

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, December 19, 2016, 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 Karnes called the meeting to order at 3:00 p.m. and declared that a quorum was present.

PRESENT: Commissioners Anguiano, Burruss, Butler, Karnes, Witten

ABSENT: Commissioners Garner, Smith

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

ALSO PRESENT: Jackie Austin, VP of Finance/CFO; Kathy Beveridge, Compliance and Quality Assurance Manager ; David Bustamante, VP of Housing; Betsy Crow, VP of Human Resources and Administration; Jessica Farmer, HCV Manager; Frederick Gusler, Director of Redevelopment and Revitalization; Mark Loftis, Legal Counsel; Joel Shank, VP of Operations; Melissa Wills, Executive Assistant

Chair Karnes welcomed everyone to today's meeting.

II. REPORTS

1. Financial Report

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

a Financial Report.

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

2. Executive Director's Report

Chair Karnes asked for the Executive Director's report.

Mrs. Goh updated the Board regarding the shortfall in Housing Choice Voucher (HCV) funding that she reported on at last month's meeting. She stated that RRHA applied to the U.S. Department of Housing and Urban Development (HUD) for shortfall funding and, while it was approved for an amount of \$14,507, the actual shortfall amount for December is over \$30,000. She stated HUD's letter indicated that more may be approved if the actual shortfall exceeds the initial amount approved. She said that RRHA intends to pursue additional shortfall funding and, in the meantime, a frontload request to receive an advance against 2017 funding has also been submitted to ensure that RRHA is able to meet its landlord payments. Mrs. Goh stated that Congress had passed a Continuing Resolution through April 28, 2017. She stated that this is very similar to the situation in 2009 which resulted in severe HCV shortfalls for RRHA and many other housing authorities across the country. She explained that, during the period of the Continuing Resolution, HUD will provide funding based on 2016 expenses. Mrs. Goh said that, if Congress approves a budget in April that reduces funding, that reduction will be retroactive to January; however, RRHA will be halfway through the year by the time actual funding is known, leaving only half the year to manage a full year of funding reduction. Mrs. Goh stated that there is not a proposal on the table that she is aware of at this point that would reduce

renewal funding below 2016 levels; however, it is not possible to predict what may occur. She reported that new vouchers are not being issued, and those that have not been leased up yet have been withdrawn. She said that RRHA is going to try to hold steady and respond as quickly as possible as proposals in Congress are made known so that if funding cuts are being proposed, expense reductions can begin as quickly as possible.

Mrs. Goh stated the importance of RRHA being mindful of its mission to assist as many people as possible so that expenses are not reduced unnecessarily if full renewal funding is provided; on the other hand, staff is mindful that the potential suffering is greater if full year funding cuts are implemented midyear. She said that RRHA will need to monitor what happens very closely and respond as quickly as possible as various proposals are considered in Congress.

Responding to a question from Commissioner Anguiano regarding what sources are used to monitor what may occur from a budget standpoint, Mrs. Goh stated that the primary sources are the National Association of Housing Redevelopment Officials (NAHRO) and Public Housing Authorities Directors Association (PHADA) as both organizations monitor congressional actions closely. She also stated that the Virginia Association of Housing and Community Development Officials (VAHCDO), RRHA's state association, has just formed a Legislative Committee and has asked Mrs. Goh to serve on it, along with staff representatives from housing authorities in Harrisonburg, Alexandria, Norfolk, Richmond, Marion, Lee County, Newport News, Portsmouth and the Virginia Housing Alliance (VHA). She reported that this may serve as a useful avenue, but at this point, the committee is still

in the formative stages, and there has only been one initial phone call to discuss the committee's goal, purpose and operating structure. She stated that she raised concerns regarding the HCV funding situation in the call and committee members confirmed that these concerns are shared statewide and nationwide. She explained that 2009 was a disastrous year for the HCV program nationwide, with approximately 100,000 people losing housing assistance that year. She explained that RRHA received critical support from one of Senator Webb's aides, who was very dedicated to making sure that HUD resolved the shortfall problem since it was created by the federal government; and because of this assistance, RRHA received HUD funding to make full payments. She explained that RRHA will continue to monitor this situation as closely as possible, and she will pass on any significant information on to the Board as soon as it is received.

Mrs. Goh gave an update regarding the status of Real Estate Assessment Center (REAC) physical inspection score appeals. She stated that, to this point, two points have been restored for Lansdowne, increasing the score from fifty-two to fifty-four and that appeals regarding an additional nineteen points are still pending. She also stated that Morningside Manor had twelve points restored which increased the score from sixty-seven to seventy-nine; and Jamestown received seven points back, increasing the score from seventy-nine to eighty-six. She said that staff is hopeful that the pending points will be restored to Lansdowne. Since the total score is weighted, Lansdowne as the largest site will have significant influence on the overall score. She stated that staff is working hard, with the support of the HUD field office, to achieve a positive outcome on the appeals.

Mrs. Goh informed the Board that HUD announced the Choice Neighborhoods Implementation Grants awards for this year, and the successful grantees are Denver, Louisville, Boston, St. Louis and Camden, New Jersey, all large housing authorities in large urban areas.

Mrs. Goh shared with the Board that there was a meeting scheduled for January 11, with Chair Karnes; John Garland, City Council Liaison; Chris Morrill, City Manager; Brian Townsend, Assistant City Manager; Mrs. Goh and Frederick Gusler. She explained that the purpose will be to discuss RRHA's redevelopment mission, particularly in light of the changes in Virginia law that won't allow large-scale redevelopment like the South Jefferson Redevelopment Area to be a part of RRHA's mission in the future. Other topics for discussion will include RRHA's partnership with the City of Roanoke and how the liaison role can enhance coordinated/collaborative efforts of the City and RRHA. She stated that she would provide an update on the January 11 meeting at the January RRHA Board meeting.

Vice Chair Burruss asked whether the meeting would be open to other Commissioners who were interested in attending. Mrs. Goh explained that the only restriction would be that if more than two Commissioners or two City Council members attend, it would need to be announced as a public meeting since agency business will be discussed. She stated that it would be fine for one additional Commissioner to attend or, if the Board preferred, she would provide appropriate notice for it to be treated as a public meeting so more could attend.

Commissioner Butler stated that as more time passes and memories of projects such as Day Avenue get more distant, there are many people who are now at

the City who do not understand the history, and it is important to impart to them that RRHA is available and willing to be participants in redevelopment efforts, but only within the parameters in which RRHA can operate. He stated that RRHA cannot be exposed financially to open ended obligations that cannot be met unless the source of funding is identified. He said that it is important to emphasize that RRHA's enthusiasm to help the City is there, but it must be conditioned on responsible business practices.

Mrs. Goh stated that if there is enough interest by the RRHA Board, it could be recommended at the January 11 meeting that a joint meeting between RRHA Commissioners and City Council be scheduled in the near future. She noted that there has not been a joint meeting in a few years.

Commissioner Butler recalled from several years ago a surprising incident during a conversation with City Council in which a Council member asked how RRHA had dreamed up the idea of condemning the Reserve Avenue property for redevelopment, not realizing that it was done at the request of the previous City Manager and City Council at that time. Mrs. Goh stated that this type of thing can happen as people occupying various roles change. She recalled that after that conversation, the RRHA Board had requested a joint meeting to have the City Council provide direction as to whether they wanted RRHA to continue with the condemnation process.

Commissioner Butler noted that, although the condemnation had garnered some negative attention at the time, when looking at what South Jefferson is today compared to ten years ago, it is a positive and remarkable difference. Vice-Chair Burruss agreed and added that for the Carilion Virginia Tech Research Institute to

double in size was incredible and provides an economic engine that the community has certainly never had before.

Mrs. Goh updated the Board that the evaluation of the proposals submitted in response to the Request for Proposal (RFP) for the comprehensive software system has been completed. A resolution for Board consideration of a contract award is included on the agenda. She explained that the software system selected would allow RRHA to go to paperless records, mobile work orders, mobile inspections and integrate Housing, Finance, Procurement, and Human Resources into one system, which aligns with the largest goal of the RFP.

Mrs. Goh also informed the Board that the Virginia Community Development Corporation (VCDC), the organization that has brought in the investment partners on the Low Income Housing Tax Credit (LIHTC) properties that RRHA has developed, is involved with Northwest Neighborhood Environmental Organization (NNEO) in trying to restructure debt for McCray Court and Gilmer properties, which are under two separate limited partnerships and are NNEO properties. She explained that VCDC has approached RRHA to consider taking an ownership role, with the possibility that NNEO will step away from the ownership role. She said that the property would be passed to a limited partnership that would be associated with Roanoke Valley Housing Corporation (RVHC), the 501(c)(3) nonprofit affiliated with RRHA for which Commissioner Butler serves as President. Mrs. Goh explained that this is in the very preliminary stages of evaluating the feasibility in order to provide VCDC with a response as to whether it is something RRHA staff would recommend for consideration by the Board. She said that it would require approval of both the RRHA

Board and the RVHC Board, which will have its annual meeting in early January, before RRHA would be able to have any involvement. Mrs. Goh stated that she and Mr. Bustamante met with a representative from the VCDC last week for initial discussion and that Mr. Bustamante will be speaking with HUD staff to talk about the process for introducing some subsidized units into the mix of housing at those sites. She stated that, at VCDC's expense, legal counsel will review the proposal and make a preliminary evaluation of the feasibility of it and, if staff review results in a recommendation of RRHA involvement, it will be brought before the Board to consider.

When asked by Vice Chair Burruss why NNEO wants to exit, Mrs. Goh explained that it is her understanding from the VCDC representative that the underwriting for restructuring the debt requires a more financially viable ownership entity. She went on to explain that RRHA has managed those properties since approximately 2005 and the reports can be found in each month's Board materials.

Mrs. Goh referenced information provided to the Board last week regarding the Public Housing Authorities Directors Association's (PHADA) Proportionality Plan and informed the Board that letters of support to legislators have been prepared for signatures, should the Board be inclined to support that effort. She stated that this Plan requests legislators to support the concept that, if housing authorities are going to be severely underfunded, they should also be relieved from some administrative burdens and allowed to take some actions to raise revenue. Mrs. Goh stated that she has a sense from colleagues that most housing authorities are not signing on to this because there is an expectation that legislator support will be needed for more critical

efforts in the near term future and that this, while it is common sense and not a bad idea, is not likely to change anything. She also explained that there was nothing she disagreed with in the proposal, but that she believes it is unlikely to bear any fruit.

Vice Chair Burruss stated that, not having reviewed the material, she felt it was a little premature and that the timing may not be prudent. Mrs. Goh responded by saying that the letters can be sent at any point if the Commissioners want to support this after reviewing the materials more closely. She also stated that if any of the Commissioners would like a hard copy of PHADA's proposal, which had been included as an attachment to her email, it will be provided to them upon request.

Commissioner Witten asked if Mrs. Goh was going to comment on the smoke free rule that was referenced in her written report and how, in the sixty day comment period in Congress, all that appears to have changed was a ban of hookahs. Mrs. Goh explained that this was the only substantive change and that the final rule did not include a ban of e-cigarettes, although HUD stated that such a ban might be added when the proposed rule was published.

Commissioner Witten stated that he watched this subject with great interest and that during a recent interview on National Public Radio (NPR), the current head of HUD talked about the rule and the fact that there was no desire for evictions. Responding to Commissioner Witten's inquiry regarding whether there are any changes relative to how the rule will be enforced, Mrs. Goh explained that essentially, nothing had changed from the proposed rule to the final rule. She stated that it is interesting that housing authorities are being told explicitly by HUD not to discourage people who smoke from applying for public housing. She stated that they are welcome

to apply and be accepted and that smoking is not a part of the criteria for eligibility or admission; however, they will not be allowed to smoke in public housing. She explained that HUD also did not change the requirement of a smoke-free boundary of twenty-five feet from any public housing building, including administrative buildings, and there are a lot of public housing in this country similar to RRHA where, to be compliant with this would put the restricted area reaching to the middle of the street. She stated that it will be challenging to determine allowable areas for smoking outside this distance for some properties. Mrs. Goh went on to explain that, while there is an eighteen-month period starting in February 2017 to have the policy approved and implemented, the plan is to get involved with residents as soon as reasonably possible to engage in a process of determining the best way to develop and implement a fully compliant policy. She noted that judges in Roanoke, who are probably similar to judges in most places, are reluctant to evict people from public housing except for straightforward issues such as nonpayment, because they recognize that these people may have nowhere else to go if evicted from public housing. Mrs. Goh said that RRHA staff believe it is highly unlikely that there will ever be an eviction for smoking in public housing in Roanoke, not because of a pro-smoking attitude, but because losing one's housing is too high of a price to pay for smoking. She also stated that enforcement of this rule will be extremely difficult, if not impossible, and it is difficult to envision how to manage and enforce the rule. She said that, while lease violation notices and penalties can be issued and even go as far as eviction, HUD has been very clear that this is not the intention of the rule. She said she believes the intention of the rule is to get tenants to not smoke in their unit, and

full compliance with this will be extremely difficult to achieve.

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

3. Staff Reports

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

4. Committee Reports

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

5. Commissioner Comments

Chair Karnes asked if there were any Commissioner comments.

Vice Chair Burruss, referring to the Derelict Structures Program section in the Redevelopment and Revitalization Department monthly report, stated that she was disappointed to see that, of the three proposals received regarding the disposition of the property located at 427 Gilmer Avenue, only one seems possibly interested in pursuing it and that depends on having the resources to complete the project.

Responding to Vice Chair Burruss' question as to what would happen if no one came through with a viable proposal, Mr. Gusler stated that it would put RRHA back to where it has been for a number of years with the property. He went on to update the Board that he has spoken with Martin Jeffrey from the Gainsborough Southwest Neighborhood Alliance, and that they are working on submitting a pro forma with their proposal as requested by the City. He stated that at this time, there is only one party expressing continued interest. While no one has officially withdrawn a proposal, the

other two have not responded when contacted about follow up. He explained that while Restoration Housing is still interested, they are planning to withdraw due to not wanting to be involved in competition with the neighborhood organization, because they believe they would need support of that organization to complete the project. Vice Chair Burruss commented that it appears to be a wait and see situation.

Mrs. Goh explained that what RRHA is ultimately trying to avoid reaching a point where demolition is the only viable option because the house is a derelict structure and continues to deteriorate over time. She stated that no one wants to see this happen. Mr. Gusler added that while the property is not cited by the City as being unsafe now, given its condition it can only be a matter of time before that happens. He explained that RRHA has informed those who have submitted proposals that there may possibly be some termite damage to the foundation although that has not been confirmed through testing.

In response to a question from Commissioner Anguiano regarding a timeline for a decision, Mr. Gusler indicated that there is not one at the present time. He went on to explain that he had informed the neighborhood organization that RRHA had received other proposals and gave them an original deadline to submit their proposal, which they met. He also stated that the neighborhood organization indicated that they would like to submit a draft of their pro forma to RRHA for review prior to Christmas.

Vice Chair Burruss also inquired if there was a sense of what the City was thinking regarding the large amount of derelict structures that are in the larger community and whether there is any indication of a desire to try to use what funding streams might be available to purchase and pursue efforts to rehabilitate those

properties. Mr. Gusler explained that, for years, City Council had a policy in place where they had a certain number, approximately five to eight properties that they wanted to raze annually with Community Development Block Grant (CDBG) money. He also stated that, besides demolition, the City identifies target neighborhoods to focus the CDBG and HOME Investment Partnerships Program (HOME) money for three to five years to perform rehab. RRHA and other partners are currently working with the City in the Loudon-Melrose area. Mr. Gusler went on to explain that the City uses those funds to contract with Renovation Alliance, Total Action for Progress (TAP) and Habitat for Humanity, which is currently doing a few rehabs in the target area on Orange Avenue. He also said that a large number of the structures end up being torn down simply because there is not a market for them and not enough funds for the housing agencies to complete the projects.

Mr. Gusler added that he also wanted to make the Board aware of a proposed zoning amendment that the City is considering in the Residential Mixed Density (RM-1) District, which is single family, to allow duplex development by exception; this would change the requirement from 7,000 square feet to 5,000 square feet. He explained that the City Planning Department is considering this change on the basis that it will allow some of these derelict structures to be renovated because it is cost effective to develop duplex versus single family units; however, there is a great deal of opposition from neighborhood groups particularly in old Southwest. He stated that RRHA is in support of this amendment and is also talking with other partner agencies about it. Mr. Gusler reported that currently the Neighborhood Revitalization Partnership is supporting the amendment also, and the Roanoke Regional Housing

Network is going to vote on support probably in the next month. He stated that the amendment is scheduled to come back for public input possibly in the early spring and that it would open up many opportunities for RRHA to utilize vacant lots because the cost per unit is significantly higher when a duplex cannot be built.

Responding to a comment from Vice Chair Burruss regarding the 5,000 square foot area, Mr. Gusler clarified that this is the square footage requirement of the actual parcel and that, by making the change from 7,000 to 5,000 square feet, it would open up approximately 4,000 properties in the city. He stated that if the amendment is passed, approval from the Board of Zoning would still be required before building a duplex. He said that the general fear from the public is that it is easy to convert a house into a duplex, which is not the case.

Responding to a question from Commissioner Butler regarding the requirement of off-street parking with the new amendment, Mr. Gusler explained that it does not impact any parking regulations and that any requirements regarding spaces per unit would still have to be met. He said he believed that in the RM-1 District the requirement was one and a half spaces per unit and that another concern the public has in regards to duplexes is the additional parking on neighborhood streets.

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

6. Residents or other community members to address the Board

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

III. CONSENT AGENDA

C-1 Minutes of the Regular Meeting of the Board of Commissioners held
Monday, November 28, 2016.

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

C-2 Monthly Operations Report for the month of November 2016.

RECOMMENDED ACTION: File as submitted

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

AYES: Commissioners Anguiano, Burruss, Butler, Karnes, Witten

NAYS: None

Chair Karnes thereupon declared said motion carried as introduced.

IV. **REGULAR AGENDA**

1. Resolution No. 3906

Mrs. Goh introduced Resolution No. 3906 related to discussion by the Board of Commissioners during the November meeting. The resolution changes the date of the December 2017 meeting to December 18, 2017, one week prior to when it would occur under the schedule according to the Bylaws. Mrs. Goh confirmed that all other meeting dates will be on the fourth Monday of the month as established in the Bylaws. Mrs. Goh stated that the Bylaws allow Commissioners to change the date of Board meetings by resolution.

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

Commissioner Butler introduced Resolution No. 3906 and moved its adoption as introduced:

RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY PURSUANT TO ARTICLE III, SECTION 2 OF THE BYLAWS DESIGNATING A DIFFERENT DATE FOR THE DECEMBER 2017 REGULAR MEETING OF THE BOARD OF COMMISSIONERS

WHEREAS, Article III, Section 2 of the Bylaws of the City of Roanoke Redevelopment and Housing Authority (RRHA) provides that the regular meeting of the Board of Commissioners shall be held the fourth Monday of each month at 3:00 p.m. at the RRHA office, 2624 Salem Turnpike, NW, Roanoke, Virginia; and

WHEREAS, Article III, Section 2 of the Bylaws of the RRHA provides that the Board of Commissioners may by resolution designate a different place, date, and/or time for any meeting; and

WHEREAS, it is in the best interest of RRHA to designate a different date for the regular meeting of the Board of Commissioners in December 2017.

NOW, THEREFORE, BE IT RESOLVED by the Commissioners of the City of Roanoke Redevelopment and Housing Authority that the regular meeting of the Board of Commissioners for the month of December 2017 shall be held on Monday, December 18, 2017 at 3:00 p.m. at the RRHA office, 2624 Salem Turnpike, NW, Roanoke, Virginia.

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

AYES: Commissioners Anguiano, Burruss, Butler, Karnes, Witten

NAYS: None

Chair Karnes thereupon declared said motion carried and Resolution No. 3906 adopted as introduced.

2. Resolution No. 3907

Mr. Shank introduced Resolution No. 3907 asking the Board to award a contract for electrical distribution improvements for Hunt Manor under the Capital

Fund Program (CFP) grant. He explained that this project involves approximately three-quarters of the property; units that are currently served by overhead lines that are showing some aging since they are original to the property. He stated that approximately one half of the lines are in an area that is difficult to maintain because it is on the backside of the property near the back fence and has problems with overgrown vegetation and tree limbs which can cause interruption of service.

Mr. Shank explained that this project will take everything that is overhead and move it underground and do some upsizing to the conductor and transformers for future use and expansion if needed. He stated that two responsive bids were received with H & M Electric and Construction, Inc. (H & M) submitting the lowest bid. Mr. Shank explained that because H & M is new to RRHA, references were contacted, and he learned that H & M has done subcontracting work for a couple of larger contractors that have done work for RRHA directly. Mr. Shank stated that one of the references he contacted was G & H Contracting out of Salem, one of the larger contractors. Mr. Shank stated that he received positive references for H & M, and determined that RRHA should move forward to request an award of contract to H & M.

Commissioner Butler asked whether Mr. Shank has concern that the lower bid is missing something when there is a large disparity between bids received. Mr. Shank replied that he always reviews the bids with the contractors. He explained that in this instance, both bids were over what he had originally estimated which caused him to go back and review his estimate to ensure it was correct. He stated that after meeting with H & M to review their bid and scope of service, he was confident that everything was covered and the bid was fair.

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

Commissioner Anguiano introduced Resolution No. 3907 and moved its adoption as introduced:

RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY AWARDING A CONTRACT FOR ELECTRICAL DISTRIBUTION IMPROVEMENTS FOR HUNT MANOR UNDER CAPITAL FUND PROGRAM (CFP) GRANT NUMBER VA36P01150116

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 VA36P01150116 in the amount of \$1,996,769; and

WHEREAS, Upgrade Electrical Infrastructure for Hunt Manor was included on the Annual Statement detailing the planned use of CFP grant number VA36P01150116, which was approved by the RRHA Board of Commissioners by Resolution 3882 on May 23, 2016; and

WHEREAS, RRHA needs a qualified contractor to complete Electrical Distribution Improvements for Hunt Manor; and

WHEREAS, RRHA issued an Invitation for Bid on October 30, 2016, with bids being due on November 22, 2016; 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>
Russell's Remodeling, LLC (Self-certified as Section 3 Business Concern)	\$220,000
H & M Electric and Construction, Inc.	\$176,550

WHEREAS, HUD regulations at 24 CFR 135.1 state that "section 3 of the Housing and Urban Development Act of 1968 (12 U. S. C. 1701u) (section 3) directs that employment and other economic opportunities generated by certain HUD financial assistance shall to the greatest extent feasible, and consistent with existing Federal, State, and local laws and regulations, be directed to business concerns which provide economic opportunities to low- and very low-income persons."; and

WHEREAS, Russell's Remodeling, LLC self-certified as a Section 3 Business

Concern; and

WHEREAS, the allowable HUD Section 3 preference, when the low bid is between \$100,000 and \$200,000, is nine percent (9%) of the amount of the low bid or \$16,000, whichever is the lesser amount; and

WHEREAS, nine percent (9%) of the amount of the low bid submitted by H & M Electric and Construction, Inc. is \$15,889.50, resulting in an allowable HUD Section 3 preference for Electrical Distribution Improvements for Hunt Manor of \$15,889.50; and

WHEREAS, the amount of the difference between the bid submitted by Russell's Remodeling, LLC and the bid submitted by H & M Electric and Construction, Inc. is \$43,450.00; and

WHEREAS, the allowable HUD Section 3 preference is not a determining factor in the procurement; and

WHEREAS, the amount of the bid submitted by H & M Electric and Construction, 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 H & M Electric and Construction, 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 H & M Electric and Construction, 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 H & M Electric and Construction, 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 H & M Electric and Construction, Inc. and RRHA for the fixed price of \$176,550.

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 Butler and upon roll call the following vote was recorded:

AYES: Commissioners Anguiano, Burruss, Butler, Karnes, Witten

NAYS: None

Chair Karnes thereupon declared said motion carried and Resolution No. 3907 adopted as introduced.

3. Resolution No. 3908

Mr. Gusler introduced Resolution No. 3908 asking the Board to authorize conveyance of the warehouse property located at 3401/3403 Whiteside Street NE to the highest bidder. He explained that the property was offered by public bid as approved by HUD in RRHA's Disposition application with the highest received bid being \$451,100. He confirmed that a letter of commitment has also been received from the purchaser's bank.

Responding to a question from Commissioner Butler regarding the use of the proceeds from the sale, Mr. Gusler explained that there will not be a large amount of proceeds, but what is received will be used to build a couple of scattered site housing units. He went on to say that the process is underway of looking at a number of lots to determine the location for construction of those units.

After a question from Vice Chair Burruss regarding the amount of the proceeds, Mr. Gusler explained that \$243,000 was spent on mold remediation and asbestos abatement in the roof of the warehouse to get it ready for the market. Commissioner Witten stated that when the Board had previously voted on the warehouse sale, they

understood that money would need to be put into repairs prior to being able to sell the building, and Mrs. Goh confirmed that the warehouse would most likely not have sold without the repairs. Commissioner Butler stated that it was a wise choice; otherwise the building would not be marketable. Vice Chair Burruss also commented that the repairs were a good and necessary investment.

Mr. Gusler also confirmed for the Board that the purchaser of the building, Star Valley Provisions, is a distributor of Boars Head products and would be installing walk-in refrigerator units at the warehouse.

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

Commissioner Butler introduced Resolution No. 3908 and moved its adoption as introduced:

RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY AUTHORIZING THE SALE OF PROPERTY AT 3401 WHITESIDE STREET NE, BEARING CITY OF ROANOKE OFFICIAL TAX MAP NUMBER 3150106.

WHEREAS, the City of Roanoke Redevelopment and Housing Authority (RRHA) owns property at 3401 Whiteside Street NE, official Tax Map Number 3150106 (the Property), which was previously used as a property maintenance warehouse and storage facility for the Public Housing program; and

WHEREAS, on February 22, 2016, the RRHA Board of Commissioners approved Resolution No. 3871, authorizing the Executive Director to submit a disposition application to the U.S. Department of Housing and Urban Development (HUD) seeking approval to sell the Property at market rate to a qualified buyer with proceeds to be used for development of new public housing units; and

WHEREAS, by letter dated October 7, 2016, HUD approved RRHA's disposition application and authorized RRHA to dispose of the Property, subject to certain conditions including the condition that HUD's authorized representative approve all acquiring entities, terms and conditions in the conveyance of the Property; and

WHEREAS, RRHA published an Invitation to Bid and received sealed bids for the

purchase of the Property subject to the terms and conditions contained in the Invitation to Bid; and

WHEREAS, the time to submit bids in response to the Invitation to Bid expired on December 6, 2016 at 5:00 p.m. local prevailing time; and

WHEREAS, after reviewing all responses to the Invitation to Bid, RRHA determined that the high bid was submitted by Christopher Zayas d/b/a Star Valley Provisions, who submitted an offer to purchase the Property for \$451,100.00; and

WHEREAS, the amount of this offer exceeds the minimum bid amount of \$429,400.00; and

WHEREAS, RRHA desires to enter into a contract to sell the Property to Christopher Zayas d/b/a Star Valley Provisions for \$451,100.00, such contract to be contingent on obtaining all required approvals from HUD.

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

1. The sale of the property at 3401 Whiteside Street NE, in the Villages at Lincoln Asset Management Project No. 202, to Christopher Zayas d/b/a Star Valley Provisions for \$451,100.00, with proceeds to be used for development of new public housing units, is approved **contingent upon** RRHA's receiving HUD's approval of the acquiring entity and of the terms and conditions of the conveyance.
2. The Executive Director is authorized to execute a Real Estate Sales Contract evidencing RRHA's intent to convey the property at 3401 Whiteside Street NE, in the Villages at Lincoln Asset Management Project No. 202, to Christopher Zayas d/b/a Star Valley Provisions for \$451,100.00 **provided that** all of RRHA's obligations under the said Real Estate Sales Contract must be expressly contingent upon RRHA's receiving HUD's approval of the acquiring entity and of the terms and conditions of the conveyance.
3. Upon receipt by RRHA of HUD's approval of the acquiring entity and of the terms and conditions of the conveyance, the Executive Director, or her designee, is authorized to execute all documents necessary to consummate the sale of the property at 3401 Whiteside Street NE, in the Villages at Lincoln Asset Management Project No. 202, to Christopher Zayas d/b/a Star Valley Provisions for \$451,100.00, on the terms and conditions approved by HUD, and to convey the said property to Christopher Zayas d/b/a Star Valley Provisions on those terms and conditions.

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

following vote was recorded:

AYES: Commissioners Anguiano, Burruss, Butler, Karnes, Witten

NAYS: None

Chair Karnes thereupon declared said motion carried and Resolution No. 3908 adopted as introduced.

4. Resolution No. 3909

Mr. Shank introduced Resolution No. 3909 asking the Board to authorize award of a contract to Emphasys Software for a comprehensive software system for housing program and agency management and accounting. Mr. Shank explained that five proposals were initially received and, through the course of the first evaluation process, Emphasys, Tenmast and Yardi companies scored the highest and were invited to do a limited demonstration for the staff. He explained further that, after the demonstration and reevaluation, Yardi Software was eliminated from consideration, and Emphasys and Tenmast were invited to do a detailed demonstration of their software onsite. Mr. Shank said that Emphasys received the highest score after this demonstration and that their software is the only one to offer a fully integrated system where all modules are linked together and that the Tenmast software required bridging with other software to be able to communicate with the main software program. He stated that the amount of the Emphasys proposal is \$693,850 for a five year contract term that favorably compares with what RRHA is paying for the maintenance for Visual Homes, the current housing management and accounting software system, as well as the other software programs that will be replaced by the Emphasys software system.

Responding to a question from Commissioner Anguiano, Mrs. Goh confirmed that the price does include customer and technical support. She also stated that \$500,000 was budgeted for the first year expense that would adequately cover the proposed price for the first year and that the current annual maintenance costs for software is approximately \$76,000, which is comparable to the proposed costs from Emphasys for yearly maintenance. Mrs. Goh stated that the Emphasys Software system is currently being used in Hampton, Norfolk, and Portsmouth, all large housing authorities in Virginia.

Commissioner Butler inquired about the reality of a software vendor being able to have a Section 3 strategy to which Mr. Shank responded that in the Emphasys proposal, they included a plan to possibly hire some RRHA residents or other Section 3 residents to help with the process of data conversion. Mrs. Goh stated that Emphasys also included training for residents alongside staff so that as RRHA has job openings in the future, there would be people in the applicant pool who would already have been trained in the software system.

Commissioner Witten commented that when he participated in the Request for Proposal process for both legal and accounting services, he found that the Section 3 strategy was difficult but could be accomplished by possibly coming on site a certain number of times and offer seminars to young people or residents about what it is like to be in their particular industry. He stated that he was surprised by the fact that more companies did not at least offer to talk about ideas that could give them a Section 3 strategy and inquired as to whether the software companies actually proposed something. Mrs. Goh responded by saying that Emphasys had the best and most

credible Section 3 proposal of any of the submissions received and that there were only a couple of other vendors who included Section 3 strategies, even minimally, in their proposals. She stated that none of the five proposals came close to earning all 15 points available for Section 3.

After a question from Vice Chair Burruss regarding references from other housing authorities, Mrs. Goh stated that in the original selection criteria, ten points were offered for reference in the initial evaluation of proposals. She explained that specific users from RRHA contacted the same users from other housing authorities; for example, site managers contacted site managers. Mr. Shank stated that he contacted other users in the Capital Fund program. Mrs. Goh further explained that RRHA contacted customers of each software company from comparable sized housing authorities as part of the initial rating, along with checking those listed as references by the software company. She stated that she felt it was a very important evaluation component to hear from people who are actually using the software and that, as expected, nobody gave all positive or all negative comments regarding the vendors. She said she believed that RRHA did a thorough job seeking experience information from software users.

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

Vice Chair Burruss introduced Resolution No. 3909 and moved its adoption as introduced:

RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY AUTHORIZING EXECUTION OF A CONTRACT FOR A COMPREHENSIVE SOFTWARE SYSTEM FOR HOUSING PROGRAM AND AGENCY MANAGEMENT AND ACCOUNTING

WHEREAS, the City of Roanoke Redevelopment and Housing Authority (RRHA) released a Request for Proposals (RFP) for a Comprehensive Software System for Housing Program and Agency Management and Accounting on July 11, 2016; and

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

- Emphasys Software
- HAB, Inc.
- Lindsey Software, Inc.
- Tenmast Software
- Yardi Systems, Inc.

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

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

- (20 Points) Organization's capacity and experience with comprehensive software systems for housing and agency management and accounting. Qualifications and experience of team members and key personnel assigned to carry out proposed implementation and training activities.
- (25 Points) Proposed software system has capacity to meet all regulatory requirements; is intuitive and user-friendly; offers paperless records and employee/applicant/tenant/landlord self-service options; has robust user-defined report generation capacity; has fully developed mobile functionality.
- (15 Points) Implementation, including data conversion/migration, and training plans designed to minimize disruption to RRHA operations and maximize successful transition.
- (10 Points) Information regarding experience with the proposed software, gathered through references from users similar to RRHA in size and scope of operations.
- (5 Points) Proposal addresses all component areas, either through directly including each function in the software system, or description of pre-developed standard interfaces for readily available software in functional areas not included in the proposed system.
- (10 Points) Proposed plan for customer support, technical assistance, and maintenance/upgrades of system.

- (7 Points) Certified Section 3 Business Concern.
- (8 Points) Section 3 Strategy.

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

- | | |
|--------------------------|------------------|
| • Emphasys Software | 81.8 points |
| • HAB, Inc. | 60.8 points |
| • Lindsey Software, Inc. | 54.0 points |
| • Tenmast Software | 71.0 points |
| • Yardi Systems, Inc. | 71.4 points; and |

WHEREAS, three companies met the established competitive range of 70 points or higher in the evaluation of proposals, Emphasys Software, Tenmast Software, and Yardi Systems, Inc.; and

WHEREAS, the three companies that met the competitive range criteria were invited to provide a software demonstration for the Evaluation Panel, after which the Evaluation Panel rated the three companies again on the criteria published in the RFP that were relevant to the software demonstration, with resulting ratings as follows:

- | | |
|-----------------------|------------------|
| • Emphasys Software | 26.8 points |
| • Tenmast Software | 26.0 points |
| • Yardi Systems, Inc. | 20.6 points; and |

WHEREAS, two companies, Emphasys Software and Tenmast Software, met the established competitive range of 25 points and were invited to provide in-depth demonstrations to the Evaluation Panel and software users from RRHA's staff; and

WHEREAS, RRHA completed a price analysis as well as comparison to independent cost estimate and determined that Emphasys Software provides the greatest value to RRHA; and

WHEREAS, based upon consideration of technical capability, pricing, and references from other housing authorities, the Evaluation Panel determined that the software system proposed by Emphasys Software offers the greatest value to RRHA and will best meet the agency's needs; and

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

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

NOW, THEREFORE, BE IT RESOLVED by the Commissioners of the City of Roanoke Redevelopment and Housing Authority that the Executive Director be and hereby is authorized to execute a five-year term contract with Emphasys Software at rates specified in the pricing proposal submitted by the company to RRHA with a total contract amount of not-to-exceed \$693,850 for the five year contract term.

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

AYES: Commissioners Anguiano, Burruss, Butler, Karnes, Witten

NAYS: None

Chair Karnes thereupon declared said motion carried and Resolution No. 3909 adopted as introduced.

V. ADJOURNMENT

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

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

AYES: Commissioners Anguiano, Burruss, Butler, Karnes, Witten

NAYS: None

Chair Karnes declared the meeting adjourned at 3:47 p.m.


Glenda Edwards Goh, Secretary-Treasurer


Daniel Karnes, Chair





DRAFT

Board of Commissioners Meeting Schedule 2017

Unless otherwise noted, meetings are scheduled at 3:00 p.m. on the fourth Monday of each month. Meeting location is RRHA Administration Building, 2624 Salem Turnpike NW, Roanoke, Virginia.

Monday, January 23, 2017

Monday, February 27, 2017

Monday, March 27, 2017

Monday, April 24, 2017

Monday, May 22, 2017

Monday, June 26, 2017

Monday, July 24, 2017

Monday, August 28, 2017

Monday, September 25, 2017

Monday, October 23, 2017

Monday, November 27, 2017

Monday, December 18, 2017*

* Pursuant to Resolution No. 3906 establishing the date for the December 2017 regular meeting of the RRHA Board of Commissioners.