

Richmond Redevelopment & Housing Authority

Update to Richmond City Council

Finance and Economic Development Standing Committee

Thursday, November 18, 2021 |



Reinvestment Strategy

For proceeds that were earned for earlier redevelopment efforts and sales of property.

Total profit earned (to date) by RRHA on redevelopment efforts and sales of property:

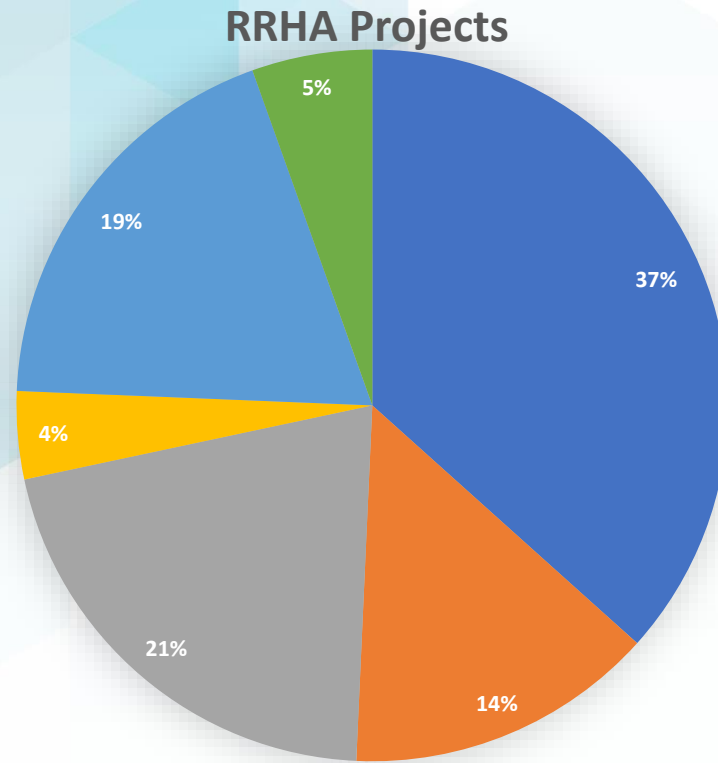
- Total Profits Earned: \$6,034,390.00
- Expenditure to Date: \$1,620,192.00
- Balance: \$4,414,198.00

- Developer Fees Earned: \$2,634,555
- Expenditure to Date: \$ 51,946
- Balance: \$2,583,608

TOTAL: \$6,996,806



Breakdown of the \$ 1,620,192.47



■ Church Hill (All Phases) ■ Baker School ■ Fay Towers ■ Property Purchases ■ Home Renovations ■ Administrative Expenses



Leveraging Assets

In order to further current and future redevelopment efforts

Feasibility Analysis

- Market Studies
- Appraisals
- Surveys
- Physical Needs Assessment
- Legal Fees
- Administration

Leveraging

- Sponsor Loans
- Property Purchase
- Gap Financing
- Operating Deficit Shortfalls & Reserves

Strategic Investment of Funds

\$4,414,198.00

- RRHA will make strategic investment of funds for the redevelopment of its public housing communities including the current redevelopment of Creighton Court and homeownership projects.
- We will also work with our Real Estate Committee to review our real estate holdings and cash to strategically and collaboratively invest with the City of Richmond, non-profit and for-profit developers, residents, and stakeholders to develop a Housing Plan to achieve the Mayor's Objective of 10,000 new affordable housing units in the City in the City of Richmond.



Proposed Changes to RRHA Business Model

Taking into account redevelopment efforts

- Self Development & Co-development Capacity – to gain a greater percentage of the developer fee.
- LIHTC (Low Income Housing Tax Credit) Property Management – RRHA management of redevelopment properties at or after conversion.
- Project Based Voucher versus Project Based Section 8 Rental Assistance (PBV v. PBRA) – Contract with developers with HUD PBV program to retain administration fee.
- Marketing Bond Program – City sole source program to gain unrestricted funds for further affordable housing development.



Total Dollar Impact for HUD capital funding

Since beginning redevelopment efforts

- Challenging Question
- Capital funds are decreased when projects are removed from inventory: Dove Court, Small House/Used House, Fay Towers, Family 1 & 2 (Afton, Bainbridge, Fulton, Randolph, Stovall) Senior Sites (4th Ave. Lombardy, Fox Manor, Stonewall, Old Brook Decatur).
- Capital Fund Allotments to PHA has increased since 2018.
- However, Developments remain physically obsolete exceeding capital fund allotments to address housing needs.



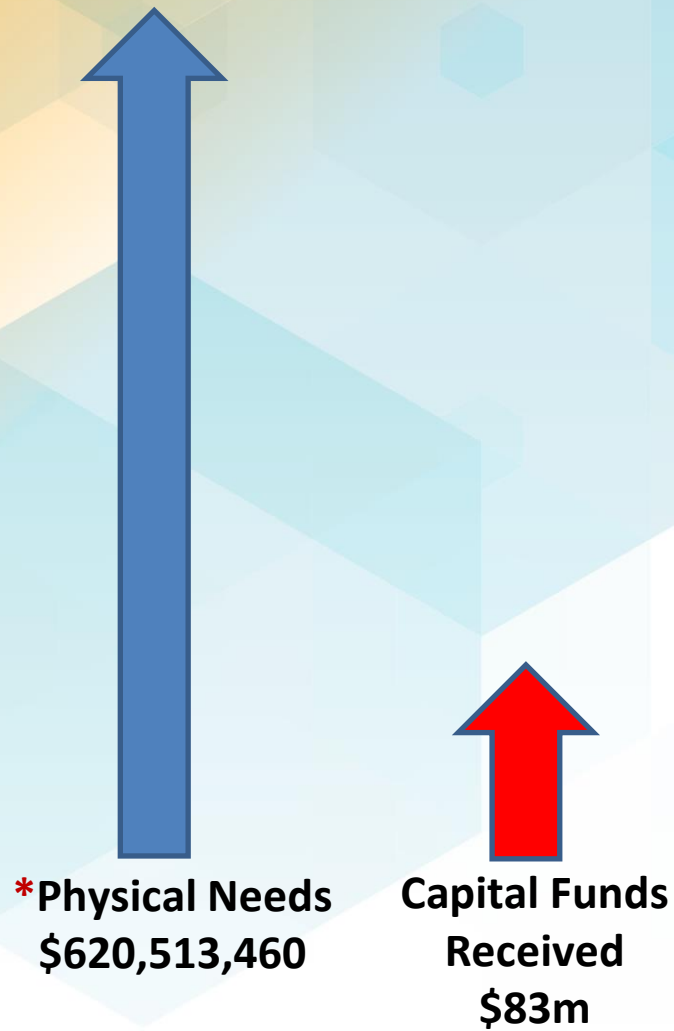
FY2022 Capital Grant Budget Challenges

- HUD regulations
 - 2022 Grant Award – estimated at \$11.6 million.
 - **Challenge: Future Grant Awards – same level?**



- Aged Facilities
 - Emergency Work (i.e. Sewer, Drain Lines and HVAC/Boiler Repairs)

Physical Needs Assessment (PNA)



** Based on 2016 Physical Needs Assessment*

Housing Unit	TDC
Fairfield	\$ 104,861,879
Creighton	\$ 114,183,538
Gilpin	\$ 185,182,955
Hillside	\$ 90,237,942
Mosby	\$ 117,006,141
Whitcomb	\$ 99,278,947
Total	\$ 620,513,460

Approval of RRHA's Annual Plan

- RRHA's Annual Plan did not receive approval from US Department of Housing and Urban Development NOT due to fair housing concerns or any other substantive issues. Reasons were:
 - HUD wanted RRHA to provide clarification and additional information in a few areas, such as AFFH (Affirmatively Furthering Fair Housing).
 - The few notes held by FHEO (Office of Fair Housing and Equal Opportunity) regarding RRHA's Plan, were not a basis for HUD's denial.



RRHA Timetable for Resubmission to HUD

- RRHA has been working with HUD to make the requested clarifications and provide the additional information.
- We expect that the revised Plan will be ready for public review and comment by the end of this month (November 2021).



RRHA Community Engagement Efforts

- Revised Plan will be made available for public review and comment for at least 45 days before resubmission to HUD.
- Print & electronic advertisement of the Annual Plan's availability.
- Multiple public meetings (both in person and virtual) to review and discuss the revisions.
- Social Media
- RRHA's Website

