

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, JANUARY 20, 2010

In Attendance:

Board of Commissioners

Elliott M. Harrigan, Chairman
Marilyn B. Olds, Vice Chair
J. Russell Parker, III
Guenet M. N, Beshah, Esq.
Cindy A. Mims
James A. Sties
Orlando C. Artze

RRHA Staff

Anthony Scott, Chief Executive Officer

Chairman Elliott M. Harrigan called the meeting to order at 5:40 p.m. with *M. Maxine Cholmondeley, Esq.* serving as Legal Counsel.

Minutes

The Minutes from the *December 16, 2009 Regular Board Meeting* were presented for approval. Commissioner Beshah stated that in the first sentence of the discussion concerning Resolution 1, the wording should be: "Commissioner Beshah wanted to insert some additional context concerning the difference between the sale price and the assessment value."

1 Motion: (Mims/Olds) Move to adopt the revised Minutes from the December 16, 2009 Regular Board Meeting.

Motion Carried Unanimously

Citizens Information Period

Ms. Kelly King-Horne, Executive Director of Homeward, presented an update on the partnership with RRHA, Homeward, the Regional Homeless Family Shelters and Richmond Behavioral Health Authority. The 18 children that were put into housing in January 2009 as a result of the partnership are still in housing. None of these families that were placed have come back to the shelters. As of the end of December 2009, forty-four families (a total of 125 people) are no longer homeless because of the partnership. Six families, with a total of fifteen people, are approved and waiting for homes.

One of the ways to measure success in any homelessness situation is by looking at the median length of shelter stay or the median length of homelessness. From January to July 2009, the median shelter stay for homeless families was halved: from 90 days to 45

days. Most of this is attributable to the partnership. By obtaining housing that is accessible and lining up supportive services, the ten-year plan is working to end homelessness and to maintain housing stability. This history of success with concrete measurability is beginning to become the national indicator for ending homelessness. Now is the time to explore other possibilities for servicing other subpopulations and to keep working with the families to reduce the shelter time even further.

The Homelessness Pulse project, which started in the summer of 2009, is ongoing and Richmond is one of nine communities across the country participating. From July to September 2009, 500 people who had never been in shelters before entered them. There is an upwards trajectory in the number of homeless people. The number of homeless children has been relatively steady over the last three years but that is probably a function of limited shelter space. They are just living elsewhere, in bad situations.

The data collected in January and July 2009 shows that the summer numbers are lower in part because the count is based on the number of people in shelter beds and there are fewer shelter beds in the summer. HOMEWARD is looking at the data collected for the last three years to understand the seasonal differences. The number of homeless families stays consistent throughout the year. It is the number of people who are unsheltered that varies pretty significantly and the “why” hasn’t yet been determined.

Chairman Harrigan asked Ms. King Horne to explain the Panhandling Prevention Campaign. Homeward has implemented the following:

- A “street sheet” on their website with basic information about food, shelter, etc. in English and Spanish.
- Glossy cards that have been provided to community partners, for a small donation, with the essential information someone on the street might need. The card can be given to a panhandler in lieu of cash. The person taking the card can then take it to one of the service providers listed on the card and turn it in for a bus ticket. The point is that it has some value if they redeem it so it is less likely to be thrown away. The service partners will speak with those who have repeatedly turned in the cards about taking whatever next steps are needed.

Committee Reports

Commissioner Harrigan requested that Board Committee Reports be presented.

Chief Financial Officer Rick Sample delivered the *Administration and Finance* report. He reported that the Administration and Finance Committee met on January 14, 2010, where several items were discussed or reviewed:

- Update on the Housing Choice Voucher Program (HCVP) and the receipt of an additional \$336,000 in front-loaded HUD funding in January that, combined with the reserves from December, allowed RRHA to cover the expense for January
- RRHA has requested front-loaded funding for February and expect to get the

budget authority for the calendar year by February 16

- The Local Initiatives Support Corporation (LISC) loan is scheduled for repayment on February 1, 2010 – suggestions were made to:
 - o extend the loan, drawing on the Wachovia Line of Credit (LOC) to repay the loan
 - o have discussions with other banks
 - o meet with Wachovia on January 15, 2010 and discuss options with them
 - potentially repaying the LISC loan
 - restructuring the LOC with a longer-term facility that is more appropriate to some of the financing used to acquire properties in the past
- RRHA Internal Auditor LaTanja Davenport made a detailed presentation on how the authority engaged consultants in the last fiscal year and how the consulting services are used

Commissioner Parker noted that HUD will make a commitment regarding the HCV Program but it is unknown what that commitment will be. Rick Sample stated that HUD had made a commitment for January and February based on a formula. The authority anticipates a formula allocation but more is needed.

Senior Vice-President of Property Management and Assisted Housing John Hill provided the *Affordable Housing Report*.

- Staff has begun training on the new Admissions and Continued Occupancy Policy (ACOP) and everyone has received a copy of the new policy, updated from 4 years ago
- Implementing a coin-operated service in the elderly sites at \$.75 a load – this is one part of normalizing and keeping in line with other housing authorities
 - o Initial estimates are a savings of \$6,000 a year in maintenance cost plus the savings in power and water
 - o Looking at \$1,500 - \$2,000 a month in receipts
 - o Residents were given a 30-day notice
- HUD has completed the confirmatory review of the HCVP program but the expected positive results will not be known until the end of February to middle of March, 2010

Commissioner Parker noted that the number of Low Income Public Housing (LIPH) applicants fell dramatically from October to November, around 40%. Mr. Hill explained that as soon as a unit is ready, pre-qualified applicants are moved into the “ready pool.” Applicants are not moved into the “ready pool” until the Authority has units ready because applicant information that is over 30 days old cannot be used and the applicant would need to be qualified again.

Derek McDaniels, Vice President of Real Estate & Community Development, provided the *Real Estate Committee Report*. The Committee met on Thursday, January

13, 2010. The following topics were covered:

- Held a lengthy discussion about the GRTC site and the merits of the contract and co-op agreement the Authority is working on with the City
- Discussed the method and time of the establishment of RRHA - this is a HUD requirement if RRHA is to be approved to offer secondary financing

Chairman's Remarks

Chairman Harrigan had no remarks for this meeting.

Chief Executive Officer's Comments

Mr. Anthony Scott had no comments in addition to the Executive Summary.

RESOLUTIONS

Note: Resolutions number 1 and 2 were recognized but handled separately.

Agenda Item No. 1 - Resolution to Confirm the Method and Time of Establishment of the Richmond Redevelopment and Housing Authority, which was read and considered:

(10-01) WHEREAS, the Richmond Redevelopment and Housing Authority (the "Authority") has requested approval from the U.S. Department of Housing and Urban Development ("HUD") to provide secondary financing to FHA borrowers;

WHEREAS, in connection with such request HUD has requested that the Authority provide a resolution in confirmation of the method and time of establishment of the Authority as a redevelopment and housing authority, and the same was effected in accordance with the laws of the Commonwealth of Virginia;

WHEREAS, by a joint resolution of the Council of the City of Richmond (the "Council"), approved October 3, 1940 (the "Resolution"), the Council declared the need for a housing authority in the City of Richmond;

WHEREAS, the Resolution was made pursuant to Virginia's "Housing Authorities Law," as it existed at the time of the Resolution, and specifically pursuant to Section 3145(4) of the Code of Virginia (1938), which provided for the creation of a housing authority in each city and county in the Commonwealth of Virginia, but provided that no authority was permitted to transact business or exercise its powers until or unless the "governing body of the city or county . . . by proper resolution shall declare at any time hereafter that there is need for an authority to function in such city or county";

WHEREAS, the Housing Authorities Law currently provides, in Section 36-4 of the Code of Virginia (1950), as amended, that a referendum by the qualified voters of a locality is required as a condition to a housing authority's ability to transact business or exercise its powers under the Housing Authorities Law, but such requirement for a referendum did not appear in the Housing Authorities Law until 1952, pursuant to an Act of the Virginia General Assembly approved on April 1, 1952.

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

- 1) The foregoing recitals are hereby acknowledged and confirmed in their entirety.

- 2) This resolution shall become effective immediately upon adoption.

Explanation

General Counsel Maxine Cholmondeley clarified why the above resolution is necessary. From time to time when RRHA is selling property to new homeowners, the prospective homeowner may have a funding shortfall either for a down payment or closing costs. RRHA would like to position itself so that it may offer secondary financing to cover those shortfalls. Part of the application process requires a resolution from the Board certifying how and when RRHA was formed, and that it was validly formed. The above resolution covers that requirement.

2 Motion: (Mims/Parker) Move to adopt Resolution 1.

Motion Carried Unanimously

Agenda Item No. 2 - 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:

(10-02) WHEREAS, by Resolution # 09-17, the Board of Commissioners of the Richmond Redevelopment and Housing Authority (“RRHA”) authorized RRHA to purchase certain real property located at 100 and 101 South Davis Avenue, Richmond, Virginia (the “Property”) from Greater Richmond Transit Company (“GRTC”) for the purchase price of \$5,000,000; and

WHEREAS, the terms for the purchase of the Property have changed.

NOW THEREFORE BE IT RESOLVED by the Commissioners of the RRHA that RRHA is authorized to purchase the Property; and

BE IT RESOLVED that the purchase price for the Property shall not exceed \$5,400,000.00; and

BE IT RESOLVED that in addition to the purchase price, RRHA shall pay to GRTC fifty percent (50%) of the net sale proceeds realized upon subsequent sale of the Property by RRHA; and

BE IT RESOLVED by the Commissioners of the RRHA that the Chief Executive Officer is authorized to negotiate the terms of 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 the final terms of the Real Estate Sales Agreement shall be approved by the Commissioners of the RRHA at a future meeting of the Commissioners; and

BE IT FURTHER 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.

Discussion

Commissioner Sties said that this resolution was discussed at the Real Estate Committee meeting. The Commissioners had asked that a number of changes be made, that it be submitted with those changes, and recommended for approval at the Board

meeting. Commissioner Sties was asking if the changes had been made. Mr. Scott clarified that all of the suggested changes had been incorporated into the current resolution with the exception of the wording about bringing the document back for final approval by the Board. The following wording was added to the above resolution:

“BE IT RESOLVED by the Commissioners of the RRHA that the final terms of the Real Estate Sales Agreement shall be approved by the Commissioners of the RRHA at a future meeting of the Commissioners; and”

Commissioner Sties followed up with another change in the contract that had been requested by the Board; namely striking the waiving of the precedents. General Counsel Cholmondeley stated that it would be stricken from the contract.

Further, Commissioner Sties said that with not knowing what the City’s cooperation agreement is going to say, if the Board reads it and decides they don’t approve it, will the City continue to work on it or end their pursuit of the property? Mr. Scott replied that it is in the best interests of both the City and RRHA to have the City submit a cooperation agreement that the Board can approve.

Commissioner Parker suggested the following regarding the contract:

- do not include an intended date for when the Board would approve the contract
- tell the City what the Board will be reviewing when they sign off on the contract (make sure the co-op agreement is in there, etc.) so they know what parameters the Board will be considering
 - o Chairman Harrigan and Mr. Scott noted that the City is well aware of what is in the existing contract
 - o The Authority will be providing the City with a draft co-op agreement from RRHA’s perspective the week of January 25, 2010
 - o The City had provided some points they would like to see included and some discussion items

Commissioner Sties brought up the point that the contract included specific time lines. General Counsel Cholmondeley is going to ask the City to revise the contract so that an agreed-upon time line doesn’t start until the remediation is completed. This would negate the need for extensions of the contract.

3 Motion: (Parker/Artze) Move to adopt Resolution 2 as amended.

Motion Carried Unanimously

Commissioner Sties also asked about RRHA checking the historic designation of the site to make sure there is no impediment to the demolition. Chairman Harrigan reported that the property qualifies to be on the State and National Register by virtue of its age but he believed it is only if you are in a city-designated historic district that you have limitations on your ability to demolish a property. Mr. McDaniels replied that it is part of

RRHA's feasibility study to determine the responsibility regarding this. Commissioner Sties was questioning whether the company doing the demolition could receive a tax abatement from the City on the value of the improvements if they demolish a property that is listed on the Historic Register. Chairman Harrigan said that it is his understanding that there are three separate programs. Two of them, a state historic tax credit and a federal historic tax credit, are governed by the National Park Service guidelines which are administered by the Department of Historic Resources. An application is required in order to receive the credits. Separately, the City has a program for up to 15 years: for the first 10 years, the real estate taxes are frozen at the current assessment and then, beginning in year 11, that steps up.

Other Business

Senior Vice-President of Community Relations and Marketing Valena Dixon informed the Board about the partnership with the Richmond City Health District. This means more direct and on-site services for the Authority's residents. There is currently an on-site resource center in Fairfield and others are coming to Whitcomb, Creighton and Gilpin. Ms. Dixon spoke about the upcoming H1N1 outreach with Bon Secours. The next one will be held January 23, 2010 at Hillside and January 24, 2010 at Whitcomb. The following weekend they will be held at Creighton and Mosby, respectively. It is open to anyone who wants to receive their free vaccination.

Adjournment

4 Motion: (Mims/Olds) Move to adjourn.

Motion Carried Unanimously

There being no further business and upon unanimous vote, the meeting adjourned at 6:17 p.m.

Chairman

Chief Executive Officer/Secretary-Treasurer