

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, January 24, 2011, 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

Chairperson Burruss called the meeting to order at 3:02 p.m. and declared that a quorum was present.

PRESENT: Commissioners Boitnott, Burruss, Butler, Garner, Karnes, Smith

ABSENT: Commissioner Witten

OFFICER PRESENT: Glenda Edwards, Secretary-Treasurer

ALSO PRESENT: Cathy Wells, VP of Resident Services and Administration; Earl Saunders, VP of Real Estate Management; Jackie Austin, VP of Finance/CFO; Roger Vest, VP of Real Estate Development; Helen Shampine, HCV Director; Joel Shank, Capital Improvements Director; Briggitt Harris, Housing Operations Director; Gwen Johnson, Resident Services Director; André Everette, FSS Coordinator; Lydia Fuller, Resident Relations Coordinator; Katie Meyer, Executive Assistant; Nick Conte, Legal Counsel; Anita Price, City Council Liaison

Chairperson Burruss welcomed everyone to today's meeting.

II. REPORTS

1. Financial Report

Chairperson Burruss asked for the Financial Report.

Ms. Jackie Austin, RRHA VP of Finance/CFO, referred to page 1 of the Monthly Operations Report Finance Section and stated that RRHA had an investment that matured in December 2010, and RRHA has not secured a replacement investment. Ms. Austin stated that several of RRHA's investments are starting to mature, and the finance department is trying to secure the best rates possible for reinvestment.

Ms. Austin referred to page 27 and stated that Public Housing is reporting net income of approximately \$554,000 for the first quarter of the 2011 Fiscal Year. Total revenues are showing a favorable variance of \$198,000 mainly due to positive variances in operating subsidies. Dwelling rentals are slightly under budget projections by \$10,000. Total expenses are showing a favorable variance of \$329,000 primarily attributable to all expense categories reporting favorable variances. Administrative expenses are \$25,000 under budget due to budget expenses that have not been incurred to date. Utilities expense is under budget \$166,000 due to the actual expenses being less than the budgeted amount and due to the budgeting estimate having been based on anticipated utility rate increases. Ordinary maintenance is reporting a favorable variance of \$23,000 due to costs that have not been incurred at the same level that was budgeted.

The Central Office Cost Center (COCC) is reporting a difference in revenue and expense of \$28,000 as shown on page 46. Total revenues are slightly over budget primarily due to service fee income that is slightly ahead of budget projections. Total expenses are showing a favorable variance of \$25,000 which is mostly attributable to

administrative expenses showing a positive variance of almost \$22,000 due to expenditures that have not been incurred as of December 31.

The Section 8 program is reporting difference in revenues over expenses of approximately \$14,000 as shown on page 47. Total expenses are showing a favorable variance of approximately \$17,000, primarily attributable to administrative expenses being approximately \$17,000 under budget due to positions that have been budgeted to be filled and expenses that have not been incurred during the first three months of the fiscal year. Ms. Austin stated that some of the open positions were filled during the month of December and January.

Ms. Austin asked if there were any questions. There were none.

Chairperson Burruss thanked Ms. Austin for her report.

2. Executive Director's Report

Chairperson Burruss asked for the Executive Director's report.

Ms. Edwards, RRHA Executive Director, referred to her written report in the Monthly Operations Report and stated that repair work is continuing at Melrose Towers due to the fire that occurred on January 5, 2011. Ms. Edwards stated that several residents will need to be relocated to other apartments within the building while the work is completed.

Ms. Edwards stated that she sent a letter to Susan William with the League of Older Americans (LOA) asking her to extend gratitude and appreciation on behalf of the RRHA Board of Commissioners and staff to the LOA Meals on Wheels volunteer who noticed the fire in a resident's apartment while delivering meals at Melrose Towers and assisted the resident out of her apartment to safety. Ms. Edwards stated that she

wanted to invite the volunteer, who likely saved the resident from serious injury, to be recognized by the Board in person; however, Ms. Williams indicated that the volunteer requested to remain anonymous.

Ms. Edwards stated that RRHA had received notification from HUD explaining the reason RRHA was not awarded Category II Non-Elderly Disabled vouchers that are designated to serve persons who are currently residing in institutions such as nursing or mental health facilities and need to transition back into the community. Ms. Edwards stated that due to the large number of applicants the selection process was done by lottery, as it was for Category I vouchers. Ms. Edwards stated that RRHA's application was accepted and approved for inclusion in the lottery, but was not selected for funding.

Ms. Edwards stated that HUD has notified RRHA that the Section 8 Management Assessment Program (SEMAP) score for RRHA's Section 8 tenant-based program for the fiscal year ending 9/30/2010 is 100% with an overall performance rating designation of High Performer. Ms. Edwards stated that this is the second consecutive year that the Section 8 Program has received a score of 100%.

Commissioner Karnes asked what the score had been the prior year. Ms. Edwards stated that the score was 27% and that at that time the program was designated by HUD as Troubled.

Chair Burruss commended the staff on the 100% SEMAP score and commended RRHA staff for the quick response to the residents at Melrose Towers who were affected by the fire.

Vice-Chair Garner asked if inspections for Section 8 properties were included in the SEMAP scoring. Ms. Edwards clarified that Vice-Chair Garner was referencing the

additional targeted quality control inspections RRHA contracted for in late 2009. She stated that those inspections were done by RRHA based on a management decision and went beyond the quality control sampling required by HUD. Ms. Edwards stated that HUD requires a certain percentage of inspections completed by each inspector to be reinspected for quality control purposes each month, and the completion of that required percentage is a factor in the SEMAP score.

Commissioner Karnes stated that the Maple Shade property was purchased by the City and inquired whether RRHA still owns the house on the adjacent property. Ms. Edwards confirmed that the vacant property was purchased by the City of Roanoke. She stated that the house and adjacent parcel were sold approximately 2 years ago, and the purchaser planned to renovate the house for his residence. Commissioner Karnes stated that the home was again for sale. Ms. Edwards stated she was not aware that it was for sale.

Vice-Chair Garner asked if all properties on Miller's Hill have been sold. Ms. Edwards stated that 434 Day Avenue received a Certificate of Occupancy on December 22 and will soon be listed for sale. This is the last house owned by Day Avenue, L.P.

Chairperson Burruss thanked Ms. Edwards for her report and asked if there were any other questions. There were none.

3. Staff Reports

Chairperson Burruss asked for staff reports.

Mr. Roger Vest, RRHA VP of Real Estate Development, stated that American Reinvestment and Recovery Act (ARRA) funds were put to great use at RRHA's properties to make needed upgrades and improvements. Mr. Vest introduced Mr. Joel

Shank, RRHA Capital Improvements Director, who distributed a handout to Commissioners with photos of improvements that have been completed using ARRA funds.

Mr. Shank described several of the improvements completed to date. New energy conserving insulated entrance and screen doors were installed in 300 apartments at Lansdowne Park, and new site lighting with surveillance cameras and signal transmission equipment was also installed. Surveillance cameras and signal transmission equipment were installed at Hunt Manor. New energy conserving windows and main entrance doors have been installed at the Villages at Lincoln administration building. In addition, new automatic main entrance doors and elevators were installed at Melrose Towers. New energy conserving insulated entrance and screen doors were installed in 150 apartments at Jamestown Place. Complete bathroom renovations have been completed for 100 apartments at Morningside Manor, including energy conserving measures such as low-flow showerheads, low-consumption toilets, lavatories with low-flow faucets, fluorescent lighting and safety features such as anti-scald shower controls, ADA compliant tub/shower units, and GFCI receptacles. Landscaping improvements were completed for 96 apartment units at Hunt Manor, 72 apartment units at Bluestone Park, and 80 apartment units at Indian Rock Village. Additionally, new energy conserving measures were completed for 47 Scattered Sites, including high efficiency forced-air gas furnaces with Energy Star qualified central air-conditioning and hot water heaters. New energy conserving Energy Star qualified windows were installed at 35 Scattered Sites.

Mr. Shank stated that contractors reported creation of 4 jobs and retention of 20

jobs as a result of the award of the ARRA-funded contracts.

Commissioner Karnes asked how many sites had surveillance cameras. Mr. Shank stated all sites except Villages at Lincoln and scattered sites now have surveillance cameras. Mr. Shank stated that cameras have been installed only at the administrative building at the Villages at Lincoln, and additional camera installation throughout the site must be delayed until electrical panels are installed to provide power.

Commissioner Karnes asked if RRHA had seen any change in behaviors due to the installation of the surveillance cameras. Mr. Earl Saunders, RRHA VP of Real Estate Management, stated that behaviors appear to be improving although he has not reviewed recent statistics. Ms. Briggitt Harris, RRHA Housing Operations Director, stated that she did not have the statistics available at this time; however, the cameras have helped RRHA prevail in evictions where fights and violence have been captured on the surveillance cameras.

Ms. Edwards stated that residents will have the opportunity to give their perspective of the impact of the cameras at the upcoming Community Meetings.

Vice-Chair Garner asked whether cameras are being actively monitored or just reviewed when incidents warrant and whether City Police have the ability to access the cameras. Mr. Shank stated that each camera has an IP address and can be accessed by local police. He stated that there is a need for police training on the system. Mr. Saunders stated that there was equipment needed for the patrol cars, and City Police are scheduled for the training which will be conducted by Dynamark.

Mr. Saunders stated that the cameras are not monitored, but images captured by

the cameras are available for review as needed. Ms. Edwards stated that RRHA's intention was to provide surveillance cameras rather than security cameras due to not having resources to monitor cameras at all times.

Chair Burruss asked if the same 47 scattered site units that received air conditioning units also received water heaters and asked for the total amount of ARRA funds that were awarded to RRHA. Mr. Shank stated that the same 47 scattered site units received both water heaters and air-conditioning units, and the total amount of funds awarded was approximately \$3,250,000.

Chair Burruss stated that there were a lot of great things accomplished with the ARRA funds and thanked Mr. Shank for his presentation.

4. Committee Reports

Commissioner Boitnott stated that the Affiliates Committee met today and discussed continuing efforts to increase occupancy at Eight Jefferson Place. Commissioner Boitnott stated there were other brief updates of other properties.

Commissioner Karnes stated that the Personnel Committee had met and will be bringing a recommendation before the Board of Commissioners next month for a modified retirement plan.

5. Residents or other community members to address the Board.

Chairperson Burruss asked if there were any residents or other community members who would like to address the Board.

Mr. Vest stated that he would like Commissioner Smith to express to the residents at Melrose Towers RRHA's appreciation for their patience and understanding during the fire at their location. Commissioner Smith stated that he would be glad to

pass Mr. Vest's message to the residents.

Chair Burruss asked if there are regular fire drills required at Melrose Towers. Staff confirmed that regular fire drills are required to be conducted at Melrose Towers.

III. CONSENT AGENDA

C-1 Minutes of the Regular Meeting of the Board of Commissioners held Monday, December 20, 2010.

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

C-2 Monthly Operations Report for the month of December 2010

RECOMMENDED ACTION: File as submitted

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

AYES: Commissioners Boitnott, Butler, Karnes, Smith, Garner, Burruss

NAYS: None

Chairperson Burruss thereupon declared said motion carried as introduced.

IV. **REGULAR AGENDA**

1. Plan for Disposition of Non-Performing Properties - Discussion

Ms. Edwards stated that all the properties Mr. Saunders will be discussing are owned by RRHA and fall into three basic categories for disposition. The first category includes houses that have mortgage amounts that are prohibitive for RRHA to be able to access capital to make improvements. The second category includes foreclosed properties that are included in a \$2 million credit line RRHA has with SunTrust. This

credit line was initiated as part of a previous Owner Occupied Rehabilitation Program that RRHA operated in a partnership with the City. The City funded the program with CDBG and Home Funds, and RRHA supplemented the funding available through those programs with a credit line from which loans were made to homeowners. Ms. Edwards also stated that RRHA is hoping the new Section 32 Program can assist with prevention of additional foreclosures. Ms. Edwards stated that the SunTrust line of credit is at a high interest rate and is not eligible for refinance due to SunTrust considering the loan to be high risk. Ms. Edwards stated that the third category includes the central warehouse property that is no longer needed due to the conversion to the decentralized asset management model.

Ms. Edwards stated that Mr. Saunders presentation is for information purposes and no action is requested of the Board today. The presentation is intended to provide the Board an opportunity for discussion and input before staff proceeds with implementation of Plan.

Mr. Saunders gave an overview of the eight properties and explained how each property was evaluated for disposition. He asked if there were any questions.

Chair Burruss asked if the houses that are to be sold would be listed with a real estate company and whether there would be a procurement process. Mr. Vest stated realtor services would be procured.

Chair Burruss stated that she understood that these properties represent only a small portion of properties owned by RRHA and most are performing better. Ms. Saunders confirmed that and noted that the properties included in the Plan represent properties where RRHA is essentially not getting any return on investment.

Chair Burruss stated that RRHA now has a different focus and making changes is wise and prudent and thanked Mr. Saunders for his presentation.

2. Executive Session

Vice-Chair Garner moved that the Commissioners enter into Executive Session for the purpose of discussion of specific personnel matters of the RRHA in accordance with Virginia Code Section 2.2-3711 (A)(1).

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

AYES: Commissioners Boitnott, Butler, Karnes, Smith, Garner, Burruss

NAYS: None

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

The Board reconvened into open session at approximately 3:51 p.m.

A motion was made 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 and upon roll call the following vote was recorded:

AYES: Commissioners Boitnott, Butler, Karnes, Smith, Garner, Burruss

NAYS: None

V. ADJOURNMENT

There being no further business to come before the Board, a motion was made that the meeting be adjourned.

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

AYES: Commissioners Boitnott, Butler, Karnes, Smith, Burruss

NAYS: None

Chairperson Burruss declared the meeting adjourned at approximately 3:53 p.m.

Gail Burruss, Chairperson

Glenda Edwards, Secretary-Treasurer