

**Choice Neighborhood II Development Corporation
Board of Directors Special Meeting
March 19, 2024**

227-27th Street
Newport News, VA 23607

Agenda

1. Roll Call
2. Approval of Minutes of January 16, 2024
3. New Business
 - a. Consider a resolution approving the permanent loan funding for Choice Neighborhood II and authorizing the President execute documents
3. Any other business to come before the Board
4. Adjourn

**Minutes of a Meeting of the
Choice Neighborhood II Development Corporation
January 16, 2024**

Having duly given public notice, the Board of Directors of the Choice Neighborhood II Development Corporation met at the offices of the Authority at 227-27th Street, in the City of Newport News, Virginia, at 9:30 a.m. on Tuesday, January 16, 2024.

Roll Call

The meeting was called to order by Chairman Penrose and those present were as follows:

Directors Present: Kenneth Penrose
 Lisa Wallace-Davis
 William Black
 George Knight
 Barbara Holley
 Thaddeus Holloman

Ms. Calls absence was excused.

Also present: Raymond H. Suttle, Jr.
 Kaufman & Canoles, P.C.

Karen R. Wilds
Executive Director

Lysandra Shaw
Deputy Executive Director

Carl V. Williamson
Director of Housing

Valarie Ellis, Director
Administrative Services

Lisa Dessoify, Director
Finance

David Staley, Director
Community Development

Teresa Bennett
Executive Assistant

Justin Orie
NNRHA IT Department

Tricia Wilson – via Zoom
City of Newport News, Department of Development

Kamilla Flowers
Citizen

**Approve Minutes of
January 17, 2023
Meeting**

Director Black made a motion to approve the minutes of the January 17, 2023 meeting. The motion was seconded by Director Knight and passed with a majority vote. Mr. Holloman abstained as he was not present.

**Election of Chairman
and Vice Chairman**

Director Knight made a motion to elect Dr. Lisa Wallace-Davis to the position of Chairman and Mr. Thaddeus Holloman to the position of Vice Chairman. The motion was seconded by Director Black and passed with a unanimous vote.

**Affirm Appointment of
President, Secretary and
Treasurer**

Director Davis made a motion to affirm the appointment of Karen Wilds as President, Secretary and Treasurer. The motion was seconded by Director Knight and passed with a unanimous vote.

Other Business

Ms. Wilds reported this is the property located at 2700 Jefferson Avenue. It is currently 100% occupied. There have been some warranty issues but they have been resolved as well as some challenges with the trash chutes.

Adjournment

There being no other business to come before the Board, the Chairman adjourned the meeting at 9:32 a.m.

**Minutes of a Meeting of the
Choice Neighborhood II Development Corporation
January 16, 2024**

President

ITEM NUMBER 3

New Business

- a. Consider a resolution approving the permanent loan funding for Choice Neighborhood II and authorizing the President execute documents

3a

CHOICE NEIGHBORHOOD II DEVELOPMENT CORPORATION

MEMORANDUM

DATE: March 14, 2024

TO: All Members, Board of Directors

FROM: Karen R. Wilds
Executive Director

SUBJECT: Permanent Financing Loan Approvals



As it is necessary to close on the permanent financing for our project known as the Lift & Rise II, I am requesting approval of the attached resolution.

The NNRHA Board is considering a companion action on March 19, 2024.

**RESOLUTION OF
CHOICE NEIGHBORHOOD II DEVELOPMENT CORPORATION AS MANAGER OF
CHOICE NEIGHBORHOOD II LLC**

WHEREAS, the Newport News Redevelopment and Housing Authority (the "Authority"), was created pursuant to the Virginia Housing Authorities Law (the "Act"), Chapter 1, Title 36, Code of Virginia of 1950, as amended (the "Virginia Code"), and exist and operates as a public body corporate and politic; and

WHEREAS, the Act empowers the Authority: (a) to issue its notes or bonds in accordance with the provisions of the act for the purpose of making loans for the prevention and elimination of slum or blighted areas, for assistance in housing construction or rehabilitation by private sponsors and to refund prior obligations issued for any such purposes; (b) with the approval of the local governing body or its designee, to form corporation, partnerships, joint ventures, trusts, or any other legal entity or combination thereof, on its own behalf or with any person or public or private entity; and (c) in connection with any housing project, to transfer, convey, sell, lease or rent lands embraced in any housing project; and

WHEREAS, the City of Newport News, Virginia (the "City") and the Authority were awarded a Choice Neighborhood Initiative Grant pursuant to that Choice Neighborhood Initiative Implementation Grant Agreement dated June 27, 2019 (the "Grant Agreement") by and among the United States Department of Housing and Urban Development ("HUD"), the Authority and the City; and

WHEREAS, the Authority with consent of the City formed and organized Choice Neighborhood II LLC, a Virginia limited liability company ("Choice II LLC") and Choice Neighborhood II Development Corporation, a Virginia corporation ("Choice II Development") to act as manager of Choice II LLC, to develop and construct Carrier Point II, a residential development in the southern part of the City (the "Project"); and

WHEREAS, the Authority has entered into an agreement with Pennrose Holdings, LLC ("Pennrose"), for the development and construction of the Project; and

WHEREAS, the Authority, Choice II, LLC and Pennrose entered certain loan agreements for the design, development, and construction of the Project; and

WHEREAS, the construction is now complete and the parties are obtaining permanent financing through Citibank ("Citi"), and the Virginia Department of Housing and Community Developments ("VHCD"), Virginia Housing Trust Fund ("VHTF") and the National Housing Trust Fund ("NHTF") and other funding sources; and

WHEREAS, Choice II is obtaining four loans for permanent financing as follows (1) loan from Citi in the approximate amount not to exceed \$1,210,000, (2) loan from the Authority from funds provided by NHTF and VHTF in the approximate amount of \$700,000 (3) loan provided by DHCD and NHTF in the approximate amount of \$700,000, and (4) a Vibrant Community loan funded by VHTF in the approximate amount of \$1,000,000. The loans referenced above are collectively referred to as the "Loans"; and

WHEREAS, the permanent financing of the Project will continue the operations of the Authority and the Project and further discharge its lawful purposes, duties and responsibilities by making additional affordable, safe and sanitary dwelling accommodations available for persons of low or moderate income who reside int the City.

NOW THEREFORE, BE IT RESOLVED BY CHOICE II DEVELOPMENT CORPORATION:

1. The recitals made in the preambles to the Resolution are hereby adopted as a part of this Resolution.
2. That the President of Choice II Development as manager of Choice II LLC is hereby authorized to enter into the following documents, all subject to legal counsel review:

- a. All loan documents associated with the Loans, to include any and all documents, notes, loan agreements, deeds of trust, pledge agreements, regulatory agreements, amendments, modifications, refinancing and any thereof.
 - b. Any and all related and necessary documents needed to effectuate the Loans and the refinance of the construction loans to permanent loans to include any amendments, modifications, and refinancing thereof.
3. The President of Choice II Development shall have the authority to negotiate any further terms, conditions, and requirements for the Loans.
4. The provisions of this Resolution are hereby declared to be separable, and if any section, phrase or provision of this Resolution shall be declared invalid, such invalidity shall not affect the validity of the remainder of the section's phrases and provisions of this Resolution.
5. The Authority shall perform such other acts and adopt such further resolutions as may be required to implement its undertakings hereinabove set forth.
6. This Resolution shall take effect immediately upon its adoption.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK;
CERTIFICATE OF VOTES FOLLOWS]

CERTIFICATE OF VOTES

The following is a record of the vote by the Choice Neighborhood II Development Corporation as manager of Choice Neighborhood II LLC, on the foregoing Resolution, approved at the duly called electronic public meeting of the Authority held on March 19, 2024, after the holding of a public hearing thereon, at which public hearing and meeting a quorum of the Authority was present electronically:

COMMISSIONERS	AYE	NAY	ABSTAIN	ABSENT
Dr. Lisa Wallace-Davis, Chair				
Thaddeus Holloman, Vice Chair				
Kenneth D. Penrose, Jr.				
William Black				
George Knight				
Lou Call				
Barbara Holley				

Secretary, Newport News Redevelopment and
Housing Authority

ITEM NUMBER 4

Other Business