

## Addendum #3

### Pre-Proposal Meeting Minutes

September 9, 2021; 4:00 EST

Presenter; Wayne Felton, Executive Director Raleigh Housing Authority

Reasons for Redeveloping Heritage Park:

- Very expensive to maintain.
- Built in the mid-seventies in two different phases.
- An obsolescence test has been completed and Heritage Park met obsolescence per HUD's definition.
- Due to meeting obsolescence, RHA is planning on demolishing Heritage Park via Section 18.

Information Regarding Heritage Park

- Heritage Park is located in a great location in downtown Raleigh on approximately 11 acres.
- Currently has 122 units so about 10 units per acre.
- Planning on going denser to provide more affordable housing.
  - Presented the current design concepts located with the RFQ information on <https://www.rhaonline.com/business-opportunities/bid-status/> which includes a senior building, childcare facility, corridor buildings, space for a community center which will include programming for residents. RHA may also explore commercial property with retail on the bottom with apartments on top.
- The purpose of Parcel E on the design plans is currently undecided but will be developed in the future. Part of the parcel is owned by the city.
- Brining in a development partner; want their thoughts and ideas.
- Currently proposing going from 122 units to 375 units.

Board Approved Design Principles:

- Adding net addition of affordable rental on the property.
- This plan accomplishes that but if the selected developer has different ideas then RHA would certainly entertain that.
- Build at least 122 apartments for very low income families (0 to 30%AMI). The 122 reflects the current number of very low income units on site.
- Minimize the displacement of existing residents. Currently leaving some units vacant to assist with that. Looking at phasing the redevelopment so residents can stay on-site if they desire.

Potential Funding Sources

- HUD grant funding including Demo/Dispo Transition funding.
- Tax credits; do not think the site would score enough points for 9% tax credits so will have to use 4%. The Co-Developer would have the primary responsibility of being the principal applicant on the tax credit application. Therefore, we are looking for someone with tax credit experience.
- Housing Authority contributions.
- Proceeds from vacant land the Housing Authority owns.

### Role of Co-Developer

- Work with RHA and our non-profit affiliate to redevelop Heritage Park.
- Assist with tax credit application.
- Work with RHA to obtain funding approvals.
- Negotiate with financial institutions to secure funding.
- Reviewing plans and specs to ensure that the plans are developed to meet the QAP requirements.
- Communicating with our non-profit affiliate when approvals are needed, significant issues arise or significant events occur.
- Work with RHA development team to leverage public and private resources to ensure that this is a viable development and that we are pursuing reasonable sources of financing and utilizing those resources to the best of our ability.
- Ensure the site is mixed-income with at least 122 units being for 0 to 30% AMI.
- Evaluate the feasibility of commercial development on-site.
- Commitment to sustain resident community and stakeholder engagement. RHA is hiring a master development consultant to assist with overall planning and advisory services for the overall development process and community engagement. Also hiring communications consultant to work with communicating with the residents and getting their input.

### Terms of the agreement

- Determining the appropriate and adequate funding sources for the redevelopment.
- Assisting with completing necessary documents.
- Transfer ownership, with investor and lender approval, in the entity to RHA non-profit affiliate immediately after the NCHFA required compliance period which is currently two years.
- Work with RHA's development team on the specified development activities and all construction activities.
- RHA's non-profit will have sole discretion and determination in how the land is obtained from RHA whether it is through a purchase or land lease.
- RHA will serve as property manager of all buildings developed.

### Section 3 and Women/Minority Owned Business (15 points on the evaluation)

- RHA is looking for minority participation.
- Include your minority participation plan in your proposal.
- Include examples of previous use of minority participation.
- Make sure the residents and community are engaging in that effort.

The remaining meeting included questions and answers which are located in Addendum #1 <https://www.rhaonline.com/business-opportunities/bid-status/> under the RFP for Co-Developer.