

CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY



BOARD OF COMMISSIONERS

REGULAR MEETING

June 26, 2023



PUBLIC NOTICE OF MEETING

The **REGULAR MEETING** of the
City of Roanoke Redevelopment and Housing Authority
BOARD OF COMMISSIONERS

will be held on

Monday, June 26, 2023
at 3:00 p.m.

As set forth in the Americans with Disabilities Act (ADA) of 1990 and Section 504 of the Rehabilitation Act of 1973, RRHA does not discriminate on the basis of disability, and is willing to assist citizens with special needs. If you have a hearing or vision disability and wish to attend any RRHA public meeting, please contact us seven (7) days prior to meeting date at (540) 983-9286 or Roanoke Redevelopment and Housing Authority, 2624 Salem Turnpike, NW, Roanoke, VA 24017.

Date of Public Notice: June 20, 2023



AGENDA

REGULAR MEETING OF THE COMMISSIONERS OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY 2624 Salem Turnpike, NW – Roanoke, Virginia – 24017

June 26, 2023
3:00 pm

I. CALL TO ORDER – ROLL CALL

☐ Anguiano; ☐ Garner; ☐ Karney; ☐ Kepley; ☐ Smith; ☐ Spickler; ☐ Walker

II. REPORTS

1. Executive Director's Report
2. Staff Reports – Greg Goodman
3. Committee Reports
4. Commissioner Comments
5. City Council Liaison Comments or Discussion
6. Residents or other community members to address the Board

III. CONSENT AGENDA

All matters listed under the consent agenda are considered to be routine by the Board of Commissioners and will be enacted by one motion in the form listed below. There will be no separate discussion of these items. If discussion is desired, that item will be removed from the consent agenda and considered separately.

- C-1 Minutes of the Regular Meeting of the Board of Commissioners held Monday, May 22, 2023.

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

- C-2 Monthly Operations Report for the month of May 2023.

RECOMMENDED ACTION: File as submitted.

Consideration for approval of the above Consent Agenda:

Motion _____ Second _____

☐ Anguiano; ☐ Garner; ☐ Karney; ☐ Kepley; ☐ Smith; ☐ Spickler; ☐ Walker

IV. **REGULAR AGENDA**

1. **Executive Session**

Executive Session of the Roanoke Redevelopment and Housing Authority for the purpose of consultation with the Authority's legal counsel to discuss potential procurement issues in connection with a contract previously awarded by the Authority, which discussion is exempt under Virginia Code § 2.2-3711(A)(8).

V. **ADJOURNMENT**

Motion _____ Second _____

☐ Anguiano; ☐ Garner; ☐ Karney; ☐ Kepley; ☐ Smith; ☐ Spickler; ☐ Walker

The Public is advised that members of the Roanoke Redevelopment & Housing Authority (RRHA) Board of Commissioners receive the RRHA Board meeting agenda and related communications, reports, and resolutions, etc., on the Tuesday prior to the Board Meeting to provide sufficient time for review of information. Citizens who are interested in obtaining a copy of any item listed on the Agenda may contact the office of the RRHA Executive Director, 2624 Salem Turnpike, NW, Roanoke, Virginia 24017 or by calling 540-983-9283. NOTE: Full disclosure of some items on the agenda may not be available until after the RRHA Board of Commissioners has approved and/or acted upon such items.

APPROVAL OF MINUTES
REGULAR MEETING
MAY 22, 2023

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, May 22, 2023.

I. CALL TO ORDER – ROLL CALL

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

PRESENT: Commissioners Kepley, Garner, Smith, Spickler, Vice Chair Karney

ABSENT: Commissioner Anguiano, Chair Walker

OFFICER PRESENT: Mr. David Bustamante, Secretary-Treasurer

ALSO PRESENT: Patice Holland, Legal Counsel; Jackie Austin, VP of Finance/CFO; Joel Shank, VP of Operations; Leanna Pagans, Administrative Executive Assistant; Jasey Roberts, PR/Social Media/Marketing Manager; Frederick Gusler, Director of Redevelopment and Revitalization; Evangeline Richie, VP of Housing; Jason Michaels, Manager of Human Resources; Greg Goodman, Director of Community Support Services; Mason Walker, NCG Chief Information Security Officer; Dale Wolfenbarger, NCG Chief Technical Officer; Henri Gendreau, Founder of The Roanoke Rambler

Vice Chair Karney welcomed everyone to today's meeting.

PUBLIC HEARING

Vice Chair Karney opened the floor to receive comments on the proposed 2023 Annual Plan update to the 2020-2024 Agency Plan. Vice Chair Karney noted that

no members of the public were in attendance to comment and closed the public hearing.

PUBLIC HEARING

Vice Chair Karney opened the floor to receive comments on the proposed 2023 Capital Fund Program Five-Year Action Plan. Vice Chair Karney noted that no members of the public were in attendance to comment and closed the public hearing.

II. REPORTS

1. NCG – Security Presentation

Mr. Mason Walker greeted the Board and stated that he is the Chief Information Security Officer at Network Computing Group (NCG). NCG has been doing I.T. services for RRHA since the beginning of 2020. The goal today is to provide some information about our security services that we provide to RRHA, as well as to answer any questions or concerns that the Board may have. Mr. Walker noted that he has provided the Board with a handout titled RRHA Cybersecurity Management and Services, which is a confidential document. It is important that everyone is very careful about what is discussed openly on the live stream. Anything that has to do with our customers or organizations that we serve, surrounding cybersecurity, is always confidential and always sensitive.

Mr. Walker went on to say that the most common form of compromise or intrusion that NCG is observing, and that security researchers across the industry are observing, is Business Email Compromise (BEC). There have been dramatic increases in these types of compromises happening. The way that many of these compromises or

intrusions are able to take place is by using open source intelligence. Open source intelligence is information about the organization, their structure, infrastructure, I.T. architecture, security architecture, security software services and anything that has to do with the overall structure of your organization. These are all things that can be used against you when published in an open forum.

Mr. Walker stated that he would like to introduce everyone to the handout by running through a brief description of what is listed. Listed you will find a rundown of the key cybersecurity components that NCG would provide to an organization, including RRHA, and also what the security status is for RRHA. When discussing things like endpoint protection software, there will be information about the kind of deployment status of that software. As we go through we will look at different sections and services that are provided, however, it is not the complete scope of cyber security that is available or that we provide. NCG is currently, and always, working with Mr. Bustamante and with RRHA to develop new cybersecurity services to evolve our services in response to these emerging threats. With that being said, we would define our security services, practices, and costs to be reasonable and to be within what is expected for an organization of this size. NCG is working to expand services as well as I.T. infrastructure projects that not only improve the network, but will improve security along with it by updating equipment and changing the nature of how services are delivered. Mr. Walker offered to answer any questions.

Commissioner Garner asked if NCG gives feedback and recommendations as to the best practices or platforms that RRHA should be utilizing as far as security is concerned. Mr. Walker replied that NCG is currently working with RRHA as a managed

services partner, which means that we are operating not just as a helpdesk or service department, but as a consultant or advisor on both the network architecture and the security. From this point on, NCG will be doing a review or analysis of the current service level at RRHA. Recommendations will also be provided to Mr. Bustamante, as well as feedback on what direction to go from here and what the estimated cost basis of that is going to look like. One of the things that NCG would like to do with RRHA is to properly scope the cybersecurity services so that we are defending against the most relevant risks, addressing the most important security concepts and that it is being done at a reasonable cost without using anything that is unnecessary or inappropriate for an organization.

Commissioner Garner asked if NCG utilizes or installs proprietary software or do they collaborate with vendors. Mr. Walker stated that NCG does not use any first party or self-developed software. The security software is from third party vendors and security partners. Commissioner Garner asked if there is a profitable third party vendor that NCG works with. Mr. Walker noted that NCG has partnered with an organization called ConnectWise for a very long time and have leveraged the majority of their software internally. ConnectWise has a large group of peer group companies that we participate in where we collaborate with not just this vendor, but other organizations that are doing I.T. support and security. These organizations meet on a quarterly basis and discuss what we are doing, what we are trying to accomplish, what best practices can even exist among us and how they compare to the best practices you would see in the outside industry. Mr. Walker added that NCG has, what he would consider, a trusted vendor partner in ConnectWise. Much of our software comes from some other sources, but a

majority of it is either provided by or endorsed by ConnectWise.

Commissioner Garner asked what he would rate RRHA in terms of security. Mr. Walker said that he would rate everything in the 6.5 to 7 range out of 10. That is not necessarily a rating that reflects what is in place at RRHA or the quality of the deployment. What it would reflect is the nature of how things shift moving forward. As early as three to five years ago, what looked like a well-supported or well secured network was very different from how it looks now. NCG took on cybersecurity and general I.T. services at RRHA in January of 2020. Moving forward from that period a lot of enhancements have been made. Specific services were brought in to address the most important things that NCG would see as cybersecurity professionals. Mr. Walker directed the Board to the portion of the handout regarding training of the user. The most common relevant threat we being observed is phishing and email compromise. One of the main improvements that RRHA has made for their staff is using our services to provide phishing training and regular recurring monthly cybersecurity training that will help educate staff on how to spot these emails and how to better protect themselves. We have reached a point where the most vulnerable person or part of an organization are the individual people and their email accounts. In order to move up from that 6.5 to 7 range, NCG would want to work with RRHA to continue developing the network infrastructure, not just internally, but the cloud infrastructure and working with ways that we can harden and further secure the email system and authentication to the email system. This will prevent putting all of the responsibility on the users to recognize and defend against this type of email threat, but also for NCG to do as much as possible on the back end to prevent it from happening as well.

Commissioner Kepley asked if NCG is protecting hackers from getting into the website and server as well as the email. Mr. Walker noted that NCG does not provide RRHA with protection of the actual website. NCG is protecting the servers, the computers, the devices that everyone is using and the individual networks. NCG also protects the email system which is running on a server here in the central building. Organizations like ours have put so much protection into these networks and devices that threat actors that exist to compromise organizations have very much realized that. They have figured out that it is more productive for them to try to socially engineer information out of a user. This may not even happen in a way that crosses what we were talking about as far as cyber security boundaries. These interactions may take place as text messages or phone calls, sent directly to a person's cell phone number, attempting to impersonate someone or extract some sort of information from them. What NCG would really like to try to improve and encourage RRHA to do for its users is to intensify their suspicion with every interaction that they have online now. A user's individual passwords and their credentials are like a key to a house. Commissioner Kepley asked if insurance is part of this as well. Mr. Walker replied that NCG works with Mr. Bustamante to renew the cyber security liability insurance each year and that often comes with attestations or questions from the insurance provider about the security and technology that is in place. Each time that insurance renews, NCG is also submitting information about the security to that insurance provider. Many things have been done in the intervening three years that brought us to this point, including hardening of the email system, deployment of the endpoint protection and the control over access rights of individual users on the network to prevent ransomware from spreading, from

accessing servers and to prevent it from accessing backups. We have introduced a new backup system into RRHA. The backup system takes hourly incremental images of all of the servers and all of the data therein. These hourly incremental images are stored on the BDR unit that is in the server room. Mr. Walker added that even if he wanted to access those backups, he could not access them. They are what we would describe as immutable. These backups cannot be changed, modified or deleted by any source no matter who is trying to get into it. By extension, those backups on that backup unit are also uploaded to a secure offsite data center that is provided by the backup vendor. That vendor provides us assurances that the security infrastructure is air gapped, meaning it is not connected to the outside world in any way, and that those backups in the cloud storage are also immutable. In the time period that NCG has been working with RRHA, the major focus has been ransomware prevention, endpoint protection and the backups for a worst case scenario.

Ms. Richie asked with the rate of technology rapidly changing, does NCG consider the analysis of RRHA's infrastructure needing to be reviewed more frequently to ensure adequate protection. Mr. Walker stated that this is something NCG will be doing more frequently as a specific cybersecurity focus. Normally we would have recurring meetings about the I.T. services which include, but are not limited to, cybersecurity. As part of moving forward, there will be a separate cybersecurity review process that is broken out from that and is easier to track, easier to review and will allow us to make progress on that much faster.

Vice Chair Karney asked for further questions. There were none.

2. Executive Report

Mr. Bustamante addressed the Board stating that, in addition to his written report, he would like to explain briefly about the hacking situation that RRHA experienced a while back. Another vendor was contacted under emergency procurement situation to come in and resolve that issue initially. The services were put out for bid and that is why NCG was not the initial contact. Also, if the Board is interested, the information can be provided to you after the meeting. In the IT field everything changes very quickly and RRHA is lucky to have individuals that are taking care of this. On the flip side of this, these services are not cheap. RRHA would like to be at a ten out of ten rating as far as protection, but we likely could not afford to sustain a ten rating given everything that continuously comes out. As long as the organization is protected and secure then RRHA is where it need to be.

Mr. Bustamante announced that he was asked to attend the 2023 Housing Symposium on the national housing crisis. This was a very informative meeting and one of the better ones in recent years. There was great conversation about the lack of affordable housing and how to continue to speak with your local and state government to find a way to be able to compile our resources in order to combat this national problem. As all of you are aware, every day the gap between those that need affordable housing and the stock of affordable housing increases. In the time it takes to develop units, which is roughly three years, that gap continues to grow. Unfortunately, it is going to come to a point where there is not enough housing stock available and not enough homeless shelters. These individuals are going to be without a place to stay. It takes not only one organization, but a group of organizations working together in order to resolve this

problem. The Board will see later that the housing authority is committed to doing something about this problem.

Mr. Bustamante stated that RRHA has partnered with Valley Metro to renovate some of its existing bus shelters. They are currently working on the one outside of the central office and will also be renovating the one outside of the maintenance shop at Hunt Manor and at Jamestown Place.

Mr. Bustamante noted that Ms. Relf and the HCV staff had a landlord meeting at the Envision Center recently with 30 landlords in attendance. It was a great meeting as far as sharing information about the program and answering questions and comments. The plan is to hopefully have another meeting in the near future.

Mr. Bustamante added that lastly, he would like to talk about the debt ceiling. If no action is taken by June 1st the government will default for the first time ever. This will catastrophically affect what our staff does here at the housing authority. Individuals will not receive their social security checks and the people that RRHA works with at the HUD field office in Richmond will not get paid. It will create chaos because a lot of the money that RRHA receives to pay the thousand plus landlords every month, will not be there. Mr. Bustamante stated that he has written letters and emails to all of the representatives, including the president, and the response is that they are looking into and trying to correct the problem. If there is anything that any of the Board could do to reach out and advocate for this to be resolved, it is much needed. The consequences of this not going through would have a very dire impact on what the housing authority does on a daily basis. Mr. Bustamante offered to answer any questions.

Commissioner Garner asked what the major area of concern was for the

landlords at the HCV meeting. Ms. Richie replied that initially, when staff had the first meeting with them, their main concern was rental increases. Staff went back to the drawing board and devised a new plan to be able to accommodate more rental increase requests. The current concern that was discussed at this meeting was rental rates. There are payment standards in place which RRHA is required to stay within for a particular voucher size. In addition to that, there are rent comparability studies that must be conducted whenever a unit is leased up to ensure that the housing authority is paying the proper amount of rent for a unit similar to that particular size. Sometimes these factors do not justify particular increases to be approved or does not allow for a new participant to move into a particular unit simply because the comparables in that immediate location do not support that now.

Commissioner Garner asked if we have a contingency plan in case the default does occur. Mr. Bustamante replied that everything is being reviewed. RRHA staff is in the process now of completing the budgets for 2024 so if that were to happen the proration would have to be reduced down to that amount for 2024. The proration is currently at 98%. If we are only going to receive, 70% for example, then the budgets would have to come down to that amount and planning would have to be done to budget for that proration for 2024. Commissioner Garner asked if that will affect the number of people that we can actually rent apartments to, or will it just affect administration. Mr. Bustamante stated that it will affect everything.

Vice Chair Karney asked for staff reports. There were none.

3. Staff Reports

Vice Chair Karney asked staff reports. There were none.

4. Committee Reports

Vice Chair Karney asked for committee reports. There were none.

5. Commissioner Comments

Vice Chair Karney asked for commissioner comments. There were none.

6. City Council Liaison Comments or Discussion

Vice Chair Karney

7. Residents or other community members to address the Board

Vice Chair Karney asked for comments or questions. There were none.

CONSENT AGENDA

- C-1 Minutes of the Regular Meeting of the Board of Commissioners held Monday, April 24, 2023.

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

- C-2 Monthly Operations Report for the month of April 2023.

RECOMMENDED ACTION: File as submitted.

Commissioner Kepley introduced a motion to approve the Consent Agenda. The motion was seconded by Commissioner Garner and upon roll call the following

vote was recorded:

AYES: Commissioners Kepley, Garner, Smith, Spickler, Vice Chair Karney

NAYS: None

REGULAR AGENDA

1. Resolution No. 4155

Ms. Austin presented Resolution No. 4155 requesting the Board to approve the audited financial statements for the fiscal year ended September 30, 2022. Don Jump presented a draft version of the report to the full Board on April 24th board meeting. The audit presented no findings and an unmodified report.

Commissioner Kepley asked if all of the personnel issues in the finance department were resolved. Ms. Austin said that RRHA hired an Accountant II last month and she is hopeful that it is all behind us.

Vice Chair Karney asked for further questions. There were none.

Commissioner Garner introduced Resolution No. 4155 and moved its adoption as introduced.

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

AYES: Commissioners Kepley, Garner, Smith, Spickler, Vice Chair Karney

NAYS: None

Vice Chair Karney thereupon declared said motion carried and Resolution No. 4155 was adopted as introduced.

RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY ACCEPTING THE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2022 AND ASSOCIATED REPORTS PROVIDED BY JUMP, PERRY AND COMPANY, LLP.

WHEREAS, The City of Roanoke Redevelopment and Housing Authority has received documents from JUMP, PERRY AND COMPANY, LLP entitled "ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY FINANCIAL STATEMENTS, FOR THE YEAR ENDED SEPTEMBER 30, 2022 (with Independent Auditor's Report thereon)

WHEREAS, JUMP, PERRY AND COMPANY, LLP auditors provided a presentation of the reports to the Roanoke Redevelopment and Housing Authority Board of Commissioners at the April 24, 2023 meeting; and

WHEREAS, the Roanoke Redevelopment and Housing Authority Board of Commissioners having reviewed these reports has determined that they include the necessary components of an independent audit of the Agency's financial statements for the year ended September 30, 2022.

NOW, THEREFORE, BE IT RESOLVED by the Commissioners of the City of Roanoke Redevelopment and Housing Authority that the JUMP, PERRY AND COMPANY, LLP report identified above is hereby accepted.

EXPLANATION:

This resolution is needed to document the RRHA Board of Commissioner's acceptance of the annual independent audit.

2. Resolution No. 4156

Mr. Bustamante presented Resolution No. 4156 requesting the Board's approval to accept the annual plan. RRHA has complied with the public hearing, conducted the community meetings and posted the annual plan at all of the sites for review. No comments were received. RRHA is asking the Board's approval to be able to approve the plan so that we can submit to HUD.

Vice Chair Karney asked for further questions. There were none.

Commissioner Garner introduced Resolution No. 4156 and moved its adoption as introduced.

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

AYES: Commissioners Kepley, Garner, Smith, Spickler, Vice Chair Karney

NAYS: None

Vice Chair Karney thereupon declared said motion carried and Resolution No. 4156 was adopted as introduced.

**RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND
HOUSING AUTHORITY APPROVING THE 2023 ANNUAL PLAN UPDATE
TO THE 2020-2024 AGENCY PLAN FOR SUBMISSION TO HUD**

WHEREAS, the City of 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 and 5-Year Plan (the 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, Inc. and all active resident councils and have sent out questionnaires in lieu of community meetings (due to COVID protocols) at all public housing sites and to 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 2023 Annual Plan update to the 2020-2024 Agency Plan; and

WHEREAS, the Plan and Attachments have been revised to include updated information regarding the Rental Assistance Demonstration Program, the use of CFP funds to for land acquisition, Faircloth to RAD and to reflect items approved by the Board of Commissioners subsequent to publication of the draft; and

WHEREAS, RRHA gave 45 days public notice for the draft 2023 Annual Plan 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 gave notice and held public hearings to receive public comments on the draft 2023 Annual Plan on May 22, 2023; and

WHEREAS, the 2023 Annual 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 2023 Annual Plan to HUD by June 18, 2023.

NOW, THEREFORE, BE IT RESOLVED by the Commissioners of the City of Roanoke Redevelopment and Housing Authority that the 2023 Annual Plan update to the 2020-2024 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.

3. Resolution No. 4157

Mr. Shank presented Resolution No. 4157 requesting the Board's approval for the 2023 capital fund five-year action plan and budget. RRHA took comments at the public meetings with residents. There is also a list of when things were done, when things need to be done again and all these things go into the development of the budget plan for the next five years. RRHA uses a rotating or rolling plan. Every year what gets done comes off and then other things are added. This year RRHA received over \$4.8 million and have set aside some for major projects. There will be HVAC work done at some of the sites and projects that are lining up with the Virginia Housing Grant as well as some funding for property acquisition.

Vice Chair Karney asked for further questions. There were none.

Commissioner Garner introduced Resolution No. 4157 and moved its adoption

as introduced.

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

AYES: Commissioners Kepley, Garner, Smith, Spickler, Vice Chair Karney

NAYS: None

Vice Chair Karney thereupon declared said motion carried and Resolution No. 4157 was adopted as introduced.

RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY APPROVING THE 2023 CAPITAL FUND FIVE-YEAR ACTION PLAN AND BUDGET

WHEREAS, the City of Roanoke Redevelopment and Housing Authority (RRHA) receives Capital Funds from the Department of Housing and Urban Development (HUD); and

WHEREAS, pursuant to 24 CFR 905.300, RRHA is required to develop and submit to HUD a Five-Year Action Plan and budget reflecting capital improvements planned for RRHA's Public Housing developments; and

WHEREAS, HUD allows public housing authorities to adopt either a fixed or rolling Five-Year Action Plan, and RRHA has adopted a rolling plan; and

WHEREAS, the Plan is designed to provide a framework for local accountability and easily identifiable source by which public housing residents and other members of the public may review RRHA's Plan for capital improvements to Public Housing; and,

WHEREAS, RRHA staff have conducted community meetings at all public housing sites to gather input, which has been considered in development of the 2023 Capital Fund Program Five-Year Action Plan; and

WHEREAS, RRHA Commissioners were provided with copies of the draft 2023 Capital Fund Program Five-Year Action Plan; and

WHEREAS, RRHA gave 45 days public notice and made the 2023 Capital Fund Program Five-Year Action Plan available for public review at RRHA administrative offices, public housing site management offices, 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 22, 2023; and

WHEREAS, the RRHA 2023 Capital Fund Program Five-Year Action Plan meets the current regulatory and statutory requirements; and

WHEREAS, RRHA is required to submit the 2023 Capital Fund Program Five-Year Action Plan to HUD following approval by the RRHA Board of Commissioners.

NOW, THEREFORE, BE IT RESOLVED by the Commissioners of the City of Roanoke Redevelopment and Housing Authority that the attached RRHA 2023 Capital Fund Program Five-Year Action Plan is hereby approved.

4. Resolution No. 4158

Mr. Gusler presented Resolution No. 4158 requesting the Board's approval to allow the executive director to execute a contract with Virginia Housing. Several months ago RRHA applied to a request for proposal from Virginia Housing for approximately 12.8 acres, formerly known as Ashton Hill, and was awarded the property. As the resolution notes, the contract is still being worked out. Virginia Housing is granting RRHA the property with the sale price based on the appraisal, but RRHA will only be paying the \$750,000 which was the maximum amount that the Board had approved us to negotiate. They are going to cover the difference with a grant or some other form of accounting and RRHA will receive that contract soon. The goal is to build 86 new units on the site as the first phase of development and then use the rest at a later date to build additional affordable housing units or potentially some market rate housing. This would be contingent upon HUD's approval and the capital funds being released to RRHA.

Commissioner Garner asked if there are any other properties of that nature that RRHA is interested in. Mr. Gusler replied there are none right now. This particular

property is an unusual opportunity in itself. This property has been around and RRHA has had past option agreements with it when we were pursuing the Choice Neighborhoods Grant that we did not receive. There are few opportunities for properties this size that are vacant and developable. Commissioner Garner asked how many phases there will be. Mr. Gusler stated that in the proposal to Virginia Housing RRHA stated that immediately work will begin on the Faircloth-to-Rad process for the 86 units. There is a portion of the site that would still have development opportunities, but RRHA does not have definitive plans yet for that portion.

Commissioner Kepley asked if there is a master plan before we proceed with these 86 units. Mr. Gusler noted that RRHA has been working with Hughes & Associates on the architecture and engineering plans. That is something to consider, but at this point that approach has not been taken. Mr. Shank added that the first step will be to issue a Request for Qualifications (RFQ) for A & E services related to the design work for what the plan will be. The second phase will take into consideration the overall site, such as how much water service and what type of roads.

Commissioner Kepley asked if there are zoning restrictions on the site that would say what the maximum unit count allowable is. Mr. Shank replied that the type of construction will primarily be townhomes, which would limit the number of units that are put on the site compared to what might be done in a different type of construction. Mr. Gusler noted that it is zoned residential multifamily so it is already zoned to do apartment units and a pretty dense development, however, 86 units would not be on the high end of the unit count that is allowable per the zoning ordinance. The city has a planned unit development zoning that provides for some flexibility in whether you

want, for example, private or public roads.

Commissioner Kepley asked why you would not want to build a housing type that is not as dense as could be built on the site. Mr. Shank stated that there is a factor that comes in from HUD's perspective called Total Development Cost (TDC). This is a cap that they set on how much public housing funds can be used towards the development of public housing. This project will start out as public housing and then convert through the RAD process. There is a limit of how much you can spend per unit using public housing funds, therefore, you want to try to get that level as high as you can per unit, because of how you want to use your public housing funds. The other side of this is figuring out how you can maximize your resources and take advantage of the money you may have. Commissioner Kepley stated that if our goal is to try to maximize the amount of people who can get a home in Roanoke, it seems, whatever land we can get should be utilized to put the maximum amount of people on it as possible. Mr. Bustamante noted that it is a very good point and everything that is done moving forward with the development will be brought in front of the Board for comment and/or revision.

Commissioner Garner asked how long it will take to get HUD's approval. Mr. Gusler replied that as the project moves forward there will be numerous HUD approvals. The one that was mentioned today is for the Capital Fund Five-Year Action Plan and those funds will be expected next month. Mr. Shank added that the Board gave approval for the CFP today which then gets uploaded to HUD. Once that is approved the money is then available to use. Commissioner Garner asked if the concentration of poverty will be an issue. Mr. Gusler stated that there is not a real

concrete sign off but, this site actually meets a lot of the criteria for the Fair Housing Equal Opportunity Review. RRHA has also been told by people in the mixed finance office of HUD that those reviews, in a rental assistance demonstration project, are often bypassed.

Commissioner Spickler asked if this will still get approved if the debt ceiling is not resolved. Mr. Bustamante stated that the debt ceiling would affect anything for the 2024 fiscal year. This money has already been appropriated to RRHA. Commissioner Spickler asked if they would still be working to get this approved if the federal government is not getting paid. Mr. Bustamante noted that is a very good question and the hope is that it does not get to that point. Commissioner Spickler congratulated RRHA staff for getting this property and asked when the work would start on this project if approval is granted. Mr. Gusler said that it would be at least two years at the earliest before you would see any units on the site.

Commissioner Kepley asked if the design has already been approved. Mr. Gusler stated that a conceptual plan was created for Virginia Housing, but the design work has not yet begun. Commissioner Kepley commented that he would like to understand why we would not want to maximize the site and also understand what those implications are from a cost standpoint. Mr. Kepley added that, going back to earlier discussion, it is his experience in development that private roads are typically a little bit less expensive, but developers have found they can dedicate a road to the municipality and have them maintain it. Mr. Gusler said that he would like to note that the site is terraced and you can see the rock in the middle of the property as well as two flat areas where the previous development was when they had apartments there.

In the same regard, there are some limitations to the site. Everyone shares the view of getting as many units out of it as possible, but it will also come down to what the financial limitations are.

Ms. Richie asked if RRHA will still be the sole owners of this property despite the grant from VHDA. Mr. Gusler replied that VHDA is working internally to sell this property at a listed price of \$1,040,000. They were told by RRHA that the maximum offer is the \$750,000 that the Board approved. They mentioned one form of grant that they may use in covering the difference. That is an accounting process on their end, but RRHA will be the simple owner.

Vice Chair Karney asked for further questions. There were none.

Commissioner Smith introduced Resolution No. 4158 and moved its adoption as introduced.

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

AYES: Commissioners Kepley, Garner, Smith, Spickler, Vice Chair Karney

NAYS: None

Vice Chair Karney thereupon declared said motion carried and Resolution No. 4158 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 4301 SPANISH TRAIL, NW (TAX MAP NUMBERS 6030101 AND 6030104) FROM VIRGINIA HOUSING (FORMERLY VIRGINIA HOUSING DEVELOPMENT AUTHORITY) UNDER CAPITAL FUND PROGRAM (CFP) GRANT NUMBER VA36P01150122 AND CENTRAL OFFICE OPERATING FUNDS.

WHEREAS, the City of Roanoke Redevelopment and Housing Authority (RRHA) has been awarded a grant from the Department of Housing and Urban Development ("HUD") Capital Fund Program (CFP), grant number VA36P01150123 in the amount of \$4,824,916.00; and

WHEREAS, Dwelling Unit Development - Acquisition was included on the Annual Statement detailing the planned use of CFP grant number VA36P01150123, which was approved by the RRHA Board of Commissioners by Resolution 4157 on May 22, 2023; and

WHEREAS, obligation and expenditure of funds from CFP grant number VA36P01150123 is contingent on HUD approval of RRHA's Capital Fund Program 5-Year Action Plan for Fiscal Year 2023; and

WHEREAS, RRHA will make an earnest money deposit of \$25,000 to Virginia Housing using Central Office funds; and

WHEREAS, in 2022, the City of Roanoke Redevelopment and Housing Authority (RRHA) had a Repositioning Plan created to evaluate the future operation of its public housing portfolio; and

WHEREAS, the RRHA Board of Commissioners was briefed on the Repositioning Plan by Dominion Due Diligence, Inc. and RRHA staff on July 25, 2022; and

WHEREAS, the Repositioning Plan includes a recommendation to create new affordable housing units through the Faircloth to Rental Assistance Demonstration (RAD) process by which HUD allows public housing authorities (PHAs) that have Faircloth authority to build new public housing units and thereafter reposition them to the Section 8 Program; and

WHEREAS, currently RRHA has Faircloth authority of 186 public housing units; and

WHEREAS, RRHA recognizes the dire need for the development of more affordable housing units in the City of Roanoke; and

WHEREAS, RRHA staff has consulted with leadership of the City of Roanoke, who also expressed a strong desire to see more affordable housing units developed in the City; and

WHEREAS, Virginia Housing publicly advertised a Notice of Sale for the purchase and development of affordable housing on the *Ashton Hill* property located at 4301 Old Spanish Trail, NW, Roanoke, VA 24017 (the property), which contains over 12.8 acres of vacant land on two parcels; and

WHEREAS, RRHA submitted a proposal to Virginia Housing to build 86 units of affordable housing via a Faircloth to RAD development, subsequently develop additional housing on the site, and pay \$750,000 for the property; and

WHEREAS, Virginia Housing's Notice of Sale for the property notes that the 2023 tax assessment for the two properties is \$624,300 and the land was recently appraised for \$1,040,000 in September 2022, and

WHEREAS, Virginia Housing has agreed to sell the property to RRHA at an official sales price of \$1,040,000 but agrees to cover the difference between RRHA's proposed price of \$750,000 and the total, such that RRHA will only pay \$750,000 for the property; and

WHEREAS, RRHA has advised Virginia Housing that closing on the property is contingent upon approval of this Resolution by the Board of Commissioners and by HUD approval of RRHA's Capital Fund Program 5-Year Action Plan for Fiscal Year 2023; and

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 submit a proposal and subsequent option or contingency contract to Virginia Housing for the purchase of Ashton Hill property.

5. Resolution No. 4159

Mr. Shank presented Resolution No. 4159 requesting the Board's approval for a revised safety program policy. A major overhaul was done in 2018 with the help of Woods Rogers and the promise was made to the Board to revisit that in five years. The changes that were made this time were primarily related to position changes or position title changes. There have been some changes in the title regarding the Human Resources department and some procedural changes which involve who is responsible for doing certain tasks within the various procedures that are part of this program. Overall there were no major changes and the policy itself stayed the same.

Commissioner Spickler asked what RRHA's status is in regards to OSHA. Mr. Shank stated that RRHA answers to Virginia Occupational Safety as opposed to OSHA.

Commissioner Kepley asked if the safety manual is part of the onboarding process for new employees. Mr. Shank noted that there is a manual at every site, administration building, and shop. The senior management at the sites are to help educate the new employees and make them aware of what is in the manual. RRHA is also trying to get a safety committee involved again which is made up of one staff member from every site.

Vice Chair Karney asked for further questions. There were none.

Commissioner Garner introduced Resolution No. 4159 and moved its adoption as introduced.

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

AYES: Commissioners Kepley, Garner, Smith, Spickler, Vice Chair Karney

NAYS: None

Vice Chair Karney thereupon declared said motion carried and Resolution No. 4159 was adopted as introduced.

RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY APPROVING A REVISED RRHA SAFETY PROGRAM POLICY

WHEREAS, of upmost importance to the City of Roanoke Redevelopment and Housing Authority (RRHA) is the ongoing safety and good health of RRHA employees, the residents of RRHA properties and their guests, RRHA visitors and contractors that are employed by RRHA; and

WHEREAS, the purpose of RRHA's Safety Program Policy is to prevent workplace injuries and illnesses and to operate and maintain RRHA properties in a safe condition; and

WHEREAS, RRHA intends to comply with all applicable federal, state and local laws that govern workplace safety and health; and

WHEREAS, since its initial adoption, RRHA's Safety Program Policy has been revised on several occasions, with the last revision approved by the Board of Commissioners on May 21, 2018; and

WHEREAS, RRHA's Safety Program Policy now needs to be revised to comply with changes in Department of Labor Occupational Safety and Health Act (OSHA) regulations, changes in the scope of RRHA's safety program procedures, and personnel position changes; and

WHEREAS, the proposed revised Safety Program 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 Safety Program Policy is approved.

6. Resolution No. 4160

Mr. Gusler presented Resolution No. 4160 requesting the Board's approval to authorize the execution of the sale of 505 21st Street to Velva Reeves. To address Mr. Garner's question from the last time there was a resolution for the sale of a homeownership property, he asked, if there was anything prohibiting the buyer from in turn selling the property. With all of the homeownership programs, aside from the HCV Homeownership Program, RRHA does a 20% second mortgage that is forgivable after ten years. Essentially, 20% of the cost is being taken off of the buyer right off. If they stay in the house for ten years, they do not have to repay it. Every year is forgiven at 10% so if they were to sell they would be required to pay part of that back. After reading through the original lease purchase program, there is an assumption that these properties have always been on a very slow growth rate and therefore, the incentive to sell the property is low. Over the last few years, the market has changed drastically and some of these properties have increased in value. In the lease purchase program

the appraisal is done at the time that the person moves in. In this case, and the next two resolutions, this was done almost two years ago since they have two years to purchase the house. If RRHA goes through this process and the buyer turns around and sells in a year, then the authority helping them build generational wealth and increasing their options. On the flipside of that, they would have to go out and find housing which is why a lot of people, at all income levels, are not moving right now. The rates are higher and it is harder to find what you want at a reasonable price. The buyers this program works with are able to prequalify for a loan, but they typically could not find a house that is move-in ready on their own.

Resolution No. 4160 is for the sale of 505 21st Street through the Lease Purchase Program. The buyer has been leasing and is close to their two year period and is eligible to purchase the property at a cost of \$108,000. A purchase order is currently in place and a contractor has been hired for the amount of \$59,025. This includes quite a bit of work on the property including putting on a new roof.

Commissioner Kepley asked if any further protections need to be put in place for these general increases. Mr. Gusler said that he feels there is incentive to stay. Commissioner Kepley asked if there is a way that the housing authority could get a certain percentage if they sold within a certain amount of time. Mr. Gusler noted that it is possible, but it would be a little more complicated than the way it is right now. Currently 10% a year is forgiven. If they were to sell at five years, RRHA would get half of that second mortgage rate or half of \$21,000 in this case. You would not want to limit people's mobility if they are entering the real estate market and this program is helping them get their first house and they are moving up and moving on.

Commissioner Spickler asked if RRHA give the new homeowners a house warming basket after they purchase the home and move in. Mr. Gusler noted that in the past he personally has given people gift cards, but we have not done anything officially. Ms. Spickler added that she knows someone, and there may be other partners, that might be interested in helping out with something like this.

Vice Chair Karney asked for further questions. There were none.

Commissioner Smith introduced Resolution No. 4160 and moved its adoption as introduced.

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

AYES: Commissioners Kepley, Garner, Smith, Spickler, Vice Chair Karney

NAYS: None

Vice Chair Karney thereupon declared said motion carried and Resolution No. 4160 was adopted as introduced.

RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY AUTHORIZING THE EXECUTION OF A SALES AGREEMENT WITH A BUYER AND AUTHORIZING THE EXECUTION OF A DEED OF CONVEYANCE INSTRUMENT FOR THE SALE OF 505 21ST STREET, NW TO VELVA N. REEVES.

WHEREAS, the City of Roanoke Redevelopment and Housing Authority (RRHA) operates a lease-purchase homeownership program 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 lease-purchase homeownership program was originally created in 2000 by RRHA upon approval of RRHA's HOPE VI - Lincoln 2000 project by the Department of Housing and Urban Development (HUD); and

WHEREAS, the program has been amended several times including most recently by the RRHA Board of Commissioners' passing of Resolution Number 4083 on May 24, 2021; and

WHEREAS, the existing tenants of these units at the time of the application's approval were notified that they would have the first right of refusal to purchase the housing unit they were currently leasing; and

WHEREAS, the previous tenant of this property was not interested or able to purchase this property and has since been relocated by RRHA to another public housing unit; and

WHEREAS, Velva N. Reeves has complied with all requirements of the Lease-Purchase program to date and has provided evidence of financing with Freedom First Credit Union and made the required down payment on the mortgage in an escrow account; and

WHEREAS, Velva N. Reeves has entered into a contract with RRHA to purchase the single-family property at 505 21st Street, NW, bearing Tax Map No. 2322509, under the program for \$108,000, as such price is based on an independent appraisal; 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 sell the property to the Purchaser.

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 sale of property at 505 21st Street, NW, bearing City of Roanoke Tax Map Number 2322509, to Velva N. Reeves for the purchase price of \$108,000 under the terms of the Lease-Purchase Homeownership Program.

7. Resolution No. 4161

Mr. Gusler presented Resolution No. 4161 requesting the Board's approval to execute the sale of 1809 Downing Street to Jasmine Bray. A purchase order is in place and RRHA is working with a contractor for \$45,050 to make the final improvements on the house to get it in as close to new condition as possible. The sale price is \$127,000 with a 20% second mortgage.

Vice Chair Karney asked for further questions. There were none.

Commissioner Spickler introduced Resolution No. 4161 and moved its adoption

as introduced.

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

AYES: Commissioners Kepley, Garner, Smith, Spickler, Vice Chair Karney

NAYS: None

Vice Chair Karney thereupon declared said motion carried and Resolution No. 4161 was adopted as introduced.

RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY AUTHORIZING THE EXECUTION OF A SALES AGREEMENT WITH A BUYER AND AUTHORIZING THE EXECUTION OF A DEED OF CONVEYANCE INSTRUMENT FOR THE SALE OF 1809 DOWNING STREET, NW TO JASMINE N. BRAY.

WHEREAS, the City of Roanoke Redevelopment and Housing Authority (RRHA) operates a lease-purchase homeownership program 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 lease-purchase homeownership program was originally created in 2000 by RRHA upon approval of RRHA's HOPE VI - Lincoln 2000 project by the Department of Housing and Urban Development (HUD); and

WHEREAS, the program has been amended several times including most recently by the RRHA Board of Commissioners' passing of Resolution Number 4083 on May 24, 2021; and

WHEREAS, the existing tenants of these units at the time of the application's approval were notified that they would have the first right of refusal to purchase the housing unit they were currently leasing; and

WHEREAS, the previous tenant of this property was not interested or able to purchase this property and has since been relocated by RRHA to another public housing unit; and

WHEREAS, Jasmine N. Bray has complied with all requirements of the Lease-Purchase program to date and has provided evidence of financing with Freedom First Credit Union and made the required down payment on the mortgage in an escrow account; and

WHEREAS, Jasmine N. Bray has entered into a contract with RRHA to purchase the single-family property at 1809 Downing Street, NW, bearing Tax Map No. 2040127, under the program for \$127,000, as such price is based on an independent appraisal; 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 sell the property to the Purchaser.

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 sale of property at 1809 Downing Street, NW, bearing City of Roanoke Tax Map Number 2040127, to Jasmine N. Bray for the purchase price of \$127,000 under the terms of the Lease-Purchase Homeownership Program.

8. Resolution No. 4162

Mr. Gusler presented Resolution No. 4162 requesting the Board's approval for additional funding for renovation of certain properties in the Homeownership Program. A resolution was passed in 2018 to acquire two properties and renovate them with the homeownership funds and work with a qualified buyer. The buyer went out shopping for the house and RRHA would purchase, renovate and sell it back to the buyer. It has now gone from \$125,000 a property to \$200,000 a property including acquisition and renovation. It has reached a point with the first property where funds are running out and there are still a number of things left to do. Mr. Gusler stated that he is asking the Board to approve this resolution, which would increase the amount for these two properties to \$275,000 each. Both properties are currently under renovation, with 938 Peck Street being further along. It had a number of issues that required attention and that essentially saved the house. The standard for all of the homeownership programs, excluding the Housing Choice Voucher Program, is for the buyer not to have any

significant renovation or maintenance costs in the first seven years. The limit of \$200,000 is approaching quickly and the kitchen at 938 Peck Street has not been put back together yet.

Commissioner Garner asked if material costs are coming down at all. Mr. Shank replied that some things, such as wood products, have come down some. Commissioner Kepley asked, from a cost standpoint, how the appraisals stack up in the neighborhood around them. Mr. Gusler noted that the property on Grayson Avenue may be an outlier on that street by the time the work is completed, but not by much. RRHA is selling these properties at the price they were acquired, not at an appraised value. The homeowner is getting the benefit of renovation work for free, just as they do in the Lease Purchase Program and the Section 32 Program. Mr. Shank added that some of the work being done, such as termite repairs, do not affect the appraised value of the home anyway. Commissioner Kepley asked if some of the work can be done by our forces. Mr. Shank said that RRHA does not have anyone internally that would be able to do this work. They would also have to be able to obtain a license for things such as plumbing and electrical work. Commissioner Garner asked if RRHA is responsible for any costs that may come up in the first seven years. Mr. Gusler noted that would only be the case for something still under warranty.

Vice Chair Karney asked for further questions. There were none.

Commissioner Garner introduced Resolution No. 4162 and moved its adoption as introduced.

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

AYES: Commissioners Kepley, Garner, Smith, Spickler, Vice Chair Karney

NAYS: None

Vice Chair Karney thereupon declared said motion carried and Resolution No.

4162 was adopted as introduced.

**RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING
AUTHORITY AUTHORIZING ADDITIONAL FUNDING FOR RENOVATION OF
CERTAIN PROPERTIES IN CONJUNCTION WITH THE HOMEOWNERSHIP
PROGRAM**

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 approved 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 their agents for two (2) properties with a not-to-exceed amount of \$125,000 established for the total cost to acquire, renovate and sell each property ; and

WHEREAS, the RRHA Board of Commissioners approved Resolution Number 4064 on November 23, 2020, which authorized increasing the not-to-exceed amount established in Resolution Number 3972 to acquire, renovate and sell the two (2) properties from \$125,000 each to \$200,000 each, and sell said properties to qualified buyers; and

WHEREAS, the RRHA Board of Commissioners approved Resolution Number 4113 on March 28, 2022, which authorized the purchase of property at 938 Peck St, NW, and approved Resolution Number 4116 on April 25, 2022, which authorized the purchase of property at 1606 Grayson Avenue, NW, both properties of which were acquired to further the goals of the HOP; and

WHEREAS, RRHA has acquired the two (2) housing units, 938 Peck St, NW and 1606 Grayson Ave, NW, that are currently undergoing renovation to a standard consistent with requirements of RRHA HOP programs, by which properties should not require significant capital investment or maintenance for seven (7) years after their sale; and

WHEREAS, RRHA is currently working with two (2) applicants in the HOP with each applicant having made a deposit as a down payment on one (1) of the properties; and

WHEREAS, the RRHA Board of Commissioners approved Resolution Number 4134 on October 24, 2022, which authorized the sale of 938 Peck Street, NW,; and

WHEREAS, due to unforeseen conditions encountered during the process of the renovation of the property, the cost of renovations has significantly increased and has also resulted in the sale of 938 Peck Street, NW being delayed; and

WHEREAS, due to current market conditions the costs for construction labor and materials have increased significantly since Resolution 4064 was approved; and

WHEREAS, due to unforeseen conditions and current market conditions the \$200,000 not-to-exceed amount established by Resolution 4064 does not allow sufficient funds for the complete renovation of 938 Peck St., NW; and

WHEREAS, it is estimated that an additional \$75,000 may be needed to complete the renovation and sale of 938 Peck St., NW, to the requirements of the HOP program, with an allowance for unknown conditions included, it is recommended that the not-to-exceed amount for acquisition, renovation and sale of an individual property be increased to \$275,000; and

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

1. The Executive Director or a designee is authorized to execute purchase orders or contracts to complete the renovation of two (2) properties, 938 Peck St, NW and 1606 Grayson Avenue, NW, in the City of Roanoke with the total not-to-exceed amount authorized for the acquisition, renovation and sale of the Properties being established at \$275,000 each.
2. Approval of the Board of Commissioners will be required prior to RRHA proceeding to the sale of the Properties.

III. 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 Kepley, Garner, Smith, Spickler, Vice Chair Karney

NAYS: None

Vice Chair Karney declared the meeting adjourned at 4:40 p.m.

Karen Walker, Chair

David Bustamante, Secretary-Treasurer

Exhibits from May 22, 2023 Minutes previously circulated