

Repositioning Committee Meeting Minutes
May 9, 2023
11:30 am

Committee Present: Ashley Lommers-Johnson, Arne Morris, Gregg Warren, Joe Whitehouse

Committee Absent: Yolanda Winstead

RHA Board Present: Eric Braun

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

Visitors: None

(There were no minutes to review due to the cyber event.)

Cyber Event Update

Mr. Lommers-Johnson gave an update on the cyber event that happened on May 4th:

- One of the key things that is needed as part of the analysis of the cybersecurity team is to identify the initial point of intrusion into our system. That is relevant in order to determine which of the backup copies of our system would be clean. The further back into the past that first intrusion is, the further back we will have to go to restore a backup and reenter work. There is high confidence that it took place on May 2nd and two days later is when the computers were shut down – so it was in and out. We have a backup that dates back to April 28, the previous Friday, so it's just days of work that is lost. That was the best news that we have a clean backup that is very recent.
- That quick in and out is the M.O. of the threat actor Black Basta. This is how they act – they get in quick, and they get out. We don't know where they reside on the globe. But it was important for the FBI, National Guard, and the Secret Service to identify who it was.
- We are currently cleaning and re-imaging all of our computers in the system. We are re-imaging all of our servers so that we can get to the point where we can load the backup on our systems.
- We have no way of knowing what data left so we're not sure whether anyone's personal information has been compromised. We may not know until it's published on the dark web or the team is able to analyze the information that left to see what it actually contained or they contact somebody.
- We are about to sign an engagement letter with a law firm that Charles Francis identified to be a breach attorney.
- We are very fortunate to have all of the resources that we've had access to.

Commissioner Warren asked if we are able to pay landlords.

Mrs. Edgerton said we have been able to pay a few vendors, but we're doing it in a manual fashion. We did pay our landlords on the first of the month and our next payment will be due mid-month. We are working for a solution of how to make the next payment. We have printouts so the worst case scenario is that we pay at the beginning of the next month and we can use the same list to pay those.

Mr. Lommers-Johnson said I'm optimistic that we will be back online sooner than what we hoped.

Mrs. Edgerton said Paul McDonough has been given the green light to start the re-imaging all of the laptops. We will begin that this afternoon.

Public Participation in Master Planning

Commissioner Warren said the main topic of this conversation is to review the public participation process for Master Planning. We just received some material that you sent out. There is an updated May 5th schedule that was included that Torti Gallas prepared.

Mr. Lommers-Johnson said there is an Exhibit D in that document that was labeled Milestone Scheduled Community Engagement. That schedule included, under the first task, an initial resident and stakeholder introductory meeting on May 17th – which it was clear that we weren't going to be able to meet. There was a question about whether that is the first time residents will be involved in the meeting. It is my sense, from RHA and the Board's side, that it's not acceptable for the residents to participate for the first time in a broader stakeholder meeting.

Mr. Lommers-Johnson said part of the agenda here is to confirm that and to determine what is the goal of that first resident meeting/s before the broader stakeholder meeting.

Commissioner Warren said any meeting we would have would be an open meeting – I assume that anybody could attend. However, the PR and notices would be focused on the residents.

Mr. Lommers-Johns said that is correct – if we have a resident meeting prior to any other meetings.

Commissioner Warren said the first question – which is Mr. Lommers-Johnson's preference – is that we have the first meeting be focused on explaining to the residents the process, introducing him as the new CEO, and then perhaps we could do a SWOT analysis with the residents to hear from them what they like and what they don't like about their community. That could be focused on the residents. The next question is what is next – do we have another meeting with a larger stakeholder group?

Mr. Lommers-Johnson said a smaller meeting with the residents first demonstrates respect to the residents that the first time they are involved there is not everybody around the city who's involved. We want to mark that meeting, but also educate the residents about what to expect with the process. The potential of doing a SWOT analysis in that meeting could be a product of that meeting that feeds into the stakeholder meeting. That would be the first meeting, and if it's the

only meeting, that would be the resident meeting at that point. I don't know whether anyone foresees the need for a second meeting.

Mr. Lommers-Johnson said another suggestion was to hold a meeting with the leadership first. Iesha Cobb is the resident president of Heritage Park. It might be worth scheduling a meeting with her to outline the process and get her feedback before we have the resident meeting.

Mrs. Edgerton said staff had mentioned that the ICC president, Jackie Williams, would be checking in to be a part of that also.

Commissioner Warren asked if there is consensus to have a resident-focused meeting to kick this off.

(The committee agreed.)

Mr. Lommers-Johnson said, without specific reference to the schedule and dates, what I got out of the meeting with the team last week is that they want to have a broader stakeholder meeting that also involves residents. And then following up on that would be the four-day design charrette. The hope was that it could be done before the beginning of July. Brinshore and Torti Gallas believe fairly strongly that to have that kind of event in July and August won't be successful (people will be least focused in the summer months). They feel there ought to be a pause before the design charrette actually happens.

Commissioner Warren said public participation processes go on through the summer.

Commissioner Whitehouse said I think that most of the stakeholders are either going to be here or not. They can choose to participate or not. We would like to have them, obviously. That seems like a big gap. They have another step in between that is called residents and stakeholders reintroduction with additional content. I think it's a good idea to come back in and bring everybody back into the fold, especially the residents, and then jump into the charrette.

Mr. Lommers-Johnson said that is correct. If there is that two-month pause in between the initial broader stakeholder meeting and the continuing of the process, they would want to have an additional meeting after the end of August. It's a reintroduction meeting.

Commissioner Whitehouse said I'm less concerned about the schedule. I'm more concerned about making sure there's continuity and quality going forward. Anytime there's a break, you have to dust it back off for people again. It probably would have to take a reintroduction to refresh everybody's memory.

Mr. Lommers-Johnson said one of the key pieces of input from Torti Gallas in response to my question about the rationale behind having four days in a row of charrette, they focused on this issue of creating momentum. Over a four-day period, you can get people focused, and it creates momentum, and it creates excitement and it comes up with a product after that four-day period. That seems to be central to how they would build and maintain momentum to get to the final concept.

Commissioner Warren said if we agree that there's going to be a resident leadership meeting, and then a resident Heritage Park meeting, and then a stakeholder meeting, the question is whether or not we do anything in July or August or we wait.

Commissioner Warren said I do think the charrette is a good idea. I am imagining that this is going to be a drop-in arrangement. We won't expect everyone to be hanging out for four days.

Mr. Lommers-Johnson said there will be four evening meetings, where the stakeholders gather and there is focus, discussion, and charrette. Throughout the day, the team is on site and anybody can drop in. There will be opportunity throughout the four days to interact and receive comments.

Commissioner Whitehouse said the thing I wonder about is the ability of our residents at Heritage Park to be able to be there four nights in a row. I'm thinking about childcare and other things that they may need to have. Are we prepared to help assist with that and give them any help to attend these meetings?

Mr. Lommers-Johnson said there wasn't much detail in what they presented in paper or in the meeting last week. However, these things would be key to make it possible for people to attend.

Commissioner Warren said if you're focusing on resident involvement, childcare is important – as well as food, at times. If we're going to do it on a site at Heritage Park, then I do think the community room is too small. You might have to do a tent in the parking lot.

Mr. Lommers-Johnson said they did talk about tents.

Mrs. Perez said we have very good resident participation. When we did those preliminary meetings on the basketball court, it was very relaxed and there was a lot of one-on-one dialogue, which I think is crucial.

Mr. Lommers-Johnson said it sounds like we agree on the initial couple of resident meetings and the stakeholder meetings occurring before July 1. In September, we will have a reintroduction, and then following that we agree on a four-day charrette as they're proposing it in September.

Commissioner Warren asked if anybody wants to push it earlier (in July or August).

Commissioner Whitehouse said I think it couldn't hurt to ask about moving forward. We need to make sure that the team can be engaged as well.

Commissioner Warren said another thing that can happen during this period where we're not holding stakeholder meetings is doing all the interviews, as well as doing engineering analyses on the site and more technical things as to how the utilities are going to work.

Mr. Lommers-Johnson said I didn't hear from the consultants about any stakeholder interviews.

Mrs. Edgerton said they didn't talk about it at the last meeting, but they have talked about it in past meetings. There's a stakeholder list and on there they talked about who would potentially reach out to them.

Commissioner Warren said Raleigh Raised was doing 90% of the interviews.

Mrs. Edgerton said the committee had asked that RHA be involved and they said they would update us as they planned them. That has not started yet – they were waiting for final approval on the stakeholder list.

Mr. Lommers-Johnson said July and August would be a good time to do that.

Commissioner Warren said Brinshore is very interested in submitting a tax credit application in January.

Mr. Lommers-Johnson said they didn't mention January in the meeting.

Commissioner Warren said there is an open round starting in May but then you can also submit in January before that and you would get an answer in summer.

Mr. Lommers-Johnson said, based on the discussion of the section 18 application environmental review that needs to take place, a January application is out. It will be later in the year.

Commissioner Warren said the only question is whether the city is going to run out of money, or if they're going to put some money aside for RHA for this deal.

Mr. Lommers-Johnson said we need to get through the section 18 process. That section 18 application and approval is key to a lot. It takes up to six months, and sometimes more, to get an approval from the Special Application Center (SAC). EJP said the SAC has more recently been looking at applications and taking out costs that they think shouldn't be included – they are making it more difficult. We will need to update our physical needs assessment.

Mrs. Edgerton said we have received a quote from Dominion to update the PNA. Jennifer Morgan and I have talked about it and we feel it's still going to meet obsolescence.

Mrs. Morgan said Dominion works with the SAC office very closely.

Mr. Lommers-Johnson said if we're okay to give Brinshore and Torti Gallas the feedback that this is what we want in terms of meetings, and we're okay with the dates, then I think we have enough to move the process forward and for them to plan. You had a question about the budget. There is a budget and it is part of the draft Master Planning Agreement that we have to review. We would like for you to look at it but I also want to submit that to Charles Francis for his review. The last section of that agreement was about some of the documents.

Mr. Lommers-Johnson said in the Master Planning Agreement draft, Section 6 talks about ownership of Master Planning documents. It says “all word product generated by and through the

Master Planning process shall be owned by Brinshore. If Brinshore is terminated, either by convenience or for cause, and the RHA reimburses Brinshore for each shared paid expenses, its interest in the Master Planning document shall be assignable to RHA.” We need to have that changed to “its interest in the Master Planning documents *shall be assigned*”, and not just be “assignable”.

Mr. Lommers-Johnson said that's an edit that I think is necessary. Other than that, I would like the committee to review it.

Commissioner Warren said if the timing works well you could put that on the agenda for the full Board meeting. It doesn't necessarily have to run through the Repositioning Committee, if you feel it's important to get this done right away. If you want to send it to me, I can offer you my opinion, but we don't necessarily have to. I don't want to slow it down.

Commissioner Whitehouse said my only comment on this is that if they're terminated for cause, we shouldn't have to reimburse them. But if we terminate them for convenience, we would reimburse them, and they definitely would be assigned to us. The rest of it looks fairly straightforward.

Commissioner Warren said the only thing I would like to say is that I'm a little reluctant just to come up with one plan. I'd like to see high density options, medium, and maybe low and play with those. Maybe we can have three options coming out of the charrette. And then there's a bit more thinking and maybe discussions with the city and the financing pieces, and then we can choose.

Mr. Lommers-Johnson said one of the items of conversation at the last meeting was around that, because the schedule indicated that out of the charrette would come a final plan. I said I was concerned about it just being one when the issue of density looms large. We could go through a process and come up with something and then the city says “no”. So there was a recognition that, prior to the charrette, there has to be consultation with potential funders as well as key stakeholders to settle on some key parameters for the planning.

Commissioner Warren said financing is a critical one. There's probably going to be a final discussion where we present the final plan that we're going forward with, and I think that's actually reflected in that schedule.

Commissioner Whitehouse asked how the Communication Plan is coming along. Integral to this whole process as the Communication Plan.

Mr. Lommers-Johnson said we have not seen a more detailed Communication Plan coming out of this.

Commissioner Warren asked who is responsible for doing that? Is it P3, Brinshore, or EJP?

Mrs. Edgerton said it is BLWall – she is working along with P3.

Commissioner Warren asked Commissioner Whitehouse to give Mr. Lommers-Johnson a synopsis of what he thinks the plan should look like.

Commissioner Whitehouse said it needs to be a plan that outlines all the efforts, both inbound or outbound, as it relates to this project going forward, trying to be proactive and getting the message out, making sure that we've got a good viable website, making sure we've got good access to documents, and making sure that people who need to be in the know are in the know. It needs to make sure that it's an open transparent process and that we're doing everything we can to stay ahead of it. The last thing we want to hear from somebody is that they didn't know about it, didn't see it, and didn't understand it because the information wasn't easily accessible.

Commissioner Warren said I think that we need to be very clear about what we're doing for relocation resources for our residents. I would like for us to do all that we can to work with existing LIHTC developers to see if they will partner with us by placing a priority on residents displaced from Heritage Park and any other federal actions that might be out there.

Commissioner Warren said we have talked about the CAD properties, and whether or not those CAD properties could also have a priority for those displaced and look at other selection criteria that might prevent the displaced from moving into those properties.

Mr. Lommers-Johnson said I also think we could revisit the employment requirement as a condition for admission to the properties. Those are policy issues that we can revisit. RHA has not done any project basing of vouchers. If we project base in LIHTC properties that are coming up, and there's a requirement for that, we can project base over 800 vouchers in properties, and as much as 1200 if we serve people who are homeless or have other special needs. We can create some of those relocation options by doing project basing and then those properties will serve the people that need relocation.

Commissioner Warren said you mentioned in your email this morning that you wanted to discuss exploring acquisition opportunities out there to do new development.

Mr. Lommers-Johnson said this may or may not be related to Heritage Park. There are two current RFPs. We're a little bit behind the ball in terms of time, but it's possible for us to submit. There's a property on Poole Rd. that Commissioner Braun alerted me about. I went on the city's website, and there's a smaller property on Summit. For both of those properties they want affordable housing. We could make project based vouchers available to make those projects more financeable. There is the Duplex Village property, over four acres, that will be the subject of an RFP this summer.

I think we should consider to see if we can be competitive. Duplex Village would be tough for other developers because some of those units are occupied, and they will need relocation. Other folks don't have some of the relocation resources that we have through vouchers. Depending on the timing of relocation and the completion of the planning for Heritage Park, it might be ambitious to get something done before then.

Mr. Lommers-Johnson said we are going to need relocation resources beyond Heritage Park once we start tax credit acquisition rehabs on RAD conversions, or just other section 18 dispositions where we want to develop. Some of our properties are in need so we will need relocation resources in the future.

Commissioner Warren said another approach is to look at other older LIHTC deals where people may want to get out, even though they still have a 30-year extended use period. We have the ability to come in and acquire easily.

Commissioner Braun said, going back to Duplex Village, as I understand the state law, the city can convey property to the housing authority without going through the RFP process. And I know the council has authorized that process for Duplex Village. Is there any reason we can't approach the city and talk about ways to redevelop – just go straight to them?

Mr. Lommers-Johnson said we haven't nailed down a meeting with the mayor yet. We are hoping that on May 17th I'll be able to meet with the mayor and I definitely want to talk about Duplex Village. I have talked to her on the phone in relation to the cyber incident last week. She was very supportive. But I do want to use the next meeting as an opportunity to talk about disposition to the housing authority without having to go through an RFP process.

Mr. Lommers-Johnson said given the criteria that I've seen in the last two RFP processes, we may not score well on the developer experience criterion. If we bring in a Developer, and we're a Co-Developer, we can overcome that. There's really no one else who can provide housing for people between 0 and 30% AMI. I can't see somebody else doing that without the resources that we have.

Commissioner Braun suggested that the county has employed a real estate firm to identify sites for acquisition – either raw land or complexes. A meeting with David Ellis, the County Manager and Lorena McDowell, Director of the Wake County Department of Housing Affordability, would be in order as part of an early introduction. It would be beneficial to meet with both of them.

Mr. Lommers-Johnson said I do think we need to put on the table the ball field, close to our offices here – 2 ½ acres next to the Community Center. It would be a great site to house people who need to be close in town and need affordable housing.

Commissioner Morris said I'm all about athletics and youth and giving them places to keep them out of trouble. But at the same time, you need some place to house them as well.

Commissioner Whitehouse said I think this would lead to the discussion of looking at all of our existing properties. We've talked before about looking at additional development possibilities anywhere across our portfolio.

Mr. Lommers-Johnson said, as part of our strategic planning, we should have strategic planning around our properties so that we can begin to figure out what goes first and what's next and have

a 10-year plan to reposition all of our public housing properties that have not been converted to RAD.

Adjournment

The meeting was adjourned at 12:30 pm.
