

Repositioning Committee Meeting Minutes  
March 14, 2023  
11:30 am

Committee Present: Arne Morris (late), Gregg Warren, Joe Whitehouse, Liz Edgerton.

Committee Absent: Yolanda Winstead

RHA Board Present: Eric Braun

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

Visitors: None

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**Review and approval of minutes of February 14, 2023 Meeting**

Commissioner Warren moved and Mrs. Edgerton seconded approval of the Minutes from February 14, 2023. A vote being called, the ayes and nays were as follows:

Aye: Liz Edgerton, Gregg Warren, Joe Whitehouse

Nay: None

Commissioner Whitehouse said (regarding the minutes from February 14, 2023) I was a little surprised at the heavy pushback from Peter Levavi about RHA having 122 subsidized units in Heritage Park. I guess he came around to it eventually. However, it's noted in the minutes more than two or three times that there seems to be great hesitancy on his part about it. Do you think he is on board with it now?

Commissioner Warren said I think that one of their concerns was how many units total would be on the site. He was concerned with an over-concentration of very low income people. We said specifically that we wanted 122 units that would serve those at 30% AMI or less. Richard Sciortino said that might make the mixed income aspect of this development difficult. However, I think they're on board with this, even though the development principles that were just sent out did not read the way it should read on that particular point.

Mrs. Edgerton said I think the pushback is not about the 122 subsidized units. I think capping it at 30% AMI was causing the concern. We don't want to create a site that is only that 30% and below – not knowing how many units we can get on the site. His concern was that you're concentrating poverty on one site, and we don't want to do that.

Commissioner Whitehouse asked who the collective “we” is in your statement.

Mrs. Edgerton said in general if you are concentrating the poverty, then you're restricting and keeping them in that poverty. When you integrate properties, for example, at 80% and below, resources start opening up for residents and the development is perceived differently – and how the residents interact with one another is different. We've talked about Capitol Park and how we have that mixture of income from 80% AMI and below.

Commissioner Whitehouse asked if Mrs. Edgerton is changing her position on what the Board approved.

Mrs. Edgerton said when it was initially talked about, my thinking is that we want to replace unit for unit because there are 122 units on the site at that subsidized level. A lot of our families fall in that range. I think what Mr. Levavi's point is that if you're saying 30% AMI and below, then you're saying they can't ever make over that amount.

Commissioner Warren said I asked Commissioner Winstead what percent of the households at DHIC were at 30% AMI or less. Out of approximately 2800 units, it was just under 20%. I think that it would be untenable for us to support less than 122 units at 30% AMI.

Mrs. Edgerton said we don't have 122 units at 30% AMI right now.

Commissioner Warren said you're not far off. What we're hearing is that population is not being served by many of the LIHTC developers, and the traditional role of the Housing Authority has been to serve that population. I know that housing authorities are now trying to do more mixed income and mixed finance and get away from having concentrations of poverty. However, I think we've been clear in public with that position. That is a critical policy position for the Board to decide if we want to. If we want to open that up for discussion again, that's fine.

Commissioner Whitehouse said I thought that had been approved by the Board so that is the principle we're moving forward with. If there is a concern about it, I think it's worth having the discussion. But I do think that we've presented that to the city, we've presented that to the residents, and we've already been to the public with that. Unless it is an important issue, I think that decision has already been made.

Commissioner Braun said we are, by definition, creating a mixed income community there. If it can't be worked out financially, and it puts the development at risk from a financial standpoint, then I would reconsider it. I don't think we're concentrating poverty and I don't think we're trapping people. We should be providing more resources so that people have options and they eventually move out of public housing. I don't think committing these 120 units to 30% AMI and below is going to keep people trapped in poverty. If they make more money, then we should be able to find other housing for them that accommodates them. I agree with Commissioner Whitehouse – I don't see how we can walk this back and I'm not changing my position unless there's a financial reason that puts it at risk.

Commissioner Whitehouse said this was a basic core principle that was part of the RFP to begin with. The Co-Developer role is to take those principles and put them into practice. If it means it's got to be 400 units, 500 units, or 600 units, part of what their process is making sure that we are

meeting our core principles and putting it in a financial position that makes it successful. They knew this going in and they claim to be the experienced developer that can make these things happen. I haven't heard of a significant reason why we would change this and I find it surprising to read this in our last minutes. I'm sorry to have missed that meeting.

Commissioner Warren asked Mrs. Edgerton if the redevelopment principles that were sent out were verbatim to what we received in writing from Brinshore. For example, point number three states that the new development will be mixed income with a minimum of 122 subsidized units in which residents pay 30% of income in rent. It doesn't talk about the targeting of incomes.

Mrs. Edgerton said these are the ones that Brinshore sent that we shared at the last Repositioning Committee meeting. However, he never updated them after our conversation. These are the ones that he wrote at that meeting on February 13 – and we brought to the board on the February 14.

Commissioner Whitehouse requested that staff put headings on the Heritage Park Principle documents to state the date and who authored them (to eliminate confusion).

Mrs. Edgerton said she will do that.

Commissioner Whitehouse said he understands her concern about the consolidation of poverty. Maybe there is a way that we can help incentivize people, through services, to raise themselves up and move out of that. I think there was a lot of conversation internally with you and your staff about how that works in some of the other communities that we have. I would hope that we could be creative enough to help those people along the way.

Mrs. Edgerton agreed. In Heritage Park right now we have 85% of the residents at 30% and below, 10% at 30% to 50%, and 5% are at 50% to 80%. I'm not backing out on those initial principles – I just interpreted it differently, as in a replacement per unit. If Brinshore can make that work, and that's what the Board would like, they're willing to try and put together a plan that includes that.

Commissioner Whitehouse said I think bullet 3 needs to be revised to make sure that it states 30% of AMI and not just 30% of income.

Mrs. Edgerton said okay.

Commissioner Warren suggested they go through the rest of the principles that they have written up. For the “all current lease compliant residents of Heritage Park will have the right to return to the new development”, I had asked them after the meeting whether or not those residents would need to be income eligible. However, if we have mixed income with some units that don't have any income limitations, then that concern would fall by the wayside. So I'm okay with the way that's written.

Commissioner Warren said I don't find any other issues with regard to these principles. I think they are good guidelines.

Commissioner Morris said I agree. We need to make sure that we are serving that underserved community, and we shouldn't back off of that.

Commissioner Warren said we always said a one-to-one replacement policy – if we're going to knock down 122 units that are serving a population of 30% AMI or less, then we wanted to replace those on at least a one-to-one basis that same number of units to serve that population going forward.

Commissioner Morris said we haven't determined the total number of units yet. Do you think we will have approximately 300 units?

Commissioner Warren said I think that we ought to try for at least 300. One of the other discussion points was that we had been doing a lot of our Master Planning holding off on having a Development Plan for the remaining eastern parcel. Brinshore really wanted to bring that parcel back into the Master Planning process, and not just reserve it for future use. We were thinking that we might be able to sell off that property to pay for a parking deck (that would give us more density). Brinshore wants to do the Master Planning on the entire site. For those of us who were at that meeting representing RHA, we did not object to that process. I bring that up because it directly relates to your question about density. I think we should determine if we're still good with that position.

Commissioner Whitehouse asked if there is any reason we can't Master Plan with and without that parcel.

Commissioner Warren said I don't see why not. Some of the early sketch plans that were done by Larry Zucchini had both options.

Commissioner Morris said I agree with the conversation and I think it's more than justifiable (300 units). We may need to have more because it's so underserved. With the selling off of a parcel, I know we've talked about a parking deck but I think an even greater need would be buying additional land in some other area in Wake County (so it's not all concentrated in downtown Raleigh). I think there are a lot of things that can be done if we do parcel off something and monetize it. Those are just additional thoughts to what you were discussing. I am totally in agreement.

Commissioner Warren said I think it is a good idea that we look for other property. We can do that now, if we have the manpower, because we have resources to purchase property. However, finding developable land is not easy.

Commissioner Braun said if we can only build 300 units on 12 acres I think that's a failure. If the numbers don't work, then I don't have any way to counter that. From a financial standpoint, if that's all we can do, then I won't argue with it. However, the City Council is going to be hugely disappointed if they hear that all we can do is 300 units. It was clear that Brinshore has no interest in doing anything with structured parking, or trying to make that work. That was my view of what they said.

Commissioner Warren said that was discussed from an economic feasibility standpoint. They also were just coming off their meeting with Larry Jarvis, who said he was not keen on structured parking because he didn't think that the city could afford it. Larry Jarvis also said he wanted to see it stick built as a 4% bond deal. Mr. Jarvis is retiring, so maybe his opinion will hold less weight.

Commissioner Whitehouse said I don't think he shares the same thought as what the rest of the City Council does.

Commissioner Warren said, as food for thought, RHA has a lot of unrestricted cash. If we wanted to build a parking deck into our pro forma, because we've assumed that RHA is going to give up some money into this deal (or CAD will), we could build the deck and pay for it.

Commissioner Braun said I think we go to council and tell them if they want more units, we're going to have to put a deck in and it's going to cost money and we're going to need the city's participation.

Commissioner Braun said I also think we need to coordinate better with Wake County and the city. They have that nonprofit they created that's actively looking for real estate. I think we should be coordinating with them. The county is not going to own the property, they don't really feel like their housing authority has the skill set to do it. If they're able to buy property, they're going to need somebody to hold it and develop it – and the housing authority could be that group. I think we should be combining our resources with the county because they're actively looking for land.

Commissioner Warren said that is a good point. I wanted to go back briefly to the density question. DHIC is getting ready to complete the second phase of its Willard Street project in downtown Durham. It's on 1.8 acres and it has 153 units. This is just a point of comparison as to what you can do density-wise with stick built construction.

Commissioner Whitehouse agrees. I thought the density per acre is really low in terms of what has been suggested. I've always been a proponent of us trying to find more density.

Commissioner Braun said it is in a great location in terms of services and they are going to start construction soon on the BRT line that will be there. If there was ever a place that could handle density, this is it.

Commissioner Warren said we are having a broad-ranging discussion, which I think is good. I proposed these various topics for the Heritage Park discussion here today and I wanted to review with you to see whether or not all of these topics are still relevant, and will be helpful in guiding our discussion.

### **Community Engagement and Master Planning Schedule and Approach**

Commissioner Warren said the next item was the community engagement and Master Planning schedule and approach. Mrs. Edgerton sent out a couple of documents and they are still being finalized.

Mrs. Edgerton said that was correct. At our last meeting we had asked them to give us some more detail on the communication piece – spell it out so we can see in more detail what their approach is going to be. They are supposed to be working on that. We’ve also talked to them about getting us a budget put together because we haven't seen any budgeted amounts yet for this Master Planning.

Commissioner Warren said the Communication Plan is still forthcoming.

Mrs. Edgerton said the Communication Plan is in the documents that were sent out. However, I think some of the detail you are looking for is not in there. They have a Communication Plan and how they will do outreach and in-person, door-to-door public meetings. They have scheduled out the meetings. However, I appreciate any guidance that I can pass on about what you are expecting to see in that.

Commissioner Whitehouse said their Communication Plan is very high level. It doesn't have a well thought-out schedule about who is responsible for it and who is taking on the various pieces. There is no depth to it at all. There's not been much thought put into this and nobody's really in charge of it. I think this is terribly weak and I would love to see a fully thought-out plan. I feel as if everything is driving towards getting something submitted in January, and I worry about that driving the process a little bit. We are talking about a very comprehensive Master Plan, and we are going to get that done in six weeks – that just seems fast to me. I wonder if we are setting up our tasks associated around a goal that may not be best for the whole project.

Commissioner Braun said, in looking at the schedule, I don't see how we are going to do a comprehensive community engagement process and have it completed by June 2023, as well as having a rezoning filed and completed in six to eight months with this council. This is going to get hung up. It will take at least three to five months to get through City Council.

Commissioner Warren said the community room at Heritage Park is a small room that can't hold many people. I understand the importance of having some on-site meetings at Heritage Park. However, I also wonder if we find other locations, such as the new Chavis Community Center, that has wonderful rooms with lots of light and audio/visual aids. We could even have a shuttle bus running residents back and forth there if they need transportation. I think that there will be a lot of interest to participate in these meetings, but a lot of people will be standing outside campus not being able to participate because of the limitations of the room at Heritage Park.

Mrs. Edgerton said we haven't determined the actual location yet. The preference was to have it on site but we've talked about other areas. We have talked about getting a bus to make sure people have transportation wherever it's held. Laura McCann is checking into how many people actually can fit in that room. These are topics that we've had conversations about in the meetings, because we do want the most people there that we can get.

Commissioner Whitehouse asked if EJP has looked at this schedule and given you any comments on it.

Mrs. Edgerton said yes – they've been in the meetings and they've given comments and have asked them to put more detail in it and come back with a plan that we can discuss. They have been helping me along in this process.

Commissioner Whitehouse said I think they originally had put together their thoughts on a Master Planning process as well on timing from one of their earlier proposals. I feel it was much longer than this. I'm curious if they agree with the short timeframe or do they have concerns about it.

Mrs. Edgerton said the driving force has been the January submission. If you all are saying that we realistically can't do it, we will go from there. This was just a first draft approach. We haven't worked out the kinks and we know that it's going to change as we go through this process.

Commissioner Braun asked who on the team has actually done a rezoning in the city of Raleigh.

Commissioner Warren asked if Mack Paul is going to be leading that effort.

Mrs. Edgerton said yes.

Commissioner Braun said Mack Paul needs to be brought into this schedule, because he's the most familiar with working through a zoning and site plan through the system. If he hasn't had input into this, you need to include him so he can help give you some notion of what's realistic.

Commissioner Whitehouse asked if we made the decision to go the Master Planning, site plan, and then rezone it. I thought we were talking about rezoning first.

Commissioner Warren said my recollection was that the City Council would be most interested in what we're going to do on the site. I think if you talk to Mr. Paul, he'd probably say that there's an argument you can make for either direction. With the new council that we have in place, I think if we can get council to be comfortable with the Master Plan that we have, then the rezoning should be easier to accomplish. I have no idea what the timeframe would be on that. But what we do know is that if you do hold to a January submission date for the tax credits admission, then you would have to have the rezoning in place by May of 2024. I don't think there was ever a firm decision. I think that was just a discussion. It's not something we voted on.

Commissioner Warren said this discussion is good – but what will you do with this information?

Mrs. Edgerton said, from I'm hearing, you think that the timing is too tight. Do we approach it from the sense that we want to do it in the fastest time? We want to make sure we do it right. We had to start somewhere so this is the approach that we started with, and now we just kind of tweak that as necessary. I think we're not going to know until we start reaching out to some of the stakeholders – such as how long it's going to take to go through the rezoning process. We need to have that conversation with Mack Paul.

Commissioner Warren said I think that it is probably too compressed of a schedule and we need to make sure that we have spaces that are available for the large public and workable spaces for meetings.

Commissioner Warren said, moving on to the stakeholder list, it states that Raleigh Raised will be doing a lot of the conversations with stakeholders. Are you expecting that RHA staff would participate in these stakeholder meetings as well, when Raleigh Raised is listed?

Mrs. Edgerton said, unless I'm directed, I don't know that we would want to do all of them. I do think there would be some that would be worthwhile to us being there. However, I don't see us doing every single one unless you think we should.

Commissioner Morris asked if Ashley Lommers-Johnson will be on board when these meetings begin. I think that there should be at least one staff person is there and I think Mr. Lommers-Johnson should chime in on this. We've got one month before he'll be on board. My opinion is that we may need to have at least one person at every meeting and maybe rotate, so there's not the same person going. Or maybe there's one dedicated person who is at every meeting, and then maybe there's additional staff for some meetings. If the meetings aren't until after he gets on board, let's revisit this with him.

Mrs. Edgerton said not everyone on the stakeholder list is going to be individually talked to. They were looking at the stakeholder list to see which ones they would want to reach out to on an individual basis. But then they would invite the others to the stakeholder meetings that they're going to be hosting. There are a lot of people on the list and I don't think everyone was going to be individually talked to before the meeting itself. Everyone would be contacted. I think it's just a matter of how they will be contacted.

Commissioner Whitehouse said it is important that somebody from the Raleigh Housing Authority be at every meeting, and you're the same person or you rotate around. Because we need to have a presence there, we need to show people that we care as well, and that we're part of the process and that we're part of the community.

Commissioner Braun said I think if Mack Paul is going to be the person handling the rezoning case, he needs to be part of these conversations that this team is having.

Commissioner Warren asked if it is the intention to have all the stakeholder conversations take place before the first general community meeting.

Mrs. Edgerton said that is correct.

Commissioner Warren said I recommend that you reach out initially to get that input early on. For those who were really engaged with the idea of what's going to happen at Heritage Park, then encourage them to participate in the charrette and the meetings that take place.

Mrs. Edgerton said it is in the schedule that we will make introductory contact with each of them prior to the charrette meeting.



Commissioner Braun recommends that staff attend the Housing Crisis Group meetings that are held every two weeks. They always ask for input from the community. There's a lot of faith-based organizations in these meetings, and the county manager always attends.

### **Communications Plan Discussion**

Commissioner Warren asked if a plan was sent out.

Commissioner Whitehouse said it was embedded in the document entitled “approach deliverables, milestones, and schedule”.

Commissioner Whitehouse asked if there is a PR plan to go along with the Communication Plan.

Mrs. Edgerton said that is something we've been in contact with our consultant to work on. We don't have one ready to present.

Commissioner Whitehouse recommended they are brought into some of the meetings so they can hear all that is being said. They may have some thoughts on the overall planning of this process.

Mrs. Edgerton said P3 is attending the Heritage Park meetings with the Brinshore and Raleigh Raised teams.

### **Relocation Resources and Relocation Plan**

Commissioner Warren said you sent out the plan that we've seen before. I did not have a chance to review it again. However, I asked Mrs. Edgerton to get turnover rates in our existing public housing portfolio so that we can get a better sense as to how many units are turned in a particular quarter.

(Mrs. Edgerton showed that to the committee.)

Mrs. Edgerton said this is for our public housing units that we have available and it's across all public housing. It included the RAD at that time.

Commissioner Whitehouse said a helpful stat would be to put it against how many units it is against so you have a percentage.

Commissioner Warren said I want to be able to answer the question “Where are the people going to go when they're asked to leave Heritage Park?” We're saying you're going to get a voucher, or you can go to public housing. I'm assuming that our relocatees would have priority for public housing units. Is that a good assumption?

Mrs. Edgerton said I think that's how we've handled it in the past that they would have a preference once we start the relocation process.

Commissioner Warren said I think this is a topic that we're going to get a lot of questions about, and we need to be working on this. As we get more involved in the public participation piece, we

need to have a good answer – and confidence that there will be resources available for our residents.

Mrs. Edgerton said we've talked about the timing of when these units start vacating – when we stop putting residents back in them. We need to make sure the timing works for that. Once we have the Master Plan schedule in place, that will be better defined. We need to make sure we've had someone in there within the last two years in order to receive a voucher. There are some units that are already offline – we have approximately 108 units that are occupied (because some units are offline due to turns and modernizations). Some of them are too costly to put back into play just because of the expense it would take to make them fit for occupancy.

Commissioner Warren said another area you might want to look into is that all tax credit developers must have a Tenant Selection Plan. It's required by the Housing Finance Agency and it goes into considerable depth as to how LIHTC developers select residents – what their screening criteria are, whether or not they have preferences or priorities. This goes back to my theme of asking the developers, who in the past have enjoyed the benefit of RHA issuing bonds on their behalf, if they can also be a resource (and they can only be a resource to the extent that their Tenant Selection Plan says they have priority for such a population). So you might begin to have a conversation with some of those recent developments that RHA has supported that are in place and operating now to see how they might be able to help us and if they do have a priority for displaced.

Commissioner Braun said the city has a policy now that if they financially contribute to a project, 30% of the project must be reserved for people making 30% AMI and below. Staff should review that policy for the city's requirements when they contribute financially to a project. It may not work with Heritage Park, but it's worth reviewing just to make sure.

Commissioner Warren said getting Mr. Lommers-Johnson involved in this process will be important. He needs to weigh in on this process before we finalize anything.

Commissioner Morris said density is going to be a big deal. I'm not in favor of a 20-story building so you have a long way to go to get me there.

Commissioner Warren said the residents are not going to want that either. They really liked the low density, sit on the front porch style that exists there. We've heard that from a number of them. It will be interesting to see when we have these charrettes. We may have very different views as to what Heritage Park should look like. It is important for us to be clear that we do need to have more density on this site. Therefore, the building types are going to be different than what may exist right there. There needs to be some guidance at the outset from the design team.

Commissioner Braun said we are responsible for providing affordable housing to the city for their needs overall. That means more density – how do we incorporate that concept into also wanting the resident's input? Making them understand that they don't get to decide how this is going to be developed will be important. I fear that there's going to be a disconnect and I think the organization has a responsibility to build for the future as well.

Commissioner Whitehouse said we've got some guiding principles but we really haven't come up with a vision for what's here. I think it's going to be important when Brinshore is leading this Master Planning effort that it's a Master Plan with options (it's not one plan). We need to have choices to go through for densities as well as site.

Commissioner Warren agrees that we need to have options – not just one plan presented.

Commissioner Whitehouse said we're trying to make good, informed decisions. Not only what is best for the residents, but what is best for RHA and for the City of Raleigh.

Commissioner Braun said I've been talking to a lot of people and going to these housing crisis meetings. A lot of people that are low wealth attend the meetings. One thing I've heard from them is that they don't feel like they're really listened to. I get concerned that they're going to present a concept and try to shape everything around getting consensus on that concept that they come up with. We need to make sure it's designed in a way that it's authentic and that we are funneling community input into the shaping the project (that's a balance without letting them feel like they get to dictate the outcome). It can't be rushed – that will make Mr. Lommers-Johnson's life more difficult in the future. He needs to have input into this as well.

Commissioner Whitehouse agreed. We've gone through an exhaustive search, we've got a CEO coming on board, and we need to set him up for success. If we saddled him with a big issue right off the bat, that will be doing a disservice to him as well.

Commissioner Warren said I think it's okay to have January as a goal right now. But it's a soft goal – it's not hard and fast that we've got to have this submitted by January. I know the city would like that so we need to keep that in mind, because they have a finite amount of dollars, and there will be other tax credit developments coming in to their RFP process in January. If we miss that time frame, that could cause a problem. However, the city also recognizes the importance of this development. If we miss that January deadline, we can submit for Housing Finance Agency dollars as early as May 1<sup>st</sup> so it's not a huge delay. Keep that in mind.

Commissioner Braun requested that the Board be informed when the community meetings are happening.

Mrs. Edgerton wanted to confirm that staff will continue working with the team to move forward on getting more detail. I'll get Mr. Lommers-Johnson involved next week – but we want to keep moving forward with this process until he's on board.

Commissioner Warren said you want to keep moving forward with it – but get him more involved in the outline of the process. Make sure that we've got plenty of buffers in our schedule before the final plans are presented.

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**Adjournment**

The meeting was adjourned at 12:43 pm.