

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 25, 2024.

I. CALL TO ORDER – ROLL CALL

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

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

ABSENT: None

OFFICER PRESENT: Mr. David Bustamante, Secretary-Treasurer

ALSO PRESENT: Mark Loftis, Legal Counsel; Jackie Austin, VP of Finance/CFO; Jonathan Smith, Human Resources Coordinator; Tina Bousman, Manager of HR; Leanna Pagans, Administrative Manager/Executive Assistant; Brenda Prieto, PR/Social Media/Marketing Manager; Frederick Gusler, Director of Redevelopment and Revitalization; Greg Goodman, Director of Community Support Services; Joel Shank, VP of Operations; Stephanie Moon Reynolds, City Council Liaison; Debra Carter, Melrose Towers Resident; Beth Davidson, Executive Director of Shifting Paradigms Consulting Group

Chair Karney welcomed everyone to today's meeting.

II. REPORTS

1. Executive Report.

Mr. Bustamante addressed the board stating on March 9th, after four continuing

resolutions, the president signed the Transportation and HUD (T-HUD) bill. This bill will provide \$70 billion in HUD funding for fiscal year 2024 and is a 13% increase over fiscal year 2023 levels. This bill provides increased funding to the public housing operating fund and voucher renewals in line with increases in rental costs.

Consequently, this bill only provides level funding for the public housing capital fund and modestly decreases the voucher administration fee funding. RRHA will receive \$4.8 million for capital funding in fiscal year 2024 which is the same amount received in fiscal year 2023. If Congress fails to pass the remaining six bills prior to April 1, 2024, HUD funding may be subject to sequestration. The president just released the budget for fiscal year 2025 which will be presented to the board next year. Mr. Bustamante noted, per the Fiscal Responsibility Act of 2023, the fiscal year 2025 budget is capped at a one percent increase over fiscal year 2024 which would equate to a 90% proration of the public housing operating fund.

Mr. Bustamante announced that HUD released the 2022 Public Housing Assessment System (PHAS) scores and RRHA was a standard performer. Any score between 80 and 90 is considered a standard performer and RRHA scored an 88. Mr. Bustamante stated he believes RRHA will be a standard performer again for 2023 due to the occupancy rates and tenant account receivables that were affected by the pandemic.

Mr. Bustamante noted RRHA will complete the 2019 Housing Choice Voucher (HCV) waitlist in April with the goal of opening the 2022 HCV waitlist in May. This process has taken much longer than anticipated due to the lack of affordable housing and the increased time needed for participants to find a unit.

Mr. Bustamante stated he is currently updating RRHA's Admissions and Continued Occupancy Plan (ACOP) and the Administrative Plan (ADMIN) with new changes. The board will be receiving a link to highlights of what has changed in both plans prior to presenting the resolution at the board meeting in April.

Vice Chair Garner asked what the \$70 billion will fund. Mr. Bustamante replied it will fund all of the programs that are under HUD. Vice Chair Garner asked if the increase in budget will cover the increase in rents being charged by landlords. Mr. Bustamante said the funding will allow for HCV renewals, inflation and new vouchers. The fear was that Congress would maintain the same level of funding for 2024 as they did in 2023 and not take these factors into account. Vice Chair Garner asked if the percentage of increase for rents in the Section 8 program is known. Mr. Bustamante replied that the HCV program has established payment standards and landlords must adjust their rents to these standards in order to participate in the program. If a tenant submits a moving packet that reflects a rent that is \$300 over the payment standard for that bedroom size then the caseworker will reach out to the landlord and ask that they reduce the rent to fit the program standards. There are instances where the landlord is unable to lower the rent amount and the applicant is then given another opportunity to find housing elsewhere. In the past this was not a real problem, however, there are now more prospective tenants outside of those in the HCV program that are competing for these properties.

Vice Chair Garner asked when RRHA might be a high performer again. Mr. Bustamante replied the goal is fiscal year 2025. Once all of the tenants with large balances have been evicted, units are turned and new applicants are moved into these

units then tenant account receivables will improve and this goal will be more attainable. Vice Chair Garner asked if being a standard performer will impact the allocation that RRHA receives. Mr. Bustamante said it will only affect the unobligated capital fund money that HUD divvies amongst all of the high performers.

Commissioner Anguiano noted that the occupancy rates are stabilizing and asked why Jamestown Place appears to be an outlier. Mr. Bustamante stated Jamestown Place has 150 units with many of them currently vacant within the development. RRHA has been granted possession of additional units and the recent loss of maintenance staff has created a backlog of WRIT's. Mr. Bustamante stated he has spoken with the property manager and she is aware of the severity of the situation.

Chair Karney asked for further questions. There were none.

2. Staff Reports

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

3. Committee Reports

Chair Karney asked for committee reports. There were none.

4. Commissioner Comments

Chair Karney asked for commissioner comments. There were none.

5. City Council Liaison Comments or Discussion

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

6. Residents or other community members to address the Board

Beth Davidson greeted the board announcing she is the owner and Executive Director of Shifting Paradigms Consulting Group, LLC and Why Not Workshop which is a nonprofit organization. Ms. Davidson stated her mission is to serve children in the Roanoke Valley who cannot afford high-end services. Due to lack of funding they are currently looking for a location where services such as body integration, literacy and open ended activities can be held. Shifting Paradigms Consulting Group, LLC also serves children with a wide range of trauma and disabilities and teaches them self-regulation and impulse control. Ms. Davidson noted she has been speaking to group's citywide seeking support for the Shifting Paradigms Consulting Group, LLC which is in need of paying clients to survive and the nonprofit which needs donations in order to survive. Why Not Workshop received a grant through the Gun Violence Prevention Council and that is currently being used to host a workshop at Eureka Park every Monday and Friday.

Chair Karney asked for further questions. There were none.

Debra Carter greeted the board seeking approval for a rain garden at Melrose Towers. There are many storm drains on the site that could potentially empty into a rain garden versus the yard space it currently empties into. This would not only help filter the water runoff from the parking lot, but also beautify the area.

Chair Karney asked for further questions. There were none.

CONSENT AGENDA

- C-1 Minutes of the Regular Meeting of the Board of Commissioners held
Monday, February 25, 2024.

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

- C-2 Monthly Operations Report for the month of February 2024.

RECOMMENDED ACTION: File as submitted.

Commissioner Garner introduced a motion to approve the Consent Agenda.

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

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

NAYS: None

REGULAR AGENDA

1. Resolution No. 4192

Mr. Gusler presented Resolution No. 4192 seeking the board's approval to execute contracts for two Home Ownership Properties. Resolution 4162 was passed in May of 2023 which allowed RRHA to spend up to \$275,000 each on two home ownership properties. Both of those projects have been completed with the \$275,000 having been used for acquisition and rehabilitation costs. The board approved the sale of these properties to first time homebuyers through the Home Ownership Program (HOP). Part of the impetus for this resolution today is the

grant RRHA received in 2022 from Virginia Housing through the Roanoke Valley Alleghany Regional Commission (RVARC) in the amount of \$111,629 in 2022.

There are two houses remaining in the Lease Purchase Program for sale and one in the Section 32 program all of which are located on Melrose Avenue. These funds will allow RRHA to work with prospective home buyers to buy and renovate properties rather than building new.

Vice Chair Garner asked if the properties on Melrose Avenue have already been acquired. Mr. Gusler replied that they are part of the current programs and do not have anything to do with this resolution. Vice Chair Garner asked if we currently have any specific properties in mind. Mr. Gusler stated the applicant will shop with a realtor and RRHA will then acquire the property and perform an inspection to determine if it is a property that could be renovated in a reasonable time and cost. RRHA would purchase the property, make any necessary renovations and sell it to the first time homebuyer. Vice Chair Garner asked what standard is used to determine what will be charged for those properties. Mr. Gusler said RRHA subsidizes all of the HOP's and does not generally break even on cost. The previous two properties were sold at the purchase price. The first property was purchased for \$110,000 and the second property was purchased for \$123,000 with RRHA spending under budget on both.

Vice Chair Garner asked if RRHA still has a relationship with the RVARC. Mr. Gusler replied that RRHA still has the grant through RVARC and they are agreeable with amending it to allow for acquisition and renovation instead of building new.

Commissioner Carr asked if the \$111,000 is the total cost of acquisition for both properties. Mr. Gusler stated it is a portion of the total cost with the hope of securing additional funds later as the project progresses.

Chair Karney asked for further questions. There were none.

Commissioner Smith then introduced Resolution No. 4192 and moved its adoption as introduced.

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

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

NAYS: None

Chair Karney thereupon declared said motion carried and Resolution No. 4192 was adopted as introduced.

RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY AUTHORIZING NEGOTIATION AND EXECUTION OF CONTRACTS FOR ACQUISITION OF TWO (2) 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 to further RRHA's goals of providing opportunities for low to moderate income families to achieve homeownership; and

WHEREAS, RRHA is currently working with HOP applicants to find suitable housing units that can be renovated to a standard consistent with the various HOP programs by which properties should not require significant maintenance for seven years after their sale; and

WHEREAS, RRHA was awarded a grant from the Roanoke Valley Allegheny Regional Commission in 2022 for a total of \$111,629 to use towards two (2) homeownership units; and

WHEREAS, RRHA seeks to acquire two properties that it will renovate as needed at a total of no more than \$275,000 each including improvements, and sell said

properties to qualified buyers; and

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

1. The Executive Director or his designee is authorized to negotiate and execute contracts for two (2) properties that will be selected by prospective buyers with RRHA's approval.
 2. Approval of the Board of Commissioners will be required prior to RRHA exercising any option or contract to purchase any of the Properties.
2. Resolution No. 4193

Mr. Shank presented Resolution No. 4193 requesting the board's approval to execute a contract with Region 14 Education Service Center/Omnia Partners and Ferguson Enterprises. This contract will provide materials for RRHA maintenance staff. The Region 14 Education Service Center is a government entity that previously issued a Request for Proposal (RFP) for maintenance materials. Ferguson Enterprises was awarded the contract and HUD allows for RRHA to enter into that contract and in doing so take advantage of the procurement that was done by that entity. Ferguson Enterprises has completed similar contracts for RRHA in a satisfactory manner. This contract meets all five of the intergovernmental cooperative agreement requirements and the procurement meets HUD and federal guidelines.

Commissioner Kepley asked if RRHA will be able to purchase items at list price. Mr. Shank replied that generally there will be a percentage off of the purchase price.

Chair Karney asked for further questions. There were none.

Commissioner Smith introduced Resolution No. 4193 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, Carr, Kepley, Smith, Walker, Vice Chair Garner, Chair Karney

NAYS: None

Chair Karney thereupon declared said motion carried and Resolution No. 4193 was adopted as introduced.

RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY AUTHORIZING EXECUTION OF A CONTRACT WITH REGION 14 EDUCATION SERVICE CENTER/OMNIA PARTNERS AND FERGUSON ENTERPRISES, LLC

WHEREAS, the City of Roanoke Redevelopment and Housing Authority (RRHA) includes Maintenance, Repair, and Operations supply (MRO) as a necessary expense in its annual operating budget; and

WHEREAS, the Department of Housing and Urban Development (HUD) procurement regulations allow RRHA to join intergovernmental cooperative agreements; and

WHEREAS, RRHA has determined that joining the Region 14 Education Service Center/Omnia Partners and Ferguson Enterprises. LLC contract, identified as contract #02-138, as awarded on April 19, 2022 with an effective date of April 19, 2022 and with a term ending on April 30, 2025 with two (2) option years, if mutually agreed upon by Region 14 Education Service Center/Omnia Partners and Ferguson Enterprises. LLC, is cost effective and in the best interest of RRHA; and

WHEREAS, the Region 14 Education Service Center/Omnia Partners and Ferguson Enterprises. LLC contract is routine in nature for purchasing plumbing supplies, HVAC products and building supplies; and

WHEREAS, the Region 14 Education Service Center/Omnia Partners and Ferguson Enterprises. LLC contract fully satisfies HUD's five (5) intergovernmental cooperative agreement requirements; and

WHEREAS, the not-to-exceed amount for this contract was determined based on review of RRHA's average expenses for MRO for the past five (5) years;

and

NOW, THEREFORE, BE IT RESOLVED by the Commissioners of the City of Roanoke Redevelopment and Housing Authority that the Executive Director is authorized to execute a contract, for the not-to-exceed amount of \$200,000.00 with Region 14 Education Service Center/Omnia Partners and Ferguson Enterprises. LLC, contingent upon acceptance of RRHA's Memorandum of Understanding by Ferguson Enterprises. LLC.

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 Anguiano, Carr, Kepley, Smith, Walker, Vice Chair Garner, Chair Karney

NAYS: None

Chair Karney declared the meeting adjourned at 3:33 p.m.



Karen Karney, Chair

David Bustamante, Secretary-Treasurer

Exhibits from March 25, 2024 Minutes previously circulated