not insured by a Federal insurance organization shall be fully (100%) and continuously collateralized with specific and identifiable U.S. Government or Agency securities prescribed by DBHDS. Such securities shall be pledged and set aside in accordance with applicable law or Federal regulations.

For the full term of deposit, the PHA shall have possession of the securities (or the PHA shall take possession of the securities), or an independent custodian (or an independent third party) shall hold the securities on behalf of the PHA as a bailee (evidenced by a safe-keeping receipt and a written bailment for hire contract). The Depository may substitute other securities as collateral to equal or increase the value.

PHA may only withdraw deposited program receipts for use in connection with the program in accordance with DBHDS requirements.

L. Program Reserve

PHA shall:

- establish and maintain a program reserve account in accordance with the State Rental Assistance Program Manual.
- structure its annual funding allocation to fully capitalize the program reserve in accordance with the State Rental Assistance Program Manual
- submit requests to DBHDS for approval to access the program reserve to pay any gap between allocated and actual expenses, for which there is insufficient actual program income to cover.
- adjust the annual funding allocation to replenish the program reserve if it falls below the target funding level.

- At the beginning of each fiscal year, deposit the amount identified in the funding allocation for the annual program reserve capitalization contribution into the program reserve account to achieve and maintain the program reserve at the target funding level.
- provide a final program reserve report and return the balance of funds in the program reserve account to DBHDS, if the SRAP contract is not terminated or not renewed.

M. Default by PHA

The following circumstances shall be considered a breach or default of this Agreement by the PHA:

- (1) PHA has failed to comply with any obligations under this MOA; or
- (2) PHA has failed to comply with obligations under a contract for state rental assistance payments with an owner; or
- (3) PHA has failed to take appropriate action, as expressly directed by DBHDS in writing, for enforcement of PHA's rights under a contract for housing assistance payments (including requiring actions by the owner to cure a default, termination, or reduction of housing assistance payments, termination of the contract for housing assistance payments, or recovery of overpayments); or
- (4) PHA has made any misrepresentation to DBHDS of any material fact.

Before the PHA is deemed to be in default, DBHDS will provide written notice describing the alleged breach that has occurred and provide the PHA an opportunity to cure the default, the time for which shall not be less than sixty days.

If after such notice and opportunity to cure, the PHA is nonetheless deemed to be in default, DBHDS may exercise the following remedies depending upon the severity of the default and the level of effort demonstrated to return to compliance:

- Withhold part or all of the monthly administrative fee payment due beginning the first of the month following the specified correction period (including any approved extension). Retroactive payments will be made to the PHA upon verification by DBHDS that the default event has been cured.
- Withhold part or all of the monthly administrative fee payment due beginning the first of the month following the specified correction period (including any approved extension). No retroactive payments will be made to the PHA for the period of time the administrative fees were reduced.
- Withhold the total monthly administrative fee payment due beginning the first of the month following the specified correction period

(including any approved extension). No retroactive payments will be made to the PHA for the period of time the administrative fees were abated.

- DBHDS may reduce to an amount determined by DBHDS:
 - The amount of the DBHDS payment for the program.
 - The funding allocation for the program.

DBHDS must give PHA written notice of the reduction. This notice must include a revised funding exhibit specifying the term and funding allocation for the program. The DBHDS notice of revisions to the funding exhibit constitutes a Modification of this MOA.
- Upon written notice to PHA, DBHDS may take possession of all or any rights or interests in connection with the State Rental Assistance Program, including funds held by a depository, program receipts, and rights or interests under a contract for housing assistance payments with an owner.

DBHDS's exercise or non-exercise of any right or remedy under this MOA is not a waiver of DBHDS's right to exercise that or any other right or remedy at any time.

The following circumstances shall be considered a breach or default of this Agreement by the DBHDS:

- (1) DBHDS fails to make payment of SRAP funding advances when due
- (2) DBHDS fails to make payment on SRAP administrative fees when due

Before DBHDS is deemed to be in default, the PHA will provide written notice describing the alleged breach that has occurred and provide DBHDS an opportunity to cure the default, the time for which shall not be less than sixty days. If after such notice and opportunity to cure, DBHDS is nonetheless deemed to be in default, the PHA may immediately terminate this MOA.

N. Fidelity Bond/Crime Insurance Coverage

PHA must carry adequate fidelity bond coverage or a commercial crime/employee dishonesty insurance policy that protects the PHA and DBHDS in the event that there is a financial loss due to an act of its officers, agents, or employees handling cash or authorized to sign checks or certify vouchers. The fidelity bond coverage and/or the crime insurance policy shall be effective for the entire duration of this agreement, and coverage limits shall be equal to or exceed the annual funding allocation. The PHA shall provide documentation that the bond coverage or the commercial crime/employee dishonesty insurance policy is current at least annually. This documentation may include but not be limited to: 1) a certificate of insurance naming DBHDS as additionally insured; or 2) a copy of the fidelity bond documents.

O. Exclusion of Third Party Rights

An individual that is eligible for state rental assistance under this MOA is not a party to or third party beneficiary of the MOA.

Nothing in this MOA shall be construed as creating any right of any third party to enforce any provision of this MOA, or to assert any claim against DBHDS or PHA.

VIII. INCENTIVE OPTION

PHA may make PHA owned and/or operated units with rents at or below 50% AMI available to SRAP participants. At the end of each fiscal year, DBHDS and PHA will verify the total number of PHA owned and/or operated units leased to new SRAP participants that have rents targeted to households with incomes at or below 50% of the area median income for the Fair Market Rent area in which PHA is located. PHA will receive a bonus payment in accordance with the schedule below:

Total PHA Units With Rents At/Below 50% AMI Leased to New SRAP Participants	Bonus Payment
1-5	\$ 10,000
6-10	\$ 22,000
11-15	\$ 34,000
16-20	\$ 48,000

IX. CONFIDENTIALTY

The Parties shall commit to upholding and enforcing the confidentiality of client records. The Parties shall be bound by privacy requirements for protected health information as required by the Health Insurance Portability and Accountability Act of 1996 (HIPAA) (Public Law No 104-91). Government health programs must comply with regulations at 45 CFR §160.103 no later than April 14, 2003. If any party is exempt from the HIPAA requirements, they still must abide by the privacy policies contained in the Code of Virginia, §2.2-3800, Government Data Collection and Dissemination Practices Act, and the Freedom of Information Act (§2.2-3700).

X. GENERAL TERMS AND CONDITIONS

A. Period of Agreement: This agreement shall commence upon final execution of this document and continue through September 30, 2021.

B. Modification of Agreement: The parties may, upon mutual agreement, issue written modifications to this agreement, to include but not be limited to the

target population, covenants and responsibilities of parties, statement of work, action plan and staffing. Any and all modifications to this agreement shall be in writing and signed by the parties below or their official designee.

- C. **Cancellation of Agreement:** Except as set forth above, this agreement may be canceled by any party upon 120 days written notice. If this Agreement is terminated, the cancelling party or parties are obligated to fulfill any and all responsibility that was undertaken before the effective date of termination.

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IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed intending to be bound thereby.

Department of Behavioral Health and Developmental Services
Jack Barber, M.D., Interim Commissioner

City of Roanoke Redevelopment And Housing Authority
Glenda Edwards Goh, Executive Director

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