

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, MAY 20, 2009

In Attendance:

Board of Commissioners

Elliott M. Harrigan, Chairman
J. Russell Parker, III
James A. Sties
Cindy A. Mims

Absent

Marilyn B. Olds, Vice Chairman
Guenet M. N. Beshah, Esq.

RRHA Staff

Anthony Scott, Executive Director

Chairman Elliott M. Harrigan called the meeting to order at 4:30 p.m. with *General Counsel M. Maxine Cholmondeley, Esq.* serving as Legal Counsel.

Minutes

The Minutes from the *April 15, 2009 Regular Board Meeting* were presented for approval.

1 Motion: (Mims/Parker) Move to adopt the Minutes from the April 15, 2009 Regular Board Meeting.

Motion Carried – No Abstentions

Citizens Information Period

No one was scheduled to speak during the Citizens Information Period.

Committee Reports

Commissioner Harrigan requested that Board Committee Reports be presented.

Acting Deputy Executive Director of Finance Stacey Fayson delivered the *Administration and Finance* report. She reported that the Administration and Finance Committee met on May 14, 2009. The primary item was the presentation of the 2008 financial statements, including the single audit findings. Ms. Fayson introduced RRHA's auditors from Clifton Gunderson (CG), Michael Stephens and Karen Greiner, to give a brief summary of where RRHA is as far as the audit is concerned.

Mr. Stephens stated that the single audit findings portion of the audit is complete. They are fine-tuning responses on that document. CG has the drafts of the financial statements, has reviewed them, and is waiting for management to address CG's comments and modifications to get the statements in accordance with generally accepted accounting principles. All field work is substantially complete. CG is being held up

because of HUD's change in reporting requirement – HUD is going with an asset-based format with respect to their financial statements. Mr. Stephens reported, “We are waiting for the unaudited submission of the Authority to be returned from HUD with review comments to see any changes that HUD is requesting in regards to that submission.” HUD has had the unaudited submission for 5 – 6 weeks at this point.

The Authority will receive an unqualified opinion on the financial statements stating that “the statements are fairly presented in accordance with generally accepted accounting principles.” This is the best possible opinion to have with respect to the audit. On the compliance side, CG does have a qualification, most of which relates to the HCVP program. It is to be kept in mind that the reason for the qualification is that CG is auditing under new auditing standards, the Risk Assessment Standards, which are effective for the Authority this year. As a result of repeat findings with respect to the compliance issues this year, the level of the finding is raised compared to prior years. CG is required to audit the compliance issues above and beyond the financial statements to ensure that the Authority is in compliance with HUD's requirements. The comments are no different than prior years. It is just that HUD has changed the threshold of what is considered to be a finding, and CG is required to report it.

Deputy Executive Director of Affordable Housing John Hill provided the *Affordable Housing Report*.

- The utilization for the Section 8 program is now at 82.17%. RRHA remains current with the annual re-exams.
- RRHA has published an RFP for project-based vouchers that closes on May 20, 2009. It will be renewed for another three months. Three (3) packets have been received, resulting in thirty-nine (39) vouchers.
- The HCVP Director position is currently vacant. Phone interviews are being held during the week of June 1, 2009 with five of the top people that have applied. The position is “open until filled” meaning that once the right person is found, the position is closed.
- The draft Admission and Continued Occupancy Policy (ACOP), the draft Administration Plan, and the revisions to the Dwelling Lease for Public Housing have been completed. The packets are at the RRHA sites for the public review period that ends June 29, 2009. The hearing will take place on June 30, 2009.

Commissioner Parker asked, specifically to the findings of the single audit, “do you have a feel for what the findings will be? How will we do by the end of the audit year?” Mr. Hill replied that he feels RRHA is in a good position. Staff has determined that the findings are correct. The process is in place to improve the error rate by increased quality assurance. The process will improve as the program improves.

Commission Sties pointed out that, on the April 7, 2009 Affordable Housing

report, he is listed as being absent. He is no longer on that committee and should not be listed at all.

Rodney Forte, Deputy Executive Director of Community Revitalization, provided the *Real Estate Committee Report*. The committee met earlier in the day. The following topics were covered.

- Developing of a sales report – the Chairman of the committee asked that they forego the quarterly report for this month and have it next month
- Resolution #1 was tabled for further investigation
- Resolutions # 2 and 6 were withdrawn for further analysis

Chairman's Remarks

Chairman Harrigan noted that RRHA properties have experienced a fairly significant increase in crime. He asked if there will be any new initiatives introduced to address this problem? Anthony Scott responded that Chief Hazelton and Richmond's Chief of Police, Brian Norwood, have met to discuss how to meet the anticipated summer spike. The strategy is to target certain developments and garner assistance from RRHA's partners on a federal level. The higher numbers are a concern, and a particular focus will be made on calming down some of the issues that are going on in the neighborhoods. One solution is to vary the shifts of the officers so that there is some overlap, thus more officers on the streets.

Executive Director's Comments

Mr. Anthony Scott made some "good news" comments in addition to the Executive Summary, which had been included in the Board packet highlighting the activities for the past month.

- Elliott D. Paige, a student resident of RRHA's Housing Choice Voucher Program, received the \$2,000 Virginia Association of Housing and Community Development Officials (VAHCDO) President's Scholarship Award. The luncheon was held in Virginia Beach during the VAHCDO conference.
- RRHA has received two awards from the National Association of Housing and Redevelopment Officials (NAHRO.) One was for the Home Center and the other was for RRHA's "A Celebration of Homeownership," which is eligible for the National Award of Excellence competition. The award is to be presented at NAHRO's conference in July.
- Interviews for the Chief Financial Officer (CFO) position will be held on June 8 and 9 with five very strong candidates.

RESOLUTIONS

Note: Resolution number 1 was tabled. Resolutions number 2 and 6 were

withdrawn. Resolutions number 3, 4, 5, 7 and 8 were recognized. It was noted that the minutes will reflect that the co-op agreement with the City is to come back to the Board for final approval.

Agenda Item No. 1 (Tabled) - Resolution of the Richmond Redevelopment and Housing Authority Authorizing the Extension of the Line of Credit from Wachovia to Transfer Line of Credit from First Market Bank to Wachovia.

WHEREAS, by Resolution #08-07, the Richmond Redevelopment and Housing Authority ("RRHA") was authorized to borrow up to Two Million and Six Hundred Thousand Dollars (\$2,600,000) to acquire and redevelop a parcel of land located in the City of Richmond and more commonly known as Carrington/Northridge Apartments; and

WHEREAS, out of the Two Million and Six Hundred Thousand Dollars (\$2,600,000), First Market Bank provided RRHA an unsecured line of credit of One Million and Six Hundred Thousand Dollars (\$1,600,000); and

WHEREAS, in order to maintain the outstanding Line of Credit, RRHA must extend the Line of Credit by collateralizing the current unsecured Line of Credit of One Million and Six Hundred Thousand Dollars (\$1,600,000) provided by First Market Bank by paying Eight Hundred Thousand Dollars (\$800,000) and providing land as collateral for the remaining Eight Hundred Thousand Dollars (\$800,000); and

WHEREAS, the Richmond Redevelopment and Housing Authority ("RRHA") is requesting authorization to utilize the Wachovia Line of Credit in the amount of Eight Hundred Thousand Dollars (\$800,000) along with using \$800,000 from unrestricted cash maintained in our Main Investment Account in order to pay off the \$1,600,000 Line of Credit with First Market Bank; and

WHEREAS, it is necessary for the Commissioners of RRHA to take appropriate official action to authorize RRHA to extend the Line of Credit of Eight Hundred Thousand Dollars (\$800,000) from Wachovia Bank and to authorize the Executive Director or in his absence, the Chairman of the Board of Commissioners, to execute and deliver any and all documents required in connection with this transaction;

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

1. RRHA is authorized to extend the Line of Credit from Wachovia Bank made on terms acceptable to the Executive Director, or in his absence, the Chairman of the RRHA Board of Commissioners.
2. Upon approval of the terms extending the Line of Credit by the Executive Director, or in his absence, the Chairman of the RRHA Board of Commissioners, the Executive Director, or in his absence, the Chairman of the Board of Commissioners, is hereby authorized, on behalf of RRHA, to execute and deliver any and all documents required in connection with closing the Loan, provided such documents are in a form acceptable to the Executive Director, or in his absence, the Chairman of the RRHA Board of Commissioners.

Agenda Item No. 2 (Withdrawn) – Resolution of the Richmond Redevelopment and Housing Authority Approving Acquisition Price for One (1) Vacant Parcel in the 25th Street/Nine Mile Road Redevelopment Area – 2603 Nine Mile Road.

BE IT RESOLVED by the Commissioners of the Richmond Redevelopment and Housing Authority (RRHA) that based on full and careful appraisals of the properties that the price recommended by the Executive Director

for the acquisition of one (1) parcel in the 25th Street/ Nine Mile Redevelopment Area be and hereby is accepted as the fully established and approved price for the acquisition of such parcel; and

BE IT FURTHER RESOLVED that the Executive Director, acting on behalf of RRHA, be and hereby is authorized to accept the signed option to purchase 2603 Nine Mile Road, Block E-714, Parcel 19 at the said price.

Agenda Item No. 6 (Withdrawn) – Resolution of the Richmond Redevelopment and Housing Authority Authorizing Approval to File for Condemnation for One (1) Parcel in the Blackwell Conservation Area and Blackwell Redevelopment Area – 1718 Everett Street.

BE IT RESOLVED by the Commissioners of the Richmond Redevelopment and Housing Authority (RRHA) that the Executive Director and counsel are hereby authorized and directed to institute condemnation proceedings for the acquisition of the property listed herein. These proceedings are essential to the conveyance of property and the construction of new single-family housing as part of the Blackwell revitalization effort.

<u>Block/Parcel</u>	<u>Name of Owner/ Address of Property</u>
S-234/11	Dwayne and Etta M. Crook 1718 Everett Street

BE IT FURTHER RESOLVED that prior to instituting eminent domain proceedings, staff is directed to avoid such proceedings if possible.

Agenda Item No. 3 – Resolution of the Richmond Redevelopment and Housing Authority Authorizing Acquisition Price for One (1) Parcel in the Carver/Newtowne-West Neighborhoods In Bloom Area – 1209 ½ West Leigh Street, which was read and considered:

(09-13) BE IT RESOLVED by the Commissioners of the Richmond Redevelopment and Housing Authority (RRHA) that based on a full and careful appraisal of the property the Executive Director recommends the acquisition of one (1) parcel in the Carver/Newtowne-West Neighborhoods In Bloom (NIB) Area through the City of Richmond's tax sale program; and

BE IT FURTHER RESOLVED that the Executive Director, acting on behalf of RRHA, be and hereby is authorized to appoint the Real Estate Officer the authority to purchase 1209 1/2 West Leigh Street, Block N-518, Parcel 07 at the City of Richmond's tax sale process.

Agenda Item No. 4 – Resolution of the Richmond Redevelopment and Housing Authority Approving Acquisition Prices for One (1) Parcel in the Blackwell Neighborhoods in Bloom Revitalization Area – 109 East 14th Street, which was read and considered:

(09-14) BE IT RESOLVED by the Commissioners of the Richmond Redevelopment and Housing Authority that RRHA through the Tax Sale Program, a judicial sale, the City of Richmond accepted RRHA's bid to purchase

109 East 14th Street, Block S-150; Parcel 8 at the public auction; and

BE IT FURTHER RESOLVED that the price bided is recommended by the Executive Director for the acquisition of two (2) parcels in the Blackwell Neighborhoods In Bloom Area and the Blackwell Conservation and Redevelopment Area, be and hereby are accepted as the fully established and approved prices for the acquisition of such parcels; and

BE IT FURTHER RESOLVED that the Executive Director, acting on behalf of RRHA, be and hereby is authorized to execute documents to obtain control and ownership with respect to said parcels at the said prices.

Agenda Item No. 5 – Resolution of the Richmond Redevelopment and Housing Authority to Establish the Disposition Price and Authorize the Disposition of One (1) Parcel located at 314 West Grace Street, which was read and considered:

(09-15) WHEREAS, the Richmond Redevelopment and Housing Authority (RRHA) is the owner of certain property located at 314 West Grace Street; and

WHEREAS, CMB Development, Inc., submitted a letter of intent to purchase of 314 West Grace Street, Block W-175, Parcel 22 for the development of new apartments to be made available for market rate rental;

NOW, THEREFORE, BE IT RESOLVED by the Commissioners of RRHA that \$675,000 is the duly established and approved price for the disposition of 314 West Grace Street, Block W-175, Parcel 22;

BE IT FURTHER RESOLVED THAT:

1. The offer of \$675,000 for the one (1) parcel from CMB Development, Inc. for 314 West Grace Street, Block W-175, Parcel 22 be and hereby is accepted;
2. The Executive Director be and hereby is authorized and directed to execute a contract covering the sale of said parcel;
3. The conveyance of said parcel to CMB Development, Inc. by the Executive Director on behalf of RRHA, utilizing a form of deed satisfactory to counsel, be and hereby is in all respects approved.

Agenda Item No. 7 – Resolution of the Richmond Redevelopment and Housing Authority Authorizing Signing of a Memorandum of Understanding and Cooperation Agreement with the City of Richmond for real property located at 100 and 101 South Davis Avenue, Richmond, Virginia, which was read and considered:

(09-16) BE IT RESOLVED by the Commissioners of the Richmond Redevelopment and Housing Authority that RRHA is authorized to enter into a Memorandum of Understanding, similar in form and substance to the draft Memorandum of Understanding attached hereto, with the City of Richmond on terms to be negotiated by the Executive Director regarding the acquisition, financing and project management of 100 and 101 South Davis Avenue, Richmond Virginia (the “Property”); and

BE IT RESOLVED by the Commissioners of the RRHA that RRHA is authorized to enter into a Cooperation Agreement with the City of Richmond, on terms to be negotiated with the City of Richmond, regarding the financing and redevelopment of the Property; and

BE IT FURTHER RESOLVED that the Executive Director, acting on behalf of RRHA, be and hereby is authorized to execute all documents required in carrying out the intent of this resolution.

Agenda Item No. 8 – Resolution of the Richmond Redevelopment and Housing Authority Authorizing Acquisition of certain real property located at 100 and 101 South Davis Avenue, Richmond, Virginia, which was read and considered:

(09-17) BE IT RESOLVED by the Commissioners of the Richmond Redevelopment and Housing Authority (RRHA) that the Executive Director is authorized to negotiate for the acquisition of certain real property located at 100 and 101 South Davis Avenue, Richmond, Virginia (the “Property”) for a purchase price of \$5,000,000.00 or the appraised values of the Property, whichever is less; and

BE IT RESOLVED by the Commissioners of the RRHA that the Executive Director is authorized to execute a Real Estate Sales Agreement generally in the form and substance of the draft Real Estate Sale Agreement attached hereto; and

BE IT RESOLVED by the Commissioners of the RRHA that RRHA is authorized to finance the purchase of the Property on terms satisfactory to, and to be negotiated by, the Executive Director; and

BE IT RESOLVED by the Commissioners of the RRHA that RRHA shall obtain the commitment of the City of Richmond to provide the funding necessary for the purchase of the Property prior to settlement of the Property; and

BE IT FURTHER RESOLVED that the Executive Director, acting on behalf of RRHA, be and hereby is authorized to execute all documents required in carrying out the intent of this resolution.

Discussion

All four Board members attended the Real Estate Committee at which the resolutions were discussed extensively. Thus, there was no need for further discussion.

2 Motion: (Mims/Sties) Move to adopt Resolutions 3, 4, 5, 7, and 8.

Motion Carried Unanimously

Adjournment

3 Motion: (Sties/Parker) Move to adjourn.

Motion Carried Unanimously

There being no further business and upon unanimous vote, the meeting adjourned at 4:52 p.m.

Chairman

Executive Director/Secretary-Treasurer