



AGENDA
NRHA Board of Commissioners' Retreat
Thursday, May 19 and Friday, May 20, 2022
The Salvation Army Ray and Joan Kroc Center
1401 Ballentine Bld.
Norfolk, VA 23504
9:00 a.m.

WELCOME AND REMARKS BY THE CHAIR OF THE BOARD

I. APPROVAL OF MINUTES OF COMMISSIONERS' MEETING Pg. 3

April 14, 2022 Board of Commissioners' Minutes
February 10, 2022 Board of Commissioners' Minutes

II. PUBLIC COMMENTS

III. FINANCE AND ADMINISTRATIVE ACTIVITIES Pg. 30

1) Resolution to Authorize Participation in Community Investment Services Programs of the
Federal Home Loan Bank of Atlanta

Presented by: Scott Pontz
Chief Financial Office

VI. EXECUTIVE Pg. 32

1) Strategic Planning Discussion

Facilitated by: Matt Breitenberg, Straight Path Management
Andrew Breitenberg, Straight Path Management

Presented by: Ron Jackson, Executive Director
Scott Pontz, Chief Finance Officer

V. CLOSED SESSION Pg. 78

FUTURE MEETINGS

BOC Finance and Budget Committee Meeting

Monday, June 13, 2022 at 2:30 p.m.

555 East Main Street

Board of Commissioners' Meeting

Thursday, June 16, 2022 at 9:00 a.m.

555 E. Main St.

Board of Commissioner Budget Workshop

Monday, June 20, 2022 at 9:00 a.m.

555 E. Main St.

Board of Commissioner Approval of FY2023 Budget

Monday, June 30, 2022 at 9:00 a.m.

555 E. Main St.

MINUTES OF MEETING

The Commissioners (the “Commissioners” or the “Board”) of the Norfolk Redevelopment and Housing Authority (the “Authority” or “NRHA”) met in a regular monthly meeting at 555 East Main Street in Norfolk, Virginia (the “City”) on Thursday, April 14, 2022.

The meeting was called to order at 9:05 a.m. by Chairman Donald Musacchio. Those Commissioners present and absent were as follows:

Present: Ms. Rose Arrington [*arrived at 9:32 a.m.*]
 Mr. Alphonso Albert
 Mr. Kenneth R. Benassi
 Mr. Richard Gresham
 Mr. Donald Musacchio
 Ms. Suzanne Puryear [*participated virtually*]

Also present were Ronald Jackson, Secretary, Delphine Carnes, Attorney, and several members of the public.

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Welcome and Remarks by the Chairman of the Board

Chairman Musacchio welcomed the Commissioners and thanked them for their participation. He noted that Ms. Arrington plans to attend today’s meeting, but will arrive a little late.

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I. Approval of Minutes of Board of Commissioners’ Meeting

Chairman Musacchio presented for approval the minutes of the March 10, 2022 Board of Commissioners’ meeting. Upon motion of Mr. Gresham, seconded by Mr. Albert, the minutes of the March 10, 2022 Board meeting were unanimously approved by all of the Commissioners present, with the exception of Mr. Benassi who abstained.

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II. Public Comments

Chairman Musacchio opened the public comment session. The first speaker, Vincent Hodges, identified himself as a St. Paul’s Quadrant and New Virginia Majority representative. He

told the Commissioners that he has been asking the City Council for \$5 million to help with community programs and maintenance. Mr. Hodges indicated that he has heard that Hampton Roads Ventures, L.L.C. has surplus money in the amount of \$1 million and he would like to access those funds immediately to help with maintenance efforts and resident stabilization in the St. Paul's area. He also asked NRHA to provide an update on what is happening with the Save-A-Lot store. Mr. Hodges stated that other areas are getting new grocery stores, but none have been built in the Young Terrace or Calvert Square communities. He asked the Board for its help in providing better access to affordable groceries; the local Family Dollar is inadequate to meet the residents' needs.

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III. Remarks

Executive Director's Comments

Mr. Jackson reported that masks have been optional at NRHA since early March and this protocol seems to be working well. He also discussed current staff shortages, which are partially attributable to the pandemic. Mr. Jackson observed that NRHA is having a hard time recruiting employees, particularly for maintenance positions. He emphasized that the Authority needs to examine its entire salary structure, which is outdated. Mr. Jackson explained that NRHA is not competitive in the market right now and plans to initiate a compensation study in the next fiscal year to address this issue. He noted that the City of Norfolk is down by 200 positions and is also looking at increasing salaries and providing incentives to better recruit new employees. Mr. Jackson acknowledged that NRHA's current budget challenges make recruitment and retention efforts even more difficult. He stated that addressing staff shortages and maintaining the current work force must be accomplished in a budget neutral fashion that uses innovative cost-saving measures. Mr. Jackson stressed that it is extremely important to have enough staff to address immediate needs, including unit turnarounds and maintenance. He mentioned that NRHA has brought on new contractors, but that is not sufficient to solve all issues.

With respect to the strategic plan, Mr. Jackson stated that he feels confident that the Board will be provided with enough information to plan the Authority's goals and operations for the next three to five years. He mentioned that most of NRHA's Low-Income Public Housing ("LIPH") units are over fifty years old and observed that this is also the case for many other public housing authorities. Mr. Jackson noted that it is very difficult to maintain older units and there is very little funding available to address the maintenance backlog. He reported that there is a national maintenance backlog of approximately \$75 billion and the federal government has only appropriated \$3 billion to address this need. Mr. Jackson commented that this issue needs to be discussed at the upcoming Board Retreat that is scheduled for May 19-20. He stated that the Board Retreat will tentatively be held at the Kroc Center and will last no more than six hours per day. Mr. Jackson confirmed that Joni Anderson is working on the logistics and will be sending out

additional details shortly.

Mr. Jackson announced that tomorrow, April 15, is the grand reopening of the Envision Center and added that Delegate Glass, Councilwoman Royster and Mayor Alexander will all be attending the ceremony. Mr. Jackson also mentioned that the Tidewater Gardens Groundbreaking Ceremony will take place at 521 Wood Street on April 19 at 1 p.m.; participants will include the Regional Administrator from the U.S Department of Housing and Urban Development (“HUD”). Mr. Jackson stated that the Annual Conference of the Virginia Association of Housing and Community Development Officials (“VAHCDO”) will be held next week at the Sheraton Waterside Hotel in Norfolk. He also reported that Virginia Housing (formerly VHDA) is starting to hold regional board meetings and has asked him to participate. Mr. Jackson indicated that the first meeting will take place on April 25 at the Delta Hotel in Virginia Beach and will focus on public housing authority challenges specific to our geographic area and how VHDA can assist in addressing these issues. Mr. Benassi asked if he needs to register in order to participate. Mr. Jackson responded that it is not necessary to register in order to attend.

Commissioners’ Comments

Chairman Musacchio announced that the Board plans to resume holding committee meetings in the community. Mr. Jackson added that this summer he would like to hold a Board meeting in one of NRHA’s senior communities.

Mr. Benassi stated that he was embarrassed that he could not participate virtually in last month’s meeting and found his inability to do so very disconcerting. He stated that he wants to revisit NRHA’s remote attendance policy to allow virtual attendance more than twice per year. Ms. Carnes explained that attendance is regulated by state law that, outside of a declared state of emergency, allows remote attendance only if the Board has adopted a remote attendance policy and, even then, limits remote attendance to two meetings per year.

Mr. Gresham observed that he believes it may be best to rely more heavily on contractors to provide needed maintenance service because of the difficulty of recruiting skilled employees and the cost of training new employees who come to the job without prior experience. Mr. Jackson confirmed that NRHA has been considering that approach. Mr. Gresham added that another advantage of using contractors is that it would encourage using NRHA residents as a source of entrepreneurial talent. Mr. Jackson agreed and noted that NRHA staff has discussed the benefits of providing opportunities for residents, especially in situations where the capital outlay to start a new business is relatively low. He added that NRHA is committed to helping residents take advantage of such opportunities and to providing any training necessary for them to realize success and upward mobility. Mr. Gresham mentioned that potential candidates often have the technical skills but are lacking in the “paperwork” skills. Mr. Jackson concurred with this analysis and noted that many applicants at the shipyard have the necessary hands-on skills, but poor writing ability.

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IV. Development

1) Resolution of the Norfolk Redevelopment and Housing Authority Authorizing and Approving the Issuance of up to \$56,800,000 Multifamily Revenue Bonds for Lexington Park Apartments

Ms. Carnes presented for consideration by the Board two Resolutions for bond transactions in which NRHA will serve as conduit issuer, Lexington Park and Braywood Manor. She reminded the Board that these Resolutions were part of the Board's packet for the March meeting but the vote was postponed because a quorum was not present on that date. Bond counsel, Mike Graff, and a representative from developer Standard Communities, Steven Kahn, participated remotely and were available to answer any questions or concerns. There were none.

On motion of Chairman Musacchio, seconded by Mr. Gresham, the following resolution was unanimously approved by all of the Commissioners, with the exception of Ms. Arrington who had not yet arrived at the meeting.

RESOLUTION 9488

A. The Norfolk Redevelopment and Housing Authority (the "Authority") is empowered, pursuant to the Virginia Housing Authorities Law, Chapter 1, Title 36 (the "Act") of the Code of Virginia of 1950, as amended (the "Virginia Code"), to issue its bonds for the purpose, among others, of financing the Plan of Finance (as hereinafter defined), located within the territorial boundaries of the City of Norfolk, Virginia (the "City").

B. To further the Act's purposes, at the request of Standard Lexington Park Venture LP, a Virginia limited partnership (the "Applicant"), the Authority has determined to issue and sell its Multifamily Revenue Bonds in a principal amount not in excess of \$56,800,000 (the "Bonds"), pursuant to the Act, for the purpose of assisting the Applicant or an entity affiliated with and controlled by, or under common ownership with, the Applicant (the Applicant or such resulting ownership entity hereinafter referred to as the "Borrower") in financing or refinancing a portion of the costs of acquiring, constructing, renovating, rehabilitating and equipping a multifamily residential rental housing project to be known as Lexington Park Apartments, to consist of a scattered site multifamily residential rental housing project consisting of 60 one-bedroom units, 92 two-bedroom units, 82 three-bedroom units and 26 four-bedroom units, to be located on approximately 9.8 acres of land located at (i) 1225 Tidewater Drive in Norfolk, Virginia 23504, (ii) 1412 Berkley Avenue in Norfolk, Virginia 23523, and (iii) 3412 Colonial Avenue in Norfolk, Virginia 23508 (the "Project"), including the financing of reserve funds as permitted by applicable

law and the costs of issuance incurred in connection with the issuance of the Bonds. Based on representations of the Applicant, the Project is structured to meet the requirements of a qualified residential rental project within the meaning of Section 142(d) of the Internal Revenue Code of 1986, as amended. The Applicant has represented that the Project will be owned by the Borrower.

C. Based on the representations of the Applicant and the information submitted concerning the Project, the Authority has determined that the issuance and sale of the Bonds will benefit the inhabitants of Norfolk, Virginia and the Commonwealth by promoting their health, welfare, convenience and prosperity.

NOW, THEREFORE, BE IT RESOLVED BY THE NORFOLK REDEVELOPMENT AND HOUSING AUTHORITY OF NORFOLK, VIRGINIA THAT:

1. The foregoing recitals are approved by the Authority and are incorporated in, and deemed a part of, this resolution.

2. Based on the representations of the Applicant and the information submitted concerning the Project, it is hereby found and determined that the Project will further the public purposes of the Act by promoting the health and welfare of the Commonwealth, the City of Norfolk, Virginia and their citizens.

3. Based on the representations of the Applicant and the information concerning the Project, it is hereby found and determined that the facilities which are the subject of the Project will constitute facilities for use primarily as safe and affordable single or multifamily residences, as described in the Act.

4. To induce the Borrower to acquire, construct, renovate, rehabilitate and equip the facilities which are the subject of the Project as safe and affordable single or multifamily residences within the meaning of the Act, the Authority hereby agrees, subject to approvals required by applicable law, to assist the Borrower in financing the Project by undertaking the issuance of (and hereby declares its official intent to issue) the Bonds in an aggregate principal amount not to exceed \$56,800,000 upon terms and conditions as shall be mutually agreeable to the Authority and the Borrower. The Bonds will be issued pursuant to documents as shall be satisfactory to the Authority and its counsel. The Bonds may be issued in one or more series at one time or from time to time, but in no event later than December 31, 2023, pursuant to the terms of a subsequent resolution or resolutions adopted by the Authority.

5. It having been represented by the Applicant to the Authority that it is necessary to proceed with the financing of the Project, the Authority hereby agrees that the Borrower may proceed with the plans for the Project, enter into contracts related to the financing of the Project

and take such other steps as it may deem appropriate in connection therewith, provided that nothing herein shall be deemed to authorize the Borrower to obligate the Authority without its consent in each instance to the payment of any moneys or the performance of any acts in connection with the Project or any portion thereof. The Authority agrees that the Borrower may be reimbursed from the proceeds of the Bonds for all expenditures and costs so incurred by it, provided such expenditures and costs are properly reimbursable under the Act and applicable federal laws.

6. The Authority hereby designates McGuireWoods LLP, Tysons, Virginia, to serve as bond counsel and hereby appoints such firm to supervise the proceedings and approve the issuance of the Bonds.

7. As a condition of the issuance of the Bonds by the Authority, the Borrower shall agree in the Bond Documents to indemnify and save harmless the Authority, its commissioners, officers, directors, employees and agents from and against all liabilities, obligations, claims, damages, penalties, losses, costs and expenses in any way connected with the issuance and sale of the Bonds.

8. All costs and expenses in connection with the financing of the Project, including the fees and expenses of the Authority (including, without limitation, any application fee and origination fee or annual fee, as applicable), bond counsel, and counsel for the Authority shall be paid from the proceeds of the Bonds (but only to the extent permitted by applicable law) or from moneys provided by the Borrower. If for any reason the Bonds are not issued, it is understood that all such fees and expenses shall be paid by the Borrower and that the Authority shall have no responsibility therefor.

9. In adopting this resolution the Authority intends to evidence its "official intent" to reimburse Project expenditures with proceeds from the issuance of the Bonds within the meaning of Treasury Regulations Section 1.150-2.

10. The Chair, the Vice Chair, the Secretary/Treasurer of the Authority, any Assistant Secretary of the Authority, or the designee of any of them, any of whom may act alone, are hereby authorized to request an allocation or allocations of the State Ceiling (as defined in Section 15.2-5000 of the Virginia Code) in accordance with the applicable provisions of the Virginia Code and any regulations or executive orders issued thereunder. All costs incurred by the Authority, if any, in connection with such proceeding shall be paid for by the Borrower.

11. No bonds may be issued pursuant to this resolution until such time as (a) the issuance of the bonds has been approved by the City Council of Norfolk, Virginia and (b) the bonds have received an allocation or allocations of the State Ceiling in accordance with the applicable provisions of the Virginia Code and any regulations or executive orders issued thereunder.

12. The Bonds shall be limited obligations of the Authority and shall be payable solely out of revenues, receipts and payments specifically pledged therefor. Neither the commissioners, directors, officers, agents or employees of the Authority, past, present and future, nor any person executing the Bonds, shall be liable personally on the Bonds by reason of the issuance thereof. The Bonds shall not be deemed to constitute a general obligation debt or a pledge of the faith and credit of the Commonwealth or any political subdivision thereof, including the Authority or the Council of the City (the "City Council") (and the Bonds shall so state on their face), and neither the Commonwealth nor any such political subdivision thereof shall be generally liable thereon, nor in any event shall the Bonds be payable out of any funds or properties other than the special funds and sources provided therefor. Neither the faith and credit nor the taxing power of the Commonwealth, or any political subdivision thereof, shall be pledged to the payment of the principal of the Bonds or the interest thereon or other costs incident thereto. The Bonds shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

13. The Authority (including its commissioners, officers, directors, employees and agents) shall not be liable and hereby disclaims all liability to the Borrower and all other persons or entities for any damages, direct or consequential, resulting from the issuance of the Bonds or failure of the Authority to issue the Bonds for any reason. The Authority's agreement to exercise its powers to issue the Bonds as requested by the Borrower is contingent upon the satisfaction of all legal requirements and the Authority shall not be liable and hereby disclaims all liability to the Borrower for any damages, direct or consequential, resulting from the Authority's failure to issue Bonds for the Project for any reason, including but not limited to, the failure of the City Council to approve the issuance of the Bonds.

14. The Applicant, by receiving the benefit of this resolution, has agreed that the Borrower will cause the documents executed in connection with the issuance of the bonds to contain a covenant, in form and substance satisfactory to the Authority and its counsel, substantially to the effect that the Borrower will agree to pay to the Authority an annual administrative fee which shall be due and payable on the date of issuance of the Bonds and on each annual anniversary date thereof until payment in full of the Bonds, which shall be 1/8 of 1% of the outstanding principal amount of the Bonds.

15. The Authority recommends that the City Council approve the issuance of the Bonds.

16. No Bonds may be issued pursuant to this resolution until such time as the issuance of the Bonds has been approved by the City Council.

17. The approval of the issuance of the Bonds does not constitute an endorsement to a prospective purchaser of the Bonds of the creditworthiness of the Project or the Borrower.

18. This resolution shall take effect immediately upon its adoption.

[Ms. Arrington arrived at 9:32 a.m.]

2) Resolution of the Norfolk Redevelopment and Housing Authority Authorizing and Approving the Issuance of up to \$52,200,000 Multifamily Revenue Bonds for Braywood Manor Apartments

On motion of Chairman Musacchio, seconded by Mr. Gresham, the following resolution was unanimously approved by all of the Commissioners.

RESOLUTION 9489

A. The Norfolk Redevelopment and Housing Authority (the “Authority”) is empowered, pursuant to the Virginia Housing Authorities Law, Chapter 1, Title 36 (the “Act”) of the Code of Virginia of 1950, as amended (the “Virginia Code”), to issue its bonds for the purpose, among others, of financing the Plan of Finance (as hereinafter defined), located within the territorial boundaries of the City of Norfolk, Virginia (the “City”).

B. To further the Act’s purposes, at the request of Standard Braywood Manor Venture LP, a Virginia limited partnership (the “Applicant”), the Authority has determined to issue and sell its Multifamily Revenue Bonds in a principal amount not in excess of \$52,200,000 (the “Bonds”), pursuant to the Act, for the purpose of assisting the Applicant or an entity affiliated with and controlled by, or under common ownership with, the Applicant (the Applicant or such resulting ownership entity hereinafter referred to as the “Borrower”) in financing or refinancing a portion of the costs of acquiring, constructing, renovating, rehabilitating and equipping a multifamily residential rental housing project to be known as Braywood Manor Apartments, to consist of 220 one-bedroom units and 18 two-bedroom units, to be located 6 acres of land located at 7000 Auburn Avenue in Norfolk, Virginia 23513 (the “Project”), including the financing of reserve funds as permitted by applicable law and the costs of issuance incurred in connection with the issuance of the Bonds. Based on representations of the Applicant, the Project is structured to meet the requirements of a qualified residential rental project within the meaning of Section 142(d) of the Internal Revenue Code of 1986, as amended. The Applicant has represented that the Project will be owned by the Borrower.

C. Based on the representations of the Applicant and the information submitted concerning the Project, the Authority has determined that the issuance and sale of the Bonds will benefit the inhabitants of Norfolk, Virginia and the Commonwealth by promoting their health, welfare, convenience and prosperity.

NOW, THEREFORE, BE IT RESOLVED BY THE NORFOLK REDEVELOPMENT AND HOUSING AUTHORITY OF NORFOLK, VIRGINIA THAT:

1. The foregoing recitals are approved by the Authority and are incorporated in, and deemed a part of, this resolution.

2. Based on the representations of the Applicant and the information submitted concerning the Project, it is hereby found and determined that the Project will further the public purposes of the Act by promoting the health and welfare of the Commonwealth, the City of Norfolk, Virginia and their citizens.

3. Based on the representations of the Applicant and the information concerning the Project, it is hereby found and determined that the facilities which are the subject of the Project will constitute facilities for use primarily as safe and affordable single or multifamily residences, as described in the Act.

4. To induce the Borrower to acquire, construct, renovate, rehabilitate and equip the facilities which are the subject of the Project as safe and affordable single or multifamily residences within the meaning of the Act, the Authority hereby agrees, subject to approvals required by applicable law, to assist the Borrower in financing the Project by undertaking the issuance of (and hereby declares its official intent to issue) the Bonds in an aggregate principal amount not to exceed \$52,200,000 upon terms and conditions as shall be mutually agreeable to the Authority and the Borrower. The Bonds will be issued pursuant to documents as shall be satisfactory to the Authority and its counsel. The Bonds may be issued in one or more series at one time or from time to time, but in no event later than December 31, 2023, pursuant to the terms of a subsequent resolution or resolutions adopted by the Authority.

5. It having been represented by the Applicant to the Authority that it is necessary to proceed with the financing of the Project, the Authority hereby agrees that the Borrower may proceed with the plans for the Project, enter into contracts related to the financing of the Project and take such other steps as it may deem appropriate in connection therewith, provided that nothing herein shall be deemed to authorize the Borrower to obligate the Authority without its consent in each instance to the payment of any moneys or the performance of any acts in connection with the Project or any portion thereof. The Authority agrees that the Borrower may be reimbursed from the proceeds of the Bonds for all expenditures and costs so incurred by it, provided such expenditures and costs are properly reimbursable under the Act and applicable federal laws.

6. The Authority hereby designates McGuireWoods LLP, Tysons, Virginia, to serve as bond counsel and hereby appoints such firm to supervise the proceedings and approve the issuance of the Bonds.

7. As a condition of the issuance of the Bonds by the Authority, the Borrower shall agree in the Bond Documents to indemnify and save harmless the Authority, its commissioners, officers, directors, employees and agents from and against all liabilities, obligations, claims, damages, penalties, losses, costs and expenses in any way connected with the issuance and sale of the Bonds.

8. All costs and expenses in connection with the financing of the Project, including the fees and expenses of the Authority (including, without limitation, any application fee and origination fee or annual fee, as applicable), bond counsel, and counsel for the Authority shall be paid from the proceeds of the Bonds (but only to the extent permitted by applicable law) or from moneys provided by the Borrower. If for any reason the Bonds are not issued, it is understood that all such fees and expenses shall be paid by the Borrower and that the Authority shall have no responsibility therefor.

9. In adopting this resolution the Authority intends to evidence its “official intent” to reimburse Project expenditures with proceeds from the issuance of the Bonds within the meaning of Treasury Regulations Section 1.150-2.

10. The Chair, the Vice Chair, the Secretary/Treasurer of the Authority, any Assistant Secretary of the Authority, or the designee of any of them, any of whom may act alone, are hereby authorized to request an allocation or allocations of the State Ceiling (as defined in Section 15.2-5000 of the Virginia Code) in accordance with the applicable provisions of the Virginia Code and any regulations or executive orders issued thereunder. All costs incurred by the Authority, if any, in connection with such proceeding shall be paid for by the Borrower.

11. No bonds may be issued pursuant to this resolution until such time as (a) the issuance of the bonds has been approved by the City Council of Norfolk, Virginia and (b) the bonds have received an allocation or allocations of the State Ceiling in accordance with the applicable provisions of the Virginia Code and any regulations or executive orders issued thereunder.

12. The Bonds shall be limited obligations of the Authority and shall be payable solely out of revenues, receipts and payments specifically pledged therefor. Neither the commissioners, directors, officers, agents or employees of the Authority, past, present and future, nor any person executing the Bonds, shall be liable personally on the Bonds by reason of the issuance thereof. The Bonds shall not be deemed to constitute a general obligation debt or a pledge of the faith and credit of the Commonwealth or any political subdivision thereof, including the Authority or the Council of the City (the “City Council”) (and the Bonds shall so state on their face), and neither the Commonwealth nor any such political subdivision thereof shall be generally liable thereon, nor in any event shall the Bonds be payable out of any funds or properties other than the special funds and sources provided therefor. Neither the faith and credit nor the taxing power of the Commonwealth, or any political subdivision thereof, shall be pledged to the payment of the

principal of the Bonds or the interest thereon or other costs incident thereto. The Bonds shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

13. The Authority (including its commissioners, officers, directors, employees and agents) shall not be liable and hereby disclaims all liability to the Borrower and all other persons or entities for any damages, direct or consequential, resulting from the issuance of the Bonds or failure of the Authority to issue the Bonds for any reason. The Authority's agreement to exercise its powers to issue the Bonds as requested by the Borrower is contingent upon the satisfaction of all legal requirements and the Authority shall not be liable and hereby disclaims all liability to the Borrower for any damages, direct or consequential, resulting from the Authority's failure to issue Bonds for the Project for any reason, including but not limited to, the failure of the City Council to approve the issuance of the Bonds.

14. The Applicant, by receiving the benefit of this resolution, has agreed that the Borrower will cause the documents executed in connection with the issuance of the bonds to contain a covenant, in form and substance satisfactory to the Authority and its counsel, substantially to the effect that the Borrower will agree to pay to the Authority an annual administrative fee which shall be due and payable on the date of issuance of the Bonds and on each annual anniversary date thereof until payment in full of the Bonds, which shall be 1/8 of 1% of the outstanding principal amount of the Bonds.

15. The Authority recommends that the City Council approve the issuance of the Bonds.

16. No Bonds may be issued pursuant to this resolution until such time as the issuance of the Bonds has been approved by the City Council.

17. The approval of the issuance of the Bonds does not constitute an endorsement to a prospective purchaser of the Bonds of the creditworthiness of the Project or the Borrower.

18. This resolution shall take effect immediately upon its adoption.

3) Resolution to permit NRHA to submit a Section 18 Disposition Request to HUD-SAC

Steve Morales, Neighborhood Development Director, introduced a resolution to permit NRHA to submit a Section 18 Disposition Request to HUD. He explained that the goal is to renovate the Broad Creek development using Low-Income Housing Tax Credit ("LIHTC") funds. Mr. Morales noted that there is a draft relocation plan located in the Board Packet. He emphasized that there will be no displacement of residents in the process; residents will be temporarily moved,

building by building, as the renovation progresses. Mr. Morales indicated that this resolution allows NRHA to submit its request to HUD for disposition of the property.

Mr. Benassi commented that the Board has vetted this multiple times. He observed that the Authority has had a troubling history with other projects and wanted to know the status of the architectural designs and specifications for Broad Creek. Mr. Morales responded that Clancy & Theys was initially identified as the General Contractor but has since pulled out and been replaced by Virtexco. He confirmed that there is an architect on board and the drawings are 60% complete. Mr. Morales noted that NRHA will constantly monitor the budget. He explained that the current resolution is just to allow NRHA to apply for disposition approval from HUD. Mr. Morales indicated that a lot of steps on the financial side need to be completed. He noted that NRHA is not the primary developer of the project; The Community Builders (“TCB”), which serves as the primary developer, will get 75% of the fee and bear most of the risk. Mr. Gresham stated that it is critical to always be clear with regard to the respective responsibilities of both the General Contractor and the Architect. Mr. Morales agreed and confirmed that NRHA is keeping a very close eye on project costs.

Upon motion of Chairman Musacchio, seconded by Mr. Gresham, the following resolution was unanimously approved by all of the Commissioners.

RESOLUTION 9490

WHEREAS, the Norfolk Redevelopment and Housing Authority (“NRHA” or the “Authority”) Five Year Plan for fiscal years 2021 through 2025 (the “Five Year Plan”) identifies the goal to transform all NRHA public housing properties into sustainable mixed-income communities over the next two decades enhancing neighborhood physical and social environments and providing a one-for-one replacement of all demolished housing units with either new or refurbished assisted housing units or rental assistance for available private apartments; and

WHEREAS, NRHA has stated its intention to convert the Broad Creek developments Marshall Manor and Bowling Green (MM II, III & IV & BG II, III & IV) (collectively, “Broad Creek”) to project-based Section 8 housing through a Section 18 disposition process to facilitate a successful re-capitalization of the Project through the low-income housing tax credits (“LIHTC”) financing program (the “Project”); and

WHEREAS, the Board of Commissioners of the Authority, at its June 10, 2021 meeting, approved the Five Year Plan, which identifies NRHA’s intention to pursue a Section 18 disposition action for Broad Creek; and

WHEREAS, NRHA and The Community Builders (“TCB”) are coordinating to affect the disposition, conversion, and renovation of Broad Creek and will submit LIHTC applications to fund the renovation of Broad Creek; and

WHEREAS, the Authority completed an environmental review in accordance with HUD’s Part 58 regulations on March 18, 2022, with a finding that the Project is categorically excluded subject to Section 58.5; and

WHEREAS, the Authority and TCB have held meetings with Broad Creek residents and the Resident Advisory Board to receive input and feedback relating to the disposition, Project Based Voucher (“PBV”) conversion and renovation; and

WHEREAS, the Authority and TCB notified the residents of Broad Creek on March 31, 2021 in accordance with state law of the intent to submit a Section 18 disposition application to HUD; and

WHEREAS, the Board of Commissioners of the Authority supports the disposition of Broad Creek to facilitate its renovation and long-term viability.

NOW, THEREFORE, BE IT RESOLVED that:

1. The Executive Director or his designee is hereby authorized to prepare, execute and submit any and all applications, certifications, agreements and other documents to the U. S. Department of Housing and Urban Development (“HUD”) to obtain approval for the disposition of the Broad Creek Marshall Manor phases II, III, IV and Bowling Green phases II, III and IV and to take such other actions and to sign such other documents as he may deem necessary or desirable to carry out the intent of this Resolution.
2. All actions previously taken by the Authority and the Executive Director in connection with the transactions contemplated by this Resolution are hereby ratified and approved.
3. This Resolution shall be in effect from and after the date of its adoption.

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V. Housing Operations

No report.

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VI. Community Engagement

1) Resolution Approving Norfolk Redevelopment and Housing Authority Fiscal Year 2023 Annual and Five-Year Plan for Public Assisted Housing and Authorizing Submission to the U.S. Department of Housing and Urban Development

Kimberly Thomas, Chief Community Engagement Officer, addressed the Commissioners and explained that this is the final phase of the Annual Plan and Five Year Plan (collectively, the “Plan”) process. She recapped the steps that were followed, including the public comment period (February 1 through March 18, 2022), public hearing on March 10, 2022 and resident input process and dialogue with the Resident Advisory Board. Ms. Thomas explained that the Plan was updated and posted on NRHA’s website on April 7, 2022. She added that all comments and responses that directly relate to NRHA’s proposed policy are included in the Plan submission; those comments that did not relate to the proposed policy were answered separately by NRHA staff. Ms. Thomas pointed out that the Capital Funds Plan will undergo its own 45-day review and there will be a separate resolution to be considered by the Board for approval. Chairman Musacchio thanked Ms. Thomas for her hard work on the Plan, especially in light of the challenges related to the pandemic. Mr. Jackson also thanked Ms. Thomas and complimented her on a job well done.

Upon motion of Chairman Musacchio, seconded by Mr. Albert, the following resolution was unanimously approved by all of the Commissioners.

RESOLUTION 9491

WHEREAS, the United States Department of Housing and Urban Development (“HUD”) requires public housing authorities to prepare a Five Year Plan and Annual Plan for public and assisted housing (PHA Plan);

WHEREAS, the PHA Plan has been prepared with input from the Authority’s public and assisted housing residents, has been made available for public inspection and has been the subject of a public hearing held March 10, 2022 at which public comment was invited; and

WHEREAS, the PHA Plan is consistent with the Consolidated Plan of the City of Norfolk and the comprehensive housing affordability strategy of the City;

NOW, THEREFORE, BE IT RESOLVED that:

1. The PHA Plan, a copy of which has been exhibited at this meeting, is hereby approved.

2. The Chairperson is hereby authorized to approved the submission of the PHA Plan to HUD and the Executive Director, or his designee, is hereby authorized and directed to take such further actions as may be necessary to carry out the intent of this resolution and to satisfy HUD's requirements in connection with the submission and implementation of the PHA Plan.

. . .

VII. Finance and Administrative Activities

1) Previous month's activities

Chairman Musacchio announced that the reports of last month's financial and administrative activities are included in the Board Packet at page 49. There were no questions or comments from the Commissioners.

. . .

Mr. Jackson stated that he forgot to mention NRHA's current efforts to survey residents, stakeholders, employees and political/elected officials to look at community perceptions of NRHA. He mentioned that it will be a Strengths, Weaknesses, Opportunities and Threats ("SWOT") analysis. Mr. Jackson explained that many organizations are going through a re-branding process and a bill recently signed by Governor Youngkin allows public housing authorities to change their names. Mr. Jackson observed that NRHA does not necessarily plan to change its name, but the Authority needs to be mindful of how it is perceived and open to re-branding opportunities. Mr. Benassi stated that he thought this was a good plan, but added that any re-branding efforts need to be paired with strategic implementation.

. . .

VIII. New Business

None.

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IX. Committee Meeting Notes

Chairman Musacchio announced that the minutes and notes for each of the following committees are included in the Board Packet. There were no questions or comments from the Commissioners.

1) Housing Choice Voucher Committee

2) Housing and Safety Committee

. . .

X. Updates (Item XI on the previously circulated agenda)

Chairman Musacchio announced that the following Notes and Updates are included in the Board Packet. There were no comments or questions from the Commissioners regarding these reports.

- 1) Families First Update
- 2) Communications and Government Relations Update
- 3) Tidewater Gardens Relocation Efforts Update – 3/31/2022
 - a. Tidewater Gardens Relocations Dashboard
 - b. Tidewater Gardens Vacancy Map

. . .

XI. Closed Session (Item X on the previously circulated agenda)

At 9:53 a.m. upon motion of Chairman Musacchio, seconded by Ms. Arrington the following resolution was unanimously approved by all Commissioners.

RESOLUTION 9492

BE IT RESOLVED, that the Authority will convene in a closed meeting pursuant to the Virginia Freedom of Information Act, as amended (the "Act"), to discuss the following matters which are specifically exempted from public disclosure by the code section referred to below:

Resolution Convening a Closed Meeting on April 14, 2022 for:

- 1) "Consultation with the Authority's legal counsel regarding probable litigation requiring the provision of legal advice of counsel as authorized by Section 2.2-3711.A.7 of the Act."

Update on Diggs Town I.

At 10:17 upon motion of Mr. Albert, seconded by Mr. Gresham, the following resolution

was unanimously approved by all of the Commissioners.

RESOLUTION 9493

WHEREAS, the Authority has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3712.D of the 1950 Code of Virginia, as amended, requires a certification by this Authority that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, upon motion duly made and seconded, BE IT RESOLVED, that the Authority hereby certifies that, to the best of each Commissioner's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were heard, discussed or considered in the closed meeting, and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Authority.

. . .

There being no further business, the meeting was adjourned at 10:21 a.m.

Secretary

Chair

MINUTES OF MEETING

The Commissioners (the “Commissioners” or the “Board”) of the Norfolk Redevelopment and Housing Authority (the “Authority” or “NRHA”) met in a regular monthly meeting at 555 East Main Street in Norfolk, Virginia (the “City”) on Thursday, February 10, 2022.

The meeting was called to order at 9:14 a.m. by Chairman Donald Musacchio. Those Commissioners present and absent were as follows:

Present: Mr. Alphonso Albert
 Ms. Rose Arrington
 Mr. Kenneth R. Benassi *[participated by telephone]*
 Mr. Richard Gresham
 Mr. Donald Musacchio
 Ms. Suzanne Puryear

Also present were Ronald Jackson, Secretary, Delphine Carnes, Attorney, and several members of the public. Commissioner Benassi and various staff members participated remotely. Chairman Musacchio noted that the meeting started a little late due to some technical difficulties in facilitating remote attendance; those issues were resolved before the meeting started. He then gave instructions for virtual participants wishing to participate in the meeting and noted that all of this information is also on the NRHA website.

. . .

Welcome and Remarks by the Chairman of the Board

Chairman Musacchio welcomed the Commissioners and thanked them for their participation. He observed that today’s meeting has a very full agenda, including several presentations and a closed session.

. . .

I. Approval of Minutes of Board of Commissioners’ Meeting

Chairman Musacchio presented for approval the minutes of the January 13, 2022 Board of Commissioners’ meeting. Upon motion of Mr. Gresham, seconded by Mr. Albert, the minutes of the January 13, 2022 Board meeting were unanimously approved by all of the Commissioners present.

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II. Public Comments

Chairman Musacchio announced that the Board would hear public comments at this time as there is a very full agenda. The hallway was checked to see if any members of the public were waiting to speak. Chairman Musacchio announced that individuals wishing to participate in the meeting remotely could do so by using the “raise hand” icon or typing comments in the online chat box. There were no comments by virtual attendees and Mr. Raytron White, who was present in person, indicated that he does not plan to speak.

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III. Remarks

Executive Director’s and Commissioners’ Comments

Mr. Jackson reported that he met with Mr. White in January to follow up on Mr. White’s comments presented at last month’s Board meeting. Mr. Jackson noted that he then met with staff to discuss these concerns and held another meeting with Mr. White yesterday. Mr. Jackson stated that the meetings went very well and NRHA is re-emphasizing that staff needs to be more consistent in addressing residents’ concerns and following up on their complaints and maintenance requests. He observed that good customer service is a critical aspect of NRHA’s mission and therefore the Authority needs to be more responsive at every step of the process. Mr. Jackson added that NRHA is working to hire staff and put resources towards a specific community engagement department that will advocate for residents. He also observed that the Authority is looking into some technology improvements to enhance interactions with residents. Mr. Jackson emphasized that NRHA needs to implement a variety of approaches to improve communications, whether in person, by telephone or online, to ensure that every household has access to customer service. He mentioned that some residents do not have internet capabilities, so multiple means of communication must be employed to reach everyone. He indicated that Chairman Musacchio and Michael Clark, Deputy Executive Director, Operations, also attended the latest meeting. Chairman Musacchio indicated that there are short term items that can be tackled immediately and other long-term issues that will be addressed in the future. Mr. Clark, who was participating by telephone, agreed with this assessment.

Mr. Jackson reported on COVID’s current impact on staff, noting that only two staff members are currently out due to the pandemic – one who has been infected and one who has been exposed. He indicated that NRHA is seeing a significant decline in reported COVID cases, but the mask mandate and distancing protocols will remain in place until February 15, when restrictions will be lifted providing that there is no new spike in cases or new variant identified. Mr. Jackson stated that NRHA hopes to get back to in-person meetings in the community by early March.

Mr. Jackson indicated that NRHA is experiencing staff shortages because of the pandemic, as well as a heavier workload for remaining employees, who are handling a number of matters, including work orders, that were delayed by COVID. He noted that NRHA has brought in new contractors and is still working on recruitment efforts. Mr. Jackson observed that NRHA, like many other employers, is looking at a variety of options to get the work done. He also mentioned that NRHA is committed to offering living wages and takes this into consideration when hiring contractors. Mr. Jackson confirmed that, as a follow-up to the WAVY-TV report concerning mold, NRHA has taken care of the family in question and addressed all of their maintenance issues, including the mold complaints. Mr. Jackson acknowledged that mold will continue to be an issue in the Young Terrace community due to the way the units were built. He explained that NRHA is bringing in a mold remediation contractor and seeking bids for firms to assist with unit turnaround. Mr. Jackson confirmed that NRHA has already received several bids and will award contracts in the next couple of weeks.

With respect to safety and security issues, Mr. Jackson reported that crime is universally pervasive and rates are back up to where they were in the 1990s. He noted that NRHA is engaged in ongoing discussions with City representatives, law enforcement and other community stakeholders to determine how best to address this problem. Mr. Jackson stated that Mayor Alexander and Police Chief Boone have promoted several innovative programs for the City, which should help NRHA's communities as well. Mr. Jackson announced that he attended a press conference on the topic of gun purchases and the re-sale of firearms that were initially purchased legally and later used in committing crimes. He mentioned that officers from the Bureau of Alcohol, Tobacco and Firearms ("ATF") spoke at the conference. Mr. Jackson explained another recent initiative designed to provide services for repeat offenders to reduce the recidivism rate by looking into the underlying reasons that cause these individuals to commit crimes and then providing counseling and services. He noted that numerous agencies are beginning to use this approach and the City of Boston saw a 63% decline in youth homicide as a result of implementing this model. Mr. Jackson indicated that NRHA is looking at a number of new initiatives, including street configuration, density, speed bumps, and community access, as well as best practices of other housing authorities, and he will report to the Board with more details on these proposed programs in the near future.

Mr. Jackson then discussed progress on NRHA's strategic plan. He commented that NRHA has started gathering data and has also identified thought leaders in the community who should be included in the discussion groups to bring an outside perspective to NRHA's operations and practices. Mr. Jackson noted that NRHA is also conducting resident surveys and collecting feedback from NRHA employees. He observed that this information will be compiled in advance of the Board retreat, which will most likely be scheduled for May of 2022, although the final date has not yet been confirmed.

Ms. Arrington asked whether NRHA has considered gated communities as a viable solution to addressing a number of issues. She also inquired whether gated communities are permitted in Low-Income Public Housing (“LIPH”) neighborhoods. Ms. Carnes responded that there are multiple issues with gating NRHA’s communities, including the fact that the streets in all of these neighborhoods, with the exception of Oakleaf Forest, are public and owned by the City. She explained that the conveyance of the streets by the City to NRHA has been discussed with the City, but it raises a number of legal restrictions, including constitutional issues and First Amendment rights, that apply to public thoroughfares. Mr. Jackson agreed and stated that NRHA is reviewing what other cities are doing and Karen Rose, NRHA’s Security Programs Manager, is currently looking into practices employed by the City of Richmond and its housing authority.

It was announced that there was an individual online who would like to comment. Vincent Hodges submitted a question asking whether social workers are included in the groups of individuals looking into new initiatives and innovative solutions. He stated that the process will be flawed if it does not include input from social workers. Vincent Lasalle “raised his hand” online and stated that he is not happy that the meeting started late. Chairman Musacchio responded that the Board does its best to start all meetings on time, but today it encountered some technical difficulties.

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IV. Development

1) Broad Creek Section 18 Disposition/PBV Conversion/LIHTC Renovation

Juan Powell, Vice-President of The Community Builders (“TCB”), participating remotely, gave a presentation on the proposed Broad Creek recapitalization. Mr. Powell explained that the Broad Creek recapitalization and renovation will include a Section 18 disposition, a conversion to Project Based Vouchers (“PBVs”), and the use of Low Income Housing Tax Credits (“LIHTC”). He commented that all of the work will be done in three phases over the next three years. Mr. Powell indicated that after stabilization of all three phases, the property will be conveyed to NRHA. He noted that initially there were six phases, other than Broad Creek V, and they will be combined to create three new phases. Mr. Powell specified that the first phase will consist of Bowling Green II and III, the second phase of Marshall Manor II and III, and the final phase of Marshall Manor IV and Bowling Green IV. He stated that TCB has been partnering closely with NRHA on this process, including planning of the various phases, working on the Section 18 process, and negotiating a Memorandum of Understanding between NRHA and TCB. Mr. Powell discussed the collaborative work to review proposals from the architect and civil engineer, as well as the appraisal, and noted that a lot of work has been done to date. He explained that current Virginia law requires 12-month notice to all residents prior to submission of the Section 18 application to the U.S. Department of Housing and Urban Development (“HUD”); the required notice was sent almost a year ago in March 2021.

Mr. Powell reported that there have been numerous meetings with City leaders, including Councilwoman Johnson, who helped create a special committee that has come up with some innovative and practical suggestions. He then reviewed the Sources and Uses slide, indicating that the budget will be revised as the project moves forward and the numbers are confirmed with the contractor. Mr. Powell discussed the slide outlining the project's proposed schedule; the plan is to start with physical work at the site during the fourth quarter of this year and then initiate the remaining phases successively on a yearly basis. He concluded by reviewing the Next Steps slide, which includes the dates for HUD submissions and the start dates for each phase of the renovation.

Steve Morales, NRHA Project Director, addressed the Commissioners. He noted that today's presentation is a broad overview and next month staff will present a resolution to authorize submission of the disposition application to HUD. He commented that NRHA is working with the City now and will need to obtain a support letter from the City before next month's Board meeting. Mr. Morales reported that the environmental process has just been completed and the project has been delayed a year beyond its original goal due to the new notice requirement in the Virginia Code.

Mr. Gresham asked what assurances Mr. Powell could give the Board that costs will not continue to rise another 9% before the next presentation. Mr. Gresham also asked whether the estimates from the general contractor are competitive. Mr. Powell responded that TCB will obtain competitive bids from subcontractors and will try to actively recruit minority contractors. He noted that the general contractor is working with TCB and the subcontractors to ensure that the process is cooperative and transparent. Mr. Powell explained that TCB works with the general contractor and the architect to get preliminary pricing, after which the proposed cost is examined in light of the overall budget and scope of work. He mentioned that TCB initially worked with Clancy & Theys and discussed the need for an inclusive subcontracting approach that meets TCB's and NRHA's expectations regarding Section 3 and minority contracting. Mr. Powell explained that, as a result of these discussions, Clancy & Theys indicated that it is probably not the best contractor for this job in which minority contracting is a clear expectation rather than an option. Mr. Powell commented that there is total transparency between NRHA and TCB. Mr. Morales agreed that the parties are working very closely together.

Mr. Albert stated that he doesn't understand how TCB's proposed activities are getting NRHA any closer to meeting its Section 3 objectives. He noted that today's update does not appear to focus on the Board's priorities and wondered if the Board has not been sufficiently clear about its goals. Mr. Albert mentioned that in years past he felt that the Board had aspirational goals, but rewarded efforts rather than outcomes. He commented that the outcome is what should matter. Mr. Morales stated that Board committees have consistently been receiving reports on this project and given detailed information about proposed items before they are built into the project. He assured the Board that Section 3 is an absolute requirement on this project and if contractors feel that they cannot meet this condition then NRHA cannot move forward with them.

Mr. Morales observed that the Board committees have also made it very clear that this project must be self-sufficient so that it does not impose any financial burden on NRHA. He added that the conversion to Project-Based Vouchers (“PBVs”) allows NRHA to take on debt, which would not be possible if the project continued as Low-Income Public Housing (“LIPH”). Mr. Morales emphasized that NRHA has clear direction from the Board to do no harm to NRHA’s financial bottom line and to conserve capital funds to the greatest extent possible. He added that NRHA is also insisting on a very transparent process at all steps, including financially, so there are no surprises. Mr. Morales concluded by saying that NRHA will not move forward with the project at any point if it does not meet the articulated goals.

Mr. Morales explained that, at the outset, NRHA had to tackle longstanding financial issues, look at renovation needs and handle the exit of the original investor. He commented that it has been several years in the making and a lot of effort has gone into the process. Mr. Morales stated that COVID further complicated matters with work delays and supply chain issues that resulted in increased prices. He observed that NRHA has tried to be very responsive to the Commissioners’ concerns. Mr. Morales added that the relocation and care of residents is critical and needs to follow the “do no harm” approach. He explained that LIPH is not a satisfactory solution in the long term because the capital needs escalate, but the funding is limited. Mr. Gresham stated that he was glad to hear that NRHA and the Board are dealing with potential financial issues in advance rather than later. He agreed that an emphasis on Section 3 and a “do no harm” approach are both critical. *[Mr. Albert left at 10:20 a.m.]* Ms. Puryear observed that relocation efforts are also extremely important because they tend to be difficult and disruptive. She asked Mr. Powell to continue to provide ongoing updates on the relocation process. Ms. Puryear thanked both Mr. Powell and Mr. Morales for sharing information regarding the status of the project with the Board.

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V. Housing Operations

1) Housing Operations Division Quarterly Report – FY2022 2nd Quarter

Donna Mills, Chief Housing Officer, announced that the Housing Operations’ quarterly reports through the end of December 2021 are included at page 37 of the Board Packet. She reported that NRHA’s Housing Choice Voucher (“HCV”) program served 3,823 households, an increase of 80 families from the previous quarter. Ms. Mills stated that 37 new landlords were added to the program. With respect to facilities management, she noted that repairs have been made to water lines and NRHA has been addressing trench leaks and various sewer issues. Ms. Mills also announced that Rick O’Neal retired December 31, 2021. She stated that NRHA is currently managing 3,183 units with an occupancy rate of 98.32% (excluding Diggs Town I and Tidewater Gardens). Ms. Mills indicated that delinquency was up this past quarter, but there were

only six evictions (0.24%), which is lower than the previous quarter. She commented that NRHA is working to implement a number of new safety measures and 88 individuals were removed from the banned list. Ms. Mills confirmed that staff carefully reviews and updates that list on a monthly basis. Regarding the design and construction department, she observed that staff has been very busy in several communities with a variety of projects, including the installation of carbon monoxide detectors. Ms. Mills reported that her department met its goal to lease up the units in Diggs Town I to have them occupied by the LIHTC deadline; thanks to a lot of hard work over the holiday season, the lease up was completed by the end of December. She commended her staff on their hard work.

Chairman Musacchio mentioned that several questions have been received by members of the public participating online. He indicated that staff members will provide answers to those questions later.

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VI. Community Engagement

1) Community Engagement Quarterly Report – FY2022 2nd Quarter

Kimberly Thomas, Housing Programs Director, addressed the Commissioners and stated that the Community Engagement Reports are included in the Board Packet at page 57. With respect to workforce development, she commented that NRHA's local numbers mirror what is happening nationally. She commented that the Authority is seeing the effects of a "gig economy" among its residents, many of whom were not as successful in finding seasonal employment this year, primarily because of the impact of COVID. Ms. Thomas reported that NRHA did see an increase in enrollment in the Family Self-Sufficiency ("FSS") Program, which is very important because it allows NRHA's residents to build up an escrow account. She noted that the FSS update in the Board Packet includes a reference to an FSS grant received by NRHA, which recognizes the Authority as the highest awardee in Virginia. Ms. Thomas indicated that there has been an increase in participation in youth programs that enable young people to learn the skills necessary to find employment; there currently is a wait list for this program. She stated that NRHA continues to address food insecurity issues by distributing meals; 436 holiday box meals were distributed to families during the last quarter. In addition, Ms. Thomas observed that NRHA is also partnering with local agencies to provide counseling services and, as of today's date, 23 individuals have participated in these services, including 11 employees.

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VII. Finance and Administrative Activities

1) Previous month's activities

The reports of last month's activities are included in the Board Packet at page 62. There were no questions or comments from the Commissioners.

2) Existing Contract Review Process

Mr. Jackson spoke about NRHA's procedure for renewing contracts for professional services, noting that NRHA follows a specific protocol to review the level of performance as well as the cost. He introduced Kathy Mosley, Director of Procurement and Administrative Services, and asked her to briefly review the process. Ms. Mosley, who was participating via telephone, explained that NRHA sends a notification to each vendor 60 to 90 days prior to the contract renewal date. She noted that NRHA decides whether to exercise its option to renew based on a performance assessment and funding availability. Ms. Mosley indicated that an evaluation form is completed and signed by two staff members; the form is then sent to the procurement office for review and a funding assessment before a final decision is made.

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With respect to NRHA finances, Mr. Benassi commented that the Board Finance Committee was informed that the Authority has a significant write-off on the 555 East Main Street property as a result of a tenant's failure to pay rent. He expressed his concern that this is impacting NRHA's reserves. Mr. Benassi mentioned that he spoke with Virginia Mack, Deputy Executive Director, Administration, about the property and asked her to explain why NRHA owns the building to begin with and how this problem is going to be handled. Mr. Jackson agreed that this matter needs to be addressed and NRHA is gathering information to determine what options are available. Mr. Benassi stated that the issue will be complicated, but it should be made a top priority to ensure that it does not harm NRHA's financial stability.

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VIII. New Business

None.

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IX. Committee Meeting Notes

Chairman Musacchio announced that the minutes and notes for each of the following committees are included in the Board Packet. He also reported that the next Housing and Safety Committee will take place via Zoom, but the committee hopes to go back to in-person meetings in the very near future. There were no questions or comments from the Commissioners.

- 1) Housing Choice Voucher Committee minutes and attachments
- 2) Housing and Safety Committee minutes and attachments
- 3) Budget and Finance Committee minutes

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X. Closed Session

At 10:42 a.m. upon motion of Mr. Gresham, seconded by Ms. Puryear the following resolution was unanimously approved by all Commissioners, with the exception of Mr. Albert who had left the meeting.

RESOLUTION 9486

BE IT RESOLVED, that the Authority will convene in a closed meeting pursuant to the Virginia Freedom of Information Act, as amended (the "Act"), to discuss the following matters which are specifically exempted from public disclosure by the code section referred to below:

Resolution Convening a Closed Meeting on February 10, 2022 for:

- 1) "Consultation with the Authority's legal counsel regarding probable litigation requiring the provision of legal advice of counsel as authorized by Section 2.2-3711.A.7 of the Act."

Update on Diggs Town I.

At 11:20 upon motion of Mr. Gresham, seconded by Ms. Arrington, the following resolution was unanimously approved by all of the Commissioners with the exception of Mr. Albert who had left the meeting.

RESOLUTION 9487

WHEREAS, the Authority has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3712.D of the 1950 Code of Virginia, as amended, requires a certification by this Authority that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, upon motion duly made and seconded, BE IT RESOLVED, that the Authority hereby certifies that, to the best of each Commissioner's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were heard, discussed or considered in the closed meeting, and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Authority.

. . .

XI. Updates

Chairman Musacchio announced that the following Notes and Updates are included in the Board Packet starting at page 114. There were no comments or questions from the Commissioners regarding these reports. *[Mr. Benassi left the meeting at 11:21 a.m.]*

- 1) Families First Update
- 2) Annual Plan Update
- 3) Communications and Government Relations Update
- 4) Tidewater Gardens Relocation Efforts Update – 1/31/2022
 - a. Tidewater Gardens Relocations Dashboard
 - b. Tidewater Gardens Vacancy Map

. . .

There being no further business, the regular meeting was adjourned at 11:22 a.m.

Secretary

Chair



Resolution Item

NRHA Board of Commissioners

Subject: Resolution Authorizing Participation in Community Investment Services Programs of the Federal Home Loan Bank of Atlanta

Executive Contact: D. Scott Pontz, Chief Financial Officer **Date:** May 19, 2022

BACKGROUND

Two of the redevelopment programs of the NRHA (Partrea LP and Grandy Phase VI LP) have utilized Affordable Home Program (AHP) funds as a development source.

As the Federal Home Loan Bank (FHLB) has utilized a new computer and reporting system and as the original assigned NRHA staff members are no longer with the agency a new resolution and staff assignment is necessary should NRHA continue to use AHP funds in the future.

This resolution authorizes NRHA to participate in this program to potentially engage with the FHLB to provide AHP funding to future endeavors where advantageous to the Authority.

Recommendation: Approve resolution.

**RESOLUTION AUTHORIZING PARTICIPATION IN COMMUNITY INVESTMENT SERVICES
PROGRAMS OF FEDERAL HOME LOAN BANK OF ATLANTA**

I, the undersigned, being the duly qualified and acting Secretary of The Norfolk Redevelopment
and Housing Authority _____ (the "Participant") hereby certify that:

- a) the Participant is duly organized and existing, and has the power to take the actions called for by the following resolution (the "Resolution");
- b) no provision in the Articles of Incorporation, By-Laws or other governing documents of the Participant limits the power of the governing body of the Participant to adopt the Resolution;
- c) the Resolution is in conformity with the Articles of Incorporation, By-Laws and other governing documents of the Participant;
- d) the Resolution is a true copy of a resolution duly adopted by the governing body of the Participant and Participant and recorded in the minutes of a meeting of the governing body held on May 19, 20 22; and
- e) the Resolution has not been rescinded or modified and is in full force and effect.

RESOLVED:

- 1. The Participant may participate in various community investment programs (the "Programs") offered by Federal Home Loan Bank of Atlanta (the "Bank") through its Community Investment Services department, including without limitation the Bank's Affordable Housing Program.
- 2. The Chairman, Vice Chairman, President, the Chief Executive Officer, the Chief Financial Officer and the Vice Presidents (including Executive Vice Presidents, Senior Vice Presidents, and any officers more senior than Vice President) or, if such titles or positions are not utilized by Participant then the Executive Director, General Partner, Managing Partner or similar title of Participant, and each of them (the "Authorized Persons"), is hereby authorized to execute any agreement or application governing or relating to Participant's involvement in any of the Programs.
- 3. The execution and delivery of that certain Access Form for Sponsor Web System Access and the Terms and Conditions for Sponsor Web System Access are hereby ratified and confirmed.
- 4. The Bank will be entitled to rely on this resolution until Participant provides the Bank with a resolution changing or rescinding this resolution. No change or rescission will be given effect until the Bank receives such certified copy and the Bank has been afforded a reasonable opportunity to act on such change or rescission, and no such change or rescission will affect any then-existing agreement between the Bank and the Participant, unless the Bank agrees to such effect, in each instance, in writing. Participant will indemnify and hold harmless the Bank from any loss suffered or liability incurred by the Bank prior to receipt of such certified copy as a result of the Bank acting as if such rescission or change had not occurred.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of the Participant this
19th day of _____ May _____, 2022.

(CORPORATE SEAL)

Corporate Secretary



Norfolk Redevelopment and Housing Authority Board Retreat

May 19-20, 2022



1. Introduction and Foundation
2. External Situation
3. Internal Situation
4. Base Case (2023-2027)



Vision: Quality housing choices in neighborhoods where you want to live.

Mission: Provide quality housing opportunities that foster sustainable mixed-income communities.

Values: Accountability, Customer Service, Excellence, Innovation, Teamwork

Goals

- Quality Housing Opportunities for All – NRHA is committed to providing a continuum of housing options for households of all incomes seeking housing.
- Sustainable Mixed-Income Communities – There is a need for a new housing model to create a healthy physical and social environment that would appeal to a wider range of incomes.
- Strategic Business Approach – To meet changing requirements and to make the best use of our resources, we are developing a new approach for the delivery of products and services.
- Community Support and Engagement – Recognizing the interrelated nature of our mission, NRHA resolves to work to become a trusted partner that works collaboratively with key stakeholders and partners.



NRHA would benefit from a stronger people-centered, motivating, and morale-boosting vision.

Current:

Quality housing choices in neighborhoods where you want to live.

Sample Revision:

Norfolk citizens are reaching their full potential starting with living in quality housing.

Norfolk citizens are reaching their full potential with quality housing as a foundation.



The TAG Report provides an accurate refinement of NRHA's mission and focus.

"NRHA now acts primarily as a public housing authority and not as a redevelopment agency."

Recommended mission/focus:

- Reposition the public housing portfolio
- Identify and implement opportunities to further increase the supply of affordable housing
- Improve service delivery for families and households in both its public housing and housing choice voucher programs
- Coordinate with local service providers to ensure access to supportive services for its residents to aid in successful tenancies and transition households to economic self-sufficiency.



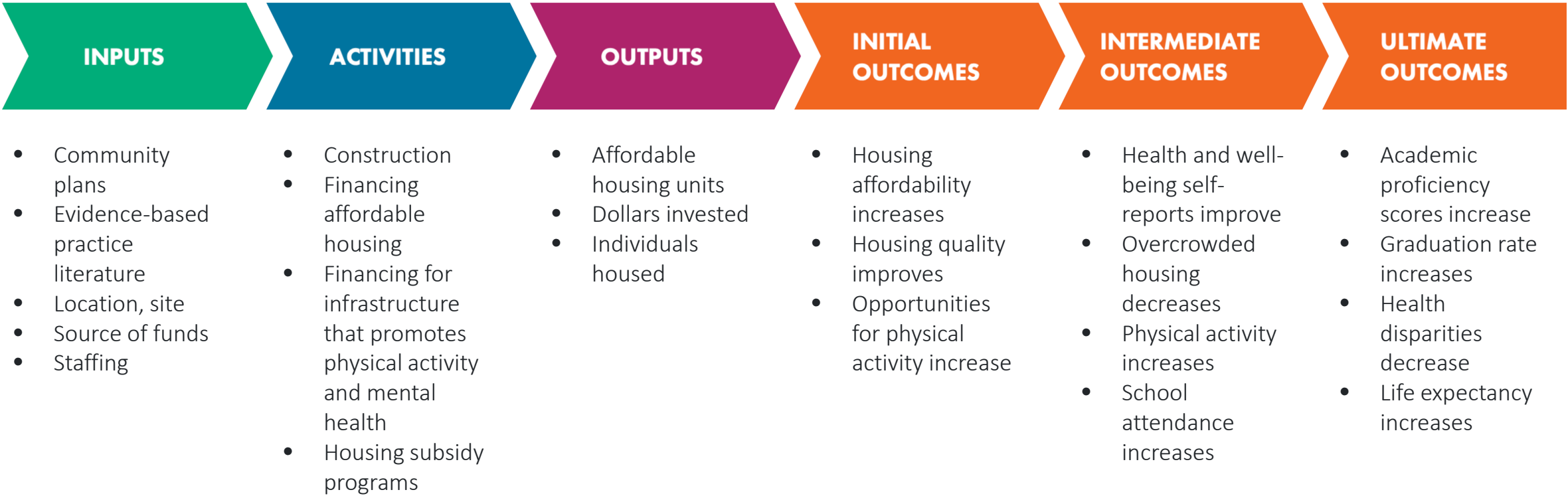
1. What should be our role in addressing the shortage and providing of affordable housing and related services in Norfolk?
2. How should we reposition our portfolio in such a way that is financially sustainable?



- There is a significant unmet need for affordable housing in Norfolk.
- Stable housing is directly connected to good life outcomes and vice versa.
- The City has increased its role in development which has resulted in a lack of clarity for NRHA's role.



A Logic Model developed by Metrics For Healthy Communities demonstrates the importance of stable housing to overall life outcomes. (Below is a sample of factors from the model.)





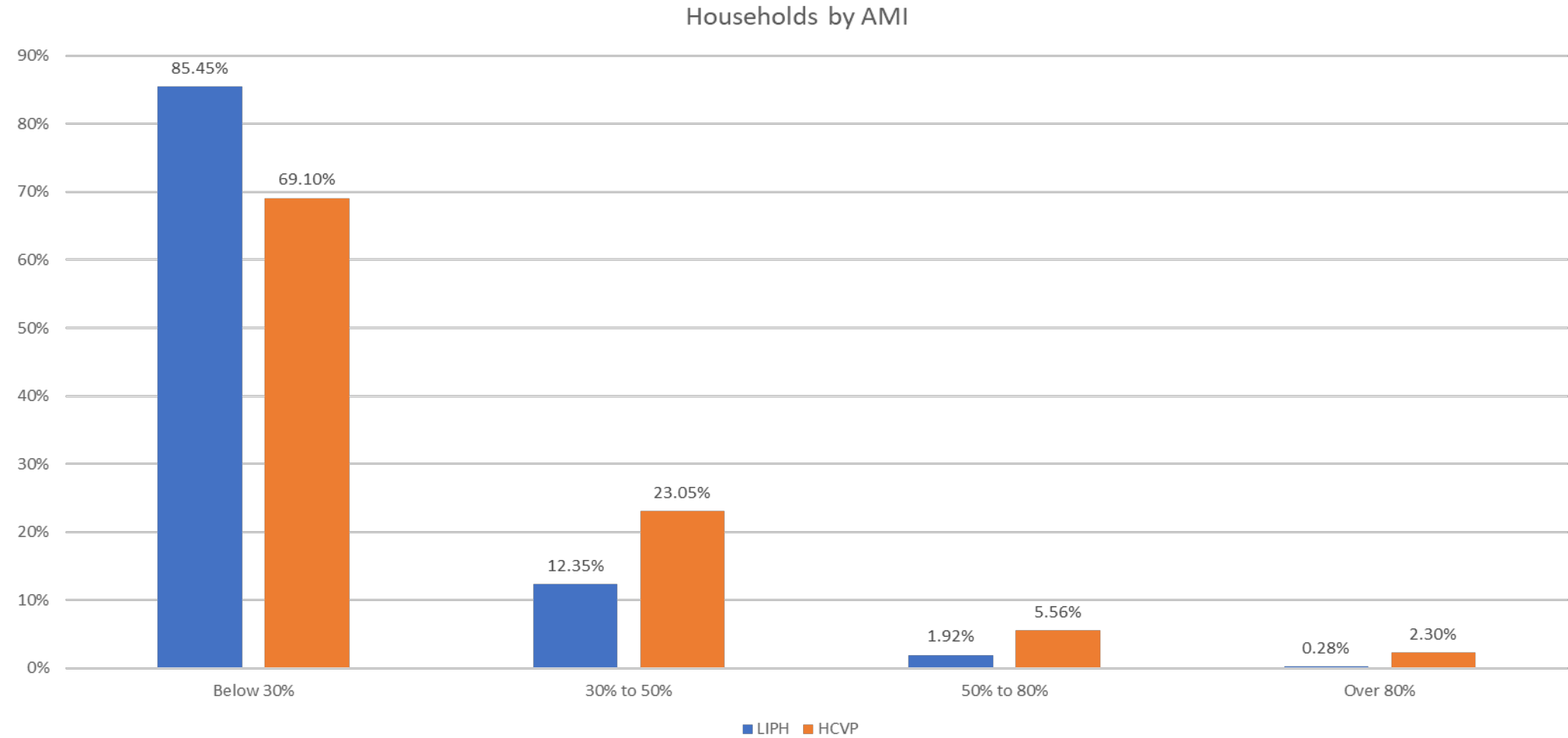
The need for quality affordable housing in the City of Norfolk far outpaces supply.

- As of May 2022 there are nearly 9,000 applicants on NRHA's Public Housing and Housing Choice Voucher Program waiting lists; over 22,000 people sit on the combined waiting list (LIPH, HCVP, RAD, and PBV).
- LIPH is the only open waiting list. The most recent HCV list opening was from April 12-14, 2022 and NRHA received over 4,000 applications.
- Extremely low-income (below 30% of AMI) comprises 85% of applicants for public housing. In the Norfolk-Virginia Beach-Newport News MSA, families at or below 30% of AMI have only 35 available and affordable units per 100 families.
- The Norfolk rental market has the capacity to absorb approximately 100 housing choice vouchers per year.

SOURCES: 2017 Real Property Research Group (RPRG) Norfolk Multifamily Absorption Study commissioned by NRHA, p. 92-94
2019 National Low-Income Housing Coalition Report
NRHA internal data



NRHA’s wait list is heavily skewed to the poorest households.



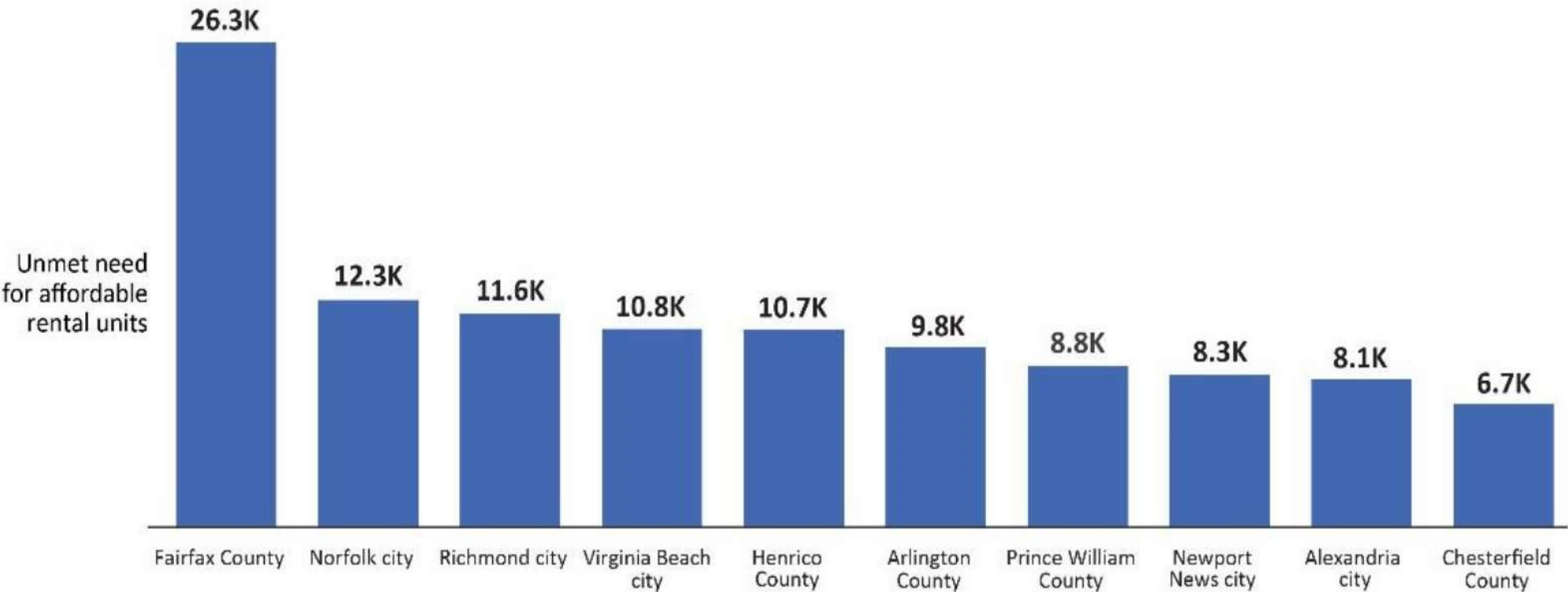


The 2021 Report from the Joint Legislative Audit and Review Commission (JLARC) quantified the significant shortfall in affordable housing in Hampton Roads and all of Virginia.

- Households in Hampton Roads are more likely to be cost-burdened than in any other region in the state.
- 3 of the state's top 10 localities with the largest need for affordable rental units are in Hampton Roads.
- The Hampton Roads region needs over 52,000 affordable rental units.
- NRHA does not have the ability to provide all of its authorized vouchers because of funding or housing supply constraints.
- High rates of budget utilization mean that, between 2015 and 2020, the median Virginia PHA could not issue any additional vouchers without reducing program reserves to below HUD recommended levels.



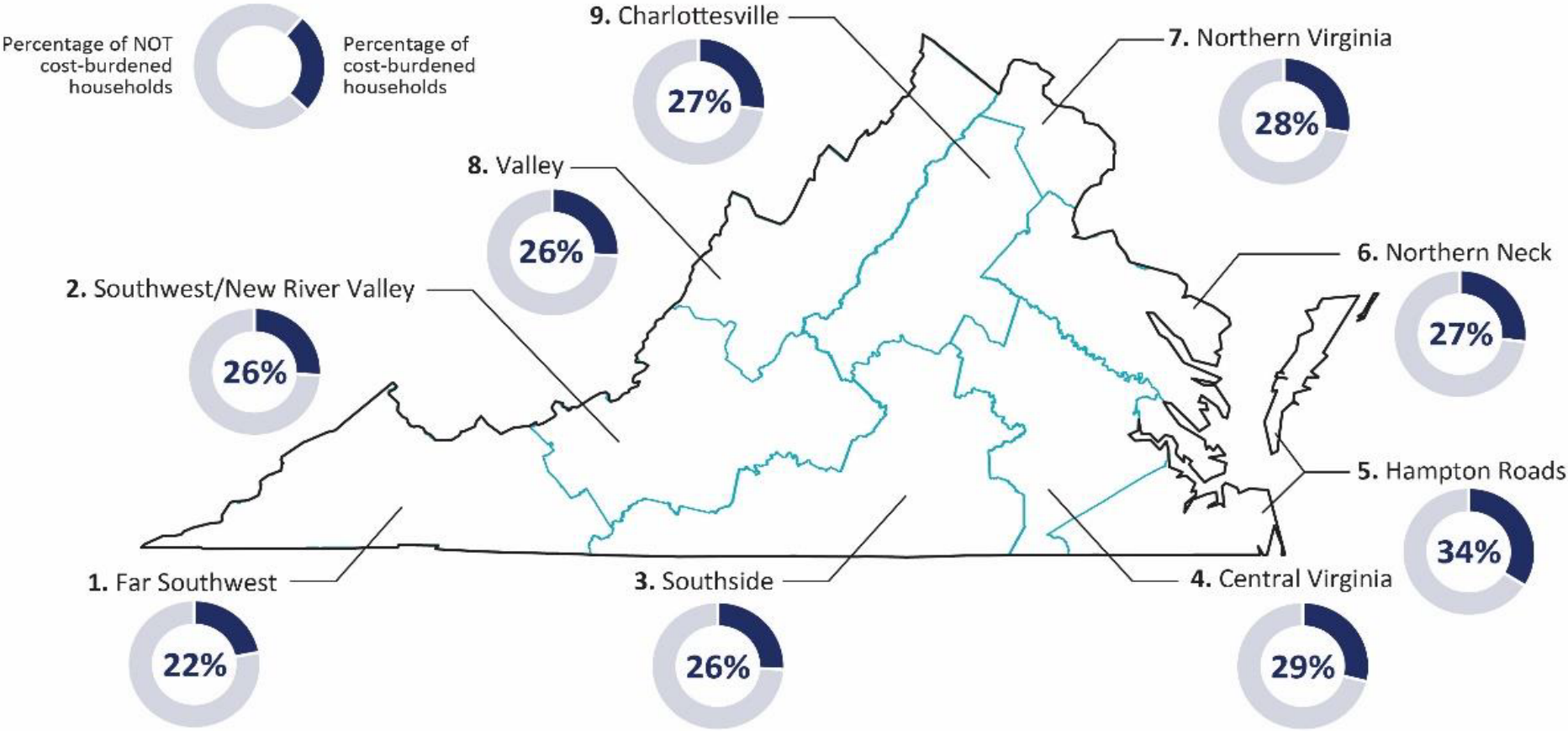
The JLARC report estimates that Norfolk has an unmet need for 12,300 affordable housing units.



SOURCE: 2021 JLARC analysis of American Community Survey, 5 year data (2015-2019)



According to JLARC, Households in Hampton Roads are more likely to be cost-burdened than in other regions.



SOURCE: 2021 JLARC analysis of American Community Survey, 5-year data (2015-2019)



The supply of affordable housing is inadequate to meet voucher demand, meaning more vouchers in and of themselves will not solve the problem.

- As of March 2022, NRHA has leased 3,942 of the 5,233 HCV units authorized, although funding is only currently available for approximately 4,300 units.
- NRHA has a 76% lease success rate with HCVs
- NRHA averages a little over two months for applicants to lease from the time of voucher issuance.



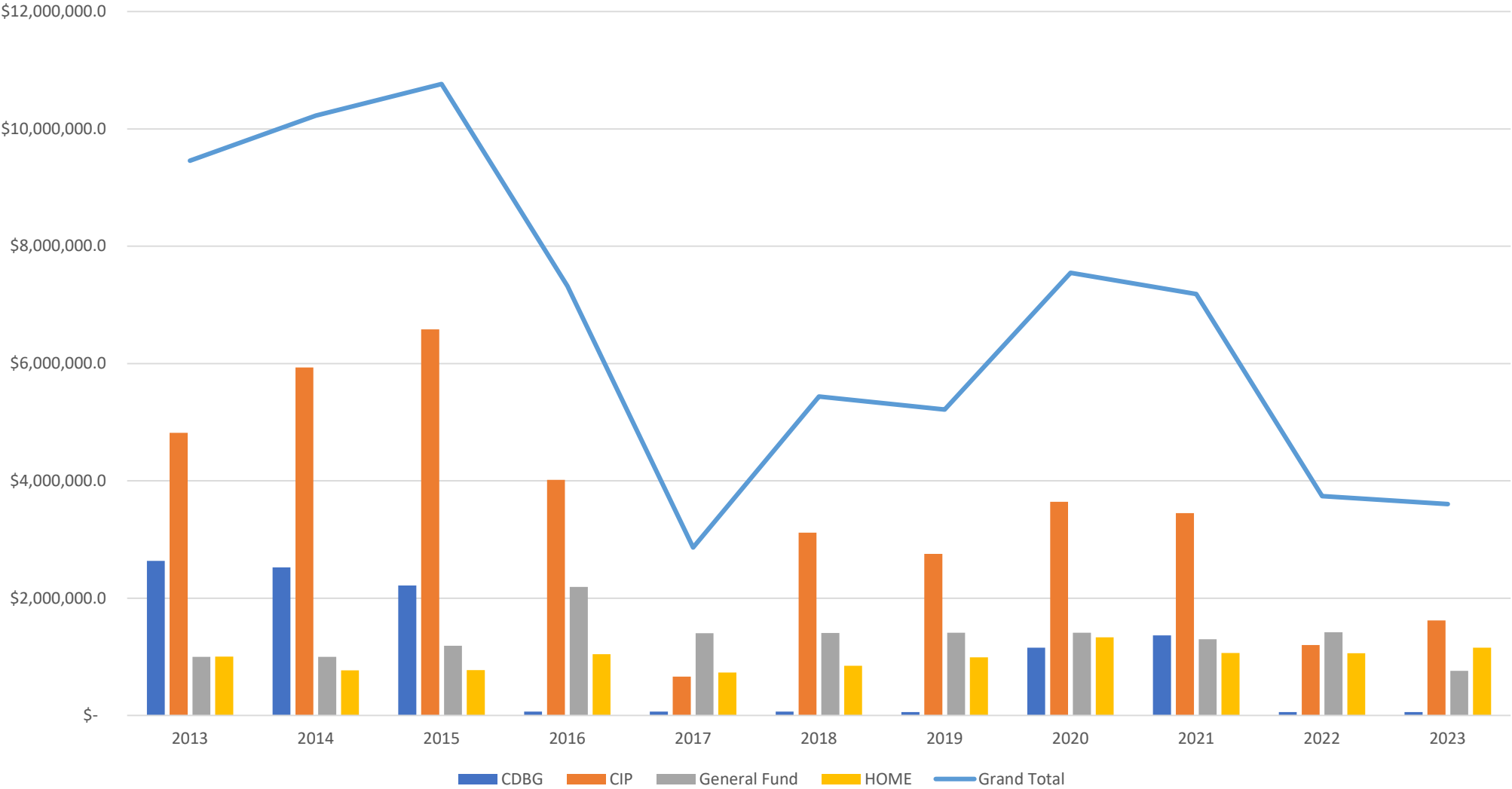
In the last 10 years, NRHA's role in administering and managing community planning and development programs for the City of Norfolk has dramatically changed.

Today, through the Housing and Community Development Department, the City carries out many responsibilities formerly held by NRHA. These include:

- Neighborhood development
- Acquisition and disposition of residential real estate
- Creating and preserving affordable housing through the Homeownership Rehabilitation Program
- Reprioritizing HUD entitlement grants to community initiatives

The bulk of the Community Development Block Grant and HOME Partnership Investment (HOME) funds from HUD, once received by NRHA, are now retained by the City.

Shift in City Role: City Funding Trends



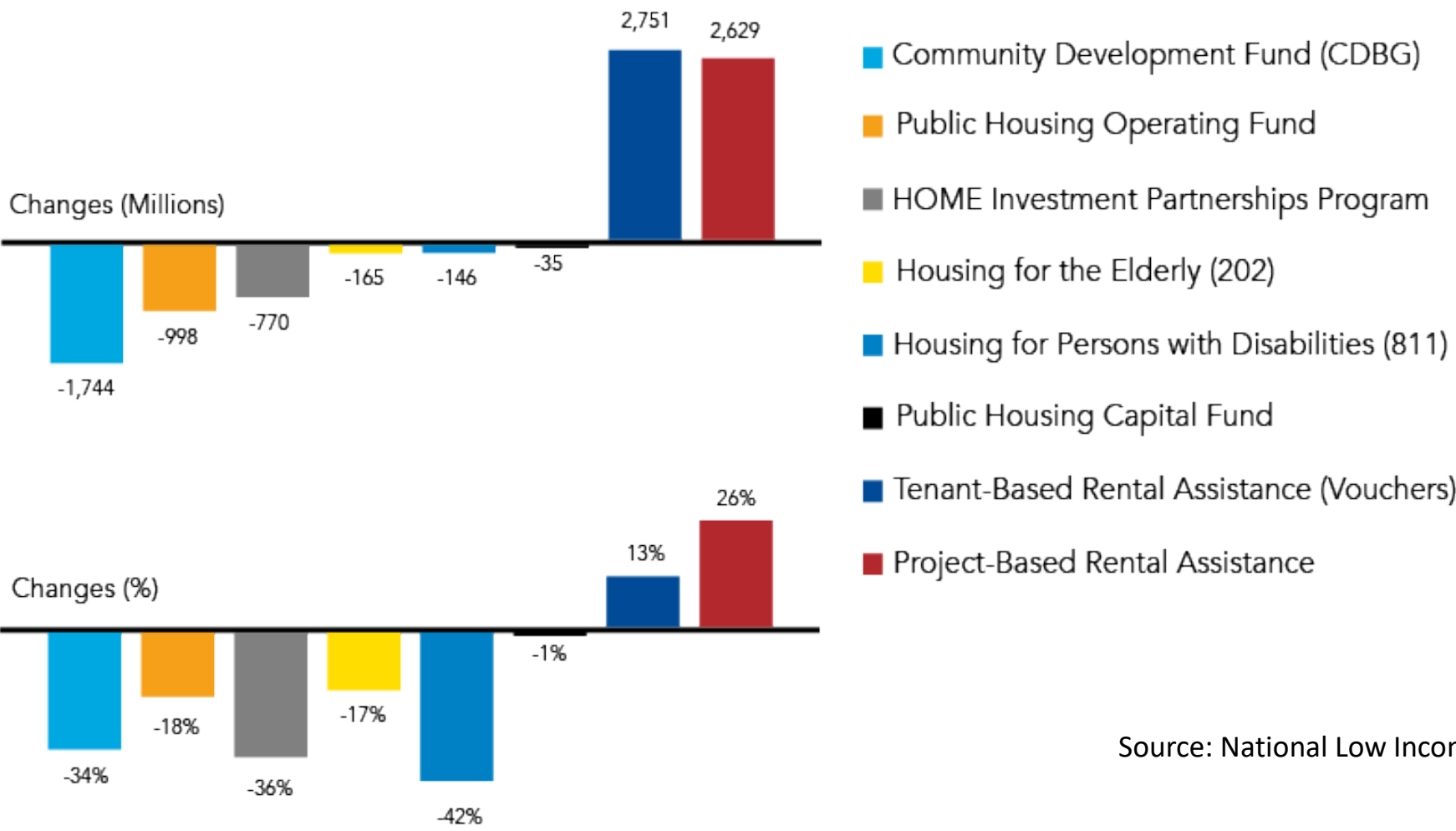


Federal funding from HUD is increasing for Section 8 / voucher programs, signaling HUD's desire for housing authorities to shift away from Low Income Public Housing

- NRHA historically only receives 90% to 95% of eligible operating funds from HUD.
- On average, NRHA receives about \$8 million per year for the capital needs of its 2,416 public housing units. That comes to roughly \$3,311 of capital funds per public housing unit.
- The average age of NRHA public housing stock is 50-60 years old, and current capital fund appropriations fall well short of its deferred maintenance and capital needs.



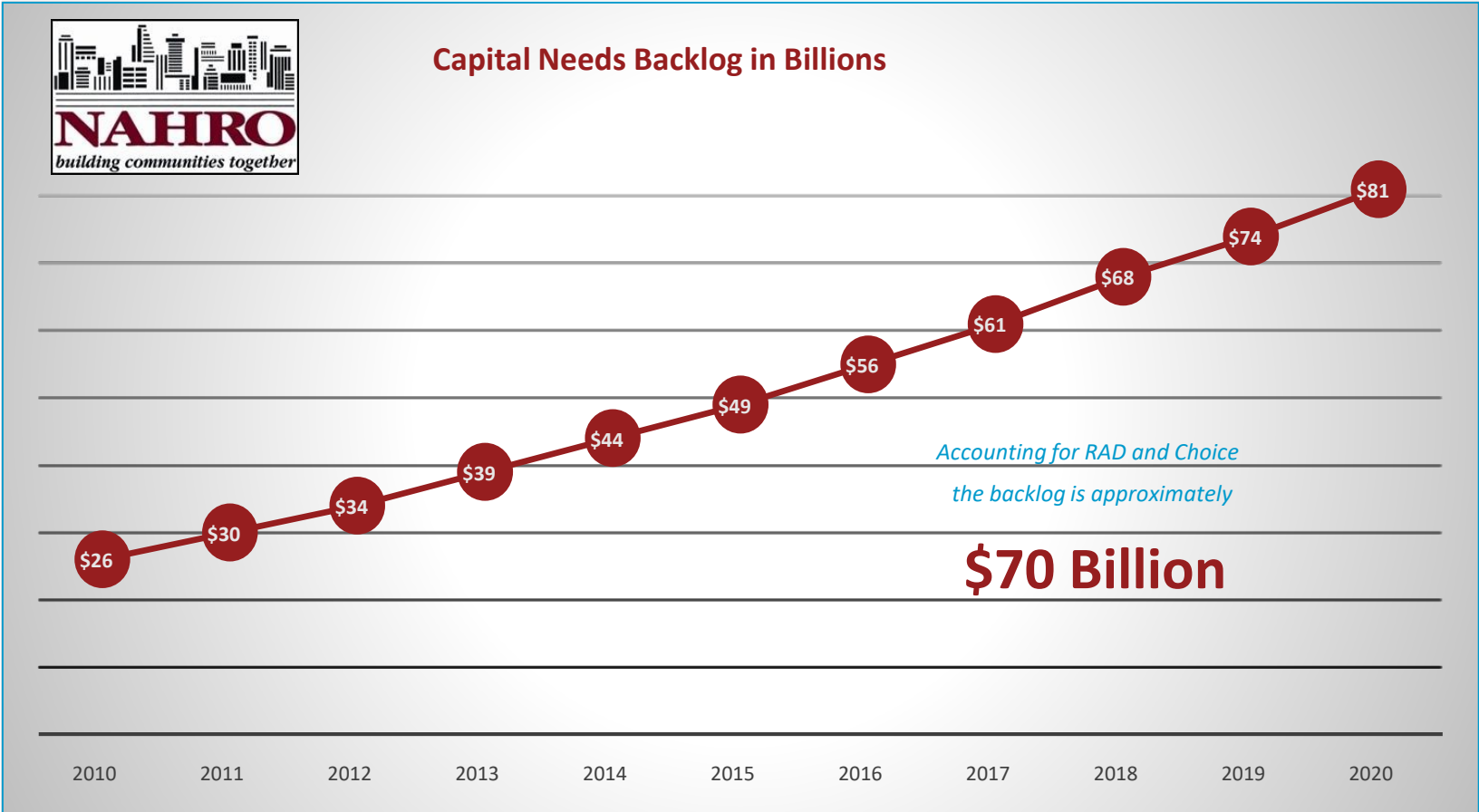
Changes in funding levels for key HUD programs (FY10 - FY20, adjusted for inflation)



Source: National Low Income Housing Coalition 2021



HUD’s increasing capital needs backlog further limits improvement to LIPH units.





NRHA's internal situation can be characterized as:

- Shifting from a broad redevelopment agency to property and assisted housing program management
- Managing LIPH units most of which are old and substandard
- Experiencing financial strain that is draining its reserves

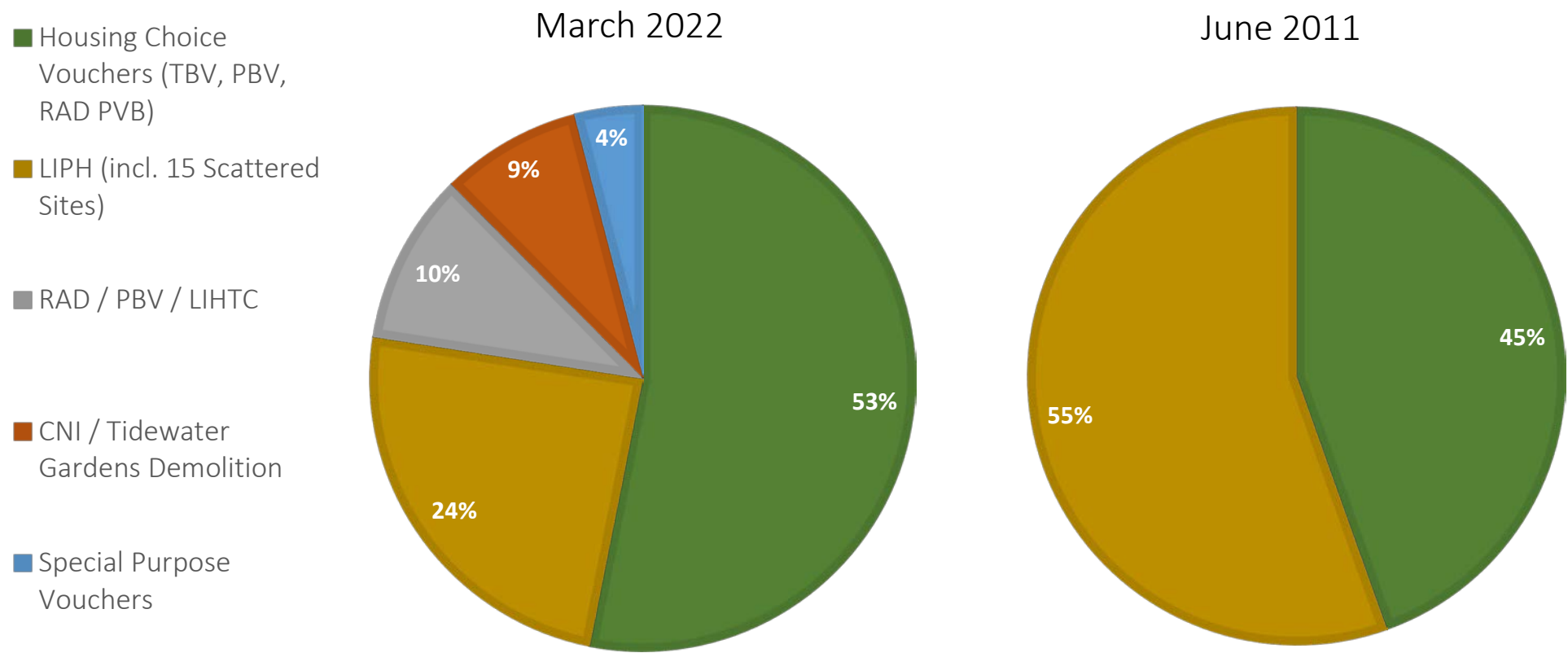


NRHA's organizational structure reflects serving as the City's principal redevelopment entity. That role has been significantly diminished but NRHA has not adjusted its structure and operations.

- NRHA does very little city-funded and directed redevelopment, and yet currently maintains related skill sets and capacity which the organization is unable to afford.
- Historically NHRA played a very active role in reshaping Norfolk, including Berkeley, Park Place, East Beach, Light Rail Project, and ODU Expansion.
- NRHA will need to be innovative and creative in using staff hired primarily to support NRHA's redevelopment functions now handled by the City.
- NRHA must concentrate on repositioning its older public housing stock and find opportunities to increase the supply of affordable housing.

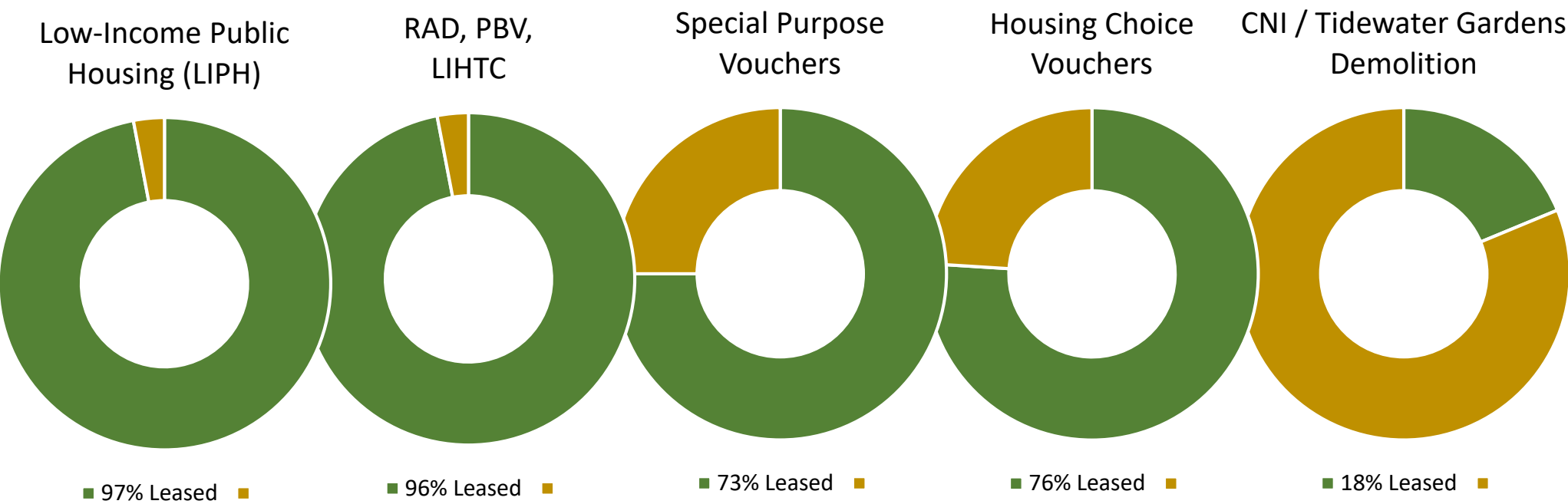


The use of vouchers is growing, and currently about one quarter of NRHA’s portfolio is LIPH units.





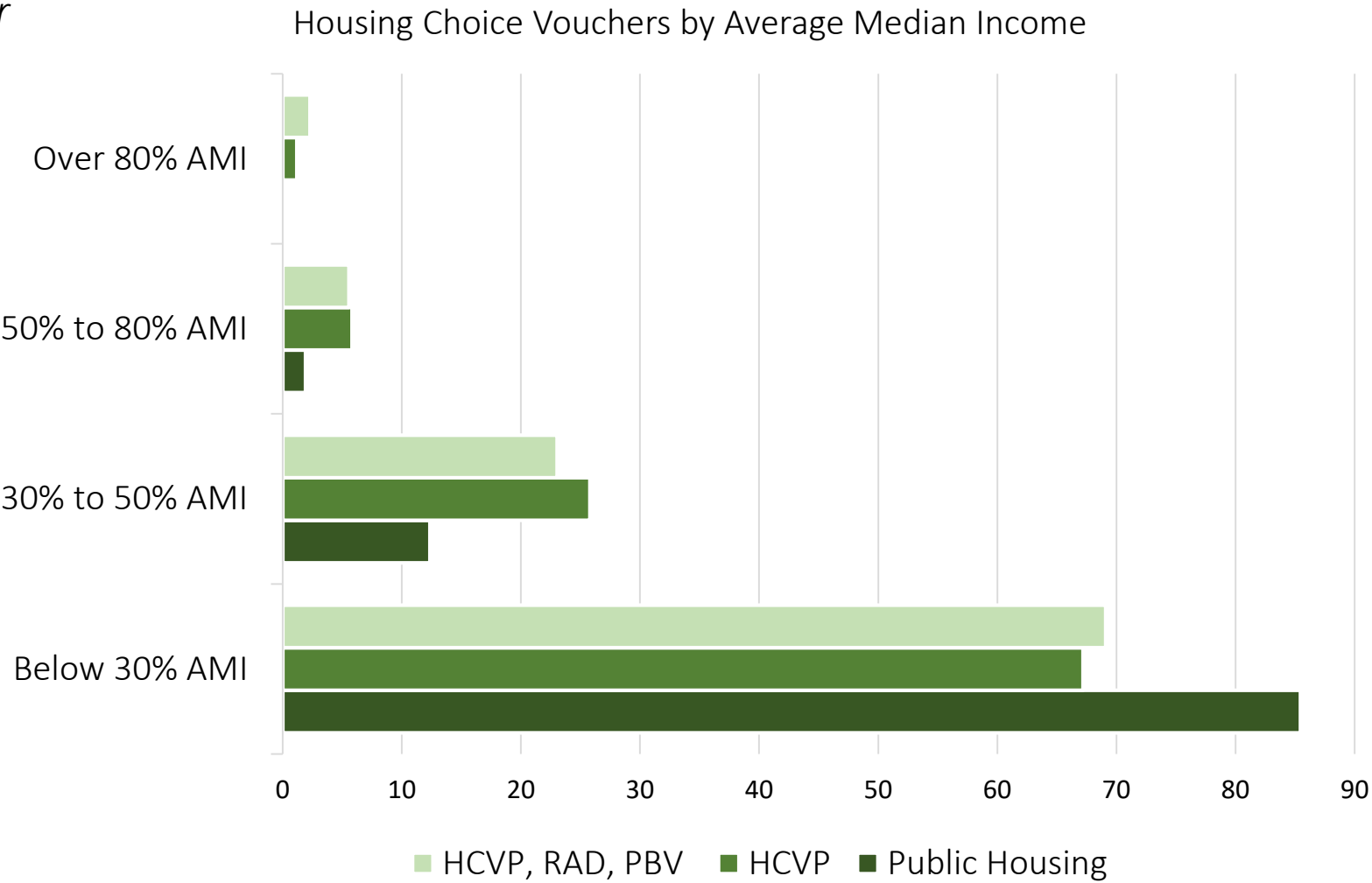
Lease rates for LIPH are very high while those for HCVs and special purpose vouchers are much lower.



Green represents percentage of leased units, of the total allocated units for each program (March 31, 2022).



The vast majority of HCVs are for those whose incomes are below 30% of Hampton Road’s Area Median Income.





38% of all households are headed by a disabled person (35% LIPH, 35% PBV, 41% HCV)

44% of all households are headed by an elderly person age 62 and older, compared to 32.7% in the city

48% of NRHA's households includes children under 18 years old

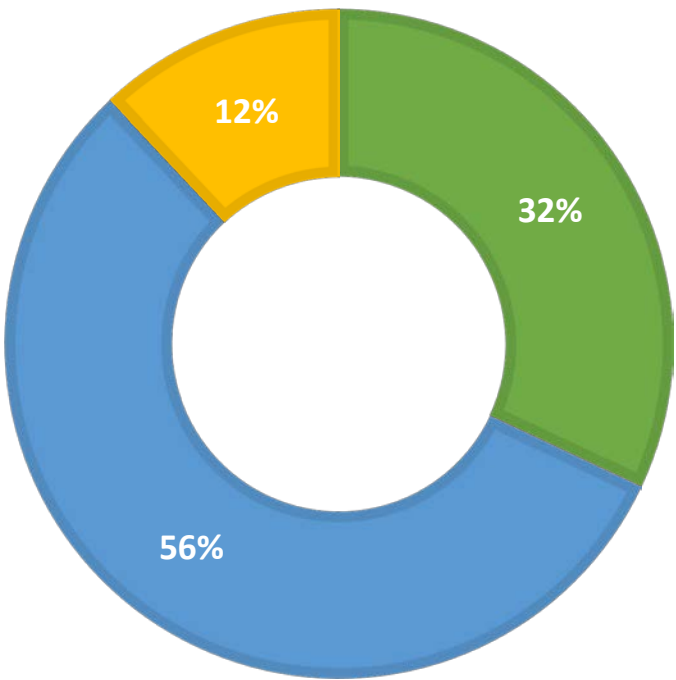
15K, average household income is \$14, 832.39, compared to \$53,026 in the city (\$12,055.84 in LIPH, \$16,122.57 in PBV, 16, 115.92 in HCV)

2.275 is the average family size compared to 3.12 in the city (2.23 in LIPH, 2.45 in PBV, 2.25 in HCV)

94% of all households are headed by an African American compared to 38.9% in the city

HOUSEHOLDS SERVED DIRECTLY

Public Housing Housing Choice Voucher PBV





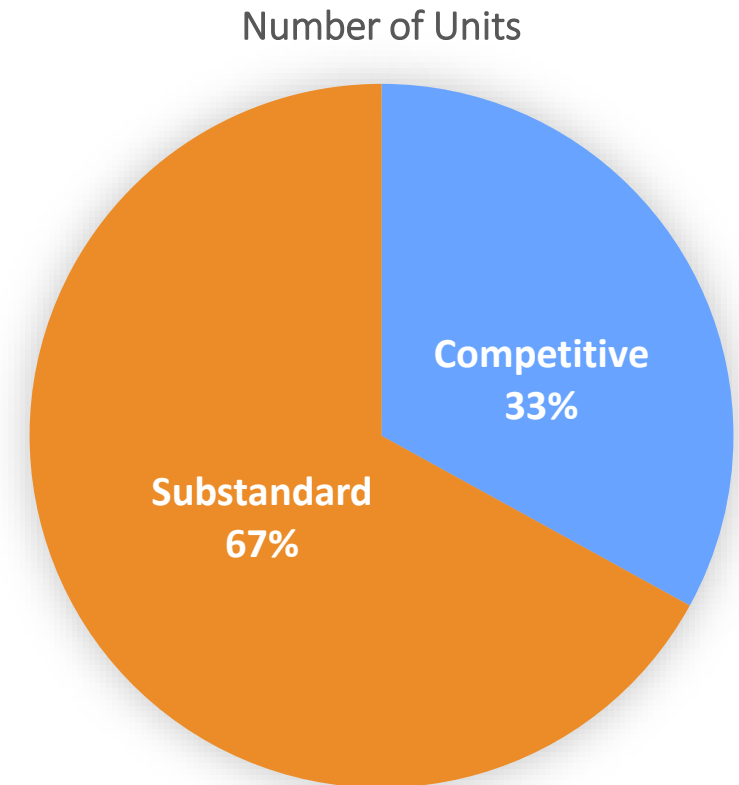
Most of NRHA's LIPH units are sub-standard, and even the "competitive" units are in need of renovation.

Substandard: 60-80 years old; no central AC, elevator or security door (2034 units)

- Tidewater Gardens (618)
- Young Terrace (746)
- Calvert Square (310)
- Oakleaf Forest (257)
- Diggs Town Phase 2 (103)

Competitive: 20-50 years old; central air, elevator, most w/ security door (1001 units)

- Diggs Town Phase 1 (222)
- Partrea Apartments (114)
- Hunter Square (91)
- Bobbitt Apartments (84)
- Sykes Apartments (84)
- North Wellington Place (25)
- Franklin Arms (100)
- Scattered Site Transitional (6)
- Grandy Village Revitalization (275)





Objectives

- Transform the Tidewater Gardens public housing community into a vibrant, high-quality, mixed-income, mixed-use sustainable neighborhood (including access to quality jobs, education, childcare, health care, and shopping).
- Balance resident's need for hard units with individual residents' desire for housing choice vouchers
- Build on the available land for development, address flooding, cause better community connections, and provide a preferred urban form to meet a variety of needs including a desire for "front and back doors."
- Demolish all 618 public housing units in Tidewater and replace with 714 high-quality, well-managed, mixed-income units on-site, with at least 70 units offsite and 288 new housing choice vouchers.

Status

After significant community input to the plan between 2005 to 2018, HUD awarded the City and NRHA a \$30 million CNI grant. The \$30m grant is being leveraged with more than \$200m in additional funds in low-income housing tax credits, private debt, community- and faith-based services, City funding, NRHA capital funding, State funding and other federal funding. Project is underway with relocation to be completed by fall of 2022, demolition by end of 2023. All housing units will be in place in 2025.



The CNI is expected to achieve its objectives but not without many challenges, suggesting that this approach may not be the best for redeveloping other properties.

Issues

- Cost overruns without additional HUD funding
- Highly regulated program
- City collaboration/ cost sharing
- Schedule delays
- PR challenges/community skepticism
- Very staff intensive



NRHA has experienced losses in the first 9 months of FY22. The losses are significantly mitigated by the positive performance of Oakmont North and Merrimack Landing.

Type	Subtype Board	Sum of YTD Actual
Revenue	Capital Subsidy	0
	Loss on Sale	0
	Management Fee Revenue	0
	Operating Subsidy	0
	Other Revenue	752,704
	Tenant Rent	6,899,498
	Tenant Revenue	170,583
Total Revenue		\$ 7,822,785
Expenses	Admin Salary	296,125
	Capital Improvement	167,425
	Employee Benefits	165,323
	Fee Expense	465,428
	General Expense	1,216,110
	Housing Assistance Payments	0
	Maintenance Expense	1,022,191
	Maintenance Salary	464,273
	Other Administrative Expense	280,430
	Protective Services	81,343
	Tenant Services Expense	0
	Utility Expense	882,040
Total Expenses		5,040,688
Net income (loss)		\$ 2,782,097

Oakmont North and Merrimack Landing
July 2021—March 2022



All other activities show a combined loss of about \$1.7 million year to date.

Type	Subtype Board	Sum of YTD Actual
Revenue	Capital Subsidy	0
	Loss on Sale	0
	Management Fee Revenue	7,041,842
	Operating Subsidy	48,902,343
	Other Revenue	3,327,006
	Tenant Rent	6,929,427
	Tenant Revenue	2,015,882
Total Revenue		\$ 68,216,500
Expenses	Admin Salary	5,128,640
	Capital Improvement	864,215
	Employee Benefits	3,914,316
	Fee Expense	4,528,904
	General Expense	4,249,014
	Housing Assistance Payments	28,986,342
	Maintenance Expense	5,742,866
	Maintenance Salary	2,944,438
	Other Administrative Expense	3,838,872
	Protective Services	1,045,651
	Tenant Services Expense	1,163,411
	Utility Expense	7,510,123
Total Expenses		69,916,792
Other OutFlows	Operating Transfer in	0
	Operating Transfer out	250,000
	Replacement Reserve	27,720
Total Other OutFlows		277,720
Net income (loss)		\$ (1,700,291)

All Other Activities
July 2021—March 2022



A public housing unit is eligible to provide funding of \$93.39/unit/month to the overhead of the agency. The Section 8 program is eligible to provide only \$19.50/unit/month. On the conversion of Tidewater Gardens this equates to an annual loss of nearly \$548k in funding, and over \$652k for Young Terrace.

	HUD Mandated Safe harbor Fees Per Unit Month	Tidewater Gardens	Young Terrace
Units		618	746
LIPH Program			
Total LIPH Program Fee Eligibility	\$93.39	\$692,580	\$824,820
HCV Program			
Total HCV Program Fee Eligibility	\$19.50	\$144,612	\$172,224
Loss on Conversion		-\$547,968	-\$652,596



NRHA Client Services provides residents grant-specific supportive services to improve quality of life through employment, education and empowerment.

Programs currently include:

- **Family Self-Sufficiency Program:** improves economic security of residents through escrow savings accounts and case management services. Enrollment: approximately **285**.
- **Resident Opportunities and Self-Sufficiency Program:** Assesses needs of LIPH residents and leverages supportive services to help increase earned income. Enrollment: **125**.
- **Out of School Youth:** assists adults (ages 18-24) in skills/vocational training and job placement. Enrollment: **13**
- **Youth Services:** promotes education, health and employment engagement with youth (ages 8-17). Enrollment: **85**
- **College Here We Come:** college prep and scholarship finding for high school students. Enrollment: **19**
- **Head Start:** Day care (ages 3-4) at two NRHA communities; Calvert Square and Grandy Village. Enrollment: **49**
- **Economic Opportunities:** connects LIPH residents and certified contractors with economic opportunities that build competitive competencies and yield employment, training and contracts. Enrollment: **80** (Includes 3 resident entrepreneurs)
- **Scattered Site Homeownership:** In 2018, HUD approved the sale of 15 scattered site public housing units to low-income families in Norfolk. As of February 2022, four of the units have been sold to NRHA residents.



NRHA has experienced a decline in the number of employees and faces morale issues.

- From April 1, 2021 to March 31, 2022 NRHA had 66 separations and 39 new hires.
- Current headcount is 244, and there are 16 unfilled positions.



73 employees (30% of NRHA's staff) completed the survey and roles of participants ranged from Executive/Deputy Staff, Manager/Supervisory to Non-Supervisory.

Top Strengths

- Administering Housing Choice Vouchers
- Quality Community Engagement Programs
- Obtaining financing for development

Top Opportunities

- Obtaining financing from Federal, State and local sources
- Rebuilding/modernizing current Public Housing Stock
- More quality Community Engagement Programs
- Expanding HCV

Top Weaknesses

- Managing Public Housing Communities
- Maintaining Public Housing Communities
- Leading development projects

Top 5 Areas of Improvement

- Communication between staff and leadership
- Leadership (selection and qualification)
- Training in hard and soft skills for staff/leadership
- HR policy
- Morale (need better incentives)

Top Threats

- Poor public image
- Lack of funding
- Poor relationships with residents
- Decline of development opportunities in Norfolk
- Inefficient procedures
- Poor communication among staff
- Poor management decision making
- Failure to keep staff skills sharp



The TAG organizational review and assessment had many findings and recommendations across the entire organization. Below is a summary the significant findings and recommendations in order of their importance as viewed by management.

1. Transition to Performance- and Revenue-Based Budgeting

Performance- and revenue-based budgeting centers on accomplishments that further strategic goals and initiatives; gives ownership of budgets to departments and managers.

2. Facilities Maintenance Department

NRHA's centralized maintenance department is inefficient. Most other similar-sized housing authorities have moved away from this model toward a site-based and/or contract out approach.

3. Development Operations

Neighborhood Project Directors to lead and manage projects with finance and design/construction staff providing support.

4. Information Technology

- Improve staff training and integration with hardware and software applications to increase productivity, ease the creation of reports, and maximize on-site time (v. in-office). Emphasis is conducting optimization review of key program areas.
- Upgrade property management software (allow residents to pay rent, request a work order, etc.).
- Transition to paperless administration.
- Improve equipment and infrastructure to allow for more remote and after-hours work.



The TAG organizational review and assessment had many findings and recommendations across the entire organization. Below is a summary the significant findings and recommendations in order of their importance as viewed by management.

5. Human Resources

- Succession planning for key senior staff who will be leaving in short-term
- Bolster recruitment effort and expand use of interns through local military and educational institutions
- Ongoing assessment of staffing levels and allocation required based on budget forecasts, future structure/priorities of NRHA

6. Community Engagement

- Support resident tenancies toward self-sufficiency
- Fund client services to improve overall environment for the households it serves
- Identify future funding mechanisms and sources; create 501(c)(3) entity for future fund-raising purposes

7. Communications

- Transparency through outreach and education helps gain public trust
- Expand communications outreach and education to media and stakeholders



A base case was developed which represents a continuation of NRHA's current direction.

1. Ongoing alignment with TAG identity/mission/focus perspective
2. Strengthening of client services
3. Continuation of advocacy for more affordable housing
4. Summary Implications for NRHA



NRHA recognizes the need to focus on affordable housing as recommended in the TAG report.

- Reposition the public housing portfolio
- Identify and implement opportunities to further increase the supply of affordable housing
- Improve service delivery for families and households in both its public housing and housing choice voucher programs
- Coordinate with local service providers to ensure access to supportive services for its residents to aid in successful tenancies and transition households to economic self-sufficiency.

NRHA may want to revise its vision statement as discussed earlier.



NRHA will continue to strengthen Client Services.

- Better coordination with and leveraging of other organizations providing similar services
- Clarity around the unique services NRHA will provide vs. other organizations
- Particular focus on identifying and counseling for relocation to other (better) housing options
- Additional metrics for gauging success using the Logic Model for improving life outcomes
- Increase efforts to build capacity to serve more residents
- Addressing the needs of those who are offering support to families in our communities even when they are not on the lease.



NRHA will continue to advocate for more affordable housing in Norfolk.

Advocacy objectives:

- Required affordable housing set-asides in new developments
- A Low-Income Housing Tax Credit Voucher Program (LIHTC) that requires all new LIHTC developments to set aside 20% of units for families with a housing choice voucher.
- An Inclusionary Housing Policy that requires the inclusion of rental units for very low and extremely low-income households on public-owned land or that receive public funding
- A set of clearly defined housing objectives with metrics for measuring progress over time
- A review of local zoning and ordinances that may affect affordable housing supply
- Increased homeownership opportunities for low-income families through the sale of City-owned lots and other publicly held properties
- Better enforcement of existing Fair Housing laws (e.g., landlords' denial of housing due to source of income)
- City effort to expand affordable housing in areas of median or high income, and planning for new family and mixed-income housing outside of areas of concentrated poverty.



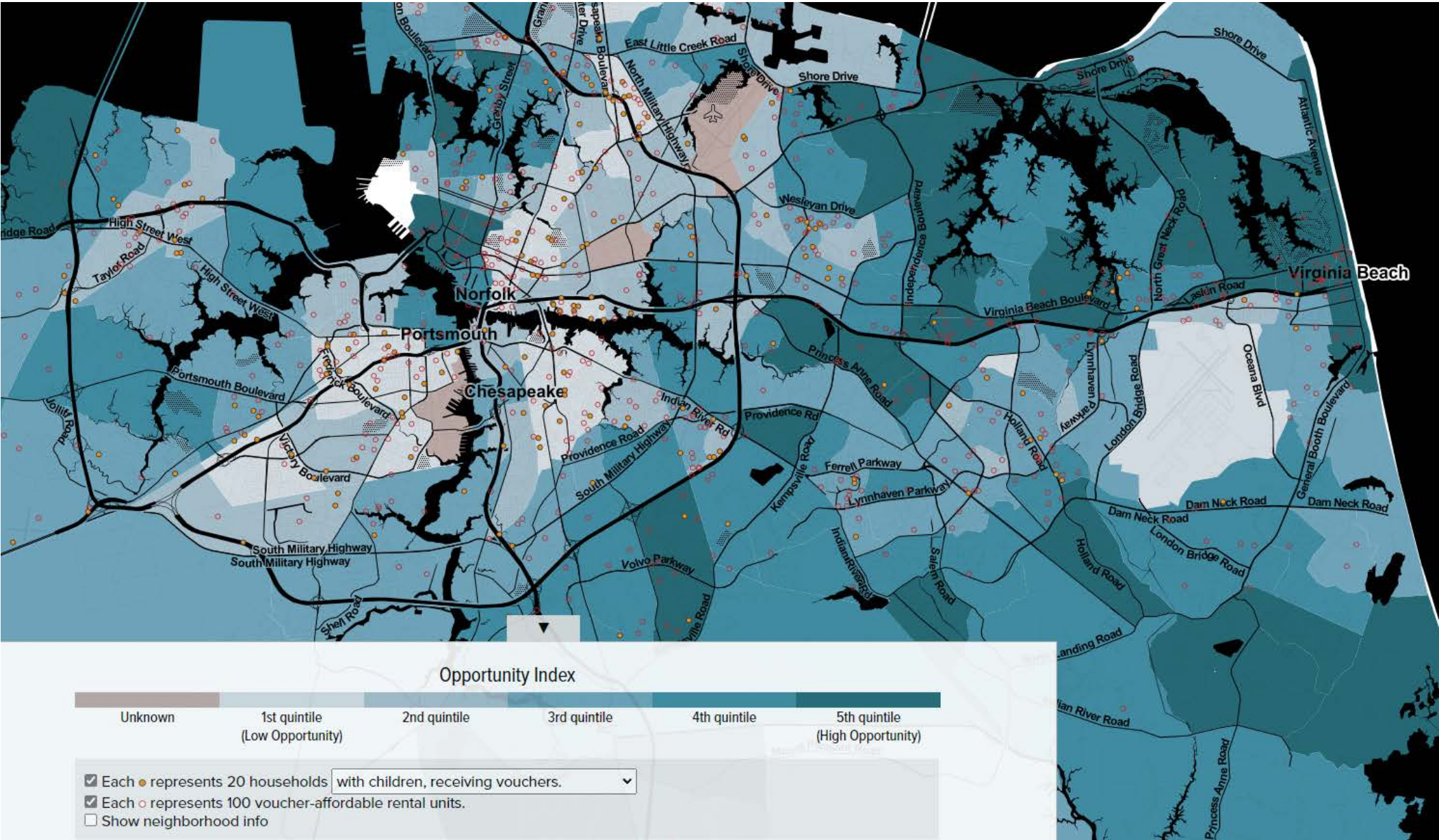
The supply of affordable housing could be improved through regional cooperation, such as the Baltimore Regional Housing Partnership, Chicago's Housing Choice Partners, and Dallas' Inclusive Communities Project.

- HCV mobility builds upon recent research that shows HCV families that move to areas of high opportunity and low poverty experience better life outcomes- education, career earnings, health, life expectancy.
- HUD Community Choice Demonstration program funds mobility services and efforts at regional cooperation.
- Regional cooperation and seamless processes further enable housing mobility; increase landlord participation; partnership in enforcement of fair housing laws, source of income discrimination and reducing other barriers for families to move across jurisdictions through portability.
- NRHA has the opportunity to lead advocacy efforts through hosting forums with experts in the field of Housing Mobility and forming alliances with like-minded agencies.
- In preliminary discussion with Mobility Works, a consortium working to help low-income families move from poor, segregated neighborhoods into diverse communities with high performing schools.



“One of the primary effects of housing discrimination is the perpetuation of segregated residential patterns. In many communities, neighborhoods historically called home by generations of minorities have been the lowest income, highest poverty neighborhoods with the fewest amenities and most substandard housing. Whether “trapped” in their neighborhoods by a lack of resources to relocate, a lack of knowledge of what lies beyond, a perceived or real fear of moving to a “White” neighborhood with better opportunities, or public policies meant to maintain segregation, many minorities have remained in areas where crime is higher, grocery stores are lacking, jobs are non-existent and schools are noteworthy for substandard scores.”

Source: Analysis of Impediments to Fair Housing Choice, Hampton Roads Region, VA 2011



Source: Where Families with Children use Housing Vouchers- A Comparative Look at the 50 Largest Metropolitan Areas, Center of Budget and Policy Priorities, 2019



The Joint Legislative Audit and Review Commission Report also recommends state-wide advocacy.

Legislative action

- Amend the Code of Virginia to require that Virginia Housing-financed rental units set aside for low-income households charge rents that are affordable to households earning 80 percent and below area median income.
- Direct DHCD to evaluate how a grant program could be structured, funded, and administered to incentivize localities to adopt zoning policies that facilitate the development of affordable housing.
- Direct DHCD to conduct a statewide housing needs assessment every five years, develop a statewide housing plan every five years with measurable goals, and provide annual updates to the General Assembly on progress toward those goals.



The Joint Legislative Audit and Review Commission Report also recommends state-wide advocacy.

Executive action

- Virginia Housing to adopt performance measures for its REACH program, revise the formula it uses to determine annual REACH contribution amounts to maximize contributions, increase the percentage of net income allocated to REACH, and report on use and impact of REACH to the General Assembly.
- Virginia Housing to use REACH to provide gap funding for multifamily rental projects that use tax-exempt private activity bonds and 4 percent low-income housing tax credits.
- Virginia Housing to review necessity of adding basis points to Plus Mortgages to minimize interest rates charged to low-income borrowers and present options to its Board of Commissioners for lowering its interest rates.
- Virginia Housing to replace its current down payment assistance programs for low-income borrowers with a larger down payment assistance grant or a zero percent interest deferred second mortgage.



The implications for NRHA are dire and will require significant changes to mitigate or avoid.

- Under the base case, NRHA will experience significant losses and reduction of reserves
- Safety concern: less maintenance to LIPH properties
- Layoffs
- Loss of client services delivery
- Negative public perception
- Total depletion of non-discretionary reserves
- Possible designation as a “Troubled Housing Authority”, meaning HUD takes over operations and management, and appoints a Receiver



Resolution Item

NRHA Board of Commissioners

Subject: Resolution Convening a Closed Session

Executive Contact: Ron Jackson, Executive Director

Date: May 20, 2022

BACKGROUND

BE IT RESOLVED, that the Authority will convene in a closed meeting pursuant to the Virginia Freedom of Information Act, as amended (the "Act"), to discuss the following matters which are specifically exempted from public disclosure by the code section referred to below:

- Personnel matters involving the assignment, appointment, promotion, demotion, performance, salaries, or resignation of employees of the Authority, as authorized by Section 2.2-3711(A)(1) of the Act.
- Discussion and consideration of the disposition of publicly held real property as authorized by Section 2.2-3711(A)(3) of the Act.
- Consultation with the Authority's legal counsel regarding actual or probable litigation and legal matter(s) requiring the provision of legal advice by counsel as authorized by Section 2.2-3711(A)(7) of the Act.