

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, November 26, 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 Garner called the meeting to order at 3:00 p.m. and declared that a quorum was present.

PRESENT:	Commissioners Anguiano, Burruss, Garner, Karnes, Smith
ABSENT:	Commissioners Kepley, Witten
OFFICER PRESENT:	Mrs. Glenda Edwards Goh, Secretary-Treasurer
ALSO PRESENT:	Jackie Austin, VP of Finance/CFO; Stephanie Cooperstein, Section 3 Manager; Betsy Crow, VP of Human Resources and Administration; Frederick Gusler, Director of Redevelopment and Revitalization; Mark Loftis, Legal Counsel; Suzzette McCoy, Site Manager; Djuna Osborne, Roanoke City Council Liaison; Lisa Saunders, Site Manager; Joel Shank, VP of Operations; Kelly Martin, Senior Executive Assistant

Chair Garner welcomed everyone to today's meeting.

REPORTS

1. Financial Report

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

a Financial Report.

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

2. Executive Director's Report

Chair Garner asked for the Executive Director's report.

Mrs. Goh informed the Board that no action has been taken by Congress regarding the FY 2019 Transportation, Housing and Urban Development (T-HUD) funding bill. There has been some talk about a government shutdown that may impact HUD because there is no funding bill beyond the continuing resolution which will expire on December 7, 2018.

Mrs. Goh stated that HUD issued a new Annual Contribution Contract (ACC) in May 2018. She explained that HUD notified housing authorities that drawing funding would constitute acceptance of the new ACC. She said that there was negative feedback due to the fact that housing authorities have to draw funding for continuing operations, and there was no opportunity to provide input into the new ACC. HUD recently announced that the new ACC has been rescinded, and housing authorities have reverted to the previous ACC until further notice.

Mrs. Goh reported that HUD has notified housing authorities that HUD staff will be contacting each housing authority to discuss the repositioning of public housing. She stated that HUD has developed an internal goal of repositioning 105,000 public housing units by September 2019. HUD will offer technical assistance to determine the best way to reposition public housing units using tools like the Rental Assistance Demonstration (RAD) program, Declaration of Trust (DOT) releases and voluntary

conversions to Section 8. Mrs. Goh said that this is part of the continuing effort to deal with the fact that there are insufficient resources allocated on the federal level to address the substantial backlog of capital improvements needed in public housing nationwide. Mrs. Goh stated that she will inform the Board when RRHA is contacted by HUD.

Mrs. Goh reminded the Commissioners about the staff holiday recognition event that will be held on December 14, 2018 and encouraged them to attend if their schedules allow.

Responding to Commissioner Burruss' inquiries Mrs. Goh explained that ACC stands for Annual Contributions Contract; it is the contract between the housing authority and HUD under which funding is received in order to operate public housing and the voucher programs. She stated that the time frame for beginning the repositioning should be soon because HUD's goal is to reposition 105,000 housing units nationwide by September 2019; however, the email notice stated that the housing authorities would be contacted in the next few months, with no specific timeframe provided.

In response to a question from Chair Garner, Mrs. Goh described the difference between RAD and DOT releases as repositioning tools. She noted that one of the statements that Secretary Carson made at the April 2018 NAHRO conference in Washington DC was that HUD might release DOTs to give the housing authorities more flexibility. She stated that DOT releases would provide flexibility to seek private financing for capital improvements; however, private funding may be difficult to obtain, particularly for older properties.

Responding to Vice Chair Anguiano's inquiry about RRHA's RAD application, Mrs. Goh said that RRHA has not yet received a response or a Commitment for Housing Assistance Payments (CHAP) from HUD.

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

3. Staff Reports

Staff Reports

Chair Garner asked Stephanie Cooperstein to report on the Section 3 program.

Mrs. Cooperstein began by providing an overview of Section 3. She explained that Section 3 is a HUD regulation which specifies that any economic opportunities that arise from the use of HUD Section 3 covered funds, such as, hiring or contracting opportunities should be directed to low and very low income people to the maximum extent feasible.

Mrs. Cooperstein indicated that because RRHA is a housing authority there is a zero dollar threshold for Section 3 applicability, which means Section 3 is applicable to all expenditures of covered funds, regardless of dollar amount. She also said that the regulation extends to RRHA's contracted vendors.

Mrs. Cooperstein stated that she submitted RRHA's Annual Report for FY 2018 two weeks ago, and she was happy to report that RRHA has met most of its numerical goals once again. She explained that she reports on Section 3 covered funds, including the Public Housing Operating Fund, the Capital Fund, and the Resident Opportunities for Self-Sufficiency (ROSS) grants. Mrs. Cooperstein said that the first goal set by HUD was a hiring goal of thirty percent of new hires being Section 3

residents, and RRHA exceeded that goal again at sixty-four percent. Of that sixty-four percent, twenty-five percent of the Section 3 hires were public housing residents or Housing Choice Voucher (HCV) participants. Also, last year, of all the applicants interviewed, fifty-seven percent were Section 3 residents, which was an increase of six percent over the previous year.

Mrs. Cooperstein stated that the second goal was to have ten percent of the total dollar amount of Section 3 covered contracts awarded to Section 3 business concerns. She said the goal was exceeded for the operating fund at forty-three percent and in the Capital Fund at fifty-four percent. She explained that the ROSS grants did not have construction contracts.

The last goal, Mrs. Cooperstein explained, was for housing authorities to award three percent of all non-construction contracts to Section 3 business concerns. Historically, RRHA has struggled in this area; she stated that last year RRHA almost met that goal for the operating fund at 1.3 percent; however, it was not met in the capital fund, at zero percent. She went on to say that most of the businesses that bid on RRHA non-construction contracts did not certify at all; for example, architecture and engineering services, energy audits, monitoring for mold, asbestos abatement and lead-safe trainings. She mentioned that under the ROSS grant a very small number of purchase orders were issued for temporary placement services to Section 3 business concerns.

Mrs. Cooperstein and Ms. Crow worked together on a request for proposal for temporary placement services and RRHA received two business proposals. Despite her meetings with the two companies neither of them self-certified as a Section 3

business concerns; however, they submitted very detailed Section 3 strategies. She explained that commitments were made to place only Section 3 residents in RRHA's available temporary positions. A commitment was made to take referrals from RRHA staff to either place individuals with RRHA or with other companies that utilize their services. She pointed out that a lower markup price would be paid for any RRHA referrals. So far this year, once the contracts were put into place in August, seventy-five percent of temporary employees who have been placed with RRHA have been Section 3 residents.

Mrs. Cooperstein stated that two additional companies followed through with their Section 3 strategies. In the spring, Emphasys Software hosted a week long training session for Section 3 residents who were interested in learning how to use the system. Five individuals were taught how to use the housing and procurement software and, at the end of the week, received certificates of completion. Mrs. Cooperstein reported that one of the attendees worked temporarily with RRHA before she found other employment.

Mrs. Cooperstein added that in October, Mr. Loftis, from Woods Rogers, led two workshops on Criminal Background and employment. She explained that these workshops provided information regarding how to apply for job positions if someone has a criminal background, what information should be divulged, what a potential employer is allowed to ask, how to restore the rights of the applicant, and how to seek record expungement.

This coming year, Mrs. Cooperstein would like to see RRHA meet all the goals set by HUD and develop a Section 3 business concern workshop. The workshop

would allow Section 3 residents, who would like to start their own businesses to meet community partners, create a business plan and check for financial viability, and learn how to navigate the bidding process with the housing authority and other government entities.

Lastly, Mrs. Cooperstein met with Diana Lyons, with the Department of Labor's registered apprenticeship program, about the possibility of putting together a registered apprenticeship at RRHA. This program would benefit RRHA and Section 3 residents by allowing them to gain the necessary skills needed for positions at the housing authority.

Responding to Commissioner Burruss' inquiry as to the number of residents who attended Mr. Loftis workshop on Criminal Backgrounds Mrs. Cooperstein replied that four individuals attended along with several RRHA staff. She explained that with the smaller number attendees, the individuals received more help and attention than they would have received in a larger workshop.

Chair Garner stated that Section 3 has gotten off to a good start this year. He said that the three referrals and the seven hired individuals appear better than it did last year. Mrs. Cooperstein stated that she hoped that was the case, but she has not looked at the numbers side by side to confirm. She added that when she asks contractors for information for the annual report, sometimes they provide a lot of information at the beginning of a fiscal year versus throughout the year.

Adding to Chair Garner's comment concerning the eleven referrals for job training, three enrollments and one completion, Mrs. Cooperstein mentioned that Jobs Plus referred one person to the Virginia Careers Works Organization. Chair Garner

thanked Mrs. Cooperstein and said to keep up the good work.

Chair Garner asked if there were any Staff Reports. There were none.

4. Committee Reports

Chair Garner asked if there were any committee reports, comments or questions. There were none.

5. Commissioner Comments

Chair Garner asked if there were any Commissioner comments. There were none.

6. City Council Liaison Comments or Discussion

Chair Garner welcomed Djuna Osborne as the new City Council Liaison. He pointed out that prior to the Board meeting Ms. Osborne attended a tour of the RRHA developments with Commissioner Burruss, Mrs. Goh, Mr. Gusler, and himself. Chair Garner said he was amazed at Ms. Osborne's resident knowledge and interest in housing, and he looked forward to working with her in the future.

Ms. Osborne commented that she is looking forward to seeing how Lansdowne reimagines itself.

Chair Garner asked if there were any additional City Council Liaison comments or questions. There were none.

7. Residents or other community members to address the Board

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

CONSENT AGENDA

C-1 Minutes of the Regular Meeting of the Board of Commissioners held

Monday, October 22, 2018.

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

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

RECOMMENDED ACTION: File as submitted

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

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

NAYS: None

Chair Garner thereupon declared said motion carried as introduced.

II. **REGULAR AGENDA**

1. **Resolution No. 3986**

Mrs. Goh introduced Resolution No. 3986, requesting the Board's approval for submission of the Section 8 Management Assessment Program (SEMAP) certification to the United States Department of Housing and Urban Development (HUD). She explained that this request is brought to the Board every year and that the electronic self-reporting document is required by HUD to be submitted before November 30, 2018. Mrs. Goh stated that the self-certification reports on HUD-required performance indicators and the attachment provided shows what will be submitted to HUD. RRHA will be evaluated, based upon the information submitted and some monitoring HUD staff do using Voucher Management System (VMS) reports. HUD bases SEMAP score upon this certification. She stated that Mrs. Sparks, the Housing Choice

Voucher (HCV) manager, prepared this report and it will be submitted to HUD once Board approval is received.

Mrs. Goh responded to Chair Garner's question regarding whether the type of scoring adjustment that occurred in 2015 would be likely to reoccur. Mrs. Goh stated that this type of adjustment could happen in each year due to funding fluctuations. Mrs. Goh explained that if RRHA has a year where the funding is reduced, then voucher issuance must be frozen. However, if additional funding is received the following year RRHA will issue vouchers; however, there is a time lag due to the time it takes from voucher issuance to lease, primarily due to the time required to search for housing. She noted that the budget utilization has to be at ninety-eight percent or above for the entire year, and HUD may adjust the score downward at the end of the year when a reconciliation is performed. She added that every year is a risk due to the fluctuations in funding and the amount of time it takes to lease up and lease down.

Commissioner Burruss introduced Resolution No. 3986 and moved its adoption as introduced:

RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY AUTHORIZING SUBMISSION OF SECTION 8 MANAGEMENT ASSESSMENT PROGRAM CERTIFICATION TO THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

WHEREAS, the City of Roanoke Redevelopment and Housing Authority (RRHA) currently administers two thousand seventy-seven (2,077) units of Section 8 Housing; and

WHEREAS, pursuant to 24 Code of Federal Regulations (CFR), Part 985, RRHA is mandated to submit to the U.S. Department of Housing and Urban Development (HUD) a Section 8 Management Assessment Program (SEMAP) Certification concerning its performance in key Section 8 Program areas; and

WHEREAS, the purpose of the Certification is to allow HUD to objectively identify and measure RRHA's compliance with the Section 8 Program requirement, which measure is accomplished through the rating of performance indicators; and

WHEREAS, RRHA is required to submit this SEMAP Certification within sixty (60) days after the end of the fiscal year on September 30, 2018, resulting in a submission deadline of November 29, 2018; and

WHEREAS, the Section 8 staff complies with RRHA's written policies and procedures for the SEMAP performance indicators in the administration of the Section 8 Program. The staff conducts monitoring reviews of the following indicators and certifies to the Board of Commissioners that the information included on the SEMAP certification form is accurate and complete:

1. Selection from the Waiting List
2. Reasonable Rent
3. Determination of Adjusted Income
4. Utility Allowance Schedules
5. Housing Quality Standard (Quality Control Inspection)
6. Housing Quality Standard Enforcement
7. Expanding Housing Opportunities
8. Fair Market Rent Limit and Payment Standard
9. Annual Re-examinations
10. Correct Tenant Rent Calculations
11. Pre-contract Housing Quality Standards Inspections
12. Annual Housing Quality Standard Inspections
13. Lease-up
14. Family self-sufficiency (N/A)

NOW, THEREFORE, BE IT RESOLVED by the Commissioners of the City of Roanoke Redevelopment and Housing Authority that the Executive Director is authorized to submit the Section 8 Management Assessment Program (SEMAP) Certification containing information listed on the attached form to the U.S. Department of Housing and Urban Development.

EXPLANATION: RRHA's SEMAP scores for the past 5 years are as follows:

<u>Fiscal Year</u>	<u>SEMAP Score</u>
2013	100%
2014	100%
2015	85%*
2016	100%
2017	100%

* Score was adjusted downward by HUD due to voucher utilization rate.

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

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

NAYS: None

Chair Garner thereupon declared said motion carried and Resolution No. 3986 adopted as introduced.

2. Resolution No. 3987

Mr. Gusler introduced Resolution No. 3987, requesting the Board to approve a purchase and redevelopment agreement between RRHA and Virginia (VA) Tech Foundation, Incorporated, for the disposition of property at 1255 Williamson Road, SE. He said that the property is in the South Jefferson Redevelopment Area and is the last of the properties that RRHA acquired as part of the Redevelopment Plan. The contract is for a sales price of 1.2 million dollars and there is a six month period that VA Tech Foundation will have access to the property to complete due diligence, including environmental testing. He added that there is an option of extending the due diligence period by ninety days and up to eleven months in total if more time is needed.

Mr. Gusler explained RRHA's process, stating that the property was advertised in 2015 as a development opportunity first, not listing a required minimum offer. RRHA received a proposal in late 2017 that was discussed with the Board. RRHA met with Roanoke City staff about the proposal, and it was a very low offer. He stated that the housing authority acquired the property with City funds of 2.9 million dollars after an inverse condemnation lawsuit by the owner. The property was appraised for 1.2 million dollars a couple of years ago and, after working with the City, RRHA re-advertised the property with a required minimum offer of its appraised value. He

stated that the proposal submitted by VA Tech Foundation offered 1.2 million dollars.

Mr. Gusler explained that Mr. Loftis and Woods Rogers worked in conjunction with the VA Tech Foundation attorneys on the terms of the agreement, and the purchaser is proposing to start work on the design and pre-construction this year. They are proposing a four phase redevelopment that would use the entire site; it would tear down the existing buildings and build four new buildings in total, one in each phase of development. He mentioned that the projected completion date is 2030 or later at a total development cost of 233 million dollars. That would include two commercial incubator buildings, a total of 208,000 square feet, for research that VA Tech Carillon medical school would continue using. Also, he said, there will be two residential buildings totaling over 142,000 square feet which includes 157 residential units, one and two bedrooms, for student housing and perhaps some visiting faculty that will be working there. This would advance the City's Innovation Corridor, which stretches from Jefferson Street downtown to the South Jefferson redevelopment area.

In response to Vice Chair Anguiano's question, Mr. Gusler stated that the size of the lot is 3.79 acres.

Responding to Commissioner Burruss' inquiry as to the steps that RRHA would need to perform in order to formally close out the Redevelopment Plan, Mr. Loftis stated that a formal action must be made to close the plan. He said that the process would include the Board of Commissioners and Roanoke City Council voting to close the Plan. Mr. Loftis reminded the Commissioners that in 2010, the Plan was amended and removed any intention to acquire additional properties by condemnation other than through the spot blight provision. He said that RRHA amended the Plan so that

the Design Guidelines could still be managed but not have a threat of condemnation hanging over any of the properties.

Commissioner Burruss commented that it sounds like it is in RRHA's and the City's best interest to close it out formally. Mr. Loftis stated that it would be best to first discuss it with the City. He said that RRHA still has a parcel of land that was acquired, as part of that plan, but the construction has not begun yet because the deadline was extended. Currently that is being used for the additional construction that is taking place at the medical school.

Mr. Gusler stated that, in addition to what Mr. Loftis mentioned, the contract has a provision in case the purchaser does not perform in accordance with agreement terms. RRHA will monitor the VA Tech Foundation's timeline for redevelopment of the property, and they must show considerable progress within the first year.

Mr. Loftis responded to Mrs. Goh that in order for RRHA to serve in the role of monitoring compliance with the design guidelines the Plan will need to be open. He explained, that the contract states that the first phase of the proposed development plan must be submitted within twenty-four months of closing, and then construction must begin within eighteen months. Mr. Loftis agreed with Chair Garner's comment that once development begins, it removes the possibility that the property could come back to RRHA.

Mr. Loftis stated that the VA Tech Foundation has bought the former flooring site property and that Carillion currently holds title to that location.

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

Commissioner Smith introduced Resolution No. 3987 and moved its adoption as introduced:

RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY AUTHORIZING THE EXECUTION OF A PURCHASE AND REDEVELOPMENT AGREEMENT BETWEEN THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY AND VIRGINIA TECH FOUNDATION, INCORPORATED

WHEREAS, it has been and continues to be found that sections of the City of Roanoke located in the general area of Jefferson Street and Franklin Road, south of I-581 and north of the Roanoke River contain blighted areas which, by reason of dilapidation, obsolescence, faulty arrangement of deleterious land use, obsolete layout and other factors are detrimental to the safety, health, morals or welfare of the residents of the City; and

WHEREAS, RRHA prepared, at the request of the City, the South Jefferson Redevelopment Plan dated February 5, 2001, adopted by RRHA on March 12, 2001 and approved by Roanoke City Council on March 19, 2001; and

WHEREAS, Amendment No. 1 to the South Jefferson Redevelopment Plan, effective as of June 30, 2010, was adopted by RRHA on May 24, 2010 and approved by Roanoke City Council on June 21, 2010 (the original South Jefferson Redevelopment Plan and Amendment No. 1 to the South Jefferson Redevelopment Plan hereinafter collectively referred to as the "Redevelopment Plan"); and

WHEREAS, in order to implement the Redevelopment Plan, the City and RRHA have entered into certain Cooperation Agreements which, *inter alia*, provide funding to RRHA from the City for the purchase by RRHA of certain real estate within the South Jefferson Redevelopment Area, and further provide for the City to allocate funds to RRHA for the purpose of carrying out the Redevelopment Plan; and

WHEREAS, pursuant to and in furtherance of the Redevelopment Plan, RRHA has previously acquired the property at 1255 Williamson Rd, SE, Official Tax Map Number 4030212 (the "Property"); and

WHEREAS, RRHA advertised the Property publicly on its web page and the City of Roanoke's web page, and posted a sign on the Property to advertise its availability; and

WHEREAS, after a review of proposals received for the Property, the proposal submitted by the Virginia Tech Foundation, Inc. (VTF) was the only one that satisfied the general terms and conditions required by RRHA and the City of Roanoke to enter into contract negotiations for a sale of the property to VTF; and

WHEREAS, pursuant to and in furtherance of the Redevelopment Plan, RRHA has reached an agreement in principle to sell the Property to VTF for a price of \$1,200,000; and

WHEREAS, the terms of the agreement in principle between RRHA and VTF for the sale of the Property are set forth in the Purchase and Redevelopment Agreement attached as Exhibit 1 to this Resolution; and

WHEREAS, the acquisition and conveyance of the Property are consistent with the terms of the Redevelopment Plan and VTF has agreed that redevelopment of the property will be subject to the terms of the Redevelopment Plan; the Declaration of Restrictive Covenants for the South Jefferson Redevelopment Area published by RRHA and recorded in the Clerk's Office of the Circuit Court of the City of Roanoke, Virginia; and the Design Guidelines for the South Jefferson Redevelopment Area; and

WHEREAS, the City of Roanoke has indicated its intention to make available to RRHA funds necessary to fulfill the obligations of RRHA in the South Jefferson Cooperative Agreement and the Amended South Jefferson Cooperation Agreement.

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

1. The Purchase and Redevelopment Agreement, by and between RRHA and VTF, and attached is hereby approved, ratified and confirmed, **subject to** approval by the City Council of the City of Roanoke, prior to Closing, of a budget amendment or guarantee acceptable to RRHA, obligating the City to fund in full any payment obligation of RRHA under said Purchase and Redevelopment Agreement, and **further subject to** RRHA's receiving evidence that VTF has obtained such board or other corporate approvals as may be required in order for VTF to enter into the Purchase and Redevelopment Agreement;
2. The Executive Director shall be and hereby is specifically authorized and directed to execute said Purchase and Redevelopment Agreement between RRHA and VTF which shall be in all material respects in substantial conformance with the attached Exhibit 1;
3. The Executive Director and other proper officers and employees of RRHA shall be and the same hereby are authorized and directed to take all such actions as may be necessary, in the opinion of the Executive Director, to implement and accomplish the proper purposes of the aforesaid Purchase and Redevelopment Agreement; and
6. The Executive Director shall be and hereby is directed to execute all documents necessary to consummate the sale of the Property as contemplated in the aforesaid Purchase and Redevelopment Agreement.

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

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

NAYS: None

Chair Garner thereupon declared said motion carried and Resolution No. 3987 adopted as introduced.

3. Resolution No. 3988

Mr. Shank introduced Resolution No. 3988, requesting the Board to award a contract for roof replacement for Melrose Towers under Capital Fund Program Grant Number VA36P01150118. RRHA solicited bids in November 2018 and received two responsive bids, one from Mountain Roofing and one from Melvin T. Morgan Roofing & Sheet Metal Co., Inc. There was a big difference in the amounts and Melvin T. Morgan Roofing & Sheet Metal Co., Inc. was very close to Mr. Shank's cost estimate. He confirmed that Melvin T. Morgan Roofing covered everything in the scope of work. During that discussion he was informed that they replaced the roof last time. The project manager had access to the information from the previous work so they were confident about their numbers and the quantities related to the job.

Mr. Shank explained that the membrane roof and insulation will be replaced. The contractor will work around a considerable amount of equipment, including a lot of penetrations to the membrane which had some impact on the cost. He mentioned that Mountain Roofing's cost may be attributable to their concern with asbestos removal.

Mr. Shank responded to Commissioner Burruss stating that the roof installation can be completed without removing the equipment which includes fans, HVAC

equipment, telephone equipment that belongs to AT&T and Ntelos, and additional companies RRHA leases roof space to.

Commissioner Karnes inquired as to the amount of the contract which Mr. Shank confirmed was \$448,892.

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

Vice Chair Anguiano introduced Resolution No. 3988 and moved its adoption as introduced:

RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY AWARDING A CONTRACT FOR ROOF REPLACEMENT FOR MELROSE TOWERS UNDER CAPITAL FUND PROGRAM GRANT NUMBER VA36P01150118

WHEREAS, the City of Roanoke Redevelopment and Housing Authority (RRHA) has been awarded a grant from the Department of Housing and Urban Development (HUD) Capital Fund Program (CFP), grant number VA36P01150118 in the amount of \$3,302,705; and

WHEREAS, Roof Replacement for Melrose Towers, AMP 206, was included on the Annual Statement detailing the planned use of CFP grant number VA36P01150118, which was approved by the RRHA Board of Commissioners by Resolution 3957 on May 21, 2018; and

WHEREAS, RRHA needs a qualified contractor to complete Roof Replacement for Melrose Towers; and

WHEREAS, RRHA issued an Invitation for Bid on October 14, 2018, with bids being due on November 6, 2018; and

WHEREAS, RRHA received two (2) responsive bids to the invitation, which were opened for consideration, such bids being as follow:

<u>Bidder</u>	<u>Total Bid Amount</u>
Mountain Roofing, Inc.	\$887,441
Melvin T. Morgan Roofing & Sheet Metal Co., Inc.	\$448,892

WHEREAS, the amount of the bid submitted by Melvin T. Morgan Roofing & Sheet Metal Co., Inc., was determined to be fair and reasonable for the work specified when compared to the amount of the independent cost estimate based on R S Means Cost Data, for the project; and

WHEREAS, review, evaluation, and confirmation of bid documentation has been completed, and Melvin T. Morgan Roofing & Sheet Metal Co., Inc. has been found to be capable and in all other respects acceptable to RRHA; and

WHEREAS, the Vice President of Operations recommends an award to Melvin T. Morgan Roofing & Sheet Metal Co., Inc.; 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 bid 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 bid submitted by Melvin T. Morgan Roofing & Sheet Metal Co., Inc. be and hereby is accepted;
- (2) The Executive Director be and hereby is authorized and directed to execute a standard contract for construction, which by reference is inclusive of all plans, specifications, addenda and related project documents, between Melvin T. Morgan Roofing & Sheet Metal Co., Inc. and RRHA for the fixed price of \$448,892.
- (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 Smith and upon roll call the following vote was recorded:

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

NAYS: None

Chair Garner thereupon declared said motion carried and Resolution No. 3988 adopted as introduced.

4. Resolution No. 3989

Mr. Shank introduced Resolution No. 3989, asking the Board to authorize a

modification to the current contract number 568-1801-1-7, which is in place with Valley Boiler for HVAC work that is being done at the Central Office location. He explained that RRHA experienced some challenges last spring and during the summer with the cooling towers and controls. At the end of the season the primary boiler failed a second time and is damaged beyond repair. An evaluation was not made concerning the 30 year old boiler at the time the original contract was awarded.

Mr. Shank worked with Valley Boiler on a modification to replace the old boilers with new high efficiency boilers. He stated that Valley Boiler submitted a modification for the first boiler at \$24, 975.41, and that boiler is in place and working. The amount for the second boiler is \$23,537.91. Some of the work has already been completed which is why the cost of the second boiler is lower. He pointed out that the procurement policy states that if the cumulative amount of the modification exceeds ten percent of the original contract price, Board approval is required.

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

Commissioner Smith introduced Resolution No. 3989 and moved its adoption as introduced:

RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY AUTHORIZING MODIFICATION OF CONTRACT NUMBER 568-1801-1-7 UNDER THE FY 2018 CAPITAL FUND PROGRAM GRANT NUMBER VA36P01150118

WHEREAS, the City of Roanoke Redevelopment and Housing Authority (RRHA) has been awarded a grant from the Department of Housing and Urban Development (HUD) Capital Fund Program (CFP), grant number VA36P01150118 in the amount of \$3,302,705; and

WHEREAS, HVAC Upgrades for RRHA Central Administration Building was included on the Annual Statement detailing the planned use of CFP grant number

VA36P01150118, which was approved by the RRHA Board of Commissioners by Resolution 3957 on May 21, 2018; and

WHEREAS, the Executive Director was authorized and directed to execute a standard contract for HVAC Upgrades for RRHA Central Administration Building between Valley Boiler & Mechanical, Inc. and RRHA in the not to exceed amount of \$273,150, by the RRHA Board of Commissioners in Resolution No. 3970 on July 23, 2018.

WHEREAS, RRHA staff have subsequently determined that the replacement of two (2) heating boilers for RRHA Central Administration Building is required; and

WHEREAS, a contract modification for Contract Number 568-1801-1-7, for removal of inoperative primary heating boiler for RRHA Central Administration Building and installation of first replacement heating boiler, for the amount of \$24,975.41, was executed on November 9, 2018; and

WHEREAS, Valley Boiler & Mechanical, Inc. was requested to provide a proposal for installation of second heating boiler for RRHA Central Administration Building; and

WHEREAS, the amount of the second change proposal submitted by Valley Boiler & Mechanical, Inc. was \$23,537.91 and a contract period extension for completion of work of 14 business days; and

WHEREAS, the amount of the second change proposal for the contract submitted by Valley Boiler & Mechanical, Inc. was determined to be fair and reasonable for the work specified when compared to the amount of the independent cost estimate, based on R S Means Cost Data, for the change proposal; and

WHEREAS, review, evaluation, and confirmation of second change proposal documentation has been completed, and has been found in all respects acceptable to RRHA; and

WHEREAS, the Vice President of Operations recommends the acceptance of Valley Boiler & Mechanical, Inc.'s second change proposal; and

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

WHEREAS, RRHA's Procurement Policy states, "For all contracts of \$100,000 or more, any and all change orders, contract modifications, and/or amendments that result in a cumulative dollar value that exceeds 10% of the original contract value, must be submitted to the Board of Commissioners for review and approval prior to executing the contract modification."

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

- (4) The second change proposal submitted by Valley Boiler & Mechanical, Inc. in the amount of \$23,537.91 with a contract period extension of 14 business days be and hereby is accepted;
- (5) The Executive Director be and hereby is authorized and directed to execute a contract modification, which by reference, is inclusive of all Valley Boiler & Mechanical Inc.'s proposal for installation of second heating boiler, dated November 13, 2018.
- (6) 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 Vice Chair Anguiano and upon roll call the following vote was recorded:

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

NAYS: None

Chair Garner thereupon declared said motion carried and Resolution No. 3989 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 Commissioner Burruss and upon roll call the following vote was recorded:

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

NAYS: None

The Board of Commissioners entered into Executive Session at 3:40 p.m.

Vice Chair Anguiano left the meeting at 3:58 p.m.

Certification

Commissioner Burruss 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 Commissioner Smith and upon roll call the following vote was recorded:

AYES: Commissioners, Burruss, Garner, Karnes, Smith

NAYS: None

The Board reconvened into open session at 4:15 p.m.

III. ADJOURNMENT

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

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

AYES: Commissioners Burruss, Garner, Karnes, Smith

NAYS: None

Chair Garner declared the meeting adjourned at 4:15 p.m.


Ed Garner, Chair


Glenda Edwards Goh, Secretary-Treasurer



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Amanda Sparks
(MAET01)
PIC Main

SEMAP

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	Reports	Submission			
List	Summary	Certification	Profile	Comments	
Field Office:	3FPH RICHMOND PROGRAM CENTER				
Housing Agency:	VA011 Roanoke RHA				
PHA Fiscal Year End:	9/30/2018				

OMB Approval No. 2577-0215

SEMAP CERTIFICATION (Page 1)

Public reporting burden for this collection of information is estimated to average 12 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and you are not required to respond to, a collection of information unless it displays a currently valid OMB control number.

This collection of information is required by 24 CFR sec 985.101 which requires a Public Housing Agency (PHA) administering a Section 8 tenant-based assistance program to submit an annual SEMAP Certification within 60 days after the end of its fiscal year. The information from the PHA concerns the performance of the PHA and provides assurance that there is no evidence of seriously deficient performance. HUD uses the information and other data to assess PHA management capabilities and deficiencies, and to assign an overall performance rating to the PHA. Responses are mandatory and the information collected does not lend itself to confidentiality.

Check here if the PHA expends less than \$300,000 a year in federal awards

Indicators 1 - 7 will not be rated if the PHA expends less than \$300,000 a year in Federal awards and its Section 8 programs are not audited for compliance with regulations by an independent auditor. A PHA that expends less than \$300,000 in Federal awards in a year must still complete the certification for these indicators.

Performance Indicators

1 Selection from Waiting List (24 CFR 982.54(d)(1) and 982.204(a))

a. The HA has written policies in its administrative plan for selecting applicants from the waiting list.

PHA Response Yes No

b. The PHA's quality control samples of applicants reaching the top of the waiting list and admissions show that at least 98% of the families in the samples were selected from the waiting list for admission in accordance with the PHA's policies and met the selection criteria that determined their places on the waiting list and their order of selection.

PHA Response Yes No

2 Reasonable Rent (24 CFR 982.4, 982.54(d)(15), 982.158(f)(7) and 982.507)

a. The PHA has and implements a reasonable written method to determine and document for each unit leased that the rent to owner is reasonable based on current rents for comparable unassisted units (i) at the time of initial leasing, (ii) before any increase in the rent to owner, and (iii) at the HAP contract anniversary if there is a 5 percent decrease in the published FMR in effect 60 days before the HAP contract anniversary. The PHA's method takes into consideration the location, size, type, quality, and age of the program unit and of

similar unassisted units and any amenities, housing services, maintenance or utilities provided by the owners.

PHA Response **Yes** **No**

b. The PHA's quality control sample of tenant files for which a determination of reasonable rent was required to show that the PHA followed its written method to determine reasonable rent and documented its determination that the rent to owner is reasonable as required for (check one):

PHA Response **At least 98% of units sampled** **80 to 97% of units sampled**
 Less than 80% of units sampled

3 Determination of Adjusted Income (24 CFR part 5, subpart F and 24 CFR 982.516)

The PHA's quality control sample of tenant files show that at the time of admission and reexamination, the PHA properly obtained third party verification of adjusted income or documented why third party verification was not available; used the verified information in determining adjusted income; properly attributed allowances for expenses; and, where the family is responsible for utilities under the lease, the PHA used the appropriate utility allowances for the unit leased in determining the gross rent for (check one):

PHA Response **At least 90% of files sampled** **80 to 89% of files sampled**
 Less than 80% of files sampled

4 Utility Allowance Schedule (24 CFR 982.517)

The PHA maintains an up-to-date utility schedule. The PHA reviewed utility rate data that it obtained within the last 12 months, and adjusted its utility allowance schedule if there has been a change of 10% or more in a utility rate since the last time the utility allowance schedule was revised.

PHA Response **Yes** **No**

5 HQS Quality Control (24 CFR 982.405(b))

The PHA supervisor (or other qualified person) reinspected a sample of units during the PHA fiscal year, which met the minimum sample size required by HUD (see 24 CFR 985.2), for quality control of HQS inspections. The PHA supervisor's reinspected sample was drawn from recently completed HQS inspections and represents a cross section of neighborhoods and the work of cross section of inspectors.

PHA Response **Yes** **No**

6 HQS Enforcement (24 CFR 982.404)

The PHA's quality control sample of case files with failed HQS inspections shows that, for all cases sampled, any cited life-threatening HQS deficiencies were corrected within 24 hours from the inspection and, all other cited HQS deficiencies were corrected within no more than 30 calendar days from the inspection or any PHA-approved extension, or, if HQS deficiencies were not corrected within the required time frame, the PHA stopped housing assistance payments beginning no later than the first of the month following the correction period, or took prompt and vigorous action to enforce the family obligations for (check one):

PHA Response **At least 98% of cases sampled** **Less than 98% of cases sampled**

7 Expanding Housing Opportunities.

(24 CFR 982.54(d)(5), 982.153(b)(3) and (b)(4), 982.301(a) and 983.301(b)(4) and (b)(12))

Applies only to PHAs with jurisdiction in metropolitan FMR areas

Check here if not applicable

a. The PHA has a written policy to encourage participation by owners of units outside areas of poverty or minority concentration which clearly delineates areas in its jurisdiction that the PHA considers areas of poverty or minority concentration, and which includes actions the PHA will take to encourage owner participation.

PHA Response Yes No

b. The PHA has documentation that shows that it took actions indicated in its written policy to encourage participation by owners outside areas of poverty and minority concentration.

PHA Response Yes No

c. The PHA has prepared maps that show various areas, both within and neighboring its jurisdiction, with housing opportunities outside areas of poverty and minority concentration; the PHA has assembled information about job opportunities, schools and services in these areas; and the PHA uses the maps and related information when briefing voucher holders.

PHA Response Yes No

d. The PHA's information packet for certificate and voucher holders contains either a list of owners who are willing to lease, or properties available for lease, under the voucher program, or a list of other organizations that will help families find units and the list includes properties or organizations that operate outside areas of poverty or minority concentration.

PHA Response Yes No

e. The PHA's information packet includes an explanation of how portability works and includes a list of neighboring PHAs with the name, address and telephone number of a portability contact person at each.

PHA Response Yes No

f. The PHA has analyzed whether voucher holders have experienced difficulties in finding housing outside areas of poverty or minority concentration and, where such difficulties were found, the PHA has considered whether it is appropriate to seek approval of exception payment standard amounts in any part of its jurisdiction and has sought HUD approval when necessary.

PHA Response Yes No

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	Reports	Submission			
List	Summary	Certification	Profile	Comments	
Field Office:	3FPH RICHMOND PROGRAM CENTER				
Housing Agency:	VA011 Roanoke RHA				
PHA Fiscal Year End:	9/30/2018				

SEMAP CERTIFICATION (Page 2)

Performance Indicators

8 Payment Standards(24 CFR 982.503)

The PHA has adopted current payment standards for the voucher program by unit size for each FMR area in the PHA jurisdiction and, if applicable, for each PHA-designated part of an FMR area, which do not exceed 110 percent of the current applicable FMR and which are not less than 90 percent of the current FMR (unless a lower percent is approved by HUD). (24 CFR 982.503)

PHA Response Yes No

FMR Area Name

No records have been entered.

Enter current FMRs and payment standards (PS)

0-BR FMR	<input type="text" value="547"/>	1-BR FMR	<input type="text" value="667"/>	2-BR FMR	<input type="text" value="846"/>	3-BR FMR	<input type="text" value="1162"/>	4-BR FMR	<input type="text" value="11281"/>
PS	<input type="text" value="555"/>	PS	<input type="text" value="671"/>	PS	<input type="text" value="850"/>	PS	<input type="text" value="1160"/>	PS	<input type="text" value="1310"/>

If the PHA has jurisdiction in more than one FMR area, and/or if the PHA has established separate payment standards for a PHA-designated part of an FMR area, add similar FMR and payment standard comparisons for each FMR area and designated area.

9 Timely Annual Reexaminations(24 CFR 5.617)

The PHA completes a reexamination for each participating family at least every 12 months.(24 CFR 5.617)

PHA Response Yes No

10 Correct Tenant Rent Calculations(24 CFR 982, Subpart K)

The PHA correctly calculates tenant rent in the rental certificate program and the family rent to owner in the rental voucher program (24 CFR 982,Subpart K)

PHA Response Yes No

11 Pre-Contract HQS Inspections(24 CFR 982.305)

Each newly leased unit passes HQS inspection before the beginning date of the assisted lease and HAP contract. (24 CFR 982.305)

PHA Response Yes No

12 Continuing HQS Inspections(24 CFR 982.405(a))

The PHA inspects each unit under contract as required (24 CFR 982.405(a))

PHA Response Yes No

13 Lease-Up

The PHA executes assistance contracts on behalf of eligible families for the number of units that has been under budget for at least one year. The PHA executes assistance contracts on behalf of eligible families for the number of units that has been under budget for at least one year

PHA Response Yes No

14 Family Self-Sufficiency (24 CFR 984.105 and 984.305)

14a. Family Self-Sufficiency Enrollment. The PHA has enrolled families in FSS as required. Applies only to PHAs required to administer an FSS program.

Check here if not applicable

a. Number of mandatory FSS slots (Count units funded under the FY 1992 FSS incentive awards and in FY 1993 and later through 10/20/1998. Exclude units funded in connection)

with Section 8 and Section 23 project-based contract terminations; public housing demolition, disposition and replacement; HUD multifamily property sales; prepaid or terminated mortgages under section 236 or section 221(d)(3); and Section 8 renewal funding. Subtract the number of families that successfully completed their contracts on or after 10/21/1998.)

Or, Number of mandatory FSS slots under HUD-approved exception (If not applicable, leave blank)

b. Number of FSS families currently enrolled

c. Portability: If you are the initial PHA, enter the number of families currently enrolled in your FSS program, but who have moved under portability and whose Section 8 assistance is administered by another PHA

Percent of FSS slots filled (b+c divided by a) (This is a nonenterable field. The system will calculate the percent when the user saves the page)

14b. Percent of FSS Participants with Escrow Account Balances. The PHA has made progress in supporting family self-sufficiency as measured by the percent of currently enrolled FSS families with escrow account balances. (24 CFR 984.305)

Applies only to PHAs required to administer an FSS program

Check here if not applicable

PHA Response Yes No

Portability: If you are the initial PHA, enter the number of families with FSS escrow accounts currently enrolled in your FSS program, but who have moved under portability and whose Section 8 assistance is administered by another PHA

15 Deconcentration Bonus

The PHA is submitting with this certification data which show that :

(1) Half or more of all Section 8 families with children assisted by the PHA in its principal operating area resided in low poverty census tracts at the end of the last PHA FY;

(2) The percent of Section 8 mover families with children who moved to low poverty census tracts in the PHA's principal operating area during the last PHA FY is atleast two percentage points higher than the percent of all Section 8 families with children who resided in low poverty census tracts at the end of the last PHA FY; or

(3) The percent of Section 8 mover families with children who moved to low poverty census tracts in the PHA's principal operating area over the last two PHA FY is at least two percentage points higher than the percent of all Section 8 families with children who resided in low poverty census tracts at the end of the second to last PHA FY.

PHA Response Yes No

[Deconcentration Addendum](#)

[Go to Comments](#)

[Back to Page1](#)

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PURCHASE AND REDEVELOPMENT AGREEMENT

SOUTH JEFFERSON REDEVELOPMENT AREA

- A. Date: _____, 2018
- B. Seller: City of Roanoke Redevelopment and Housing Authority
2624 Salem Turnpike N.W.
Roanoke, Virginia 24017
- C. Purchaser: Virginia Tech Foundation, Inc.
University Gateway Center
902 Prices Fork Road, Suite 130
Blacksburg, VA 24061
- D. Property: One (1) parcel in the South Jefferson Redevelopment Area, bearing City of Roanoke Official Tax Map Number 4030212, and known as 1255 Williamson Road, SE in the City of Roanoke, Virginia (the “Property”), as more particularly described in **Exhibit A** attached to this Agreement.
- E. Purchase Price: \$1,200,000.00.
- F. Closing Date: Not later than 30 days after the expiration of the Feasibility Period (as defined below)
- G. Permitted Use: Phased development which may include office/professional/retail/commercial/medical/medical laboratory/educational/residential – inclusive of required parking; pedestrian bridge across portion of property (if permitted by design guidelines) permitted as an accessory use.

{2362718-1, 077836-01036-01}

DRAFT w/ RRHA comments 10/18/2018

The City of Roanoke Redevelopment and Housing Authority (“RRHA”) has undertaken, pursuant to Virginia law and the South Jefferson Redevelopment Plan and Amended South Jefferson Redevelopment Plan adopted by the City Council of the City of Roanoke (the “Redevelopment Plan”), the redevelopment of an area of the City known as the South Jefferson Redevelopment Area (the “Redevelopment Area”) and has offered for sale parcels of land within the Redevelopment Area, including the Property. Purchaser, Virginia Tech Foundation, Inc. (“VTF”) desires to purchase the Property and to own, hold, develop and dispose of it in accordance with the requirements of the Plan. This Agreement sets forth the terms of the sale and purchase.

Accordingly, the parties agree as follows:

(1) **Sale and Purchase:** VTF shall purchase the Property from RRHA, and RRHA shall sell the Property to VTF, on all of the terms and conditions set forth in this Agreement. The Purchase Price shall be the amount set forth in Item E above and shall be paid as set forth in paragraph (2) below. A more complete legal description of the Property shall be given in the Deed hereinafter provided for.

(2) **Purchase Price and Deposit:** Within five (5) days after receipt by RRHA of a fully executed copy of this Agreement, VTF shall make a deposit of Ten Thousand and 00/100 Dollars (\$10,000.00) (the "Deposit") and deliver it to Fidelity National Title Insurance Company (the "Escrow Agent"). The Deposit shall be held by the Escrow Agent in an account with a financial institution which is acceptable to RRHA and VTF until Closing and then applied toward the Purchase Price or distributed in accordance with the provisions of the escrow agreement (the “Escrow Agreement”) attached hereto as Exhibit B if the Agreement is

{2362718-1, 077836-01036-01}2

DRAFT w/ RRHA comments 10/18/2018

terminated and the Closing does not occur. The date upon which this Agreement is fully executed shall be the effective date ("the Effective Date"). If this Agreement is not terminated as permitted herein, the balance of the Purchase Price, consisting of One Million One Hundred Ninety Thousand and 00/100 Dollars (\$1,190,000.00), shall be paid in full by VTF to Woods Rogers PLC, attorneys for RRHA. Settlement shall be held at the offices of Fidelity National Title Insurance Company.

(3) **Feasibility Period and Right to Make Tests:** For a period of one hundred eighty (180) days after the Effective Date, VTF, and its employees, agents, contractors, representatives, or other designees, shall exercise the right to access and enter upon the Property for the purpose of making or conducting, at its sole cost, all studies, tests, engineering, environmental tests of the surface and subsurface conditions and other investigations, examinations, explorations and inspections as VTF deems appropriate in its sole discretion, including, but not limited to, a Phase II Environmental Site Assessment and whereby VTF shall be authorized to take samples and do soil borings and other invasive tests as may be deemed necessary at VTF's reasonable discretion, located thereon and to ensure that the Property meets the needs of VTF, at VTF's sole discretion relating to zoning, building codes and other governmental regulations, architectural inspections, engineering tests, economic feasibility studies as related to VTF's intended use of the Property (the "Feasibility Period"). VTF may extend the Feasibility Period for two additional sixty (60) day periods ("Extension Options") by providing RRHA with written notice to exercise option(s) before the expiration of the then current Feasibility Period. VTF agrees to indemnify and hold RRHA harmless against any loss, damage or claim which may be asserted against or recovered from RRHA as a result of any damage occurring to the Property due to such testing by or on

{2362718-1, 077836-01036-01}3

DRAFT w/ RRHA comments 10/18/2018

behalf of VTF, but shall specifically not include any loss, damage or claim relating (i) to the reported results/conclusions of any such testing or (ii) to or from any negligent or intentional act or omission of RRHA. If VTF, in its sole, absolute, and subjective discretion (i) notifies RRHA in writing on or before the expiration of the term of the Feasibility Period that VTF, as a result of the studies, examinations and/or tests conducted by VTF that it does not wish to proceed to purchase the Property, or if VTF is not successful in obtaining approval from RRHA, the City of Roanoke Planning Commission and the Roanoke City Council of VTF's development plans, or for any other reason, does not desire to purchase the Property, or (ii) fails to affirmatively give RRHA written notice on or before the expiration of the term of the Feasibility Period that VTF intends to proceed with the purchase of the Property, then this Agreement shall be deemed terminated, whereupon the Deposit shall be returned to VTF by the Escrow Agent without the necessity of the execution by either RRHA or VTF of any further documentation authorizing the Escrow Agent to return the Deposit to VTF.

(4) **Environmental Matters:**

(a) Attached to this Agreement as **Exhibit C** is a copy of the Phase I Environmental Site Assessment Report for Blue Ridge Truck Tire, 1255 Williamson Road, SE, Roanoke, Virginia dated June 19, 2001. Attached to this Agreement as **Exhibit D** is a copy of the Phase I Environmental Assessment Report for the Exchange Lumber Building, 1255 Williamson Road, SE, Roanoke, VA dated April 15, 2016. Exhibit C and Exhibit D, together, are the most recent information available to RRHA on the environmental condition of the Property. VTF acknowledges that it has received and reviewed Exhibit C and Exhibit D prior to signing this Agreement and that the Purchase Price has been negotiated to reflect any and all matters set forth

{2362718-1, 077836-01036-01}4

DRAFT w/ RRHA comments 10/18/2018

in Exhibit C and/or Exhibit D. Because RRHA did not acquire and take possession of the Property until November 12, 2010, and because the Tenant has continued to occupy and conduct operations on the Property, RRHA makes no representations or warranties whatsoever as to the present environmental condition of the Property, and VTF acknowledges and agrees that VTF is responsible for taking such steps prior to Closing as it shall deem necessary or appropriate to satisfy itself as to the present environmental condition of the Property.

(b) VTF agrees to keep the results of all environmental testing and inspection(s) of the Property conducted by or on behalf of VTF (including any written environmental report) confidential except that VTF may disclose the same to its lender, its attorneys and its consultants, and VTF shall provide copies of the same to RRHA. Except as is otherwise expressly provided in this Agreement, RRHA hereby specifically disclaims any warranty (oral or written) by itself or by any agent or employee of RRHA concerning: (i) the nature and condition of the Property and the suitability thereof for any and all activities and uses that VTF elects to conduct thereon; (ii) the manner, construction, condition and state of repair or lack of repair of the improvements on the Property; (iii) the zoning, flood zone or compliance of the Property with any laws, rules, ordinances or regulations of any government or other body; and (iv) any representation or warranty with regards to compliance with any environmental protection, pollution or land use laws or regulations. VTF is purchasing the Property on an “as is”, “where is” and “with all faults” basis, and except as otherwise expressly set forth therein, without representations, warranties or covenants, express or implied, of any kind or nature.

(5) Closing; Risk of Loss; Possession and Post-Closing Matters:

{2362718-1, 077836-01036-01}5

DRAFT w/ RRHA comments 10/18/2018

(a) The closing to complete the sale and purchase (“Closing”) shall occur within thirty (30) days of the expiration of the Feasibility Period, provided that VTF, at its sole and absolute discretion, may close at any time subsequent to the Effective Date, provided VTF has first provided RRHA with ten business (10) days’ prior written notice. The specific date, time, and place of Closing will be determined by agreement between RRHA and VTF. If there is no such agreement, Closing shall take place on the agreed upon Closing Date and time at the offices of Fidelity National Title Insurance Company, 310 First Street, Suite 1210, Roanoke, Virginia.

(b) Until Closing, risk of loss or damage to the Property shall remain with RRHA.

(c) RRHA shall deliver possession of the Property to VTF at Closing.

(6) **Deliveries at Closing; Closing Costs:** At Closing, RRHA shall deliver to VTF the following:

(a) A Special Warranty Deed executed by an authorized officer of RRHA, notarized and ready for recording, conveying to VTF good and marketable fee simple title to the Property free and clear of liens, objections and encumbrances except as matters set forth as exceptions to title as shown on the final title commitment prepared by Escrow Agent to issue to VTF an Owner’s Title Policy at Closing, and as approved by VTF, and (i) any utility easements subsequently placed of record; (ii) applicable zoning and building laws and ordinances; (iii) the restrictions set forth in the Declaration of Restrictive Covenants for the South Jefferson Redevelopment Area published by RRHA and recorded in the Clerk’s Office of the Circuit Court of the City of Roanoke, Virginia (the “Restrictions”); (iv) real estate taxes, stormwater fees, solid waste fees and/or other governmental fees assessed by the City of Roanoke which are not yet delinquent (but subject to proration as set forth below); (v) the existing Renewal Lease with The

{2362718-1, 077836-01036-01}6

DRAFT w/ RRHA comments 10/18/2018

Lamar Companies, dated July 27, 2000, and Amendment No. 1 to that Renewal Lease dated March 29, 2012, affecting a portion of the Property; (vi) the month-to-month lease with Ken Hawley d/b/a Quality Tire Outlet affecting a portion of the Property (further described in paragraph 10 below); and (vii) such other easements, conditions, exceptions and other title matters as to which VTF does not object during the Feasibility Period by written notice to RRHA ((i), (ii), (iii), (iv), (v), (vi) and (vii) are collectively referred to in this Agreement as “Permitted Exceptions”).

(b) An affidavit as to liens and possession on a form acceptable to VTF’s title insurer and to RRHA.

(c) A resolution of RRHA’s Board of Commissioners, authorizing the sale and conveyance and the execution of the Deed by the person(s) signing on RRHA’s behalf.

(e) Such other documents and certificates as VTF’s title company may reasonably request.

RRHA shall pay for preparation of the deed, any grantor’s tax which may be imposed on recording of the deed, and its own attorneys’ fees. VTF shall pay all other costs of Closing. Real estate taxes, stormwater fees, solid waste fees and/or other governmental fees assessed by the City of Roanoke shall be prorated as of the Closing Date.

(7) **Redevelopment:** RRHA enters into this Agreement on the basis of RRHA’s understanding that VTF intends to redevelop the Property for one or more of the permitted uses set forth in Item G (each a “Permitted Use”) above. All redevelopment activities undertaken by VTF shall comply with the Redevelopment Plan, the Restrictions, and the Design Guidelines for the South Jefferson Redevelopment Area as revised to date (the “Guidelines”), including the

{2362718-1, 077836-01036-01}7

DRAFT w/ RRHA comments 10/18/2018

Development Plan Review and Procedures contained in the Guidelines. VTF shall not commence construction on the Property until RRHA has reviewed and approved final detailed plans and specifications for the redevelopment (as and when approved, “the Final Plans”). VTF, at its sole expense, shall obtain all governmental permits, licenses and approvals of any type necessary for the construction and operation of the Permitted Use.

(8) **Condition of Property at Closing and Delivery of Possession:** RRHA and VTF acknowledge that there are currently two structures situated on the Property, and VTF agrees to accept the Property with these structures. It is understood and agreed that RRHA shall have no obligation to demolish the structures on the Property, or otherwise to clear the Property of improvements, fixtures or personal property, prior to Closing and that any demolition or clearing of the Property after Closing shall be the sole responsibility of VTF with all costs to be the responsibility of VTF.

(9) **Assumption of Billboard Lease:** VTF agrees to assume the existing Renewal Lease with The Lamar Companies dated July 27, 2000, and Amendment No. 1 to that Renewal Lease dated March 29, 2012, copies of which are attached to this Agreement as **Exhibit E**. Consistent with Amendment No. 1 to the Renewal Lease, VTF agrees to keep the Renewal Lease in effect for a period of at least twelve (12) months from Closing.

(10) **Relocation of Tenant:**

(a) RRHA entered into a written Lease Agreement dated May 2, 2011, with Ken Hawley d/b/a Quality Tire Outlet (the “Tenant”), and a written Amendment to Lease executed in April, 2013, under which the Tenant leased all or a portion of the Property. Copies of these written agreements are attached as **Exhibit F**. The original term of the written lease with the Tenant

{2362718-1, 077836-01036-01}8

DRAFT w/ RRHA comments 10/18/2018

ended on April 30, 2012, and has renewed from month-to-month since that time. RRHA agrees to terminate the lease with Tenant prior to Closing, and ensure that Tenant vacates the Property no later than ninety (90) days after Closing.

(b) From and after delivery to the Tenant of a notice to the Tenant to terminate the month-to-month lease arrangement and/or to vacate the Property, RRHA shall be solely responsible for providing the Tenant with relocation assistance and services under Virginia's Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1972, as amended, and the related sections of the Virginia Administrative Code, all as set forth in the Redevelopment Plan.

(d) Notwithstanding any of the other provisions of this paragraph, VTF agrees that RRHA may, at any time (either before or after Closing) and at RRHA's option, enter into an agreement with the Tenant by which the Tenant will voluntarily vacate the Property and/or relocate. In the event RRHA reaches such an agreement with the Tenant then RRHA shall promptly notify VTF of the date (or approximate date) when then Tenant intends to vacate the Property.

(11) Time for Commencement of Permitted Use and Further Redevelopment; RRHA's Repurchase Right; Specific Performance:

(a) VTF will (i) submit its proposed development plan for the first phase ("First Phase") of development for the Property not later than twenty-four (24) months after Closing; and (ii) commence construction of such First Phase of development within eighteen (18) months after approval of the such First Phase by the RRHA and the City of Roanoke, which shall not be unreasonably withheld or delayed. Construction shall be deemed to have "commenced" for

{2362718-1, 077836-01036-01}9

DRAFT w/ RRHA comments 10/18/2018

purposes of this requirement when excavation of foundations for the first building shown on the First Phase has begun.

(b) Should VTF fail to meet the construction commencement deadline set forth in subparagraph (a), RRHA may within one (1) year after the commencement deadline repurchase the Property from VTF by giving VTF at least ninety (90) days' notice of its intent to repurchase and paying the Purchase Price to VTF. (Should construction commence during the running of the 90-day notice period, RRHA's notice of intent to repurchase shall be deemed canceled.) RRHA may, at its option and at its expense, record a memorandum or other notice of said right to repurchase in the Roanoke City Clerk's Office.

(c) Should VTF, having met the commencement deadline, fail to complete the First Phase of development of the Permitted Use by the date that is four years from the commencement of construction, or in accordance with the schedule approved by RRHA at the time it approves the First Phase, whichever is later, RRHA may at any time bring an action for specific performance in the Circuit Court of the City of Roanoke, Virginia, to compel VTF to complete the improvements in accordance with the approved plan(s) for the First Phase.

(12) **VTF's Entry on Property:** VTF shall have the right at VTF's sole risk, on reasonable prior notice to RRHA, to enter upon the Property prior to Closing for the purpose of making inspections, surveys and examinations of the Property, including but not limited to the tests described in paragraph 3, above. Such work shall be done in a manner that will cause the least practicable damage to the Property. VTF agrees to return the Property as nearly as practicable to the condition that existed prior to VTF's work if Closing does not occur hereunder and in any event to indemnify RRHA against loss, cost, damage or liability arising out of or

{2362718-1, 077836-01036-01} 10

DRAFT w/ RRHA comments 10/18/2018

resulting from the activities of VTF and its employees, agents or contractors on the Property. Before exercising this right to enter the Property, VTF shall add RRHA as an additional insured with respect to the Property under VTF's commercial general liability insurance policy.

(13) **RRHA's Right to Inspect:** RRHA and its employees and agents may at any reasonable time and from time to time enter upon and inspect the Property to assure compliance by VTF (or by any assign of VTF) with the requirements of this Agreement. Each such entry shall be accomplished in a manner reasonably calculated to cause the least practicable interference with any activities of VTF or VTF's agents or assigns on the Property.

(14) **Breach:** Should either party breach this Agreement, the nonbreaching party shall have available all the rights and remedies afforded by Virginia law, including the remedy of specific performance, and may in addition recover from the breaching party its reasonable attorneys' fees and costs incurred on account of the breach; provided, however, that if the breach is an exception to title to the Property (other than a Permitted Encumbrance) which renders title unmarketable and which RRHA fails or is unable to cure within 120 days after receiving written notice of same from VTF, then VTF may either (i) terminate this Agreement by written notice to RRHA given within 30 days after the expiration of said 120-day period and receive a return of the Deposit, in which case neither party shall have any further obligation hereunder, or (ii) waive the title exception and proceed to Closing with no abatement of the Purchase Price. RRHA's right to enforce specific performance of this Agreement by VTF shall apply to each individual obligation of VTF hereunder, including without limitation VTF's obligation to complete construction of the Permitted Use in accordance with the approved plans for the First Phase.

{2362718-1, 077836-01036-01} 11

DRAFT w/ RRHA comments 10/18/2018

(15) **Notice Addresses:** Any notice or other communication under this Agreement by either party to the other shall be sufficiently given if it is in writing and dispatched by registered or certified mail, postage prepaid, return receipt requested or by nationally recognized overnight delivery service or by facsimile, and

a. in the case of the VTF, is addressed to:

Virginia Tech Foundation, Inc.
902 Prices Fork Road, Suite 130
Blacksburg, VA 24061
Attn: Director of Real Estate
Fax: (540) 231-1126
With a copy to:

Virginia Tech Foundation, Inc.
902 Prices Fork Road, Suite 4000
Blacksburg, VA 24061
Attn: General Counsel
Fax: (540) 231-1126

b. in the case of RRHA, is addressed to:

Executive Director
City of Roanoke Redevelopment and Housing Authority
2624 Salem Turnpike NW
Roanoke, Virginia 24017
Fax: (540) 983-9200

With a copy to:

Mark D. Loftis, Esq.
Woods Rogers PLC
10 South Jefferson Street, Suite 1400
Roanoke, Virginia 24011
Fax: (540) 983-7711

(16) **Provisions of this Agreement Not Merged with Deed:** No provision of this Agreement is intended to or shall be merged into the deed transferring title to the Property from

{2362718-1, 077836-01036-01} 12

DRAFT w/ RRHA comments 10/18/2018

RRHA to VTF, and such deed shall not be deemed to affect or impair the provisions and covenants of this Agreement. It is the specific intent of the parties that this Agreement shall survive the Closing and shall be specifically enforceable by RRHA and/or VTF.

(17) **Force Majeure:** In the event of any delay in the fulfillment of any requirement hereunder, other than the payment of money, which is caused by governmental restriction, storm or other casualty, shortage of material, strike, civil disturbance, act of God, or other cause beyond VTF's control, the deadline for such performance set forth in this Agreement shall be extended day-for-day for any such delay provided that VTF gives written notice thereof to RRHA within ten (10) business days of such delay commencing.

(18) **Brokers:** VTF and RRHA each represent that they have not engaged any broker who could claim a commission in connection with this transaction, and that no commissions are payable to any broker in connection with this transaction. VTF acknowledges that Carrie E. Woodring, Director of Real Estate for VTF is a licensed Real Estate Broker in the Commonwealth of Virginia but that no commissions are due or payable in connection with the transaction contemplated by this Agreement.

(19) **No HUD Funds:** RRHA will not utilize any Department of Housing and Urban Development (HUD) funds for any purpose associated with this Agreement, including administrative and legal costs.

(20) **Assignment; Miscellaneous Provisions:** Neither party shall have any right to assign this Agreement without the prior written consent of the other party hereto, which consent may be withheld in such party's sole discretion. This Agreement shall be governed by the laws of the Commonwealth of Virginia. It contains the entire agreement between RRHA and VTF and

{2362718-1, 077836-01036-01} 13

DRAFT w/ RRHA comments 10/18/2018

supersedes any and all prior discussions, negotiations or agreements, whether written or oral, and it shall not be modified or amended except by a writing signed by both RRHA and VTF. Time is of the essence with respect to closing and otherwise in the performance of this Agreement. The failure of either party hereto to exercise any right given hereunder or to insist upon strict compliance with regard to any term, condition or covenant specified herein, shall not constitute a waiver of such party's right to exercise such right or to demand strict compliance with any other term, condition or covenant under this Agreement. A facsimile or electronically delivered copy of this Agreement with signatures hereon shall be considered for all purposes as an original. This Agreement may be executed in two or more counterparts which together shall constitute one Agreement.

[Signatures to follow]

WITNESS the signatures and seals of RRHA and VTF as of the date first written above, each party signing by its duly-authorized officer:

VIRGINIA TECH FOUNDATION, INC. (SEAL)

By _____

Its _____

CITY OF ROANOKE REDEVELOPMENT AND
HOUSING AUTHORITY (SEAL)

{2362718-1, 077836-01036-01} 14

DRAFT w/ RRHA comments 10/18/2018

By _____

Its _____

{2362718-1, 077836-01036-01} 15

DRAFT w/ RRHA comments 10/18/2018

List of Exhibits

Exhibit A – Legal Description

Exhibit B – Escrow Agreement

Exhibit C - Environmental Report

Exhibit D – Environmental Report

Exhibit E – Billboard Lease

Exhibit F – Lease with Ken Hawley d/b/a Quality Tire

{2362718-1, 077836-01036-01} 16

DRAFT w/ RRHA comments 10/18/2018

Exhibit A

Legal Description

Located in the City of Roanoke, Virginia
Tax Map No. 4030212

Parcel 2A, containing 3.795 acres, more or less situate on Williamson Road, S.E., as shown on Vacation and Combination Plat from Records for William Donald & Maeona M. Stegall, prepared by Linda R. Duffy, CLS, of Parker Design Group, dated July 9, 2007, recorded in the Clerk's Office of the Circuit Court of the City of Roanoke, Virginia, in Map Book 1, pages 3195 and 3196.

Being the same property conveyed to the City of Roanoke Redevelopment and Housing Authority by William D. Stegall and Maeona M. Stegall, husband and wife, by Deed dated November 12, 2010, recorded November 12, 2010 in Instrument No. 100010761 in the Clerk's Office of the Circuit Court of the City Roanoke, Virginia.

{2362718-1, 077836-01036-01} 17

DRAFT w/ RRHA comments 10/18/2018