

**CEO Nesmith's Presentation JUNE 17th to City Council's
Land Use, Housing and Transportation Committee re:
*Proposed Gilpin Disposition to the Richmond Development Corporation
(RDC)***

Good afternoon, Chairwoman Jones and other Council Members. My name is Steven Nesmith, and I am honored to serve as the Chief Executive Officer of the Richmond Redevelopment and Housing Authority under the leadership of Chairman Bill Johnson and the full RRHA Board of Commissioners.

Thank you for the opportunity to bring remarks on an exciting opportunity for the residents of Gilpin, the redevelopment of one of the oldest public housing infrastructures in the United States.

And that is, to leverage RRHA's 501(c)(3) non-profit, the Richmond Development Corporation the ("RDC"), **which is the development arm, wholly-owned by RRHA, and thereby, has accountability and oversight by RRHA's Board of Commissioners** – and to leverage this entity to raise unrestricted revenue for redevelopment of Gilpin. There is one immutable truth that can not be changed or altered – and that is, long before the current leadership in Washington, D.C., the federal government have reduced the funding for traditional public housing – I know first-hand because I worked in Washington D.C. for many years trying to obtain that funding for public housing,

Faced with this reality, all public housing Authorities across the country and **here in the Commonwealth of Virginia**, have leveraged its 501(c)(3) non-profit RDC to advance redevelopment of public housing, because there is not enough funding at the federal state and city level. Two former Chairmen of RRHA told me that RRHA should have leveraged the RDC long ago but there was not the expertise at RRHA at the CEO level and among senior management – but we have that now, in an All-American Team of experts.

However, I and our team did NOT do a good enough job of bringing more clarity, speaking more thoroughly and in plain terms about what our proposal seeks to achieve. And, there are some who just would rather have the status quo linger on, but that's not a good option for the residents with Gilpin having the oldest infrastructure from Miami up to Vermont and Maine – living in concrete cinder block structure – that inhumane.

Our proposal is a phased transfer of portions of Gilpin (there are 10 phases which take years to develop), RRHA is **not** proposing disposing of all 781 units of public housing at one time.

Our redevelopment efforts for Gilpin Court is **not privatization**. RDC is a whole-owned subsidiary of RRHA and is a 501(c)(3) NOT-FOR PROFIT organization. Thus, it is not a private company in the typical sense of a for-profit business. As a 501(c)(3) entity, its primary mission is to promote a social cause or provide a public benefit, not to generate profit for owners or shareholders.

OVERSIGHT AND ACCOUNTABILITY

A member of RRHA's Board of Commissioners sits on the RDC's Board **and all actions taken by the RDC Board must be approved by RRHA's full Board of Commissioners.**

WHY NOW: Given the federal environment and volatility of changes to funding, it is imperative that RRHA take strategic steps to ensure that TPVs are available to aid Gilpin households during relocation efforts. There is an urgency of now to submit RRHA's request for authorization for Tenant Protection Vouchers (TPVs).

HOW: When RRHA uses the RDC to redevelop each phase of the Gilpin, RRHA will continue to own the land, that means Gilpin will remain in the "public trust" Also, like with Creighton Court's redevelopment, RRHA will also have imbedded in the development agreement, what is called the "Tenant's Bill of Rights" - to ensure that any current resident who wants to return to Gilpin, can return. In the meantime, tenant protection vouchers ensure families will continue to receive affordable housing assistance.

COMMUNITY ENGAGEMENT

RRHA undertook a 15-month planning effort under a grant from HUD, which culminated in December 2023. Gilpin residents, along with other community stakeholders participated in many, many community meetings over more than one year, and that process of having the residents' voices heard – was reflected in a 179-page planning document, which HUD accepted. The plan laid out the desires of what the residents and other stakeholders desired for their new Gilpin community.

Now as the implementation of the plan is underway, RRHA recognizes that it needs to enhance its outreach and resident engagement so that residents can better understand the RDC and how it will be used as a tool for redeveloping Gilpin. Therefore, we will hold additional resident engagement community meetings.

FINANCING TOOLS

RRHA will explore a variety of financing tools, to include low-income housing tax credits, historic tax credits, city, state and federal funding and rental assistance demonstration (“RAD”). However, in general RAD does not provide any vouchers for relocation activities.

CLOSING

All of RRHHA's redevelop efforts are resident focused, in creating a better future is at the heart of what we do - Rebuilding Communities and Changing Lives. And we look forward to collaborating with all of you, members of City Council, as we create a brighter future for Richmond residents.