

Minutes
RHA Repositioning Committee Meeting
June 1, 2021
9:00 a.m. – 10:30 a.m.

Committee Present: Arne Morris, Bahati Mutisya, Gregg Warren, Wayne Felton

Committee Absent: Eric Braun

RHA Board Present: Joe Whitehouse

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

Visitors: (Public): Lottie Bland, Sebastian FG, Hwa Hung; Wanda Gilbert-Coker, Wanda Hunter, Wake County Housing Justice Coalition; Charonda McQueen; Charles Francis, The Francis Law Firm.

Wanda Hunter said the residents of Heritage Park should be included in the repositioning of Heritage Park and that they should be sitting in on the meetings from beginning to the end.

Wanda Gilbert-Coker said she is attending the meeting because she stands with the disenfranchised and marginalized, particularly in southeast Raleigh where she lives. She has seen gentrification tear the community apart and wants the best for her community.

Committee Chair Gregg Warren welcomed everyone to the meeting.

Review and approval of Minutes of April 9 and April 20 Meetings

Commissioner Felton moved and Commissioner Mutisya seconded approval of the Minutes from the April 9, 2021 and April 20, 2021 meetings. A vote being called, the ayes and nays were as follows:

Aye: Arne Morris, Bahati Mutisya, Gregg Warren, Wayne Felton

Nay: None

Status of RAD Conversions

Commissioner Warren said an Operating Agreement for the new LLC was discussed at the last RHA Board Meeting. He asked Charles Francis about the Operating Agreement.

Mr. Francis said it is a standard Operating Agreement for a non-profit LLC. The intent of it is for this LLC to be a single asset LLC that will own the property that is transferred to it (Valleybrook, Terrace Park, Berkshire, or Meadowridge). There will be one member and one manager of each (which will be Oak City Affordable Communities).

Mr. Francis said he welcomes comments and edits to the Operating Agreement.

Commissioner Warren suggested that another agreement is needed between OCAC and RHA that would list the functions that RHA staff would operate under along with a means of repayment. It should also designate Wayne Felton as an agent of the LLC to sign documents, and under certain constraints and limitations, execute contracts and obligations.

Mr. Francis agreed and said the idea with the operating agreement is that it will be analogized to the By-Laws in the corporate setting. It's not specific to any particular venture, it's just the operating rules. An agreement is needed between RHA and each entity – which should be identical – that will engage RHA to conduct whatever management functions is needed for the properties.

Commissioner Warren asked if there will also be rehabilitation work at these properties. Mr. Felton said there will not be rehabilitation work at the RAD properties. The critical needs will be done before the RAD conversion is completed. As RHA continues to move through the RAD conversion, there will be additional agreements particular to those properties.

Mr. Felton asked when a draft of the Operating Agreement between RHA and the LLCs should be brought to the Board – should that be June since there is no July RHA Board Meeting?

Jennifer Morgan said it should be in place by the time of the closing.

Commissioner Warren asked about the proposed closing date.

Jennifer Morgan said they won't give a closing date until they've reviewed the Financing Plan documents. However, RHA is expecting it to be sometime in the beginning of November.

Mr. Felton said there will need to be a draft of the Operating Agreement by June for the Board to review and approve at the July meeting.

Mr. Francis said there is already a draft of the Operating Agreement. Commissioner Warren has suggested there be a separate agreement that will authorize RHA to act as the agent of the LLCs in managing and performing other tasks for these properties. That agreement has not been prepared yet – however, it should be straightforward.

Mr. Felton said the next RHA Board Meeting is June 24th. He asked Mr. Francis if a draft could be prepared by June 17th. Mr. Francis said he could have a draft for the Board package by June 17th.

Commissioner Warren said there are some questions in the chat room of the Zoom call. He said there is no one designated to answer chat room questions. However, those questions will be answered, if possible, at the end of the meeting.

HERITAGE PARK UPDATE

Mr. Felton said RHA is on hold regarding rezoning. A determination needs to be confirmed about the classification of zoning that RHA should submit.

Commissioner Warren asked if RHA is getting closer to submitting.

Mr. Felton said, according to Mack Paul, RHA must submit the application soon to meet the timeframe. To do tax credits, RHA would need the rezoning done by May 2022.

Commissioner Warren asked if staff has worked with Mack to prepare a written recommendation as to the timetable that RHA will be working toward the public participation process that staff will pursue (required public meetings, notices, etc.).

Commissioner Whitehouse said there are two requirements for public meetings:

- Any neighbor within 500 feet.
- Any neighbor within 1000 feet.

Commissioner Whitehouse said RHA should also be thinking about other meetings to have for the residents as well as the public to attend. It would also be helpful for the committee to review a draft of the application.

Commissioner Warren said it sounds like RHA is getting to the point where staff needs to submit for that and get the process started. He asked that staff work with Mack Paul to get an outline of the process and the communications plan.

DEVELOPER RFQ

Commissioner Warren asked if the Developer RFQ draft that was recently sent to the committee has changed since the earlier version that was reviewed.

Mr. Felton said he there were a few changes that were made. There were a few things mentioned in the meeting, however, staff never got a list of changes that were needed.

Commissioner Warren suggested it be sent to the full Board and ask for comments. Give the Board a deadline of two weeks for their reply. The staff could then look at those comments, and if they think they make sense, can incorporate them into another draft. That can be brought back to the next Repositioning Committee Meeting.

Commissioner Whitehouse suggested Mr. Felton look at Exhibit A on the Developer RFP. It seems to be a little bit contradictory in a number of areas. For example, we're asking the developers to take the lead role on a number of things and RHA would be taking the lead on some things.

Mr. Felton said that was one of the questions – what involvement are we looking for from the developer and what is RHA's involvement. Where should we set that line?

Commissioner Warren said he appreciates the list. It is a good listing of general roles and responsibilities in the development process.

Mr. Felton said he can't take credit for that – Jennifer Morgan created that.

Mr. Felton said the next RHA Board Meeting is June 24 and he was hoping to get comments back on June 15. Does the committee think there will be another Repositioning Committee Meeting before June 24th? Should they take something to the Board on the 24th?

Commissioner Warren said he's available to do something like that. June 17th is a possibility as well as the week of the RHA Board Meeting (possibly the 21st). Commissioner Warren asked for comments from the committee.

Mr. Felton said staff can send an email to get everyone's schedules and confirm a date.

Commissioner Warren said the focus of that meeting would be the Developer RFP.

Mr. Felton said that is correct.

Commissioner Mutisya said June 17th doesn't work for her. She might be able to do another day that week.

Mr. Felton said staff will schedule a Repositioning Committee Meeting at some point between the 15th and 24th.

Mr. Francis said if he can have the management agreement between RHA and the LLCs ready for review by the next Repositioning Committee Meeting.

Commissioner Warren said it would be helpful to have that document 4 or 5 days before the meeting to review.

Commissioner Whitehouse said he may have to send the comments since he has travel plans and will likely be unable to attend a meeting at that time.

RELOCATION PLAN

Commissioner Warren said a synopsis of the Relocation Plan was sent to the committee. He has a number of questions about the plan, including:

- If RHA is doing Section 18, then the Uniform Relocation Act offering assistance to Heritage Park residents is not a requirement. However, there is a similar type of relocation assistance under HUD rules. Does RHA have an option of adopting URA standards as its plan?

Mr. Felton said it is his understanding that RHA can adopt that – staff's intent was to continue to do that.

- Can RHA give residents the opportunity to move into CAD properties or RHA properties, such as Walnut Terrace, with tenant protection vouchers?

Mr. Felton said CAD is affordable market rate apartments so residents would be required to pay affordable market rate rents if they moved in to those units.

What about the tenant protection vouchers?

Mr. Felton said CAD does not accept vouchers.

Commissioner Warren asked if CAD could change their rules.

Mr. Felton said the RHA Board could ask the CAD Board about that. Anyone can apply for Walnut Terrace public housing – they have a work preference as well as an elderly or disabled preference.

Commissioner Warren asked if they have an overriding priority for those being temporarily displaced.

Mr. Felton said that's not in the policy at this time.

Commissioner Warren asked if there was a discussion at one time about a priority for people being displaced or those who were going to be homeless.

Commissioner Morris said he doesn't specifically remember talking about CAD – just about priorities with RHA properties.

Commissioner Warren asked if the Heritage Park residents will be able to rise to the top of the list for RHA public housing properties.

Mr. Felton said for public housing, they would go to the top of the list. However, at Capitol Park, Chavis Heights, and scattered sits, there is a work requirement. At Walnut Terrace, there is a work preference. The residents would have to meet the requirements for those properties. If they are transferring to another public housing property, they would have the priority over someone else.

Commissioner Mutisya asked if we are sure that we have enough units that all of the Heritage Park residents would be able to move to another public housing unit. If not, is it possible for RHA to change its policy or make an exception? We need to make sure none of the Heritage Park residents are displaced.

Mr. Felton said, in the past, with the other three redevelopments, RHA only offered two options: Public Housing and Section 8. Usually, 50% take the Public Housing and 50% take the voucher. At Heritage Park, there are 122 units. If RHA were to try to move everyone at once, based on the history, there would be approximately 60 people looking at public housing and another 60 people getting a voucher. RHA turns over 300 units per year so there should be units available for people if they want public housing.

Mr. Felton said the other part of that is that RHA will not be moving everyone at one time because that redevelopment will be done in phases. If you look at that, at the most, we would have 60 at one time – 20 to 30 people in each category (public housing or Section 8 voucher). RHA should be able to handle any scenario with the phasing.

Commissioner Warren said he is interested in giving the Heritage Park residents the maximum number of choices for relocation.

Commissioner Morris asked Mr. Felton if everyone was accommodated in the previous redevelopments.

Mr. Felton said yes – everyone was either placed in public housing or given a voucher. There was 100% placement in all three redevelopments.

Commissioner Morris said RHA has historically been able to accomplish the relocation. No one can predict exactly how this is going to happen. However, historically, RHA has left nobody out.

Commissioner Warren said that is a very important point. He is interested in ensuring RHA is giving the residents the maximum number of options available to them. If that requires, in some cases, CAD changes some of its rules, it should be considered. Because Walnut Terrace is so close to Heritage Park, RHA should consider relaxing some of its rules for residency.

Mr. Felton asked if that is a recommendation to take to the CAD Board.

Commissioner Warren said that is his recommendation. He would like to get some input from the committee.

Commissioner Morris said RHA could make that request of CAD. However, there are many agencies in Wake County that RHA can make that request – not just CAD. Make the request that they work with RHA to help house the residents who are being relocated. In the past, RHA has accommodated 100% of its residents.

Commissioner Warren agrees with this. One group of people who would be a good resource are those who have received tax-exempt bond financing through the housing authority.

Commissioner Warren said that is a general request that RHA can put out to CAD as well as other agencies and developers who are in affordable housing.

Commissioner Whitehouse said it would be a good idea for staff to come up with a list. Everyone agrees that we want to make it as flexible and accommodating as possible.

Commissioner Warren said he read about an additional benefit offered outside the URA.

Mr. Felton said he remembered additional money that would be offered – he did not remember the amount. Staff can look at that language and decide on an amount.

Commissioner Warren said RHA will also assist residents who request help with packing – is that for anyone?

Mr. Felton said he would have to look at the language – but he knows for sure it covers the elderly and disabled.

Mr. Felton clarified that the committee wants to consider additional funds and assistance with packing.

Commissioner Warren said yes.

Commissioner Warren asked about the employees who are helping the residents navigate the housing options available to them – where does that fit into the organizational structure of RHA.

Mr. Felton said the Section 8 department helped residents find a place who wanted a voucher. The Managers and Community Services Coordinator will help the residents who want a public housing unit. The Housing Management Department will assist the residents who want to relocate on site.

Commissioner Warren asked, if RHA is doing this in phases, will some people be required to move on site.

Mr. Felton said that is correct.

Commissioner Warren asked if they will also get assistance.

Mr. Felton said they will also get assistance since they are also moving. They have a choice to take a flat fee or the actual cost of the move. The residents historically will take the flat fee and either move themselves or hire someone to move them. The way the policy is written, it will either cover the cost up to that amount or they can take the flat fee.

Mr. Felton said staff will add those things and get the whole policy together and bring it to the next Repositioning Committee Meeting.

REVIEW OF PRINCIPLES FOR DEVELOPING HERITAGE PARK

(This was shared on the screen with the Zoom Meeting attendees.)

Commissioner Warren highlighted the following principles:

- RHA will put more affordable housing in the redevelopment than is currently on site.
- There will be at least the same number of very low-income housing on site to those at 30% AMI or less.
- There will be additional affordable apartments on site at 80% AMI.
- There will be mixed income within buildings.
- There will be a mixture of building types.
- There will be at least one building dedicated to seniors.
- RHA will build a childcare center.
- The redevelopment will be phased.
- There is a parcel on the far east side that is still undecided.
- RHA is seeking a development partner.

Commissioner Warren said these principles will also include public participation as RHA moves forward on the redevelopment.

Commissioner Whitehouse asked if RHA is allowed to let vacancies remain vacant in order to work with attrition.

Mr. Felton said yes – that’s what is currently being done.

Mr. Felton said staff is tentatively looking at doing the redevelopment in three phases. One phase will be taken down, rebuilt, and people would be moved back into that phase. At that point, a second phase will be demolished. This would limit displacement. It is resident’s choice as to how they want to relocate.

Commissioner Warren said the committee should probably bring that to the full RHA Board as a principle that’s been adopted (it’s no longer under discussion).

Commissioner Whitehouse said there is a little more due diligence to do on the site to see how the project gets phased. For example, there were some issues with utilities and we don’t know if there will be two or three phases. RHA should not commit to something until all of the due diligence is figured out.

Commissioner Warren said we’re in agreement that we want to bring that before the Board to refine that. It’s really a principle of the Relocation Plan to try to minimize displacement wherever we can.

UPCOMING CITY COUNCIL MEETING

Commissioner Warren asked if the upcoming City Council Meeting that RHA is attending on June 8th is considered a work session.

Mr. Felton said he is not familiar with this process. It is his understanding that RHA is part of the agenda. However, he is unsure what the City Council considers a “work session”. There are two other groups on the agenda as well. He does not think it is a joint work session with the council.

Commissioner Warren said Commissioner Braun spoke with Larry Jarvis and they are expecting information to be presented by Mr. Felton and perhaps one or two Board Commissioners in attendance. He suggests an approach to take would be that RHA prepare a short synopsis as to where we are in the redevelopment process. There is a particular interest with the council as how the residents will be treated with regard to relocation, whether or not they get to move back, under what rules they can move back, etc.

Commissioner Warren said it would be good if RHA can prepare a written statement so that it’s formally on the record as to where we are in the process. It could be distributed the day of the Council Meeting and Mr. Felton could read that as part of the presentation. Commissioner Braun could not attend the meeting today. However, this was a suggestion that he thought would make sense (developing a written statement as to where RHA is in the process of redevelopment).

Commissioner Warren something else to consider is to adopt some written policies to formally put on record. Perhaps they could be made available to the public to get their comments and additional ideas.

Mr. Felton said the main points that are mentioned during meetings include:

- Tenants returning to the property.
- RHA will put more affordable units back on site that is currently site.
- RHA will have at least 122 units available for 0-30% AMI.
- With the relocation, RHA is offering three different options:
 - Public Housing.
 - Section 8.
 - Staying on site through the construction.
- RHA will also cover the residents' cost for moving.

Mr. Felton said attaching a copy of the Development Principles would be helpful. The principles should be adopted by the RHA Board so that staff has a document to refer people to.

Mr. Francis asked if the meeting is virtual or in-person.

Mr. Felton said the council meets virtually and we will be the council chambers.

Commissioner Warren asked if there is an expectation that certain number of Board Commissioners will attend.

Mr. Felton said there is no expectation – there only needs to be one or two Commissioners. Commissioner Braun said he will attend the meeting because he is familiar with this process.

Commissioner Morris said he would also like to attend.

Commissioner Warren suggested that the three who will be attending that meeting get together and work on that presentation.

Mr. Felton asked if there are any additional points that the committee would like mentioned at the meeting. The issues mentioned above seem to be the hot button issues that staff has encountered.

Commissioner Warren said you might get questions on the right to return. For example, you need to be clear if there are any conditions that need to be met to be able to return to Heritage Park.

Mr. Felton said there will be a criminal background check. Also, since they will be funded with tax credit money, residents will be required to fill out an application. They would need to be income-eligible.

Mr. Felton said one thing that might be helpful to have an application to show people what it is.

Commissioner Warren said the tax credit applications that he is familiar with are about 11 pages in length.

Mr. Felton said maybe the income and criminal expectations could be highlighted so that people know what the application is and what's in there.

Commissioner Whitehouse said one more thing to mention is a commitment to community outreach. Staff needs to make sure they educate, take comments, and reply accordingly. We need to make sure we stay ahead of this and not get behind on it. We need to impress upon council that we are committed to improving communication and community outreach.

Mr. Felton said a preference was discussed for returning residents. The Heritage Park residents will have a preference where they would rise to the top of the wait list. It was discussed also to have that preference at least a year after the redevelopment was completed. If someone took a voucher and signed a year lease, extending the preference it would allow the lease to end.

Commissioner Warren said the next meeting's agenda will include discussion about the Developer RFQ, Relocation Plan, and possibly the management agreement.

Commissioner Morris asked if additional options for the tenants will be discussed.

Mr. Felton said staff will make a list of partners to be completed by June 4th.

Mr. Felton said the committee wanted a timeline from Mack Paul on the rezoning.

Commissioner Warren said the committee also wants an understanding of how the Communication Plan is going to go.

PUBLIC COMMENTS

Wanda Gilbert-Coker

I am a member of the Wake County Housing Justice Coalition. My concern is with the principles that you stated – I want to know where the residents are involved in guiding those principles. The next thing would be the 80% AMI housing that the RHA is planning to include. If you look at the demographics of the people who are staying in hotels, what Raleigh needs is low income housing. There are other developers who are already building the 80% AMI housing – so why would RHA or the City of Raleigh build and compete with those developers? What we need is housing for people who cannot afford to stay in the 80% AMI housing. I see that as an opportunity to spawn gentrification in areas that are predominantly black. More policing and other issues would start taking place when you include that demographic.

Wanda Hunter

I find it counterproductive that you ask us to ask questions in the chat and only allow us 3 minutes at the end of the meeting. As the meeting was going I had several questions that were pertinent at the time that you were speaking. One of those questions was where the minutes can be found. I would also like to know if there is a conflict of interest with Gregg Warren being on the Board for RHA and Oak City. I would also like to know if it was an open bidding process,

and how it was advertised. What are the zoning options that are being considered right now for Heritage Park? How do we get the agenda for the meeting so that we can follow along? Also, your meetings are not very inviting. You use a lot of jargon that is not inviting to the residents and people who may not be as familiar with the terms that RHA and HUD actually use. It would be helpful if you would be cognizant of that when you have your meetings – knowing that residents want to hear what you have to say about what’s going on. Also, you talked about with the rezoning of Heritage Park doing a timeline for Mack Paul about whatever his role is in it. How about a timeline for the residents to let them know when moving will start. You have people who have kids who have to transfer them. You have people who have to pack up years of stuff and moving is not like “next day” for them. A lot of the residents are concerned about when the moving will take place. You also talked about the principles and the AMI should be maxed at 60%. If not, you’re contributing to the wealth gap so you’re not benefiting anything that’s helping Raleigh and the housing crisis that we’re currently in. For seniors, it should be at age 55. Why does there need to be space for office retail or commercial space? We are now in the most dire need for housing. Office space and retail are across the street on South Street. There’s no need to have it inside the Heritage Park development. Also, there does not need to be space for market rate housing inside Heritage Park. Market rate housing in that area alone is \$500,000 – how will that impact the rest of the residents?

Commissioner Warren said as a point of clarification regarding the membership of the Board of Directors of the new entity (Oak City Affordable Communities, Inc.), that entity is a non-profit and all Oak City Affordable Communities, Inc. Board Members are also RHA Board Commissioners.

Ms. Hunter asked if there is a conflict of interest to be on both Boards since there is a different management concept with the rental assistance development.

Commissioner Warren said the reason is that we wanted RHA to control how Heritage Park is being redeveloped. Therefore, that’s why we have a similar Board. We needed to create a new non-profit entity separate from RHA in order to do tax credit transactions.

Ms. Hunter said it’s not difficult to manage a chat room and answer questions. We’ve been doing Zoom now for over a year. It’s not hard to multitask. I’ve seen it in several different capacities. People learn very quickly. Someone on your staff could easily be answering questions during the meeting.

Commissioner Warren thanked her for the comments and assured her that there would be a policy developed along those lines.

Commissioner Whitehouse said he wanted to comment on the timing for residents. RHA is quite a way off before any resident needs to think about moving or packing. It’s a good comment that there might be a general outline put together in draft such that residents don’t have to despair, thinking that they may have to move soon (because of misinformation).

Commissioner Warren said the principles will be posted on the website. Everyone on the committee is open to resident participation and I hope we can develop a communication plan that is a sincere effort to listen to all members of the community.