

COMMISSIONERS' REGULAR ELECTRONIC MEETING
February 17, 2021

Resolution(s) Passed:

21-01 Resolution Approving the Issuance of a Seller's Note and Sponsor's Note for Richmond Family Housing 1, LLC, a RAD transaction containing Fulton, Afton, and Bainbridge Properties

MOTIONS: Kessler/Jones

VOTE: Aye: Blount, Gooden, Hardiman, Johnson, Jones, Kessler,
Pitchford, Shelton

ABSTAIN: None

ABSENT: Coleman

21-02 Resolution Approving the Issuance of a Seller's Note and Sponsor's Note for Richmond Family Housing 2, LLC, a RAD transaction containing Oscar E. Stovall and Randolph Properties

MOTIONS: Kessler/Hardiman

VOTE: Aye: Blount, Gooden, Hardiman, Johnson, Jones, Kessler,
Pitchford, Shelton

ABSTAIN: None

ABSENT: Coleman

MINUTES OF THE REGULAR ELECTRONIC MEETING
OF THE COMMISSIONERS OF
RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY
HELD VIA GOTOMEETING
IN RICHMOND, VIRGINIA
ON WEDNESDAY, FEBRUARY 17, 2021

In Attendance via GoToMeeting:

Board of Commissioners

Veronica Blount, Chairman
Neil Kessler, Vice Chairman
Robley Jones
Basil Gooden
Barrett Hardiman
W. R. "Bill" Johnson, Jr.
Charlene Pitchford
Patrice Shelton

Absent

Jonathan Coleman

RRHA Staff

Stacey Daniels-Fayson, Interim Chief Executive Officer

Chairman Blount called the meeting to order at 5:38 p.m. with Cory Wolfe serving as Legal Counsel. A quorum was established.

General Counsel Comments

This meeting is an electronic meeting of the RRHA Board of Commissioners conducted in accordance with City of Richmond Ordinance No. 2020-093 (the "Ordinance"), which was ordained under the authority conferred unto the City by Va. Code § 15.2-1413. The Board is meeting by entirely remote means and a quorum of the Board is not physically assembled. The Board is conducting an electronic meeting due to the COVID-19 pandemic, which has made it unsafe for a quorum of Board members to physically assemble in a single location. This Board is a "public body" within the meaning of the Virginia Freedom of Information Act (Va. Code § 2.2-3700 *et seq.*), as well as Section 1(B)(5) of the Ordinance, in that the members of this Board are appointed to office by the City Council.

Notice of this electronic meeting was published on RRHA's website on **Tuesday, February 9, 2021**. That Notice identified that this meeting will be an "electronic meeting" within the meaning of the Ordinance, that the meeting will be conducted through GoToMeeting, and that members of the public could observe and participate in the meeting. Specific instructions to access the meeting by Internet and by phone were disclosed in the Notice. The Notice also directed members of the public to a link at which they could register to deliver public comments in real time in accordance with the

Citizens' Comment provisions of the Board's Bylaws. All such requests to speak are delivered to Priscilla Jackson, Executive Administrative Assistant.

Members of the public must register in advance in accordance with the Board's Bylaws in order to make public comments during the meeting. To register, members of the public must access an online link by which they can provide the registration information required by the Board's Bylaws. Public comments must be made at electronic meetings of this Board in real time through the GoToMeeting application, either by Internet or by phone. Written comments will not be accepted and will not be included in the minutes of this meeting.

In accordance with the Bylaws, no member of the public may address the Board unless they have registered to speak, or have otherwise been called upon by the Chair to speak. Accordingly, all members of the public are instructed to disable any audio or video broadcasts until and unless the Board has called upon such individual to deliver comments. If a member of the public refuses to disable an audio or video broadcast after having been warned to do so by the Chair, then the individual may be permanently banned from the remainder of the meeting.

Please disable your audio and video broadcasts now.

All members of this body in attendance at this meeting are participating electronically. The members who are participating in this meeting include: (1) Ms. Veronica Blount, Chair, (2) Dr. Basil Gooden, (3) Mr. Barrett Hardiman, (4) Mr. W.R. "Bill" Johnson, Jr., (5) Mr. Robley Jones, (6) Mr. Neil Kessler, Vice Chair, (7) Ms. Charlene Pitchford, and (8) Ms. Patrice Shelton.

Members are reminded that all voting during this electronic meeting must be conducted by roll call vote. When a motion is on the floor, I will call each member by name, in alphabetical order, to state their vote individually, until all members are polled.

I have no further comments.

Minutes

The Minutes from the *January 20, 2021 Regular Electronic Board of Commissioners Meeting* were approved.

1 Motion: (Pitchford/Kessler) Move to adopt the Minutes from the January 20, 2021 Regular Electronic Board of Commissioners Meeting

**Motion Carried Unanimously
Absent: Coleman**

Citizen Information Period

Art Burton addressed the Board of Commissioners to discuss community engagement with residents in RRHA's public housing communities. He provided the following comments. He said "Community Unity in Action (CUIN) partnered with the Richmond Redevelopment Housing Authority (RRHA) to engage RRHA public housing communities regarding the COVID-19 crisis. We manage the Community Unity in Action Food Justice Corridor which runs through the heart of five of RRHA's Big 6 communities. We provide agriculture training, health education, and messaging to address community violence. When COVID-19 hit, we had some concerns regarding social distancing and the density of families that live in your communities. We reached out to Mr. Duncan regarding a partnership to provide not only health education, but PPE equipment to all of your residents, including your senior communities.

For the last 10 months, we have been in partnerships that have built one of the most impressive community engagement infrastructures. It's multi-faceted and provides literature drops, bulletin boards and social media. We have reached out to 4,500 of your residents since last September. There is no other marginalized community in the city of Richmond that is receiving the amount of intentional education and programming to combat COVID-19 to the Housing Authority's families.

The infrastructure that we have built to communicate with public housing residents regarding COVID -19 can be used to share other types of messages with them. We are engaged in having the most important conversation that faces public housing residents today - how to maintain their health and stay alive in the midst of a pandemic. This program also has a helpline that public housing residents can call; they can put in what their challenges are and a community health and wellness ambassador will respond to them and direct them to organizations or resources that can help them in their time of need. I wanted to bring to your attention that a robust community engagement program is happening".

Chairman Blount responded and said *"It is good to hear that all of those things that we were doing from the beginning are coming to fruition. Thank you for partnering with us.*

I am glad that you are working with our staff and that Kinfolk and Community Unity in Action are still working in the community”.

Commissioner Gooden echoed Chairman Blount’s sentiments. He thanked Mr. Burton for his good work in the community and said *“It’s always a pleasure to collaborate with you and to work with you on your great initiatives. Thanks so much for what you are doing in the community”.*

Interim CEO/Chairman Reports

Interim Chief Executive Officer’s comments – Interim CEO Stacey Daniels-Fayson provided the following comments and/or updates.

- During the February board meeting, several citizens spoke to express various concerns and issues that they were having with RRHA. Individual meetings were held with those citizens to discuss and resolve some of their issues.
- Staff is continually monitoring the impact of COVID-19 on our organization. Staff has developed a COVID plan and is in the process of developing a vaccine plan. We have seen a downward trend in the number of employees impacted by the COVID virus. RRHA’s Human Resources department continues to work with the Health Department and staff accordingly.
- Staff continues to work with the Health Department to provide vaccines for seniors living in RRHA’s family sites. Approximately 249 seniors and some staff members were vaccinated during the month of February 2021.
- The Re-Imagining Committee continues to work on a variety of processes to move the agency forward virtually.
- The Eviction Moratorium and Lease Enforcement order has been extended through June 30, 2021. We have not had any evictions for nonpayment during this month.
- We have approximately 1,004 repayment agreements with residents; this is a slight decrease from the 1,025 repayment agreements that were reported in December 2020.
- We have received an additional \$293,000 from Action in Community Through Service (ACTS); this has helped an additional 209 families or 567 household

members. Culmalatively, RRHA has received a total of \$1.7 million in assistance from the Office of Community Wealth Building, through (ACTS) and Housing Opportunities Made Equal (HOME) to assist approximately 1,309 families. We will continue to work with the Office Community Wealth Building through ACTS to provide assistance for our families.

- On February 1, 2021, we submitted our application to HUD for the HOME Mobility Demonstration Grant. This grant provides voucher assistance and mobility services to families with children to encourage them to move to lower poverty areas to expand their access to opportunity areas.
- During the Administration and Finance meeting, our IT director indicated that several servers were moved to the cloud allowing the agency to reduce the number of servers from 54. This has been a tremendous undertaking for our IT Department given the size of that department.
- Plans are underway for setting up a computer lab and STEM program in the Calhoun Center. This is being done through a collaborative partnership with Swagger.
- We are developing a campaign that will show our residents how to put in a work order.
- We are working on a robust campaign to engage our residents on the Creighton Court project.
- Meetings were held with VAHCDO, Habitat for Humanity, Commissioner Pitchford and Ms. Mahdee, Health Department, LRK Consultants, City of Richmond, Office of Equitable Transit and Mobility, Michaels Group, Osita Iroegbu, Breanane Armbrust, various partners, organizations and interested stakeholders throughout the month to discuss various initiatives, collaborative efforts, issues and partnership opportunities with RRHA.
- Staff is working with the Office of Community Wealth Building/Schools/VCU to develop metrics for the Community Connectors. The purpose of obtaining the metrics is to ensure that goals are being met, identify the number of individuals that we have helped, and determine if there are other individuals who may need additional services.

Chairman's Comments – Chairman Veronica Blount thanked Interim CEO Daniels-Fayson for sharing such good news in her update. She added that she is glad that the technology needs are being discussed. In addition, she commended the Governance committee for keeping the community engaged in the CEO hiring process. She said *“They've got some great plans to make sure that we're continuing to do the work that we've been doing in terms of keeping the community engaged in our process of hiring a new CEO”*.

Discussion:

Commissioner Hardiman echoed the comments Chairman Blount and Commissioner Gooden regarding the work that Mr. Burton is doing in RRHA's communities. He suggested inviting Mr. Burton and other individuals from the Community Action Network to attend a committee or board meeting to discuss and share the successes that have worked for them, lessons that they have learned, and any new ideas and opportunities that can be used to engage the residents. He said *“I want to learn from and build off of that partnership and apply it in as many places as we can and in other projects that are coming up”*. Interim CEO Daniels-Fayson will contact Mr. Burton and invite him to a future committee or board meeting.

In regards to the repayment agreements, Commissioner Kessler asked if we could quantify the dollar amount of the rents that are delinquent and provide the number of residents who have defaulted on their repayment agreements. Interim CEO Daniels-Fayson did not have the total dollar amount readily available, but stated that she would pull together the numbers and provide this information to the Commissioners. She stated that approximately 70% of the residents have defaulted on their repayment agreement and added that the the only thing that we can do is to encourage residents to pay their rent. She added that we have done campaigns and we will continue to do campaigns to encourage our residents to pay. This will require a larger strategy once the moratorium is lifted. Commissioner Kessler suggested that we start working on a strategy to address this item and requested that a committee be formed to discuss developing a long range plan to deal with delinquencies and the eviction moratorium. Chairman Blount agreed with this request and suggested having a conversation with Interim CEO Daniels-Fayson

and the Board to see if there's anything that can be done in terms of policy to support what the staff is doing.

Committee Updates

Deputy Chief Real Estate Officer, *Desi Wynter* stated that the *Real Estate and Community Development Committee* met on February 16, 2021. The following items were reviewed and discussed:

- Presentation by the Capital Group regarding the renewal of expired bonds for Shockoe 1 Apartments.
- Resolutions approving the Issuance of a Seller's Note and Sponsor's Note for Richmond Family Housing 1 and Richmond Family Housing 2.
- Upcoming Real Estate retreat.
- Review of the Procurement Policy. George Martin of McGuireWoods has been engaged to review the Procurement Policy to determine if RRHA staff complied with the policy in connection to the claims made by The M Company. It will take approximately 3-4 weeks for Mr. Martin to complete the review. Once the review has been completed, a special meeting will be held with the Board to discuss the findings and possible recommendations that may need to be added to the Procurement Policy.

Discussion:

Commissioner Gooden asked if the allegations that were included in the letter from The M Company will be a part of this review. Commissioner Kessler responded that Mr. Martin does not intend to do a full investigation. His review will be to determine whether we complied with the Procurement Policy and to see if there are some changes that should be made to the policy to avoid future miscommunication or misunderstandings with potential partners. At this point, Mr. Martin's role is not to advise us about any legal position relating to the alleged claims. We want to keep this review very focused on the Procurement Policy. If we find that we did something incorrect, we will talk to our in-house counsel, or if necessary, enlarge the role that we've asked George Martin to play in this. Before any action is taken, all findings we be brought back to the Board for review.

Commissioner Robley Jones, Chairman of the *Administration and Finance Committee* stated that the committee met on February 16, 2021. The following items were reviewed and discussed:

- The citizen comment period section of the Bylaws was reviewed. The discussion centered on making the language in the Bylaws more welcoming and inviting for citizens to provide comments during the board meetings. The Governance Committee will meet to discuss the Bylaws. He suggested using the original Governance Committee to address the Bylaws. Any proposed changes to the Bylaws will be brought back to the full board for review and approval.
- Legislative Update.
- Public Safety Update.
- Heating Update.
- REAC Submission.
- Agency Vacancies.
- Procurement Update.
- Financial Update.

Agenda Item No. 1 - Resolution Approving the Issuance of a Seller's Note and Sponsor's Note for Richmond Family Housing 1, LLC, a RAD transaction containing Fulton, Afton, and Bainbridge Properties

(21-01) WHEREAS, in 2018, RRHA was awarded a Commitment to Enter Into a Housing Assistance Payments Contract for the Fulton (1201 Admiral Gravely Boulevard), Afton (2225 Afton Avenue), and Bainbridge (2808 Bainbridge/103 W. 34th) public housing communities, totaling 122 units; and

WHEREAS, in 2018, RRHA selected the Michaels Organization through a competitive procurement process to partner with RRHA in redeveloping the Project through the Rental Assistance Demonstration Program (hereafter, the "Project"); and

WHEREAS, the Michaels Organization is seeking Low-Income Housing Tax Credits and a loan through the Virginia Housing Development Authority ("VH") to finance the Project; and

WHEREAS, this Board, by Resolution passed on June 17, 2020, previously authorized issuance of a Seller's Note to the Project owner-entity

in an amount not more than 95% of the final approved acquisition price for the RRHA-owned real estate concerned in the Project; and

WHEREAS, the U.S. Department of Housing and Urban Development (“HUD”) determined as a result of subsidy layering review on August 12, 2020 that such Seller’s Note must equal 100% of the acquisition price of the concerned real estate; and

WHEREAS, in November 2020, VH notified RRHA that to comply with federal legal requirements and as a condition of its financing the Project, such Seller’s Note must be bifurcated into two (2) separate Notes: (i) a Sponsor’s Note in the amount of \$3,000,000 to be funded by the proceeds of tax-exempt bonds issued by VH to the Project and paid to RRHA at financial closing, and (ii) a Seller’s Note for the balance of the total acquisition price of the concerned real estate; and

WHEREAS, new appraisals were issued December 23, 2020, increasing the total acquisition price of the Project from \$11,800,000 to \$13,100,000; and

WHEREAS, to contribute to the Project financing and to comply with all applicable legal requirements, RRHA now desires to issue to the Project owner-entity, Richmond Family Housing 1, LLC, a Seller’s Note in the principal amount of \$10,100,000 and a Sponsor’s Note in the principal amount of \$3,000,000 (such principal amounts equaling 100% of the final approved Project acquisition price of \$13,100,000), each to be repaid in not more than 40 years, and with compounded interest accruing on such principal amounts at a rate of 5.10% per annum; and

WHEREAS, neither the Seller’s Note nor the Sponsor’s Note shall require expenditure of RRHA funds or extension of RRHA’s credit.

NOW, THEREFORE, BE IT RESOLVED by the RRHA Board of Commissioners:

1. That the Board’s June 17, 2020 Resolution authorizing the issuance of a single Seller’s Note to the Project is now rescinded and all authority granted to the CEO thereunder is withdrawn; and
2. That the Board approves the issuance of the Seller’s Note and Sponsor’s Note to the Project owner-entity, Richmond Family Housing 1, LLC, in the amounts and upon such terms described above; and
3. That the CEO of RRHA, or their designee, is authorized and directed to negotiate, execute, and deliver any such instruments as may be necessary to consummate this transaction.

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

Motion Carried Unanimously

Absent: Coleman

Agenda Item No. 2 - Resolution Approving the Issuance of a Seller's Note and Sponsor's Note for Richmond Family Housing 2, LLC, a RAD transaction containing Oscar E. Stovall and Randolph Properties

(21-02) WHEREAS, in 2018, RRHA was awarded a Commitment to Enter Into a Housing Assistance Payments Contract for the Oscar E. Stovall (117 W. 24th Street) and Randolph (1921 Idlewood Avenue) public housing communities, totaling 82 units; and

WHEREAS, in 2018, RRHA selected the Michaels Organization through a competitive procurement process to partner with RRHA in redeveloping such properties through the Rental Assistance Demonstration Program (hereafter, the "Project"); and

WHEREAS, the Michaels Organization is seeking Low-Income Housing Tax Credits and a loan through the Virginia Housing Development Authority ("VH") to finance the Project; and

WHEREAS, this Board, by Resolution passed on June 17, 2020, previously authorized issuance of a Seller's Note to the Project owner-entity in an amount not more than 95% of the final approved acquisition price for the RRHA-owned real estate concerned in the Project; and

WHEREAS, in November 2020, VH notified RRHA that to comply with federal legal requirements and as a condition of its financing the Project, such Seller Note must be bifurcated into two (2) separate Notes: (i) a Sponsor's Note in the amount of \$3,000,000 to be funded by the proceeds of tax-exempt bonds issued by VH to the Project and paid to RRHA at financial closing, and (ii) a Seller's Note in an amount not more than 95% of the total acquisition price for the concerned real estate, less \$3,000,000; and

WHEREAS, new appraisals were issued December 23, 2020, increasing the acquisition price of the Project from \$8,900,000 to \$9,700,000; and

WHEREAS, to contribute to the project financing and to comply with all applicable legal requirements, RRHA now desires to issue to the Project owner-entity, Richmond Family Housing 2, LLC, a Seller's Note in the principal amount of \$6,215,000 and a Sponsor's Note in the principal amount of \$3,000,000 (such principal amounts equaling 95% of the final approved Project acquisition price of \$9,700,000), each to be repaid in not more than 40

years, with compounded interest accruing on such principal amounts at a rate of 4.35% per annum; and

WHEREAS, neither the Seller's Note nor the Sponsor's Note shall require expenditure of RRHA funds or extension of RRHA's credit.

NOW, THEREFORE, BE IT RESOLVED by the RRHA Board of Commissioners:

1. That the Board's June 17, 2020 Resolution authorizing the issuance of a single Seller's Note to the Project is now rescinded and all authority granted to the CEO thereunder is withdrawn, and
2. That the Board approves the issuance of the Seller's Note and Sponsor's Note to the Project owner-entity, Richmond Family Housing 2, LLC, in the amounts and upon such terms described above; and
3. That the CEO of RRHA, or their designee, is authorized and directed to negotiate, execute, and deliver any such further or additional instruments as may be necessary to finalize the terms of this transaction

3 Motion: (Kessler/Hardiman) Move to adopt Resolutions #2

Motion Carried Unanimously

Absent: Coleman

Adjournment

There being no further business, the meeting adjourned at 6:49 p.m.

Chairman

Interim Chief Executive Officer/Secretary