

Repositioning Committee
Minutes
1/22/21

Present: Eric Braun, Arne Morris, Bahati Mutisya, Gregg Warren, Joe Whitehouse, Yolanda Winstead, Wayne Felton

Absent: None

RHA staff: Liz Edgerton, Laura McCann, Jennifer Morgan Donna Perez, Gwen Wall

Visitors: Charles Francis, The Francis Law Firm; Mack Paul, Morningstar Law Group; Gerald Townsend, Townsend Asset Management Corp; Larry Zucchini, JDavis Architects.

Review of Minutes

Commissioner Braun moved and Commissioner Morris approved the December 3, 2020 minutes and December 7, 2020 minutes.

Update on HUD RAD approval process for RHA portfolio

Mr. Felton said staff has scheduled Dominion Due Diligence to inspect February 1-3. Units have been randomly selected for inspection. Notices have been sent to the residents of those units. Only one person will go into the units and staff has asked the residents to either stay away from the unit or isolate themselves during the inspection. The inspection report must be completed before staff can finish the financial plan. The financial plan must be submitted in May.

Commissioner Warren asked if Dominion Due Diligence knows that RHA's preferred option is that these units be defined as "functionally obsolete" so that staff can go through the Section 18 proposal. Mr. Felton said these units are part of the RAD conversion, which are units that are a straight conversion. Staff has sent out an RFP for someone to look at Heritage Park for the obsolescence.

**Report on Tour of Chavis Way, Beacon Ridge and Washington Terrace
Heritage Park**

Commissioner Morris said he and Commissioner Warren, Commissioner Winstead, and Mr. Felton met on December 21st to tour three different properties: Chavis Heights, Beacon Ridge, and Washington Terrace. He said it was beneficial to tour those properties and see the different designs (especially to see the corridor properties) to see what they look like and how they are being managed. They were able to talk with the managers of Beacon Ridge and Washington Terrace. One of the interesting things about the corridor buildings were that there are a lot of cameras put in place for security. They seem to be well-maintained and, according to the managers, don't have many security issues.

Commissioner Morris was glad to have the opportunity to tour the properties. He said he is impressed at how well-maintained and beautiful Chavis Heights is, in spite of its age (14 years old).

Commissioner Warren said Washington Terrace's design is probably more of what RHA is looking for with the Heritage Park redevelopment because it has more of an urban feel and it has different building types. That development was designed by JDavis Architects.

Commissioner Warren said if anyone else would like to take a tour of these properties, it can be arranged (or it can be self-guided).

Review of recent Heritage Park plans

Larry Zucchini explained the most recent plans. (C1.2 & C.2 - attached to these minutes.)

C.2

- More garden buildings have been introduced.
- All surface parking (.7/unit).
- Free-standing Community Center.
- Shows a parcel that is left available for future development.

C1.2

- No parcel left for future development and it is included in the development program.
- Corridor buildings are shown in that location.
- Added garden apartments in the South Street and South Saunders Street quadrant.
- Community Center can be incorporated along South Street, if desired.
- Additional corridor buildings could be added.

Commissioner Morris asked how many more units C1.2 would give the development. Mr. Zucchini said it increases unit count by approximately 100.

Commissioner Braun suggested that the word “hotel” not be written on the parcel of land that may be sold off because the public might assume that is what will be done with that piece of land. Mr. Zucchini said he agrees. RHA can be silent on the use of that parcel.

Commissioner Warren suggested the following verbiage be written on the plan:

- “developed by others”,
- “sold to others”, or
- “another phase”.

Mr. Zucchini recommends keeping it without a program on it and just show the acreage. He said there can be a generic building shown on that piece of the property.

Commissioner Warren said it looks like the parking is what’s driving the density.

Commissioner Whitehouse asked about the parking - how did RHA calculate the parking per bedroom count ratio in the past? Mr. Zucchini said there is currently no bedroom count for the property. He said the units will be primarily 2-bedroom apartments (possibly some 3-bedroom).

Commissioner Whitehouse suggested figuring parking spaces per bedrooms to determine if the parking is adequate for the site. Mr. Zucchini said earlier plans were closer to 1.0 and they felt that number could be decreased a little bit, given future transit in the area and its proximity to downtown employment (urban setting).

Mr. Zucchini agreed with Commissioner Warren - parking is going to be a driver in the density on the site.

Commissioner Warren asked if Mr. Zucchini's parking count includes on-street parking. Mr. Zucchini said not at this point. However, there will be a lot of on-street parking in this development.

Mr. Felton asked Mr. Zucchini if RHA is following the city's guidelines (do they allow a reduction in parking for downtown development?). Mr. Zucchini said yes. Commissioner Warren said he didn't think there was any downtown requirement for parking.

Mr. Zucchini said the parking is going to be determined by RHA's need. Commissioner Warren said NCHFA must sign off on this plan as well because it is below what they would require.

Mr. Felton asked Commissioner Warren and Commissioner Winstead if they have had a parking ratio this low in any of DHIC's developments. Commissioner Winstead said there was a reduction of parking in Durham because they were so close to transit. She said it depends on the proximity to transit and you must apply to NCHFA for a waiver early in the process. NCHFA's requirement is 1.75 spaces per unit.

Commissioner Whitehouse asked if RHA understands what the needs of the residents are in terms of parking. Mr. Felton said staff can talk with the residents during the Heritage Park meetings. During one of the earlier meetings, staff counted the cars in the development (87 cars for 122 units) and that is typically what is seen on that property. He said staff can look at Capitol Park, Chavis Heights, and Walnut Terrace and review what was done for those developments.

Commissioner Whitehouse said it would be a good idea to get a general feel for what the residents needs are to make sure they are being adequately addressed.

Charles Francis asked what the mix of public housing residents and market rate residents will be for Heritage Park. Commissioner Warren said they were planning to keep, at a minimum, the equivalent number of units that are currently serving the public housing population (no less than 122 units). Most of those residents are less than 30% AMI.

Mr. Francis said that's what the community is looking for. He said, with 120 units that are other than the low income people (30% AMI), there may be a greater need for parking as you move up the income ladder.

Commissioner Warren suggested Mr. Zucchini look at the parking count for Washington Terrace. Mr. Zucchini said it is approximately 1/unit.

Commissioner Warren said when they toured Washington Terrace there were a lot of cars parked on the street - which makes a nice appearance, too.

Commissioner Zucchini said one other thing to keep in mind that was discussed during these meetings is whether there will be structured parking. It was determined that structured parking, as the primary parking, is not a good match for the development. However, one of the ideas still embedded in the extra parcel on Dawson Street shows that there would be additional capacity for parking in a deck. That would allow for additional units to be built. The surface parking goal would not be met. However, some extra cars could park in the deck.

Commissioner Warren said he would like to revisit, at some point, putting the community center into the corridor building at the corner of South and South Saunders and having some offices on that frontage (with maybe a small amount of square footage for lease). (On program C.2).

Commissioner Braun said that's worth considering. However, he wants to make sure that space is large enough to handle services for the residents.

Mr. Felton said there was a plan that showed garden apartments where that free-standing community center is located. Mr. Zucchini said a corridor building was shown there (with approximately 40 units).

Mr. Zucchini said the Board might want to visit Carlton Place to see what was done with that space (offices on the frontage road, etc.).

Commissioner Braun said one other thing to think about is having a space for a community garden. Commissioner Warren said DHIC does raised beds in some of their communities which often-times require someone in management to drive the process.

Commissioner Morris suggested carving out a space for a community garden near the playground area.

Commissioner Morris asked for the address of Carlton Place. Commissioner Warren said the address is 450 East Davie St.

Commissioner Whitehouse asked if the playground would remain if the community center were relocated. Commissioner Warren said there needs to be a playground somewhere on the property. He said it's typical for tax credit properties to have a playground and some sort of shade structure with seating.

(At this point Commissioner Morris had to leave the meeting.)

Commissioner Warren said this is a good starting point to refine and the committee should move on to additional topics.

Rezoning Request

Commissioner Warren said one of his concerns with rezoning is that he's anticipating there will be community activists focused on whether RHA is doing the right thing at Heritage Park and treating the residents with respect by giving them every possible opportunity to move back to the community. He asked how much needs to be in place to make sure all of these points are covered in terms of resident care and who RHA is going to serve once the development is complete. He said he's not inclined to go forward with the rezoning process until all of these points have been thought out.

Commissioner Whitehouse said that's an excellent point. He said it's important that RHA control the message to the community and reach out to the community activists in advance to rezoning.

Commissioner Warren said if RHA is submitting a tax credit application in January, the rezoning doesn't need to be completed until May 2022. Mr. Felton said he was under the impression that the Board wanted to get the rezoning completed while the current city council was in office (before

elections came up again). He thought a September timeframe of submitting the application was discussed.

Commissioner Winstead said staff should definitely reach out to ONE Wake Assembly and Livable Raleigh to educate them about the plans for Heritage Park. Those are two groups that will be very vocal about what happens to the current residents and guaranteeing them the ability to move back to the community. She said they will have additional concerns about additional affordable units that will be put back on the property and the income limits that will be served.

Commissioner Warren said the Housing Justice Coalition should be added to that group, too.

Commissioner Braun said the timing issue was a theoretical one, assuming that RHA got everything else in order. RHA must be certain of the talking points and who staff reaches out to before moving forward on rezoning.

Mr. Felton said staff will need to talk with the residents first and then speak to the activist groups and City Council to talk it through with them before the rezoning is submitted.

Commissioner Warren said it isn't necessary to show development plans. However, metrics can be discussed instead:

- at least 122 units that are reserved for 30% AMI
- another "x" number of units that serve those 40-60% AMI
- a list of facilities that will be put on the site.

Commissioner Warren said it would be a good idea to look at ways to reduce resident relocation — possibly through attrition. He said it might be possible to keep some of the existing units by redeveloping in phases.

Commissioner Braun said RHA doesn't want to say anything that can't be achieved. However, they should be able to give minimum numbers that will be hit in other categories (other than the 122 units that will be put back on the site).

Mr. Felton said when staff first met with the residents over a year ago the numbers were kept very broad. The specifics were not discussed at that time and staff asked the residents what they wanted, which include:

- Daycare
- Laundry facilities
- Parking (keeping Red Hat patrons out of the parking lot)

Commissioner Braun said the messaging needs to go outside the residents. Those will be the people who will distrust what RHA and the City of Raleigh has to say.

Commissioner Warren said DHIC did not do new credit checks with the existing Washington Terrace residents. They were guaranteed the right to come back to the property. There were also no work requirements. He said RHA needs to be very clear that the existing residents are given every opportunity to come back to the community.

Mack Paul said the September rezoning timeframe was primarily a function of the tax credits more than the city council political atmosphere. He said there is likely a disadvantage to coming in front of the council during the height of the election process. This project is important to all stakeholders and RHA needs to make sure it gets done correctly.

Mr. Francis asked about staff's goal to break ground on the redevelopment. Mr. Felton said staff is going to submit the tax credit application in January 2022 and close and break ground within a year of that.

Mr. Francis had the following thoughts:

- It would be a good idea for the Board to send staff a list of all of the community groups that would want to hear from RHA about this.
- The goal should be to have a development that any council will support.
- It's important to make it clear that the number of 0-30% AMI units in the new property is equal to or greater than the number currently on the site.
- The 2-acre out-parcel will be controversial and the Board needs to think through why RHA would do that.

Mr. Felton said he has received community activist lists from Commissioner Warren and Larry Jarvis (City of Raleigh).

Commissioner Mutisya asked if staff has spoken with the councilwoman from District D as to additional groups that RHA should speak with. Mr. Felton said staff has not reached out to any council members at this time.

Commissioner Warren said some talking points have been drafted - they require specifics as to the minimum deliverables that RHA can promise. More needs to be said about the residents and how RHA will care for them relocating and coming back.

Commissioner Warren asked if there is someone on the committee who would want to be in charge of refining the talking points.

Commission Whitehouse asked if there was a vision and set of goals established for the redevelopment of Heritage Park. Commissioner Warren said they were trying to work on that - it's not on the agenda for today. The principles that they're trying to establish were working toward a vision statement, too.

Commissioner Whitehouse said the vision statement is a good central document that helps keep everyone in the same frame of mind about what is being established.

Mr. Felton said staff put together a vision for Heritage Park in November. He will resend it to serve as a starting point for the vision statement.

Mr. Felton asked if the committee would like staff to draft a relocation plan - since they think it will be a big topic of discussion with the public. Commissioner Warren said the Walnut Terrace relocation plan was sent to the committee early on. He said that could serve as a starting point. He suggested that it be summarized for the committee, since it's such a large document.

Mr. Felton said he wanted to make sure RHA doesn't box itself in with the 122 0-30% AMI units. Mr. Felton asked Commissioner Warren if there is typically income averaging with tax credits. Commissioner Warren said it's not unusual to have upwards of 4 income bands in each project.

Commissioner Winstead said if you go after the tax credits then you are required to serve people under 60% AMI, unless you go with an income averaging set aside. Generally, you'll target people at 60% AMI or less and within that you can serve 30%, 40%, 50% - up to 60% AMI (or some variation of that). There will be different income bands setting aside certain units at different levels. You'll get voucher holders that could potentially be in a unit that's targeted at a higher income level, based on that voucher.

Mr. Felton said 122 units out of 370 total units will be 1/3 serving 0-30% AMI. He asked if it is realistic to think there will be that many low-income units to meet that qualification. Commissioner Warren said Wake County and the City of Raleigh will say "yes". Commissioner Winstead there will definitely be the demand from the community for that income level.

Mr. Felton said he wanted to make sure they aren't boxed in with the talking points until they know if the numbers will work. Commissioner Warren said he thinks the numbers can be achieved.

Mr. Felton suggested getting talking point comments from the committee by next Thursday and discusses them during the February Repositioning Committee meetings. They can be shared with the RHA Board during the February RHA Board Meeting.

RFQ for Development Partners

The RFQ draft was developed by Jennifer Morgan (pulled from other sources).

Commissioner Warren asked if the committee would find it useful to meet with the RAD consultants (EJP) at some point. Commissioner Braun said it would be very helpful.

Commissioner Warren asked Jennifer Morgan if she consulted with EJP while developing the RFQ. Ms. Morgan said no (they are meeting this week to discuss it). Part of it was pulled from past RFQs and also what some other housing authorities have done now that there is an NCHFA requirement for 5-years' experience.

Mr. Felton said, with the tax credits, one of the things that staff wanted to do was partner with someone because they require that the agency has done a tax credit within the last 5 years (RHA does not have that experience). Per the QAP, they must stay involved with the development a minimum of 2 years after it is opened to make sure it's operating properly. RHA could gain the experience from that partner and, going forward, do its own tax credit deals.

Commissioner Warren asked if the Board needed to approve the RFQ at next week's RHA Board Meeting. Mr. Felton said the Board does not need to approve RFQs going out. However, staff would like input from the Board.

Mr. Felton suggested scheduling EJP attend the next Repositioning Committee meeting.

Commissioner Warren suggested also sharing the vision of Heritage Park with EJP to see if they agree with the direction that RHA is taking.

Commissioner Warren said he would like to discuss letting units go vacant (in an effort to minimize relocation obligations).

Commissioner Whitehouse asked if there is a feel for natural attrition for this property. He asked if an attrition schedule could be created to see what that would look like.

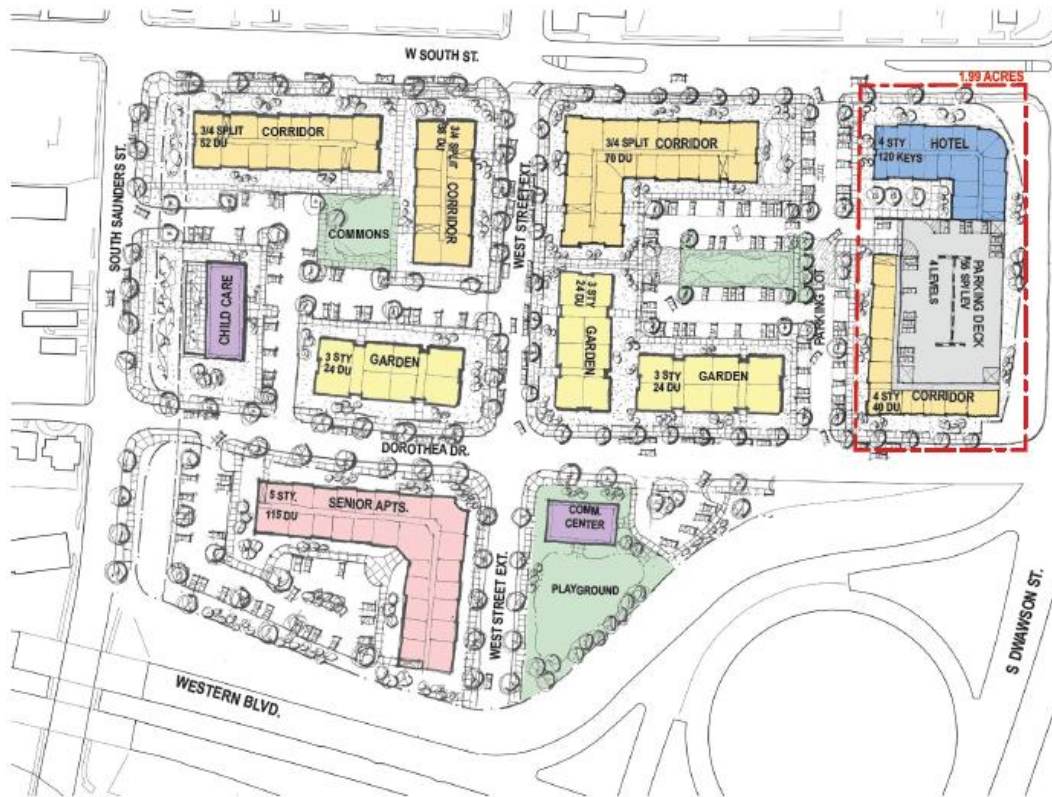
Mr. Felton said the agency-wide attrition is approximately 350 units/year. He said he can look back at the last 2 years of Heritage Park and get back to the committee with those numbers.

Mr. Felton said if RHA decides to phase the development, it would work well to make Phase 1 the senior building on the south side. Staff can relocate residents out of that side and demolish the entire side. The other side of the property could be kept operational. As units vacate, people from the south end of the property could be relocated to the north side of the property, filling vacant units.

Commissioner Warren suggested putting that on the agenda for EJP: what are the best practices for RHA to minimize displacement of the residents and give them every opportunity to come back after the property is redeveloped?

Mr. Felton said he would like to study not re-occupying the units and take a resolution to the Board in February to make sure the Board is on the same page.

The next Repositioning Committee Meeting is scheduled for Monday, February 8th at 11:00 am.



PROGRAM C.2

High Density w/ Out Parcel

Building Program

Corridor	160 units
Garden	72 units
Senior Housing	115 units
Total:	347 units
	23.10 du/ac

Parking Program

Surface parking:	245 spaces
Total:	245 spaces
	0.70 sp/du

Out Parcel

Apartment Flats	40 units
Hotel	120 keys

Parking Program

Parking Deck:	222 spaces
Total:	222 spaces

Hotel Use:	130 spaces
Apartment Use:	40 spaces
Total:	170 spaces

HERITAGE PARK MASTER PLAN

RALEIGH, NC

JANUARY 19, 2021

JDAVIS >



PROGRAM C1.2

High Density

Building Program

Corridor	289 units
Garden	44 units
Senior Housing	115 units
Total:	448 units
	29.86 du/ac

Parking Program

Surface parking:	285 spaces
Total:	285 spaces
	0.64 sp/du

HERITAGE PARK MASTER PLAN

RALEIGH, NC

JANUARY 19, 2021

JDAVIS >

