

Repositioning Committee  
Minutes  
12/3/20

Present: Eric Braun, Arne Morris, Gregg Warren, Wayne Felton

Absent: Bahati Mutisya

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

Visitors: Charles Francis, the Francis Law Firm; Larry Zucchini, JDavis Architects

**Review of Minutes**

Mr. Felton moved and Commissioner Morris approved the November 10, 2020 minutes and November 17, 2020 minutes.

**Review of updated plans prepared by JDavis Architects**

Mr. Zucchini made the following adjustments to Program A from the last meeting:

- Increase the Senior Building to approximately 100 units.
- Pull the Community Center out from underneath one of the buildings and have it free-standing.
- Replace the townhomes with higher density housing.
- Add a parking deck.
- Revisit the idea of an outparcel of land for RHA to use as equity.

Program A-1

- Added 1 story to the Senior Building and made it 5 stories. Increased the units to 115.
- Put in a community building across from West Street with a playground and activity area behind it.
- Replaced townhomes facing Dorothea Drive with garden apartments (less dense than corridor buildings).
- Unit count is 379 units (66 unit increase).
- One space per unit surface parking.
- 25 units/acre.

Mr. Felton asked if the garden apartments are similar to the villas at other RHA properties. Mr. Zucchini said they are similar—breezeway, walk-up three floors.

Program B-2

- Added additional density with all corridor buildings and no wrap buildings.
- Structured parking on the property - not shared with commercial use.
- 420 units in addition to the Senior Building.
- Can add 80 units without selling an out-parcel.

Commissioner Warren asked how tall the parking deck would be. Mr. Zucchini said 4 stories.

Commissioner Braun asked how big the community center is. Mr. Zucchini said 4,000 sq.ft.

Commissioner Warren said the lower density could have the same out-parcel with no parking deck. Mr. Zucchini said that is correct. There would be a loss of approximately 85 units. Commissioner Warren asked, with Program A-1, how many units would remain if the eastern 2 buildings were eliminated. Mr. Zucchini said approximately 295 units (and that number includes the Senior Housing).

Mr. Felton asked if both of these programs are primarily one and two-bedroom units. Mr. Zucchini said that is correct.

Commissioner Warren said some of the garden apartments could probably have some three bedroom units on the ends. Mr. Zucchini said that is correct – it is one of benefits of having that type of building.

Commissioner Warren said Beacon Ridge Apartments is a corridor building. Some of the key points of the building include:

- It is a secure building. It has key fob entry with a buzzer system to admit guests.
- It has many cameras in the corridors and elsewhere.
- Some residents feel more secure than in breezeway buildings.
- So far, they have not had many issues with children.
- One of the concerns is how well the corridors will be cleaned.
- At initial glance, it has been positive.

Mr. Felton asked if the management company for Beacon Ridge has managed other properties with corridor buildings. Commissioner Warren said DHIC has many Senior Buildings with internal corridors and elevators. However, he is not sure there are many family buildings with internal corridors. He said examples could likely be found in the area to research.

Mr. Felton said he spoke with some members of RHA's Housing Management staff this morning and talked through these two plans. The corridor buildings were a concern to them. They would not be viewing the cameras 24 hours a day. This week, Glenwood Towers had some teenagers causing trouble while the grandmother was watching them for their mother. Staff's concern is that with a lot of kids in the building, there will be a lot of activity in the hallways. The cameras are used after the problem has already occurred.

Mr. Felton said if the corridor buildings are built, there should be additional items to decide on, including:

- Making the building age-restricted.
- Build only one-bedroom units and put the three- bedroom units in the garden apartments.

Commissioner Warren said those are good points. He would like staff to keep looking into that and contact other communities with family corridor buildings. He said this committee is only for recommendations and tradeoffs need to be reviewed as well.

Mr. Zucchini talked about the Senior Building revisions that included:

- Increased size to 5-stories.
- Will be more expensive to go above 4-stories because of the different code requirements.

Mr. Felton asked how many stories determines a high-rise building. Mr. Zucchini said a six or seven-story building is considered mid-rise. He said he's not sure there is a number that is considered high-rise. However, high-rise buildings would require a different construction type, with cement and steel. Commissioner Braun said he would like RHA to use the property as efficiently as it can because the location is such a valuable asset. If the density is too low, it would make sense to sell the property and purchase another parcel in the same vicinity to build lower density. He said he understands the concerns from the management standpoint. He prefers program B-2 more than A-1.

Mr. Felton said another concern from staff is the parking deck. It would need to be well-lit with cameras. There are safety issues to deal with. Commissioner Warren said he shares that concern. He said he's less concerned with the corridors buildings than the parking deck.

Commissioner Morris said he has safety concerns with both the corridors and parking deck. He asked if there would be a budget for physical security guards to walk the premises. He asked if the DHIC properties have physical security guards.

Commissioner Warren said there are no physical security guards. It is all cameras. There are security guards at Capitol Towers – a 296 unit building for seniors.

Commissioner Warren said the residents are the best eyes on the properties. They contact the management staff if they see problems in the community.

Mr. Felton said RHA only has a security guard at Glenwood Towers at the front door.

Commissioner Morris said, as the city continues to grow, security guards will probably be needed. Commissioner Warren said that might be something that could be built into the pro forma.

Mr. Felton said his hope is that a security guard would not be needed. If it is so dense that security guards are needed, there are other problems that need to be addressed. This property will not be successful for RHA or the City of Raleigh if security guards are a requirement.

Commissioner Warren said he's doesn't think having a security guard in a community with this much density suggests there is an issue. It might just be good practice. Some of the high-rise buildings downtown have security guards 24/7.

Mr. Felton said staff would need to look at what the pro forma can support. RHA will not be getting the rents that the high-rise buildings in downtown Raleigh will get.

Commissioner Warren said RHA will need to come up with a program that will work well from a design standpoint and then staff will need to crunch the numbers to determine if it will work on an economic standpoint.

Commissioner Braun asked where the development partner comes into this. Do they have a say in what the overall project looks like? Commissioner Warren said they generally do and often times the investor will have some opinions on the project.

Mr. Felton said it's RHA's property – the boundaries should be set before the development partner and investors come in to tweak a few things. In other words, they could provide some add-ons, if needed.

Commissioner Braun said if a partner is bringing some money to the project, they generally get some say in how the property is developed.

Mr. Felton said he thought it would be a tax credit developer and RHA would partner with them in some form since RHA doesn't have the requisite experience with tax credits. A tax credit developer would not be bringing any money to the project.

Commissioner Warren said they would be required to sign on to certain guarantees that the investor would require. He said that's a conversation that will be needed. However, it will be in the future. Mr. Felton said he agreed with that.

Commissioner Warren said RHA needs to think about the next step. The goal is that this would be a tax credit submission in January 2022 for both the family building and senior building. They could be done together as two different deals.

Commissioner Warren said there might not be opportunity to phase with this current plan. Mr. Felton said Dorothea Drive splits the property and could be used as a dividing line for phasing.

Commissioner Warren suggested that the discussion be ended about the plans. Progress has been made. However, it doesn't seem that there is consensus about either plan at the moment.

Mr. Zucchini said these revised plans came out of the discussion points from the last meeting. Version B-2 could be shown without a parking deck and do surface parking with corridor buildings. That would give more density without a deck.

Commissioner Warren said he's leaning toward not having a parking deck and would like to see a mixture of both garden apartments and corridor buildings for families. The corridor buildings should be more focused on one and two-bedroom units.

Mr. Felton said staff will need to look at what the waiting list shows and who will be housed in the corridor building. The affordable market rate one bedroom units turn often – people get another jobs or get married – and there are a lot more costs in the vacancy turns. That is something that will need to be considered.

### **Update on West Street Extension**

Donna Perez said the city's focus is on engineering the portion of the street that will go under the railroad tracks. Their thought is that it would require federal participation funding to complete the entire West Street extension. In that regard, the city didn't not have a specific timeframe of when that would be completed. The timeframe for the portion of West Street that would go through RHA's property would be driven by RHA. If RHA is eager to develop that extension, the city is open to financial participation. The city asked for a first cut on RHA's engineering thoughts on the construction of that street. The Director of Transportation was happy to hear that RHA is considering this extension.

In terms of funding sources, several were mentioned:

- \$3 million left in the bond.
- Future design grant.

- Affordable Housing bond money that could possibly be used.

The city said, in terms of the extension, when RHA moves, they will move.

Mr. Zucchini said the city agrees that it will be an expensive project and would be a burden on the redevelopment of Heritage Park, and difficult for RHA to absorb.

Commissioner Warren asked if RHA could take the position that it doesn't want the West Street extension. He doesn't think it's an asset to the community since it will be such a busy street. Commissioner Braun said he doesn't think staff should approach it with the city that RHA is okay with the West Street extension. The approach should be that it will impact the property and RHA should show what the property will look like without the street extension and ask the city what they will do for the redevelopment if they want the road to go through.

Mr. Felton said one of the conversations with the city was if there isn't the West Street tie-in to Dorothea Drive, there will still need to be some type of connectivity with the site. The current plans would be sufficient connectivity. Mr. Zucchini said that is correct. However, in practicality, extending West Street down to Dorothea Drive makes sense for RHA. Building the last leg to Western Boulevard would be the city's cost because RHA doesn't need that for the project and connectivity. West Street is not a bad location for RHA – although help would be needed with cost. Having only half of the extension would cut down on traffic for the community by reducing the amount of through-traffic.

Commissioner Braun said RHA's approach should be to negotiate with the city on the extension.

Ms. Perez agrees that RHA has a lot of negotiating power right now and she said their conversations with the city have always been prefaced with the fact that this is a public housing community and RHA relies on federal funding and this will be an expensive venture. If they want this street extension, RHA will need financial help.

A December 7, 2020 meeting was scheduled for 1:45 pm and the current meeting ended.