AGENDA
NRHA Commissioners’ Meeting
June 26, 2014 – 3:00 p.m.
201 Granby Street, 12th floor

I. APPROVAL OF MINUTES OF COMMISSIONERS’ MEETINGS
   May 8, 2014 of Commissioners’ Meeting Minutes
   May 29, 2014 Board of Commissioners’ Policy Meeting Minutes

II. REMARKS
   CEO’s comments
   Chairman of the Board Comments
   Commissioners’ Comments

III. DEVELOPMENT OPERATIONS
   1) No presentations

IV. FINANCE AND ADMINISTRATIVE OPERATIONS
   1) Resolution Relating to NRHA Employer Contribution Rates to the Virginia Retirement System (VRS)
      Presented by Richard Archer
      Human Resources Director
   2) Resolution Adopting a Consolidated Annual Operating and Capital Budget for the Fiscal Year Beginning July 1, 2014 and Ending June 30, 2015
      Presented by Brenda Benn
      Budget and Compliance Director
   3) Previous Month’s Activities
      a) Development Activities Report
      b) Contract Activities
      c) Anticipated Requests for Proposals, Qualifications, or Quotations and Invitations for Bids
      d) Cash Advance Report
      e) Accounts Receivable Charge Offs
V. **HOUSING OPERATIONS**

1) Energy Performance Contract  
   Presented by David Heim  
   Capital Fund Director

VI. **NEW BUSINESS**

VII. **COMMITTEE MEETING NOTES**

1) Royster Building and Annex Committee Meeting, June 5, 2014

VIII. **CLOSED MEETING**

1) “Discussion and consideration of the disposition of publicly held real property in Downtown revitalization areas as authorized by Section 2.2-3711.A.3 of the Act.”

**OTHER NOTICES**

**BOC Meeting**
Thursday, July 10, 2014  
201 Granby Street at 3:00 p.m.

**Policy Meeting**
Thursday, July 24, 2014  
201 Granby Street at 3:00 p.m.
The Commissioners of the Norfolk Redevelopment and Housing Authority (the “Authority”) met in a regular monthly meeting at 201 Granby Street, Norfolk, Virginia at 3:05 p.m. on Thursday, May 8, 2014.

The meeting was called to order by Chairman Bilisoly. Upon roll call those present and those absent were as follows:

Present:  Mr. Alphonso Albert  
Ms. Rose Arrington  
Mr. F. Nash Bilisoly  
Mr. Richard Wells Gresham  
Ms. Barbara Hamm Lee  
Mr. Donald Musacchio  

Absent: Mr. Robert J. Soble  

Also present were Shurl R. Montgomery, Secretary, Timothy A. Coyle, Attorney and various staff members.

I. Approval of Minutes of Commissioners’ Meeting

The Chairman presented the previously circulated minutes of the April 10, 2014 Board meeting. Ms. Hamm Lee noted that at page 9 of the minutes the correct organization is the YWCA not the YMCA. Upon motion of Ms. Hamm Lee, seconded by Mr. Gresham the minutes, as corrected, were unanimously approved.

II. Remarks

A. Chief Executive Officer's Comments

Chief Executive Officer Montgomery’s list of activities accomplished since the last Board meeting was previously circulated to the Board. Several items were summarized and briefly discussed by Mr. Montgomery:
1. The ribbon cutting for the renovated Monroe Building will take place on May 14, 2014.

2. On May 23, 2014, NRHA will hold the annual health fair at Young Terrace.

3. NRHA has been asked to make a presentation on its health initiatives at the June 12, 2014 meeting of CLPHA.

4. Ms. Arrington attended the recent meeting of VAHCDO in Virginia Beach.

5. There will be a budget work session from 10:00 until noon on June 10, 2014. All Commissioners were invited to attend.

B. Chairman of the Board Comments

1. Mr. Sobol is absent today and is at home recovering from surgery.

2. A draft of proposed Board committee assignments was distributed.

3. The next meeting of the Commissioners will take place on Thursday, May 29, 2014 at which time a public hearing will be conducted on the FY 2015 budget. At the June 26, 2014 meeting, a proposed budget resolution will be presented to the Board.

4. The annual conference entitled “Girls Rule the World” will be held on May 17, 2014 at Old Dominion University. Ms. Hamm Lee will be the moderator and stated that it is a fun event focusing upon empowering girls. The ages of the attendees will range from elementary school age through the mid-20s.

5. The Commissioners’ retreat will be held on Saturday, May 10, 2014. A packet of materials for the retreat was distributed.

C. Commissioners' Comments

None.

III. Development Operations

No presentations.
IV. Finance and Administrative Operations

A. Previous month’s activities.

No Comments.

B. Budget Balancing Strategies for FY 2015.

Ms. Brenda Benn gave a PowerPoint presentation, a copy of which has been filed with these minutes. Ms. Hamm Lee asked whether it would be possible to restore the $17,000 in funding cuts to the Tenant Management Corporations. Mr. Montgomery indicated that the funds could be restored if the Board so directed. Mr. Bilisoly indicated that restoration of the funds was indeed the sense of the Board.

Mr. Montgomery proposed an amendment to the current budget to provide for a lump-sum payment of $1,000 to all full-time employees who have been employed for at least one year and for a $500 lump-sum payment to regular part-time employees who have been employed at least one year. The aggregate cost of the lump-sum payments would be $281,840 and Mr. Montgomery indicated that funds are available to support such payments. After discussion, upon motion of Mr. Albert, seconded by Ms. Arrington, the Commissioners voted unanimously to approve an amendment to increase the current budget by $281,840.

V. Housing Operations’ Quarterly Report

A. Ms. Donnell Brown mentioned several highlights from the report: (1) the Franklin Arms and Grandy Village properties were recently inspected by the tax credit investors and there were no negative findings; (2) NRHA has established a goal of completing work orders within three days and currently work orders are being completed within one and one-half days; (3) one hundred and seventy-two families in public housing and one hundred and fifty-four families in the Housing Choice Voucher Program are participating in the Family Self-Sufficiency Program; (4) approximately one-half of the recent recipients of Housing Choice Vouchers have located in low poverty areas of the city; (5) of 99 scheduled appeals of the denial of housing assistance, eighty-one were heard and the primary reasons applications were denied was because of criminal history; (6) contracts totaling approximately $76,000,000 are being administered in the Capital Fund Program; (7) NRHA has almost eradicated the roach problem in public housing and has made great progress in eliminating bed bugs. Mr. Albert remarked that NRHA recently successfully treated a Garden of Hope housing property for bed bugs. Mr. Montgomery stated that in a recent discussion with officials from the Bristol Redevelopment and Housing Authority, he learned that
they are using the NRHA protocol to treat bed bugs and were very complimentary of the NRHA program.

VI. **New Business**

None.

VII. **Committee Meeting Notes**

None.

VIII. **Closed Meeting**

None.

There being no further business, the meeting was adjourned at 4:55 p.m.

________________________
Secretary

___________________
Chairman
MINUTES OF MEETING

The Commissioners of the Norfolk Redevelopment and Housing Authority (the “Authority”) met in a policy meeting at 201 Granby Street, Norfolk, Virginia at 3:00 p.m. on Thursday, May 29, 2014.

The meeting was called to order by Chairman Bilisoly. Upon roll call those present and those absent were as follows:

Present: Mr. Alphonso Albert
Ms. Rose Arrington
Mr. F. Nash Bilisoly
Mr. Richard Wells Gresham
Mr. Donald Musacchio
Mr. Robert J. Soble

Absent: Ms. Barbara Hamm Lee

Also present were Shurl R. Montgomery, Secretary, Timothy A. Coyle, Attorney and various staff members.

I. Remarks

A. Chief Executive Officer's Comments

1. Mr. Montgomery reported that a CD of all NRHA properties has been prepared. There are 112 pages of maps and copies of the CD are available for the Commissioners.

2. At the regular meeting of the Commissioners on June 26, 2014, a resolution will be presented approving the contribution rate into the Virginia Retirement System for the next fiscal year.

3. Following up on the May 10, 2014 retreat, staff has issued a task order for assistance in conducting the housing study.

4. The annual Governor’s Housing Conference will be held in Norfolk again this year from October 29 through October 31. One of the activities will be a bus tour of Grandy Village and Broad Creek.

5. Governor McAuliffe has appointed NRHA employee Sheila Coppage to the State Board of Social Services.
6. The annual meeting of the Downtown Norfolk Council will be held on June 18, 2014. NRHA has reserved a table and all Commissioners were invited to attend.

7. In 2005 and 2006, NRHA received an overpayment of subsidy relating to phase down funds for demolished public housing projects in Bowling Green and Roberts Village in the amount of approximately $1.3 million dollars. Proceeds from this overpayment are included in the NRHA Federally Aided Housing reserve balance. Return of the overpayment to HUD should be accomplished within the next 30 days.

8. A copy of the Richmond Redevelopment and Housing Authority Annual Report was distributed and the Commissioners’ attention was called to the favorable mention of NRHA’s Broad Creek project.

9. Mr. Montgomery will be on vacation from June 9 through June 16.

B. Chairman of the Board Comments

1. The Chairman distributed typed notes from the May 10, 2014 retreat. He noted that the handout is simply a transcription of the ideas and comments which were placed on the white boards during the day. These are preliminary working papers and do not constitute policy or reflect any decisions that have been made.

2. There will be a budget work session on June 10th and it appears that only the Chairman and Mr. Musacchio are planning to attend.

3. The Chairman noted that he will be out-of-town on June 18th when the Downtown Norfolk Council annual luncheon will be held. All other Commissioners plan to attend.

4. A draft letter from the Mayor’s Commission on Poverty Reduction recommending a feasibility study was distributed.

C. Commissioners' Comments

1. Mr. Musacchio reported that he attended the annual health fair and that it was very well done.
II. Development Operations

1. Resolution Authorizing the Participation of the Norfolk Redevelopment and Housing Authority in the Provision of Financing for the Development and Operation of New Housing Units to be Located on a Site Adjacent to the existing Robert Partrea Apartments.

Mr. John Kownack introduced the resolution and, after discussion, upon motion of Mr. Sobol, seconded by Mr. Gresham, the following resolution was unanimously approved:

RESOLUTION NO. 9146

WHEREAS, by resolution approved on November 15, 2010, the Board of Commissioners (the “Board”) of the Norfolk Redevelopment and Housing Authority (the “Authority”) authorized the formation of such limited liability companies, limited partnerships and other entities as may be necessary to facilitate the development of new rental housing units on certain parcels of land located at 7416 Tidewater Drive, Norfolk, Virginia, on a site adjacent to the existing Robert Partrea Apartments (hereinafter collectively referred to as the “Project”); and

WHEREAS, the Council of the City of Norfolk has provided its support for the Project through the approval of the creation of appropriate entities, zoning and the conveyance of City-owned property for use in connection with the Project; and

WHEREAS, by resolution approved on November 14, 2012, the Board approved the participation of the Authority in a transaction using Federal Home Loan Bank (“FHLB”) grant funding, Low Income Housing Tax Credit (“LIHTC”) equity and debt to finance the Project; and

WHEREAS, the Virginia Housing Development Authority (“VHDA”) has reserved LIHTC for the Project and Boston Capital Corporation has offered to contribute equity to the Project in return for a limited partnership interest therein; and

WHEREAS, as part of the financing structure necessary for the use of LIHTC, NRHA Partrea Limited Partnership, a Virginia limited partnership (the “Partnership”) was created to own the Project, and NRHA Partrea 1, L.L.C., a Virginia limited liability company (the “General Partner”) was created to serve as the general partner of the Partnership; and

WHEREAS, the total development costs for the Project in the amount of up to $9,500,000 will be financed with $926,782 in FHLB funding, $400,000 in Community Development Block Grant (“CDBG”) funds, private bank loans to be provided in an amount up to $6,900,000 for the construction phase and up to $2,800,000 for the permanent phase, and a total of approximately $4,680,000 in tax credit equity; and

WHEREAS, by resolution approved on February 19, 2014, the Board approved (i) the participation of the Authority as member of the General Partner, as developer, as property
manager and as guarantor, (ii) the execution of a ground lease pursuant to which the Authority will lease to the Partnership the various parcels of land currently owned by the Authority that are part of the Project, and (iii) the loans of FHLB funds and CDBG funds by the Authority to the Partnership; and

WHEREAS, in order to facilitate financing for the Project, it will be necessary for the Authority to obtain one or more loans for the construction and permanent financing in the amounts described above, which funds will in turn be used by the Authority to make loans to the General Partner and/or the Partnership; and

WHEREAS, the Authority desires to assist the Partnership with the construction and permanent financing of the Project.

NOW THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Norfolk Redevelopment and Housing Authority as follows:

1. The Authority is hereby authorized to borrow funds in the amount of up to $6,900,000 for the construction phase of the Project and up to $2,800,000 for the permanent phase of the Project.

2. The Authority is hereby authorized to loan the funds borrowed by the Authority pursuant to the preceding paragraph to the General Partner and/or the Partnership to provide construction and permanent financing for the Project.

3. The Executive Director, or his designee, is hereby authorized to execute and deliver any and all loan agreements, promissory notes, deeds of trust, guaranty agreements, instruments and other documents as may be necessary or desirable to facilitate the use of the aforementioned sources of funding for the Project, to consummate the transactions contemplated by the foregoing resolutions, and to take such other action and to sign and deliver such other documents as he may deem necessary or desirable to evidence the Authority’s participation in the Project and to carry out the intent of this resolution.

4. All actions previously taken by the Authority in connection with the transactions contemplated by this resolution are hereby ratified and approved.

5. This resolution shall be in effect from and after the date of its adoption.
III. Public Hearing on 2015 Budget

A. The Chairman convened a public hearing at 3:30 p.m. Ms. Brenda Benn, Director of Budget and Compliance, gave a PowerPoint presentation, a copy of which has been filed with these minutes. Ms. Benn responded to general questions from the Commissioners. The Chairman asked whether any member of the public wished to speak and Mr. Raytron L. White, 2957 Kimball Terrace, stated that reduction in funding to the Tenant Management Corporations has severely negatively impacted the TMCs. There being no other speakers, the Chairman closed the public hearing at 3:57 p.m. A transcript of the public hearing has been attached to and made a part of these minutes.

IV. Closed Meeting

A. Resolution Convening a Closed Meeting

Upon motion of Mr. Muscachio, seconded by Mr. Gresham, the following resolution was unanimously approved:

RESOLUTION 9147

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 matter(s) which is specifically exempted from public disclosure by the code section referred to below:

Resolution Convening a Closed Meeting on May 29, 2014 for:

1. Discussion and consideration of the disposition of publicly held real property in Downtown revitalization areas as authorized by Section 2.2-3711.A.3 of the Act.

2. Discussion and consideration of a personnel matter as authorized by Section 2.2-3711.A.1 of the Act.

B. Resolution Certifying a Closed Meeting

Upon motion of Mr. Muscachio, seconded by Mr. Albert, the following resolution was unanimously approved:

RESOLUTION 9148

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 4:55 p.m.

________________________
Secretary

____________________________
Chairman
May 2 – June 19
Activities accomplished since last Board of Commissioners’ Meeting:

Meetings

- Met with staff regarding budget review
- Met with Chiefs regarding board retreat
- Met with Technology Steering Community
- Attended a meeting with staff to review budget balancing strategy
- Attended the on-site ELT Photo with staff
- Attended weekly meetings with Chairman
- Attended the NRHA Board of Commissioner’s Committee Meeting/201 Building
- Met with Chairman regarding a Pre-Retreat Meeting
- Attended the Board Retreat with staff and Commissioners
- Attended the ribbon cutting for the VA Supportive Housing
- Met with NRHA’s Real Estate Services Director
- Met with Chief Housing Officer on personnel matters
- Attended a HUD conference call with staff regarding “repayment of phase down”
- Attended the Monroe Building/Governor’s School Ribbon Cutting ceremony
- Attend the weekly Chief’s Meetings
- Attended the Salvation Army Community Relations Committee Meeting
- Met with staff to discuss Park Place projects
- Attended the Healthy Neighborhood CDC Meeting
- Met with NRHA Web Developer and Designer regarding power point presentation
- Attended the Health Fair at Young Terrace
- Met with Chief Housing Officer on several occasions regarding various administrative matters
- Met with staff to review Budget power point presentation
- Attended the GNC Annual Meeting
- Attended the Promenade Point Apartments Grand Opening
- Met with Communications and Government Relations Director regarding strategic plan and annual report
- Attended the BOC Meeting
- Met with Mayor regarding downtown development projects
➢ Met with Executive Director, Habitat for Humanities
➢ Met with Housing pertinent staff to discuss Police Contract
➢ Attended a meeting at the KROC Center regarding a NRHA Grant
➢ Met with Norfolk City School Board member
➢ Met with staff regarding East Beach document signage
➢ Met with staff regarding Environmental Protection Contract Review
➢ Met with Employee Recognition
➢ Attended the Home Ownership Meeting at the Grandy Learning Center
➢ Met with the Technology Steering Community
➢ Attended the Downtown Norfolk Council 2014 Annual Meeting
III. DEVELOPMENT OPERATIONS

1) No presentations
NRHA is required by the Virginia Retirement System (VRS) to confirm by Board resolution the employer contribution rates for the 2015-2016 biennium.

NRHA can choose to pay either the rate certified by the VRS Board of Trustees or an alternate rate, as provided in the Appropriation Act, Item 467 (I), for contribution rates effective July 1, 2014. The alternate rate is the board-certified rate for fiscal year 2012, or 80 percent of the 2015-2016 board-certified rate, whichever is higher.

The certified rate is 14.77 percent of an employee’s creditable compensation; the alternate rate is 11.82 percent of creditable compensation.

NRHA administration recommends paying the 14.77 percent employer contribution rate. This has the advantage of maintaining the fully-funded status of NRHA’s pension plan. This amount is included in the 2015-2016 NRHA budget, and is consistent with past Board action and practice.

Recommendation: Approve Resolution
Employer Contribution Rates for Counties, Cities, Towns, School Divisions and Other Political Subdivisions
(In accordance with the 2014 Appropriation Act Item 468(H))

Resolution

BE IT RESOLVED, that the Norfolk Redevelopment and Housing Authority (NRHA, employer code 55433) does hereby acknowledge that its contribution rates effective July 1, 2014 shall be based on the higher of a) the contribution rate in effect for FY 2014, or b) eighty percent of the results of the June 30, 2013 actuarial valuation of assets and liabilities as approved by the Virginia Retirement System Board of Trustees for the 2014-16 biennium the "Alternate Rate") provided that, at its option, the contribution rate may be based on the employer contribution rates certified by the Virginia Retirement System Board of Trustees pursuant to Virginia Code § 154151.(-) resulting from the June 30, 2013 actuarial value of assets and liabilities (the "Certified Rate"); and

BE IT ALSO RESOLVED, that the Norfolk Redevelopment and Housing Authority (NRHA, employer code 55433) does hereby certify to the Virginia Retirement System Board of Trustees that it elects to pay the following contribution rate effective July 1, 2014:

(Check only one box)

☒ The Certified Rate of _14.77_ %
☐ The Alternate Rate of _11.82_ %, and

BE IT ALSO RESOLVED, that the Norfolk Redevelopment and Housing Authority (NRHA, employer code 55433) does hereby certify to the Virginia Retirement System Board of Trustees that it has reviewed and understands the information provided by the Virginia Retirement System outlining the potential future fiscal implications of any election made under the provisions of this resolution; and

NOW, THEREFORE, the officers of the Norfolk Redevelopment and Housing Authority (NRHA, employer code 55433) are hereby authorized and directed in the name of the Norfolk Redevelopment and Housing Authority to carry out the provisions of this resolution, and said officers of the Norfolk Redevelopment and Housing Authority are authorized and directed to pay over to the Treasurer of Virginia from time to time such sums as are due to be paid by the Norfolk Redevelopment and Housing Authority for this purpose.

____________________________________
F. Nash Bilisoly
Chair, NRHA Board of Commissioners

CERTIFICATE

I, ______________, Clerk of the NRHA, certify that the foregoing is a true and correct copy of a resolution passed at a lawfully organized meeting of the NRHA Board of Commissioners held at Norfolk Virginia at three o’clock on June 26, 2014. Given under my hand and seal of the NRHA this day of June 26, 2014.

____________________________________
Clerk

This resolution must be passed prior to July 1, 2014 and received no later than July 10, 2014.
Subject: Resolution Adopting A Consolidated Annual Operating And Capital Budget for the Fiscal Year Beginning July 1, 2014 and Ending June 30, 2015

Executive Contact: Clara Graves

Date: June 26, 2014

BACKGROUND

Attached for your consideration and approval is the resolution authorizing expenditures for the proposed budget of $84.6 million for FY2015. The proposed budget was presented to the Board and a public hearing was held on May 29, 2014.

The proposed budget continues funding of essential services at a base level, but with notable changes from FY2014. Any comments made during the public hearing had no adverse affect which would alter the consideration and approval of the FY2015 proposed budget.

Listed below is a recap of Projected Revenue and Expenditure Budget Comparison for FY2015.

<table>
<thead>
<tr>
<th>Projected Expenditures</th>
<th>Total</th>
<th>Housing</th>
<th>Development</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2015 ($)</td>
<td>$84,551,379</td>
<td>$66,864,287</td>
<td>$14,037,716</td>
<td>$3,649,376</td>
</tr>
<tr>
<td>FY 2014 ($)</td>
<td>90,281,713</td>
<td>68,450,607</td>
<td>17,055,237</td>
<td>4,775,869</td>
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<tr>
<td>$ Change</td>
<td>($5,730,334)</td>
<td>($1,586,320)</td>
<td>($3,017,521)</td>
<td>($1,126,493)</td>
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</tbody>
</table>

| % Change (FY14 to FY15)| -6.35%       | -2.32%       | -17.69%     | -23.59%     |
| % of FY2015 Budget     | 100.00%      | 79.08%       | 16.60%      | 4.32%       |

Recommendation: Approve the Proposed FY2015 Budget
RESOLUTION ADOPTING A CONSOLIDATED ANNUAL
OPERATING AND CAPITAL
BUDGET FOR THE FISCAL YEAR BEGINNING
JULY 1, 2014 AND ENDING JUNE 30, 2015

WHEREAS, the expected operating income and capital funding and related expenditures for the various projects and activities of this Authority for the period beginning July 1, 2014 and ending June 30, 2015 have been carefully reviewed and compiled in a consolidated budget document (the “Consolidated Annual Operating and Capital Budget”), a copy of which has been presented to and considered by the Commissioners at the May 29, 2014 Commissioner’s Meeting; and

WHEREAS, the requested funding in the amount of $84,551,379 is adequate to cover the proposed necessary expenditures as set out in the budget document without use of funding in excess of that permitted as specified on the various budget schedules comprising the Consolidated Annual Operating and Capital Budget; and

WHEREAS, a public hearing was held on May 29, 2014 in accordance with mandated state legislature; and

WHEREAS, the funding levels expressed thereby contain costs of certain central office cost centers which provide office facilities and program support; authorizations by the executive office to advance working capital, individual community project budgets at the asset management levels and other products and services necessary to the accomplishment of NRHA’s objectives; and

WHEREAS, in order for this Authority to obtain required financial assistance from the Department of Housing and Urban Development, the Virginia Housing Development Authority, and the City of Norfolk, the Consolidated Annual Operating and Capital Budget must be submitted to the Commissioners of this Authority for approval;

WHEREAS, the Department of Housing and Urban Development and the City of Norfolk may subsequently approve modified amounts of financial assistance which will require a modification of the presented expenditure levels, revised budget submissions, and;
RESOLUTION ADOPTING A CONSOLIDATED ANNUAL OPERATING AND CAPITAL BUDGET FOR THE FISCAL YEAR BEGINNING JULY 1, 2014 AND ENDING JUNE 30, 2015

NOW, THEREFORE, BE IT RESOLVED, that the Consolidated Annual Operating and Capital Budget dated June 26, 2014, for the fiscal year beginning July 1, 2014 and ending June 30, 2015, is hereby determined to be an estimate of the operating income and capital funding to be received and expenditures to be incurred in the prudent operation of the administration and program activities and operation of the central offices of the Authority for the fiscal year ending June 30, 2015 and the Consolidated Annual Operating and Capital Budget, as presented at this meeting, to include any modifications approved by the funding providers, is hereby approved;

BE IT FURTHER RESOLVED, that the Executive Director or his designee is hereby authorized, in his discretion, to expend during the fiscal year ending June 30, 2015, from unobligated funds in previously approved Cumulative Budgets, as shown in the Consolidated Operating Budget, such amounts in excess of currently budgeted amounts as he may deem appropriate;

BE IT FURTHER RESOLVED, that the Executive Director or his designee is authorized and directed to submit such Consolidated Operating Budget to the Department of Housing and Urban Development, the City of Norfolk, and other federal, state and local agencies, as appropriate, for their respective consideration and such approvals as may be necessary.
# SALES (DISPOSITIONS)

**Date Range:** 07/01/2013 - 05/31/2014

<table>
<thead>
<tr>
<th>Disposition #</th>
<th>Suffix</th>
<th>Address</th>
<th>Developer</th>
<th>Usage</th>
<th>Development Value</th>
<th>Settlement Date</th>
<th>Land Price</th>
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<tr>
<td>Ballentine</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>1116</td>
<td></td>
<td>2325 Granby Avenue</td>
<td>L &amp; M Contractors, Inc</td>
<td>Residential SF 3 bdrm (low mod)</td>
<td>126,000.00</td>
<td>02/20/2014</td>
<td>$10,000.00</td>
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<tr>
<td>1114</td>
<td>1</td>
<td>2709 Ballentine Blvd</td>
<td>Howerin Construction Corp</td>
<td>Residential SF 3 bdrm (low mod)</td>
<td>130,000.00</td>
<td>07/31/2013</td>
<td>$3,000.00</td>
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</tbody>
</table>

Ballentine Total [ 2 ] = $13,000.00

| Berkley III   |        |                          |                                       |                                     |                   |                |            |
| 840           |        | 307-311 Whitehead Street | BACO Services                        | Residential SF 3 bdrm (low mod)     | 150,000.00        | 01/21/2014    | $3,000.00  |

Berkley III Total [ 1 ] = $3,000.00

| Berkley IV    |        |                          |                                       |                                     |                   |                |            |
| 1602          | 9      | Liberty and S. Main Street | Howerin Construction Corp          | 3 bedroom SF detached               | 200,000.00        | 11/08/2013    | $10,000.00 |

Berkley IV Total [ 1 ] = $10,000.00

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<th>Central Brambleton</th>
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<tbody>
<tr>
<td>1214-3</td>
<td></td>
<td>700 Cecelia Street</td>
<td>Char-Mar Trucking Inc.</td>
<td>Industrial</td>
<td>20,000.00</td>
<td>05/09/2014</td>
<td>$12,500.00</td>
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<tr>
<td>1286</td>
<td></td>
<td>964-970 Marshall Avenue</td>
<td>Richardson Homes/Viridian Homes</td>
<td>3 bedroom SF detached</td>
<td>194,000.00</td>
<td>08/21/2013</td>
<td>$10,000.00</td>
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<td>1253</td>
<td></td>
<td>1514-16 Coprew Avenue</td>
<td>Richardson Homes/Viridian Homes</td>
<td>Residential SF 3 bdrm (low mod)</td>
<td>160,000.00</td>
<td>08/06/2013</td>
<td>$5,000.00</td>
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<td>1208</td>
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<td>960 Cecelia Street</td>
<td>Howerin Construction Corp</td>
<td>Residential SF 3 bdrm (low mod)</td>
<td>179,000.00</td>
<td>07/31/2013</td>
<td>$5,000.00</td>
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Central Brambleton Total [ 4 ] = $32,500.00

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<th>East Ocean View Redevelopment/East Beach</th>
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<tbody>
<tr>
<td>6-132</td>
<td></td>
<td>9647 24th Bay Street</td>
<td>L. R. Hill Custom Builders, Inc.</td>
<td>Residential/SF det 4 bdrm</td>
<td>650,000.00</td>
<td>05/08/2014</td>
<td>$13,300.00</td>
</tr>
</tbody>
</table>

(as per East Beach LDDC, land price reflects 7% of lot price)

DIRT: 6/10/2014
<table>
<thead>
<tr>
<th>Disposition #</th>
<th>Suffix</th>
<th>Address</th>
<th>Developer</th>
<th>Usage</th>
<th>Development Value</th>
<th>Settlement Date</th>
<th>Land Price</th>
</tr>
</thead>
<tbody>
<tr>
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</tr>
<tr>
<td>3-90</td>
<td>5-35</td>
<td>6-137</td>
<td>6-109</td>
<td>5-33</td>
<td>6-123</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4715 Willben Street</td>
<td>Simpson Builders, Inc.</td>
<td>3 bedroom SF detached</td>
<td>9492 29th Bay Street</td>
<td>Stephen Alexander Homes, LLC</td>
<td>9659 23rd Bay Street</td>
<td>Mid-Atlantic</td>
<td>3 bedroom SF detached</td>
</tr>
<tr>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>9635 24th Bay Street</td>
<td>Stephen Alexander Homes, LLC</td>
<td>3 bedroom SF detached</td>
</tr>
<tr>
<td></td>
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<td></td>
<td></td>
<td>9484 29th Bay Street</td>
<td>Simpson Builders, Inc.</td>
<td>3 bedroom SF detached</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>9626 24th Bay Street</td>
<td>Lookout Associates, Inc. t/a</td>
<td>Residential/SF det 4 bdrm</td>
</tr>
<tr>
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<td></td>
<td></td>
</tr>
<tr>
<td>9651 24th Bay Street</td>
<td>Charles A. Schmitt Builders</td>
<td>3 bedroom SF detached</td>
<td>9535 24th Bay Street</td>
<td>Jacobus and Anita Steendam</td>
<td>4459 Pleasant Avenue</td>
<td>East Beach Realty Company</td>
<td>3 bedroom SF detached</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>9631 24th Street</td>
<td>Mid-Atlantic</td>
<td>3 bedroom SF detached</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4950 East Beach Drive</td>
<td>Simpson Builders, Inc.</td>
<td>Residential/SF det 4 bdrm</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
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<td></td>
<td>4841 Pleasant Avenue</td>
<td>L. R. Hill Custom Builders, Inc.</td>
<td>3 bedroom SF detached</td>
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<td></td>
<td></td>
<td></td>
<td>4851 Pleasant Avenue</td>
<td>L. R. Hill Custom Builders, Inc.</td>
<td>3 bedroom SF detached</td>
</tr>
</tbody>
</table>

**East Ocean View Redevelopment/East Beach**  
(as per East Beach LDDC, land price reflects 7% of lot price)

<table>
<thead>
<tr>
<th>East Ocean View Redevelopment/East Beach</th>
<th>Total [ 14 ] =</th>
<th>$179,435.57</th>
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</table>

**Huntersville Redevelopment**

<table>
<thead>
<tr>
<th>Huntersville Redevelopment</th>
<th>Total [ 2 ] =</th>
<th>$19,629.63</th>
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</thead>
</table>

**Lambert's Pt.**

<table>
<thead>
<tr>
<th>Lambert's Pt.</th>
<th>Total [ 2 ] =</th>
<th>$10,000.00</th>
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</thead>
</table>

*DIRT: 6/10/2014*
<table>
<thead>
<tr>
<th>Disposition #</th>
<th>Suffix</th>
<th>Address</th>
<th>Developer</th>
<th>Usage</th>
<th>Development Value</th>
<th>Settlement Date</th>
<th>Land Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>1553</td>
<td>B</td>
<td>1268 W. 26th Street</td>
<td>Howerin Construction Corp</td>
<td>Residential SF 3 bdrm (low mod)</td>
<td>160,000.00</td>
<td>11/08/2013</td>
<td>$10,000.00</td>
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<tr>
<td></td>
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<tr>
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<td></td>
<td>Lambert's Pt. Total [ 3 ] = $35,000.00</td>
<td></td>
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</tr>
<tr>
<td>399</td>
<td></td>
<td>3313 Granby Street</td>
<td>3313 Granby LLC</td>
<td>Residential/SF det. 5bdrm</td>
<td>250,000.00</td>
<td>07/22/2013</td>
<td>$15,000.00</td>
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<tr>
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<td></td>
<td></td>
<td></td>
<td>Park Place Total [ 1 ] = $15,000.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1306</td>
<td></td>
<td>Claiborne and Willoughby Streets</td>
<td>Willoughby Avenue, LLC</td>
<td>Commercial</td>
<td>150,000.00</td>
<td>09/04/2013</td>
<td>$150,000.00</td>
</tr>
<tr>
<td></td>
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<tr>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>South Brambleton Total [ 1 ] = $150,000.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2303</td>
<td>A</td>
<td>1126 Little Bay Avenue</td>
<td>Real Developments</td>
<td>Residential/SF det 4 bdrm</td>
<td>325,000.00</td>
<td>04/07/2014</td>
<td>$32,000.00</td>
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<tr>
<td>2304</td>
<td>C</td>
<td>1127 West Ocean View Avenue</td>
<td>Richardson Homes/Viridian Homes</td>
<td>3 bedroom SF detached</td>
<td>293,000.00</td>
<td>01/24/2014</td>
<td>$36,000.00</td>
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<tr>
<td>2304</td>
<td>B</td>
<td>1119 W. Ocean View Avenue</td>
<td>Howerin Construction Corp</td>
<td>3 bedroom SF detached</td>
<td>300,000.00</td>
<td>10/24/2013</td>
<td>$36,000.00</td>
</tr>
<tr>
<td>2304</td>
<td>D</td>
<td>1131 West Ocean View Avenue</td>
<td>Richardson Homes/Viridian Homes</td>
<td>3 bedroom SF detached</td>
<td>295,000.00</td>
<td>08/21/2013</td>
<td>$36,000.00</td>
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<tr>
<td>2303</td>
<td>B</td>
<td>1128 Little Bay Avenue</td>
<td>Richardson Homes/Viridian Homes</td>
<td>3 bedroom SF detached</td>
<td>295,000.00</td>
<td>08/06/2013</td>
<td>$32,000.00</td>
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<td></td>
<td></td>
<td></td>
<td>Willoughby Total [ 5 ] = $172,000.00</td>
<td></td>
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<tr>
<td></td>
<td></td>
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<td></td>
<td></td>
<td>Grand Total [ 34 ] = $629,565.20</td>
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<tr>
<td>Block</td>
<td>Parcel Tag</td>
<td>Address</td>
<td>BNO</td>
<td>Owner</td>
<td>Date</td>
<td>Amount</td>
<td></td>
</tr>
<tr>
<td>-------</td>
<td>------------</td>
<td>--------------------------------</td>
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<td>-----------------------------</td>
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<td>------------</td>
<td></td>
</tr>
<tr>
<td>520</td>
<td>8</td>
<td>429-431 S Main Street</td>
<td>N/A</td>
<td>Richardson, Michael</td>
<td>11/11/2013</td>
<td>$174,600.00</td>
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<tr>
<td>520</td>
<td>8</td>
<td>401-405 S Main Street</td>
<td>N/A</td>
<td>Thornton, Marcellous</td>
<td>11/04/2013</td>
<td>$60,000.00</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Berkley III Total [ 2 ] =</td>
<td>$234,600.00</td>
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<tr>
<td>522</td>
<td>19</td>
<td>964 Hanson Avenue</td>
<td>N/A</td>
<td>Delores, Todd W</td>
<td>02/27/2014</td>
<td>$130,000.00</td>
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<tr>
<td>522</td>
<td>26</td>
<td>951 Marshall Avenue</td>
<td>N/A</td>
<td>Timbrujon LLC</td>
<td>12/03/2013</td>
<td>$21,000.00</td>
<td></td>
</tr>
<tr>
<td>522</td>
<td>26</td>
<td>949 Marshall Avenue</td>
<td>N/A</td>
<td>Timbrujon LLC</td>
<td>12/03/2013</td>
<td>$21,000.00</td>
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</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Central Bramleton Total [ 3 ] = $172,000.00</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>532</td>
<td>15</td>
<td>9620 7th Bay Street</td>
<td>N/A</td>
<td>J and P Rentals, LLC</td>
<td>05/20/2014</td>
<td>$300,000.00</td>
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</tr>
<tr>
<td>532</td>
<td>12</td>
<td>9607 7th Bay &amp; WS 7th Bay</td>
<td>N/A</td>
<td>Tax Sale, 0</td>
<td>10/24/2013</td>
<td>$60,000.00</td>
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<td>East Ocean View Conservation Total [ 2 ] = $360,000.00</td>
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<td>533</td>
<td>56</td>
<td>WS 24th Bay St.</td>
<td>N/A</td>
<td>Clark Investments LLC</td>
<td>10/04/2013</td>
<td>$100,000.00</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>East Ocean View Redevelopment/East Beach Total [ 1 ] = $100,000.00</td>
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<td></td>
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<tr>
<td>543</td>
<td>94</td>
<td>863 W. 34th Street</td>
<td>N/A</td>
<td>Rincon Properties, LLC</td>
<td>04/16/2014</td>
<td>$6,000.00</td>
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<tr>
<td>543</td>
<td>16</td>
<td>603 36th Street</td>
<td>N/A</td>
<td>Montgomery, Cherilanne</td>
<td>12/16/2013</td>
<td>$90,000.00</td>
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<tr>
<td>543</td>
<td>16</td>
<td>605 W 36th Street</td>
<td>N/A</td>
<td>Payne, Janie and Wendy</td>
<td>12/02/2013</td>
<td>$116,000.00</td>
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<td>Park Place Total [ 3 ] = $212,000.00</td>
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<tr>
<td>535</td>
<td>16</td>
<td>9610 12th View St</td>
<td>N/A</td>
<td>Chandler, James M</td>
<td>02/11/2014</td>
<td>$310,000.00</td>
<td></td>
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<tr>
<td>535</td>
<td>16</td>
<td>9631 Hansford Ave.</td>
<td>N/A</td>
<td>Yurkovic, Victor and Monica</td>
<td>11/26/2013</td>
<td>$67,500.00</td>
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<td></td>
<td>Willoughby Total [ 2 ] = $377,500.00</td>
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<tr>
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<td></td>
<td></td>
<td>Grand Total [ 13 ] = $1,456,100.00</td>
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As set forth in Resolution No. 8053 adopted January 23, 1995, the below listed contracts, change orders, and bid activities are for the Commissioners’ information only, and no vote is required.

May 31, 2014

<table>
<thead>
<tr>
<th>New contracts issued between $30,000 and $99,999:</th>
<th>Contract Ceiling</th>
<th>A</th>
<th>B</th>
<th>C</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. None</td>
<td></td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>New contracts issued for $100,000 and over:</th>
<th>Contract Ceiling</th>
<th>A</th>
<th>B</th>
<th>C</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. None</td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>New task orders issued for $30,000 and over:</th>
<th>Contract Ceiling</th>
<th>A</th>
<th>B</th>
<th>C</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. None</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>New Interagency Agreements for $30,000 and over:</th>
<th>Contract Ceiling</th>
<th>A</th>
<th>B</th>
<th>C</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. None</td>
<td></td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th>Change orders issued for $30,000 and over:</th>
<th>Contract Ceiling</th>
<th>A</th>
<th>B</th>
<th>C</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. None</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Options exercised for $30,000 and over:</th>
<th>Contract Ceiling</th>
<th>A</th>
<th>B</th>
<th>C</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Janitorial Services @ Housing Ops (SMK Industries)</td>
<td>30,720.00</td>
<td>O</td>
<td>M</td>
<td>FF</td>
</tr>
<tr>
<td>2. PH Unit Inspections (USIG)</td>
<td>31,967.10</td>
<td>O</td>
<td>O</td>
<td>FF</td>
</tr>
<tr>
<td>3. Midrise Elevator Maintenance &amp; Repair (Otis Elevator)</td>
<td>37,500.00</td>
<td>O</td>
<td>O</td>
<td>FF</td>
</tr>
<tr>
<td>4. Midrise &amp; GVLC Unarmed Security (GS4 Solutions, USA)</td>
<td>387,519.85</td>
<td>O</td>
<td>O</td>
<td>EE</td>
</tr>
</tbody>
</table>

A. **KEY to contract type:**
   - C – Construction
   - O – Other than Professional Services
   - P – Professional Services
   - G – Goods, Equipment, Materials, etc.

B. **KEY to ownership type, new contracts only:**
   - M – Minority owned
   - 3 – Section 3
   - W – Woman owned

C. **KEY to Funding:**
   - FF – Fully Funded
   - IF – Incrementally Funded by Task Orders
<table>
<thead>
<tr>
<th>Type of Solicitations</th>
<th>Projected Solicitation Date</th>
<th>Initiating Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>RFP, Industrial Hygienist Services</td>
<td>Jun-14</td>
<td>Facilities Management</td>
</tr>
<tr>
<td>IFB, Paving Services @ 910 Ballentine</td>
<td>Jun-14</td>
<td>Facilities Management</td>
</tr>
<tr>
<td>IFB, Tidewater Cathodic Protection (Deep Anode Protection)</td>
<td>Jul-14</td>
<td>Capital Fund</td>
</tr>
<tr>
<td>RFP, Door and Access Maintenance &amp; Repair Svcs. - Midrises</td>
<td>Jul-14</td>
<td>Property Management</td>
</tr>
<tr>
<td>RFP, Grandy Village Curb Appeal</td>
<td>Jun-14</td>
<td>Property Management</td>
</tr>
<tr>
<td>IFB, Process Servers</td>
<td>Jul-14</td>
<td>Property Management</td>
</tr>
<tr>
<td>IFB, Grounds Maintenance Services</td>
<td>Jul-14</td>
<td>Property Management</td>
</tr>
<tr>
<td>RFP, Laundry Room Equipment - Midrises</td>
<td>Jul-14</td>
<td>Property Management</td>
</tr>
</tbody>
</table>
NRHA Tenant Accounts Receivable Charge Offs  
For The Quarter Ending March 31, 2014

<table>
<thead>
<tr>
<th>TOTAL OF INDIVIDUAL BALANCES :</th>
<th>AMOUNT</th>
<th>NUMBER OF</th>
</tr>
</thead>
<tbody>
<tr>
<td>$00.00 to $499.99</td>
<td>$6,093.87</td>
<td>27</td>
</tr>
<tr>
<td>$500.00 to $1,999.99</td>
<td>$12,284.39</td>
<td>11</td>
</tr>
<tr>
<td>$2,000.00 and Above</td>
<td>$4,555.89</td>
<td>2</td>
</tr>
<tr>
<td>TOTAL CHARGE OFFS FOR THE QUARTER</td>
<td>$22,934.15</td>
<td>40</td>
</tr>
</tbody>
</table>

Comments:
1) Gross write-offs for FY2013 were 1.11% of total tenant revenue. Gross write-offs for FY2014 are 1.12% of total tenant revenue.

2) FY2013 recoveries amounted to $70,313 or 70% of total write-offs of $100,833. FY2014 year-to-date recoveries amount to $8,198 or 11% of total write-offs of $77,933.
Narrative of Significant Accounts  
Charge Offs for the Quarter Ending March 31, 2014

Grandy Village had the first largest write-off for $2,479.09 - $2,201.32 rent, $185.07 maintenance, and $92.70 other charges. The tenant’s monthly rent was $742.00. The tenant skipped prior to being evicted for non-payment of rent. Grandy Village also had the fourth largest write-off $1,540.21 - $966.21 rent, $413.00 maintenance, and $161.00 other charges. The tenant’s monthly rent was $507.00. The tenant skipped prior to being evicted for non-payment of rent. Grandy Village also had the sixth largest write-off $1,312.45 - $1,110.45 rent, $95.00 maintenance, and $107.00 other charges. The tenant’s monthly rent was $857.00. The tenant’s lease was terminated for criminal activity.

Tidewater Gardens had the second largest write-off $2,076.80 - $1,837.43 rent and $239.37 other charges. The tenant’s monthly rent was $635.00. The tenant was evicted for non-payment of rent. Tidewater Gardens also had the seventh largest write-off $1,282.82 - $1,042.64 rent and $240.18 other charges. The tenant's monthly rent was $670.00. The tenant was evicted for non-payment of rent.

Diggs Town had the third largest write-off for $1,723.05 - $1,330.00 rent, $200.00 maintenance, and $193.05 other charges. The tenant’s monthly rent was $377.00. The tenant was evicted for non-payment of rent. Diggs Town had the fifth largest write-off for $1,335.51 - $650.00 rent, $200.00 maintenance, and $485.51 other charges. The tenant’s monthly rent was $871.00. The tenant was evicted for non-payment of rent. Diggs Town also had the eighth largest write-off for $1,081.42 - $905.80 maintenance and $175.62 other charges. The tenant’s monthly rent was $606.00. The tenant skipped prior to being evicted for criminal activity.

All other accounts were written-off for the following reasons: 12 write-offs for tenants evicted due to non-payment of rent, 2 tenants were evicted for criminal activity/drugs, and 18 write-offs were for other reasons (move-outs, skips, deceased, boarders etc.)
The write-off breakdown is as follows:

<table>
<thead>
<tr>
<th>Number</th>
<th>Amount</th>
<th>Write-offs</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,000</td>
<td>$12,381.35</td>
<td>8</td>
</tr>
<tr>
<td>$901-1,000</td>
<td>$944.79</td>
<td>1</td>
</tr>
<tr>
<td>$801-900</td>
<td>$1,755.70</td>
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<td>$701-800</td>
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<td>$601-700</td>
<td>$1,308.44</td>
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<tr>
<td>$501-600</td>
<td>$0</td>
<td>0</td>
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<tr>
<td>$401-500</td>
<td>$2,644.89</td>
<td>6</td>
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<tr>
<td>$301-400</td>
<td>$1,276.55</td>
<td>4</td>
</tr>
<tr>
<td>$201-300</td>
<td>$495.24</td>
<td>2</td>
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<tr>
<td>$101-200</td>
<td>$1,281.88</td>
<td>9</td>
</tr>
<tr>
<td>Under $100</td>
<td>$395.31</td>
<td>6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$22,934.15</strong></td>
<td><strong>40 Accounts</strong></td>
</tr>
</tbody>
</table>
0-29 days consists of excess utilities, maintenance charges, late fees, warrants and any outstanding rent for the previous month. The resident is responsible for paying the late fees, warrant and maintenance charges on the first of the following month.

30-59 days consist of late fees, warrant fees, maintenance charges and rent past due that has not been collected for the past 2 months.

60-89 days consist of late fees, warrant fees, and rent past due for the past 3 months. At this point we are able to move on possession of the unit if awarded by the Court.

90+ days consists of some residents who have been evicted and some that are still in occupancy for debts not collected for the past 4 months or longer. The amount of Aged Accounts Receivables in the "90+ days" category will normally be written off in the following quarter. However, the actual amount written off will be lower.
COMMISSIONERS’ CASH ADVANCES STATUS REPORT

As set forth in Resolution No. 9043 adopted November 15, 2010, listed below are disbursed balances advanced for approved budgeted activities

Commissioner’s information only, and no vote is required.

May 31, 2014

<table>
<thead>
<tr>
<th>Outstanding Uses</th>
<th>Drawn, Funding in Transit</th>
<th>To Be Drawn</th>
<th>Earnings Budeted</th>
<th>Reprogram Required</th>
<th>Total Amount</th>
<th>Projected Repayment Date</th>
<th>Repayment Source</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Development Division Disbursements</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 Home</td>
<td>311,222</td>
<td>259,714</td>
<td></td>
<td></td>
<td>570,936</td>
<td>b</td>
<td>Jun-14 Reimbursement Request - City Contract</td>
</tr>
<tr>
<td>2 City Capital Improvement</td>
<td>299,632</td>
<td>202,846</td>
<td>412,472</td>
<td></td>
<td>914,950</td>
<td>a,b</td>
<td>Jun-14 Reimbursement Request - City Contract</td>
</tr>
<tr>
<td>3 City Capital Improvement - Admin</td>
<td>100,000</td>
<td>80,491</td>
<td></td>
<td></td>
<td>180,491</td>
<td>b</td>
<td>Jun-14 Reimbursement Request - City Contract</td>
</tr>
<tr>
<td>4 Community Development</td>
<td>267,872</td>
<td>240,559</td>
<td></td>
<td></td>
<td>508,431</td>
<td></td>
<td>Jun-14 Reimbursement Request - City Contract</td>
</tr>
<tr>
<td>5 Community Development - Admin</td>
<td>98,681</td>
<td>25,713</td>
<td>260,610</td>
<td></td>
<td>385,004</td>
<td>a,b</td>
<td>Jun-14 Reimbursement Request - City Contract</td>
</tr>
<tr>
<td>6 Local Development Fund</td>
<td></td>
<td></td>
<td>109,123</td>
<td></td>
<td>109,123</td>
<td></td>
<td>Jun-14 Earnings from Other Programs Budgeted</td>
</tr>
<tr>
<td>7 Northside Village Center</td>
<td></td>
<td></td>
<td>49,988</td>
<td></td>
<td>49,988</td>
<td></td>
<td>Jun-14</td>
</tr>
<tr>
<td>8 Urban Design</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>194,479</td>
<td></td>
<td>Jun-14 Funds on Deposit Requiring Reprograming</td>
</tr>
<tr>
<td><strong>Housing Division Initiatives</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9 Choice Neighborhood</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>75,626</td>
<td></td>
<td>Jun-14 HUD Drawdown</td>
</tr>
<tr>
<td>10 Park Terrace</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>54,928</td>
<td></td>
<td>Jun-14 Restricted Cash Held by VHDA/Fiscal Agent</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11 CEO Contingency Fund</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>356,053</td>
<td>d</td>
<td>Jun-14 Earnings from Other Programs Budgeted</td>
</tr>
<tr>
<td>12 Core Bus Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>349,046</td>
<td></td>
<td>Jun-14 Earnings from Other Programs Budgeted</td>
</tr>
<tr>
<td>13 Comm &amp; Govt Relations</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>350,399</td>
<td></td>
<td>Jun-14 Earnings from Other Programs Budgeted</td>
</tr>
<tr>
<td>14 Earnings from other programs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-1,214,609</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Outstanding Advances</strong></td>
<td>$ 1,077,407</td>
<td>939,877</td>
<td>0</td>
<td></td>
<td>2,884,845</td>
<td>c</td>
<td></td>
</tr>
</tbody>
</table>

a Prior year expenditures totaling $673,082 included in this balance; CIP- $412,472 and CD admin-$260,610 (FY08-$220,616 and FY09-$39,994).

b FY2014 contracts received 10/7/13 for CIP, CDBG and Home

c Other temporary advances also exists, ie. Oakleaf Forest-$1,120; Northside-$173,133; Monroe Bldg-$383,027; Partrea-$1,074,986; Oakmont-$45,651, 201/205 Granby Street Development - $687, A/R CIP $399,290 - **Total $2,077,894**
NRHA is required by federal code to conduct an energy audit every five years and we have always met the requirement. The audit reviews the energy usage in all NRHA public housing communities and determines what measures to implement to save energy. Federal code dictates that these energy conservation measures (ECMs) must be implemented by NRHA if deemed cost-effective and again various cost savings measures have been implemented in the communities for years. ECMs may be paid for out of Operating Funds, Capital Funds, or third-party funds utilizing an Energy Performance Contract (EPC).

An EPC provides a housing authority the financing mechanism to implement ECMs throughout all properties within a 1-2 year construction period and then use the energy savings achieved over the next 20 years to pay for the physical improvements. In this way the EMCS are ultimately paid for by HUD an NRHA can save Operational and Capital Funds for other needs, including an estimated $200 million backlog in capital needs over the next 20 years within our present public housing inventory.

An EPC is designed and implemented by an Energy Services Company (ESCO). The ESCO conducts a comprehensive, investment grade energy audit and then submits a proposal recommending specific ECMs to NRHA. Within the proposal the ESCO identifies the reduced amount of energy consumption each ECM will provide and guarantees those consumption levels. The proposal is then submitted to HUD for approval. Upon approval by HUD, NRHA negotiates and secures a loan from a private lender to pay for the labor and materials required to install the ECMs. As part of the plan, HUD will freeze the energy quantities that NRHA currently consumes and will pay this amount, or the prorated amount, for the 20-year term of the loan. The difference between the current level of consumption and the reduced level of consumption produced by the ECMs results in monetary savings that are used to retire the loan. If more savings than originally estimated are achieved, NRHA gets to keep the additional savings and can use that money for Operations and Central Office costs. If less savings than originally estimated are achieved, the ESCO covers the shortfall by paying the difference to NRHA.

In March 2014, HUD approved the EPC proposal submitted by NRHA. The proposal identifies approximately $13 million in construction costs to install ECMs that will result in guaranteed energy consumption savings equaling $29 – $35 million over 20 years, depending on proration.

The administration will be glad to review further the shared EPC information with the Board since 2008. If the Board would like to schedule a work session on the matter prior to the next monthly meeting we will be glad to do so. The matter can also be carried over until the Policy Meeting with the Board on July 24. The goal is to provide the Board with full information on the matter prior to any recommendations.
Energy Performance Contract (EPC)
An energy audit is required every 5 years

Recommendations for energy-saving improvements produced by the audit are required to be carried out if economically feasible and can be paid through the Operating Fund or Capital Fund

NRHA has historically made energy-saving improvements through Capital Fund projects

When improvements are made through Capital Fund projects, NRHA enjoys some of the savings across a 3-year rolling base; in 4th year all the savings go back to HUD

HUD offers a third way: the Energy Performance Contract (EPC)
What is an Energy Performance Contract (EPC)?

- NRHA takes out a loan to pay for energy-saving improvements to our properties
- HUD freezes the 3-year rolling base for energy consumed by NRHA
- Energy-saving improvements lower energy consumption and therefore reduce cost of utilities
- The difference in value between the frozen consumption level and the lower consumption level after improvements are made creates savings that are used to pay off the loan

Example:  
Before EPC water usage = 316 million gal/yr  
After EPC water usage  = 222 million gal/yr  
Savings  = 94 million gal/yr  
Dollar Savings  = $1.5 million

- Savings must be used to pay off the loan but can also be used to support NRHA operations, central office costs, or fund reserves to hedge against low proration years or to allow flexibility in future housing decisions
What is an Energy Performance Contract (EPC)?

- Historically over the last 5 years water costs have gone up about 6%/yr
- With the EPC, as rates go up, savings actually increase, because HUD is committed to pay for the frozen consumption quantity, not a set dollar amount

Example:

<table>
<thead>
<tr>
<th>Year</th>
<th>Consumption (Mgal)</th>
<th>Cost Calculation</th>
<th>Cost (Million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1</td>
<td>94</td>
<td>$0.016/gal</td>
<td>$1.50</td>
</tr>
<tr>
<td>Year 2</td>
<td>94</td>
<td>$0.017/gal</td>
<td>$1.59</td>
</tr>
<tr>
<td>Year 3</td>
<td>94</td>
<td>$0.018/gal</td>
<td>$1.69</td>
</tr>
<tr>
<td>Year 4</td>
<td>94</td>
<td>$0.019/gal</td>
<td>$1.79</td>
</tr>
<tr>
<td>Year 5</td>
<td>94</td>
<td>$0.020/gal</td>
<td>$1.90</td>
</tr>
</tbody>
</table>
The Board of Commissioners passed a resolution August 11, 2011 authorizing the CEO to negotiate an Energy Services Agreement with an Energy Services Company (ESCO) and solicit and negotiate financing in anticipation of implementing an Energy Performance Contract.
NRHA competitively procured Ameresco as the energy services company and Crews and Associates as the third-party lender.

Ameresco conducted an energy audit of all properties.

Ameresco and NRHA developed energy conservation measures (ECMs).

Ameresco and NRHA developed an Energy Services Agreement (ESA) and submitted to HUD for approval.

HUD approved the ESA in March 2014.

Staff has been assessing HUD approval and current budget environment and financial position.
What Was Approved by HUD?

- **Energy Conservation Measures (ECM)**
  - Low-flow toilets
  - Low-flow showerheads
  - Low-flow faucets
  - Heating valves on radiators
  - Cap exterior sill cocks
  - Energy efficient common area lighting
  - Upgrade energy management systems (boiler rooms)
  - Geothermal heat pump system in Calvert (A/C)

- **Properties**
  - Tidewater
  - Diggs Town
  - Young Terrace
  - Calvert Square
  - Oakleaf Forest
  - Partrea
  - Hunter Square
  - Bobbitt
  - Sykes
  - North Wellington
What Was Submitted and Approved by HUD?

- HUD requires that the EPC application assume 100% proration

20Year Period

<table>
<thead>
<tr>
<th>Year</th>
<th>Energy Savings</th>
<th>Debt Payment</th>
<th>Ameresco</th>
<th>Maintenance Reserve</th>
<th>Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>100% Proration</td>
<td>35,892,653</td>
<td>25,449,100</td>
<td>1,930,479</td>
<td>359,003</td>
<td>8,154,071</td>
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<tr>
<td>88% Proration</td>
<td>31,585,535</td>
<td>25,449,100</td>
<td>1,930,479</td>
<td>359,003</td>
<td>3,846,956</td>
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<tr>
<td>85% Proration</td>
<td>30,508,755</td>
<td>25,449,100</td>
<td>1,930,479</td>
<td>359,003</td>
<td>2,770,177</td>
</tr>
<tr>
<td>82% Proration</td>
<td>29,431,976</td>
<td>25,449,100</td>
<td>1,930,479</td>
<td>359,003</td>
<td>1,693,397</td>
</tr>
<tr>
<td>78% Proration</td>
<td>27,996,269</td>
<td>25,449,100</td>
<td>1,930,479</td>
<td>359,003</td>
<td>257,691</td>
</tr>
</tbody>
</table>
EPC Program Conditions

- 75% of the savings must be used to pay off cost of improvements—loan, ESCO, maintenance support

- Of the remaining 25% of savings, at least 50% must go to AMPS and can be used for any eligible operating expense including reserves and 50% may go to COCC and can also be placed in a reserve account

- ESCO guarantees savings—if minimum savings are not achieved, ESCO pays NRHA the difference

- ESCO provides training for staff and residents and supports the Section 3 program with a grant of $10,000

- Third party financing saves Capital Fund for other projects including demo/dispo, redevelopment, new construction, renovation

- If energy improvements are done without an EPC, the bulk of the savings are retained by HUD
EPC Flexibility

- Financing can be structured so that units may be removed from the EPC after energy improvements are made.

- Loan can be set up with no liens on equipment and no pre-payment penalty—allows ability to pay off a portion of the loan equivalent to the amount of units being removed.

- The 25% of savings not used to pay off loan can be placed in a reserve fund to be used as a hedge against low proration years or to buy down the portion of the debt associated with units being demolished or removed.
EPC In Summary

- Between $29M - $35M in energy savings over 20 years
- As utility rates increase savings increase
- Saves Capital Fund for other projects
- If energy improvements made without EPC, majority of savings go back to HUD
- Short term pay back items fund major additions like air conditioning in Calvert that would otherwise be unaffordable
- Savings guaranteed by ESCO
- Savings can be used to fund Operations and COCC and can be placed in reserve accounts in both areas
- Savings transferred to COCC are de-federalized
- Loan term flexibility allows for planning flexibility
Next Steps

- Provide additional information on EPC Program since 2008
- Review information in a work session with the Board as needed or requested
- At July 10, 2014 Board meeting, provide new Update on EPC
- If more time is needed by the Board to review and discuss the matter, it will be included on the Policy Meeting agenda for July 24, 2014
Committee Agenda and Attendees

On June 5, the Royster Building and Annex committee of the Board of Commissioners, including Richard Gresham and Alphonso Albert, held a meeting at 11:00 a.m., with Shurl Montgomery and John Kownack in attendance. Patrick Gill of CBRE, listing agent for the Royster Building and Annex, joined the meeting at 11:30 a.m. The agenda for the meeting is identified below:

- Process for Determining Highest and Best Use
- NRHA Sales Price Objective if Option to Sell is Chosen
- NRHA Cost/Impact of Renting Elsewhere
- Review of Current and Previous Purchase Offers (with Patrick Gill)

Policy Discussion

The committee discussed the objectives of NRHA related to the adaptive reuse of the Royster Building and Annex, either through the sale of the building to an outside party or by NRHA creating or entering into a partnership with another entity to complete the adaptive reuse while maintaining a controlling entity position. The committee recognized as NRHA’s primary consideration in the determination of what should be done with the Royster Building and Annex to be: seeking the highest and best use of the property in a manner that provided the most benefit to the City of Norfolk. At the same time, the committee recognized that the property is an asset to NRHA and that it is most prudent for NRHA to preserve and enhance income-producing assets in order to provide the ability to perform its mission in the future.

In reporting to the full Board of Commissioners, the Committee agreed to recommend that collaborative efforts with the City of Norfolk and appropriate industry experts be made during the next 60 days to determine the highest and best adaptive reuse of the Royster Building and Annex. The result of this effort would be used to guide further decision making regarding the sale or retention of the property.
BE IT RESOLVED, that the Authority will convene in a closed meeting in pursuant to the Virginia Freedom of Information Act, as amended (the “Act”), to discuss the following matter(s) which is specifically exempted from public disclosure by the code section referred to below:

Resolution Convening a Closed Meeting on June 26, 2014 for:

1. “Discussion and consideration of the disposition of publicly held real property in Downtown revitalization areas as authorized by Section 2.2-3711.A.3 of the Act.”
Commissioners’ Resolution

Commissioners’ Meeting Date: June 26, 2014

Title: Resolution Certifying a Closed Meeting

Resolution:

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.
1. NRHA awarded two NAHRO Awards of Merit

2. East Beach Master Plan - Carriage Homes and Cottages

3. RECENT ARTICLES & CORRESPONDENCE/UPCOMING EVENTS
   
   a. Board of Commissioners Meeting Schedule (July – December 2014)
   
   b. NRHA Budget Public Hearing/May 29, 2014
   
   c. NRHA’s Employee and Family Class of 2014 Graduates
   
   d. Letter/PETALS
   
   e. Housing News articles
      1. PIH Alert – Flat Rent
      2. Columbia Business – Section 8: Explained
      3. Housing News Highlights – PA – Pittsburgh –Section 8 Housing Vouchers Lead to Limited Neighborhood Choices
      4. WI – Affordable Housing is not Easy to Come by in Kenosha County
      5. In Search of Second Chances
      6. IA – Rock Island –RIHA Launches $14M Housing Project – Davenport, IA
      7. PA–Public Housing Tenants Brace for Rent Increase Under Federal Changes
Subject: NRHA Wins Two NAHRO Awards

Executive Contact: Ed Ware
Date: June 26, 2014

BACKGROUND

NAHRO has recognized the following two NRHA programs for awards:

Sail Quest Summer Camp- Award of Merit in Housing and Community Development.

Resident Home Build Program- Award of Merit in Housing and Community Development, and has also been entered into the National Award of Excellence Competition.

STATUS

Both Awards of Merit will be awarded at the Summer NAHRO conference on July 17 in Tampa, FL.

The winner of the National Award of Excellence (for Resident Home Build Program) will be announced at the NAHRO National conference in October in Baltimore, MD.

FUTURE ACTION

A news release will be issued upon NRHA acceptance of awards July 17.
Subject: East Beach Master Plan – Carriage Homes and Cottages

Executive Contact: John C. Kownack                   Date: June 26, 2014

BACKGROUND

This is update the Board of Commissioners regarding two modifications to the development plans for the East Beach development that have been deemed to be consistent with the East Beach Master Plan as approved on previous occasions by the Board of Commissioners.

East Beach has served to transform approximately 94 acres of blighted properties, acquired by NRHA throughout the 1990’s and early 2000’s, into a high quality bay front community of choice. This vibrant new community continues to generate tax revenue that justifies the initial public investment for acquisition and clearance. Property assessments for the East Beach footprint totaled $68 million in 2005, providing $756,000 in annual real estate taxes. In 2013, East Beach property assessments totaled $280 million, generating annual real estate taxes of $3.2 million. From 2005 through 2013, the cumulative increase in real estate taxes realized by the City of Norfolk for East Beach totaled $19.7 million. The increase in property assessments at East Beach in excess of 300 percent compares favorably with the City’s overall 50 percent assessment growth during the same period.

STATUS

The modifications of the development plans for East Beach are described below:

1. Cottages on Pretty Lake Avenue between 24th and 25th Bay Streets. Previous plans called for five small single-family lots to support the development of cottages, which have been very successful in terms of aesthetic value and sales. Based on an assessment of what configuration may be best along 24th Bay Street, the five lots have been reconfigured to become three larger single-family lots along 24th Bay Street in the same pattern as the lots on 24th Bay north of this parcel.

2. Courtyard Carriage Homes at East Beach. Previous plans called for mixed-use development along Pretty Lake Avenue between 26th and 27th Bay Streets with commercial space on the first floor and condominium homeownership on the floors above. This model has not proven to be successful in an earlier phase of East Beach. As a result, a new subdivision plat has been approved to allow the development of 19 carriage homes on the site that have been very successful in past years. A streetscape illustration of the carriage homes and site plan are attached for information.

FUTURE ACTION

Staff will continue to apprise the Board of Commissioners on the status of the East Beach development as appropriate.

Attachments: Streetscape Illustration and Site Map for East Beach Carriage Homes

Revised 2/13/08
RECENT ARTICLES & CORRESPONDENCE

and

UPCOMING EVENTS
# BOARD OF COMMISSIONERS

Meeting Schedule for 2014

## Remainder of 2014

<table>
<thead>
<tr>
<th>Business Meetings</th>
<th>Policy Meetings</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>June</strong> 26 3–5 p.m.</td>
<td><strong>July</strong> 24 3–5 p.m.</td>
</tr>
<tr>
<td><strong>July</strong> 10 3–5 p.m.</td>
<td><strong>August</strong> 28 3–5 p.m.</td>
</tr>
<tr>
<td><strong>August</strong> 14 3–5 p.m.</td>
<td><strong>September</strong> 25 3–5 p.m.</td>
</tr>
<tr>
<td><strong>September</strong> 11 3–5 p.m.</td>
<td><strong>October</strong> 23 3–5 p.m.</td>
</tr>
<tr>
<td><strong>October</strong> 9 3–5 p.m.</td>
<td><strong>November</strong> 13 3–5 p.m.</td>
</tr>
<tr>
<td><strong>November</strong> 11 3–5 p.m.</td>
<td></td>
</tr>
</tbody>
</table>

- **2nd Thursday of month** / Business Meeting
- **4th Thursday of month** / Policy Meeting
In The Matter Of:
NRHA Public Hearing

May 29, 2014

ZAHN COURT REPORTING
208 E. Plume Street, Suite 214
Norfolk, Virginia 23510
tel: 757 627 6554 fax: 757 625 7077
eemail: info@zahncourtreporting.com

Original File 052914obNHRA.txt
Min-U-Script® with Word Index
NORFOLK REDEVELOPMENT AND HOUSING AUTHORITY

PUBLIC HEARING

IN RE: FY 2015 PROPOSED BUDGET

201 Granby Street
Norfolk, Virginia
Thursday, May 29, 2014
3:33 p.m.

TRANSCRIPT OF PROCEEDINGS

F. Nash Bilisoly, Chairman
Alphonso Albert, Commissioner
Rose Arrington, Commissioner
Richard Gresham, Commissioner
Donald Musacchio, Commissioner
Robert J. Soble, Commissioner

ALSO PRESENT

Shurl Montgomery, Executive Director
Timothy A. Coyle, Esquire
Brenda Benn, Director of Budget and Compliance
CHAIRMAN BILISOLY: This is a public hearing being held on May 29, 2014. We're starting at 3:33 in the afternoon. This is on the proposed 2015 budget. We have a presentation, and I will recognize Ms. Benn.

MS. BENN: Good afternoon, Commissioners. I am Brenda Benn, Director of Budget and Compliance, and today I will be presenting the FY 2015 proposed budget.

You have received your budget book. It's been disseminated to each of you. It's been on our website. It's for your review and consideration, and today I will just be providing some excerpts from that material.

The FY 2015 theme "Housing Matters" really is reflective of our CEO's commitment. For almost nearly about 75 years, we've weathered the ups and downs, and we still believe that the value of quality affordable housing is essential and that it does promote positive impacts to our citizens of Norfolk.
Our mission is to provide quality housing opportunities that foster sustainable mixed income communities, and our vision is quality housing choices in neighborhoods where you want to live.

I am pleased this afternoon to present to you the consolidated annual and operating capital budget for FY 15 in the amount of $84.6 million. The number 84.6 does restore the TMC stipend that we talked about last month. It is balanced, but, of course, regulations are constantly changing. And with our shrinking resources, it's crucial that we look at our budget so that we don't waste anything and that we don't underutilize our resources.

Our proposed budget is made up of our three divisions: The housing division, development and other programs, housing still being the largest percentage of our budget.

Our proposed revenue, we have resources, and you can see on the chart that the housing, U.S. Department of Housing and Urban Development known as HUD, largely supports our budget. And it's made up of federally aided subsidies, made up of capital funds, the Housing Choice Voucher Program, CDBG and Home.

The city funding comes from the city of Norfolk, which includes the general fund of about
2.5 million, and the Capital Improvement Program which helps in our neighborhoods, revitalizing our neighborhoods, of 7.2.

The tenant income represent rents that we receive from our residents from the federally aided properties, the communities, our privately managed properties which is Oakmont, Merrimack and Park Terrace.

The other income includes development fees that we receive from projects, mixed income projects that we finance, and some other incomes like the rents that we receive from the Grandy Learning Center from Norfolk Public Schools.

We do anticipate using about $2.1 million in program reserves, and some of the reserves are programs that, I mean, funds that represent like housing opportunity to find a home ownership for our residents program. It also includes use of proceeds from the sale of land from the Empowerment 2010, and also we are utilizing some Merrimack reserves this year for the John T. West and our mixed -- our predevelopment costs for mixed financing projects.

On the expenditure side, as you can see, 23 percent of our budget is for labor and fringe benefits. The non-personnel costs, which represents
our rent, our overhead, administrative operating costs
such as travel, training, consultant fees, are
represented in the non-operating costs.

The program costs, which is about
28 percent, the bulk of that money really represents
the Housing Choice Voucher Program and the HAP payments
of about $24.4 million. The other type of services in
this category are protective services for the
communities, the TMC stipends and other resident
service-type activities.

Under the general expense, that includes
our debt, our principal payment, our property and
liability insurance, our PILT taxes and subsidy
payments to our Broad Creek and TCB properties.

On the operations, that cost also
includes the maintenance of our public housing
communities, which is utility payments, and the
maintenance and operating costs of our
privately-managed properties.

Of course, lastly, the capital
improvement -- I'm sorry -- capital and multiyear
programs, that generally is our development division
programs hard cost for acquisition relocation, those
type of expenses, and the CFP.

The next chart, we just want to remind
you that part of the budget does include a reduction in
staff of about 15 vacant employees -- 15 vacant
positions, some through attrition, and this represents
285 positions that are in the budget this year.

The next several slides that we will be
discussing are just some budget highlights, some budget
goals, and then some of our operational objectives for
FY 14.

On the highlights we want to let you know
that in this budget for the sixth consecutive year
there are no pay-for-performance increases. And for
eight years, NRHA's annual health insurance premiums
have increased, and we've shared this with the
employees.

We are eliminating 15 positions, again,
vacant positions, which would result in a
redistribution of work. We've decreased our utility
costs in federally aided, and we're looking at a
computer hardware and software contract and
acquisitions by our structural division management.

Our budget goals, as we continue to look
at our goals this year, we want to maintain our current
level of essential services. We will continue to look
at the administrative spending, which is reflective of
our diminishing revenue. And again, we are using our
current year earnings and reserves from our
privately-managed properties so that we will not have
deeper reductions and we balance the budget.

Some of the operational objectives this
year, we continue to look at the long-range strategic
plans for NRHA properties using operating and capital
needs assessments. We continue to look at, insure that
the physical conditions of our public housing
communities continue to meet the REAC standards. And
in the development division through the city of Norfolk
we still provide direct financial assistance and
technical assistance for homeowners through our rehab
and our repair programs for the citizens of Norfolk's
homes.

We will continue to work with HUD this
year to remove compliance and reporting requirements
for the Community Development Block Grant Program. We
continue to pursue new housing development for the
communities of Berkley, Broad Creek, Grandy,
Huntersville, Ocean View and Park Place. And we are
going to implement a new performance management system
for our employees that we can get paid for performance.

As we look forward, of course I said that
we're always looking at shrinking revenues, but we will
continue to monitor the federally aided subsidies. We
are looking at housing choice voucher utilization. We will continue to pursue any grant opportunities that are available. And where there are going to be potential budget amendments, we will bring those back to you, and we will update you through the FY2015 budget year.

And that is my presentation.

CHAIRMAN BILISOLY: Thank you very much.

And we have -- we have spent a long time as a board going through each of these, and it doesn't mean that the -- that we can not ask any questions now or discuss it.

Are there any board comments or questions at this juncture?

Mr. Albert?

COMMISSIONER ALBERT: I have a question for Brenda.

CHAIRMAN BILISOLY: Hold on a second.

COMMISSIONER ALBERT: You don't have to go all the way back up there. I just wanted to ask you, the term "labor costs," does that include just all salary and personnel costs? Is that just one term that --

MS. BENN: That's labor. That's all personnel.
COMMISSIONER ALBERT: Yeah. I guess --
but I just -- there's no distinction in labor. When
you talk about a maintenance supervisor or housing
manager --

MS. BENN: No. No. It's every -- it's
all employees there.

CHAIRMAN BILISOLY: That's everybody,
soup to nuts.

MS. BENN: And of that 19 million, 14 is
in labor; the other 5 is in fringe benefits.

COMMISSIONER ALBERT: Okay. The other
question is, unpack that term "structural divisional
management" for me.

MR. MONTGOMERY: I can do that. You
know, we have struggled, I guess, over the years trying
to coordinate the technology requirements, both
hardware and software, from each one of the divisions.
And so for the last couple of years we've tried some
processes to, one, bring forth what those
recommendations are, but it was always kind of a
misconnection about what the overall organization needs
were.

So this year I proposed to put together a
committee representative from each one of the three
divisions, our techie types, our communication types,
so that we could all sit down around the table. It's a committee of six people, including myself, to review all the hardware and software requirements for the organization. So we're all sitting at the same table trying to figure out if this software is purchased by the organization, how does it benefit the overall organization versus one division.

So we've started that this year. And as part of this year's budget, the budget proposal for all upgrades for technology hardware and software is coming through the chiefs to this committee. Then we send back a recommendation to the chiefs, and then it's put into the budget. So we have a little flow chart to show how that process works. But what it does is gives us the ability to look at the overall organizational needs and make sure that we maximize the use, especially software packages that we acquire.

We have found that sometimes more training is needed by the employees to fully apply the software applications. And some employees feel a little hesitant learning new systems, but we're going to make that a requirement. So this pay-for-performance thing we're talking about, too, those kind of goals will be built into that performance.
So it's really an organizational structure of the divisions to make decisions about hardware and software acquisitions for the future.

COMMISSIONER ALBERT: I got it. That makes sense. Thank you.

CHAIRMAN BILISOLY: Thank you.

Any other comments from the board?

COMMISSIONER ARRINGTON: Brenda, I just wanted to thank you for all of the TMCs for giving us back the stipend because we really needed it, and we really appreciate you all putting it back into the system for us. Thank you again.

CHAIRMAN BILISOLY: I'm not going to say that it wasn't in there.

MR. MONTGOMERY: Thank you, Rose. That was very nice.

CHAIRMAN BILISOLY: Any other comments before we open the public hearing?

All right. Then we're going to open the -- as I say, this is a public hearing. We're going to open it up to the public. And anybody who would like to comment, we generally ask that the comments relate to the -- we do ask the comments relate to the actual presentation by Ms. Benn.

And I do want to say before we do this,
that this is not the first time the public has seen it. We've had -- this has been very public for -- for a month, I guess, a period of time. It's been on the website. It's been -- it's in all the places that the law requires it to be, and this is the opportunity for the public to -- to comment verbally. The public can also comment in written form. There's a procedure for doing that, and that can happen all the way up until we vote on this on June the 26th.

With that, I have Mr. White.

MR. WHITE: Yes.

CHAIRMAN BILISOLY: Yes, sir. Do you want to speak? I've got you --

MR. WHITE: Absolutely.

MR. MONTGOMERY: Come on up.

MR. WHITE: Good evening, everybody.

CHAIRMAN BILISOLY: This is Raytron White from 2957 Kimball Terrace.

MR. WHITE: I have some concerns about the budget. Commissioner Arrington said about giving us the money back, I didn't know we got it back. I knew our budget was cut. And in our community fund, I don't know if the community fund means the capital fund. But when I first got in office, I had two budgets, a community fund and a capital fund.
I'm only here to speak for my neighborhood, but again, I thought about it. I want to speak for all public housing because I am an official TMC president, and I stand for not just one but all.

This year has been a very very tough struggle for me and my staff. Even to have a board and have people I couldn't put on the board because when it comes to stipend time, we didn't have enough money to pay everybody. So I took it upon myself to make sure that we had the best quality care of public housing and activities and things we needed to do for our community.

And I can speak for Grandy Village. We have triple task was very hard. We got recognized from the state, the city, and the people of Grandy Village of the welfare we're doing and the welfare of our community.

I just left a meeting today with the school system of Chesterfield Academy. Our kids, because of the work that Grandy Village has done, our SAT scores are up. And I have to beg other companies to help us get stuff when we had -- one time we had a capital fund of $5,000, and they cut our community fund to $5. And it's real hard that my budget is $7,441.50. I have 363 units, over 500 kids, and I have to go out
and really beg and plead for stuff for our kids to have for this year and last year because of budget cuts. And we do wonderful things. Our stuff is -- we almost got audited from the IRS because of things happening past few years. I took it upon myself to make sure that we're in good standing with IRS. I even called Richmond HUD to make sure that our community, that we're doing the right things, and the budget cut is hurting us.

Thank God, I pray, that we don't have the crime in Grandy Village. It's probably 20 -- 10 to 20 percent in other neighborhoods because we have a structure in Grandy Village, and I continue to have that structure in my last year on -- running for the board.

But I want to make sure that my neighborhood will be the best neighborhood. Because when we look good, all of you all look. And with a budget cut, we can not keep continuing what we're doing. When they're cutting the budget, I can't buy computers. I can't buy a copy machine. I have a relationship with a rental office, and I was told I could not make any more copies there because that's for the rental office to do.

We're all in a family. We're all under
NRHA. And if we can't do that, if I can buy my own copy machine I won't to use. So what I do is I have lunch for them, and they do stuff for me. Lunchtime, I bring them lunch. And I don't think I have to do that because of the relationship we did have, we don't have that any more.

And it's our stuff has been cut because I could buy for my community fund stuff, I have to do my community fund money with my office stipend, my community stipends, stipends of my office, all of that out of $7,441. I don't know who have done it. It was for the grace of God that we got this year, and we probably got like about 2 or $300 in our bank account. So I have to cut some things out for the graduation seniors. Even the entitlement thing we're having at the school, I have to cut it out because I could not keep asking the businesses to keep asking every three or four months to give us money. And I wish we could get that capital money back. That could save us some stuff to do.

And we were asked to give and asked companies to help us do things. We did that. Then NRHA was not behind us when we asked companies to do things. They cancelled an event of ours last year. We had companies give us over $2,000. But because of
things that I did not have in place when I did it, they
were not aware of things and how -- the amount of what
the businesses is going to bring, NRHA was not ready
for that event. So I had to cancel and I lost money.
So I don't want to cut grass. I don't want to have to
go and beg and plead if we have capital money that we
have got back to give us something.

And I'm speaking of Grandy Village. I
can bring you all our documents. We are the best
community in Norfolk, and we will stay that way, but we
need your help. And if you can make the decision to
give some of the capital money back for capital funds
for office, I bet we can make it. If not, we're not
going to make it. And the kids are on the right path.
The neighborhood is on the right path. But if we do
not have the currency of money coming, we're going to
be back to square one.

I want you to visit our neighborhood and
see what Grandy Village has done. As a matter of fact,
we have everything we need to do, but we have the lack
of funds. And I'm really -- I'm really really tired of
going out and begging folks and telling them and them
coming out to do something when I know we can have some
more -- if we get a little more money in our budget
from capital funds, I think we can make it.
And I'm speaking for Grandy Village. And I thank you for your time, and I appreciate all you have done so far.

CHAIRMAN BILISOLY: Let me say, I'm sure I speak for the board, we very much appreciate the work you have done over there at the TMC. And I know it's difficult, and we will -- we will listen to what you have to say; I promise you. It's something we will -- we certainly very much appreciate the work you've done especially.

MR. WHITE: Thank you.

MR. SOBLE: Can you elaborate a little bit on some of the other things you do?

MR. WHITE: Well, we have an empower youth department, and we have a relationship with the rec center. We have to go, and I called people and parents and some officials at the city of Norfolk. We have last -- 2010, '9 and '10, we had the best empowerment youth there was. We won every sport, every obstacle that had to done with educational and sports in the city of Norfolk because we had people that took out time, coaches and art directors, and we got scholarships from the state. A young lady did a picture of how it was a better home in Grandy Village; she won a scholarship for that.
And we have stuff for sports, soccer, people coming and volunteering. But the lack of funds and the center, the lost because we didn't have active people to work in our center, so we had to go out and get back to people to come in free of charge. And then for them to have the city not to come in and do some things.

In the gymnasium, they have an odor in there. It would never come out. They keep putting bleach. Some people didn't want to come. They thought people were -- kids were getting sick. It's the same with the AC was not working. And some things, even the basketball court outside, the lights were done over 30 years; they just put the lights on. So things we got done because we asked people to get it, to keep, you know, activities for the kids and people to do out there was limited because we didn't have much money when they cut some of the money.

I had a program I was doing, a tutoring program. We had over 25 children from getting Es and Ds to As, Bs. This year we had to cut it because we had no funds. The funds was giving them snacks. We couldn't buy water. We couldn't buy this. Something they said we could not buy. And it was empowering the kids to do better. Now our tutoring programs, four
kids come because we don't have the funds and resources
to get this stuff for kids.

    And I think that's really really a
conflict. Because kids are the future. You train up a
child with education, they will not depart. That's
what we had but we don't have it this year.

    MR. SOBLE:  How much money do you need?

    MR. WHITE:  Well, our capital fund was
5,000. I'm asking for some of that so I can buy
equipment like books and pencils and papers. We don't
have a pencil sharpener. I have to go to the
elementary school to use a pencil sharpener to help
educate the kids so we have equipment for them to learn
with.

    CHAIRMAN BILISOLY:  Thank you very much.
Any other questions? Mr. White, thank you very much.

    MR. WHITE:  Thank you so much.

    CHAIRMAN BILISOLY:  I don't have anyone
else signed up to speak. Is there anyone that's in the
audience that would like to speak without not having
signed up?

    With that, I want to thank Mr. White. I
want to thank all of the public in general, and I will
bring the public hearing to a close.

    (Hearing concluded at 3:56 p.m.)
COMMONWEALTH OF VIRGINIA AT LARGE, to wit:

I, Olga Branum, RPR, Notary Public for the Commonwealth of Virginia at Large, of qualification in the Circuit Court of the City of Norfolk, Virginia, and whose commission expires September 30, 2016, do hereby certify that this proceedings was recorded in Stenotype by me and reduced to computer printout under my direction; and that the foregoing constitutes a true, accurate and complete transcript of such proceeding.

I further certify that I am not related to nor otherwise associated with any counsel or party to this proceeding, nor otherwise interested in the event thereof.

Given under my hand and notarial seal this 6th day of June, 2014 at Norfolk, Virginia.

______________________________
Olga Branum, RPR
Notary Registration No. 180475
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$7,441 (1)  
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$7,441.50 (1)  
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$84.6 (1)  
3:7  

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NRHA’S Class of 2014

NRHA’S Class of 2014

Africa Matthews
Masters in
Business
Administration/Public
Administration – Ashford
University

Roxanne Potts
BA in
Business
Administration/Management
Saint Leo University

NRHA’S “2014” FAMILY GRADUATES

❖ Lori Baer’s daughter, Jordan Baer graduated from Old Dominion University with a Masters in Elementary Education.
❖ Russell Carlock’s Sr., son, Russell Carlock, Jr. graduated from Harvard University with an Ed. D. (Doctor of Education.
❖ Lisa Fowler’s, daughter, Jada Fowler graduated with honors from Hickory High School. She plans to attend Virginia Commonwealth University in the fall.
❖ Belinda Hillman’s, daughter, Lindsay Hillman graduated from Norfolk State University with a BS in Exercise Science with a concentration in Kinesiotherapy.
❖ Tara Hyman’s, daughter, Erika Hyman graduated with honors and an advanced diploma from Kings Fork High School. She will attend Old Dominion University in the fall.
❖ DiAnne Montgomery’s son, Tyler Montgomery graduated Deans List with an AS degree from Everest College, HVAC Program.
❖ Yolanda Wiggins’s son, Tariq Powell graduated with an advanced diploma from Booker T. Washington High School. He plans to attend Norfolk State University in the fall.
❖ Marriane Versprille’s daughter, Allyson Versprille graduated from the University of Virginia with a BA in Media Studies. Marriane’s son Robert Versprille graduated with honors and an advanced diploma from Kempsville High School. He plans to attend the University of Virginia in the fall.
❖ Jennifer White’s, son Jaquan White graduated with an advanced diploma from Ocean Lakes High School. He plans to attend Tidewater Community College in the fall.
❖ Sheila Joyner’s granddaughter, Tiarra Wyatt graduated from Livingstone College with a BS in Political Science.
June 17, 2014

To Whom this May Concern:

I am pleased to write this letter of support for the Children’s Health Investment Program of South Hampton Roads (CHIP) for their proposal to pilot the parental education program, Prenatal Education to Advance Lifelong Success (PETALS), which targets mothers-to-be in Norfolk’s Young Terrace neighborhood. NRHA is working with CHIP on the United for Children initiative and we recognize the importance in reaching mothers as early as possible in their pregnancy with comprehensive services to increase positive outcomes for both the mother and the child.

CHIP has a long history of providing high quality, evidenced-based services to prenatal women and families with young children. As a United for Children partner, CHIP has become a recognized and valuable resource to the residents in the Young Terrace community. Through these efforts, they have identified the critical need to engage women at the earliest stages of their pregnancy. The PETALS program will not only serve to meet this need, but it will also act as the catalyst to engage families in the United for Children movement.

The PETALS program will increase protective factors and decrease the risk factors associated with pregnant women and poverty that lead to poor health outcomes for both mother and child. Additionally, the PETALS program will provide a linkage to the other resources promoted by United for Children, including the CHIP home visitation model that provides an evidenced-based approach to self-sufficiency, education and family wellness; critical support services that NRHA values.

I am happy to submit this letter as evidence of my enthusiastic support of CHIP of South Hampton Roads and our ever growing partnership, and the PETALS program for the Young Terrace United for Children Initiative.

Sincerely,

Shuri R. Montgomery
Chief Executive Officer
E. Housing News Articles
PIH Alert
May 21, 2014

PH Program News

PIH Posts Flat Rent Implementation Notice

Late yesterday HUD’s Department of Public and Indian Housing (PIH) posted Notice PIH 2014-12: “Changes to Flat Rent Requirements – 2014 Appropriations Act.” The eagerly anticipated notice contains instructions and timelines for implementing changes to public housing flat rent requirements. This year’s appropriations act requires PHAs to set flat rents at no less than eighty percent of the applicable HUD-determined fair market rent (FMR).

Yesterday’s notice is intended to serve as interim guidance pending additional HUD rulemaking. The appropriations act requires HUD to begin the rulemaking process within six months of publication of this notice. The notice states that HUD will be very interested in feedback from PHAs and other stakeholders at this later rulemaking stage.

Implementation Dates: The notice requires PHAs to comply with the new requirements by June 1. HUD will consider agencies to be compliant if they have initiated the PHA Plan revision or public hearing process (as applicable, see below) by June 1. The revised flat rents must be applied for new admissions and annual reexaminations within 90 days of their adoption, but no later than October 31, 2014.

Utility Allowances: Because FMRs reflect the local cost of rent plus an allowance for utilities, PHAs may now be required to apply utility allowances to flat rents. As explained in the notice, this is necessary to avoid inequities between residents of projects with PHA-paid utilities and residents who must pay utility bills to outside providers. Families responsible for utilities would pay a higher gross rent than other families if utility allowances were not applied. PHAs must reduce the new flat rent amounts by the amount of a utility allowance based upon "reasonable utility costs of an energy-conservative household of modest circumstances."

Flat Rent Calculation and Phase-In: In order to comply with the new requirements, PHAs must first determine flat rents based on HUD’s rent reasonableness methodology, as required by the current regulation. PHAs must then compare these amounts to eighty percent of the applicable FMR and set flat rents at the higher of the two amounts.

After initial implementation, PHAs must revise flat rents annually based on the rent reasonable analysis and changes to the FMR. In the case of FMR decreases from the previous year, PHAs may, but are not required to, decrease flat rents to eighty percent of the new FMR amounts.

For current residents whose rent would increase as a result of the new flat rent requirements, PHAs must restrict the increase to no more than thirty-five percent of current tenant rent per year. The increase must be phased in if necessary. PHAs may also consider any limits on rent increases under state and/or local law, and have the discretion to phase in rent increases of thirty-five percent or less over a three-year period.

PHA Plan Revisions: While regulations permit PHAs to determine whether program changes will constitute a “significant amendment” to the PHA Plan, yesterday’s notice states that HUD has determined that the current flat rent changes are a significant amendment. Implementation requirements depend upon whether a PHA is classified as “qualified” or “non-qualified.”

Qualified PHAs are defined as PHAs which:
Have a combined total of no more than 550 combined public housing units and housing choice vouchers, and
Are not designated as "troubled" under PHAS (and have not been so designated within the last 12 months), and
Do not have a failing SEMAP score within the last 12 months.

These agencies are exempted from the annual plan requirement under the provisions of the Housing and Economic Recovery Act of 2008 (HERA). However, the notice states that qualified PHAs must hold a public hearing regarding the flat rent changes.

Non-qualified PHAs must follow the required procedures for a significant amendment to their PHA Plan. HUD has provided sample amendment language as Appendix A to the notice. HUD will approve amendments using the sample language without written notice to the PHA. Agencies that choose not to utilize the sample language must wait for HUD approval before implementing the new flat rents.

The notice further states that after initial implementation, subsequent annual changes to the HUD-determined FMR amounts do not trigger the significant amendment process.

HCV Program News

PIH Issues Notice on Special 2014 Tenant Protection Funding

Yesterday HUD's Office of Public and Indian Housing (PIH) issued Notice PIH 2014-13 to provide guidance on funding for tenant protection vouchers for certain at-risk households in low-vacancy areas. The funding for these vouchers was provided in the 2014 HUD appropriations act.

In brief, the 54-page notice explains that:

- Up to $5 million is available to provide housing choice voucher (HCV) rental assistance to residents in low-vacancy areas who may have to pay rents greater than 30 percent of monthly household income as a result of (1) the maturity of a HUD-insured, HUD-held, or Section 202 loan, (2) the expiration of a rental assistance contract for which the tenants are not eligible for enhanced voucher or tenant protection assistance under existing law, or (3) the expiration of affordability restrictions accompanying a HUD-administered mortgage or preservation program
- Requests for assistance will be accepted on a rolling basis until funding has been exhausted
- Owners must follow the instructions in section 5 of today's notice to identify at-risk households
- Assistance may be provided in the form of either enhanced voucher assistance or project-based voucher (PBV) assistance

Yesterday's notice also outlines the general procedures for requesting and processing assistance as well as the specific procedures for processing PBV and enhanced voucher assistance. The notice includes two attachments:

- Attachment A: Low-Vacancy Areas
- Attachment B: Sample Format for Owners' Requests for Assistance

General News

Labor Standards Training Scheduled for June 10 in Louisiana

HUD's Office of Labor Relations (OLR) has updated its training schedule with an additional session in Lake Charles, Louisiana. The training, set for June 10, is intended for HUD's local contracting agencies.

According to the course description, key topics will include wage decisions, reporting
requirements, work classifications, documentation, and more.
You'll find additional information and a registration form here.

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PA -- PUBLIC HOUSING TENANTS BRACE FOR RENT INCREASE UNDER FEDERAL CHANGES

Marilyn Sullivan figured she would never move again when she arrived at Frank Mazza Pavilion in Brookline, where the retired nurse was among the first tenants in the renovated public housing complex in December 2011.

Sullivan, 60, paid about $423 a month for her one-bedroom apartment without having an increase. Her neighbors Karen and Carl Neely had paid the same flat price since they signed up about five years earlier with the Housing Authority of the City of Pittsburgh.

Now Sullivan and the Neelys are girding for a 20 percent increase — about $84 more a month — that they say caught them by surprise this spring. Similar rate hikes this year will hit about 300 families who live in city public housing, though the authority said most increases will be less than 35 percent as the federal government toughens rules for flat-rate assisted rent.

The Pittsburgh authority hosts about 4,300 families overall.
“T'm actually quite devastated,” said Sullivan, a breast cancer survivor who is considering whether she can find a cheaper place to help balance her expenses. “This is just downright getting away with murder.”

Housing authority officials said they have no choice but to increase rates for some lower-income families under the federal budget law for 2014. It requires that public housing tenants who pay flat rates cover at least 80 percent of their units' fair-market value by June, housing officials said.

The federal Department of Housing and Urban Development estimated the change will save about $40 million a year nationwide, said Sharon Wilson Geno, a Washington-based lawyer who represents housing authorities.

Geno said HUD proposed and Congress approved the rent requirement in an effort to stretch the department's budget.

A HUD spokesman said he could not estimate how many families might see their rent increase. A provision in the legislation prevents any household from paying an increase of more than 35 percent in a single year.

About 8 percent of public housing tenants pay flat-rate rents, which housing experts said can vary enormously from city to city. The prices set by each local housing authority are an alternative to traditional pricing, which calls for tenants to pay 30 percent of their income toward rent and utilities.

Lawmakers in 1998 feared that approach discouraged tenants from growing their income and working their way up, so Congress introduced flat rates as an option. Now tenants in public housing can pay 30 percent of their income or a flat rate — whichever is cheaper for them.

Housing officials said those trying to skirt increases in flat rates can request to pay the 30 percent of their income instead.

“No one is going to pay more than 30 percent of their income unless they choose to,” said David Weber, government relations and special services officer for the Pittsburgh housing authority. He was unsure of the average increase in the flat rate among local affected families.
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The Allegheny County Housing Authority, which manages more than 3,300 dwelling units, reviews its flat rates every few years and charges at least 80 percent of fair-market prices, said Executive Director Frank Aggazio. He said the county agency is in compliance with the new federal standard.

Still, the more uniform pricing could uproot some tenants of agencies that have kept flat rates lower, said Kathi Whalen, a policy analyst at the Public Housing Authorities Directors Association in Washington. She said agencies across the country are worried they will lose senior citizens and working families over higher rates.

“The family that would replace them would be much lower-income, which would require a higher subsidy. Housing authorities aren't getting paid adequately right now,” Whalen said.

The policy could help make money available to help more people in need, said Will Fischer, a senior policy analyst at the Center on Budget and Policy Priorities in Washington.

In the meantime, Carl Neely, 70, said the $84 monthly increase in his rent will force him and his wife, Karen, 63, to cut back elsewhere. He said they have just several hundred dollars left each month after making rent and car payments.

“I can see the rent going up,” he said. “But I can't see the rent going up $84.”
Section 8: Explained

May 27, 2014 BY Bondi Wood

PHOTOGRAPHY BY CASEY BUCKMAN

In 1937, when the United States was still recovering from a post-Depression economy, the federal government instituted the Housing Act of 1937 to authorize public housing authorities at the state level. The purpose of the PHAs was twofold. Much like the 2009 American Recovery and Reinvestment Act, the initial primary purpose was to create jobs and stimulate the economy through the construction of public housing projects. The second goal was to provide affordable housing.

However, nearly 40 years later, in 1974, the federal government and social service agencies determined the real barrier for low-income families to afford housing was the debilitatingly high percentage of their income they were paying in housing costs.

Studies showed that most low-income families were spending in excess of 50 percent of their incomes on housing, so the government revised the original Housing Act to include a Housing Choice Voucher Program, which happened to appear in “Section 8” of the original Housing Act.
Since its launch nearly 40 years ago, the term "Section 8" has become synonymous with all types of public housing. Although there are several government-assisted housing programs, only one is accurately called Section 8.

Section 8 applies specifically to the Housing Choice Voucher Program, which provides two types of housing vouchers. Project-based vouchers can only be used at specific housing projects or complexes; tenant-based vouchers can be used in any rentals where a landlord agrees to accept such vouchers. The tenant-based vouchers move with the tenant.

In Columbia there are no project-based Section 8 housing complexes. Locally, the Columbia Housing Authority administers and oversees the tenant-based or Housing Choice Voucher Program. However, the CHA does own and operate public housing complexes such as Paquin Towers, Oak Towers, Bear Creek Townhomes and Providence Family Townhomes. Tenants in Columbia's public housing are also rent assisted, according to Phil Steinhaus, CEO of the Columbia Housing Authority. But people accepted into the Housing Choice Voucher Program cannot use the vouchers at Columbia's public housing complexes.

The distinction between public housing and the Housing Choice Voucher Program (also called Section 8) is often blurred. In Columbia there are approximately 720 public housing units, aside from the approximately 1,000 households (tenants) in the Housing Choice Voucher Program, who live in privately owned rentals.

**What is the Housing Choice Voucher Program?**

Once a household qualifies for and receives a Housing Choice Voucher, that household is responsible for shopping the vouchers around to find housing from landlords willing to accept them.

"We let the private sector manage the housing for the voucher program," Steinhaus says.

Eligibility for Housing Choice Vouchers is based on several criteria; chief among them is a household's net income. That net income is further adjusted by certain deductions based on the number of children, elderly and disabled people in the household. The goal of the tenant-based vouchers is that eligible families only pay 30 percent of their income on housing, and the remaining rent is paid with government funds.
Because the deductions are given to households that include children, the elderly or the disabled, proponents of tenant-based Section 8 housing claim it is aimed at households that will likely remain low income, especially households headed by a disabled person or an elderly person, thereby providing these at-risk households with long-term housing stability.

Proof has been built out as the voucher waiting list is astronomical across the nation. Most states are not even adding names to the waiting list — and haven’t for years — proving that many of the Housing Choice Voucher tenants remain in the program long term. According to Steinhaus, there are currently 636 households on the CHA’s waiting list, however, that number has been significantly higher the past few years.

“We opened our HCV waiting list for one week in September 2012 and took over 1,500 applications,” Steinhaus says. “We closed that waiting list after one week because of the large number of applicants. We don’t expect to open our waiting list again until some time in mid- to late 2015.”

The local Housing Choice Voucher population, according to Steinhaus, is made up of 84.4 percent female heads of household, with 37 percent of those also having a disability. Families with children make up 61 percent of the households. Sixty-five percent are African-American, and 34 percent are white.

The CHA reports the current average household income for HCV participants is $12,854. The average rent paid per household/tenant is $149 per month. The Average Housing Assistance Payment or the portion subsidized by the government is $448 per month.

Who are the landlords?

Gene Stephenson has been a local landlord since 1987 and now owns more than 60 properties, primarily single-family, duplexes and fourplexes in several Columbia neighborhoods. With the exception of his first year as a landlord, Stephenson has accepted Housing Choice Vouchers. For the past 28 years, Housing Choice Voucher tenants have rented roughly 10 percent of his properties.

Unlike other communities, Columbia’s rental price points are heavily influenced by a large student population. According to Stephenson, he initially agreed to be a Section 8 landlord because he could ask more in monthly rent for his rentals that weren’t attractive to students.

“How income is calculated for housing choice eligibility:

- Net income is a household’s gross income minus the following deductions:
  - $400 for each dependent. A dependent is a member of the family other than the head of household or spouse who is under 18 years of age or a full-time student or a person with a disability. You may not take this deduction for foster children.
  - Child care expenses for children under age 13 when the child care is needed so a family member can work, look for work or attend school. If the child care allows a family member to work, the child care expenses cannot be greater than the working person’s income.
  - $400 per household if the head of household or spouse is elderly or has a disability.
  - Certain disability assistance and medical expenses that are greater than 3 percent of the gross annual household income.

Source: Department of Housing and Urban Development

“Basically, back then HUD, other than students, were setting the rental prices, and they were more than I could get otherwise,” he says.

According to Steinhaus, “HUD establishes a Fair Market Rent for our area to make sure landlords get paid a fair rent while also ensuring that HUD and CHA pay a fair net no higher than the regular market rent.”
But before a landlord can collect the rent, he or she must agree to other conditions to become a Housing Choice Voucher or Section 8 landlord. These conditions include submitting the rental property to an annual inspection, agreeing to the rental rate dictated by HUD and reporting any suspicious criminal or drug activity to the local housing authority. Stephenson hasn’t found these conditions too cumbersome.

"Once you get going with them [HUD], it’s no problem," he says. "I already get inspected every three years by the city, and VA loans are way pickier than Section 8. I fix up all my houses. When I get done with the house, I would stay there."

Because he owns so many rentals, Stephenson uses a rental management company called 443-STOP to deal with most of the required paperwork. According to a representative from 443-STOP, who declined to be named, Section 8 rentals comprise about 10 percent of all its clients' rentals, similar to what Stephenson reports.

Both Stephenson and 443-STOP say they do not advertise rental properties as Section 8; however, if approached by a Section 8 tenant, they determine case by case whether to participate. Once a Section 8 tenant leaves a property, the next tenant may or may not be a Section 8 tenant. The Housing Choice Voucher moves with the tenant and is not attached to any rental properties other than when rented to a Section 8 tenant. The location of Section 8 rentals, therefore, is dynamic rather than static.

Good tenants or bad tenants?

Since renting to his first Section 8 tenant more than 25 years ago, Stephenson has not had any Section 8-specific issues. When asked whether he has reported any criminal or drug activity to CHA, Stephenson says: "I have not. I make all my tenants aware that I’m visible, and I don’t condone it, and this goes for all my tenants."

Despite the bad rap often given to Section 8 tenants, data collected by the CHA paints a different picture.

"We check the arrest records on a daily basis and exchange information on assisted addresses and households with the Columbia Police Department and Boone County Sheriff’s Department to identify anyone involved in criminal activity in an assisted household or using the address of an assisted household," Steinhaus says.

In 2013, less than 2.7 percent of the households had their assistance terminated as a result of drug-related or criminal activity.

Stephenson says: "Good tenants are good tenants, whether they’re Section 8 or not. Some of my best tenants have been Section 8. ... They tend to stick around."

Steinhaus also wants the community to realize there is an economic benefit to the Housing Choice Voucher Program. "The FY 2015 budget for CHA Housing
-Assistance payments to local landlords is in excess of $6 million," he says. "This is rent assistance paid directly to landlords."

### How Does Columbia's Public Housing Compare?

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<th>City</th>
<th>Population</th>
<th>Public housing and Section 8 units</th>
<th>% of population</th>
</tr>
</thead>
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<tr>
<td>Columbia</td>
<td>113,000</td>
<td>1,900</td>
<td>0.017%</td>
</tr>
<tr>
<td>Springfield</td>
<td>162,191</td>
<td>3,000</td>
<td>0.018%</td>
</tr>
<tr>
<td>St. Joseph</td>
<td>77,167</td>
<td>227</td>
<td>0.002%</td>
</tr>
<tr>
<td>Manhattan, KS</td>
<td>65,080</td>
<td>505</td>
<td>0.009%</td>
</tr>
</tbody>
</table>

What about other low-income housing complexes?

In addition to the public housing owned and operated by the Columbia Housing Authority, Columbia is also home to several developments spawned by the Missouri Housing Development Commission. These properties are constructed and built by the private sector and are given generous preconstruction tax breaks in return for keeping rents at a reduced level for 20 years. At the end of the 20-year agreement, the rent can revert to market rate, or the owner can substantially improve the property and re-up for another extended period. The Columbia Housing Authority is not affiliated with these types of properties, which are not part of public housing. Locally, such properties include Hanover Place, North Hampton and Lakewood Apartments, Columbia Square and Bethel Ridge.

A fear commonly expressed by many is that aging rental properties will ultimately become Section 8 housing. There are several good reasons this likely won’t happen. First, given that the current federal funding to local housing authorities dwindles every year, it is highly unlikely that Boone County will ever have more than around 1,000 households/tenants in the Housing Choice Voucher Program. Simply put, the supply of housing far exceeds the number of potential Section 8 tenants. Further, according to Steinhaus, no new large public housing complexes are being constructed or purchased by the Columbia Housing Authority. Consequently, it is highly unlikely any aging apartment complexes will become public housing.

In Columbia there are waiting lists for both public housing and the Housing Choice Voucher Program. The federal government isn’t increasing its funding to the local public housing authority, so the pool of publicly assisted renters will not increase.
PA – PITTSBURGH -- SECTION 8 HOUSING VOUCHERS LEAD TO LIMITED NEIGHBORHOOD CHOICES

Pittsburgh Post-Gazette – 5/31/2014 -- by Richard Webner

In 2010, Aishia Shavers applied for a City of Pittsburgh Housing Choice Voucher in the hope that it would get her a decent apartment to live in with her three children. With a voucher, she could move from McKeesport to a safer neighborhood. She wouldn't have to work so much overtime -- lately, about 20 hours a week -- to cover the $650 a month rent for her apartment.

In February, after four years on a waiting list, she finally got it. With 120 days to find an apartment, she sent out dozens of emails and made dozens of phone calls. She posted an ad on Craigslist announcing her "desperate need" for a housing choice rental in Pittsburgh.

But she couldn't find anything. Most of the landlords said they don't accept the vouchers, widely known as Section 8 (after the section of the 1937 Housing Act that authorized them). Many of them never called her back. A few could only show her their apartments when she had to be at work.

One landlord had a place open in Homewood. But he said he wouldn't recommend it for a family because it was in a high-crime area, Ms. Shavers said.

When her voucher expired on May 11, she hadn't even toured an apartment.

"I was angry," she said. "I finally get my voucher, and there's nothing. I can't use it."

Like Ms. Shavers, many local families have trouble finding apartments they can rent with their housing choice vouchers, which let them pay about 30 to 40 percent of their income for rent, with the federal government covering the rest. They face rents that are too high and landlords who don't want to undergo the inspections required to take part in the program. Discrimination also plays a part, housing advocates say.

Often, their options are limited to low-income areas. That's contributed to the clustering of housing choice tenants in some neighborhoods, violating the program's goal of providing economically mixed housing.

An analysis of data from the Housing Authority of the City of Pittsburgh shows that housing choice units in Pittsburgh are disproportionately located in high-poverty, majority-minority neighborhoods like Knoxville, Homewood South and the Middle Hill.
each of those neighborhoods, more than 10 percent of housing was housing choice units in 2011.

In Squirrel Hill North and Shadyside, on the other hand, less than a tenth of a percent of the housing was Section 8.

David Weber, the authority's interim chief operation officer, said the authority was "very aware" that housing choice tenants are clustered in some neighborhoods.

"Why are they concentrated in those neighborhoods? There's probably a lot of factors," he said. "Availability of affordable housing is one."

**Barriers to housing choice**

As an attorney, Dan Vitek has represented many families that use Section 8 vouchers. Safety is a big concern for them in their apartment search, he said.

"People say they want to get out of the hood -- there are people dealing, there's too much drama, noise in the streets, gunfire they want to get away from," said Mr. Vitek, who works for the Neighborhood Legal Services Association, a nonprofit that provides free legal help.

That's what Candace Colbert, of Homewood, hopes to do. Ms. Colbert, who has been in the housing choice program for about a decade, wants to settle with her two children in a "quiet, family-oriented" neighborhood like Highland Park or Bloomfield.

For seven years, her voucher helped her pay for a place in Bloomfield. She loved it there -- it was quiet and close to a bus line and a hospital. But she had to leave after her landlord failed the housing choice program's inspections and sold the place rather than make repairs, she said. Ms. Colbert tried to find another place in Bloomfield, but rents in the area became too high after the new Children's Hospital of Pittsburgh of UPMC was built, she said.

She settled on a row house in Homewood. It's a relatively safe part of the neighborhood, but she still wants to move. She hears gunshots sometimes, and she's noticed her daughter picking up slang from the street.

"It's frustrating," said Ms. Colbert, who worked as a receptionist at Neighborhood Legal Services until 2012. "You want to live somewhere comfortable. I'd like to find somewhere I can just settle down."

Some housing choice tenants choose to live in neighborhoods like Homewood, where they grew up and where their friends and family are, Mr. Vitek said. But many of them are like Ms. Colbert: eager to move to a safer neighborhood, but running into barriers.

The Fair Housing Partnership of Pittsburgh, a nonprofit that advocates for equal housing opportunity, collects data that shows the challenges voucher holders face. In a 2010 phone survey of local housing providers, it found that only 24 percent accepted Section 8 vouchers.
The partnership has also turned up evidence of discrimination faced by voucher holders and other tenants. With grants from the U.S. Department of Housing and Urban Development, it tests local housing providers for discrimination by race, sexual orientation, disability and familial status -- for example, a landlord refusing to rent to a woman with several children.

In 2011, 34.9 percent of the tests performed by the partnership showed evidence of discrimination, according to a report from the Pittsburgh Department of City Planning.

"People no longer look someone in the face and say, 'I'm not going to rent to you because you are' -- and you can fill in the blank. What people do now is discriminate with a smile and a handshake," said Jay Dworin, the partnership's executive director.

Some landlords turn down housing choice vouchers because they're worried there will be a delay between when the tenant moves in and the housing authority begins paying the rent, Mr. Dworin said.

Mr. Weber acknowledged that this sometimes happens because the housing authority can't begin payment until the lease and housing contract are executed. It can also take time for payments to be processed, he said.

The authority is trying to become more "landlord-friendly" by streamlining payments and hiring two employees to act as liaisons with landlords. It hopes that this will encourage more landlords to take the vouchers.

Sometimes, landlords discriminate against Section 8 tenants because of a stigma attached to them, Mr. Dworin said.

"You have a group of people who are saying, 'We don't want these people to be here. These people come to my neighborhood, they're going to ruin my neighborhood,' " Mr. Dworin said. "But that's a fallacy."

A change in thinking about public housing

City Councilman Ricky Burgess is an advocate for mixed-income housing, pushing for developments in East Liberty, the Hill District and Larimer that blend low-income units with market-rate ones.

His passion for the issue comes from his childhood in Homewood. When he grew up there in the late 1950s and early '60s, it had more of a middle class. That made it a less violent and more aspirational area than it is today, he said, when about a third of its population lives in poverty and vacant lots scar its landscape.

"Growing up in a poor neighborhood, you don't have so many role models to choose from. But when you grow up with a physician, being a physician isn't so far off," said Mr. Burgess, who sits on housing authority's board and served as its chairman until this year. "To the extent you
make communities mixed-income, you bring hope back to those communities. You teach children to value education and correct behavior."

In recent decades, public housing policies have pivoted toward an emphasis on mixed-income housing. In part, it's a response to the failed housing projects of the past, which often created isolated pockets of poverty with high crime rates.

Following a nationwide trend, the Pittsburgh Housing Authority has shied away from building and managing its own housing. Now, it works with private developers to build housing where low-income units are side-by-side with market-rate ones. That's what led it to demolish the crime-ridden Addison Terrace projects in the Hill District in 2012 to make way for 400 new units, 30 percent of them rented at market rate.

"In a healthy community, you have people from a variety of incomes," Mr. Weber said. "The theory is it creates a more friendly environment. Kids see people getting up and going to work. Neighbors create the expectation that that's what you're supposed to do."

Local housing advocates have ideas to dissolve the clusters of housing choice units. Mr. Burgess thinks the solution is to build more affordable housing and to use market trends to bring a mixture of incomes to low-income areas. For example, the prosperity of East Liberty and Point Breeze could be encouraged to spill into Homewood.

Mr. Dworin wants to see it become illegal to discriminate based on a tenant's source of income. That way, a landlord couldn't turn down a tenant because her rent is paid with a housing choice voucher. It would also help, he said, if Pittsburgh used the policy of inclusionary zoning, which requires a portion of new housing to be affordable for low- and middle-income people.

On top of all that, housing choice tenants who can't find decent apartments need to raise awareness of their struggle, he said.

"Here in Pittsburgh, the one thing we really, really need is for folks to speak up, to become engaged," Mr. Dworin said. "People are not going to get access to housing ... unless someone is speaking up and saying, 'Hey, they're denying.' Until that happens on a wide scale, we're going to continue to have a big challenge."

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WI -- AFFORDABLE HOUSING IS NOT EASY TO COME BY IN KENOSHA COUNTY

Kenosha News – 6/13/2014 – by Deneen Smith
Rental rates here among state’s highest

This rendering shows a five-story, 60-unit apartment building proposed by Bear Development at 5821 Fifth Ave., the site of the vacant Frank L. Wells Co. factory. (ARTIST’S RENDERING PROVIDED BY BEAR DEVELOPMENT)

Kenosha County is an expensive place to rent a home.

The county has the highest average rent rates in Wisconsin, with the exception of an area near Minneapolis-St. Paul.

According to data from the Department of Housing and Urban Development, the fair-market rent for a two-bedroom apartment in the county is $970. The department sets that fair-market rate at lower than the median rent, with 60 percent of rentals above that rate, 40 percent below.

By contrast, the fair-market rent for a similar apartment in neighboring Racine County is $735.

Rental rates in the county also appear to be climbing quickly. According to HUD data, the fair-market rent for a two-bedroom apartment increased by 21 percent from 2013. At the same time, the median family income in the county actually fell nearly 5 percent to $63,500. That was the lowest median family income in the county since 2004, according to federal data.

Consider a full-time warehouse worker making $12 an hour, or $24,960 a year. That worker would need to devote 47 percent of his gross income to housing to afford a two-bedroom apartment here.
Assistance scarce

Meanwhile, housing assistance for low-income people is scarce.

Donna Cook, executive director of the Kenosha Housing Authority, oversees a department that administers Section 8 housing in the city, along with programs that help low-income residents move into home ownership.

Section 8 is a program that provides rent subsidies to low-income people, with people in the program paying rent that equals no more than 30 percent of their income. Federal dollars make up the rest of the rent.

In Kenosha, Cook said, there are 987 households receiving Section 8 housing — 1,022 when including related programs also administered by the city. Nearly 87 percent of those households include either elderly or disabled residents.

Meanwhile, the waiting list for Section 8 benefits in the county is so large it has been closed since 2008. Cook said the last time her office opened the waiting list, 3,650 people applied during the four-week application period.

Cook’s office has been slowly working through that waiting list ever since, whenever funding becomes available.

“In 2010, when a lot of people were losing their jobs and coming in to the office, we couldn’t help them at all,” she said.

**Tax credit projects also help**

In addition to Section 8 housing, there are developments around the county that received tax credits in exchange for setting aside some of the units for lower-than-market-rate rents.

Those projects often face public opposition, unless they are targeted specifically for senior citizens.

Recently, Bear Development won approval, despite some public opposition, for the Fifth Avenue Lofts, a 150-unit apartment building on the former Frank Wells Co. property downtown. The complex will set aside 40 units for “workforce housing” with lower-than-market rates.

Those subsidized rates are still higher than the fair-market rates in neighboring communities. A subsidized two-bedroom at the Fifth Avenue Lofts will cost $875 a month, with income limits for a two-person family of $35,520, just $3,000 lower than the average annual wage in the county.

Bear Development received $672,926 in Wisconsin Housing and Economic Development Authority tax credits to build the project.
Cook said there are affordable complexes in the city.

"There are a lot of complexes that are affordable, but they are doing their due diligence and checking on people's credit scores," she said. "You really have to keep your credit scores up to find an apartment, and it's a double-edged sword for low-income people who have trouble paying their bills."

Note:
"Housing News Highlights" (HNH) is an executive news search service provided by Sherwood Research Associates (SRA) in Takoma Park MD. Each day hundreds of articles appear in the media that mention HUD, Housing Authorities, public housing, housing vouchers, affordable housing, low-income housing, housing needs, housing policies, housing programs, housing costs and related areas. We search for and deliver a limited selection of articles in the most policy-relevant housing areas for busy executives, especially news items related to developments in Washington DC. The editor also occasionally attends and reports on Washington DC hearings and meetings concerning public and assisted housing. Articles are sometimes presented in abridged form with omissions indicated by asterisks. Subscriptions are $450 per year. Half price ($225) for Housing Authorities with 200 or fewer total units (public housing and Section 8). Please do not redistribute this newsletter beyond your own organization or agency. Please contact us for a one-month free trial subscription or to be removed from this distribution list. Phone: (301) 608-2589. E-mail address: waynesherwood1@verizon.net
IN SEARCH OF SECOND CHANCES

The defendant had been charged, tried and convicted of a crime. As she neared the end of her prison sentence, a well-known conservative columnist wrote that she was “paying her dues,” and that “there is simply no reason for anyone to attempt to deny her right to leave her troubles in the past and start anew.”

That was 2004, and the woman behind bars was Martha Stewart. Surely, the American ideal of second chances — especially for those with criminal records — should not be reserved only for the rich and powerful. But a raft of federal and state laws impose post-conviction restrictions on a shockingly large number of Americans, who are prevented from ever fully paying their debt to society.

At least 65 million people in the United States, or more than one in four adults, have a criminal record, which can mean anything from an arrest to a prison sentence. This can trigger severe penalties that continue long after punishment is complete, according to a new report by the National Association of Criminal Defense Lawyers.

Many of these penalties, known as collateral consequences, are mandatory, and are imposed regardless of the seriousness of the offense or the person’s individual circumstances. Laws can restrict or ban voting, access to public housing, gun possession and professional and business licensing. They can affect a person’s immigration status, parental rights, credit rating, ability to get a job, and eligibility for benefits.

In all, more than 45,000 laws and rules serve to exclude vast numbers of people from fully participating in American life.

Some laws make sense: No one advocates letting someone convicted of pedophilia work in a school. But too often collateral consequences bear no relation to public safety. Should a woman who possessed a small amount of drugs 15 years ago be permanently unable to be licensed as a nurse?

These laws are also counterproductive, since they make it harder, if not impossible, for people with criminal records to find housing or land a job, two key factors that reduce recidivism.

And, like virtually every facet of the American criminal justice system, the brunt of these laws falls disproportionately on people of color. For example, blacks and whites use marijuana at similar rates, but blacks are arrested for possession nearly four times as often as whites.

The report makes several recommendations, including the repeal of most mandatory post-conviction penalties, except for those specifically needed to protect public safety. Where the penalties are not mandatory, they should be imposed only if the facts of a case warrant it. The report also recommends that the process for restoring a person’s rights and status be simple, clear and accessible.
Some states and cities have taken steps to lift the burden of these laws. Last year, the New York City Housing Authority launched a two-year pilot program to house 150 people coming out of prison with their families. And in at least a dozen states, employers are protected by hiring laws that encourage them to take on job applicants who have criminal records.

Conservatives and liberals alike agree that it is unfair to continue to punish people who have already served their time. In his 2004 State of the Union address, President George W. Bush said, “America is the land of second chance, and when the gates of the prison open, the path ahead should lead to a better life.”

The point is not to excuse or forget the crime; in the Internet era that wouldn’t be possible anyway. Rather, it is to recognize that in America’s vast criminal justice system, where 14 million people are arrested a year and 2.2 million are put behind bars (virtually all of whom will one day be released), second chances are imperative. It is in no one’s interest to keep a large segment of the population on the margins of society.
An artist's rendering of the new Lynden Lane development in Rock Island.

With any remnants of a 1950s-era public housing complex now cleared away, the Rock Island Housing Authority celebrated the launch Monday of a new $14 million mixed-income housing development in west Rock Island.

A handful of agency representatives and community leaders gathered on the site of the former Manor Homes — at 26th Avenue between 7th and 9th streets — for a ceremonial groundbreaking of the new 55-unit complex. Known as Lynden Lane, the new project is the second large, new-construction project in recent years for the housing authority and its nonprofit affiliate, Community Housing Services.

"Manor Homes was built 55 years ago and we're replacing it with something that is new and fantastic," said Susan Anderson, the authority's executive director.

The development is the result of the housing authority's Asset Management Plan, which reviewed all the agency's public housing properties in 2003 and again in 2005. By the second review, she said it was decided that Manor Homes, a barracks-style complex, had become obsolete. Demolition began in early February.

But "it was a long, hard road" in getting financing and to the construction stage for its replacement, Anderson said. She said Lynden Lane is funded by a combination of state (Illinois Housing Authority) and federal tax credits, HOME funding, $1 million from the Rock Island Housing Authority and a conventional loan.

Lynden Lane will be a combination of single-family homes and duplexes, all of which will be rented. The project also will feature new city streets, street lighting as well as new infrastructure
such as water, sewer, gas and electric lines. The majority will be build on 4.34 acres at 26th Avenue, but two four-bedroom single-family homes will be built on parcels about 1.5 miles northeast of the site.

"This will serve a variety of incomes," she said. Rents will range from $600 to $1,000. The housing mix will include two-, three-, and four-bedroom units with 43 of them reserved for family households earning at or below 30 percent, 50 percent and/or 60 percent of area median income. The remaining 12 units will be market rate with no income restrictions.

"It's not going to be row houses as the old public housing was," she said, adding that the homes have been designed to fit the style of the older, surrounding neighborhood. "It used to be lots of people crammed together here. These will have lots more space, and garages... so it will be more of a home."

The development joins Cascade Garden, a $13 million, 70-unit development that the housing authority and Community Housing Services built in 2011 to serve families who have a member with a disability.

"This is going to really help this side of town," Galen Westerfield, vice chairman of Community Housing Services, said after the ceremony. "This butts right up to Cascade Gardens. So we have a three-block area that is all new and refreshed."

Jeff Eder, the City of Rock Island's community and economic development director, agreed, adding that the new housing options are bringing modern amenities to an area where development has been taking off recently.

"This continues all the development we've had lately on the west side of town," he said referring to the new Wal-Mart planned at Watchtower Plaza and the new commercial/office development at the end of 11th Street. Several displaced Watchtower tenants are being relocated to new buildings there.

The housing authority will begin accepting applications late summer for the new units. The first residents are expected to move in by year's end, Anderson said. "I don't expect any trouble filling it."

Manor Homes was the second complex demolished as part of the agency's asset management plan. In 2005, it demolished the Valley Homes complex, which remains undeveloped, she said. "There still are no plans for it."

Lynden Lane is a project by the Rock Island Housing Authority and its nonprofit affiliate Community Housing Services. Other partners on the development team are:

S. E. Clark and Associates — Active for more than 25 years in the development of affordable housing, housing preservation and modernization, redevelopment of inner-city neighborhoods, and the implementation of first-time homebuyer programs.
Guest Reddick Architects — Founded in 1919, the firm offers planning, programming, architecture and interior design services that include multi-family housing developments, health care facilities, industrial complexes, educational institutions, government facilities, religious facilities, corporate offices, and others.

Morrissey Construction Co. — A leading provider of construction and general contractor services for residential and commercial projects.

Miller, Hall, and Triggs — The law firm specializes in representing local government entities, public housing authorities, not-for-profit organizations, real estate developers and numerous affordable housing projects funded by Low Income Housing Tax Credits.

CohnReznick — One of the top accounting firms in the United States, it has one of the largest affordable housing practices providing audit, tax, and business advisory services to affordable housing clients in both the not-for-profit and for-profit industries.