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A Commitment to Quality Living

Approved 2016 PHA 5-YEAR and Annual Plan

Significant Amendment

Exhibit A

The Significant Amendment will include:

1. Combination of the Liberty Street and Oldham Towers developments for the Rental Assistance Demonstration (RAD) program
2. Long-term multi-year lease of five (5) years of portion of JJ Henderson vacant lot for Durham Bulls game-day parking.

The Significant Amendment to the approved 2016 PHA 5-Year and Annual Plan will be considered for approval of submission to the U.S. Department of Housing and Urban Development by the Board of Commissioners at its regularly scheduled meeting on March 23, 2016.

The significant amendment makes changes to Section 7 (Hope VI, Mixed Finance Modernization or Development, Demolition and/or Disposition, Conversion of Public Housing, Homeownership Programs, and Project-based Vouchers) of the PHA Annual Plan.

1. Combination of the Liberty Street and Oldham Towers developments for the Rental Assistance Demonstration (RAD) program

DHA is taking part in the HUD Rental Assistance Demonstration (RAD) program. The RAD program is authorized by the Consolidated and Further Continuing Appropriations Act of 2012 (Public Law 112-55, approved November 18, 2011), which provided fiscal year 2012 appropriations for HUD (2012 Appropriations Act). RAD allows public housing agencies to leverage public and private debt and equity in order to reinvest in the public housing stock. Under RAD units move to a Section 8 platform with a long-term contract that, by law, must be renewed. This ensures that the units remain permanently affordable to low-income households.

The first component of RAD allows projects funded under the public housing programs to convert their assistance to long-term, project-based Section 8 rental assistance contracts. Under this component of RAD, public housing agencies owners could choose between two forms of Section 8 Housing Assistance Payment contracts: project-based vouchers or project-based rental assistance.

In October 2013, DHA applied for a RAD Portfolio Conversion award and was successfully awarded on March 25, 2015. DHA also received a Commitment to enter Housing Assistance Payments (CHAP) for the Liberty Street and Oldham Towers on that date.

Oldham Towers is a 106-unit rental development located at 519 E Main Street. It was built in 1969 and has one seven-story dwelling unit building and one non-dwelling unit building used to house the Resident Services Department. Elderly and non-elderly disabled individuals occupy

the units. The complex consists of 50 zero-bedroom, 53 one-bedroom, and 3 three-bedroom units. The development contains 3.51 acres.

Liberty Street is a 108-unit rental development located at 131 Commerce Street. It was built in 1972 and has twenty-six dwelling unit buildings and one non-dwelling unit building. Families occupy the row type structures and elderly individuals occupy the two-story walk-up structures. The unit size bedroom distribution includes 32 one-bedroom, 47 two-bedroom, and 29 three-bedroom units. The development contains 9.91 acres.

DHA submitted for approval the combination of the two developments in December 2015 and was approved. The initial individual CHAPS for the developments were rescinded and a new CHAP was issued for the combined developments. At this time, the milestone dates have not been revised.

DHA will apply for 9% Low Income Housing Tax Credits in January 2017 for the combined sites. The preliminary plan is to demolish both developments and redevelop both sites as one comprehensive development.

2. Long-term multiyear lease of five (5) years of portion of JJ Henderson vacant lot for Durham Bulls for game-day parking.

DHA owns the JJ Henderson public housing development. The Development consists of three distinct parcels totaling roughly 5.3 acres. The addresses of the three parcels are (a) 807 South Duke Street (3.304 acres, and the lot where the high rise apartments are located); (b) 809 South Duke Street (.478 acres, and the vacant lot that abuts both 807 South Duke Street and 473 Morehead Avenue); and (c) 473 Morehead Avenue (1.552 acres).

The Durham Bulls wishes to lease a portion of 473 Morehead Avenue because it is in need of additional game-day parking. 473 Morehead Avenue is adjacent to the Durham Bulls Athletic Park and consists of the tenant recreational and gardening area/park commonly known as Hope Park and a vacant lot. The Durham Bulls desires to lease the vacant lot.

A lease for the 2016 baseball season (April – October, 2016 or 7 months) was approved by the DHA Board of Commissioners on December 16, 2015. The lease payment for the entire term will be \$10,000. In addition, the Durham Bulls will provide the following concessions for the benefit of the JJ Henderson residents: (i) one (1) catered picnic for one hundred fifty (150) people at one (1) baseball game during the 2016 baseball season; and (ii) fifty (50) tickets for entry to six (6) baseball games (for a total of 300 tickets) during the 2016 baseball season. The Durham Bulls will be required to maintain and insure the lot during the lease term, and indemnify DHA.

DHA and the Durham Bulls entered into an identical short-term lease for the 2015 season upon the same terms and conditions. In addition, the Durham Bulls, at their own expense, installed a crushed stone parking surface and bollards to control patron parking on DHA property during games and other events hosted at the stadium. The Board approved that lease at its March 25, 2015 meeting.

The parties have discussed entering in a long-term multiyear lease of five (5) years, \$1,428.57 per month (or \$17,142.84 per annum), with an annual rent escalator of 3%, and TBD resident concessions (e.g. catered picnics, baseball tickets). The long-term multiyear lease will start during the 2017 baseball season and end at the conclusion of the 2021 baseball season.