

**NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
BOARD OF COMMISSIONERS REGULAR MEETING**

**April 20, 2021
8:30 a.m.
227-27th Street, Newport News**

1. Pledge of Allegiance to the Flag of the United States of America
2. Roll Call
3. Consider approval of minutes of regular meeting, March 16, 2021.
4. Communications
5. New Business
 - a. Report on Examination of Financial Statements for Year Ended June 30, 2020
 - b. **Public Hearing** - Section 8 Housing Choice Voucher and Section 8 Moderate Rehabilitation (SRO) budgets
 - c. Consider a Resolution approving the Section 8 Housing Choice Voucher Budget for the Fiscal Year ending June 30, 2022
 - d. Consider a Resolution approving the Section 8 Moderate Rehabilitation (SRO) Budget Fiscal Year ending June 30, 2022
 - e. Consider a Resolution approving Amendments to Project Loan to Choice Neighborhood I LLC
 - f. Consider a Resolution approving Amendments to Project Loan to Choice Neighborhood II LLC
 - g. Consider a Resolution approving a loan to Carrier Point Commercial Partners and approval of the Bylaws and Operating Agreement
 - h. Consider a Resolution authorizing the continuation of the Authority Scholarship
6. Report to the Board
7. Closed session in accordance with the Virginia Freedom of Information Act, Code of Virginia, Section 2.2-3711
8. Consider adoption of resolution certifying a Closed Meeting in conformity with Virginia law.
9. Any other business to come before the Board.
 - Comments from the Public: (*Time Limit 5 Minutes*)
10. Adjournment

**Minutes of a Meeting of the
Newport News Redevelopment and Housing Authority
March 16, 2021**

Having duly given public notice, the Board of Commissioners of the Newport News Redevelopment and Housing Authority met telephonically and electronically at the offices of the Authority at 227-27th Street, in the City of Newport News, Virginia, at 8:32 a.m. on Tuesday, March 16, 2021.

Chairman Penrose stated: "This meeting is being conducted telephonically and electronically pursuant to section 2.2-3708.2(A)(3) of the code of Virginia and executive order dated March 12, 2020 issued by Governor Northam declaring a state of emergency and Attorney General Herring's opinion letter dated March 20, 2020, and with guidance provided by legal counsel. It has been determined that the catastrophic nature of the declared emergency makes it impracticable or unsafe to assemble a quorum in a single location and the purpose of the meeting is to address the emergency and the continuity of the agency functions. More importantly, based on what we know now about the Coronavirus pandemic and prudent precautions as a result thereof, it is being conducted in a way to provide the maximum amount of protection to our Commissioners, staff, residents and the public." He apologized for any inconvenience to anyone, and asked for understanding and compliance.

**Pledge of
Allegiance**

Chairman Penrose led the assembly in the Pledge of Allegiance to the Flag of the United States of America.

Roll Call

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

Commissioner's present: -
Kenneth Penrose – from NNRHA Board Room
Lisa Wallace-Davis – via Zoom at 8:45 a.m.
William Black – from NNRHA Board Room
George Knight – via Zoom
Lou Call – from NNRHA Board Room
Barbara Holley – via Zoom

Also present: Raymond H. Suttle, Jr. – from NNRHA Board Room
Jones, Blechman, Woltz & Kelly, P.C.

Karen R. Wilds – from NNRHA Board Room
Executive Director

Sandra Powell – from NNRHA office via Zoom
Deputy, Executive Director

Carl V. Williamson – from NNRHA office via Zoom
Director of Housing

Valarie Ellis, Director – from NNRHA office via Zoom
Administrative Services

Lisa Dessoify, Director – from NNRHA office via Zoom
Finance

David Staley, Director – from NNRHA office via Zoom
Community Development

Teresa Bennett – from NNRHA Board Room
Executive Assistant

Justin Orie – from NNRHA Board Room
NNRHA IT Department

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

Michael Graff – via Zoom
McGuireWoods LLP

Scott Coggins – via Zoom
Silver Street Development Corporation

**Approval of
Minutes, March 8,
2021**

Commissioner Call moved that the minutes of the meeting of the Board of Commissioners held on March 8, 2021 be approved as presented. The motion was seconded by Commissioner Knight and passed with a majority vote. Dr. Davis and Mr. Black abstained as they were not present for the meeting.

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Public Hearing

Chairman Penrose announced that a public hearing was being held to receive comments on the proposed Multifamily Housing Revenue Bonds for Newport Harbour Apartments.

A notice advertising the Public Hearing was posted at the Authority's office at 227 27th Street, Newport News, VA and appeared in the Daily Press on March 2, 2021 and March 9, 2021.

No public comments were received.

Commissioner Black made a motion to close the Public Hearing. Commissioner Call seconded the motion which passed with a unanimous vote.

New Business

The Board of Commissioners of the Newport News Redevelopment and Housing Authority Authorizing the issuance of up to \$1,000,000 Multifamily Housing Revenue Bonds for the acquisition, construction, renovation, rehabilitation and equipping of the Newport Harbour Apartments Multifamily Housing Facility and the execution of related documents

The Board had been provided copies of a resolution authorizing the issuance of up to \$1,000,000 of additional Multifamily Housing Revenue Bonds to assist the Borrower in financing substantial cost overruns for the cost of acquiring, constructing, renovating, rehabilitating and equipping the multifamily residential rental housing project located at 2300-2382 Madison Avenue. This project was initially approved by the NNRHA Board in January, 2019 for an amount not to exceed \$18,000,000. Because of extenuating circumstances, the partnership has requested issuance of an additional \$1,000,000 in multifamily revenue bonds. They are currently working with Virginia Housing and Wells Fargo to take advantage of the new federal legislation regarding pricing of 4% Low Income Housing Tax Credits. The developer has experienced significant challenges related to COVID-19. They have experienced supply chain issues, increases in material costs and construction delays due to an outbreak of COVID-19 with their construction crew and unexpected and unbudgeted relocation expenses. Subject to the Board's approval of this proposal, the City Council will be requested at one of their meetings in April to grant "public approval" of the issuance of the proposed Bonds and the plan of financing within the meaning of the applicable sections of the Virginia Code. Michael Graff from McGuireWoods, representing the developer, and Scott Coggins with Silver Street Development Corporation and Harbour Newport-News Limited Partnership were present via Zoom to answer any questions.

Commissioner Knight made a motion to approve the resolution. Commissioner Call seconded the motion which passed with a unanimous vote. The resolution is attached to and made a part of these minutes.

Public Hearing

Chairman Penrose announced that a public hearing was being held to receive comments on the proposed Public Housing Agency Five Year Plan for 2021-2025 and submission of HUD Form 50075-ST

A notice advertising the Public Hearing was posted at the Authority's office at 227 27th Street, Newport News, VA and appeared in the Daily Press on January 27, 2021 and the Tidewater Hispanic on February 11, 2021.

No public comments were received.

Commissioner Black made a motion to close the Public Hearing. Commissioner Knight seconded the motion which passed with a unanimous vote.

The Board of Commissioners of the Newport News Redevelopment and Housing Authority authorizing the submission of HUD form 50075-ST, PHA Plans (Five Year Plan Annual Plan for FY 2021-2025) to HUD in accordance with statutory regulations.

The Board had been provided copies of a resolution authorizing the Five-Year Agency Plan which includes the Annual Plan for FY 2021 along with the required attachments. The public housing Agency Plan is a comprehensive guide to our policies, programs, services offered to clients, operations and plan to assist with local housing needs. Ms. Wilds stated there are two parts to the PHA Plan: the Five Year Plan and the Annual Plan. The Five-Year Plan describes the mission and goals of the Authority. The Annual Plan is a detailed review of all Authority operations along with the Capital Fund Program priorities. The Plan includes comments received from residents attending the Resident Advisory Board virtual Zoom meeting on February 25, 2021. A summary of Capital Plan activities proposed in the five-year time frame as well as listing of the projects for 2021-2025. The Agency Plan includes all updated requirements for participation in the Rental Assistance Demonstration program, Choice Neighborhoods program and Housing Choice Voucher programs. Ms. Wilds stated that we are primarily utilizing capital funding for the Choice Neighborhood program to demolish the Ridley units, renovations at Aqueduct and interior renovations at Pinecroft this year and next year.

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Commissioner Davis made a motion to approve the resolution. Commissioner Knight seconded the motion which passed with a unanimous vote. The resolution is attached to and made a part of these minutes.

**The Board of
Commissioners of
the Newport News
Redevelopment and
Housing Authority
authorizing the Sale
of 1337 30th Street,
Newport News, VA
(Block 001LV, Parcel
9, 10 & Pt Alley)**

The Board had been provided copies of a resolution authorizing the negotiation and Sale of Real Property located at 1337 30th Street, Newport News, VA (Block 001LV, Parcel 9, 10 & Pt Alley. Ms. Wilds stated a request was received from Marvin Muralles, to purchase a single-family home located at 1337 30th Street from NNRHA, this was an unsolicited proposal. Mr. Muralles indicated that he will make renovations to the home and retain it as a rental property. Mr. Muralles offered \$40,000. for the property. The City assessed value for the home is \$73,400. Staff has indicated that the home is structurally sound however, it needs a new roof, HVAC repairs or replacement, new kitchen cabinets, appliances, floor coverings, interior paint and renovation of 2 bathrooms. Staff estimated renovation costs are \$39,627. All sales and development agreements will be reviewed by NNRHA legal counsel, and proceeds from the sale will be returned to the HOME or CDBG programs for other eligible activities.

Commissioner Call made a motion to approve the resolution. Commissioner Knight seconded the motion which passed with a unanimous vote. The resolution is attached to and made a part of these minutes.

**The Board of
Commissioners of
the Newport News
Redevelopment and
Housing Authority
authorizing the
issuance of Project
Based Vouchers for
Choice Neighborhood
III-R and Choice
Neighborhood IV-R**

The Board had been provided copies of a resolution authorizing the issuance of project-based vouchers for the Choice Neighborhood III-R and Choice Neighborhood IV-R housing developments. In December 2019, the NNRHA Board of Commissioners approved the issuance of up to 250 project-based vouchers for the Marshall-Ridley Choice Neighborhood Housing Plan to serve as replacement housing for the Ridley Place public housing community. This plan is a multi-phase plan that will span several years and will include the development of replacement housing at several different sites. The Ridley onsite developments represent the next phase of housing. The proposed plan is to develop 155 replacement rental homes on the site using both the 9% and 4% Low Income Housing Tax Credit (LIHTC) programs. The Choice Neighborhood III-R development will consist of approximately 71 units of which 34 are recommended to be project-based units. The Choice Neighborhood IV-R development will consist of approximately 84 units of which 45 are recommended to be project-based units.

Authorize the Issuance of Project Based Vouchers for Choice Neighborhood III-R

Commissioner Davis made a motion to approve the resolution. Commissioner Knight seconded the motion which passed with a unanimous vote. The resolution is attached to and made a part of these minutes.

Authorize the Issuance of Project Based Vouchers for Choice Neighborhood IV-R

Commissioner Knight made a motion to approve the resolution. Commissioner Davis seconded the motion which passed with a unanimous vote. The resolution is attached to and made a part of these minutes.

**The Board of
Commissioners of
the Newport News
Redevelopment and
Housing Authority
authorizing the
Executive Director to
submit an application
to the U.S.
Department of
Housing and Urban
Development for the
Disposition of 1511
Harbor Lane, Newport
News, VA
(Development
Number
VA003000301)**

The Board had been provided copies of a resolution authorizing the submission of a Section 18 Demolition/Disposition application to the US Department of Housing and Urban Development (HUD) for the disposition of property located at 1511 Harbor Lane, (the former Harbor Homes Public Housing site). This action was initially taken by the Board in October, 2020. An application was forwarded to HUD and it has been under review for several months. HUD staff advised the Authority on March 10, 2021 that the letter of support from the local government has to be from the elected Chief Executive Officer. We had included a letter from the City Manager instead of the Mayor. We have since secured a letter from the Mayor. The property represents approximately 20 acres of the entire approximately 38-acre vacant site, located in the City's southeast community. This property is subject to HUD deed restrictions and the disposition is conditioned upon their approval to release and remove any HUD restrictions. In June 2020, the NNRHA Board of Commissioners designated S23 Holdings, LLC (Developer) as the preferred developer for an approximate 17-acre portion of 1511 Harbor Lane to include two non-dwelling structures. This is expected to result in significant capital investment and job creation through the creation of a ship repair and fabrication facility.

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Commissioner Black made a motion to approve the resolution. Commissioner Knight seconded the motion which passed with a unanimous vote. The resolution is attached to and made a part of these minutes.

Report to the Board

A Report to the Board for February, 2021 had been provided to the Commissioners. A copy of the subject report is on file in the office of the Executive Director.

Mr. Williamson reported the Volunteer Income Tax Assistance program began on February 8th and will end on April 15th. To date approximately 20 tax returns have been prepared that generated \$19,522 in Federal refunds and \$1,202 in Virginia state refunds.

Ms. Dessoify reported we are in the process of completing our fiscal year audit to submit to HUD. We are also in the process of completing our tax credit year end audit, which are the December year end. Over the next couple of months, we will be bringing the budgets for Public Housing and the Housing Choice Voucher programs to the Board for approval.

Ms. Ellis reported the Housing Authority has been continuing efforts and commitment to provide a safe environment and minimize the exposure and transmission of COVID-19. We provided our senior residents with a care package including hand sanitizer, disinfectant wipes and surgical masks in a custom printed shopping bag.

Mr. Staley reported the financing plan for Spratley House was approved by HUD and NNRHA received the RAD Conversion Commitment on February 9, 2021. The closing package is currently under review by HUD. We anticipate closing to occur in late March or early April with construction to begin in April.

Ms. Powell reported we are working on the demolition applications for the Ridley site for submission to HUD. We are currently working on the 9% tax credit application that is due on March 18th which is for the first phase of development on the Ridley site.

Ms. Wilds stated the Authority coordinated with Riverside Regional Medical Center to register our senior residents and those that have chronic health conditions and were interested, residing at Great Oak Apartments, Ashe Manor, Spratley House, Marshall Courts and Pinecroft Apartments. They had two clinics at Achievable Dream schools earlier this month and they are having another one this Saturday, March 20th. We have been arranging transportation for residents who did not have available transportation.


Ms. Wilds announced that Thaddeus Holloman has been appointed to the Board of Commissioners and will be attending his first meeting in April.

Closed Session

Other Business

Adjournment

There being no other business to come before the Board, the Chairman adjourned the meeting at 9:07 a.m.



Secretary-Treasurer