

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, August 27, 2018, 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

Chair Burruss called the meeting to order at 3:00 p.m. and declared that a quorum was present.

PRESENT:	Commissioners Anguiano, Burruss, Garner, Karnes, Smith, Witten
ABSENT:	Commissioner Kepley
OFFICER PRESENT:	Mrs. Glenda Edwards Goh, Secretary-Treasurer
ALSO PRESENT:	Jackie Austin, VP of Finance/CFO; Kathy Beveridge, Housing Choice Voucher Director; David Bustamante, VP of Housing; Stephanie Cooperstein, Section 3 Employment and Social Media Manager; Betsy Crow, VP of Human Resources and Administration; Frederick Gusler, Director of Redevelopment and Revitalization; Crystal Hall, Community Support Services Director; Mark Loftis, Legal Counsel; Lisa Saunders, Site Manager; Joel Shank, VP of Operations; Kelly Martin, Senior Executive Assistant

Chair Burruss welcomed everyone to today's meeting.

PUBLIC HEARING

To receive comments on the proposed Fiscal Year (FY) 2019 Operating

Budget.

Mrs. Austin informed the Board that a narrative was provided in the proposed FY 2019 Operating Budget packet, and the narrative includes a brief overview of the federal budget process. She said there have been no actions taken on the Transportation Housing and Urban Development (T-HUD) funding bill for FY 2019. She stated that most likely there will be no final passage of any spending bills until after the November elections.

Mrs. Austin stated that City of Roanoke Redevelopment and Housing Authority's (RRHA) proposed budget is aligned with available information regarding potential funding levels for 2019 and that RRHA is also continuing the use of Asset Management guidelines within the budgeting process. She went on to say that the operating subsidy for the low rent program has been budgeted at ninety percent of the 2018 Operating Subsidy Eligibility amount and is projected to increase approximately one percent. The Section 8 Administrative Fee revenues have been budgeted at seventy-eight percent for FY 2019.

She explained that the budget includes salary increases with an average of two and a half percent for employees based upon merit ratings, using the same approach as in previous years and is supported by the Personnel Committee.

Mrs. Austin explained that total tenant revenues for the public housing program are projected to increase approximately one percent due to an increase in the amount of rents currently being collected.

She said that RRHA plans to implement a new initiative to fund Capital projects through the Housing Opportunity Through Modernization Act (HOTMA) of 2016.

HOTMA provides Housing Authorities the flexibility to use up to twenty percent of their Operating Subsidy, appropriated each year, for Capital Fund Program activities provided that housing authority's annual plan provides for such use. RRHA intends to set aside approximately \$820,000 of its 2019 Operating Subsidy amount to be used to fund these capital activities most likely during the 2020 fiscal year.

Mrs. Austin said that Total Section 8 Rental Income is projected to decrease due to a decrease in the amount of fraud recovery that is currently being received and only a small number of new agreements are being created. She went on to say that the projected expenses for the 2019 budgets reflect an overall increase in total expenses of seven percent as compared to the 2018 budgets. The increase in expenses is related to the initiative to implement a new client management software package during the 2019 budget year, and no such expenses were budgeted for 2018. She stated that the Central Office Cost Center budget reflects an increase of eleven percent in expenses attributable to the client management software initiative that has been budgeted in 2019 to replace the current system.

Mrs. Austin said that the Private Management budget reflects a decrease in Total Other Revenues of seven percent due to a decrease in anticipated salaries and benefits charged during the year. Total Fee Income is expected to decrease eleven percent due to the retirement of RRHA's electrician.

She explained that, overall, the budgets are projecting an increase in net income of approximately \$266,000. She stated that the Board will not be asked to take any action at today's meeting and a resolution will be presented at the September meeting seeking the Board's approval of RRHA's 2019 budget.

Responding to an inquiry by Vice Chair Garner, Mrs. Goh confirmed that there will be a decrease in the Total Fee Income due to the retirement of RRHA's electrician and that the position would not be filled. She explained that the electrician position was a Central Office expense with service fees charged to the sites based on service delivery; however, a cost-benefit analysis resulted in the conclusion that RRHA would be better served by using contracted electricians rather than filling the position.

Responding to Vice Chair Garner's request for additional information concerning the increase in expenditures due to the new client management software, Mrs. Goh said it is due to RRHA purchasing new software to replace the Emphasys Software System. She explained that the client management software is used to manage housing and accounting functions.

Responding to Chair Burruss' inquiry about the impact to the public housing reserves after transferring \$900,000 to cover the cost of operations, Mrs. Austin said there would be around seven or eight million dollars remaining. Mrs. Goh added that a few years ago Housing and Urban Development (HUD) deemed that RRHA and a number of other housing authorities had excess reserves and implemented an offset of operating subsidy to force expenditure of the reserves. RRHA is now in litigation trying to recover the offset amount. She continued by saying that RRHA staff evaluate all reasonable opportunities to make sure that RRHA is not again in a position that might result in a HUD determination of excess reserves. Mrs. Goh said that, until a few years ago, HUD had always allowed housing authorities to use operating reserves for capital improvements; however, a few years ago, HUD issued a new interpretation prohibiting the use of reserves for capital improvements. She noted

that HOTMA allows housing authorities to use operating subsidy for capital improvements, and reserves are allowed to be used for operations. She said this gives RRHA room to achieve the same impact as in years past when reserves could be used for capital improvements. She explained that the Board will need to hold a public hearing in September because RRHA must add the specific plan for using operating reserves for capital improvements as an amendment to RRHA's Annual Plan. Mrs. Goh stated that the amendment has been published for the required forty-five day public comment period.

Responding to Commissioner Anguiano's question about the threshold amount, Mrs. Austin replied that it is twenty percent of operating subsidy that can be used for capital improvements, and the previous HUD determination of allowable reserves was based on four months of the housing authority's operating expenses. Vice Chair Garner asked how HUD came up with that amount because it seems very low. Mrs. Goh agreed that it was low, particularly given that RRHA has quite a few aging properties coupled with responsibility for providing safe housing to as many families as possible. She stated that one event, such as boilers having to be replaced, can cost as much as four months of operating expenses.

Mrs. Austin responded to Vice Chair Garner's inquiry about the Total Section 8 Rental Income decreasing concerning fraud recovery by saying it was a good thing. She explained that fraud has had a very significant impact in the past but not in the past couple of years. People are actually doing what they are supposed to be doing.

Chair Burruss asked if there were any community members or other stakeholders wishing to make comments. There were none.

Chair Burruss asked if any Commissioners had any questions or comments.

There were none.

There being no further discussion the Public Hearing ended at 3:15 p.m.

REPORTS

1. Financial Report

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

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

2. Executive Director's Report

Chair Burruss asked for the Executive Director's report.

Mrs. Goh informed the Board that the National Association of Housing and Redevelopment Officials (NAHRO) continues to distribute information saying that it is unlikely that there will be a federal budget approved before the October 1 start of the fiscal year. She stated that, aside from when the federal budget is approved, it looks promising that the full senate has passed a Transportation, Housing and Urban Development (T-HUD) budget bill that does not reflect any reduction from the current year, including the ten percent increase over the prior year that was included in the current year's budget. Mrs. Goh said that RRHA welcomes any amount of funding relief. She noted that the House bill is also not proposing large cuts.

Mrs. Goh commended Joel Shank and Wanda Green for successfully applying for another \$4,000 grant from Virginia Municipal League (VML) Insurance Programs, Risk Management Program. She stated that this funding allows RRHA to partially pay

the cost of purchasing code compliant flammable storage cabinets for RRHA sites.

Mrs. Goh informed the Board that Chair Burruss and Commissioner Witten have each been reappointed to the RRHA Board of Commissioners for another four year term. She expressed her appreciation for their willingness to serve RRHA.

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

3. Staff Reports

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

4. Committee Reports

Commissioner Karnes mentioned that the Personnel Committee met prior to the Board Meeting and reviewed a policy that they will likely bring to the Board next month.

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

5. Commissioner Comments

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

6. City Council Liaison Comments or Discussion

Chair Burruss stated that Djuna Osborne, recently elected City Council member, has been appointed as RRHA's liaison, and John Garland is the alternate liaison.

Chair Burruss asked if there were any comments or questions. There were

none.

7. Residents or other community members to address the Board

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

II. CONSENT AGENDA

C-1 Minutes of the Regular Meeting of the Board of Commissioners held Monday, July 23, 2018.

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

C-2 Monthly Operations Report for the month of July 2018.

RECOMMENDED ACTION: File as submitted

Commissioner Smith introduced a motion to approve the Consent Agenda. The motion was seconded by Vice Chair Garner and upon roll call the following vote was recorded:

AYES: Commissioners Anguiano, Burruss, Garner, Karnes, Smith, Witten

NAYS: None

Chair Burruss thereupon declared said motion carried as introduced.

III. REGULAR AGENDA

1. Annual Election of Officers for 2018-2019

A. Nominations for Office of Chair

Commissioner Karnes nominated Ed Garner for the office of Chair beginning September 1, 2018. There being no further nominations, Commissioner Smith introduced a motion to approve Ed Garner for the office of Chair. The motion was

seconded by Commissioner Witten and upon roll call the following vote was recorded:

AYES: Commissioners Anguiano, Burruss, Garner, Karnes, Smith, Witten

NAYS: None

Chair Burruss thereupon declared said motion carried as introduced.

B. Nominations for Office of Vice-Chair

Commissioner Smith nominated Andrew Anguiano for the office of Vice-Chair beginning September 1, 2018. There being no further nominations, Commissioner Witten introduced a motion to approve Andrew Anguiano for the office of Vice-Chair. The motion was seconded by Vice Chair Garner and upon roll call the following vote was recorded:

AYES: Commissioners Anguiano, Burruss, Garner, Karnes, Smith, Witten

NAYS: None

Chair Burruss thereupon declared said motion carried as introduced.

2. Resolution No. 3972

Mr. Gusler introduced Resolution No. 3972, which would allow RRHA to use net proceeds from homeownership programs to acquire up to two properties that RRHA would work in conjunction with prospective purchasers in need of affordable housing. He stated that these properties are not associated with RRHA's Section 32 Program. RRHA is currently working with two potential homeownership program participants who are qualified, a low income resident and a former public housing resident. The resolution would allow RRHA to act quickly if homes are found that would be suitable for these two families.

Commissioner Smith introduced Resolution No. 3972 and moved its adoption

as introduced:

RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY AUTHORIZING NEGOTIATION AND EXECUTION OF OPTION AGREEMENTS FOR ACQUISITION OF CERTAIN PROPERTIES IN CONJUNCTION WITH RRHA'S HOMEOWNERSHIP PROGRAMS

WHEREAS, the City of Roanoke Redevelopment and Housing Authority (RRHA) operates homeownership programs to further RRHA's goals of providing opportunities for low to moderate income residents to achieve homeownership; and

WHEREAS, RRHA has net proceeds from prior homeownership programs which can be utilized to provide opportunities for affordable homeownership; and

WHEREAS, RRHA is currently working with homeownership applicants to find suitable housing units that can be renovated to a standard consistent with the various homeownership programs, meaning the properties should not require significant maintenance for seven years after their sale; and

WHEREAS, RRHA is seeking to acquire two properties that it will renovate as needed at a total of no more than \$125,000 each including improvements, and sell said properties to qualified low to moderate income buyers; and

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

1. The Executive Director or her designee is authorized to negotiate and execute acquisition option agreements with owners or agents of two properties identified for sale to homeownership program participants.
2. The total amount authorized for negotiated options on the Properties is \$5,000.
3. Approval of the Board of Commissioners will be required prior to RRHA exercising any option or contract to purchase either of the Properties.

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

AYES: Commissioners Anguiano, Burruss, Garner, Karnes, Smith, Witten

NAYS: None

Chair Burruss thereupon declared said motion carried and Resolution No. 3972

adopted as introduced.

3. Resolution No. 3973

Mr. Gusler introduced Resolution No. 3973, requesting the Board to authorize submission of a Rental Assistance Demonstration (RAD) program application to HUD. He explained that this is a preliminary application which includes general information to determine if RRHA's application is eligible for HUD to issue a Commitment for Housing Assistance Payments (CHAP). He stated that if HUD approval is received, RRHA can move forward with a financing plan. Mr. Gusler said that RRHA would need to identify financing at that point, and noted that the most likely avenue RRHA would take is to apply for a Low Income Housing Tax Credits (LIHTC) in March 2019. He explained that if the HUD issues the CHAP after the first of the year, it would delay the LIHTC application process and approval until March 2020. RRHA anticipates, based upon what HUD has said, that the application can be evaluated before the end of the year. He added that RRHA staff is continuing to evaluate the potential project to ensure that it is in RRHA's best interest. If RRHA goes forward with a RAD conversion, it will require a significant plan amendment and it would have to be brought before the Board.

Commissioner Witten inquired about the syndication of the tax credits. Mr. Gusler said that he is not sure what the market rate is at this time. He explained that certain staff members would be meeting after the application is submitted to determine whether it is viable to move forward. He stated that one challenge is that RRHA will have to spend money to go through those steps in order to get further into the analysis and then apply for the LIHTC program.

Commissioner Anguiano asked if Mr. Gusler could provide the Board with a presentation regarding the RAD program. Mrs. Goh said that it would be included in the September Board Meeting agenda.

Commissioner Witten stated that his concern is that the last time the Board was approached about getting a LIHTC syndicator, it did not seem financially beneficial to RRHA or the local community. Mrs. Goh said that RRHA staff would look into current syndication rates and provide the Board with additional information during the RAD presentation at the next meeting.

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

Vice Chair Garner introduced Resolution No. 3973 and moved its adoption as introduced:

RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY AUTHORIZING SUBMISSION OF A RENTAL ASSISTANCE DEMONSTRATION PROGRAM APPLICATION TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

WHEREAS, the Board of Commissioners of the Roanoke Redevelopment and Housing Authority (RRHA) approved a Strategic Plan October 2014 – September 2019 by Resolution No. 3812 on September 22, 2014 which included goals to develop public housing that is not distinguishable from other housing in neighborhoods throughout the City of Roanoke, to improve housing availability and quality, with emphasis on housing and programs for families of moderate income, and to foster creation of a culture where community is desired in its housing programs; and

WHEREAS, RRHA received a Choice Neighborhoods Planning Grant from the U.S. Department of Housing and Urban Development (HUD), which was used to develop, with residents and other stakeholders, a Transformation Plan for the Loudon-Melrose/Shenandoah West neighborhood, addressing housing, people, and neighborhood needs and goals; and

WHEREAS, deconcentrating poverty, reducing density of public housing units, and fostering mixed-income development are goals of the Transformation Plan and RRHA's Strategic Plan; and

WHEREAS, the Transformation Plan identifies the redevelopment of Lansdowne Park as a crucial part of revitalizing the neighborhood and deconcentrating poverty; and

WHEREAS, the Rental Assistance Demonstration (RAD) program was created by HUD to preserve and improve affordable housing by allowing public housing authorities to partner with private investors to convert public housing units into affordable housing units, whether through project based vouchers, project based rental assistance, low-income housing tax credits or other means; and

WHEREAS, the RRHA Board of Commissioners approved, by Resolution No. 3950 on March 26, 2018, submission of a letter of interest in the RAD program to HUD, and RRHA submitted such letter on April 12, 2018; and

WHEREAS, RRHA was notified on July 3, 2018 that HUD issued Federal Register Notice FR-6105-N-01, opening the RAD application process and providing RRHA until September 4, 2018 to submit an application; and

WHEREAS, RRHA desires to submit a multiphase application to HUD for RAD conversion of 300 units of public housing in Lansdowne Park in six phases; and

WHEREAS, such application is required in order to determine if Lansdowne Park meets RAD eligibility requirements and does not bind RRHA to a RAD conversion; and

WHEREAS, HUD requires RRHA to provide certain certifications and agreements in connection with the RAD application.

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

- (1) Submission of a Rental Assistance Demonstration Program multiphase application to the U.S. Department of Housing and Urban Development for conversion of 300 units of public housing in Lansdowne Park in six phases, is approved; and
- (2) The Executive Director is authorized to execute documents and provide required certifications and agreements for submission of a Rental Assistance Demonstration Program application to the U.S. Department of Housing and Urban Development; and
- (3) The Board Chair is authorized to execute documents and provide required certifications and agreements, on behalf of the Board of Commissioners, for submission of a Rental Assistance Demonstration Program application.

The motion was seconded by Commissioner Witten and upon roll call the

following vote was recorded:

AYES: Commissioners Anguiano, Burruss, Garner, Karnes, Smith, Witten

NAYS: None

Chair Burruss thereupon declared said motion carried and Resolution No. 3973 adopted as introduced.

4. Resolution No. 3974

Mr. Bustamante introduced Resolution No. 3974, requesting the Board to authorize the execution of a contract with Convergent Technologies (formerly SDI and Orion) for surveillance camera maintenance, repair, and replacement. He said that this new contract would be under an intergovernmental cooperative agreement with the National Cooperative Purchasing Alliance (NCPA) and Convergent Technologies. He added that RRHA has had a contract with Convergent for 5 years, ending November 4, 2018, under an intergovernmental cooperative agreement with Virginia Polytechnic Institute and State University (VA Tech). Mr. Bustamante said that VA Tech awarded Convergent Technologies a one year extension; however, Mr. Bustamante explained that RRHA cannot participate in the agreement due to HUD regulations limiting maximum contract terms to five years. Therefore, RRHA had to find another intergovernmental cooperative agreement using a more recent competitive procurement. The current contract was initiated November 14, 2016 with a term ending November 13, 2023. RRHA would like to enter into an agreement with Convergent for a five year term with a not-to-exceed amount of \$800,000, which is based on the expenditures under the current contract.

Responding to Commissioner Anguiano, Mr. Bustamante stated that he was

comfortable proceeding with Convergent. He explained that he contacted another provider who had a contract with Virginia Department of Transportation (VDOT). He asked them to provide RRHA with their pricing. He said that, while they are a very qualified company, the amounts that they provided are beyond what RRHA could afford. Convergent Technology, while they are not as fast as Mr. Bustamante would like them to be, is definitely getting the work done and they do good work.

Vice Chair Garner asked for clarification as to why RRHA is utilizing the same company but using a different cooperative contract with a newer procurement. Mrs. Goh stated that RRHA cannot use a procurement that is older than five years due to HUD regulations. She explained that RRHA had to find a new competitive procurement, with a contract awarded, that allowed RRHA to join the cooperative agreement. She stated that it is the same company but the pricing is under a newer procurement.

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

Commissioner Smith introduced Resolution No. 3974 and moved its adoption as introduced:

RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY AUTHORIZING EXECUTION OF A CONTRACT FOR SURVEILLANCE CAMERA MAINTENANCE, REPAIR, AND REPLACEMENT

WHEREAS, the U.S. Department of Housing and Urban Development (HUD) procurement regulations allow the City of Roanoke Redevelopment and Housing Authority (RRHA) to join intergovernmental cooperative agreements; and

WHEREAS, the City of Roanoke Redevelopment and Housing Authority (RRHA) joined the Virginia Polytechnic Institute and State University (VA Tech) and Convergent Technologies (formerly SDI and Orion) contract by agreement on November 5, 2013,

resulting in, including extensions exercised by VA Tech, a term ending date of November 4, 2018 for RRHA's participation in the agreement due to HUD regulations limiting maximum contract terms to 5 years; and

WHEREAS, the National Cooperative Purchasing Alliance (NCPA) executed a contract with Convergent Technologies, LLC, on November 14, 2016, with a term ending November 13, 2023; and

WHEREAS, the Department of Housing and Urban Development (HUD) procurement regulations allow RRHA to join an intergovernmental cooperative agreement utilizing the same vendor as a previous contract, if a new competitive procurement meeting HUD's requirements has resulted in contract award; and

WHEREAS, the NCPA and Convergent Technologies, LLC, contract fully satisfies HUD's 5 intergovernmental cooperative agreement requirements; and

WHEREAS, RRHA has determined that joining the NCPA and Convergent Technologies LLC, contract is cost effective and in the best interest of RRHA; and

WHEREAS, the not-to-exceed amount for this contract was determined based on review of RRHA's average expenses for camera maintenance, repair and replacement for the past 5 years; and

NOW, THEREFORE, BE IT RESOLVED by the Commissioners of the City of Roanoke Redevelopment and Housing Authority authorizing the Executive Director to execute documents necessary to join the contract between the National Cooperative Purchasing Alliance and Convergent Technologies, LLC, and execute an agreement with Convergent Technologies, which includes RRHA and HUD required terms and conditions, for a 5-year term beginning November 5, 2018, in the not-to-exceed amount of \$800,000.

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

AYES: Commissioners Anguiano, Burruss, Garner, Karnes, Smith, Witten

NAYS: None

Chair Burruss thereupon declared said motion carried and Resolution No.

3974 adopted as introduced.

5. Executive Session

Commissioner Smith moved that the Commissioners enter into Executive Session for the purpose of consultation with legal counsel retained by RRHA regarding specific legal matters requiring the provision of legal advice by such counsel; and discussion of specific personnel matters of RRHA, in accordance with Virginia Code Sections 2.2-3711(A) (1) and (8).

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

AYES: Commissioners Anguiano, Burruss, Garner, Karnes, Smith, Witten

NAYS: None

The Board of Commissioners entered into Executive Session at 3:33 p.m.

Certification

Commissioner Karnes introduced a motion stating that the members of the Board of Commissioners hereby certify to the best of their knowledge that only public business matters lawfully exempted from open meeting requirements and only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered by the Board in the immediately preceding Executive Session.

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

AYES: Commissioners Anguiano, Burruss, Garner, Karnes, Smith, Witten

NAYS: None

The Board reconvened into open session at 4:06 p.m.

IV. ADJOURNMENT

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

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

AYES: Commissioners Anguiano, Burruss, Garner, Karnes, Smith, Witten

NAYS: None

Chair Burruss declared the meeting adjourned at 4:06 p.m.


Ed Garner, Chair



Glenda Edwards Goh, Secretary-Treasurer

