

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, June 27, 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 3:01 p.m. and declared that a quorum was present.

PRESENT: Commissioners Burruss, Butler, Garner, Smith, Witten  
Commissioner Karnes arrived at 3:03 p.m.

ABSENT: Commissioners Boitnott

OFFICER PRESENT: Glenda Edwards, Secretary-Treasurer

ALSO PRESENT: Earl Saunders, VP of Real Estate Management; Jackie Austin, VP of Finance/CFO; Roger Vest, VP of Real Estate Development; Joel Shank, Capital Improvements Director; Helen Shampine, HCV Director; Gwen Johnson, Resident Services Director; Lydia Fuller, Resident Relations Coordinator; Gloria Charlton, FSS Coordinator; André Everette, FSS Coordinator; Wanda Alston, Program Coordinator; Khari Ryder, Program Coordinator; Samantha Shepherd, Service Coordinator; Deidre Meyers, Service Coordinator; Katie Meyer, Executive Assistant; Nick Conte, Legal Counsel

Chairperson Burruss welcomed everyone to today's meeting.

## II. REPORTS

### 1. Financial Report

Chairperson Burruss asked for the Financial Report.

Ms. Austin, RRHA VP of Finance/CFO, referred to page 23 of the Monthly Operations Report Finance Section and stated that Public Housing is reporting net income of approximately \$767,000. Total revenues are showing an unfavorable variance of \$52,000 mainly due to dwelling rental revenues and utility subsidies. Dwelling revenues are approximately \$24,000 under budget projections due to several public housing sites falling below the 95% occupancy rate earlier in the year. Total expenses are showing a favorable variance of \$700,000 primarily attributable to expense categories reporting positive variances. Utilities expense is under budget \$262,000 due to the actual expenses being less than the budgeted amount. The budget estimate was based on anticipated utility rate increases that have not occurred at budgeted levels to date. Ordinary maintenance is reporting a favorable variance of \$128,000 due to costs that have not been incurred to date. General expenses are \$90,000 under budget due to collection of delinquent accounts that had previously been written off. Extraordinary maintenance is over budget \$13,000 due to work for sidewalk replacements, community room renovations and storm and roof drain work that is ongoing at some sites. Several sites have budgeted for replacement of equipment, capital items, betterments and additions in the operating budgets, expenses which have not been fully incurred to date.

The Central Office Cost Center (COCC) is reporting a difference in revenue and expense of \$158,000 as shown on page 32. Total revenues are \$41,000 over budget

primarily due to property management and service fee incomes. Total expenses are showing a favorable variance of \$116,000 which is mostly attributable to administrative expenses showing a positive variance of almost \$111,000 due to expenditures that have not been incurred to date.

The Section 8 program is reporting difference in revenues over expenses of approximately \$47,000 as shown on page 33. Total revenues are approximately \$30,000 over budget due to administrative subsidy being over budget due to an increase in vouchers leased and the addition of Veteran Affairs Supportive Housing (VASH) and Family Unification Program (FUP) vouchers. Total expenses are showing a favorable variance of approximately \$33,000, primarily attributable to administrative expenses which are approximately \$33,000 under budget due to vacant positions that have not been filled in an effort to reduce administrative expenses. General expenses are over budget due to the purchase of an additional insurance policy that was recommended by the Risk Assessment conducted last year, with the recommendation coming too late to include the expense in the budgeting process.

Ms. Austin asked if there were any other questions.

Vice-Chair Garner referred to page 23 and asked for more information regarding anticipated increases in the cost of insurance and when it would go in to effect. Ms. Austin stated that during the budget process increases were projected for insurance items such as Workers Compensation and that those items broke even or were less of an expense than what had been budgeted.

Ms. Edwards, RRHA Executive Director, asked Ms. Austin if there was an insurance premium that is scheduled to be paid in the month of July. Ms. Austin stated

that Fire and Flood Insurance is paid in July.

Chairperson Burruss asked if there were any other 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 referred to her written report in the Monthly Operations Report and stated that Ms. Gwen Johnson, RRHA Director of Resident Services, would be giving a presentation today on Resident Services and the status of grants. Ms. Edwards stated that RRHA did not receive the Resident Opportunities for Self-Sufficiency (ROSS) Service Coordination grant and that RRHA has an opportunity to schedule a debriefing with HUD to receive explanation of the reasons the grant application was not funded.

Ms. Edwards stated that RRHA has received notification from HUD regarding funding for the Section 8 program. Ms. Edwards stated that RRHA's current monthly expense for Section 8 Housing Assistance Payments (HAP) is approximately \$730,000 and that RRHA will receive \$670,686 per month from July through December 2011. Ms. Edwards stated that the Section 8 program has approximately \$500,000 in reserves to help cushion the shortfall and that steps have been taken to begin reducing HAP expenses. Ms. Edwards stated that the initial actions that are being taken do not require HUD approval and include not issuing vouchers to people on the waiting list as participants leave the program, not approving moves to higher cost units, not approving rent increases requested by landlords, and not approving portability moves to higher cost areas unless the receiving housing authority will absorb the HAP cost for the participant rather than billing RRHA.

Ms. Edwards stated that RRHA has submitted an application for set-aside funds that should provide an upward adjustment in funding to reflect the HAP cost for 26 ported vouchers for which RRHA is currently providing payment to other housing authorities for participants who moved to higher cost areas. Ms. Edwards stated that she believes RRHA meets the criteria for the funding but is unsure at this point of the specific amount of funding adjustment as that determination will be made by HUD.

Ms. Edwards stated that RRHA may have to take additional measures to reduce expenses. Ms. Edwards stated that the Section 8 program cannot quickly increase or decrease HAP expenses due to the nature of the program and regulatory requirements. Ms. Edwards stated that RRHA voucher turnover averages approximately 10 vouchers per month at an average monthly HAP cost of \$440 per voucher. Ms. Edwards stated that it will take some time to reach a \$75,000 per month reduction in HAP expenses.

Ms. Edwards stated that RRHA and other housing authorities have been put on notice by HUD that there will not be any additional funding for those agencies that exceed the amount that is available in their reserves and the available monthly funding to cover expenses.

Ms. Edwards stated that there has been little congressional movement regarding the Fiscal Year (FY) 2012 federal budget and, at this point, it appears unlikely that there will be any firm funding amounts known before the Board of Commissioners has to approve RRHA's FY 2012 budget.

Ms. Edwards stated that if further actions are required to reduce expenses, those actions will likely require HUD approval. For example, reducing the payment standard to less than 90% requires HUD approval as does lowering the payment standard earlier

than the second recertification date for families in the program. Ms. Edwards stated that RRHA management staff are considering submission of requests for the necessary approvals in order to be able to move forward with implementing more drastic expense reduction measures if that becomes necessary. The approvals from HUD may take 60 days to receive; therefore, it may be important to make the requests before being sure of the need to implement these measures.

Ms. Edwards asked if there were any questions.

Commissioner Butler stated that by his calculations \$500,000 in reserves will be consumed by the end of 2011 and asked what else that reserve is used for and if any of the HAP funds from HUD go toward the reserves. Ms. Edwards stated that the HAP reserve fund is restricted and can only be used for housing assistance payments. She stated that there is also a smaller administrative reserve fund that may be used for either HAP or administrative expenses for the program.

Ms. Edwards stated that if RRHA does not spend all of the monthly HAP funds received from HUD, those funds are put in reserve for future HAP payments. Ms. Austin stated that HUD allows RRHA to keep unused HAP funds but then reduces future funding which results in the usage of the reserves to meet monthly HAP expenses.

Commissioner Butler stated that the reserve will not replenish on its own. Ms. Austin stated that Commissioner Butler is correct; the reserves will be depleted, leaving RRHA in a vulnerable position for FY 2012, which could result in the need for more drastic steps to reduce expenses.

Ms. Edwards stated that RRHA would have to reduce payments to all Housing

Choice Voucher (HCV) recipients or terminate HCV recipients. Ms. Edwards stated that when RRHA was faced with this same situation in 2009 it was the will of the Board to reduce payments for all participants rather than terminate recipients from the program. Ms. Edwards stated that the Board can revisit the question of whether to reduce payments or terminate participants, but it is important to make that determination soon, because approvals from HUD will have to be sought before certain measures can be implemented.

Ms. Austin stated that reducing payments helps maintain the administrative fees because RRHA is paid those fees based on vouchers leased. Ms. Edwards stated that one of the side effects of not issuing vouchers to people on the waiting list and participants leave the program will be a reduction in administrative fees because they are tied to utilization.

Vice-Chair Garner asked if the 90% payment standard is applied to all recipients. Ms. Edwards stated that RRHA currently has a 100% payment standard. HUD allows housing authorities to set payment standards between 90% and 110% of fair market rent without HUD approval. Ms. Edwards stated that if RRHA reduces payment standards to 90%, resulting in reduced assistance for participants, landlords can collect the additional amount from HCV participants or the landlord may choose to forego collection of the amount of the payment reduction. Ms. Edwards stated that a high percentage of participants in RRHA's HCV program are in the extremely low income range established by HUD, and those participants can ill afford to pay the difference if rental assistance payments are reduced.

Vice-Chair Garner asked how the process works for rent increases to landlords.

Ms. Helen Shampine, RRHA HCV Director, stated that landlords may request an increase in rent once every twelve months.

Vice-Chair Garner asked how the determination is made as to whether the rent increase request is granted. Ms. Shampine stated that she reviews each request and makes a determination of whether the request is reasonable. She stated that she negotiates with landlords regarding rent increase requests but most landlords who participate in the program are fair with their requests for increases. Ms. Shampine stated that she is in the process of sending a letter to all landlords informing them that rent increases will be put on hold due to the funding shortfall.

Vice-Chair Garner asked about the 26 HCV recipients that have ported to other areas and the impact it has had on the program. Ms. Shampine stated that the average HAP in Roanoke is \$440 per month, and there are some ported participants who have moved to areas where the HAP is \$1,100 or \$1,200. Ms. Shampine stated that RRHA could serve nearly three families in Roanoke with the HAP funds that are being spent on one family that has ported out of the Roanoke to a higher cost area.

Commissioner Witten asked how long RRHA will be responsible for payments for those HCV recipients once they port out of Roanoke. Ms. Shampine stated that a participant can stay in the program as long as they are eligible or until RRHA no longer has funds to support the program. Ms. Edwards stated that RRHA requires new HCV participants to live in Roanoke for at least one year before they are eligible to port to another area. Ms. Edwards stated that the requirement was implemented because some individuals will apply for vouchers in areas where the waiting list is not as long, receive a voucher, and then use the portability feature to move where they want to live.

Ms. Edwards stated that the HCV program is a high demand program as evidenced by the long lines when the application process opens.

Commissioner Karnes asked if there was any information about what happened to the HCV recipients when RRHA was faced with the funding shortfall in 2009 and rental assistance was reduced. Ms. Edwards stated that landlords have stated that it is hard to work with the program when they receive letters from RRHA like those sent in 2009 stating they would not be receiving full assistance. Ms. Edwards stated that RRHA sent reduced assistance payments but received additional funds from HUD and was able to process additional payments to landlords, resulting in full rental assistance payments for all HCV participants. Ms. Edwards stated that in the end there was no reduction in rental assistance in 2009, although there was much uncertainty and RRHA, participants, and landlords were all anticipating reduced assistance payments.

Commissioner Karnes asked if there were any landlords who left the HCV program. Ms. Shampine stated that there were none that left the program because full payments were ultimately made in 2009.

Vice-Chair Garner asked for the specific amount of HAP payments RRHA will be receiving. Ms. Edwards stated that \$670,686 will be received per month. Vice-Chair Garner stated that the financials show that the HCV program had not been using all of the HAP funds and then it gradually picked up. Ms. Edwards stated that RRHA has been under tremendous pressure from HUD to increase utilization after reducing it during the 2009 shortfall and it takes time to increase utilization. Utilization has reached higher levels and now, due to the current funding shortfall, RRHA must work to decrease utilization. RRHA may very well face having to work to increase utilization

again in 2012.

Ms. Edwards stated that she has asked Ms. Cathy Wells, RRHA VP of Resident Services and Administration, to secure dates for the National Association of Housing and Redevelopment Officials (NAHRO) to conduct ethics training onsite for Commissioners. Ms. Edwards stated that NAHRO does not offer ethics training online and they cannot conduct the training in less than a day and a half. Ms. Edwards asked if the Board is still interested in having the training and what days would work best for them. Previously, Commissioners had training on a Friday evening and Saturday but it can be arranged on any combination of days that works best for Commissioners.

Commissioner Karnes asked how often Commissioners are required to have ethics training. Ms. Edwards stated that when RRHA was in troubled status RRHA committed to HUD that Commissioners would have ethics training within 6 months of appointment and a refresher training every 2 years.

Commissioner Karnes asked if the refresher ethics training had to be as long as the initial ethics training. Ms. Edwards stated there is no HUD requirement for length of the training and there are other ways to obtain ethics training. NAHRO has a certification for Commissioners and, if Commissioners want the certification, then the training would have to be through NAHRO. Ms. Edwards stated that HUD does not require the Commissioners to have the NAHRO Commissioners certification and other training sources are available if the certification is not a factor. It is only cost effective to bring the NAHRO training to RRHA if multiple Commissioners will be participating. Ms. Edwards stated that Commissioner Witten opted to complete the Commissioners Fundamentals training through the HTVN network which is online training. Ms. Edwards

stated that other avenues of obtaining ethics training would meet RRHA's commitment to HUD.

Chairperson Burruss suggested that the Board think about what they would like to do about the ethics training and discuss it further at the July Board meeting. The other Commissioners agreed.

Ms. Edwards stated that the proposed offset of reserves in the 2012 federal budget is still being aggressively promoted by HUD in communications with trade associations and Congress. Ms. Edwards stated that under the proposal staff estimates that operating subsidy would be reduced to RRHA by an amount equal to approximately seven months of reserves while housing authorities that have no reserves would be funded at 100%.

Chairperson Burruss asked if there were any other questions. There were none.

Chairperson Burruss thanked Ms. Edwards for her report.

### 3. Staff Reports

Chairperson Burruss asked for the Resident Services staff report.

Ms. Johnson introduced Ms. Deidre Meyers, RRHA Service Coordinator at Indian Rock Village and Ms. Samantha Shepherd, RRHA Service Coordinator at Jamestown Place. Ms. Johnson stated that Ms. Meyers and Ms. Shepherd both started in December 2010 and have developed a youth guide for their sites.

Ms. Johnson introduced Ms. Wanda Alston, RRHA Program Coordinator at Morningside Manor and Ms. Deborah Davoll, RRHA Program Coordinator at Melrose Towers. Ms. Johnson stated that the elderly/disabled high rises have strong participation in such activities as wellness classes, nutrition classes, exercise classes,

and health screenings.

Ms. Johnson stated that one of the most successful programs at the high rises is the transportation program which is consistent with the high level of need for transportation identified in the Resident Services Needs Assessment. Through the Resident Opportunities for Self-Sufficiency (ROSS) Elderly and Disabled grant a contract was executed with Salem Taxi which provides transportation to medical appointments, the grocery store, or other places residents may need. The grant also provides funds for bus passes and gas card assistance. Ms. Johnson stated that the feedback from residents is positive and the service is much appreciated.

Ms. Johnson introduced Ms. Khari Ryder, RRHA Program Coordinator for the ROSS Family and Homeownership grant at Villages at Lincoln. Ms. Johnson stated that the grant was scheduled to expire in June and has been extended until December 2011. Ms. Johnson stated that as part of HUD's national initiative to recognize fathers, RRHA held a Father's Day event at Villages at Lincoln on June 18<sup>th</sup> and partnered with local churches and businesses to encourage fathers to spend time with their children.

Ms. Johnson stated that there are now youth mentoring programs at Villages at Lincoln and Hunt Manor that include an after school program which is showing results in improvement in the grades of participating youth. Because youth have told the mentors that they get bored in the evenings, the program for the rest of the summer will begin at 6 p.m. and will include art classes, guest speakers and field trips.

Ms. Johnson introduced Mr. André Everette, RRHA Family Self-Sufficiency (FSS) Coordinator who works with HCV Homeownership clients, and Ms. Gloria Charlton, RRHA FSS Coordinator who works with Public Housing and Homeownership clients.

Ms. Johnson stated that Mr. Everette and Ms. Charlton work with residents to set achievable goals in order to take the necessary steps toward self-sufficiency.

Ms. Johnson stated that as through the partnership with Virginia Tech and Catholic Charities RRHA offers English as a Second Language (ESL) classes at all RRHA sites. Ms. Johnson stated that the classes are very successful and always full.

Ms. Johnson gave an overview of the summer lunch program and the health, safety and education fair. Ms. Johnson reported that 30 desperately needed and much appreciated passes were secured for the Mission of Mercy Dental Clinic.

Ms. Johnson stated that Resident Services continues to assist residents in their search for employment and continues to provide assistance with written or computer applications, job boards, job referrals, transportation assistance and workshops in order to help residents work toward self-sufficiency. Ms. Johnson stated that the Goodwill Workforce Development program sets aside 10 slots each quarter for RRHA residents.

Vice-Chair Garner inquired about the 10 slots set aside at the Goodwill Workforce Development program. Ms. Johnson stated that the slots are specific to that program and other Goodwill programs provide services to many other RRHA residents.

Vice-Chair Garner asked about the involvement of Boy Scouts at the sites. Ms. Johnson stated that the Boy Scouts are very active and one of RRHA's partner agencies with 2 scout masters has recently sent some RRHA scouts to camp. Vice-Chair Garner offered his help if the Boy Scouts need volunteers for summer camp.

Chairperson Burruss asked about the involvement of the Girl Scouts at the sites. Ms. Johnson stated that, due to budget cuts, Girl Scouts pulled the program and now they are going to each site and trying to recruit volunteers to take over as scout leaders.

Ms. Johnson stated that RRHA may send some girls to summer camp in available free slots but the Girl Scouts are not providing transportation and the camp is in Boones Mill.

Chairperson Burruss stated that it sounds like there is not much Girl Scout presence. Ms. Johnson stated that the Girl Scouts will pick up the older girls who have been in Girl Scouts for a while, but activities are not occurring on RRHA sites.

Vice-Chair Garner asked why it is difficult to find doctors who will accept Medicare and Medicaid. Ms. Johnson stated that it is the reimbursement rates and the amount of paperwork involved.

Commissioner Karnes asked if the GED classes and testing program are still in place. Ms. Johnson stated that the classes and testing are still available at Villages at Lincoln.

4. Committee Reports

Chairperson Burruss asked for committee reports. There were none.

5. Commissioner comments

Chairperson Burruss asked if there were any Commissioner comments. There were none.

6. 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. There were none.

III. CONSENT AGENDA

C-1 Minutes of the Regular Meeting of the Board of Commissioners held Monday, May 23, 2011.

RECOMMENDED ACTION: Dispense with the reading thereof and approve as

recorded.

C-2 Monthly Operations Report for the month of May 2011

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 Butler, Karnes, Smith, Witten, Garner, Burruss

NAYS: None

Chairperson Burruss thereupon declared said motion carried as introduced.

#### IV. **REGULAR AGENDA**

##### 1. Resolution No. 3648

Ms. Edwards asked for approval of Resolution No. 3648 approving the 2011 Annual Plan update to the 2010-2014 Agency Plan for Submission to HUD. Ms. Edwards stated that RRHA had given 45 days public notice and made the Plan available for public review, and the Board held a public hearing to receive public comments on the proposed Plan on May 23, 2011. Ms. Edwards stated that the Plan must contain a certification by City officials that the Plan is consistent with the Consolidated Plan of the City of Roanoke and, once the Board approves and the City certification is received, the Plan will be ready for submission to HUD.

Vice-Chair Garner referred to attachment M of the resolution regarding procurement under \$2,000 being handled at multiple sites and asked how that is monitored. Ms. Edwards stated that RRHA has a person on staff who audits procurements of each type and provides findings to the managers and division V.P.'s

Vice-Chair Garner asked about the reference to billing residents for usage of excess wattage of kilowatt hours. Ms. Edwards stated that RRHA annually has an outside contractor calculate the utility allowance according to guidelines established by HUD. RRHA is required to charge for utility usage in excess of the allowance.

Ms. Edwards stated that Villages at Lincoln residents are given a utility allowance but pay the utility company directly so are automatically responsible for any amount in excess of the allowance.

Vice-Chair Garner asked whether the funding shortfall will affect the strategy for addressing housing needs. Ms. Edwards stated that the funding shortfall will affect the housing needs strategy and noted that there are currently over 2,000 people on the HCV waiting list who are waiting for assistance, but the shortfall has resulted in RRHA not issuing vouchers as participants leave the program.

Chairperson Burruss asked if there were any other questions. There were none.

Commissioner Smith introduced Resolution No. 3648 and moved its adoption as introduced:

**RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY APPROVING THE 2011 ANNUAL PLAN UPDATE TO THE 2010-2014 AGENCY PLAN FOR SUBMISSION TO HUD**

WHEREAS, the Roanoke Redevelopment and Housing Authority (RRHA) receives operating funds from the Department of Housing and Urban Development (HUD); and

WHEREAS, pursuant to Section 511 of the Quality Housing and Work Responsibility Act of 1998, RRHA is required to adopt an Annual (1) Year and a Five (5) Year Plan; and

WHEREAS, the Plan is designed to provide a framework for local accountability and an easily identifiable source by which public housing residents, participants in the tenant-based assistance program, and other members of the public may locate basic

public housing and tenant-based assistance program policies, rules and requirements concerning operations, programs, and services; and

WHEREAS, RRHA staff have consulted with the Joint Resident Council and conducted community meetings at all public housing sites and with participants and landlords in Section 8 programs to gather input, which has been considered in development of the Plan; and

WHEREAS, RRHA Commissioners were provided with copies of the draft Annual Plan in April 2011, and attachments have been updated with approved policies and the year end September 30, 2010 audit accepted by the Board of Commissioners subsequent to publication of the draft; and

WHEREAS, RRHA gave 45 days public notice and made the Plan available for public review at RRHA administrative offices, public housing site management offices, the Roanoke City Municipal Building, and on the RRHA website; and

WHEREAS, the RRHA Board of Commissioners held a public hearing to receive public comments on the proposed Plan on May 23, 2011; and

WHEREAS, this Plan meets the current regulatory and statutory requirements; and

WHEREAS, the final Plan must contain a certification by City officials that the Plan is consistent with the Consolidated Plan of the City of Roanoke; and

WHEREAS, RRHA is required to submit the 2011 Annual Plan update to the 2010-2014 Agency Plan to HUD by July 15, 2011.

NOW, THEREFORE, BE IT RESOLVED by the Commissioners of the City of Roanoke Redevelopment and Housing Authority that the 2011 Annual Plan update to the 2010-2014 Agency Plan, in substantially the form circulated to the RRHA Board of Commissioners, is hereby approved for submission to the U.S. Department of Housing and Urban Development upon receipt of certification from City officials that the Plan is consistent with the Consolidated Plan of the City of Roanoke.

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

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

NAYS: None

Chairperson Burruss thereupon declared said motion carried and Resolution No.

3648 adopted as introduced.

2. Resolution No. 3649

Mr. Roger Vest, RRHA VP of Real Estate Development, stated that with his upcoming retirement he has asked Mr. Joel Shank, RRHA Capital Improvements Director, to start introducing resolutions pertaining to capital improvements to the Board.

Mr. Joel Shank asked for approval of Resolution No. 3649 awarding a contract for basement stairwell improvements for Lansdowne Park and Villages at Lincoln. Mr. Shank stated that installation of continuous handrails and upgraded guardrails for basement stairwells is necessary to comply with building code.

Commissioner Butler asked why there was such a wide range in prices of the bids that were submitted and asked whether Mr. Shank had concerns that the contractor may have missed an item on the bid. Mr. Shank stated that he discussed the bid submitted by Holt, Inc. with company representatives to insure that all aspects of the bid were covered. Mr. Shank stated that some contractors have a greater need for work and will provide a more competitive bid.

Mr. Shank stated that on all contracts he prepares a detailed cost estimate to determine if the bids that are submitted are reasonable and cover all aspects of the project. Ms. Edwards stated that last month RRHA had a contractor with the apparent low bid that asked to withdraw a bid due to a significant error in the calculation of the bid, and that error was apparent when Mr. Shank reviewed the bid.

Vice-Chair Garner asked Mr. Shank to explain R S Means Cost Data. Mr. Shank stated that R S Means Cost Data is an estimating program developed in Boston, Massachusetts. Mr. Shank stated that they gather data on construction costs nationally

and then compile into a large book that assigns line item costs and is one estimating guide that HUD accepts.

Ms. Edwards stated that bids varying widely may, but does not always, indicate an error, and Mr. Shank's review of the bids can identify whether that is the case; however, if the bids are vary significantly from Mr. Shanks estimate, that raises a significant red flag in terms of whether the bids amounts are fair and reasonable.

Chairperson Burruss asked if there were any questions. There were none.

Vice-Chair Garner introduced Resolution No. 3649 and moved its adoption as introduced:

RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY AWARDDING A CONTRACT FOR BASEMENT STAIRWELL IMPROVEMENTS FOR LANSDOWNE PARK AND VILLAGES AT LINCOLN UNDER THE FY 1998 HOPE VI REVITALIZATION GRANT, CAPITAL FUND PROGRAM GRANT NUMBER VA36P01150109, AND PUBLIC HOUSING OPERATING FUNDS

WHEREAS, the City of Roanoke Redevelopment and Housing Authority (RRHA) has been awarded a HOPE VI Revitalization Grant in the amount of \$15,124,712.00; and

WHEREAS, physical improvements under such HOPE VI Revitalization Grant include major renovations to residential buildings; and

WHEREAS, RRHA has been awarded a grant from the Department of Housing and Urban Development (HUD) Capital Fund Program (CFP), which is grant number VA36PO1150109 in the amount of \$2,359,489.00; and

WHEREAS, Basement Stairwell Grates and Accessibility, were included on the Annual Statement detailing the planned use of CFP grant number VA36PO1150109, which was approved by the RRHA Board of Commissioners under Resolution No. 3544 - Revised on June 22, 2009; and

WHEREAS, the operating budget for Lansdowne Park, AMP 201, has sufficient capacity to fund the replacement of deteriorated concrete basement stairwell walls and steps for three (3) residential buildings; and

WHEREAS, RRHA needs a qualified contractor to replace deteriorated basement stairwell walls and steps, install continuous handrails for basement stairs, upgrade guardrails for basement stairwells, and rework security grates covering stairwells at VA11-1 Lansdowne Park, AMP 201 and VA11-2 Villages At Lincoln, AMP 202; and

WHEREAS, RRHA issued an Invitation for Bid on April 24, 2011, with bids being due on May 17, 2011; and

WHEREAS, RRHA received three (3) responsive bids, which were opened on May 18, 2011 for consideration, such bids being as follow:

<u>Bidder</u>	<u>Total Bid Amount</u>
Paul R. Shively, Inc.	\$389,920.00
Virginia Infrastructure, Inc.	\$301,755.00
Holt, Inc.	\$239,680.00

WHEREAS, the bid submitted by Holt, Inc. was determined to be responsive; and

WHEREAS, the amount of the bid submitted by Holt, 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 Holt, Inc. has been found to be capable and in all other respects acceptable to RRHA; and

WHEREAS, the Capital Improvements Director recommends an award to Holt, 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 Holt, 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 Holt, Inc. and RRHA for the fixed price of \$239,680.00.

- (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 Karnes and upon roll call the following vote was recorded:

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

NAYS: None

Chairperson Burruss thereupon declared said motion carried and Resolution No. 3649 adopted as introduced.

3. Resolution No. 3650

Mr. Joel Shank asked for approval of Resolution No. 3650 to modify a contract under the Capital Fund Program (CFP) for Phase 2 window replacement at Lansdowne Park. Mr. Shank stated that during Phase 1 it was discovered there was an additional quantity of asbestos-containing caulk that needed to be removed resulting in the need for this change order to the contract. Mr. Shank stated that for Phase 2 all caulk had been tested for asbestos and that the removal of the asbestos-containing caulk was included in that contract.

Commissioner Butler asked when asbestos had stopped being added to caulk, floor adhesive, and other products. Mr. Shank stated that in the 1980s materials manufacturers began phasing out use of asbestos in their products.

Vice-Chair Garner stated that Mr. Shank anticipated the presence of asbestos and asked Mr. Shank to clarify that he said items were tested for asbestos and the cost of removal was included in the contract for Phase 2. Mr. Shank confirmed that testing was completed and removal cost was included in the contract for Phase 2.

Chairperson Burruss asked if there were any other questions. There were none.

Vice-Chair Garner introduced Resolution No. 3650 and moved its adoption as introduced:

RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY MODIFYING CONTRACT NUMBER 509-1006-1-7 UNDER THE CAPITAL FUND PROGRAM (CFP) GRANT NUMBER VA36P01150109

WHEREAS, the City of Roanoke Redevelopment and Housing Authority (RRHA) has been awarded grant number VA36P01150109 in the amount of \$2,359,389.00 from the Department of Housing and Urban Development (HUD) Capital Fund Program (CFP); and

WHEREAS, Window Replacement for Lansdowne Park, was included on the Annual Statements detailing the planned use of CFP grant number VA36P01150109, which was approved by the RRHA Board of Commissioners by Resolution No. 3544- Revised on June 22, 2009; and

WHEREAS, the Executive Director was authorized and directed to execute a standard contract for replacement of windows, Phase 1, for Lansdowne Park between Cook Siding and Window Co., Inc. and RRHA for the fixed price of \$405,764.48, by the RRHA Board of Commissioners in Resolution 3590 on May 24, 2010; and

WHEREAS, additional quantity of asbestos-containing caulk, unknown at time of receipt of bids, was found at exterior perimeter of existing windows; and

WHEREAS, Cook Siding and Window Co., Inc. was requested to provide a change proposal for abating additional quantity of asbestos-containing caulk; and

WHEREAS, the amount of change proposal submitted by Cook Siding and Window Co., Inc. for abating the additional quantity of asbestos-containing caulk was \$29,196.40; and

WHEREAS, the amount of the change proposal submitted by Cook Siding and Window 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 change proposal documentation has been completed, and has been found in all respects acceptable to RRHA; and

WHEREAS, the Capital Improvements Director recommends the acceptance of Cook Siding and Window Co., Inc.'s 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 requires that, for all contracts of \$100,000 or more, any and all change orders, contract modifications, and/or amendments having a dollar value of \$25,000 or more 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:

- (1) The change proposal submitted by Cook Siding and Window Co, Inc. in the amount of \$29,196.40 be and hereby is accepted;
- (2) The Executive Director be and hereby is authorized and directed to execute a modification to contract number 509-1006-1-7 which, by reference, is inclusive of Cook Siding and Window Co., Inc.'s change proposal for abatement of additional asbestos-containing caulk, dated April 29,2011.
- (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 Butler, Karnes, Smith, Witten, Garner, Burruss

NAYS: None

Chairperson Burruss thereupon declared said motion carried and Resolution No. 3650 adopted as introduced.

#### 4. Resolution No. 3651

Mr. Earl Saunders, RRHA VP of Real Estate Management asked for approval of Resolution No. 3651 approving the sale of 12 vehicles identified as excess property.

Commissioner Butler asked why the sale of these vehicles requires Board approval. Ms. Edwards stated that the Disposition Policy that was approved by the

Board of Commissioners in 2008 requires approval Board approval for disposition of items valued at more than \$1,000. Commissioner Butler asked if the requirement can be revisited. Ms. Edwards stated that it could be modified by Board action, and Commissioner Butler asked Ms. Edwards to inquire with other housing authorities about their disposition policies. Ms. Edwards stated she would do the research and report back to the Board.

Chairperson Burruss asked if there were any questions. There were none.

Vice-Chair Garner introduced Resolution No. 3651 and moved its adoption as introduced:

**RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY APPROVING THE SALE OF 12 VEHICLES IDENTIFIED AS EXCESS PROPERTY**

WHEREAS, the Roanoke Redevelopment and Housing Authority (RRHA) has identified twelve (12) vehicles that are no longer needed for its operations and are, therefore, suitable to be declared excess property; and

WHEREAS, sale of excess Authority property must be conducted in accordance with the RRHA Disposition Policy; and

WHEREAS, RRHA's Disposition Policy states that excess property with an estimated value between \$1,000 and \$5,000 may be sold through an informal bid process and property valued in excess of \$5,000 may be sold through a formal bid process.

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 sell the 12 vehicles identified as excess property and described on the attached list using sale methods authorized by the RRHA Disposition Policy.

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

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

NAYS: None

Chairperson Burruss thereupon declared said motion carried and Resolution No. 3651 adopted as introduced.

5. Resolution No. 3652

Ms. Edwards asked for approval of Resolution No. 3652 approving SunTrust Capital Market, Inc. Corporation Certificate of Authority. Ms. Edwards stated that the Resolution is an update to reflect Ms. Jackie Austin's title change from Accounting/Finance Director to VP of Finance/CFO.

Vice-Chair Garner asked if this includes ratification of any transactions Ms. Austin had conducted in the interim. Ms. Edwards stated that the ratification was included.

Chairperson Burruss asked if there were any questions. There were none.

Vice-Chair Garner introduced Resolution No. 3652 and moved its adoption as introduced:

RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY APPROVING SUNTRUST CAPITAL MARKET, INC. CORPORATION CERTIFICATE OF AUTHORITY

WHEREAS, the Board of Commissioners of the City of Roanoke Redevelopment and Housing Authority (RRHA) approved an Investment Policy by Resolution No. 3492 on July 21, 2008, which provides direction for timely and appropriate investment of RRHA's funds; and

WHEREAS, the RRHA has established investment accounts with SunTrust Capital Markets, Inc. which require identification of individuals authorized to give written, oral, telephonic, electronic, or other instructions on behalf of the RRHA regarding the sale, assignment, transfer, or exchange of, or other transactions with respect to, securities or other instruments, as well as regarding payments of monies and/or delivery of securities and/or other instruments into or out of any of the RRHA's accounts with SunTrust Capital Markets, Inc. (STCM); and

WHEREAS, investment accounts established with STCM require authorization of agency positions to provide instructions for management of agency investments; and

WHEREAS, the RRHA Board of Commissioners authorized the Accounting/Finance Director to conduct investment related transactions by Resolution No. 3407 on February 20, 2007; and

WHEREAS, the title of the authorized position was changed from Accounting/Finance Director to VP of Finance/CFO effective March 8, 2008; and

WHEREAS, the VP of Finance/CFO is the current position best situated to manage these investment transactions in accordance with RRHA's Investment Policy, and RRHA desires to designate the VP of Finance/CFO to conduct transactions with respect to the STCM accounts on behalf of the RRHA.

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

1. The RRHA is hereby authorized to establish one or more accounts with SunTrust Capital Markets, Inc., (STCM) for the purchase, sale, assignment, transfer, or exchange of, or for any other transactions with respect to, any and all forms of securities and other instruments, and that the VP of Finance/CFO is authorized to enter into, on behalf of the RRHA, STCM's Corporate and Institutional Account Agreement and any other agreements, instruments, or documents relating to the RRHA's accounts with STCM or with any bank affiliated with STCM or otherwise relating to transactions with or through STCM, and that the VP of Finance/CFO is authorized to give written, oral, telephonic, or other instructions to STCM on behalf of the Corporation regarding the purchase, sale, assignment, transfer, or exchange of, or other transactions with respect to, securities or other instruments, as well as regarding payments of monies and/or delivery of securities and/or other instruments into or out of any of the RRHA's accounts with STCM or with any bank affiliated with STCM, and to execute any documents necessary with respect to any of the foregoing on behalf of the Corporation, in each case whether STCM is acting in the capacity of principal, agent, or otherwise in connection therewith.
2. STCM's Corporate and Institutional Account Agreement which was previously executed/agreed to on behalf of the RRHA by the person previously authorized is hereby ratified and approved and the RRHA is and shall be bound by such other agreement, instrument, or document.
3. That the RRHA Board of Commissioners Secretary-Treasurer, who is the RRHA Executive Director, is authorized and directed to furnish STCM a certified copy of this resolution and the names and specimen signatures of the persons from time to time holding the position of VP of Finance/CFO with the RRHA, and that STCM shall be authorized to rely thereon until written notice to the contrary is received by it.

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

following vote was recorded:

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

NAYS: None

Chairperson Burruss thereupon declared said motion carried and Resolution No. 3652 adopted as introduced.

6. Resolution No. 3653

Mr. Vest asked for approval of Resolution No. 3653 authorizing a revision to the Administrative Plan for the Section 8 Housing Choice Voucher Program. Mr. Vest stated that inspections are required annually. HUD has issued guidance stating that, for conditions that are not life-threatening, RRHA may accept verification from the owner that the required corrections have been made. Mr. Vest stated that the proposed policy change requires such verification to be provided to RRHA by the landlord in writing delivered either by certified mail or email by the end of the corrective action period. Mr. Vest stated that for conditions that are life-threatening or for other conditions in which RRHA determines that reinspection is required, RRHA will conduct a reinspection immediately following the end of the corrective action period. Mr. Vest stated that the determination of whether written verification will be accepted or reinspection is required is reserved solely to RRHA.

Commissioner Smith stated that the Resolution states that HUD is allowing the landlord to provide written notification that items have been corrected. Mr. Vest stated that Commissioner Smith is correct, but the landlord can only provide written notification of corrections for non life-threatening conditions. Ms. Edwards reiterated that, under the proposed policy revision, written verification will be allowed at the sole discretion of

RRHA.

Chairperson Burruss asked if there were any questions. There were none.

Commissioner Smith introduced Resolution No. 3653 and moved its adoption as introduced:

**RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY AUTHORIZING A REVISION TO THE ADMINISTRATIVE PLAN FOR THE SECTION 8 HOUSING CHOICE VOUCHER PROGRAM**

WHEREAS, the United States Department of Housing and Urban Development (HUD) has authorized the City of Roanoke Redevelopment and Housing Authority (RRHA) to administer a Housing Choice Voucher program, through the use of RRHA's Administrative Plan; and

WHEREAS, the Administrative Plan must state RRHA's policies on matters in which RRHA has discretion to establish local policies; and

WHEREAS, RRHA must administer its program in accordance with its Administrative Plan; and

WHEREAS, the RRHA Administrative Plan, approved by the Board of Commissioners by Resolution No. 3638 on April 25, 2011 states in Section 1.III.D., that RRHA will review and update the plan at least once a year, and more often if needed, to reflect changes in regulations, RRHA operations, or when needed to ensure staff consistency in operation; and

WHEREAS, HUD issued PIH Notice 2011-29 on June 11, 2011 providing clarification regarding the need to conduct follow-up inspections for tenant based voucher units after a failed annual or interim inspection, such clarification stating that a Public Housing Authority (PHA) may allow such unit to pass upon verification that the HQS deficiency has been corrected; and

WHEREAS, PIH Notice 2011-29 states that PHAs should include in the PHA's Administrative Plan how the PHA will verify the correction of HQS deficiencies.

WHEREAS, given the clarification provided in 2011-29 and the current constraints on financial resources for administering the Housing Choice Voucher program, RRHA management staff have determined that a revision to the policy regarding reinspections in RRHA's Administrative Plan is warranted.

NOW, THEREFORE, BE IT RESOLVED by the Commissioners of the City of Roanoke Redevelopment and Housing Authority that the attached revised policy in Section 8.II.F. of RRHA's Administrative Plan is approved.

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

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

NAYS: None

Chairperson Burruss thereupon declared said motion carried and Resolution No. 3653 adopted as introduced.

7. Resolution No. 3654

Mr. Vest asked for approval of Resolution No. 3654 authorizing the execution of a General Warranty Deed relative to the sale of property to Brooke and Andrew Axsom. Mr. Vest stated that the property has been subject to vandalism and is in need of some repairs. Mr. Vest stated that the home is going to be purchased by a family who had previously expressed interest in the lease purchase program to Ms. Gloria Charlton, RRHA FSS Coordinator, and they have qualified for a mortgage to purchase the home.

Chairperson Burruss asked if there were any questions. There were none.

Commissioner Butler introduced Resolution No. 3654 and moved its adoption as introduced:

RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY AUTHORIZING THE EXECUTION OF A GENERAL WARRANTY DEED RELATIVE TO THE DISPOSITION OF PROPERTY LOCATED AT 1707 DOWNING STREET NW AND BEARING CITY OF ROANOKE TAX MAP NUMBER 2040814 TO BROOKE AND ANDREW AXSOM

WHEREAS, the City of Roanoke Redevelopment and Housing Authority (RRHA) administers an owner-occupied rehabilitation loan program that is financed by a line of credit with SunTrust Bank; and

WHEREAS, due to default by the property owner on the obligations of the loan, RRHA foreclosed on a house located at 1707 Downing Street, NW, Tax Map Number 2040814, on May 22, 2009; and

WHEREAS, the RRHA wishes to further the continued revitalization of the Gainsboro/Washington Park neighborhood; and

WHEREAS, the property has been advertised publicly for sale since December, 2010 and

WHEREAS, Brooke and Andrew Axsom have made an offer to purchase the house located at 1707 Downing Street, NW for the amount of \$66,000.00 and have qualified for a mortgage loan from a lending institution to fund the purchase; and

WHEREAS, the RRHA has determined that selling this property to Brooke and Andrew Axsom for the purpose of providing an affordable single family dwelling is the best use of the property; and

WHEREAS, the sale proceeds, less any necessary repairs to the property, will be applied to the SunTrust Bank line of credit to offset the mortgage principal amount remaining upon foreclosure.

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 General Warranty Deed and other required documents concerning the sale of 1707 Downing Street, NW Tax Map Number 2040814 to Brooke and Andrew Axsom for the price of \$66,000.

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

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

NAYS: None

Chairperson Burruss thereupon declared said motion carried and Resolution No. 3654 adopted as introduced.

V. **ADJOURNMENT**

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

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

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

NAYS: None

Chairperson Burruss declared the meeting adjourned at approximately 4:33 p.m.

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Gail Burruss, Chairperson

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Glenda Edwards, Secretary-Treasurer

## VEHICLES FOR DISPOSAL

Make/Model	Vehicle Condition	VIN	Purchase Date	Purchase Price	Estimated Present Value
1999 Ford E350Box Van	Fair – Operable & needs minor repair	1FDWE30L5X4C09720	8/10/2004	\$9,520.00	\$2,000
1997 Ford Ranger Truck	Inoperable & needs major repairs	1FTCR14A0VPA92978	6/22/1999	\$10,400.00	\$1,000
1999 Chevrolet Box Truck	Fair-Operable & needs minor repairs	1GBJG31R8X1024408	3/29/1999	\$23,536.00	\$2,000
1998 Chevrolet S-10 Truck	Inoperable & needs major repairs	1GCCS144W8102642	6/22/1999	\$9,950.00	\$1,000
1994 Chevrolet 2500 Truck	Inoperable & needs major repairs	1GCFC24PORE296075	6/06/2002	\$3,800.00	\$1,000
1996 GMC Jimmy Truck	Inoperable & needs major repairs	1GKDT13W2T2509728	8/13/1998	\$18,252.50	\$1,000
1997 Chevrolet Blazer	Inoperable & needs major repairs	1GNKT13WXVK196661	8/13/1998	\$17,653.65	\$1,000
1995 Dodge Van	Inoperable & needs major repairs	2B7HB21X9SK571458	10/24/00	\$6,400	\$1,000
1993 Ford F-150 Truck	Inoperable & needs major repairs	2FTE15Y1PCA51910	2/09/93	\$10,663	\$1,000
1997 Ford F-150 Truck	Fair-Operable	1FTDF1729VNC87233	7/06/98	\$13,740	\$1,500
1998 Ford F-150 Truck	Fair-Operable	2FTZX172XWCA90193	10/06/00	\$14,383	\$1,500
1998 Ford Taurus	Fair-Operable	1FAP5U3WA112531	10/28/98	\$14,433	\$1,000

Estimated Values were derived from Kelley Blue Book and Edmunds.com