

### **General Notes**

- Approximately 35 people attended the meeting, mostly residents but also Legal Aid and Friendship Court Advisory Committee members
- The meeting was coordinated by Piedmont Housing Alliance and National Housing Trust/Enterprise (as owner, NHTE Piedmont Garret Square LP) and Edgewood Management (property manager) to help explain the commitment to renew the Section 8 contract. Representatives from Virginia Housing Development Authority (VHDA) also accepted the invitation to attend the meeting.
- National Housing Trust/Enterprise representatives provided general overview of the Section 8 renewal process.
- Notice of expiration and intent to renew was sent to residents from Edgewood Management because the HUD project-based Section 8 contract that subsidizes rents at Friendship Court expires July 1, 2018, and federal law requires that residents receive a 1 year notice. **It has always been the owners' intent to renew the contract moving forward beyond July 2018.**

### **HUD / VHDA Transition Discussion**

What will be a slight change is that the contract now administered by VHDA will be administered by HUD / or third party under HUD. The change in administration doesn't affect residents; how residents pay rent won't change nor will the calculation of the resident share of the rent. Between now and July 2018, the ownership group will be working with HUD on how the contract is renewed. There are different renewal options that HUD offers for contract renewals. Ownership will select the contract renewal plan that best preserves the ability to redevelop the property and maintain long-term Section 8 subsidy. The Owners will be meeting with HUD in the winter between December 2017 and February 2018 to work through renewal options. The new contract will be in place July 2018.

The following are questions and responses that came up throughout the meeting:

#### **Question: Which option will be chosen in the renewal process?**

##### **Response:**

- HUD has several different options to choose for renewal. Options must be chosen carefully as they relate to redevelopment. Ownership will select the contract renewal plan that best preserves the ability to redevelop the property and maintain long-term Section 8 subsidy.
- We believe the contract will be renewed and are not overly concerned that it would not be renewed.

**Question: Is there a contingency plan that would be considered?**

**Response:**

- It is not anticipated that renewal will be a problem. There will not be a break in rental subsidy. VHDA noted that all VHDA-administered contracts that have previously expired in their portfolio have been renewed by HUD.

**Question: Who are the tax credit investors? What is their interest?**

**Response:**

- They are investors in the project, providing funds for the 2002 rehab, who in exchange for their investment received credits on their federal taxes. They are not involved in the management of the property. They are passive investors.
- Piedmont Housing and NHT-Enterprise are responsible for the management and operation of the property on behalf of the passive investors.

**Question: What happens if no voucher for the property?**

**Response:**

- Regulations provide that residents would receive an enhanced voucher. However, all contracts have been renewed and that is expected to continue.
- Enhanced vouchers allow the resident to move to any property that accepts Section 8.

**Question: Is there any way, locally, to look at a contingency plan guarantee with city vouchers?**

**Response:**

- If there are cuts to the federal subsidy, all options will be explored.

**Question: What does the federal subsidy cover? What are the costs?**

**Response:**

- Closer estimate based on 2017 YTD: ca. \$125,000 collected per month in Section 8 subsidy and tenant-paid rent. Annually, that is approximately \$1,500,000 in rental income. Subsidy covers approximately 77% of the rent income with the tenant paid rent covering the balance.

**Question: What kind of jobs will be at Friendship Court?**

Response:

- In addition to assessing job opportunities created as part of the redevelopment, Piedmont Housing Alliance is developing a workforce development plan to partner with existing organizations and will discuss this “road map” for Workforce Development with the work group, Advisory Committee, and residents this fall. The road map does not identify the various businesses that would be incorporated into Friendship Court’s redevelopment.

Additional Comments

Much was made by some residents about ownership providing a GUARANTY that the property will always have section 8. We cannot make that guaranty. We promise that our intention is to renew. Section 8 is subject to annual appropriation by the U.S. Congress.

What happens if Trump cuts Section 8 – The property would lose some portion of funding. Resident rent would remain the same but subsidy from HUD would be reduced to owner... the owner would have to do the same with less – which would have an impact on operations and resident experience.

Additional questions & issues

- How the redevelopment will be financed?
- Additional meetings to include HUD representatives?
- Who will be the new investors?