

DRAFT

**City - ARHA
Work Group on Samuel Madden
October 17, 2001**

Committee Members Present:

Mayor Kerry Donley
Bill Euille, Member, City Council
David Speck, Member, City Council
A. Melvin Miller, Commissioner, ARHA Board
Donna Fossum, Planning Commission
Phil Sunderland, City Manager
Bill Dearman, CEO, ARHA
Mark Jinks, Assistant City Manager
Connie Lennox, Director of Development, ARHA

Others Present:

Laurie Putscher, TAG Associates
Angela Smith, Office of Management and Budget
Mildrilyn Davis, Office of Housing
Jeffrey Farner, Department of Planning and Zoning
Helena Soprano, Department of Planning and Zoning
Sandy Murphy, Assistant to the Mayor
Beverly Jett, City Clerk
Cindy Smith-Page, Real Estate Assessments
Rick Koffarnus, ARHA
Marilee Mcnard, Citizen
Roger Mechanic, Citizen
Susan Brita, Citizen
Daniel Abranson, Citizen
Darryl Whitehead, Citizen
Sonya Floyd, ARHA Resident
Cheryl Mitchell, ARC
Catherine Turner, ARC

The minutes from the September 13, 2001 Work Group meeting were distributed and approved.

Mr. Dearman has attempted to schedule a meeting with HUD and has not gotten a response to his letter to the Assistant Secretary for Public Housing. ARHA sent a detailed redevelopment Revised Schedule and Program Synopsis to HUD on October 5, 2001 and Mr. Dearman indicated that satisfied HUD's concern about the project moving forward; therefore, the HOPE VI grant is

not in jeopardy. Mr. Dearman distributed a copy of the October 5 letter to HUD to the Work Group members.

Mr. Miller gave an update on the contract with TAG Associates for a Program Manager and said that the ARHA Board will vote on the contract at the Monday, October 22 meeting. The fiscal impact of the contract is \$2.14 million for the entire project including on-site and off-site development. The contract includes, but is not limited to, costs and services such as, legal fees, an architectural engineer, construction management, and a financial specialist. There was concern expressed that the \$2.41 million contract would reduce the funds that were going to be used for the actual construction of replacement units. ARHA staff explained that the \$2.41 million was broken down into development accounts including, but not limited to, relocation costs, counseling services, social services, legal fees, and program management. ARHA staff assured the Group that these funds were included in the HOPE VI grant and will not reduce the \$4.167 million in HOPE VI funds available for the on- and off-site replacement units. It was pointed out that the soft costs for the project are around 10%. Ms. Putscher explained that HUD publishes guidelines for Safe Harbor fees and costs and this project is within the guidelines.

There was a discussion on the process that the Draft RFQ will take before it is released to the public. The City committed to have staff comments back to ARHA by the close of business on Monday, November 22. If there are any disagreements that cannot be worked out between the ARHA and City staff, the Work Group will discuss the disagreements at the next meeting. If ARHA and City staff work out all issues then the scheduled meeting will be cancelled. Mr. Miller indicated that HUD will not have to approve the RFQ before it gets released.

Mr. Sunderland expressed his concern that in the time line given to HUD there was not sufficient time built in for the City planning and zoning process. The application for the Low Income Tax Credits has to be turned in by March 1, 2003. Mr. Sunderland suggested to back up from this date to determine when each step of the process needs to be complete. The RFQ would need to go out very soon in order to meet the future tax credit deadline.

There was some concern from citizens at the Work Group meeting that during the evaluation of the RFQ's more weight would be given to public housing developers, therefore, limiting the opportunity for experienced private housing developers.

There was also concern expressed by the residents of Samuel Madden that the process is not moving forward. Mr. Sunderland assured the residents that significant progress has been made since last May. The City has committed up to \$3.5 million for first-class replacement units, the Work Group, City Council and the ARHA Board have agreed to many parameters, a process for developer selection has been agreed upon, and a process for community involvement has been incorporated.

If needed (see above paragraph) the next meeting for the Work Group was scheduled for Friday, November 2, at 5:00p.m. in the Council Workroom.