

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 on Monday, March 28, 2022.

I. CALL TO ORDER – ROLL CALL

Chair Kepley called the meeting to order at 3:00 p.m. and declared that a quorum was present.

PRESENT: Commissioners Anguiano, Karney, Smith, Vice Chair Walker, Chair Kepley

Commissioner Garner joined the meeting at 3:05 pm
 Commissioner McGuire joined the meeting at 3:11 pm

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; Rachel Tobin, VP of Human Resources; Frederick Gusler, Director of Redevelopment and Revitalization; Greg Goodman, Director of Community Support Services; Gillie Henriksen, Administrative Manager/Executive Assistant; Kaelyn Spickler, PR/Social Media/Marketing Manager; Suzzette McCoy; Stephanie Wanza, Section 3 Coordinator; Stephanie Moon Reynolds, City Council Liaison

Chair Kepley welcomed everyone to today's meeting.

REPORTS

1. Executive Director's Report.

Mr. Bustamante addressed the Board stating that in addition to his written report he wanted to share some items with the Board. He stated that on March 11, 2022 President Biden signed the Omnibus bill, which is about 1.5 trillion dollars to fund the government through September 30, 2022. 54 billion of that 1.5 trillion is for HUD programs. That is the most that public housing has ever received from any administration. Mr. Bustamante reported that most of RRHA's major programs, for the first time since he's worked in housing, will be funded as close to 100%. The Capital Fund Program received 3.2 billion dollars, which, again is the highest the capital fund program has ever been funded by HUD. With that funding, it will allow RRHA to continue to do the projects and provide decent safe and affordable housing to tenants and he feels RRHA is fortunate to have received this funding.

Mr. Bustamante added to his report from last month, stating that RRHA started with NSPIRE inspections. NSPIRE, for a quick recap, is HUD new program that replaces REAC inspections. Morningside Manor was inspected on March 24, 2022 and the scores are advisory and they aren't posted, meaning that the score that the building previously had will remain the score for the remainder of the NSPIRE demonstration program. There was another inspection scheduled at the Scattered Sites for March 25, 2022 but they canceled it, but so far everything seems to be going as planned.

Mr. Bustamante also spoke to the Board about submitting a waiver for the SEMAP for fiscal year 2022. He submitted that request to HUD and it was approved, so

the SEMAP scores for 2022 will be waived and the ones for fiscal year 2021 will carry over. He added that he was just on a webinar with NAHRO and HUD and they will be putting out a request for RRHA to submit to waive the PHAS scores for 2022. When that is available, he will be submitting to waive of PHAS scores for 2022. RRHA is continuing to deal with a lot of rental issues due to tenants not paying their rent and RRHA not being able to move tenants in and out of their units in a timely fashion. Those factors effect management scores for the PHAS, so if RRHA is able to waive it for this year it would benefit RRHA.

RRHA has completed the annual plan for 2022 and in April it will go in the paper for a 45 day comment period and it will go back to the board in May with a resolution. All of the packets should be at all the developments by Friday.

In 2012 HUD recaptured a portion of RRHA's reserves and the authority has been dealing with trying to get that money back. RRHA entered a class action lawsuit and won. There were 554 plaintiffs in this lawsuit and in order for the government to release this money, all 554 plaintiffs needed to submit to the lawyers their FIED numbers. As of Friday, 550 had done it and the government said that was enough to begin to release the money. Within the next couple of months the housing authority will receive close to 1.8 million that was recaptured in 2012, which will be a great asset to RRHA.

Chair Kepley asked if there were any questions for Mr. Bustamante. There were none.

2. Staff Reports

Ms. Richie addressed the Board stating that during last month's meeting, David

had advised regarding an RFP for eight project based vouchers being awarded to Lawson Companies. Ms. Richie provided the Board with additional information regarding the development where the project-based vouchers will be utilized. She provided Board members with presentation binders and her report began on page two.

Smith Ridge Commons will be a new construction development that will consist of 216 affordable housing units in total. This project is being developed in phases due to constraints of the low income housing tax credit program. Phase one occupancy is currently scheduled to begin no later than March 1, 2024. Within phase one there will be four buildings and 72 units. The four buildings will include one office building, one club house, and two residential buildings. The two residential buildings will house 36 units per building. The future phases will consist of the remaining 144 units. At this time, it's unknown whether those units will be constructed within one phase or two phases.

Ms. Richie moved to page three where she provided a unit breakdown of the Smith Ridge Commons phase one development. There will be a total of 12 one-bedroom units, which will be 711 square feet, 45 two bedroom two bath units which will be 956 square feet, and there will be 15 three bedroom two bath units which will be 1,119 square feet. The next page listed the proposed rent for Smith Ridge Commons. The one bedrooms will range from \$336-\$777 per month, the two bedrooms will rent from \$397-\$927 per month, and the three bedrooms will rent from \$420-\$1,072 per month. The proposed rents for Smith Ridge Commons are within RRHA payment standards.

Ms. Richie asked the Board to move to the next page regarding accessibility.

There will be eight 504 compliant units to include, but not limited to roll in showers and roll under sinks. There will be 24 units based on the universal design model. The universal design model is a Virginia housing design standard which creates units with a lower level of accessibility but allows for more adaptability in the event there is a need for future modification.

Page six showed the low income housing tax credit restrictions for Smith Ridge Commons. Eight units will be designated for 30% of Area of Median Income (AMI), and the rent established for those units for the one bedrooms will be \$336, for the two bedrooms, the rent will be \$397, and for the three bedrooms the rent will be \$460. There will also be eight units designated for 40% of the AMI. The rent for those units are established at 40% of AMI for the one bedrooms will be \$483 per month, \$574 for the two bedrooms, and \$664 for the three bedrooms. There will also be 20 units designated as 50% of AMI. The one bedroom rents for those units will be \$640 per month, the two bedroom rents for those units will be \$750 per month, and the three bedroom units will rent at \$868 per month. There will be 36 units designated as 60% of AMI. The established rent for the one bedrooms at 60% will be \$777, for the two bedroom units will be \$927 and for the three bedroom units will be \$1,072. The tax credit restrictions does dictate the set rent amount.

Ms. Richie moved to page seven showing that the project based voucher units RRHA allotted or awarded will adhere to the RRHA's payment standards. There will be a leasing preference given to households on the RRHA waitlist and at this time the eight project based voucher units are projected to fall within the 30% AMI units. In addition to the eight project based voucher units that have been assigned to phase one, tenant

based vouchers can also be utilized for the other units.

Moving to page eight it does outline some of the amenities for Smith Ridge Commons. There are facility amenities noted as well as unit amenities. The developer did confirm that additional amenities may be included if construction costs and commodity prices decrease.

Going over to page nine Smith Ridge Commons is the development name. The owner will be Smith Ridge Commons, LP and the development firm is Lawson Companies. There are some pages following that will include building specifications, floor plans, and a property map of Smith Ridge Commons. The last several pages provides information regarding the Lawson Companies. They are Virginia developers of Multi-Family housing since 1972, they manage more than 5,800 units with 1,700 in development. They receive tax credit awards within the last 10 years and they are currently working on a project in Lynchburg, which is called Miller's Rest Apartments, currently under new construction with occupancy scheduled to begin in spring of 2022 for phase one.

Chair Kepley asked if there were questions for Ms. Richie. Commissioner Garner asked if the units are in any way constrained by the fact that they are initially only going to have 72 units? Or will they expect these amenities to be operable when the 72 units are leased out? Ms. Richie replied that is their goal and as they complete different phases and of course if commodity prices decrease, such as the cost of construction, they are planning to possibly add additional amenities, but at this particular time, especially with the way the cost is aligned and laid out, these are the ones that they have fully implemented into the development plan for the project, but could possibly add

additional ones if they are able to reduce costs based on construction expenses. Commissioner Garner asked if the project was constrained in any manner by HUD requirement. He knows that RRHA was looking at providing some additional affordable housing, but was constrained about where the properties could be located. Therefore, RRHA was not able to purchase the property at an adequate price. He asked if this project was in any way constrained by that. Ms. Richie replied that within the contract award RRHA indicated that the contract for the 8 PBV vouchers was contingent on resolution of any jurisdictional issues. With this particular project the residential buildings will be located within the county, however there are components to this particular project that are located within the city. The right of way, the entry to the property off of Cove Road will be within the city. The exit area will be located off of Peters Creek Road which is also in the City. The bus stop area is also located in the city, so there are different components to this particular project that are located within the city as well as within the county.

Commissioner Garner asked other than the eight units using project based vouchers, are all the rest of the units for tenant based vouchers or can anyone meeting the income requirements rent these apartments, ergo there's a mixture which is what often times is desired, that there is a mixture of income levels and this seems to indicate that based on the sliding scale, but is that the objective as well to try to ensure that there is a mixture of incomes in the development? Ms. Richie responded that because this is a low income housing tax credit development, they cannot deny someone with a tenant based voucher. So when speaking with the developers, if they could rent all of the remaining units beyond the eight project based voucher units to tenant based

voucher holders, then they would certainly be willing to do so, but it could be someone that does not have a voucher. They are able to apply to the development, but they would also accept tenant based vouchers.

Commissioner Anguiano asked since they have the project in Lynchburg that they are completing right now and it looks like there's a whole array of projects that they have across the state, does RRHA have any particular feedback on the quality of the work or the management of those properties? Ms. Richie replied that in addition to developing this particular project, the Lawson Companies will also be managing this development as well because they have such a large portfolio in the Norfolk, Virginia Beach, Hampton area. One of the things she would like to do is visit the property in Lynchburg to get an idea as to the layout of the property and to see how the property does. RRHA's position in this is that the authority is not obligated with any regards to the management of this project. RRHA has provided them with the eight project based vouchers and they would be responsible for maintaining and adhering to compliance regulations, etc. Commissioner Garner stated that with a number of the low income tax properties that RRHA has or have contracts with, at the end of a certain period of time RRHA has an option to purchase. He asked if RRHA would have an option to purchase those properties or become owners of those properties after twenty or thirty years. Ms. Richie replied that RRHA has no ownership to this particular property. The authority simply provided the project based vouchers based on a competitive award because they received the highest marks. Awarding those project based vouchers makes their application for low income housing tax credits a little more attractive when they have those already in place, but RRHA has no ownership in this development at all.

Commissioner Garner reiterated his concern asking for clarification that RRHA doesn't run into anything regarding accuracy of rents to cover capital improvements, so the authority is completely out of the picture for this? Ms. Richie confirmed saying that RRHA is completely out of the picture. Where it will help is that they are allowing RRHA to use the HCV waitlist to be able to lease up, so it will help in the renting and leasing up for some of those individuals who are on the waitlist waiting to receive vouchers by bringing in more affordable housing options in the area. It is going to add to the stock and give more ability to lease up a lot quicker.

Commissioner Garner asked if historically have the Lawson Companies, at the end of the terms of their tax credit requirements, divested themselves from those properties at the end of that period of time or do they continue, even after the continuation of that tax credit benefit do they continue to hold those properties? Ms. Richie replied that she doesn't have any additional information regarding that, but that she will be happy to reach out to them.

Chair Kepley asked if the management will be done by the Lawson Companies would that mean that RRHA does not have any operational input and all funds would go directly to them. Ms. Richie confirmed that the Lawson Companies would be receiving all funds. Chair Kepley asked if the rent included utilities or if it was straight rent. Ms. Richie replied that from her understanding it was straight rent without utilities, but that she would be happy to get some clarification from the Lawson Companies to clarify.

Commissioner Garner asked if this type of work had been done before or if this was unique. Mr. Bustamante replied that RRHA has tried to solicit other contractors in the past through the RFP process to do something similar and was unsuccessful in

finding someone to bid, so the authority went back out this time around and the Lawson Companies submitted their bid and everything seemed to be good. Commissioner Anguiano asked if anything had been done differently to make the solicitation more successful. Mr. Bustamante replied that RRHA did not request existing units, but rather asked for new construction. The Lawson Companies were in the process of obtaining this land to build on, so it worked out.

Chair Kepley asked what RRHA's stake in the project was from a financial standpoint. Mr. Bustamante replied that he doesn't think it should be viewed as a financial situation, but as more of an ability to provide affordable housing that is lacking severely in this community. With these units it will not only secure eight units for sure that will be project based that will have a subsidy to them, but if they are going to allow RRHA to use the HCV waitlist, then the authority could free up a lot more applicants that are on the waitlist now and move them into those units quickly, which in turn will free up more spots. It is a good opportunity as far as affordable housing is concerned.

Chair Kepley asked Ms. Richie to clarify about the office building asking if this was for commercial tenants. Ms. Richie replied that the office building would be for the property office and the maintenance shop. Chair Kepley asked if Ms. Richie knew the total cost of the project. Ms. Richie replied that she would look into this for him.

Chair Kepley asked for further questions for Ms. Richie. There were none.

3. Committee Reports

Chair Kepley asked for committee reports. There were none.

4. Commissioner Comments

Commissioner Smith stated that he would like to compliment the job that is being done at the EnVision Center. He said that it is completely different on the inside and is exciting to see the potential that RRHA has to serve the residents of the Roanoke Community. He suggested if anyone had not toured, that they do so.

Mr. Shank updated the Board on the current construction stating that the contractors are currently in the process of doing interior finishes as well as the major lay in grid with the ceiling so lights are starting to be installed. HVAC diffusers and drywall are being finished and painted. They are coming along on the interior finish. The only thing that will cause a hold up is some of the more unusual items that are being used for some of the security measures. The shipment of those materials have been delayed. That may put a delay on the completion of the work at this time. That is the only thing he is aware of that will make it difficult of meeting the original timeline of the end of April. In conversing with the contractors, G&H they have made him aware of that expected delay.

Mr. Bustamante stated that the anticipated grand opening and ribbon cutting will be in May. Chair Kepley asked Mr. Shank if there are liquidated damages on the EnVision Center project and if these delays would trigger that. Mr. Shank replied that there are liquidated damages, but that this would not cause them to be used as it is relatively on schedule. Mr. Shank added that G&H plans to start work on the exterior fairly soon and on the parking lot for compliance as well. The elevation of the parking lot has to be adjust in an area to create an accessible route to the front door from the parking lot.

5. City Council Liaison Comments or Discussion

Council woman Ms. Moon Reynolds stated on Friday, May 6, 2022, at 4:00 p.m., Roanoke Parks and Recreation will hold a dedication ceremony at the upper part of Washington Park across from the Villages at Lincoln right up by the pool that are going to be dedicating basketball courts that used to be tennis courts honoring the late Ricky Renell Wright who grew up in Lincoln Terrace back in the 60's and 70's. He attended Patrick Henry High School, where he went on to Winston Salem. He passed away last year and a group of residents in Lincoln Terrace and the community together with City Council to ask if the basketball courts could be dedicated in his honor, which is what they will do on May 6th and the public and the resident in the area are hoping you all get the word out to encourage them to come. It would be a part of this dedication. Immediately following the dedication, there will be a 3 vs. 3 basketball tournament. We are hoping that some of the kids will sign up and participate in that event.

Based upon the recent visit of the Attorney General to Roanoke and assistance he offered to the community for addressing both opioid use and gun violence and in light of the work already underway in the community, two letters were drafted and forwarded thanking him for his continued interest and offers of assistance and encouraging him to return to Roanoke to meet some of the folks working to address both of these issues.

Ms. Moon Reynolds stated that last Friday evening at the Melrose Branch Library there was a roundtable discussion held with Senator Tim Kaine and regional elected officials, police chiefs, sheriffs and other stakeholders to discuss challenges and opportunities associated with community safety and opportunities for the Senator's Office to assist.

The HAT outreach workers continue to work with connecting unhoused individuals

with services and responding to unlawful encampments, specifically near the airport; in southeast Roanoke and at the intersection of Williamson Road and Orange Avenue. In many cases, HAT can secure housing vouchers and get the individuals in safer sheltering locations. In some instances, the team initiates the clearing of the camps when their efforts to connect the individuals with resources proves unsuccessful.

There was a ribbon cutting last Tuesday for the new LIFT Center at Fallon Elementary School, which is a collaborative project led by Carilion Clinic, Delta Dental, Freedom First and Roanoke City Public Schools. This Clinic will help meet children's health needs during the school day and offer services in the evenings for parents and families in the southeast area. The City's Financial Empowerment Center will also be offering services out of the Clinic. Southeast Roanoke is one of two areas of the city that have documented poor health outcomes, especially life expectancy when compared to the remainder of the city. Previous Community Health Needs Assessments identified the need and benefit of a health clinic closer to where the residents in the southeast live.

Chair Kepley asked for comments or questions. Commissioner Garner asked if there was a proclamation made to clear the encampment by the airport. Ms. Moon Reynolds replied that the resolution that the city adopted was only for downtown. They are discussing coming out into other areas of the city, but they wanted to first begin with downtown Roanoke and dealing with about 43 homeless individuals in an encampment down by the museum and down on Church Avenue at the municipal parking garage near Texas Tavern. The owners live out of state and they are encamping on private property. Commissioner Garner asked if there had been any targeted assessment done to try to determine why there is an increase in homeless individuals in the Roanoke

area. Ms. Moon Reynolds stated that there has been an increase. Some would say that it's not due to unemployment, but due to mental illnesses and some would say now more homeless coming from youth where families are putting them out and veterans returning back and unable to live at home or in a shelter. Along with those who are having drug abuse problems and cannot function around people, so they prefer to be outside.

Commissioner Garner told Ms. Moon Reynolds that the city of Roanoke is really making an effort as far as working with Blue Ridge Behavioral Healthcare because they are well aware of the number of people that come from Roanoke City itself that are impacted by the opioid crisis and the city has stepped up and has achieved the goal of funding. He complimented the city council and city manager. The city of Roanoke has stepped up and he added that RRHA is getting great cooperation from you all and he really appreciates that. Ms. Moon Reynolds thanked him saying that the city has also partnered with the Rescue Mission to help reach out and the APRA money they've used to employ two more HAT employees to assist with the homelessness. The city is hoping it will help little by little. She had the opportunity to be in DC where they allow tents on the government properties to accommodate their homeless. In the larger cities they embrace homeless individuals and offer as much assistance as they can and they tend to clean up after themselves. They are not the ones panhandling on the street. They just need the housing. They are using government property to put the tents all over the downtown area. She added that she was impressed that it is more common than most realize. The city is trying to find a place that will be helpful for the community as well as the homeless and are trying to make sure wherever they are placed that they

are still on a bus line to get the services they need.

Commissioner Garner stated that he was sorry to miss the round table event with Senator Kaine, but asked if there was an initiative to address the crime issue in Roanoke City and all over both Virginia and the United States. He asked if legislative representatives were doing anything to address this issue in the state legislature. Ms. Moon Reynolds replied that most of that she cannot answer. The only thing she is aware of is what is being done by the city with some of the APRA money and some of the CARES money left over in trying to implement programs throughout the city through councilmember Joe Cobb and the gun violence task force as well as the gun violence coordinator and two assistants to work with him in trying to combat some of the violence coming out of the city. In fact they are still offering mini grants. The deadline is through March 31, 2022. People can have a grant up to \$25,000 for money that needs to be used by the end of December if they can create programs. They are trying to find ways to deal with this, but it is bigger than most think. It is a challenge throughout Virginia and like Commissioner Garner said, throughout the country, but the city is still trying to seek answers through legislation to see what can be done. The city is now trying to work with inner-city clergy to work with the communities, especially in the Northwest area based on the survey where it is showing where most of the crime has been down near Eighth Street and all the way up to Villa heights and to the Gainsboro area. Recently there were some more shootings over on Hunt Avenue. There was gunfire when police were on site and someone started shooting at police so there is a serious issue here. Ms. Moon Reynolds asked who she could work with in regards to the property across the street to see about trying to clean out some of the trees. The city is working with Goodwill on the property to resolve

the safety issue. Mr. Bustamante replied that she could communicate with himself or Ms. Richie.

Chair Kepley asked for clarification on the time for the dedication on May 6th. Ms. Moon Reynolds replied that the dedication would be at 4:00. Chair Kepley stated that Ricky Right was a year ahead of him in high school. He stated that Ricky may have been the best player to ever play basketball in Roanoke. If anyone ever saw him play he was one of the most exciting players. He went to Winston-Salem State and didn't get the exposure, but he was one of the best players and he had a great smile. He was a special guy. Chair Kepley kept up with him through Twin Hoops every year. It is great to hear about that dedication. Ms. Moon Reynolds responded that she had grown up with him too since she lived at Hunt Manor growing up and Lincoln Terrance and Hunt Manor used to do a lot of activities together.

Chair Kepley asked if there were more questions for Ms. Moon Reynolds. There were none.

6. Residents or other community members to address the Board

Chair Kepley asked for comments or questions. There were none

CONSENT AGENDA

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

Monday, February 28, 2022.

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

C-2 Monthly Operations Report for the month of February 2022.

RECOMMENDED ACTION: File as submitted.

Commissioner Garner introduced a motion to approve the Consent Agenda.

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

AYES: Commissioners Anguiano, Garner, Karney, McGuire, Smith, Vice Chair Walker, Chair Kepley

NAYS: None

REGULAR AGENDA

1. **Resolution No. 4111**

Mr. Shank presented Resolution No. 4011 stating that this resolution is requesting board approval for a modification to the contract listed. Back in 2019 RRHA was seeking an application for operating fund financing for section 504 work at several developments and when it came down to the end, HUD wanted RRHA to obligate the funds at the same time the loan was closed and therefore the authority had to get everything in line and have the contractors execute the contract on the day the documents were signed for closing the loan, so at the time there was short notice of about 60 days. RRHA did the procurement necessary. At Jamestown in particular there were plans that RRHA found some errors in after the work was complete. There were dimensional errors in the size of the rooms and where walls would be located as well as some elevation errors that had to do with accessible routes to the units. As a consequence there have been several change orders in order to address those issues. The work has been ongoing. The policy is that if there is a contract modification over \$25,000, then it is brought to the board for approval. In the resolution here, there is a list of all the items of

things that went into this particular contract modification down at the bottom of the first page. RRHA needs to upsize all of the HVAC systems for a few units, reworking walls in kitchens, the laundry closets to give the room needed for accessibility, the relocation of the walls require the relocation of some tankless water heaters. That means plumbing, gas lines, and electrical work as well. All of those things for the units were added together for a request of \$30,537 for all of those changes. Mr. Shank stated that he got with the contractor and his cost estimate was a little over \$31,000 for that work so the contractor gave RRHA a reasonable price for making those changes. These are things that necessary to make these units accessible. The architectural firm that was used at that time is no longer in business so there is no real way to deal with them about this.

Chair Kepley asked for questions.

Chair Kepley stated that the modification is roughly 5% of the contract amount to fix the errors and with the corrections, did RRHA figure those? Mr. Shank replied that since the firm is no longer accessible, RRHA had to figure out how to make the corrections. Chair Kepley stated that a 5% error is not ideal, but not completely outside of normal. Mr. Shank replied that over the years he has seen that one can expect to run into unexpected things in every project. The current contract is working with the authority to get these corrections done in a reasonable time and manner.

Chair Kepley asked for further questions. There were none.

Commissioner Garner introduced Resolution No. 4111 and moved its adoption as introduced.

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

AYES: Commissioners Anguiano, Garner, Karney, McGuire, Smith, Vice Chair Walker, Chair Kepley

NAYS: None

Chair Kepley thereupon declared said motion carried and Resolution No. 4111 was adopted as introduced.

RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY MODIFYING CONTRACT NUMBER 216-1902-1-7 UNDER OPERATING FUND FINANCING PROGRAM (OFFP) AND CAPITAL FUND PROGRAM (CFP) GRANT NUMBER VA36P01150118

WHEREAS, RRHA Board of Commissioners by Resolution 3998 authorized the execution of a contract for Section 504/ADA Modifications for Four (4) Apartment Units for Jamestown Place for an amount not to exceed \$730,000.00, in accordance with the following conditions listed below.

- a. The contracts will be awarded based on competitive bidding pursuant to RRHA's procurement policy;
- b. The Executive Director and RRHA's legal counsel will review and approve the terms of the contract prior to execution; and
- c. The contracts will be presented to the RRHA Board of Commissioners at its April 2019 meeting along with a resolution to ratify the specific terms.

WHEREAS, the Executive Director executed a standard contract for Section 504/ADA modifications for four (4) apartment units at Jamestown Place between Russell's Remodeling, LLC and RRHA with a fixed amount of \$600,000.00, on April 11, 2019; and

WHEREAS, RRHA Board of Commissioners by Resolution 4001 ratified the executed standard contract for Section 504/ADA modifications for four (4) apartment units at Jamestown Place between Russell's Remodeling, LLC and RRHA with a fixed amount of \$600,000, on April 22, 2019; and

WHEREAS, due to architectural errors and unknown conditions at the time of receipt of bids several change proposals were requested from Russell's Remodeling, LLC; and

WHEREAS, Russell's Remodeling, LLC was requested to provide a proposal for following work items: upsizing the HVAC systems for 2110 King Charles Ave. and 1689 Queen Anne Dr.; re-working walls for kitchen and washer/dryer closets to improve wheelchair accessibility for 2110 King Charles Ave. and 1689 Queen Anne Dr.; installation of new tankless domestic water heaters for 2110 King Charles Ave. and 1689 Queen Anne Dr.; installation of wall-mounted electric heaters in bathrooms for 2017 and 2110 King Charles Ave., 1524 Pike Lane, and 1689 Queen Anne Dr.; additional electrical work in the area of the wall changes for the kitchens for 2110 King Charles Ave. and 1689 Queen Anne Dr.; and

WHEREAS, the amount of the change proposal submitted by Russell's Remodeling, LLC is \$30,537.00 and a contract extension until March 25, 2022; and

WHEREAS, the amount and contract time extension of the change proposal 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 change proposal; and

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

WHEREAS, the Vice President of Operations recommends the acceptance of the change proposal submitted by Russell's Remodeling, LLC; and

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

WHEREAS, RRHA's Procurement Policy states, "For all contracts of \$100,000 or more, any and all change orders, contract modifications, and/or amendments 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 Russell's Remodeling, LLC in the amount of \$30,537.00 with a contract period extension to March 25, 2022 be and hereby is accepted;
- (2) The Executive Director be and hereby is authorized and directed to execute a contract modification, which by reference, is inclusive of all Russell's Remodeling, LLC's change proposal for several work items for

2017 King Charles Ave., 2110 King Charles Ave.1524 Pike Lane, and 1689 Queen Anne Dr., dated March 7, 2022.

The Executive Director be and hereby is authorized to take such other actions as may be necessary to fulfill the intent of this Resolution.

2. Resolution No. 4112

Mr. Shank presented Resolution No. 4112 stating that for him this was a happy occasion. One of his goals was to get RRHA out of the small gas operator business. When RRHA first built property and constructed developments the authority owned the utilities at the site. With gas, the systems are governed by the department of transportation and there are a lot of regulations that organizations must follow and plans to file. There are certain inspections and testing. It is compliance heavy and maintenance heavy. Over the years RRHA has found it increasingly difficult to find contractors to do that work. There is a very limited number of contractors in the area that do gas systems so, RRHA has been working to upgrade the systems in a manner that the Roanoke gas company will take them all so that the work when it is done the gas company will be accepting of it. There is the draft agreement and a drawing showing the new work that is doe at Indian Rock Village. There is an execution of an easement for them to access places needed for repair. Once the Board gives approval, it goes to the state corporation commissioner for their approval before it becomes set and property transferred. Mr. Shank stated that this is the first of hopefully five developments over the next few years. The next will be Hunt Manor. The work at Hunt Manor is done and the work at Indian Rock Village has been completed. RRHA will hopefully bring that to the Board very soon. If the authority gets the Capital Funding then RRHA will move on to other developments this year and will save Lansdowne Park

for last due to size.

Chair Kepley asked for questions.

Commissioner Garner asked for clarification about the utilities. Mr. Shank replied that under the regulations regarding natural gas distribution, RRHA is considered a small gas operator by law. Commissioner Garner stated that he knows that there were some developments that didn't have gas with excessive electrical bills and RRHA was asking at some point if they should receive natural gas. If in fact that is done, can it be done in a manner where RRHA isn't considered a utility owner? Mr. Shank confirmed that could be done. Commissioner Garner asked if there would be any future liability that RRHA may be subject to. Mr. Loftis stated that Roanoke Gas Company worked with Joel on the specifications to make sure this work would meet their standards for acceptance into the system and they are taking it as is.

Chair Kepley asked for further questions. There were none.

Commissioner Smith introduced Resolution No. 4112 and moved its adoption as introduced.

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

AYES: Commissioners Anguiano, Garner, Karney, McGuire, Smith, Vice Chair Walker, Chair Kepley

NAYS: None

Chair Kepley thereupon declared said motion carried and Resolution No. 4112 was adopted as introduced.

**RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING
AUTHORITY AUTHORIZING THE CONVEYANCE OF NATURAL GAS DISTRIBUTION**

EQUIPMENT, AND THE GRANTING OF A RELATED UTILITY EASEMENT, AT
INDIAN ROCK VILLAGE

WHEREAS, the City of Roanoke Redevelopment and Housing Authority (“RRHA”) currently owns the underground utility lines and related equipment for the distribution of natural gas to units and administration building at Indian Rock Village (VA11-10; AMP 210); and

WHEREAS, RRHA is therefore classified as a small natural gas operator for purposes of state and federal pipeline safety regulations, subjecting RRHA to extensive regulatory requirements in addition to the cost of maintaining the equipment; and

WHEREAS, RRHA desires to transfer ownership of the underground utility lines and related equipment in order to relieve itself of the burden, costs and potential liability associated with ownership, and it is in RRHA’s interests to do so; and

WHEREAS, Roanoke Gas Company worked with RRHA on the specifications for upgrades and improvements to the underground utility lines and related equipment for the distribution of natural gas to units at Indian Rock Village so that the equipment would meet Roanoke Gas Company standards and could be accepted into Roanoke Gas Company’s system; and

WHEREAS, RRHA has negotiated with Roanoke Gas Company toward an agreement by which RRHA would convey the underground utility lines and related equipment for the distribution of natural gas to units at Indian Rock Village to Roanoke Gas Company; and

WHEREAS, RRHA, as a part of any such conveyance, would also be required to convey a non-exclusive easement to Roanoke Gas Company for the operation, maintenance, repair, removal and/or replacement of equipment; and

WHEREAS, RRHA and Roanoke Gas Company have reached agreement on the terms for this transaction, subject to the approval of RRHA’s Board of Commissioners; and

WHEREAS, HUD’S Richmond Field Office has confirmed to RRHA that the transfer of utility equipment and associated easements incidental to the normal operation of public housing properties does not require HUD approval; and

WHEREAS, RRHA now desires to convey the underground utility lines and related equipment for the distribution of natural gas to units at Indian Rock Village, along with the related non-exclusive utility easement, to Roanoke Gas Company on the terms set forth in the attached proposed Asset Purchase Agreement; and

WHEREAS, the transaction will require approval from the Virginia State

Corporation Commission;

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

1. The conveyance of the underground utility lines and related equipment for the distribution of natural gas to units at Indian Rock Village (VA11-10; AMP 210) to Roanoke Gas Company, on the terms set forth in the attached proposed Asset Purchase Agreement, is approved;
2. The conveyance of a non-exclusive utility easement to Roanoke Gas Company at the Indian Rock Village (VA11-10; AMP 210) property, on the terms set forth Schedule C of the attached proposed Asset Purchase Agreement, is approved;
3. The Executive Director, or his designee, shall be and hereby is authorized to execute the attached proposed Asset Purchase Agreement; and

The Executive Director, or his designee, shall be and hereby is directed to execute all documents necessary to consummate the sale and conveyance of the utility lines and related equipment for the distribution of natural gas to units at Indian Rock Village (VA11-10; AMP 210), and the associated utility easement, to Roanoke Gas Company as contemplated in the attached proposed Asset Purchase Agreement, including any documents required to be filed with the Virginia State Corporation Commission

3. Resolution No. 4113

Mr. Gusler presented Resolution No. 4113 stating that the Homeownership program has had a couple of resolutions before the board that date back a couple of years and the most recent on in late 2020 where RRHA increased the budget amount to use some of the homeownership proceeds to shop for property for a qualified homebuyer. These are separate from other programs. The Section 32 program where three properties available in Northwest Roanoke, the lease purchase program has eight properties with three currently active under lease and option agreements to purchase those homes. The other five are available. Those are on Melrose Avenue. This program was created to do a couple of units to work with someone not interested in the properties RRHA currently owns. These funds were previously used in the earlier

homeownership program so they are proceeds and the authority has a greater flexibility with them. The only requirement is that they are used for homeownership for a first time low income home buyer. There is an interested buyer at this property. The way this program would work is that RRHA purchase the property at 938 Peg Street for \$110,000 and that leaves a \$90,000 budget to do renovations and improvements on it. RRHA has had the property inspected and feel that the authority can upgrade the property to meet the standards, which in RRHA programs states that the buyer wouldn't have any significant maintenance issues for 7 years. RRHA feels that they can handle this property within budget. It is very hard to find properties right now and there have been several offers to this point and this one is so far good. The closing would be on April 6, 2022 if the Board approves this resolution. This buyer has a HCV voucher, so she will be working through the HCV homeownership program where the voucher for 15 years will go towards the mortgage rather than towards the rent and she is prequalified and has made a deposit.

Chair Kepley asked for questions. There were none.

Commissioner McGuire introduced Resolution No. 4113 and moved its adoption as introduced.

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

AYES: Commissioners Anguiano, Garner, Karney, McGuire, Smith, Vice Chair Walker, Chair Kepley

NAYS: None

Chair Kepley thereupon declared said motion carried and Resolution No. 4113 was adopted as introduced.

RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY AUTHORIZING THE EXECUTION OF DOCUMENTS NECESSARY TO CONSUMMATE THE PURCHASE OF PROPERTY LOCATED AT 938 PECK STREET, NW, BEARING CITY OF ROANOKE TAX MAP NUMBER 6090405.

WHEREAS, the City of Roanoke Redevelopment and Housing Authority (RRHA) operates a homeownership program (HOP) and has funding available in the form of homeownership proceeds to further RRHA's goals of providing opportunities for low to moderate income residents to achieve homeownership; and

WHEREAS, the RRHA Board of Commissioners passed Resolution Number 3972 on August 27, 2018, which authorized the Executive Director or a designee to negotiate and execute acquisition option agreements with owners or agents of two properties; and

WHEREAS, the RRHA Board of Commissioners passed Resolution Number 4064 on November 23, 2020, which increased the budget for each of the purchases and improvements from \$125,000 to \$200,000; and

WHEREAS, RRHA signed a contract to purchase property at 938 Peck Street, NW, on February 4, 2022 for \$110,000; and

WHEREAS, RRHA has inspected the property at 938 Peck Street, NW, and determined that it can reasonably renovate the property within the budget set by Resolution Number 4064 to the standards of the HOP; and

WHEREAS, the HOP allows RRHA to sell properties to qualified low to moderate income first-time homebuyers per HUD definitions and regulations; and

WHEREAS, Josephine Taveras has complied with all requirements of the HOP to date and has provided evidence of pre-qualifications for financing with Truist Bank (formerly BB&T and Sun Trust) and made the required down payment on the mortgage in an escrow account; and

WHEREAS, Josephine Taveras has signed a letter of intent dated November 30, 2021 with RRHA to purchase a property in the City of Roanoke subsequent to RRHA purchasing and completing numerous improvements to said property, with the final sales price to be based on an appraisal of the property and other considerations; and

WHEREAS, prior to closing RRHA will account for 20% of the purchase price in the form of seller financing through a forgivable second mortgage; and

WHEREAS, RRHA desires to purchase the property so that it may make needed improvements to comply with its homeownership program requirements and in turn sell the property to Josephine Taveras.

NOW, THEREFORE, BE IT RESOLVED by the Commissioners of the City of Roanoke Redevelopment and Housing Authority that the Executive Director is hereby authorized and directed to execute documents necessary to consummate the purchase of property at 938 Peck Street, NW, bearing City of Roanoke Tax Map Number 6090405

3. 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 Smith and upon roll call the following vote was recorded:

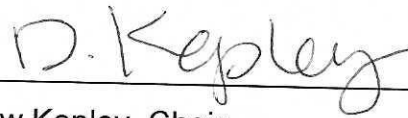
AYES: Commissioners Anguiano, Garner, Kepley, McGuire, Smith, Vice Chair Walker, Chair Kepley

NAYS: None

Chair Kepley declared the meeting adjourned at 4:02 p.m.



David Bustamante, Secretary-Treasurer



Drew Kepley, Chair

Exhibits from March 28, 2022 Minutes previously circulated