

CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY



MONTHLY OPERATIONS REPORT

FOR THE MONTH OF DECEMBER 2025

DECEMBER 15, 2025



MEMORANDUM

To: Board of Commissioners
From: David Bustamante, Executive Director
Date: December 09, 2025
Subject: Monthly Operations Reports

Enclosed for your information and review are operations reports from each department for the month of November 2025. The reports are as follows:

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EXECUTIVE OFFICE

Executive Director's Report

Shutdown Ends, Challenges Remain

On November 12, the House narrowly approved a Continuing Resolution (CR) to reopen the federal government after 43 days—the longest shutdown in U.S. history. The measure passed largely along partisan lines and was signed into law by the President, funding the government through January 30, 2026. Additionally, the package included full-year FY 26 funding “minibuses” for Agriculture, the Legislative Branch, and Military Construction–Veterans Affairs (MilCon-VA). The vote followed Senate approval of the measure three days earlier.

The CR maintains current funding levels for HUD programs through January 30, 2026, and allows the Department to repurpose unobligated funds for voucher administrative fees, special purpose vouchers, and tenant protection vouchers to address shortfalls. It reverses the layoffs, known as Reductions in Force (RIFs), issued at the start of the shutdown, and guarantees that affected employees are returned to their positions retroactive to September 30, 2025, with full back pay. It also prohibits any additional layoffs through the end of January.

Notably however, the agreement does not extend the Affordable Care Act (ACA) subsidies that are set to expire at the end of the year—one of the Democrats' key demands during the shutdown

Operational Strain on Housing Authorities

Under HUD's contingency plan during the shutdown, the Department operated with a skeleton staff and limited program activity, putting considerable strain on HAs. Many PHA's reported delays or gaps in Operating Fund and HAP disbursements, slower Capital Fund processing, and postponed field office responses. The shutdown created uncertainty and communication challenges that forced some agencies to delay maintenance and modernization projects until full federal operations resumed.

HUD is now working to catch up on delayed payments, grant processing, and system access for eLOCCS, PIC, and the Operating Fund Portal. Although the Department continued essential functions, such as emergency disbursements and payments on previously obligated funds, progress was slow due to reduced capacity. These challenges were compounded when HUD issued 442 reduction-in-force notices on October 10, affecting several key program offices. Following the CR, these RIFs are expected to be reversed, restoring staff and allowing critical operations to get back on track.

SNAP Benefits Delayed or Interrupted

The shutdown also disrupted Supplemental Nutrition Assistance Program (SNAP) benefits, which were not fully funded for November. Some states delayed or staggered benefit payments, leaving many families unsure when assistance would arrive. The new CR provides funding for SNAP through September 2026, helping ensure continued support for roughly 42 million people, including families with children, older adults, people with disabilities, and other low-income households already struggling to make ends meet.

HUD's Picture of Subsidized Households dataset does not track whether families also receive SNAP or WIC, so the intersection between programs is not fully captured. However, evidence indicates that many HUD-assisted households rely on both programs, so disruptions hit vulnerable families especially hard.

Outlook for FY 26 Funding

The CR's short duration for nine of the twelve FY 26 appropriations bills means Congress must quickly resume work to finalize spending measures, including the Transportation–HUD (T-HUD) bill. Political disagreements—particularly over health care—could affect the timing and outcome. House Democrats oppose the measure because it does not extend Affordable Care Act subsidies, which they are pushing to preserve before year-end. Senate Majority Leader John Thune (R-ND)

Audit

Auditors from Jump, Perry, and Company, L.L.P., will be on-site at RRHA during the week of December 07, 2025, conducting fieldwork for the annual independent audit for the year ending September 30, 2025.

FY 26 Proposed Budgets for Selected HUD Accounts
(IN MILLIONS)

	FY 25 ENACTED	FY 26 PHADA RECOMMENDED	FY 26 WHITE HOUSE PROPOSED	FY 26 HOUSE PROPOSED	FY 26 SENATE PROPOSED	% CHANGE FY 25 ENACTED TO SENATE PROPOSED
Public Housing Operating Fund	\$5,476	\$5,720	\$36,200 for these programs and others under a State Rental Assistance Program (SRAP)	\$4,975	\$4,873	-11.0%
Public Housing Capital Fund	\$3,200	\$5,000		\$2,286	\$3,200	—
Public Housing Shortfall	\$25	\$580		\$25	\$214	+756%
Voucher Contract Renewals	\$32,141	\$35,639		\$32,145	\$33,974	+5.7%
Voucher Administrative Fees*	\$2,741	\$3,445		\$1,945	\$2,876	+4.9%
Tenant Protection Vouchers	\$337	\$500		\$375	\$430	+27.6%
Project Based Rental Assistance	\$16,490	\$17,950		\$16,727	\$17,800	+7.9%
Incremental Vouchers	\$45	\$241	\$25	\$30	\$45	—
Choice Neighborhoods	\$75	\$300	\$0	\$0	\$40	-46.7%
HOME	\$1,250	\$2,000	\$0	\$0	\$1,250	—
CDBG	\$3,300	\$4,200	\$0	\$3,300	\$3,100	-6.1%
FSS	\$141	\$200	\$0	\$125	\$156	+10.6%
ROSS	\$40	\$40	\$0	\$35	\$45	+12.5%
Jobs-Plus	\$15	\$15	\$0	\$15	\$10	-33.3%

*Less fees for special purposes.

The FY 26 Budget requests funding for a new State Rental Assistance program, which would provide HUD funding directly to states (FY 26 WH Proposed).

HUMAN RESOURCES & ADMINISTRATION DIVISION

HUMAN RESOURCES
MONTHLY REPORT
NOVEMBER 2025

OPERATIONS DIVISION

PROCUREMENT
MONTHLY REPORT
NOVEMBER 2025

PROCUREMENT NOVEMBER 2025 MONTHLY ACTIVITY REPORT

I. Capital Fund

A. Contracts Awarded

None

B. Solicitations Pending

None

II. Operating Budget

A. Contracts Awarded

None

B. Solicitations Pending

REM-25-09-15

Invitation for Bids for Security Guard Services for Melrose Towers and Morningside Manor was issued September 21, 2025. Comments were received by October 15, 2025. Seven (7) responsive bids were received by October 22, 2025. American Global Security, Inc. submitted the low responsive bid with an amount of \$362,978.08. Commissioners approved Resolution 4270 on November 24, 2025 accepting the bid submitted by American Global Security, Inc. A contract with a fixed amount of \$362,978.08 is expected to be executed early in December, 2025.

EXE-25-08-28

Request for Proposals for Electronic Document Management/Workflow Software was issued November 9, 2025. Comments were received by November 25, 2025. Proposals are due December 16, 2025.

III. Other Grants and Projects

A. Contracts Awarded

None

B. Solicitations Pending

RED-24-03-19

Invitation for Bids for Installation of Passive Radon Vent Systems for Jamestown Place, AMP 207 and Indian Rock Village, AMP 210 was issued March 31, 2024. A pre-bid meeting was held April 9, 2024. Comments were received by April 23, 2024. One (1) responsive bid was received by April 30, 2024. Russell's Remodeling, LLC submitted the only responsive bid with an amount of \$316,000.00. As a result of negotiations, Russell's Remodeling, LLC revised the amount of the bid to \$280,000.00. Commissioners approved Resolution 4205 on May 20, 2024 accepting the revised bid submitted by Russell's Remodeling, LLC. A contract with a fixed amount of \$280,000.00 is scheduled to be executed once environmental review process for the grant funding the work is complete.

IV. Protests

None

REDEVELOPMENT AND REVITALIZATION
MONTHLY ACTIVITY REPORT
NOVEMBER 2024

Redevelopment and Revitalization Department

November 2025 MONTHLY ACTIVITY REPORT

Homeownership Programs

RRHA has completed working with two (2) first-time homebuyers per Board Resolution 4064. The properties are 938 Peck Street, NW and 1606 Grayson Avenue, NW. The properties were sold to first-time buyers on terms consistent with the other homeownership programs. Both buyers made deposits and signed letters of intent with RRHA to purchase the properties in 2022. The Board of Commissioners passed a resolution in October 2022 to approve the sale of 938 Peck Street, and passed a resolution to sell 1606 Grayson Avenue in November 2022.

RRHA closed on the sale of 938 Peck Street, NW, on December 29, 2023. The buyer has a Housing Choice Voucher which will now be used to pay a portion of her mortgage for up to 15 years. The buyer was also able to receive down payment assistance from the Federal Home Loan Bank (FHLB) through Truist bank after additional funds were made available. RRHA holds a 20% forgivable second mortgage on the property.

RRHA closed on the sale of 1606 Grayson Avenue, NW, on January 17, 2024. The buyer was a public housing resident who'd completed the Family Self Sufficiency program at the Villages at Lincoln and was once named resident of the month.

RRHA was notified in 2022 that it will be awarded \$111,629 from the Roanoke Valley Alleghany Regional Commission (RVARC). The funds were made available by Virginia Housing and will be used on two (2) new homeownership units for first-time buyers of low-to-moderate income. The RVARC and RRHA amended the scope of the grant in August 2024 to allow RRHA to use the funds towards the renovation of existing homes rather than build new as originally planned. The RVARC grant expired on June 30, 2025.

The RRHA Board of Commissioners approved a resolution in March 2024 to allow for the purchase and renovation of two (2) properties for first-time home buyers. One applicant has completed the program, while another is in process. RRHA closed on the purchase of 4947 Showalter on May 31, 2024 after the Board of Commissioners approved a resolution on May 20, 2024. In July 2024 the Board approved a resolution of the sale to a qualified first time homebuyer. On September 13, 2024 RRHA closed on the sale of the property to a first-time homebuyer. RRHA presented a resolution to the Board in June 2024 for the acquisition of 2024 Top Hill Drive, NW, for the other applicant in this program. RRHA closed on the sale of the property on July 23, 2024. Renovations are ongoing. The initial applicant moved out on September 5, 2025 as she could not qualify for a mortgage. Another applicant that is pre-approved for a loan signed a contract and put down a deposit with RRHA in September 2025.

Section 32

RRHA's Section 32 Program allows RRHA to sell certain public housing units to qualified low to moderate income first-time homebuyers. HUD gave approval for the five (5) single family homes that are included in the program several years ago. All five (5) of the single family homes were constructed during the time that the HOPE 6 Program was active. The Section 32 Program replaced the former 5(h) Homeownership Program that was in effect at that time.

Once a home is under contract for sale, RRHA makes improvements and repairs to the home so that the new homeowner should not have to make any significant repairs to the home for seven (7) years. Improvements or repairs may include such items as roof replacement (depending on the age and type of the roof), HVAC system upgrades, replacement of floor coverings, installation of new appliances and repairs to decks and porches. The improvements are funded by proceeds from previous sale of homes in RRHA's lease purchase and 5(h) Homeownership Programs. These funds may also be used to acquire existing homes in the City of Roanoke and make improvements and repairs to homes for qualified first-time homebuyers.

The only remaining property in the Section 32 program is 1922 Melrose Avenue, NW. On July 25, 2025 this property caught on fire while the tenant was there. The tenant got out safely and the fire resulted in damage primarily to the kitchen/dining area. An insurance claim was made and a settlement issued for \$44,487.52 of damages with RRHA's deductible accounting for \$5,000 out of that amount. RRHA advised the tenant that she could not live in the unit and ideally should not be living alone. The tenant moved out her personal items in September 2025 and RRHA did an inspection to determine a scope of work for renovation of the unit. A Request for Quotations for Repairs, Painting and Cleaning was sent out to 11 contractors on September 30, 2025. RRHA awarded a purchase order to a contractor in October for the project and work is underway. Completion of the unit is expected in Winter of 2026.

In February 2025, RRHA closed on the sale of 2004 Melrose Avenue, NW. Since October, 2020, RRHA has sold four (4) of the five (5) Section 32 homes. For all of the sales RRHA took out a second mortgage for 20% of the loan, which is forgivable after ten (10) years if the owner maintains it as their primary residence. In addition, buyers benefitted from a forgivable down payment assistance (DPA) loan from the FHLB, and in once case DPA from the City of Roanoke.

Lease-Purchase

In the lease-purchase program, tenants must lease the property for at least six (6) months prior to signing a contract to purchase. There are four (4) single-family homes left in the program, with all of them now occupied by program participants under lease. At present there are no lease-purchase properties available to new applicants. However, two (2) participants are behind on their rent and may be evicted. It is likely that those two (2) units will be available to new applicants in the Spring or Summer of 2026.

The tenant that had been leasing 1203 Melrose Avenue, NW since August 2023, closed on the sale of the property on September 5, 2025. The buyer was able to obtain down payment assistance through the FHLB with Freedom First Credit Union, and RRHA has a forgivable second mortgage on the property to reduce her borrowing costs.

In March 2024, 1924 Melrose Avenue was leased and an option to purchase was signed by the tenant. In April 2024, 2008 Melrose Avenue was also leased with an option to purchase signed by the tenant. In September 2024, an applicant was accepted to the program to begin leasing 1219 Melrose Avenue. The previous tenant at 1219 Melrose Avenue has been relocated and renovation of the unit was completed July 2025. The new participant is now under lease. In August 2025 renovation of 1207 Melrose Avenue, NW, was completed and the new tenants moved in and signed an option to purchase.

RRHA closed on the sale of 1720 Dupree Street, NW in August 2022, which was the first sale in the Lease-Purchase program since 2016. RRHA closed on the sale of 1809 Downing Street, NW on October 30, 2023. The buyer was a lease-purchase applicant that had leased the house for over two (2) years. After leasing the house, the buyer's income increased over the 80% average median income threshold the program requires. However, RRHA was able to make the sale to her as an existing public housing tenant per HUD regulations.

Work was completed at 505 21st Street, NW and the sale closed on April 3, 2024 after the tenant had leased the property for over two (2) years in the program. On May 22, 2023 the Board of Commissioners passed a resolution to sell the properties at 1809 Downing Street and 505 21st Street.

Loan Consolidation Program & Surplus Real Estate

The loans serviced by Truist (formerly Sun Trust) have been paid in full and certificates of satisfaction recorded. Thus, the service arrangement with Truist has ended.

There is presumably only one (1) second mortgage loan in the program that RRHA has a lien on. The second mortgages in this program were with City HUD funds and were typically forgiven once the first loans were paid and all grant obligations were met.

RRHA currently owns 84 vacant parcels in the City. Of these, 77 are part of the Cherry Hill property between Gainsboro Road, 5th Street, and Orange and McDowell Avenues, NW, known as "Cherry Hill." Recently, RRHA has been contacted about some of these properties by interested parties. RRHA has advertised that the Cherry Hill and Shenandoah Avenue lots are available for proposals.

Over the last few years RRHA has been in discussion with several potential developers for the Cherry Hill properties, though none has submitted a proposal. RRHA is currently working on a Request for Proposal (RFP) to ensure fair competition to facilitate development of the property. The RFP should be advertised in the Spring of 2026.

The property currently has an issue with homeless people setting up a camp on the site, and the City has notified RRHA that it will have to be cleaned up due to complaints from nearby residents. RRHA has reached out to the City Manager and City staff about the future of the site and the RRHA Board of Commissioners has brought it to City Council's attention in the last two (2) joint meetings. RRHA's Executive Director met with the City Manager in October and she advised that the City is hiring a new person for their Housing Policy position. That position will work with RRHA on this and other housing matters.

RRHA also has three (3) lots adjacent to the Park Street Square development on 5th Street, NW, that are used for utility connections. These three (3) lots are essentially undevelopable. There is one (1) lot in the Hackley development, two (2) on the 2500 block of Shenandoah Avenue, one (1) on Centre Avenue and one (1) at 1805 Rorer Ave, SW.

Repositioning and Faircloth to RAD

Repositioning public housing is the conversion and transfer of ownership of public housing properties to housing that is subsidized with a long-term contract under the Section 8 Program. The properties go through a HUD authorized process and in the end are owned or controlled by a PHA or a PHA's non-profit affiliate after HUD releases the declaration of trust. The most common conversion method is the Rental Assistance Demonstration (RAD) Program, though there are several other methods of conversion, such as Section 18 demolition/disposition or RAD/section 18 blends.

In late 2021, RRHA procured Dominion Due Diligence Group (D3G) to conduct a repositioning study of RRHA's public housing portfolio. The study was finished in June 2022 and presented to the Board of Commissioners in July. It provides RRHA with an evaluation of each property and a repositioning plan with a potential order and repositioning method for each property.

One action included in the study is using the *Faircloth to RAD* process as a means to create new affordable housing units in Roanoke. This method entails building new public housing units and converting them to the Section 8 Program with a long-term contract before occupancy through the RAD process. RRHA initially decided to pursue a Faircloth to RAD project to build 85-90 new units but has since amended that plan to apply for low-income housing tax credits (LIHTC) and use project-based vouchers as a means of financing the development.

On February 27 the Board of Commissioners approved a resolution to allow the Executive Director to submit a proposal to Virginia Housing (VH) for property at 4301 Old Spanish Trail, NW, and set a price cap in executive session. RRHA proposed a Faircloth to RAD development (which has since been amended as noted above) of 86 units at the site and a purchase price of \$750,000. A subsequent additional phase of housing to be developed in the future was also referenced in the proposal.

RRHA was notified by VH in April that it would be awarded the project at the property at the price proposed. VH advised that it would send a contract to RRHA soon and also coordinate a press release for the sale. In the May 2023 Board Meeting the Board of Commissioners approved Resolution 4158 to authorizing the Executive Director to execute a contract for the purchase of the property. The sale will officially be for the assessed amount, \$1,040,000, but RRHA will only pay \$750,000 as VH will cover the difference with grant funds. The contract was executed on August 29, after which RRHA has a 45 day due diligence period. Closing must be scheduled within 30 days thereafter. RRHA received a Phase 1 environmental site assessment last month that states there are no recognized environmental conditions on the property. RRHA closed on the purchase of the property on December 1, 2023.

A Request for Proposals (RFP) for the Consulting Services was advertised November 12, 2023. One (1) responsive proposal was received by the December 12, 2023 deadline. The Board of Commissioners passed a resolution in January to allow the Executive Director to enter into a contract with Dominion Due Diligence (D3G) for these services. A contract for Repositioning and Rental Assistance Demonstration Consulting Services was executed January 31, 2024. RRHA met with D3G staff several times and discussed the first steps of the process to finance and develop the site at 4301 Old Spanish Trail. D3G submitted an application to HUD on behalf of RRHA for a Notice of Anticipated RAD Rents (NARR). The

NARR was received in June; rent rates for the development were deemed too low by RRHA to continue with the Faircloth to RAD application.

RRHA issued a Request for Qualifications for architectural and engineering services to design the project in March. RRHA Evaluation Panel ranked the five (5) responsive Statements of Qualifications that were received. During the April 2024 meeting, the Board of Commissioners approved a resolution for awarding a contract with CJMW Architecture, a design firm with an office in Lynchburg.

CJMW submitted a preliminary site plan to the City in January, and RRHA submitted the LIHTC application to Virginia Housing (VH) on March 13, 2025 through its consultant. In April 2025 RRHA received a notice of "cure period" items from VH. The items were all relatively minor and RRHA, with help from its consultants, submitted the requested items by the 48 hour deadline.

Virginia Housing released its final LIHTC scores in June 2025 and RRHA's project was 5th out of 5 projects in the public housing authority pool. Prior to the final scores being released RRHA submitted questions to Virginia Housing and met with their staff to get clarity on several items that scored low.

RRHA staff met to discuss the future of the site and for various reasons decided that the best course of action at this point is to submit a site acquisition proposal to HUD and discuss an extension of our grant agreement with Virginia Housing. That would almost certainly mean that a LIHTC application would not be submitted next year but would allow for more options long-term. The site acquisition proposal is now awaiting the City's approval of an environmental review.

Virginia Housing and RRHA staff intend to discuss the future of the site and the grant agreement that was part of RRHA's purchase of the property. Further discussions of the property will also take place after HUD's review of the site acquisition proposal.