

Repositioning Committee Meeting Minutes
October 11, 2022
11:30 am

Committee Present: Arne Morris, Liz Edgerton, Gregg Warren, Yolanda Winstead.

Committee Absent: Joe Whitehouse.

RHA Board Present: Eric Braun.

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

Visitors: Simone Robinson, P3.

Press Release and communications with key stakeholders.

Commissioner Warren said the Board approved Brinshore as the Co-Developer for Heritage Park and agreed on the Memorandum of Understanding (“MOU”) during the September RHA Board Meeting. The first step will be to do a press release and reach out to a few of the key stakeholders. He was not at the meeting so he asked Commissioner Morris to recap the discussion.

Commissioner Morris said we will want to take the opportunity to announce this exciting joint venture partnership – especially since there's a local group, Raleigh Raised, that is part of this, and some of those individuals are well known in the community. We want to get something out there in advance that's going to make this sound very positive and inform everyone of how we're starting to move forward with the redevelopment of Heritage Park. I think there's a bigger communications plan that we have planned, but the start of this is just to get this announcement out about our next steps engaging with Raleigh Raised.

Commissioner Winstead agreed and said it would make sense for us to do some sort of an announcement, to build some buzz around the selection and announce the local participants.

Commissioner Braun said he agrees. The only thing I would add is, going forward, there's always going to be a vocal group out there that doesn't think we're communicating enough and we'll never satisfy them. But I think every time we do these types of communications, we need to do it through a lens of community engagement and forecasting our plans to involve the community and make sure people know that this is the beginning of the process. We need to make sure we communicate, because we're trying to convey that RHA is about engaging the community. I think we should think about that every time we do a communication with the public.

Commissioner Warren asked Simone Robinson if staff had presented her information about Brinshore or Raleigh Raised. Ms. Robinson said she has not received anything yet.

Commissioner Warren said we have a fairly extensive description of their initial proposal to us with their credentials. That may be a starting point.

Ms. Robinson said that would be helpful. One question I had was what the relationship is between Brinshore and Raleigh Raised. Is it like a prime sub consultant-type situation or is it something else?

Commissioner Warren said they will be in the ownership entity with Brinshore. They will also be a joint venture partner with the general contractor that will do work here. They may also be involved in serving as a commercial realtor. That is a quick outline of their responsibilities.

Mrs. Edgerton said she will send that documentation so you can look over what we've agreed to. That'll help pull some of that language out as well.

Commissioner Warren asked when we want to get the press release out.

Mrs. Edgerton said as soon as we can. We don't want it to get out ahead of us. I'd rather us get it out first. But also, there are other partners on the stakeholder list that I would want to contact. For example, the Mayor and some members of the City Council. I want to make sure before I touch base with all them that we're ready to release to the press. The next question is how we want to get that information out. Do we want to put it in the paper? Do we want to add it to our website?

Commissioner Warren said it seems like the Raleigh News and Observer has very limited coverage these days. He asked Ms. Robinson for her suggestions. Sending out a press release is one thing, having anybody do anything with it is another thing.

Ms. Robinson said in the past, we've put it on the website, and we've distributed to various specific media contacts to make sure that an actual person is getting their eyes on it, too. In the past we've sent it to the Carolinian, the News and Observer, Triangle Business Journal, the Walter magazine, and the Raleigh magazine.

Mrs. Edgerton said I would imagine some news channels may pick up on it just because I think redevelopment in our area is big. I'm not sure if we'll be contacted to speak in that manner as well. We might want to talk about how to handle that. Is that something P3 would handle for us? We want to make sure we're keeping the message the same throughout.

Ms. Robinson said we will definitely have someone internally from your staff speaking with the media directly. We can coordinate but we don't typically do those in-front-of-camera interviews.

Commissioner Warren asked if P3 would follow up with the reporters when you send out a press release to the different media outlets.

Ms. Robinson said we do have a list of specific contacts that we would email it to and then follow up with a phone call.

Commissioner Braun said you might also consider reaching out to Lucille Sherman at Axios Raleigh. I know that Jeffrey Billman used to be with the Indy Week and he's doing a story on the Mayor right now. There might be some interest in it from him, too.

Commissioner Warren asked if there is an RHA staff member who will be representing RHA if press follow-up is required, particularly with the TV stations.

Mrs. Edgerton said she will talk to the staff. We've had staff who have spoken in the past and I could talk to them and gauge their comfort level. There are a lot of unknowns for me so I'm not comfortable speaking with the media – however, I'll do what I need to do. I would need some guidance, though.

Commissioner Warren said I'm sure guidance is available and asked Mrs. Edgerton to give some thought to who would be speaking on RHA's behalf. He asked the committee for additional questions and suggestions for Ms. Robinson.

Mrs. Edgerton asked Ms. Robinson if there is a timeframe that you think you could have this available - if we provide the documentation you'd need. We would have Brinshore read over it as well, as they will be a big part of this press release (just to make sure we're stating everything correctly between the relationships).

Commissioner Warren said he would imagine we will have quotes from Brinshore and Raleigh Raised, as well as quotes from Commissioner Morris and Mrs. Edgerton.

Mrs. Edgerton asked Ms. Robinson how much time she thinks P3 would need to prepare something.

Ms. Robinson said if you can give me all that information no later than tomorrow morning, we can have a draft to you for review by close of business tomorrow.

Mrs. Edgerton asked if she would want me to go ahead and reach out and get some quotes from each other groups to potentially put in the press release.

Ms. Robinson said P3 can draft something for them and have them sign off on it. However, I prefer one from Commissioner Morris, if possible.

Commissioner Morris said he would send a quote to Ms. Robinson's email.

Commissioner Warren said a larger issue that was mentioned is trying to figure out how we can best utilize P3's skills and talents as we move forward with the Master Planning process and keep them involved in that process and make sure that between P3, EJP, Brinshore, and Raleigh Raised that they are all on the same page and well-coordinated.

Mrs. Edgerton said EJP had suggested that as we schedule these meetings with Brinshore, we would have P3 participate in that as well, so they stay in the loop of everything that's going on. On top of the press release, do we need a separate written release for the residents? Do we

typically send them the same type of information or would we be more personable in a release to the residents? We want to make sure we're keeping the residents up to date on what's happening.

Commissioner Warren said he's remembering the meeting that we had with the residents most recently, where we said that we'd be in touch now that we're waiting to select the developer. I think you asked the residents the best way to communicate with them and they said mail.

Mrs. Edgerton said that is correct. We could have something in an informal letter type format, to mail to them. However, is that something that P3 could take the same information and write it?

Ms. Robinson said they could do that.

Commissioner Warren asked if Ms. Robinson had any questions.

Ms. Robinson asked when the redevelopment process is going to begin.

Commissioner Warren said we are going to ask for Brinshore to deliver us a Proposed Master planning process and calendar, kind of a scope of work of what each Brinshore would be doing and what EJP would do, and what that's going to look like for community meetings, stakeholder interviews, etc. I'm hoping they might be able to produce that in a month for our next Repositioning Committee meeting so that we can give them any feedback. We are going to have a kickoff meeting with Brinshore soon. I don't know if they can deliver on that schedule of an outline in a month or not.

Mrs. Edgerton said she is trying to schedule a date when everyone can meet. The hardest thing has been trying to get everyone to attend – or find a common day. I'm hoping we can just pick it like we do with the Repositioning Committee and just set a date on the calendar, whether it be weekly or however often we need to meet, so that everyone's aware of what that day and time is. So that's what I'm trying to do right now with Brinshore and EJP. I've already spoken with Ms. Robinson about her availability.

Ms. Robinson asked if it would be safe to say, particularly for the resident letter, that the redevelopment planning process will begin in early 2023.

Commissioner Warren said he thinks that's probably a reasonable expectation. However, we would want to at least double check with EJP and Brinshore about that. He thinks that early 2023 is going to be what we end up with, but we need to double check with them on that.

Ms. Robinson said she is trying to figure out a good way to weave in Commissioner Braun's request to mention that there will be future community engagement efforts around the redevelopment process, without saying that it's going to occur in the near future.

Commissioner Warren said if you want to get a better understanding of what those processes might look like, there are two items in our Board Portal. One was the Durham community engagement process that EJP was involved in. And another one was one that DHIC did with Washington Terrace. They are similar in terms of the process that is undertaken.

Mrs. Edgerton said she will get Laura McCann to send P3 those documents from our Board Portal, since you will be unable to access that. That will give you an idea of the process that we will go through, and there's a schedule out there as well.

Ms. Robinson said if you can get that information to me by tomorrow morning at the latest, then we can certainly give you the draft to review by the end of the day.

Kickoff meeting with Brinshore Team

Commissioner Warren asked about the status of the kickoff meeting with Brinshore, besides finding a date.

Mrs. Edgerton said Peter Levavi sent three dates, and then Raleigh Raised could only choose two of those dates. I forwarded that to EJP and haven't gotten a response. I definitely want EJP through every meeting just because they are the experts, and will help guide us as a consultant. Once I can get some dates from EJP, I was going to reach back out to Brinshore.

Mrs. Edgerton asked if the committee wants to be part of that initial kickoff meeting or every meeting thereafter. We need to decide what the plan is from a committee standpoint.

Commissioner Warren said his thought is that the committee needs to step back and let the consultants work through and prepare a proposed Master Plan process. I think we should be involved in that initial meeting, to give the Board an opportunity to say what they think RHA's Master Planning process would look like. But then let EJP, Brinshore, RHA staff, and Raleigh Raised come up with an outline to present to the Repositioning Committee and then perhaps the Board as well for approval. That would be the scope of work, who's doing what, how many meetings, stakeholder interviews, what will the meetings look like? Where will they be located? Will we provide transportation for residents to meeting locations if it's not on site? Where are the best locations for meetings? Would we provide door hangers reminders? Would we provide food to encourage resident participation and community participation? All of those questions I would hope would be addressed in work that EJP, Brinshore, and Raleigh Raised proposes to us.

Commissioner Braun asked during the planning process, in terms of the engagement, would it be possible to have some sort of standing committee of key residents and stakeholders that would be a consistent voice through the process. I don't know if that's feasible or worth considering, but I just toss it out there as a thought.

Commissioner Warren said I think that's EJP's intention. I think they mentioned it, perhaps at the retreat. And also, if you read the Durham summary of the process, they did have a very large steering committee consisting which had resident representation, as well as community leaders in Durham. I think we can expect that that would be proposed by EJP. They've done that in the past. Unless others think we have to go in a different direction, I would be supportive of that.

Mrs. Edgerton said, with a kickoff meeting, I think it's going to be hard to get everyone there. Obviously we've got to get the Board's input on how things are going to go. But from understanding and talking to Rhae Parkes, I think that kickoff meeting would typically be

myself, Brinshore, and EJP. Part of that scope of work is to go out to talk to the key stakeholders. Initially it would be the Board Commissioners, and then the community and the residents.

Mrs. Edgerton said she doesn't think you shouldn't attend the kickoff meeting, but thinks it will be a little overwhelming or too much at the front end. From talking to EJP, that communications engagement is going to be very pertinent to this process – and that happens early on. I've never done a kickoff meeting so I don't know how it's supposed to go. But in the talking it over with EJP, that was what she talked about.

Commissioner Warren said that would be fine. Now that we've got Brinshore selected and EJP on Board with Raleigh Raised, we're looking for them to come up with a plan and a proposal for us to review. I don't have a problem with that. If you want to hold a kickoff meeting without any Board representation, that's fine by me. I'm trying to get us to step back a little bit and let the team that we selected run with this without having a burdensome process with a lot of Board Members involved.

Mrs. Edgerton said since we already have a standing Board meeting, scheduled for most months, maybe that's the time that we would do that engagement with Board Members to get their input.

Commissioner Warren said he expects that the Master Plan, scope of work and schedule would be developed by Brinshore, along with RHA staff, and EJP and brought back to the Board for review, approval, and suggestions.

Commissioner Winstead said she agrees. I think I think we're at the point where the Board and committee back to let the professionals that we've hired run with things and bring back the recommended process and proposals for the Board to review and respond to.

Commissioner Warren said whether or not the Repositioning Committee is the one that receives reports and updates the full Board, I would think that you'd probably want to have the Master Plan, scope of work and schedule (kind of the Master Plan plan) come back to the repositioning committee and recommend, have them review and recommend that to the full board for approval to go forward with it.

Mrs. Edgerton said she would agree with that – it would come back to the Repositioning Committee. I think that's why the committee was formed, to be the expert in that area to guide the direction of the agency. Once you're all in agreement with what we've proposed, then we can move further to the full Board to update them or get approval, if needed. The committee agreed with this process.

Selection of Architecture Firm

Commissioner Warren said JDavis is currently under contract and has been involved in doing those schematic plans for Heritage Park. I think the initial assumption was that they would continue on as the architect of record, or at least in some capacity, given their long history with RHA on the Hope VI projects. Brinshore was proposing another architectural firm in their proposal, and that does have a Raleigh office but does not have any tax credit experience here in North Carolina.

Commissioner Warren said he talked to Commissioner Whitehouse about this because Larry Zucchini is close to stepping away from JDavis and retiring. Since he's been the lead person, at least on the site planning process for JDavis, do we want to consider opening up the selection of the architect and land planner to other firms. (We would need to confirm that he is considering retirement.) Because the architectural firm and land planning firm will be playing an important role in the Master Planning process.

Commissioner Warren said, in his experience at Washington Terrace, we had the architectural firm and the land planning firm, which was one and the same. JDavis really led many of the meetings that did asset mapping of neighborhoods, what's good and bad about Washington Terrace, and potential schematic design schemes. We need to get a decision made quickly on the architectural firm. I don't know whether or not we have to go through the standard RHA procurement process or if Brinshore could bring them on in some fashion. I wanted to throw that out there just for discussion.

Mrs. Edgerton said she had talked to Mr. Zucchini and he did mention something about retiring. I don't know if it was full retirement or just stepping back some. EJP had talked about how normally when you bring on a Co-Developer they usually name a firm in their proposal. To use someone outside that we would have to go through a process. I think we could move forward with firm that Brinshore had selected. If we have some concerns about their experience, then we could also bring in a second architectural firm – in what capacity I'm not sure, but I know it can be done.

Mrs. Edgerton said she can reach out to Mr. Zucchini and talk through his plans.

Commissioner Warren said he thinks that'd be a good idea.

Commissioner Morris said he was hoping Mr. Zucchini was just cutting back on his hours and we might be one of those preferred clients that he takes through this process as he trails off into retirement. But we should ask those questions.

Commissioner Warren said we did have conversations with Brinshore a little bit about their architectural firm, and I had expressed some reservations about working with a firm that hasn't had any North Carolina LIHTC experience. I remember that Mr. Levavi didn't think that was a non-negotiable issue by any means. Rich had a little bit more further pushback saying that maybe we can get this other firm in on later phases. First of all, we need to find out Mr. Zucchini's plans for next year.

Commissioner Warren said there is a procurement question. Were they initially procured competitively?

Ms. Perez said they were.

Commissioner Warren asked if that scope of work includes serving as leading in the Master Planning process and doing the architectural work associated with the initial phases of the development.

Ms. Perez said the scope that was procured included what you have seen thus far the schematic drawings and the initial proposal of Master Planning.

Commissioner Warren asked if we would be able to amend that scope to include the Master Planning process and architectural work under that existing contract, without going out to bid again.

Ms. Perez deferred to Mrs. Edgerton with this procurement basis. She said it would seem that the scope would be substantially revised at that point.

Mrs. Edgerton said, yes, I think because we're changing the scope I'm fairly certain we would have to go out for another RFP on that. She will confirm that with the Procurement Specialist. I think in most cases we do an RFP for architectural services.

Ms. Perez said we do and I believe the initial cost was a fraction of what we would face for full Master Planning.

Commissioner Warren said it sounds like we're going to have to go out to advertise for architectural services and so, therefore, we could presumably get JDavis to respond and the firm that Brinshore had identified could respond.

Ms. Perez asked if RHA would be specifically engaging this firm or would they be engaged by the developer. That could spell the difference.

Commissioner Braun said he doesn't know how it's normally set up. However, it seems like it would make more sense for it to be a sub of Brinshore because then there's unified control, and the architect is going to know who they have to listen to. There may be reasons we shouldn't do it that way. However, that's one thought to consider.

Ms. Perez said she agrees and thinks that the developer has primary control over the architect. And in this regard, then we would probably just need to verify procurement guidelines for this specific type of situation.

Mrs. Edgerton said EJP told us that if the developer contracted the architect, then we wouldn't have to do a full procurement. It would be up to them to procure the architect.

Commissioner Warren said that sounds like a good approach. However, I know we have approval rights on the architect under the MOU.

Mrs. Edgerton said we have to approve it. That's a conversation we would have if we wanted to use JDavis. However, Brinshore would still have to contract with them.

Commissioner Warren said even though we're in the ownership structure as an affiliate, Brinshore is the Developer and has certain responsibilities. Hopefully that makes procurement a lot easier, too.

Ms. Perez said that even though she has enjoyed working with JDavis and has the most high regard for them, she would also mention that bringing in an architect, perhaps from out of the area, could also bring a fresh design perspective. If we are proposing to do this incredible redevelopment of Heritage Park, it will be that much more exciting if we have fresh design ideas that have never been seen in this area before.

Commissioner Warren said I don't disagree with that. But I also think that having an architectural firm that knows it's a way around NCHFA inspection standards and has long standing relationships can also be helpful. It could be that there's a combination. There are oftentimes design architects that come from outside of the region to bring new fresh ideas. And then there's an architect of record that is North Carolina based and is familiar with low codes.

Commissioner Morris said he has a client that found an internal consultant in Raleigh that knew everybody. He got paid as a consultant. The architect from Arizona was the lead architect. The local guy helped him get through permitting, basically. So that's an option as well.

Commissioner Warren said that sounds like a Brinshore conversation to be had. To summarize, I think the message that we're offering up to them is that we've had a good relationship with JDavis and we think local knowledge and familiarity with the permitting people North Carolina Housing Finance Agency has value but we're not averse to looking at other options with architects that may bring a fresh look into the project.

Commissioner Winstead added that even though you might be looking at an architect from somewhere else. As far as like the NCHFA inspections and what they look for, they have guides for everything. Even if we did decide on an architect that's from outside the area, they're professional and they know what they're doing. They could build necessary relationships and do a good job and make sure they're meeting all the standards.

Commissioner Warren said that discussion will be continued.

Roll of Repositioning Committee Going Forward

Commissioner Warren said I do think that the committee needs to step back and let our Developer and EJP spend the time to put together plans and processes for us to react to and advise on. We did spend a lot of time with the MOU and the selection process for the Master Developer. I think that we did a great job but I think that we could take a little bit of a rest and let the professionals run with it. Since this is new to Mrs. Edgerton and the staff, I think you should use the committee and experience that some of us have as a sounding board, if you have questions or problems. We're available individually or in meetings like this.

Mrs. Edgerton asked if the Repositioning Committee still hold their standing meeting. I think it would probably be needed – even if we don't have anything, we can always cancel it. We'll keep it on the second Tuesday of the month.

Commissioner Warren said he would recommend that. In a month from now, we might have a plan for Master Planning, scope of work, and schedule.

Mrs. Edgerton said before Mr. Felton left, he had Mr. Zucchini draw up the site plans for all of our locations as to what it could be. Do we want the Repositioning Committee to start looking at where we go after Heritage Park or do we want to wait until we get a new CEO in place before we do that?

Commissioner Braun asked if there are rough site plans of all the properties.

Mrs. Edgerton said yes. Mr. Zucchini had share that with me when we were in the middle of the MOU.

Commissioner Braun said he would love to see if they could be put in the Board Portal just for informational purposes.

Mrs. Edgerton said she has also talked to staff about some non-dwelling leases that we have with different groups and some of them are coming up for renewal. We're trying to renew just for a year in case there's other potential uses that we want to use those for later down the road. One of those is our Arts Together building which is at the Carriage House, and the other is the St. Saviour's space out at Glenwood Towers.

Mrs. Edgerton said we also have space that was at 600 Tucker St., which is at Glenwood Towers and was used by our ICC. We're currently doing some renovations there due to mold issues. There's been discussion as to whether we are making the best use of that space. I think these are things that the committee could start talking about so that we can have the knowledge of what some potential uses could be.

Ms. Perez said 600 Tucker Street is an office-type space, street front, in the back part of Glenwood towers. It's in the middle of Glenwood south and it's approximately 6,000 square feet of separated office space. It could be a boutique office space, medical space, or it could support the residents of Glenwood Towers. It has some HVAC problems that create sporadic mold situations. A lot of mitigation will be involved in the reworking of the AC so perhaps we could have a discussion about best use before we went ahead and invested that. We could lease it prime in Glenwood south and do a TI allowance and get somebody else to do it for a long term lease. There are some options specifically with that space. Perhaps the committee should take a look at it before we go ahead and invest in the HVAC, and complete the mitigation.

Commissioner Warren said maybe we could take a tour.

Ms. Perez said it is currently unsafe with the mold situation.

Commissioner Warren said you can just send us some pictures of the building and the space. Does it have parking?

Ms. Perez said it shares parking with the Glenwood Towers, which includes that auxiliary parking lot at Boylan Ave.

Commissioner Warren asked if it has specific assigned spaces.

Ms. Perez said not at this time.

Commissioner Braun said maybe if somebody is keeping a list, we ought to start a list for our Strategic Planning process when we get that going. Maybe a topic would be the use of these non-residential office spaces and what they are being used for and what should we be using them for.

Commissioner Warren said his wife does some consulting work for the Rex endowment, and has come across an arts group that she thinks really does a great job. They are losing their space at the Creamery and she has asked me to ask RHA whether or not there's any space that this group, which is African American based specifically directed at serving very low income children, might be able to use. And so that's kind of in that same general area of are we best utilizing our spaces. There's no remuneration associated with this on the part of my wife or myself.

Mrs. Edgerton said I think in that area, if we were targeting a service for our residents, it would be more of a senior service (at Tucker Street).

Commissioner Warren said he was thinking there might be other spaces like Walnut Terrace if that isn't fully utilized.

Mrs. Edgerton said we spoke with your wife. At that time, all the other spaces were being utilized by Communities in Schools. This ICC space just came up because of the mold issues so we had to find a new place for them to go and it is a large space. That's really the only space that has recently opened up that we might want to consider the potential it has for the agency.

Commissioner Warren asked for staff to send that to us and we can look at that at our next meeting. Also post some of those schematics that Mr. Zucchini did on the other properties.

Commissioner Warren said another issue the Commissioner Braun has been mentioning for some time now is the single family inventory, which is not the easiest to manage. I'm not sure if single family is the right term because I think some of them are duplexes or quadruplexes. That inventory sell out there, we kind of missed the peak of the market. There were conversations about whether we could move these folks into homeownership rather than just not renewing leases. I don't know if there's any potential there for movement on that portion of the portfolio.

Commissioner Braun said the Council adopted the missing middle text changes, which allow for duplexes and triplexes on single family properties. At some point it may be worth thinking about looking at any homes or properties that present an opportunity for a duplex or a triplex and work with the Raleigh Land Trust to redevelop some of those. There could be opportunities to partner with someone in terms of homeownership and adding some density to some of those properties.

Commissioner Warren said I think we need to be really cognizant of not putting many new tasks on the plate of staff, just because they're understaffed right now. Some of these might be items that we need to park until we get a new CEO on board and fill some of those vacant positions and new positions.

Mrs. Edgerton agrees with that issue. Staff is a little overwhelmed at the moment. I do think these are things that we need to keep on the radar and as we get to a more grounded place these are opportunities we could have.

Commissioner Warren asked Mrs. Edgerton if she has a sense of when we can move forward with a section 18 demo and dispo application.

Mrs. Edgerton said EJP told us we could start it, but we really can't do it until we have the Co-Developer on board.

Commissioner Warren asked staff to revisit that and see how quickly we can move forward.

Mrs. Edgerton said the obsolescent tests may be outdated at this point so we probably have to update that. She will talk to EJP about that as well.

Review and approval of minutes of September 14, 2022.

Commissioner Winstead moved and Commissioner Morris seconded approval of the Minutes from September 14, 2022. A vote being called, the ayes and nays were as follows:

Aye: Liz Edgerton, Arne Morris, Gregg Warren, Yolanda Winstead.

Nay: None

The meeting adjourned at 12:30pm.