

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, August 25, 2025.

I. CALL TO ORDER – ROLL CALL

Chair Kepley called the meeting to order at 3:01 p.m. and declared a quorum was present.

PRESENT: Commissioners Carter, Coles, Karney, Walker, Wright, Chair Kepley, Vice Chair Carr

ABSENT: None

OFFICER PRESENT: Mr. David Bustamante, Secretary-Treasurer

ALSO PRESENT: Mark Loftis, Legal Counsel; Joel Shank, VP of Operations; Jackie Austin, VP of Finance/CFO; Meghan Castañeda, Administrative Manager/Executive Assistant; Fredrick Gusler, Director of Redevelopment and Revitalization; Brenda Prieto, Manager of PR/MKTG/SM; Henri Gendreau, Founder/Publisher of The Roanoke Rambler; Hannah Abdullah, Lansdowne Resident.

Chair Kepley welcomed everyone to today's meeting and opened the public hearing to receive comments on the proposed FY2026 operating budget.

II. PUBLIC HEARING

Ms. Austin provided an overview of the proposed budget. She reported total revenue across all programs was budgeted to increase by 1%, primarily due to higher tenant rent collections and Housing Choice Voucher (HCV)

administrative fees. Public housing occupancy was projected to improve in FY2026, while public housing subsidy funding was anticipated to decrease by 7%. The central office cost center projected a 2% decline in fee income related to reduced capital fund management and service fees. Hackley Section 8 rental income was budgeted to increase by 7% following a recent rate adjustment.

Total expenses for RRHA were budgeted to rise by 3%, reflecting higher administrative, utility, maintenance, insurance, and protective service costs. Ms. Austin noted the Water Authority had announced a 25% rate increase effective in October. While the Authority budgeted reduced bad debt expenses in hopes of stronger rent collections, tenant services expenses were budgeted to decrease by 4% due to salaries being covered by grant funds. Non-routine expenses were expected to increase, including the purchase of a used truck for Lincoln's maintenance staff.

To balance operations, public housing was budgeted to use \$583,000 in reserves, the homeownership program \$668,000, and city activities \$3,400. Ms. Austin cautioned rising costs and declining federal funding remained ongoing concerns. She explained the Board would not be asked to take action at this meeting; a resolution to approve the FY2026 budget would be presented at the September meeting.

Vice Chair Carr asked about the status of reserve funds. Ms. Austin reported public housing reserves totaled approximately \$10 million, with \$800,000 in the homeownership program. She noted the homeownership

budget had included the use of reserves for several years, but actual expenditures often depended on the availability of qualified buyers.

Commissioner Coles inquired about the allocation of funds for property sales and confirmed the Housing Authority provided water for most units. Ms. Austin confirmed the Authority covered nearly all utilities and reiterated the significant impact of the 25% water rate increase.

When asked what stood out most as a concern in the upcoming year, Ms. Austin emphasized the challenge of rising costs alongside reduced federal funding.

No members of the public provided comments, and Chair Kepley closed the public hearing.

III. REPORTS

1. Executive Report

Mr. Bustamante reported on federal budget uncertainty and its impact on housing programs. He explained Congress remained in recess, with discussions underway regarding a continuing resolution. While such measures ensured currently housed families remain supported, they prevented new families on the Authority's waiting list from receiving assistance. He cautioned a potential rescission posed an additional funding threat, making it difficult to plan budgets.

Mr. Bustamante reminded the board RRHA maintains reserves, but these are intended for emergencies and could not indefinitely sustain operations. He stressed while affordable housing demand continued to rise, federal budgets contained no additional funding for homelessness programs.

He also updated members on the Emergency Housing Voucher program, noting 19 families remained enrolled. HUD has provided technical guidance to transfer participants to the regular voucher program, contingent upon approval of a waiver and amendments to local preferences. A resolution to support this transition would be presented at a future meeting.

Mr. Bustamante reported staffing shortages across the Housing Choice Voucher, public housing, and human resources departments, though recruitment efforts were ongoing. He invited commissioners to share job postings within their networks.

Finally, he announced the first meeting of the Mayor's Hope and Home Task Force to address homelessness is scheduled for September 17. He would represent the Authority and report back at a future meeting.

In discussion, commissioners raised concerns regarding the shortage of affordable housing units, the impact of Medicaid changes on vulnerable families, and the importance of federal advocacy. Vice Chair Carr suggested commissioners redouble efforts to secure a meeting with Congressman Ben Cline to highlight the urgent need for funding. Mr. Bustamante agreed to follow up with the Congressman's office and encouraged commissioners to do the same.

2. Staff Reports

Chair Kepley asked for staff reports. There were none.

3. Committee Reports

Chair Kepley asked for committee reports. There were none.

4. Commissioner Comments

Vice Chair Carr inquired about a new program related to gun violence prevention noted on the Authority's website. Mr. Bustamante explained the initiative was funded through a Department of Justice's "It Takes a Village" grant received by Mr. Greg Goodman. The program provides tutoring services for children at selected developments and is scheduled to begin the first week of September.

Chair Kepley then announced this meeting would be his last as commissioner due to increased professional responsibilities. He expressed regret at departing but felt assured the Authority remained in capable hands under Mr. Bustamante's leadership and the dedication of staff. He reflected on his service since joining the Board in 2017 or 2018, recalling the leadership transition following Glenda Goh's retirement and the national search resulting in Mr. Bustamante's appointment as Executive Director. Chair Kepley commended Mr. Bustamante's leadership, thanked legal counsel, Mr. Loftis, for his service, and expressed appreciation to his fellow commissioners and staff for their commitment to the Authority and the residents it serves.

5. City Council Liaison Comments or Discussion

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

6. Residents or other community members to address the Board

Chair Kepley asked for further questions. There were none.

CONSENT AGENDA

Monday, July 28, 2025.

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

C-2 Monthly Operations Report for the month of July 2025.

RECOMMENDED ACTION: File as submitted.

Vice Chair Carr introduced a motion to approve the Consent Agenda. The motion was seconded by Commissioner Karney and upon roll call, the following vote was recorded:

AYES: Commissioners Carter, Coles, Karney, Walker, and Wright, Chair Kepley and Vice Chair Carr

NAYS: None

REGULAR AGENDA

1. Annual Election of Officers for 2025-2026

A. Nominations for the Office of Chair

Nominations were opened for the Office of Chair beginning September 1, 2025. Chair Kepley nominated Vice Chair Carr. With no further nominations, Commissioner Coles introduced a motion to approve Tom Carr for the Office of Chair. The motion was seconded by Commissioner Wright, and upon roll call the following vote was recorded:

AYES: Commissioners Carter, Coles, Karney, Walker, and Wright, Chair Kepley and Vice Chair Carr

NAYS: None

Chair Kepley congratulated Mr. Carr on his election and declared said motion carried as introduced.

B. Nominations for Office of Vice-Chair

Vice Chair Carr nominated Debra Carter for the Office of Vice-Chair beginning September 1, 2025. There being no further nominations, Commissioner Wright introduced a motion to approve Debra Carter for the Office of Vice-Chair. The motion was seconded by Commissioner Walker and upon roll call the following vote was recorded:

AYES: Commissioners Carter, Coles, Karney, Walker, and Wright, Chair Kepley and Vice Chair Carr

NAYS: None

Chair Kepley thereupon declared said motion carried as introduced.

2. Resolution No. 4256

Mr. Shank presented Resolution No. 4256, requesting approval of a contract modification under the Capital Fund Program for boiler replacements at Lansdowne. He explained the modification was required to comply with Build America, Buy America (BABA) requirements.

Mr. Shank reported the Authority's contractor initially submitted boilers that did not meet current BABA standards. After extensive research, he located one U.S. manufacturer capable of certifying compliance. The cost difference between the original proposal and the compliant boilers totaled approximately \$80,000.

Additionally, Mr. Shank proposed adding one boiler room originally planned for Phase IV into the current phase, in order to avoid BABA requirements in future phases. This adjustment added approximately \$79,000 to the contract. Together, the requested contract modification totaled about \$159,000.

Mr. Shank emphasized the significant challenges faced in locating compliant equipment, noting many manufacturers assemble parts from multiple countries and could not certify full compliance. He also noted similar challenges had occurred in recent projects, such as the range hood replacement at Lansdowne, and anticipated future projects involving steel products would face the same issues.

Vice Chair Carr noted the increase represented roughly 25% of the original contract amount. He and Commissioner Coles asked about waiver options and liability if equipment later proved non-compliant. Mr. Shank explained liability rested with the manufacturer certifying compliance.

Commissioner Karney asked how much time had been spent locating the compliant supplier. Mr. Shank responded the process involved many hours over several weeks, requiring repeated outreach to manufacturers and suppliers. Commissioner Carter expressed concern that the federal government had not provided clear guidance or supplier lists, making compliance unnecessarily burdensome. She noted this compounded the rising costs previously reported in the operating budget. Vice Chair Carr added reliance on a single supplier allowed that company to dictate market pricing, further increasing costs. Mr. Bustamante remarked while he understood the intent of BABA, the requirements often increased costs dramatically, making it more expensive

to source American-made products. Chair Kepley observed while the situation was regrettable, the Authority was obligated to comply.

With no further discussion, Vice Chair Carr moved to approve Resolution No. 4256. The motion was seconded by Commissioner Carter, and upon roll call the following vote was recorded:

AYES: Commissioners Carter, Coles, Karney, Walker, and Wright, Chair Kepley and Vice Chair Carr

NAYS: None

Chair Kepley thereupon declared said motion carried and Resolution No. 4256 was adopted as introduced.

RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY MODIFYING CONTRACT 576-2503-1-7 UNDER CAPITAL FUND PROGRAM (CFP) GRANT NUMBER VA36P01150124

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 VA36P01150124 in the amount of \$4,923,972.00; and

WHEREAS, Replacement of Heating and Domestic Hot Water Systems for Lansdowne Park, AMP 201 was included on the Annual Statement detailing the planned use of CFP grant number VA36P01150124, which was approved by the RRHA Board of Commissioners by Resolution 4202 on May 27, 2024; and

WHEREAS, RRHA Board of Commissioners by Resolution 4243 authorized the execution of a contract for Replacement of Heating and Domestic Hot Water Systems, Phase 3 for Lansdowne Park, AMP 201 for a fixed amount of \$649,975.00; and

WHEREAS, the contract amount was increased by \$6,000.00 for furnishing and installing surge protection devices for the 10 new electrical panels to be installed in Phase 3; and

WHEREAS, in using funds from Capital Fund Program (CFP) Grant Number VA36P01150124 to cover the cost of the work, the project became subject to the requirements of Build America, Buy America Act; and

WHEREAS, Control Maintenance, Inc. had included high-efficiency heating boilers manufactured by Utica Boilers in their bid; and

WHEREAS, during the review of the bid submitted by Control Maintenance, Inc. it was determined that Utica Boiler did not understand the requirements of Build America, Buy America Act as it related to their high efficiency heating boilers; and

WHEREAS, internet research and direct communication with over 35 boiler manufacturers was conducted by RRHA staff, with only one (1) manufacturer, Energy Kinetics, Inc., willing to certify that their high-efficiency heating boilers meet the requirements of the Build America, Buy America Act; and

WHEREAS, Control Maintenance, Inc. was requested to submit a change proposal for furnishing and installing the 20 high-efficiency heating boilers manufactured by Energy Kinetics; and

WHEREAS, the cost of the 20 heating boilers manufactured by Energy Kinetics Inc. for Replacement of Heating and Domestic Hot Water Systems, Phase 3 for Lansdowne Park, AMP 201 is \$80,129.00.00 greater than the cost of the 20 high-efficiency boilers manufactured by Utica Boilers that Control Maintenance, Inc. had included in their bid; and

WHEREAS, the change proposal submitted by Control Maintenance, Inc. was determined to be fair and reasonable due to the submission of pricing documentation from Utica Boilers and Energy Kinetics, Inc.; and

WHEREAS, under 2 CFR 184.4(d) HUD determined that buildings having fewer than five (5) dwelling units within them are considered private and therefore are not Infrastructure as defined in 2 CFR 184.4; and

WHEREAS, of the remaining apartment buildings at Lansdowne Park that will be included in Replacement of Heating and Domestic Hot Water Systems, Phase 4 there is only one (1) building having five (5) or more dwelling units; and

WHEREAS, due to the one (1) building having six (6) dwelling units the entire project for Replacement of Heating and Domestic Hot Water Systems, Phase 4 will be subject to Build America, Buy America Act requirements; and

WHEREAS, Control Maintenance, Inc. was requested to submit a change proposal for replacing the heating and domestic hot water systems serving the building having six (6) dwelling units; and

WHEREAS, Control Maintenance, Inc. submitted a change proposal with an amount of \$79,170.00 for replacing the heating and domestic hot water systems serving the building having six(6) dwelling units; and

WHEREAS, the change proposal was determined to be fair and reasonable when compared to R S Means Cost Data; and

WHEREAS, the Vice President of Operations recommends the acceptance of the two (2) change proposals submitted by Control Maintenance, Inc.; 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 \$200,000 or more, any and all change orders, contract modifications, and/or amendments that result in a cumulative dollar value that exceeds 10% of the original contract value, 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 two (2) change proposals submitted by Control Maintenance, Inc. in the total amount of \$159,299.00 be and hereby are accepted;
- (2) The Executive Director be and hereby is authorized and directed to execute a contract modification, which by reference, is inclusive of all Control Maintenance Inc.'s two (2) change proposals for furnishing and installing high-efficiency heating boilers manufactured by Energy Kinetics, Inc. that are certified to meet Build America, Buy America Act requirements and replacing the heating and domestic hot water systems serving a building with six (6) dwelling units;
- (3) The Executive Director be and hereby is authorized to take such other actions as may be necessary to fulfill the intent of this Resolution.

3. Resolution No. 4257

Chair Kepley introduced Resolution Number 4257, which authorized the Section 18 application to the Department of Housing and Urban Development (HUD) for the disposition of three buildings in Indian Rock Village, AMP-210.

Mr. Gusler addressed the board, noting the resolution followed up on a staff

report from the previous month regarding the disposition application for the three buildings. He reminded the board the buildings were located within the floodway, which significantly limited the types of renovations and permits that could be obtained, thereby restricting future use. He explained the City of Roanoke had applied for and received a Department of Conservation and Recreation Community Flood Preparedness grant to purchase the property. Staff would collaborate with the city on the property sale over the coming months.

Mr. Gusler provided details about the buildings, explaining they contained six two-bedroom units, twelve three-bedroom units, four four-bedroom units, and two five-bedroom units. He emphasized all residents would be relocated, and tenant protection vouchers would be applied for while monitoring the status of these units in relation to other public housing options. If residents wished, they could be moved earlier into alternative public housing units. He added the city planned to demolish the buildings and extend the Tinker Creek Greenway through this section of Indian Rock Village. He acknowledged the schedule had been slightly delayed and the grant announcement to the City of Roanoke came later than expected. However, he anticipated submitting the Section 18 application within the next month, with resident relocation occurring as early as spring 2026, and hoped to close the sale by the end of 2027. He invited any questions.

Vice Chair Carr inquired whether a sale price had been established. Mr. Gusler responded negotiations had not yet occurred. The city had conducted an appraisal that valued the property at \$1,950,000 “as-is,” reflecting its market value rather than its use for public housing. He added quarterly meetings with the city’s storm water division

would occur, as they were managing the grant portion of the project.

Commissioner Karney observed all of the 24 units were currently occupied. Mr. Gusler confirmed this and noted once the HUD application was submitted, no new residents would be placed in the units. If units were vacated, they would remain empty during modernization, which would still allow subsidy retention.

Chair Kepley asked whether recent flash floods had impacted the buildings. Mr. Gusler stated he was unaware of any direct impact, noting flooding appeared worse in the northern part of the city. Mr. Bustamante added while some flooding occurred in surrounding areas, it did not enter the units.

Chair Kepley acknowledged the apparent contradiction of seeking more housing while potentially removing 24 units. Mr. Bustamante explained it was in the Authority's best interest, as rebuilding within the floodway would be a financially prohibitive undertaking. Chair Kepley agreed this context helped clarify the reasoning behind the decision.

Mr. Gusler described the negotiation process with the city, indicating he and Mr. Shank would attend meetings, with Mr. Bustamante and other staff joining if necessary. He noted operational details, including environmental responsibilities and salvage of usable materials from the units, would influence the final property valuation.

Chair Kepley asked about the proximity of the planned Greenway extension to the buildings. Mr. Gusler explained once the buildings were removed, the path would run behind the Authority's maintenance building and extend the existing Tinker Creek Greenway, which currently had a trailhead across the street from Indian Rock Village. He noted challenges in extending the trail northward due to railroad property in the area.

When asked whether Greenway funds would contribute to the purchase, Mr. Gusler clarified the city intended to use the Department of Conservation and Recreation grant, which allowed localities to acquire flood-prone properties for proactive use.

Chair Kepley then asked if there were any other questions or discussion regarding the resolution. Receiving none, he entertained a motion. The motion was introduced by Vice Chair Carr and seconded by Commissioner Carter. Upon roll call the following vote was recorded:

AYES: Commissioners Carter, Coles, Karney, Walker, and Wright, Chair Kepley and Vice Chair Carr

NAYS: None

4. Resolution No. 4257

Mr. Bustamante presented one final resolution, a commendation for Chair Kepley in recognition of his dedicated service as Commissioner. He noted Chair Kepley had served on the board from July 2, 2018, through August 25, 2025, holding the positions of chair and vice chair twice each. The resolution expressed appreciation for his contributions to the community and his service as a commissioner of the City of Roanoke Redevelopment and Housing Authority. In conclusion, Mr. Bustamante presented Chair Kepley with a plaque to honor his service on the board.

Chair Kepley expressed his gratitude, acknowledging the gesture as very kind and stating it had been a pleasure to serve.

IV. ADJOURNMENT

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

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

AYES: Commissioners Carter, Walker, and Wright, Chair Kepley and Vice Chair Carr

NAYS: None

Chair Kepley declared the meeting adjourned at 3:53 p.m.



Tom Carr, Chair



David Bustamante, Secretary-Treasurer

Exhibits from August 25, 2025 Minutes previously circulated