

COMMISSIONERS' REGULAR BOARD MEETING
July 17, 2019

Resolution(s) Passed:

19-20 Resolution approving a cash flow only loan in the principal amount of up to \$400,000 to be made by Richmond Redevelopment and Housing Authority to Church Hill North Phase 2A LLC in connection with the development of Phase 2A of the planned multi-phase redevelopment and transformation of the Creighton Court/Nine Mile Road area pursuant to the Master Development Agreement by and between Richmond Redevelopment and Housing Authority and The Community Builders, Inc. and authorizing the Chief Executive Officer, or his designee, to execute and deliver any and all documents required in connection with consummating such loan on behalf of Richmond Redevelopment and Housing Authority

MOTIONS: Kessler/Jones

VOTE: Aye: Adams, Blount, Young, Coleman, Jones, Kessler, Abbott

ABSTAIN: None

ABSENT: Olds, Harrigan

19-21 Resolution of the Richmond Redevelopment and Housing Authority
Approving the Adoption of a Revised Procurement Policy

MOTIONS: Jones/Young

VOTE: Aye: Adams, Blount, Young, Coleman, Jones, Kessler, Abbott

ABSTAIN: None

ABSENT: Olds, Harrigan

MINUTES OF THE REGULAR MEETING OF THE COMMISSIONERS
OF RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY
HELD IN THE OFFICES OF RRHA
901 CHAMBERLAYNE PARKWAY, RICHMOND, VIRGINIA
ON WEDNESDAY, JULY 17, 2019

In Attendance:

Board of Commissioners

Robert J. Adams, Chairman
Veronica G. Blount, Vice Chairman
Elliott Harrigan
Samuel S. Young, Jr.
Jonathan Coleman
Robley Jones
Heidi Abbott
Neil Kessler

Absent

Marilyn Olds

RRHA Staff

Damon E. Duncan, Chief Executive Officer

The Chairman called the meeting to order at 5:34 p.m. with Cory Wolfe serving as Legal Counsel. A quorum was established.

Tomorrow's Promise Scholarship Program

Chairman Adams recognized the following participants as recipients of the 2019 Tomorrow's Promise Scholarship Fund.

- *Andre Jackson* is a graduate of Armstrong High School. He will be attending Radford University.
- *Jacob Heinrich* is a graduate of Armstrong High School. He will be attending Randolph-Macon College.
- *Laura Blackwell* is a graduate of Armstrong High School. She will be attending Virginia Tech.
- *Zoquan Witcher* is a graduate of Franklin Military Academy. He will be attending Old Dominion University.
- *Rodney A. Banks, Jr.* is a graduate of John Marshall High School. He will be attending J. Sargeant Reynolds Community College.

Minutes

The Minutes from the *June 19th Regular Board of Commissioners Meeting* were approved.

1 Motion: (Kessler/Coleman) Move to adopt the Minutes from the June 19, 2019 Regular Board of Commissioners Meeting

Motion Carried

Absent: Olds

Statement from the Chairman

Prior to the start of the citizen information period, Chairman Robert Adams read the following statement on behalf of the RRHA Board of Commissioners:

"I have a few words to say before the public comment period on behalf of our board and in alignment with our new CEO. I know that many of you are here tonight because of what you have read in the newspaper and perhaps on social media. I would like to describe the reality of the housing authority's intentions because what you have read is not an accurate description of the process we are embarking on.

Let me share the actual position of the authority regarding our existing public housing stock.

First, we have been clear in these board meetings for the past two years that we recognize that the housing conditions in our public housing communities are not acceptable. Our public housing stock is not providing the quality living environment that our residents deserve and are entitled to. We have also repeatedly established that our highest priority use for our limited capital improvement funding is the health and safety of our residents...but that we would move as rapidly as possible to rehabilitate or replace this housing stock. HUD has also made it clear to us that this is the only satisfactory course of action for us to take. Finally, capital needs assessments were undertaken by RRHA for all of our communities last year. The results of these make clear that replacement of this housing is a necessity.

The process of rehabilitating or replacing public housing is complex. It starts with the authority formally making this commitment to HUD. This is what the 5 year plan does – it states our commitment to get on the path to improving or replacing this housing. Once we have made this commitment, then the planning and the resource development begins. The replacement of our housing stock will take over a half a billion dollars –let me repeat that – in excess of \$500 million dollars. It will be a critical part of our planning to identify and secure those funds.

This will be a major challenge but we are already out of the starting gate. Later this year, we will begin the rehabilitation of nearly 600 public housing apartments. This includes: 4th Avenue, Aston, Bainbridge, Decatur, Fox Manor, Fulton, Lombardy, Old Brook, Randolph, Stonewall, and Stovall.

Most of this rehabilitation will be conducted with residents staying in place...meaning that they will not need to be temporarily relocated.

We also have the first phase of the replacement housing for Creighton Court coming out of the ground at the Armstrong site and the first of those apartments will be available for occupancy by Creighton residents later this year... and, we have begun to offer housing options to our public housing residents in other new and rehabilitated communities – one of these is the Goodwyn at Union Hill on Venable Street in the east end – 52 new, high quality apartments developed by one of our local nonprofit housing partners – the Better Housing Coalition. Through an agreement between RRHA and Better Housing, we now have former public housing residents living in the Goodwyn.

This also represents another commitment that we are making – to offer choice to our existing residents. Most residents in our city have choices about where they will live, but most of our public housing residents do not. As we move down this path to replacing and improving our public housing, we will take every opportunity to offer choices to our residents.

Let me address the fear and uncertainty on the part of our residents that has been prompted by recent reporting. We understand that the most important question that you have is what will happen to me – how will this affect me. The answer is simple – you have a guarantee that you will have much better housing than you have now. You will have the opportunity to return to your neighborhood to new or rehabilitated housing...and we will endeavor to offer you other choices in addition to the option of

returning to your current community. We will make our best efforts to minimize disruptions caused by the rehabilitation and construction although we recognize that some of that will be inevitable.

I want to also emphasize that our residents will be fully involved and fully informed with respect to the planning for these transitions. This is RRHA's policy, it is HUD's requirement and it is the only way that we can successfully accomplish our goal. This planning will get underway in the next few months and will continue for the years ahead until we complete this task of improving all of our housing.

Now let me emphasize this.... because it is shameful that some suggest that RRHA will demolish housing and NOT provide better homes and more choices to our residents. I want to be clear about this... no residents will be left behind in this process. We recognize that some of our residents are among the most vulnerable in the city...our commitment is to provide them with quality housing that they can afford.

Another rumor that has circulated is that the housing authority is "selling public housing to private developers". This is a gross misunderstanding of how this scale of housing revitalization must be undertaken. We must work with both nonprofit and for profit partners to accomplish this challenging task but we anticipate that RRHA will retain controlling ownership of replacement housing and, indeed, that is exactly what is happening with the first 600 units where rehab will get underway later this year.

Finally I want to say a word about the issue of "one for one replacement". This policy basically is intended to make sure that if affordable housing is demolished, then it will be replaced by an equal number new affordable homes. RRHA is in the business of developing and facilitating the development of affordable housing. We are a key part of the Mayor's strategy to expand the number of affordable homes in the city. In the past three years, we have enabled the construction of nearly 1,300 new and rehabilitated affordable rental homes through the issuance of tax exempt bonds and we expect to continue to play this role. I hope that we will have completed the job of improving our public housing within the next 6-7 years. Our ability to do this will depend on our success in attracting the funds that are needed to achieve this goal. But one thing is clear, at the end of this process, we will have more affordable apartments in the city than we have now.

Everything that I have discussed this evening is about our commitment to improving the homes of our residents – that is our highest priority and our most fundamental responsibility. But we recognize that this work needs to be accompanied by increased access to services for our residents and improved community amenities. We will be working with the city and our partners in the private sector to achieve these as well.

A more complete statement of the Board and the Authority's position is contained in the Guiding Principles for Rehabilitation and Redevelopment which were adopted by this Board earlier this year".

Citizen Information Period

Carmen Terrell addressed the Board of Commissioners to discuss displacement concerns.

Darryl McRae addressed the Board of Commissioners to discuss helping to build back the community.

Kristin Reed addressed the Board of Commissioners to discuss concerns regarding RRHA's 5 year fiscal plan.

Phil Wilayto addressed the Board of Commissioners to discuss RRHA tenant displacement.

Omari Al-Qaddafi addressed the Board of Commissioners to discuss RRHA 5-Year Plan: tenant rights, displacement.

Marty Jewell addressed the Board of Commissioners to discuss the clarity on future plans of public housing and the best interest of public housing residents.

Pam Karthik addressed the Board of Commissioners to discuss RRHA's 2020 and beyond plans.

Nicholas Da Silva addressed the Board of Commissioners to discuss public housing 5 year plan.

Cora Hayes addressed the Board of Commissioners to discuss resident concerns.

Chairman's Comments - Chairman Adams did not have any comments.

CEO Comments – CEO Duncan expressed his appreciation for the comments provided by the public on behalf of the residents. He stated that the comments will be taken under advisement and the residents will be at the center of this planning process.

Committee Reports

Controller, Stacey Daniels-Fayson reported that the *Administration and Finance Committee* met on July 17, 2019. The following items were reviewed and discussed:

- Capital improvement updates.
- Security cameras.
- Revised procurement policy.
- Human resources update.
- Agency financials.

Director of Property Management, Charles Williams reported that the *Property Management Committee* met on July 10, 2019. The following items were reviewed and discussed:

- REAC inspections.
- KPI's.
- Resident services.
- HCVP.
 - o Staff will apply for mainstream vouchers which will serve non-elderly disabled residents.

Acting Chief Real Estate Officer Desi Wynter stated that the *Real Estate Committee* met on July 10, 2019. The following items were reviewed and discussed:

- Ongoing RFPs and RFQs.
- RAD.

- Blackwell HOPE VI.
- Eastlawn Shopping Center.

Resolution(s)

Agenda Item No. 1 – Resolution approving a cash flow only loan in the principal amount of up to \$400,000 to be made by Richmond Redevelopment and Housing Authority to Church Hill North Phase 2A LLC in connection with the development of Phase 2A of the planned multi-phase redevelopment and transformation of the Creighton Court/Nine Mile Road area pursuant to the Master Development Agreement by and between Richmond Redevelopment and Housing Authority and The Community Builders, Inc. and authorizing the Chief Executive Officer, or his designee, to execute and deliver any and all documents required in connection with consummating such loan on behalf of Richmond Redevelopment and Housing Authority

(19-21) WHEREAS, the Board of Commissioners of Richmond Redevelopment and Housing Authority (“RRHA”) adopted a resolution on January 21, 2015, authorizing the Chief Executive Officer of RRHA to enter into a Master Development Agreement with The Community Builders, Inc. (“TCB”) pursuant to which TCB would serve as master developer for the redevelopment and transformation, in multiple components, of the Creighton Court/Nine Mile Road area of the City of Richmond (the “Project”); and

WHEREAS, RRHA and TCB subsequently entered into a Master Development Agreement dated February 5, 2015, as subsequently amended by Addendum No. 1 thereto dated June 12, 2017; and Addendum No. 2 thereto dated May 15, 2019 (collectively, the “MDA”), pursuant to which RRHA and TCB agreed to the terms and conditions pursuant to which TCB would serve as the master developer for the Project; and,

WHEREAS, the Project includes, among other things, the development of a seventy (70) unit multifamily development in the Creighton Court Project Area on land more commonly known as Church Hill North Phase 2A (the “Phase 2A Project”); and

WHEREAS, TCB formed Church Hill North Phase 2A LLC, a Virginia limited liability company, to construct, own and operate the Phase 2A Project (the “Phase 2A Project Owner Entity”); and

WHEREAS, TCB has informed RRHA that there is a funding gap in the financing plan for the Phase 2A Project in an amount of up to \$400,000, and, as a result, TCB has requested that RRHA make a cash flow only loan to the Phase 2A Project Owner Entity to close such funding gap (the “RRHA Phase 2A Project Loan”); and

WHEREAS, RRHA intends to make the Phase 2A Project Loan to the Phase 2A Project Owner Entity upon such terms as are described herein, using a portion of public housing program income which is under RRHA’s control, subject to ultimate HUD approval; and

WHEREAS, such RRHA Phase 2A Project Loan shall be of a principal amount no greater than \$400,000 (or such lesser amount which is sufficient to close the funding gap), with interest thereon at a rate not to exceed the applicable federal rate for a term of fifteen (15) years, and with payments upon such principal and interest amounts to be made from a portion of the available cash flow generated by the Phase 2A Project; and

WHEREAS, it is necessary for the Board of Commissioners of RRHA to take appropriate official action to approve the RRHA Phase 2A Project Loan and to authorize the Chief Executive Officer, or his designee,

to execute and deliver any and all documents required in connection with consummating the RRHA Phase 2A Project Loan on behalf of RRHA;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of RRHA that (i) the RRHA Phase 2A Project Loan is hereby approved, subject to the Chief Executive Officer, or his designee, acting on behalf of RRHA, completing negotiation of the terms of the RRHA Phase 2A Project Loan with TCB on terms acceptable to the Chief Executive Officer, or his designee, and (ii) the Chief Executive Officer, or his designee, is hereby authorized to execute and deliver any and all documents required in connection with consummating the RRHA Phase 2A Project Loan on behalf of RRHA and in accordance with the terms hereinabove described

2 Motion: (Kessler/Jones) Move to adopt Resolution 1

Motion Carried

Absent: Olds, Harrigan

Note: Commissioner Harrigan left before Resolution #1 was voted on.

Agenda Item No. 2 – Resolution of the Richmond Redevelopment and Housing Authority Approving the Adoption of a Revised Procurement Policy

(19-22) WHEREAS, Richmond Redevelopment and Housing Authority (“RRHA”), pursuant to the Virginia Public Procurement Act (Va. Code § 2.2-4300 *et seq.*); Title 2, Part 200 of the Code of Federal Regulations, and other applicable law, has adopted a Procurement Policy establishing policies and standard operating procedures related to the procurement of goods and services; and

WHEREAS, the Board of Commissioners of the Richmond Redevelopment and Housing Authority (the “Board”) has most recently amended RRHA’s Procurement Policy by Resolution adopted on February 15, 2017; and

WHEREAS, the Board wishes to revise RRHA’s Procurement Policy by increasing the monetary threshold under which certain methods of procurement are permitted, to reflect corresponding increases authorized by applicable law.

NOW, THEREFORE, BE IT RESOLVED by the Board that the proposed RRHA Procurement Policy, attached hereto as Exhibit “A” and incorporated by reference as if fully laid out herein (the “Policy”), once adopted, shall supersede and render without effect all previous or contradictory policies; and

AND BE IT FINALLY RESOLVED by the Commissioners of RRHA that the Policy is approved as laid out herein, and shall be adopted.

3 Motion: (Jones/Young) Move to adopt Resolution 2

Motion Carried

Absent: Olds, Harrigan

Note: Commissioner Harrigan left before Resolution #2 was voted on.

Adjournment

There being no further business, the meeting adjourned at 6:51 p.m.



Chairman



Chief Executive Officer/Secretary