

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, April 26, 2021, via electronic communication through live video conference and telephone conference due to the COVID-19 pandemic.

I. CALL TO ORDER – ROLL CALL

Chair Smith called the meeting to order at 3:12 p.m. and declared that a quorum was present.

PRESENT: Commissioners Anguiano, Burruss, Garner, Vice Chair Kepley, Maguire, Chair Smith, Walker

ABSENT: None

OFFICER PRESENT: Mr. David Bustamante, Secretary-Treasurer

ALSO PRESENT: Mark Loftis, Legal Counsel; Evangeline Richie, VP of Housing; Joel Shank, VP of Operations; Jackie Austin, VP of Finance; Rachel Tobin, VP of Human Resources; Frederick Gusler, Director of Redevelopment and Revitalization; Stephanie Moon Reynolds, City Council Liaison; Melanie Reid, Director of Community Support Services; Donald Jump, Auditor, Jump, Perry and Company, LLP

Chair Smith welcomed everyone to today's meeting.

I. **REPORTS**

1. Financial Report

Chair Smith asked if there were any questions regarding the financial reports. There were none. David Bustamante recognized Peg Maguire, as a new board member for RRHA.

2. Executive Director's report

Chair Smith asked for the Executive Director's Report.

Mr. Bustamante comments in addition to his written report. If the board members can look at their calendars for May 20 or May 26 at 10:00 a.m. He said that Woods Rogers usually conducts an Ethics Training for all the board members and unfortunately, last year he missed scheduling that, but asked the Board members to look at those dates and get back to him so he can confirm with Mark Loftis. It is about 45 minutes to an hour and it is a very good refresher on Ethics for Board of Commissioners, and again, the dates are May 20 or May 26 at 10:00 a.m.

Mr. Bustamante informed the board that RRHA Housing Choice Voucher (HCV) program staff are desperately trying to house as many individuals as they possibly can. There is funding for it and they just pulled 200 names off the wait lists, with plans to pull another 200 names off the wait lists, but more landlords are needed to participate in the program. One of the things that is a consequence of the eviction moratorium is that the landlords aren't able to evict those tenants so these units are being held up and RRHA residents cannot move into these units. There is a tremendous need for affordable housing but RRHA is running out of stock and running out of landlords. RRHA is planning to have some sort of a property owner summit where they are going to call in as many landlords as possible. He said that hopefully, either he or Evangeline Richie can do a very quick press release and see how many new landlords could be captured for this virtual event.

RRHA staff will then explain to them the benefits of the program and how important it is that, without landlords, the Section 8 department would cease to function, regardless of how much money they have. It is imperative for RRHA to continue to find landlords to get these residents off the waitlist.

In public housing, in June, they will resume Real Estate Assessment Center (REAC) inspections; RRHA received word on Friday. These REAC inspections will only be to determine health and safety issues, not necessarily the full spectrum of a REAC inspection that was conducted prior to the pandemic. This is somewhat of good news because he does not think many tenants would want these inspectors running in and out of the units not to mention RRHA staff and contractors and everybody else. That will start sometime in June. In May, Hackley Apartments will have their REAC inspection and RRHA is preparing for that now.

Mr. Bustamante received news from Frederick Gusler regarding 427 Gilmer. The Community Development Block Grant (CDBG) application to provide REACH with \$60,000 was initially approved. Once city council approves that then RRHA can begin work to transfer that property back to REACH and remove it from the books which is, bottom line, needs to be done, so that's good news and he believes this will voted on at the next city council meeting. Frederick Gusler confirmed by saying that meeting is May 3 and we would amend the contract with Mark Loftis and bring to the May board meeting. Mr. Bustamante reminded the Board members that in 2012, Housing and Urban HUD recaptured about \$2.5 M of RRHA reserves, they did that across the county and actually to all public housing authorities. There was a lawsuit from the first group of housing authorities that won and received their monies back. RRHA just received word on Friday that the second group, which RRHA is included in, also was victorious in the sense that the courts ruled in RRHA's favor. Apparently, the government has three choices and it looks as though RRHA will not see any of that money for at least 150 days. One of their options is to go to the Supreme Court. It used to be that they had 90 days to present that, but since the pandemic that's been extended to 150 days. Worst case scenario is that RRHA will not receive that money for another 5 months. If RRHA has waited this long, he is okay with another 5 months finally get \$2.5M and that's very good news. Commissioner Burruss asked if she was remembering correctly, if this was capital fund

money. Mr. Bustamante answered that it was our reserves, yes, but not necessarily just capital fund - it was what RRHA had in reserves at that particular moment in public housing. In addition to that \$2.5M he thinks that all of the Board members are aware that the Presidents' infrastructure bill carries about \$40B to increase capital funding to provide RRHA with enough money to hopefully bring all of RRHA public housing developments to where they need to be. That money is very much needed and he is said he is hoping that this bill continues to gain momentum, which it has, and that RRHA will be seeing some of that money in the near future to help offset some of the capital funds needs for these properties.

Lastly, Mr. Bustamante updated the Board regarding the Tsunami camera system. The cameras at Lansdowne have been installed completely and one at the library across the street in case monitoring is needed there. He said they are fully operational, but Cox needs to increase our speed from 4G to 5G and as soon as they do that then we will have unlimited bandwidth. The Roanoke City Police department seems to be using a lot of the bandwidth.

Commissioner Garner asked for clarification and to be sure he understood correctly, was the \$40B not included in the previous recovery bill that was passed or that this was part of a new infrastructure bill? Mr. Bustamante explained that this \$40B, is part of the infrastructure bill and that still needs to be voted on. This particular piece of this bill, Senator Maxine Waters has been trying to get passed for at least 2 years now and finally it made it to an actual bill. Commissioner Garner asked if there was any money in the previous Covid bill for anything for housing authorities, as he knew there was money that will impact the people that are being subject to the moratorium and so forth. Mr. Bustamante replied that they have released some monies to help the homeless which is coming down to the city via the Community Development Block Grant (CDBG) funding and RRHA is working right now to try to assess how to can team up with the city to be able to use some of that money for the local homeless population. That money has been awarded but has yet to be allocated to the city. Commissioner Garner further stated that as far as the summit for trying to get additional housing units and some of it is being impacted by the people that are held up by the moratorium on being able to move people out that aren't going to pay. He asked if there are monies in the previous Covid bill that

will impact rent, people who have not been able to pay their rent, are there some rent subsidies. Mr. Bustamante answered that there is money in those bills but it is important to understand that there are some specific requirements in order to be able to receive that type of assistance. One of them is that you would have sign a specific declaration indicating that your income was impacted by something that had to do with the pandemic and failure to do that, failure to document that, does not prevent you from being evicted once the moratorium is lifted.

3. Staff Reports

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

4. Committee Reports

Chair Smith asked if there were any committee reports, comments or questions.

Commissioner Garner said that other than the audit committee matter, the audit committee met Friday and you will see the results of that, as a resolution that was brought to you and Don Jump is going to go over the audit draft for the Board, but other than that, there is nothing that he is aware of.

5. Commissioner Comments

Chair Smith asked if there were any Commissioner Comments. There were none.

6. City Council Liaison Comments or Discussion

Chair Smith asked if there were any City Council Liaison comments or discussion. There were none.

7. Residents or other community members to address the board.

Chair Smith asked if there were any Residents or other community members to address the board. There were none.

II. CONSENT AGENDA

Chair Smith stated that all matters listed under the consent agenda are continued to be moved to by the board of commissioners and will be enacted by one motion in the form listed below. There will be no separate discussions of these items. If discussion is desired, that item will be removed from the consent agenda and considered separate. Commissioner Garner introduced a motion to approve the Consent Agenda. The motion was seconded by Commissioner Anguiano and upon roll call the following vote was recorded:

AYES: Commissioners Anguiano, Burrell, Garner, Walker, Vice Chair
Kepley, Maguire, Chair Smith, Walker

NAYS: None

III. REGULAR AGENDA

1. Presentation of Audit Draft - Donald Jump, Jump, Perry and Company, LLP.

Mr. Jump advised that he met with the Audit Committee Friday, April 23, 2021 via ZOOM meeting and they discussed the results of the audit. Summary of the Reporting Package for the Year Ended September 30, 2020 was distributed in a PDF print out to all Board Members. He mentioned that page 3 summarizes the auditor's reports including a report on the financial statements, report on governmental auditing standards, uniform guidance report, report on the FDS, and a report on the agreed upon procedures and interacting with REAC. He was happy to say that all of these reports have unmodified opinions, meaning that everything went well, they are clean opinions and there were no exceptions. He then directed the commissioners to page 4 that has an overview of the entire package that is almost 70 pages long, but it can be broken down into five basic areas. First the auditor's report on the financial statements, then what he thinks is the most important thing for the Board members is the Management Discussion and Analysis, on pages 4-7. This area is management comparing this year's results with last year's results, as well as this year's statement of position with last year's and coming up with the reasons for the changes in those

activities and results. Management is responsible to prepare financial statements including disclosures, for internal control over financial reporting and making sure that the controls are designed, maintained, and implemented to be free from material misstatement whether due to fraud or error. Management has to provide to the auditor access to anyone that we ask for access to and any audit evidence that we require. Management has to comply with the laws and regulations and provide us with, at the end of the audit, written representations, which they have done. Moving on to page 6, there are additional management responsibilities as well as some board responsibilities. Together both are responsible to develop and maintain a culture of honesty and ethical standards within the authority. They also are to make sure the authority complies with laws and regulations and that the financial statement reporting complies with laws and regulations. Lastly, it is the Board's responsibility to provide oversight for this financial statement reporting process as well as oversight of management of the programs and controls in the authority. He refers to page 7 where it outlines auditors' responsibilities, which is to express an opinion and this is really talking mostly about financial statement audit and the audit of compliance. We express an opinion of the financial statements, whether or not they comply with generally accepted accounting principles, and they do, and about internal control of financial reporting and compliance with basic laws, and actual compliance over the governmental programs (which is a separate report). In order to express those opinions we have to perform various procedures. We have to look for evidence supporting the financial statements, supporting the disclosures, test compliance with the laws, test compliance with the major programs; we do that on a sampling type methodology, and then communicate our results to the Board, which is what we are doing today. Page 8, explains that we have to determine what our significant audit risks are and one of these risks always is risk of management override and to make sure that management is not overriding the effective operating controls that you have in place at the top level. In this particular audit, our focus areas were on the HUD grants, capital asset activity, other post-employment benefit liability and liabilities in general. Page 9 begins 25 pages of financial statement disclosures. All of them are important but he said the ones to focus on are: Notes 1 and 2, which details what the

organization is all about as well as the more significant accounting policies. Note 8 details the pension plan, Note 14 shows all of the capital fund asset changes, Note 15 deals with the notes payables that you have, and then Note 24 is the other post-employment benefit footnote. Moving on to page 10 is the second auditor's report, which is our opinion on internal control financial reporting. We have to determine where there are any internal control deficiencies. An internal control deficiency is a control that *may* not prevent, detect, and correct errors whereas a material weakness is a control that *does* not prevent, detect and correct material errors. Something in between is a significant deficiency. The good news here is that there were no internal control deficiencies, material weaknesses or significant deficiencies. The third report on page 11, is a report over the programs. We rotate our detailed review of the HUD programs every year. This year we selected as the major program, Housing Choice Vouchers (HCV). HCV was approximately 13 million of the 22 million of expenditures that RRHA had from HUD. For example last year, our major program was Low Income Public Housing and the Capital Fund. We have to test compliance with these programs. Page 12 HCV, HUD very specifically says, "These are the compliance areas we want you to look at". There are 14 potential compliant areas for any HUD grant, in this case HCV; there are five general areas as you can see there is activities allowed or un-allowed, allowable cost, eligibility, reporting that is required, and then numerous special tests that are required to make sure that you have complied with the program. Once we have done all that, we say whether there were any material weaknesses, internal control and compliance, or any significant deficiencies and I am happy to say there were none. Page 14 deals with additional required communication to the Board. If there are any qualitative aspects of accounting policies that are issues we need to discuss that with you, and it was fine, no issues there. We need to discuss any difficulties we encountered in the audit process and the only difficulties we encountered was the fact that Covid is here. We have to disclose to you and any corrected or uncorrected misstatements and there were none. Any disagreements we might have had with management, there were none. The management representations that we requested and received were standard and everything was fine. Whether or not management consulted with other accountants on any accounting policy issues

and there were none. There also were no other matters that we are required to communicate. There were some Covid concerns due to social distancing and we had to do many remote auditing procedures. The difficulty was mostly with logistics, interacting with the authority staff, as well as our staff, and we limited our on-sight procedures as much as possible. It worked out very well with RRHA because of the great coordination we had with the staff. Lastly, just to show you what is out there are various governmental accounting standards, board statements that are going to become effective over the next 3 years. None of these I anticipate having a significant impact on RRHA. There are 2 that become effective next fiscal year and then a couple later in 2022 and 2023. We have not looked at the impact in detail on any of these but knowing the authority and knowing these statements, I do not anticipate anything significant. Mr. Jump closed the summary with saying that the interaction with RRHA staff was terrific and really made their job easier, and that is not always the case, but it is the case with Roanoke. He then opened the forum for questions.

Chair Garner thanked Mr. Jump for the compliment and recognized the staff at RRHA and the job they are doing. He inquired that new rules regarding Pension accounting, which is a relatively new rule and some Gatsby changes a few years back that impact the Pension accounting. Most of the information that you received as far as the Pension is concerned, comes from the state not from RRHA, correct? Mr. Jump confirmed, the state gets audited and presents the information to us and is broken down by each governmental unit in terms of what your liability is and the changes in the liability and all of that is in the very detailed footnote as well as what can happen if interest rates change and where the liability can go. It is similar to the other post-employment benefits footnote. Both of those are relatively new, the Pension came first and then the other post-employment benefits second. Many authorities have a very significant unfunded liability but RRHA did not.

Chair Garner had another question, one which he said he always asks. In addition to Mr. Jump mentioning the diligence and excellence of our staff, what is his assessment of RRHA compared to other housing authorities. Mr. Jump replied that every authority

is quite different, but you do everything in house in terms of your accounting department, that is not always the case. A lot of authorities, even large authorities, use outside accountants to help them do the annual reporting, to prepare the schedules for the auditors, to help prepare the financial data schedules that have to be uploaded onto REAC for HUD purposes. That can sometimes create a disconnect between the accounting department and the outside firm that they use and that does create audit problems for auditors from time to time. Since RRHA does everything in house, that helps makes things run really smooth for auditing purposes. Not every authority prepares regular monthly reports but your accounting does and they are really on the ball and he does not take that for granted. RRHA stacks up pretty well against other authorities. Chair Garner thanked Mr. Jump and then reminded the Board Members, that they can get in touch with Don Jump directly if they have any further questions. Jackie Austin has his email and phone numbers if anyone needs it.

Commissioner Anguiano added that given all the challenges we've had over the last year, it is a remarkable testament to the leadership and staff that we have at RRHA and is in such good shape and with a difficult and very challenging year everyone rose above it all. Chair Garner agreed and further commented that there were extraneous circumstances outside of the pandemic that they were dealing with at the same time so he is really proud of the group and think they did an amazing job. One other point he made was that within Mr. Jump's auditing and looking at the compliance and the internal controls, even though it is not his task per se, would be to assess the workings of the various components and specifically IT. Chair Garner said that is an area that he is personally concerned about because so much is happening from an IT perspective. Therefore, in the course of your audit, if there were problem areas, those things would be brought to our attention. Mr. Jump confirmed that yes he is correct. He looks at internal controls over any software that you might be using and if there were any internal control deficiencies, then that would show up in our audit reports. If there were any practical things that we felt that you should do to improve, those would have been discussed with management and today with the Board, but they do not have any suggestions. Chair Garner had no further questions.

Chair Smith asked for a motion that the auditor's report be accepted. Ms. Austin said that this is a draft report presented today, in case there were any changes that needed to be made. A resolution will be brought to the Board at the May meeting and a bound final report copy will be distributed with the May board material.

2. Resolution No. 4074

Mr. Shank introduced Resolution No. 4074, requesting the Board's approval to award a contract for installation of bathroom exhaust fans at Villages at Lincoln. Instead of funding this with capital funds, it will be funded by operating funds that were set aside for capital projects under Housing Opportunity through Modernization Act (HOTMA). HOTMA was a program that Congress passed as law back in 2016, and we determined that we would use some operating funds from FY 2019 for several projects at the site and this is the first of those projects. We issued an invitation for bid in February 2021 and received two responsive bids with Russell's Remodeling submitting the low responsive bid for the amount of \$175,500.00. Commissioner Kepley asked how many fans for this project. Mr. Shank responded that it is for 154 fans to which Commissioner Kepley replied that is a little over \$1,000 per fan. Mr. Shank elaborated that it included not only the device, but a lot of electrical work because of the conduit system, which adds a degree of difficulty, ducting to the roof, penetration of the roof, roof cap and it is a completely new install at that particular site. Commissioner Kepley asked what the other bid was for and Mr. Shank responded that it was for \$221,221.00 from Central Builders in North Carolina. Commissioner Anguiano asked how that compared to his cost estimate. Mr. Shank's cost estimate was just over \$172,000.00 and so the low bid was right in line with the estimate.

RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY AWARDED A CONTRACT FOR INSTALLATION OF BATHROOM EXHAUST FANS FOR VILLAGES AT LINCOLN, AMP 202, UNDER THE USE OF FY 2019 OPERATING SUBSIDY ALLOCATED FOR CAPITAL FUND PURPOSES

WHEREAS, In 2016, Congress passed P. L. 114-201, the Housing Opportunity Through Modernization Act of 2016 (HOTMA). Section 109(b) of HOTMA provides PHAs flexibility to use up to 20 percent of a PHA's Operating Subsidy appropriated each year for Capital Fund Program (CFP) activities included in Section 9(d) of the U. S. Housing Act of 1937 (the Act), provided that the PHA's public housing annual plan provides for such use; and

WHEREAS, RRHA's intention to use up to 20 percent of RRHA FY 2019 Operating Subsidy for Capital Fund Program activities as allowed by the Housing Opportunity Through Modernization Act of 2016 (HOTMA), and in accordance with PIH Notice 2018-03 (HA) was included in RRHA's 2019 Agency Plan, which was approved by the Board of Commissioners on May 20, 2019 by Resolution 4006; and

WHEREAS, For Villages At Lincoln, AMP 202, \$250,000.00 in Operating Subsidy was allocated for the Capital Fund Program activities of Installation of Bathroom Exhaust Fans and Site Accessibility (sidewalks, parking areas, exterior steps, handrails, etc.); and

WHEREAS, RRHA needs a qualified contractor to complete Installation of Bathroom Exhaust Fans for Villages At Lincoln, AMP 202; and

WHEREAS, RRHA issued a Invitation for Bid on February 28, 2021, with bids being due on March 23, 2021; 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)	\$175,500.00
Central Builders, Inc.	\$221,221.00

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 submitted the low bid amount and self-certified as a Section 3 Business Concern; 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 Russell's Remodeling, LLC 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 Russell's Remodeling, LLC 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 Russell's Remodeling, LLC; 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 Russell's Remodeling, LLC 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 and RRHA for the fixed price of \$175,500.00.
- (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 Garner and upon roll call the following vote was recorded:

AYES: Commissioners Anguiano, Burress, Garner, Walker, Vice Chair
Kepley, Maguire, Chair Smith, Walker

NAYS: None

Commissioner Anguiano thereupon declared said motion carried and Resolution No. 4074 adopted as introduced.

3. Resolution No. 4075

Mr. Shank introduced Resolution No. 4075, is requesting the Board's approval to revise the Section 3 policy for RRHA. The background for this is in September 29, 2020, HUD published a final rule for the Section 3 program with implementation of that to be started on November 30, 2020. In a nutshell, he said you will see the existing policy and then the revised policy. The changes made in this were very significant. They revised definitions, revised the means by which we will be reporting on the outcomes for this program, in the past it was a comparison of the number of contracts that were issued to Section 3 business concerns versus the overall contracting activity as well as the dollar amount of those contracts. Now RRHA will be reporting on the number of hours worked by Section 3 workers and Section 3 targeted workers versus the overall number of hours worked by contractors and including all housing authority staff as well. It's a complete re-work of the policy. Chair Garner asked Mr. Shank's opinion if the changes are an improvement or a setback and what it will require to implement. Mr. Shank said the goals of the program are the same to get employment and training for low income and very low income residents of the Roanoke area, particularly public housing and HCV program. He believes that HUD did this because none of RRHA contractors, at least none that he is aware of, took advantage of the old way the program was run in order to hire people, and then maybe not work them very long, just so they could get advantage of the preference for the Section 3 business concerns. That preference has gone away entirely so there is no real monetary incentive now for being a Section 3 business and that is a big change. The other change is the amount of reporting that will have to be done from contractors related to the hours that their employees work on our projects. RRHA has a little bit of selling work to do with their contractors on this and a little bit of education to get them to understand the requirements of this program now. Chair Garner asked if the preference is gone whereby you would take the differential between the lowest competitive bid and the bid that the Section 3 contractor submitted and it would lean in the Section 3 contractor's

favor, and you are saying that's gone away now so what is the advantage of being a Section 3 contractor. Mr. Shank said none when it comes to the bidding process now. It is just a requirement to work with the housing authority on the need if you have a need for additional employees or staff as a result of being awarded the contract. That is essentially, where we are with the change in the program. Mr. Shank expressed that perhaps due to past abuses that they made the change. He also sent this to Mr. Loftis and Woods Rogers to look over prior to bringing to the Board and asked if Mr. Loftis had anything else to add. Mr. Loftis said that the only thing he would add is that there is an effort here to further encourage the housing authorities to directly hire covered workers so that those hours count as well. It's a totally different system now where HUD is going to establish benchmarks for how many hours they think Section 3 covered workers should work and it's not entirely clear what happens if you don't meet those benchmarks. Mr. Shank concluded with some ways to help with that and our new Section 3 coordinator is working hard as far as opportunities. She is working with some of our partner agencies around the city regarding hiring and training opportunities, having job fairs and outreach to our residents, some of those things that can be done to help show that we are making the effort that's required of us to implement the program.

RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY APPROVING REVISED SECTION 3 POLICY

WHEREAS, Section 3 of the Housing and Urban Development Act of 1968, as amended by the Housing and Community Development Act of 1994, requires that, to the greatest extent feasible, employment and other economic opportunities generated by HUD funds be directed to low- and very low-income residents, particularly those who are recipients of government assistance for housing, and business concerns that provide economic opportunities to low- and very low income persons as defined in 24 CFR 135.1; and

WHEREAS, 24 CFR Part 135 establishes the standards and procedures to be followed by Public Housing Authorities in order to ensure that the requirements of Section 3 are met; and

WHEREAS, the RRHA Board of Commissioners approved Section 3 Policies and Procedures by Resolution No. 3403 on February 20, 2007, with a subsequent revision

of the Policy approved in December 20, 2010; and

WHEREAS, on September 29, 2020, the U. S. Department of Housing and Urban Development (HUD) published a Final Rule entitled “Enhancing and Streamlining the Implementation of Section 3 Requirements for Creating Economic Opportunities for Low- and Very Low-Income Persons and Eligible Businesses” (Section 3 Final Rule) as codified at 24 CFR Part 75; and

WHEREAS, the Section 3 Final Rule removes and replaces the Section 3 regulations codified at 24 CFR Part 135; and

WHEREAS, as of November 30, 2020, PHA’s requirement to report their Section 3 activities and efforts starts 60 days after the end of their first fiscal year that begins after July 1, 2021.

WHEREAS, RRHA’s new reporting period will begin October 1, 2021; and

WHEREAS, HUD considers the time between November 30, 2020 and RRHA’s required reporting date to be a transition period during which RRHA’s plans, processes, systems and documents are to be revised to comply with the Final Rule requirements; and

WHEREAS, in order to meet the requirements of 24 CFR Part 75 and revise Section 3 procedures, processes and documents, RRHA will need to revise its Section 3 Policy; and

WHEREAS, the proposed revised Section 3 Policy has been reviewed by RRHA’s legal counsel and determined to be in compliance with legal requirements applicable to RRHA.

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

1. The attached revised Roanoke Redevelopment and Housing Authority Section 3 Policy is hereby approved.

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

AYES: Commissioners Anguiano, Burress, Garner, Walker, Vice Chair
Kepley, Maguire, Chair Smith, Walker

NAYS: None

Commissioner Garner thereupon declared said motion carried and Resolution

No. 4075 adopted as introduced.

4. Resolution No. 4076

Mr. Shank introduced Resolution No. 4076, is requesting the Board's approval to revise the procurement policy for RRHA. In light of the changes made in the Section 3 program, particularly where those regulations are found, in the code of Federal Register, those references would have to be changed in our procurement policy. In our procurement policy, there is a Section that has to do with assistance to small and other businesses, Section 3 businesses are listed and covered under that part of the policy, and so we had to change the language in the policy to reflect the changes in the Section 3 program.

RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT
AND HOUSING AUTHORITY APPROVING A REVISED
PROCUREMENT POLICY

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

WHEREAS, RRHA's Procurement Policy was approved by the Board of Commissioners on April 23, 2007, with subsequent revisions of the Policy approved on June 18, 2007, August 20, 2007, October 15, 2007, April 21, 2008, December 15, 2008, November 8, 2011, August 27, 2012, November 16, 2015, March 27, 2017, September 25, 2017, March 27, 2018, April 22, 2019; and

WHEREAS, on September 29, 2020, HUD published a Final Rule entitled "Enhancing and Streamlining the Implementation of Section 3 Requirements for Creating Economic Opportunities for Low- and Very Low-Income Persons and Eligible Businesses (Section 3 Final Rule) as codified at 24 CFR Part 75; and

WHEREAS, the Section 3 Final Rule removes and replaces the Section 3 regulations codified at 24 CFR Part 135; and

WHEREAS, the HUD's allowable preferences for Section Business Concerns provided in Part 135 are no longer applicable in RRHA's procurement processes; and

WHEREAS, in order to revise RRHA's procurement procedures, process and documents in response to the Section 3 Final Rule, references to 24 CFR

Part 135 in RRHA's Procurement Policy will need to be changed to 24 CFR Part 75; and

WHEREAS, the proposed revised Procurement Policy has been reviewed by RRHA's legal counsel and determined to be in compliance with legal requirements applicable to RRHA.

NOW, THEREFORE, BE IT RESOLVED by the Commissioners of the City of Roanoke Redevelopment and Housing Authority that the attached revised RRHA Procurement Policy is approved.

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

AYES: Commissioners Anguiano, Burress, Garner, Walker, Vice Chair
Kepley, Maguire, Chair Smith, Walker

NAYS: None

Commissioner Anguiano thereupon declared said motion carried and Resolution No. 4076 adopted as introduced.

5. Resolution No. 4077

Mr. Gusler introduced Resolution No. 4077, is requesting the Board's approval for a lease of 832 Centre Avenue to One Valley, Inc. 832 Centre Avenue is a property we acquired years ago from Northwest Neighborhood Environmental Organization (NNEO) along with some other properties at the time. It is not a federal property nor a Public Housing property. We have just been maintaining this lot for a number of years and it is right by McCray Court, which we use to manage. We were approached by One Valley, Inc. (they are kind of related to NNEO there are a number of Board members that are on the NNEO board as well) and their mission is to promote environmental awareness and environmental justice particularly in the neighborhoods around this area. We've been working with Reverend Carol Carter who is part of that organization

on the lease. This lease would be for one (1) year and be automatically renewable but gives us the option to terminate it. It would help us out because it would require them to maintain the lot. They want to plant fruit trees and some kind of gardening. They got a CDBG grant from the city and in order to use those grant funds the CDBG requires them to create this on a publicly owned lot, due to the way they are categorizing the grant. Our lot qualifies and we have worked this out with Mr. Loftis' help to do this lease. He concluded that he feels it would help both organizations. Commissioner Burruss commented "great idea". Commissioner Anguiano commented also that he loves this idea and it seems novel to him although is not sure what the history is in other communities but for us this is great. He then asked Mr. Loftis to speak on any issues related to the lease. Mr. Loftis responded by saying that our goal here was obviously not to make rental income the goal was simply to do something hopeful and useful for the community and to make sure the housing authority is protected from a liability standpoint. As long as One Valley was willing to provide insurance in an amount that we have traditionally considered to be sufficient and to indemnify the RRHA, which is included in this lease, then the RRHA was willing to move forward. My belief is that the insurance and the indemnification should fully protect the RRHA in the event there were to there be any incident there.

RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND
HOUSING AUTHORITY AUTHORIZING A LEASE OF 832 CENTRE AVENUE,
NW, TO ONE VALLEY, INC.

WHEREAS, the City of Roanoke Redevelopment and Housing Authority (RRHA) owns a vacant parcel of land at 832 Centre Avenue, NW; and

WHEREAS, RRHA acquired this property with non-federal funds and currently does not have any intended or programmed use for the property; and

WHEREAS, One Valley, Inc. is a local community organization whose mission is to foster environmental education and bring awareness to environmental justice issues; and

WHEREAS, One Valley, Inc. has received Community Development Block Grant (CDBG) funds from the City of Roanoke to plant and maintain a community garden that must be on publicly owned property to comply with the grant terms; and

WHEREAS, One Valley, Inc. has requested of RRHA to lease the property at 832 Centre Avenue, NW, subject to terms that protect RRHA from liability and require One Valley, Inc. to be responsible for maintenance.

NOW, THEREFORE, BE IT RESOLVED by the Commissioners of the City of Roanoke Redevelopment and Housing Authority that the Executive Director or his designee is authorized to execute the attached lease with One Valley Inc. for use of the property at 832 Centre Avenue, NW.

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

AYES: Commissioners Anguiano, Burress, Garner, Walker, Vice Chair
Kepley, Maguire, Chair Smith, Walker

NAYS: None

Commissioner Garner thereupon declared said motion carried and Resolution No. 4077 adopted as introduced.

IV. ADJOURNMENT

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

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

AYES: Commissioners Anguiano, Burress, Garner, Vice Chair Kepley, Maguire,
Chair Smith, Walker, Maguire

NAYS:

Duane Smith, Chair

David Bustamante, Secretary-Treasurer

Exhibits from April 26, 2021 Minutes previously circulated