

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
BOARD OF COMMISSIONERS REGULAR MEETING

October 18, 2022
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, September 20, 2022.
4. Communications
5. New Business
 - a. Report on Examination of Financial Statements for Year ended June 30, 2021
 - b. Consider a Resolution authorizing the issuance of Multifamily Housing Revenue Bonds for City Line Apartments
 - c. Consider a Resolution authorizing the issuance of Multifamily Housing Revenue Bonds for Choice Neighborhood IV-R
 - d. Consider a Resolution authorizing the Executive Director to execute loan documents to Choice Neighborhood Commercial Partners
 - e. Consider a Resolution authorizing the Executive Director to execute loan documents to Choice Neighborhood III-R
 - f. Consider a Resolution authorizing the Executive Director to execute loan documents to Choice Neighborhood IV-R
 - g. Consider a Resolution authorizing the Executive Director to sign funding agreements for the Housing, Infrastructure and Wellness Trail with the City of Newport News
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
September 20, 2022**

Having duly given public notice, the Board of Commissioners of the Newport News Redevelopment and Housing Authority met at the offices of the Authority at 227-27th Street, in the City of Newport News, Virginia, at 8:30 a.m. on Tuesday, September 20 2022.

Pledge of Allegiance

Commissioner Call 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:

Commissioners present: -

Kenneth Penrose
Lisa Wallace-Davis
William Black
George Knight
Lou Call
Barbara Holley
Thaddeus Holloman

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

Lysandra Shaw – from NNRHA Board Room
Deputy Executive Director

Carl V. Williamson – from NNRHA Board Room
Director of Housing

Valarie Ellis, Director – from NNRHA Board Room
Administrative Services

Lisa Dessoffy, Director – from NNRHA Board Room
Finance

David Staley, Director – from NNRHA Board Room
Community Development

Teresa Bennett – via Zoom NNRHA Office
Executive Assistant

Justin Orié – from NNRHA Board Room
NNRHA IT Department

Tricia Wilson – via Zoom
City of Newport News

Chris Bennett – via Zoom
Spark Mill

Angela Fontaine – via Zoom
Spark Mill

Approval of Minutes, July 19, 2022

Commissioner Davis moved that the minutes of the meeting of the Board of Commissioners held on July 19, 2022 be approved. The motion was seconded by Commissioner Knight and passed with a unanimous vote.

Communications

The following communications were provided to the Board and reviewed by the Executive Director. 1) An article that was in a business journal concerning the rental and staffing shortage related to housing management. The shortage of workers, especially maintenance staff, has become critical. 2) a letter addressed to the Executive Director from the Richmond HUD office related to the Aqueduct apartments. Staff from the Authority had a discussion with the Richmond HUD office concerning

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the low REAC score the complex received and some of the challenges we have had and plans for capital improvements. This is a letter documenting that conversation. 3) The Authority received notification that we have received a new allocation of 14 Housing Choice Vouchers. This brings our total to well over 3,000 vouchers. There was a special appropriation that Congress approved for most localities across the country. 4) Notice from the fiscal year 2023 Fair Market Rent Documentation System concerning the fair market rents in our area. This is a fairly significant increase but we are concerned there is probably a market study lag due to when HUD does their analysis. There is a group of Authority's that are discussing doing our own study. This would be on a regional basis.

New Business

**Presentation by
Spark Mill on
Strategic Planning**

Virginia Housing (VH) made a grant award of over \$3.6M for public housing revitalization activities. One of the conditions of the grant was that the recipients have a current Strategic Plan. The Authority has engaged the Spark Mill, an organizational planning consulting firm, to help us undertake the plan. The process involves the Board, staff and stakeholders in a collaborative and consensus building effort, taking 5-6 months. Angela Fontaine and Chris Bennett, representatives of the Spark Mill were available via Zoom to kick-off and discuss the process and timeline.

**The Board of
Commissioners of
the Newport News
Redevelopment and
Housing Authority
Authorizing the
Executive Director to
execute a contract for
services between the
City of Newport News
and the Newport
News Redevelopment
and Housing
Authority to
administer the fiscal
year 2022-2023 HOME
Investment
Partnerships
Program**

The Board had been provided copies of a resolution authorizing the Executive Director to execute a contract for services between the City of Newport News and the Newport News Redevelopment and Housing Authority for the administration of the HOME Investment Partnerships (HOME) programs for the 2022-2023 fiscal year. The overall objective of the HOME program is to expand the supply of safe, decent and affordable housing in the community. The HOME program also helps to expand the capacity of non-profit, Community Housing Development Organizations (CHDOs). The 2022-2023 HOME budget consists of \$871,322 in entitlement funding from the Department of Housing and Urban Development (HUD) and \$140,000 in estimated program income for a total of \$1,011,322 for program activities.

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.

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the Newport News
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and the Newport
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and Housing
Authority to
administer the fiscal
year 2022-2023
Community
Development Block
Grant Program**

The Board had been provided copies of a resolution authorizing the Executive Director to execute contracts for services between the City of Newport News and the Newport News Redevelopment and Housing Authority for the administration of the Community Development Block Grant (CDBG) for the 2022-2023 fiscal year. The City Council approved the Consolidated Plan for Housing and Community Development and the Annual Action Plan May 24, 2022 and the documents were submitted to the U.S. Department of Housing and Urban Development (HUD). The Authority administers the CDBG program on behalf of the City of Newport News. The CDBG program is a flexible HUD entitlement program that provides communities with resources to address a wide range of unique community development needs. The City receives annual entitlement grant funds to provide decent, affordable housing, services to the most vulnerable in our communities and to create jobs through the expansion and retention of businesses. The 2022-2023 Annual Action Plan (AAP) budget for CDBG activities consists of \$1,287,677 and expected program income of \$140,000 for a total of \$1,427,677.

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
Executive Director
enter into Contracts**

The Board had been provided copies of a resolution authorizing the Executive Director to enter into contractual agreements with nine (9) non-profit organizations for fiscal year 2022-2023, contingent upon the City Manager's signing of the 2022-2023 Consolidated Housing and Community Development Agreement between the City and the Authority. Copies of the contracts have been submitted to Ray Suttle for his review and approval.

**Minutes of a Meeting of the
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for Services with
Hampton Roads
Community Action
Program, Inc., Boys
and Girls Clubs of the
Virginia Peninsula,
Inc., Freedom
Outreach Center, Inc.,
Link of Hampton
Roads, Inc.,
Transitions Family
Violence Services
Inc., Peninsula
Agency on Aging,
Inc., Menchville
House Ministries,
Inc., House of Refuge
Worship Center and
Ketchmore Kids for
fiscal year 2022-2023

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.

Report to the Board

A Report to the Board for September, 2022 had been provided to the Commissioners. A copy of the subject report is on file in the office of the Executive Director.

Mr. Williamson advised that a HCV-Voucher participant purchased a single-family home in Newport News. The total cost of the home was \$243,660. A Lassiter Courts resident and 2022 Kinder Morgan scholarship recipient, graduated from the University of Virginia on May 22, 2022. She acquired her Bachelors of Science degree in Education with honors. She has been accepted into the Master's program at the University of Virginia to continue her studies in the Communication Science program.

Ms. Dessoffy reported we still have a little over \$2M in HUD held reserves for the voucher program and we had budgeted to spend them in the current fiscal year for housing assistance payments to landlords.

Ms. Ellis reported we have two solicitations out for proposals. One is for Architectural and Engineering services. We award five-year contracts and are coming towards the end of our current contract. The Request for Proposal (RFP) closes September 30th. Our second Request for Qualifications (RFQ) is for the renovation of Orcutt Townhomes. This is a Rental Assistance Demonstration (RAD) project. This process allows us to create a pool of qualified contractors that can then respond to the bid request. This RFQ also closes on September 30th.

Ms. Shaw reported the first phase of housing is still on target to be completed in October. Pennrose staff is expected to be in the offices, on premises, to begin lease up activities on October 1st. We still plan on having a tour of that property for former Ridley residents, as well. The City and HUD are wrapping up their review of the development plan for on-site housing. Finances for the on-site development have been finalized. We received notification that we have been approved for bonds through the Governor's Discretionary Bond Allocation. The financial closing is scheduled for the end of October, 2022. USI continues to reach out to former Ridley Residents with assessments and determine their needs. There are a couple of dates that the Board will be receiving more information, as the dates become closer. We have the groundbreaking for the former Ridley site on October 4th, weather permitting. The Lift and Rise dedication is scheduled for November 1st. Fayetteville, NC has a CNI that they are working on. They have asked to visit, tour, talk to staff and some residents. We are expecting them October 12th.

Mr. Staley reported Survey work and subsurface utility investigation is progressing on Marshall Courts Phase VII. Plans and specifications for the demolition of the 88 units are nearing completion. We are preparing for initiation of the appraisal of the property. Notifications to the residents were made in July advising them of the intent to submit the demolition of the 88 units. The second project is the Orcutt Townhomes, which is 40 townhouse style, 3-bedroom apartments. Reservation documents from Virginia Housing are forthcoming. Communication from NNRHA staff is being maintained with residents concerning the RAD conversion, which should take place later this year or in early 2023,

Closed Session

Commissioner Davis moved the Board enter into a Closed Session for the purposes of: Discussion of the Authority's Legal Services Contract which is consistent with Virginia Code 2.2-3711 (A) (29). Commissioner Black seconded the motion which passed with a unanimous vote.

Coming out of Closed Session a motion was made by Commissioner Black certifying only public business matters lawfully exempted from open meeting requirements by Virginia Law and only those matters as identified in the motion were discussed in the

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closed meeting, today. The motion was seconded by Commissioner Davis in accordance with Virginia law, 2.2-3722 (A) (29). The resolution is attached to and made a part of these minutes.

Other Business

Adjournment

There being no other business to come before the Board, the Chairman adjourned the meeting at 9:30 a.m.

Secretary-Treasurer

ITEM NO. 4

COMMUNICATIONS

From the Desk of HUD Regional Administrator Matthew J. Heckles



HUD Releases FY 2023 Fair Market Rents



Each fiscal year (FY), HUD is required by law to set fair market rents (FMRs) for localities across the nation. On September 1, 2022 these FMRs were published on [HUD's website](#) and go into effect on October 1, 2022.

The FMRs for your state can be found at the link above. These FMRs apply only to Fiscal Year 2023 which covers October 1, 2022 through September 30, 2023.

As Public Housing Authority (PHA) leaders charged with administering housing voucher programs across the region, many of you already know that FMRs are an estimate of the amount of money that would cover gross rents (rent and utility expenses) on 40 percent of the rental housing units in an area. Each year, your agencies use the FMRs to help set the payment standards used to determine the maximum amount that a [Housing Choice Voucher](#) will cover for voucher holders when they seek housing on the open market.

Overall FMRs have increased by a **national mean of more than 10 percent over the prior year's rent levels**. That means more money available to support higher market rents.

HUD sees this as an outstanding opportunity to take advantage of the higher average FMR levels to increase your agencies' payment standards. This will allow voucher holders to legitimately compete in the market to access stable, quality housing.

If you have additional questions about this notice, please contact Carrie Schmidt, Field Office Director, at carrie.s.schmidt@hud.gov .

Respectfully,

Matthew J. Heckles

Regional Administrator

HUD - Region 3, Delaware, District of Columbia, Maryland, Pennsylvania, Virginia, West Virginia



Fact Sheet: HUD Releases FY 2023 Fair Market Rents

Today, HUD released its Fair Market Rents (FMRs) for Fiscal Year (“FY”) 2023. HUD is required by law to set fair market rents every year, which go into effect on October 1st. FMRs are an estimate of the amount of money that would cover gross rents (rent and utility expenses) on 40 percent of the rental housing units in an area. FMRs are used in several HUD programs, including to determine the maximum amount that a Housing Choice Voucher will cover. For FY23, HUD is using private sector data to estimate changes in FMRs to address a temporary data availability challenge and to align with market conditions. The basic methodology that HUD uses to estimate FMRs remains the same.

Nationally, FMRs will increase by an average of approximately 10 percent, but metros with recent large rent spikes will see corresponding increases to FMRs. For example, FMRs will increase by 33 percent in Phoenix, 23 percent in Tampa, and 15 percent in Miami, three of the metros that have seen the fastest rent growth since March 2020. To explore new FMRs in your community, click [here](#).

Because rents have risen so quickly recently, voucher holders are increasingly unable to find units available to rent within HUD payment standards. The new FMR levels announced today will enable the voucher program to keep up with rent increases in the private market. These new FMRs will allow voucher holders to access and secure leases in more units so that they can benefit from the housing affordability and stability that vouchers provide.

Since taking office, Biden-Harris Administration has repeatedly acted to help vulnerable renter households attain quality and stable housing. The American Rescue Plan and FY22 budget collectively provided nearly 100,000 new housing choice vouchers, and the President’s FY23 budget proposes 200,000 additional housing vouchers. This includes about 20,000 new flexible incremental housing choice vouchers that HUD expects to allocate in the coming weeks via formula to most communities across the country. In June, HUD announced \$43 million in FY21 funding to fund approximately 4,000 new incremental housing choice vouchers, or “Stability Vouchers,” focused on people experiencing unsheltered homelessness, including in rural areas. The American Rescue Plan also included \$5 billion to create housing and services for people experiencing or at risk of homelessness, and provided tens-of-billions of dollars for Emergency Rental Assistance, which improved housing stability for over 6 million unique households, including [700,000 HUD-assisted households](#). Today’s action on FMRs will improve the utilization of both the baseline vouchers and the supplemental vouchers created under this Administration.

The COVID-19 pandemic caused significant interruptions in the public data sources that HUD has traditionally used to set FMRs. To address these issues, HUD supplemented public data with data from private sources to ensure the accuracy of the FY 2023 FMRs. Incorporating private sector data is responsive to feedback HUD received, both informally and through a [notice of proposed changes](#), from

tenant advocates, public housing authorities, and other key housing stakeholders. This methodological change is only applicable to FY 2023.

HUD will continue to work with public housing authorities, landlords, tenants, and other stakeholders to improve landlord participation and tenant experience within our assisted housing programs, including through the Department's [Moving to Work cohorts](#).

Frequently Asked Questions

How much will FMRs increase by nationally? How much are FMRs increasing in places, like in the Sun Belt, that have seen the highest rent growth recently?

- The national mean increase in FMRs is 10.4 percent.
- Metros with large rent increases recently will have large increases to FMRs. For example, 33 percent in Phoenix; 23 percent in Tampa; 20 percent in Atlanta; 15 percent in Charlotte; 15 percent in Miami.

Why is HUD issuing new FMRs now?

- HUD is required to update FMRs at least once each year, and FY 2023 FMRs must go into effect on October 1, 2022.

Will this cause inflation to increase?

- No, this change will not affect rental prices or increase inflation.
- Voucher holders account for roughly 5 percent of the nation's rental market (2.3 million households out of approximately 44 million renter households). Any marginal effect on rents would be concentrated on a narrow swath of the rental market and distributed in sub-geographies across the country.

When will these go into effect?

- The FY2023 FMRs will go into effect on October 1, 2022.
- Once posted, public housing authorities have up to 90 days to incorporate new FMRs into their payment standards.

Why did HUD change the methodology?

- HUD usually uses data from the Census Bureau's 1-year American Community Survey (ACS) as the source to estimate recent mover rents. FMRs are determined based on the 40th percentile of rent in a local market, meaning that 40 percent of the units in a market should fall below the level of the fair market rent. Last year, the Census Bureau announced it would not release 1-year estimates from the 2020 ACS due to the impacts of COVID-19 on data collection.
- The local Consumer Price Index (CPI) data HUD uses to adjust ACS rent estimates to current rent levels is only available for a small number of the largest metropolitan areas, while rents measured by private data sources in many smaller metropolitan areas without local CPI data have risen unusually fast in the wake of the pandemic.
- Because of these exceptional circumstances, HUD is supplementing its usual data sources for estimating Fair Market Rents for Fiscal Year 2023.
- HUD's changes narrowly introduce private sector rental data from multiple sources into the FMR calculation process in limited and statistically valid situations where private sector rental data have demonstrated that they more accurately estimate changes in rental markets.

Is this methodological change permanent?

- No. This methodological change is only applicable to FY 2023. HUD would need to issue another notice to continue including private sector data in the future.

Which private data sources are used? How are they used?

- For FY 2023 FMRs, HUD is using up to 6 private sector rent data sources:
 - RealPage (formerly Axiometrics) average effective rent per unit,
 - Moody's Analytics REIS average gross revenue per unit,
 - CoStar Group average effective rent,
 - CoreLogic, Inc. single-family combined 3-bedroom rent index,
 - ApartmentList Rent Estimates, and
 - Zillow Observed Rent Index.
- HUD is using private sector rent data sources only where there are at least 3 sources covering the FMR area.

What is HUD's current voucher utilization rate?

- Eligible households are using about 86 percent of the housing vouchers that PHAs are authorized to administer. This is a decrease of 2 percentage points from pre-pandemic levels, affecting nearly 45,000 families.
- While many factors affect the voucher utilization rate, declining vacancy rates and sharply rising rents have made it more difficult for low-income households to use vouchers.
- Calculating the FY23 FMRs with the methodological change ensures that FMRs accurately reflect recent, steep rent increases in many communities and will make it easier for households in those communities to use their vouchers to rent affordable homes.



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Financial Management Center
2380 McGee Street, Suite 400
Kansas City, MO 64108-2605

OFFICE OF PUBLIC AND INDIAN HOUSING

September 28, 2022

VA003
NEWPORT NEWS REDEVELOPMENT & HA
PO BOX 797
NEWPORT NEWS, VA 23607-0797

Dear Executive Director:

SUBJECT: Housing Choice Voucher (HCV) Program – New Incremental HCV (Fair Share)

This letter is to notify you that funds have been obligated for your HCV Program in accordance with Notice PIH 2022-29 and the award letter dated 9/23/2022. The enclosed table reflects the detailed funding information for the new vouchers and a one-time lease up fee.

These are regular HCV vouchers and must be reported in the Vouchers Management System (VMS) in the same manner. These are NOT special purpose vouchers with a unique reporting category and should follow the same reporting requirements as all other HCV vouchers. Per the PIH Notice, funding may only be used for leasing of new admissions. PHAs should track leasing of these vouchers and related expenditures internally.

Enclosed is your executed copy of the notice to amend the Consolidated Annual Contributions Contract (CACC) with revised funding exhibits reflecting the changes described above. The amendment notice and revised funding exhibits should be filed with your most recent executed CACC.

Public housing agencies receiving an increment in excess of \$100,000 in Annual Budget Authority are required to submit Form HUD-50071, Certification of Payments to Influence Federal Transactions, and, if applicable, Form SF-LLL, Disclosure of Lobbying Activities. If this letter notifies you of a renewal in excess of \$100,000 and your agency has not submitted the HUD-50071 (and SF-LLL where applicable) with a budget or budget revision for your current FY which includes the ABA for that renewal increment, the document(s) must be submitted to your Financial Analyst within 30 days of the date of this letter. These forms can be found on the Internet at the following addresses:

Form HUD-50071

<https://www.hud.gov/sites/documents/50071.PDF>

Form SF-LLL

https://www.hud.gov/sites/documents/19161_SF-LLL.PDF

If you have any questions, please contact your Financial Analyst.

Sincerely

June E. Burnes

Digitally signed by June E. Burnes
DN: CN = June E. Burnes, C = US
O = Financial Management Center.
OU = Division Director.
Reason: I am approving this document

Division Director

Enclosure(s)

Memo Reference: 22-266

Increment Number Table

U. S. Department of Housing and Urban Development
Office of Public and Indian Housing

Housing Choice Voucher Program

Section 8

September 28, 2022

Increment Number	Units	Budget Authority	Effective Date	Term
VA003AF0154		\$11,250	10/1/2022	1
VA003VO0268	15	\$141,561	10/1/2022	12

ITEM NUMBER 5

New Business

- a. Report on Examination of Financial Statements for Year ended June 30, 2021
- b. Consider a Resolution authorizing the issuance of Multifamily Housing Revenue Bonds for City Line Apartments
- c. Consider a Resolution authorizing the issuance of Multifamily Housing Revenue Bonds for Choice Neighborhood IV-R
- d. Consider a Resolution authorizing the Executive Director to execute loan documents to Choice Neighborhood Commercial Partners
- e. Consider a Resolution authorizing the Executive Director to execute loan documents to Choice Neighborhood III-R
- f. Consider a Resolution authorizing the Executive Director to execute loan documents to Choice Neighborhood IV-R
- g. Consider a Resolution authorizing the Executive Director to sign funding agreements for the Housing, Infrastructure and Wellness Trail with the City of Newport News

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY**MEMORANDUM**

DATE: October 6, 2022

TO: All Members, Board of Commissioners

FROM: Karen R. Wilds, Executive Director *KRW*

SUBJECT: Report on Examination of Financial Statements for the Year Ended June 30, 2021

Attached is a copy of the Audit Report prepared by the Accounting firm of Cherry Bekaert, LLP for the Authority's year ending June 30, 2021.

I am pleased to advise you that this is an unmodified opinion, with no significant deficiencies identified in the internal control over financial reporting.

There was one finding related to a material weakness over financial reporting. The Authority had initially determined that the Brooks Crossing, LLC had the characteristics of a jointly governed organization where the Authority did not have an ongoing financial interest. We reevaluated this in 2021 and concluded that treating its equity interest in this organization is an investment and the application of accounting standards for investments results in this equity interest being adjusted for its share of losses that this entity has incurred.

There was one programmatic finding related to the Housing Choice Voucher (HCV) program. A program material weakness and material noncompliance qualification were noted in the HCV program, due to lack of documented support for re-inspection of units that failed initial inspections.

Ms. Laura Harden, a Director in the firm, will attend our Board meeting to do a brief presentation and respond to any questions you may have about the audit.

In the meantime, if there are any questions, please contact me or Lisa Dessoify.

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY**MEMORANDUM**

DATE: October 11, 2022

TO: All Members, Board of Commissioners

FROM: Karen R. Wilds, Executive Director *KRW*

SUBJECT: Multifamily Housing Revenue Bonds Issuance Request for City Line Apartments (City Line Community Partners, LP)

On February 18, 2022, City Line Community Partners, LP applied to the Authority for the issuance of the Authority's Multifamily Housing Revenue Bonds not to exceed \$35,000,000 for the financing or refinancing of a portion of the costs of acquiring, constructing, renovating, rehabilitating and equipping an affordable housing development to be known as City Line Apartments, consisting of 100 one-bedroom units and 100 two-bedroom units, including laundry facilities, two playgrounds and a basketball court, to be located on approximately 12.4 acres of land located at 155 Mytilene Dr A, Newport News, Virginia 23605.

The property has historically experienced flooding issues, and the developer has adopted the City's flood mitigation plan for the property and incorporated it into the scope of its proposed renovations. In this connection, the developer will spend approximately \$500,000 on flood mitigations measures.

On March 15, 2022, the Board of Commissioners adopted an Inducement Resolution providing its preliminary approval of the issuance of the proposed Bonds and the plan of financing. Following a public hearing, an advertisement was published in the Daily Press on March 1, 2022, and March 8, 2022, as required by applicable public notification regulations.

On April 12, 2022, the City Council adopted a resolution providing "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 and the Internal Revenue Code.

The attached final bond resolution is included for your consideration. A representative of McGuireWoods LLP, bond counsel, will be in attendance to respond to questions. Subject to the Board's authorization, the issuance of the Bonds is expected to occur on or before December 15, 2022.

It is important to note that all fees and costs related to the issuance will be the borrower's responsibility and that neither the Authority nor its Board will be liable in any way for this debt.

A resolution for your consideration is attached. Board approval of this proposed action is recommended.

RESOLUTION OF THE NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY AUTHORIZING AND APPROVING THE ISSUANCE OF REVENUE BONDS FOR THE BENEFIT OF CITY LINE COMMUNITY PARTNERS, LP, IN AN AMOUNT NOT TO EXCEED \$35,000,000

AND THE EXECUTION OF RELATED DOCUMENTS

WHEREAS, pursuant to the Virginia Housing Authorities Law, Chapter 1, Title 36 (the "Act") of the Code of Virginia of 1950, as amended (the "Virginia Code"), the Newport News Redevelopment and Housing Authority, a political subdivision of the Commonwealth of Virginia (the "Authority"), is authorized to exercise all the powers set forth in the Act, which include, among other things, the power, within its area of operation or as otherwise permitted under Section 36-23 of the Act, to make loans for assistance in planning, development, acquisition, rehabilitation, construction and equipping of facilities used primarily for multifamily residences in order to promote decent, safe and sanitary housing in the Commonwealth of Virginia (the "Commonwealth"), to issue its revenue bonds from time to time for such purposes and to pledge all or any part of its revenues derived by the Authority in connection with any such loans made by the Authority to secure the payment of such revenue bonds;

WHEREAS, there have been described to the Authority plans to finance or refinance all or a portion of (a) the costs of acquiring, constructing, renovating, rehabilitating and equipping a multifamily residential rental housing project known as City Line Apartments, consisting of 100 one-bedroom units and 100 two-bedroom units, including laundry facilities, two playgrounds and a basketball court (the "Project"), located at 155 Mytilene Dr A in the City of Newport News, Virginia (the "City") and (b) the costs of financing reserve funds as permitted by applicable law and the costs of issuance incurred in connection with the issuance of the Bonds (as hereinafter defined) (collectively (a) and (b), the "Plan of Finance");

WHEREAS, at the request of City Line Community Partners, LP (the "Borrower"), the Authority (a) adopted a resolution on March 15, 2022 (the "Inducement Resolution") providing preliminary approval of the issuance of its revenue bonds, in one or more series (the "Bonds"), the proceeds of which will be used to make a loan to the Borrower to finance or refinance a portion of the cost of the Plan of Finance and (b) held a public hearing on March 15, 2022, in accordance with the Act and Section 15.2-4906 of the Virginia Code, as applicable to housing authorities, and as required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code");

WHEREAS, by resolution adopted on May 10, 2022, by the City Council of the City, public approval of the issuance of the Bonds was obtained as required by Section 147(f) of the Code and Section 15.2-4906 of the Virginia Code, as applicable to housing authorities;

WHEREAS, the Project has and shall be established and maintained as a "qualified residential rental project" within the meaning of Section 142(d) of the Code;

WHEREAS, the Bonds will be issued pursuant to certain documents (the "Bond Documents"), forms of which are on file with the Authority and the final terms of which are to be approved by the Authorized Official (defined below) in consultation with counsel to the Authority,

which Bond Documents include, without limitation, the following: (a) a Trust Indenture between the Authority and a trustee to be named therein, (b) a Loan Agreement between the Authority and the Borrower (the "Loan Agreement") and (c) a Bond Purchase Agreement among the Authority, the Borrower and the purchaser or underwriter of the Bonds;

WHEREAS, the Bonds will be limited obligations of the Authority, the principal of and, premium, if any, and interest on which will be payable solely out of the receipts and revenues of the Authority under the Loan Agreement; and

WHEREAS, at the request of the Borrower, the Authority desires to approve the final terms and details of the Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY THAT:

1. The issuance of the Bonds in the aggregate principal amount of up to \$35,000,000, pursuant to the Bond Documents and for the purpose of undertaking the Plan of Finance, is hereby authorized and approved. The Bonds may be issued in one or more series at one time or from time to time, and the Bonds of any such series may be either taxable or tax-exempt for purposes of federal income taxation. The Chair or the Vice Chair of the Authority, either of whom may act alone (each, an "Authorized Official") are each hereby authorized and directed to execute the Bonds, which shall bear interest at the rates (which may be variable or fixed), shall mature on such dates and shall be subject to redemption at such times as are set forth in the Bond Documents. Each Authorized Official is hereby authorized to approve the final terms of the Bonds; provided that (a) the interest rate, or initial interest rate if the Bonds are issued as variable rate Bonds, borne by the Bonds shall not exceed the lesser of twelve percent (12%) per annum and the maximum rate of interest permitted by law, (b) the final maturity of the Bonds shall not be later than forty-one (41) years after the date of the initial issuance of the Bonds, and (c) the aggregate principal amount of the Bonds shall not exceed \$35,000,000. Such approvals shall be evidenced conclusively by the execution and delivery of the Bonds.

2. Each of the Bond Documents and the Bonds shall be in substantially the same forms as submitted to this meeting, which are hereby approved, with such completions, omissions, insertions and changes (including, without limitation, changes of the dates thereof and the captions of the Bonds) as may be approved by the Authorized Official executing them, his or her execution to constitute conclusive evidence of the approval of any such completions, omissions, insertions and changes. The execution, delivery and performance by the Authority of the Bond Documents are hereby authorized and directed.

3. Each Authorized Official is hereby authorized and directed to execute on behalf of the Authority, and to deliver, the Bonds, the Bond Documents and such other agreements, certificates,

documents and instruments, and to do and perform such things and acts, as are authorized hereby or contemplated by the Bond Documents, and, if required, the Secretary of the Authority is authorized and directed to affix the seal of the Authority to the Bonds, the Bond Documents and such other agreements, certificates, documents and instruments and to attest such seal. The signatures of any Authorized Official and the Secretary of the Authority and the seal of the Authority on the Bonds may be by facsimile.

4. Each Authorized Official is hereby authorized and directed to execute and deliver on behalf of the Authority such other agreements, certificates, documents and instruments (including, without limitation, Internal Revenue Service Form 8038, assignments, regulatory agreements and tax agreements and certificates) and to do and perform such other things and acts, as shall be necessary or appropriate to carry out the transactions authorized by this Resolution or contemplated by the Bonds, the Bond Documents or such other agreements, certificates, documents and instruments. All of the foregoing previously done or performed on behalf of the Authority are in all respects hereby approved, ratified and confirmed.

5. Any authorization herein to execute a document shall include authorization to change the date of such document, record such document where appropriate and to deliver it to the other parties thereto.

6. All other acts of the officers of the Authority that are in conformity with the purposes and intent of this Resolution and in furtherance of the issuance and sale of the Bonds and the undertaking of the Plan of Finance are hereby approved and confirmed.

7. The Authority hereby confirms its designation of McGuireWoods LLP, Tysons, Virginia to serve as Bond Counsel and its appointment of such firm to supervise the proceedings and approve the issuance of the Bonds.

8. All costs and expenses in connection with the Project, including the fees and expenses of the Authority related to the issuance and sale of the Bonds (including, without limitation, any application fee and/or origination fee) and the fees and expenses of Bond Counsel, counsel for the Authority and any underwriter for or purchaser of the Bonds and its counsel, shall be paid promptly from the proceeds of the Bonds or from moneys provided by the Borrower. If for any reason the Bonds are not issued, it is understood that all such fees and expenses shall be paid promptly by the Borrower upon presentation of an invoice and that the Authority shall have no responsibility therefor.

9. The Borrower agrees, and has agreed in the Bond Documents, to indemnify and save harmless the Authority, its officers, directors, employees, attorneys and agents from and against all liabilities, obligations, claims, damages, penalties, losses, costs and expenses in any way connected with the issuance and sale of the Bonds.

10. The Bonds shall be limited obligations of the Authority and shall be payable solely out of revenues, receipts and payments specifically pledged therefor. Neither the directors, officers, agents or employees of the Authority, past, present and future, nor any person executing the Bonds, shall be liable personally on the Bonds by reason of the issuance thereof. The Bonds shall not be deemed to constitute a general obligation debt or a pledge of the faith and credit of the Commonwealth of Virginia or any political subdivision thereof (and the Bonds shall so state on their face), including the Authority and the

City, and neither the Commonwealth of Virginia nor any such political subdivision thereof shall be personally liable thereon, nor in any event shall the Bonds be payable out of any funds or properties other than the special funds and sources provided therefor. Neither the faith and credit nor the taxing power of the Commonwealth of Virginia, or any political subdivision thereof, including the City and the Authority, shall be pledged to the payment of the principal of the Bonds or the interest thereon or other costs incident thereto. The Bonds shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

11. This resolution shall take effect immediately upon its adoption.

Adopted: October 18, 2022

CERTIFICATE OF VOTES

Record of the roll-call vote by the Newport News Redevelopment and Housing Authority, upon reading on a resolution titled "**RESOLUTION OF THE NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY AUTHORIZING AND APPROVING THE ISSUANCE OF REVENUE BONDS FOR THE BENEFIT OF CITY LINE COMMUNITY PARTNERS, LP, IN AN AMOUNT NOT TO EXCEED \$35,000,000 AND THE EXECUTION OF RELATED DOCUMENTS**" taken at a meeting of the Authority held on October 18, 2022:

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

Dated: October 18, 2022

(SEAL)

Chairman, Newport News Redevelopment and Housing Authority

ATTEST: _____

Secretary

The undersigned Secretary of the Newport News Redevelopment and Housing Authority hereby certifies that the foregoing is a true, correct, and complete copy of a Resolution adopted by the Authority's commissioners present and voting at a meeting duly called and held on October 18, 2022, in accordance with law, and that such Resolution has not been repealed, revoked, rescinded, or amended, but is in full force and effect as of the date hereof.

WITNESS my hand and the seal of the Authority this 18th day of October, 2022.

**NEWPORT NEWS REDEVELOPMENT AND HOUSING
AUTHORITY**

By: _____

Secretary

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY

MEMORANDUM

DATE: October 12, 2022

TO: All Members, Board of Commissioners

FROM: Karen R. Wilds, Executive Director *KRW*

SUBJECT: Multifamily Housing Revenue Bonds Issuance Approval for Choice Neighborhood IV-R

The attached resolution is provided for your consideration to take formal action to approve the issuance of Multifamily Housing Revenue bonds for furtherance of the Choice Neighborhood Implementation for on site development undertaken by Choice Neighborhood IV-R, LLC

On March 15, 2022, after a public hearing, the NNRHA board approved a resolution to issue bonds in an amount not to exceed \$16,300,000. On May 10, 2022, the Newport News City Council granted public approval of the proposed issuance of the bonds by NNRHA, in compliance with federal and state codes.

The attached resolution represents the needed board's final approval action for the issuance of multifamily housing revenue bonds in the amount not to exceed \$16,300,000. The resolution was prepared by William L. Nusbaum, bond counsel with the law firm of Williams Mullen and has been reviewed by Raymond Suttle of Jones, Blechman, Woltz & Kelly, P.C. Mr. Nusbaum will be available for the October 18, 2022 meeting to address any questions.

I recommend approval of the attached resolution.

Attachment

**RESOLUTION OF THE
NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
AUTHORIZING THE ISSUANCE OF ITS
NOT TO EXCEED \$16,300,000
NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY MULTIFAMILY NOTE
(CHOICE NEIGHBORHOOD IV-R PROJECT), SERIES 2022
FOR THE BENEFIT OF
CHOICE NEIGHBORHOOD IV-R LLC,
AND THE EXECUTION AND DELIVERY OF RELATED DOCUMENTS**

WHEREAS, the Newport News Redevelopment and Housing Authority (the “Governmental Lender”), was created pursuant to the Virginia Housing Authorities Law, Chapter 1, Title 36 (the “Act”) of the Code of Virginia of 1950, as amended (the “Virginia Code”), and is now existing and operating as a public body corporate and politic; and

WHEREAS, the Act empowers the Governmental Lender to issue its bonds or notes in accordance with the provisions of the Act for the purpose of making loans for the prevention and elimination of blighted areas and for assistance in housing construction or rehabilitation by private sponsors; and

WHEREAS, Choice Neighborhood IV-R LLC, a Virginia limited liability company (the “Borrower”), has held discussions with representatives of the City of Newport News, Virginia (the “City”) and the Governmental Lender with respect to providing financing for the acquisition, construction and equipping of a multi-family residential rental housing project comprised of eleven (11) two- and three-story buildings, containing eighty-four (84) units, in a mix of townhouses and flats, with one, two, three and four bedroom units, to be located at 1515 Ivy Avenue, in the City, and the payment of certain issuance and other transaction costs (collectively, the “Project”); and

WHEREAS, the Project is proposed to reserve at least forty percent (40%) of the housing units contained therein for occupancy by persons whose income is less than sixty percent (60%) of area median gross income, adjusted for family size, as required by Section 142(d)(1)(B) and Section 142(d)(2)(B)(i) of the Internal Revenue Code of 1986, as amended (the “Code”), but will also contain fifteen (15) market rate units; and

WHEREAS, the Borrower applied to the Governmental Lender for the issuance of not to exceed \$20,000,000 of the Governmental Lender’s Multifamily Housing Revenue Bonds (Choice Neighborhood IV-R Project) (as the issue was then described, and now designated as the “Governmental Note”) for the benefit of the Borrower, to be issued to finance the acquisition, construction and equipping of the Project, and pursuant to due notice, the Governmental Lender, on March 15, 2022, after a public hearing, adopted its resolution (the “Official Action Resolution”) in which it agreed in principle, among other things, (a) to cooperate in the issuance of the Governmental Note, thereby providing financing for a portion of the cost of the acquisition, construction and equipping of the Project (the “Governmental Loan”), (b) to issue the

Governmental Note in an amount not to exceed \$20,000,000, as proposed by the Borrower, (c) to recommend that the City Council of the City (the "Council") (i) grant "public approval" of the issuance of the proposed Governmental Note in an amount not to exceed \$20,000,000 and the plan of financing within the meaning of Section 15.2-4906 of the Virginia Code and Section 147(f) of the Code, and (ii) to endorse the Governmental Lender's application to the Virginia Department of Housing and Community Development ("DHCD") for an allocation to the Governmental Note of not to exceed \$20,000,000 of the "State ceiling" of "Volume Cap" (as such terms are defined below), and (d) directed the Chairman or Vice Chairman of the Governmental Lender to transmit to the Council the Fiscal Impact Statement required by Section 15.2-4907 of the Virginia Code, a copy of the Official Action Resolution and a reasonably detailed summary of the Governmental Lender's public hearing held on that date; and

WHEREAS, pursuant to Section 146 of the Code, Title 15.2, Chapter 50 of the Virginia Code and the 2022 Virginia Private Activity Bond Allocation Guidelines (the "Allocation Guidelines"), promulgated by DHCD, an allocation from the "State ceiling" (as defined in Section 146 of the Code) limitation on the volume of private activity bonds or notes which may be issued in the Commonwealth of Virginia in 2020 ("Volume Cap") must be granted by DHCD, in its capacity as Allocation Administrator of the Commonwealth of Virginia's Volume Cap (the "Allocation Administrator"), in order for the interest on the Governmental Note to be exempt from the imposition of federal income tax, for which allocation of Volume Cap an application must be submitted by the Governmental Lender to DHCD; and

WHEREAS, by resolution adopted on May 10, 2022, the Council granted public approval of the proposed issuance of the Governmental Note for purposes of the Code and the Virginia Code and gave its support to the Governmental Lender's application to DHCD for an allocation to the Governmental Note of a portion of the State ceiling of Volume Cap; and

WHEREAS, by letter to the Borrower dated March 22, 2022 (the "42(m) Letter"), the Virginia Housing Development Authority ("VHDA") confirmed its determination for purposes of Section 42(m)(2) of the Code that the \$1,049,520 amount of annual federal tax credits reserved for the Project does not exceed the amount necessary for the financial feasibility of the Project and its viability as a qualified low-income housing project throughout the credit period; and

WHEREAS, on September 15, 2022, DHCD, as Allocation Administrator and pursuant to the authority of the Governor of Virginia, awarded to the Governmental Lender, from the "Governor's Pool" created by Title 15.2, Chapter 50 of the Virginia Code and administered under the Allocation Guidelines, a Certificate of Allocation for \$16,300,000 of private activity bond issuing authority for the financing of the Project (the "Volume Cap Allocation"); and

WHEREAS, at the Borrower's request, the Governmental Lender now proposes (a) to issue its Governmental Note in the aggregate amount not to exceed \$16,300,000 to JPMorgan Chase Bank, N.A. (the "Funding Lender"), pursuant to a Funding Loan Agreement (as hereinafter defined), (b) to lend the proceeds of the Governmental Note to the Borrower under the Project Loan Agreement (as hereinafter defined), pursuant to which such proceeds will be made available

for the acquisition, construction and equipping of the Project, (c) to accept from the Borrower in repayment of the loan of the proceeds of the Governmental Note the Borrower's Promissory Note in original principal amount not to exceed \$16,300,000 (the "Project Note"), and (d) to secure the Governmental Note by the assignment of all of the Governmental Lender's rights (excepting "Unassigned Rights") under the Loan Documents and the Security Documents (each as hereinafter defined), and the pledge of all receipts to be derived thereunder (except in each case for payments to the Governmental Lender for indemnification and the Governmental Lender's fees and expenses) to the Funding Lender under the Funding Agreement; and

WHEREAS, there have been presented to this meeting the forms of the following instruments (the "Loan Documents") which the Governmental Lender proposes to execute and deliver to implement the transactions described above, copies of which instruments shall be filed with the records of the Governmental Lender:

A. Funding Loan Agreement dated as of October 1, 2022 (the "Funding Loan Agreement"), by and among the Governmental Lender, the Funding Lender and The Bank of New York Mellon Trust Company, N. A. (the "Fiscal Agent"), providing for the issuance of the Governmental Note and including the form of the Governmental Note as Exhibit A to the Funding Loan Agreement;

B. Governmental Note, dated the date of its execution and delivery, in the original principal amount not to exceed \$16,300,000;

C. Project Loan Agreement dated as of October 1, 2022 (the "Project Loan Agreement"), among the Governmental Lender, the Fiscal Agent and the Borrower;

D. Allonge without recourse at the foot of the Project Note, dated the date thereof, from the Governmental Lender to the Fiscal Agent;

E. Declaration of Restrictive Covenants dated as of October 1, 2022, among the Governmental Lender, the Borrower and the Fiscal Agent; and

F. Assignment of Construction Loan Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filing and Security Documents dated the date of its execution and delivery (the "Assignment of Deed of Trust"), from the Governmental Lender to the Fiscal Agent; and

WHEREAS, the Borrower, Pennrose, LLC ("Pennrose") and Pennrose PHL, LLC ("Pennrose PHL") propose to execute and deliver to or for the benefit of, among others, the Governmental Lender, as additional collateral security for the obligations of the Borrower to, among others, the Governmental Lender, under the Project Note and the other Loan Documents, the following instruments (the "Security Documents"), the forms of which have been also presented to this meeting, and copies of which shall also be filed with the records of the Governmental Lender:

G. Construction Loan Covenant Agreement dated as of October 1, 2022, from the Borrower to the Initial Funding Lender (the "Construction Loan Agreement");

H. Construction Loan Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filing dated as of October 1, 2022, from the Borrower to the Deed of Trust Trustee(s) named therein, for the benefit of the Governmental Lender and its successors and assigns as holder of the Project Note;

I. Completion Guaranty dated the date of its execution and delivery, from Pennrose and Pennrose PHL, for the benefit of the Governmental Lender, the Funding Lender and their respective successors and assigns (collectively, the "Beneficiary Parties");

J. Payment Guaranty dated the date of its execution and delivery, from Pennrose and Pennrose PHL, for the benefit of the Beneficiary Parties;

K. Environmental Indemnity Agreement dated the date of its execution and delivery, from the Borrower, Pennrose and Pennrose PHL, for the benefit of the Beneficiary Parties;

L. UCC-1 Financing Statements to be dated the date of their delivery (collectively, the "Financing Statements"), granted by the Borrower, as debtor, to the Governmental Lender, as secured party, to perfect security interests in various forms of tangible and intangible personal property collateral intended to be created pursuant to certain of the Loan Documents and the Security Documents; and

WHEREAS, immediately following the delivery of the Security Documents to the Governmental Lender, the Governmental Lender will assign all its right, title and interest in the Security Documents to the Fiscal Agent pursuant to the Funding Loan Agreement and the Assignment of Deed of Trust; and

NOW, THEREFORE, BE IT RESOLVED BY THE NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY:

1. The issuance, sale, execution and delivery of the Governmental Note, pursuant to and upon the terms and conditions set forth herein, therein and in the Funding Loan Agreement, and the financing of the Project are hereby approved and authorized. Because the Governmental Note will be issued on a draw-down basis, the Governmental Lender hereby determines to treat (a) the Governmental Note as issued on the issue date of the Governmental Note and (b) all of the unused volume cap for the issue as volume cap arising in the year in which the issue date of the issue occurs.

2. Neither the Governmental Note nor the prepayment penalty, if any, nor the interest payable thereon shall be a general obligation debt of the Commonwealth of Virginia or any political subdivision thereof, including the Governmental Lender or the City, and neither the Commonwealth of Virginia, nor any political subdivision thereof, including the Governmental Lender or the City, and the officers, commissioners and/or employees, past, present or future, of any or all, are or shall be personally liable thereon. Rather, the Governmental Note, together with the prepayment penalty, if any, and the interest payable thereon, shall be a limited obligation of the Governmental Lender payable solely pursuant to the terms of the Governmental Note, Loan Documents and Security Documents. Neither the faith and credit nor the taxing power of the Commonwealth of Virginia or any political subdivision thereof, including the Governmental Lender and the City, is pledged to the payment of the principal of, prepayment penalty, if any, or the interest on the Governmental Note.

3. The Governmental Lender hereby accepts and relies solely upon VDHA's 42(m) Letter issued to the Project as its own determination of the Project's financial feasibility and viability as a qualified low-income housing project throughout the credit period for purposes of Section 42(m)(2)(D) of the Code.

4. Paragraph 6 of the Official Action Resolution, charging a one-half of one percent administrative fee at closing, is hereby rescinded.

5. The Loan Documents shall be in substantially the forms submitted to this meeting, which forms are hereby approved with such completions, omissions, insertions and changes as may be approved by the Chairman, Vice Chairman or the other officers of the Governmental Lender executing them, their execution to constitute conclusive evidence of their approval of any such omissions, insertions and changes. The Project Note and Security Documents shall be in substantially the forms submitted to this meeting, which forms are hereby approved with such completions, omissions, insertions and changes as may be approved by the Chairman, Vice Chairman or the other officers of the Governmental Lender executing the Assignment of Deed of Trust, their execution to constitute conclusive evidence of their approval of any such omissions, insertions and changes.

6. The Governmental Note shall bear interest to the Maturity Date thereof at such rates and for such periods as set forth in the Funding Loan Agreement and the Construction Loan Agreement, and the determination of such rates of interest by the Funding Lender pursuant to the terms of the Funding Loan Agreement and the Construction Loan Agreement shall be approved by the Chairman or Vice-Chairman of the Governmental Lender and conclusively evidenced by his or her execution of the Governmental Note.

7. The engagement of the Fiscal Agent to serve in that capacity by Penrose, LLC, as a stockholder of the managing member of the Borrower authorized to arrange the financing for the Project, is hereby acknowledged and consented to by the Government Lender.

8. The Chairman or the Vice Chairman of the Governmental Lender are hereby authorized and directed (a) to execute the Loan Documents and to deliver the Loan Documents to the other parties thereto and (b) to deliver the assigned Security Documents to the Funding Lender.

9. The Chairman or the Vice Chairman of the Governmental Lender is hereby authorized and directed to execute the Governmental Note by his or her manual or facsimile signature. The Secretary of the Governmental Lender is authorized and directed to affix the seal, or a facsimile thereof, of the Governmental Lender on the Governmental Note and, when called for, on the Loan Documents and this resolution, and to attest the same, by her manual or facsimile signature. The officers of the Governmental Lender are hereby authorized and directed to deliver the Governmental Note to the Funding Lender upon the Funding Lender's advance of the initial draw on the Governmental Loan.

10. The officers of the Governmental Lender are hereby authorized and directed to execute, deliver and file all certificates, documents and instruments, including without limitation a Non-Arbitrage (or Tax) Certificate, a General Certificate of the Governmental Lender and Internal Revenue Service Form 8038 containing information with respect to the Governmental Note, together with any exhibits to the foregoing, and to take all such further action, including the execution and delivery of such other certificates, documents and instruments as they, or any one

of them, may consider necessary or desirable in connection with the Project and the issuance and sale of the Governmental Note.

11. Any authorization to the officers of the Governmental Lender to execute a document shall include authorization to (a) the Secretary to affix the seal of the Governmental Lender to such document and attest such seal, (b) any officer to provide for the recording or filing of such document where appropriate and to deliver it to the other parties thereto, and (c) if the closing of the issuance of the Governmental Note is delayed, to approve redating the Loan Documents and the Security Documents, and other related dates therein, to the month during which the rescheduled closing occurs.

12. All costs and expenses in connection with the Governmental Note, including but not limited to the fees and expenses of "Bond Counsel" and counsel to the Governmental Lender, shall, with the consent of the Funding Lender, be paid from the proceeds from the sale of the Governmental Note to the extent permitted by the Code, or else from the funds of the Borrower. If for any reason the Governmental Note is not issued, it is understood that all such expenses shall be paid by the Borrower and that the Governmental Lender shall have no responsibility therefor.

13. All other acts of the officers of the Governmental Lender in conformity with the purposes and intent of this resolution and in furtherance of the issuance and sale of the Governmental Note, the making of the Governmental Loan and the undertaking of the financing of the Project, whether taken prior or subsequently hereto, are hereby approved and confirmed.

14. Any capitalized terms used in this Resolution which are not defined in this Resolution shall have the meaning ascribed thereto in the Funding Loan Agreement.

15. 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 sections, phrases and provisions of this resolution.

16. This resolution shall take effect immediately upon its adoption.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK;
SIGNATURE PAGE FOLLOWS]**

ADOPTED this 18th day of October, 2022.

**NEWPORT NEWS REDEVELOPMENT
AND HOUSING AUTHORITY**

By: _____
Name: Kenneth D. Penrose, Jr.
Title: Chairman

CERTIFICATE OF ADOPTION AND VOTES

I, Karen R. Wilds, Secretary of the Board of Commissioners of the Newport News Redevelopment and Housing Authority, hereby certify that the foregoing is a true and correct copy of a resolution duly adopted at a public meeting of the Board of Commissioners held October 18, 2022, at which public meeting a quorum of the Board of Commissioners was present in person or electronically in accordance with Virginia law, and which adoption occurred by the following roll call vote:

<u>COMMISSIONERS' NAMES</u>	AYE	NAY	ABSTAIN	ABSENT
Kenneth D. Penrose, Jr., Chairman				
Lisa Wallace-Davis, Vice Chairman				
William Black				
Lou Call				
Barbara Holley				
Thaddeus Holloman				
George B. Knight				

The foregoing resolution has not been amended, rescinded or modified in any way since its adoption.

(SEAL)

October ____, 2022

Karen R. Wilds, Secretary-Treasurer

(101319736.2)

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY

MEMORANDUM

DATE: October 18, 2022

TO: All Members, Board of Commissioners

FROM: Karen R. Wilds, Executive Director *KRW*

SUBJECT: Resolution of Board of Commissioners Authorizing a Project Loan to the Choice Neighborhood Commercial Partners Development Corporation

Board approval is needed to issue a loan in the amount of \$594,558 to the Choice Neighborhood Commercial Partners Development Corporation to facilitate the development construction costs associated with the retail space located in the CNI onsite housing phase which will be constructed on the former Ridley Place site. These funds will facilitate the development of 2100 square feet of commercial space in the building at the corner of Jefferson Avenue and 16th Street.

The loan is made up of funds from the following source:

Funding Source	Type of Financing	Use	Amount	Construction	Permanent
City Capital Improvement Program and Retail	Grant to NNRHA-soft loan to CN Commercial Partners	Condo construction funds (dev. Construction costs)	\$594,558	X	X

The approval of the attached resolution authorizes the Executive Director to execute the loan documents and take such other actions in the furtherance of this resolution.

Approval is recommended.

**RESOLUTION OF THE
NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
AUTHORIZING A \$594,558.00 LOAN TO
CHOICE NEIGHBORHOOD COMMERCIAL PARTNERS 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 is now existing and operating 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 corporations, 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 the 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 has engaged Pennrose Holdings, LLC and its affiliates (“Pennrose”) regarding the development of affordable housing on land already owned by the Authority, resulting in a determination that it would be in the best interests of the Authority and the City of Newport News, Virginia for the Authority and Pennrose to jointly form certain new entities for such undertaking, resulting in the organization of (a) Choice Neighborhood Commercial Partners LLC, a Virginia limited liability company (the “Borrower”), as the ownership vehicle for the development, and (b) Choice Neighborhood Commercial Partners Development Corporation, a Virginia corporation (the “Managing Member”) as the managing member of the Borrower; and

WHEREAS, Pennrose and the Borrower are developing and constructing a commercial condominium unit and other improvements as part of the Marshall Ridley Choice Neighborhood Initiative (the “Project”); and

WHEREAS, the Borrower is obtaining funds to develop and construct the Project from various sources; and

WHEREAS, it is in the best interest of the Authority to lend to Borrower in the total amount of \$594,558.00 (the “Authority Loan”), with interest accruing at one percent (1%) per annum for a term of thirty-five (35) years; and

WHEREAS, Section 36-19 of the Act vests redevelopment and housing authorities such as the Authority with “all the powers necessary or convenient to carry out and effectuate the purposes and provisions of this chapter; and

WHEREAS, the financing of the construction and equipping of the Project, as proposed by the Borrower, will continue the operations of the Authority 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 in the City.

NOW, THEREFORE, BE IT RESOLVED BY THE NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY:

1. That any of the Chairman, Vice-Chairman or Executive Director be and is hereby authorized to finalize negotiations and enter into the following documents and transactions, all subject to legal counsel review:
 - a. One or more Project and Loan Agreements between Authority and Borrower for a loan in the aggregate approximate amount of \$594,558.00, with interest accruing at one percent (1%) per annum for a term of thirty-five (35) years.
 - b. Such documents as may be necessary to evidence the provision of the Authority Loan, which final amount is subject to adjustment as may be approved by the Chairman, Vice-Chairman or the Executive Director.
 - c. Any and all loan and funding agreements and related documents with the City of Newport News, Virginia.
2. Any actions taken by the Authority prior to the date hereof in relation to the Project are hereby ratified and affirmed. 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 sections, phrases and provisions of this Resolution.
3. The Authority shall perform such other acts and adopt such further resolutions as may be required to implement its undertakings hereinabove set forth.
4. This Resolution shall take effect immediately upon its adoption.

CERTIFICATE OF VOTES

The following is a record of the vote by the Newport News Redevelopment and Housing Authority (the “Authority”) on the foregoing Resolution, approved at the duly called electronic public meeting of the Authority held on October 18, 2022, 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
Kenneth D. Penrose, Jr., Chairman				
Lisa Wallace-Davis, Vice-Chairman				
William Black				
Lou Call				
George B. Knight				
Barbara Holley				
Thaddeus B. Holloman				

Secretary, Newport News Redevelopment and
Housing Authority

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY

MEMORANDUM

DATE: October 18, 2022

TO: All Members, Board of Commissioners

FROM: Karen R. Wilds, Executive Director *KRW*

SUBJECT: Resolution of the Board of Commissioners Authorizing a Project Loan to Choice Neighborhood III-R LLC

Board approval is needed to issue a loan to the Choice Neighborhood III-R Development Corporation to facilitate the construction and development of the onsite housing phase of the Choice Neighborhood Implementation grant, which will be constructed north of 16th street on the former Ridley Place site. The project consists of 30 townhouses and flats and a 41-unit mixed use building.

The loan is made up of funds from the following sources:

Funding Source	Type of Financing	Use	Amount	Construction	Permanent
City of Newport News Funds	Grant to NNRHA – soft loan to CNIII-R	Development Construction Costs – Infrastructure and Hard Costs	\$4,197,447	X	X
Choice Neighborhood Initiative Funds	Grant to NNRHA-soft loan to CNI III-R	Development Construction Costs – Infrastructure and Hard Costs	\$6,300,000	X	X
Subtotal			\$10,497,447		

NNRHA – Funds from Dept. Housing and Community Development (DHCD)	Permanent – VA Housing Trust Fund loan (VHTF) – soft loan to CNIII-R	Permanent to pay hard debt	\$700,000		X
NNRHA – Funds from DHCD	Permanent – National Housing Trust Fund loan (NHTF)– soft loan to CNIII-R	Permanent to pay hard debt	\$700,000		X
NNRHA – Funds from DHCD	Permanent – Housing Innovations in Energy Efficiency (HIEE) – soft loan to CNIII-R	Permanent – to pay hard debt	\$2,000,000		X
Subtotal			\$3,400,000		

Please note that \$10,497,447.00 will be loaned to the project as construction financing and \$3,400,000.00 as permanent financing at closing.

The approval of the attached resolution authorizes the Executive Director to execute the loan documents and take such other actions in the furtherance of this resolution.

Approval is recommended.

**RESOLUTION OF THE
NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
AUTHORIZING A \$10,497,447.00 LOAN TO
CHOICE NEIGHBORHOOD III-R 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 is now existing and operating 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 corporations, 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 the 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 has engaged Pennrose Holdings, LLC and its affiliates (“Pennrose”) regarding the development of affordable housing on land already owned by the Authority, resulting in a determination that it would be in the best interests of the Authority and the City of Newport News, Virginia for the Authority and Pennrose to jointly form certain new entities for such undertaking, resulting in the organization of (a) Choice Neighborhood III-R LLC, a Virginia limited liability company (the “Borrower”), as the ownership vehicle for the development, and (b) Choice Neighborhood III-R Development Corporation, a Virginia corporation (the “Managing Member”) as the managing member of the Borrower; and

WHEREAS, Pennrose and the Borrower are developing and constructing an 71 unit multi-family housing development consisting of 4 residential buildings consisting of 58 low-income units and 13 market rate units and other improvements as part of the Marshall Ridley Choice Neighborhood Initiative (the “Project”); and

WHEREAS, the Borrower is obtaining funds to develop and construct the Project from various sources; and

WHEREAS, it is in the best interest of the Authority to lend to Borrower in the total amount of \$10,497,447.00 (the “Authority Loan”), which said funds are (i) \$6,300,000 from Choice Neighborhood Initiative Fund; and (vi) \$4,197,447.00 from the City of Newport News Funds, and with interest accruing at one percent (1%) per annum for a term of thirty-five (35) years; and

WHEREAS, Section 36-19 of the Act vests redevelopment and housing authorities such as the Authority with “all the powers necessary or convenient to carry out and effectuate the purposes and provisions of this chapter; and

WHEREAS, the financing of the construction and equipping of the Project, as proposed by the Borrower, will continue the operations of the Authority 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 in the City.

NOW, THEREFORE, BE IT RESOLVED BY THE NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY:

1. That any of the Chairman, Vice-Chairman or Executive Director be and is hereby authorized to finalize negotiations and enter into the following documents and transactions, all subject to legal counsel review:
 - a. One or more Project and Loan Agreements between Authority and Borrower for a loan in the aggregate approximate amount of \$10,497,447.00.00, with interest accruing at one percent (1%) per annum for a term of thirty-five (35) years.
 - b. Such documents to include a promissory note and deed of trust as may be necessary to evidence the provision of the Authority Loan, which final amount is subject to adjustment as may be approved by the Chairman, Vice-Chairman or the Executive Director.
 - c. Any and all loan and funding agreements and related documents with the City of Newport News, Virginia.
2. Any actions taken by the Authority prior to the date hereof in relation to the Project are hereby ratified and affirmed. 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 sections, phrases and provisions of this Resolution.
3. The Authority shall perform such other acts and adopt such further resolutions as may be required to implement its undertakings hereinabove set forth.
4. This Resolution shall take effect immediately upon its adoption.

CERTIFICATE OF VOTES

The following is a record of the vote by the Newport News Redevelopment and Housing Authority (the “Authority”) on the foregoing Resolution, approved at the duly called electronic

public meeting of the Authority held on October 18, 2022, 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
Kenneth D. Penrose, Jr., Chairman				
Lisa Wallace-Davis, Vice-Chairman				
William Black				
Lou Call				
George B. Knight				
Barbara Holley				
Thaddeus B. Holloman				

Secretary, Newport News Redevelopment and
Housing Authority

COMMONWEALTH OF VIRGINIA)

CITY OF NEWPORT NEWS, to-wit

AFFIDAVIT

I, KAREN R. WILDS, being first duly sworn on oath, depose and say that:

1. I am the Executive Director of Newport News Redevelopment and Housing Authority, a political subdivision of the Commonwealth of Virginia (the "Authority").

2. I am fully familiar with all of the Authority's business and financial affairs, including, without limiting the generality of the foregoing, all of the matters herein described.

3. This Affidavit is made and delivered for the purpose of, among other things, inducing (a) RBC Community Investments, LLC (the "Investor Member") to purchase an ownership interest in Choice Neighborhood III-R LLC (the "Company"), (b) the Investor Member to enter into an operating agreement with the Managing Member of Company (the "Agreement"), and (c) the Investor Member to fund its equity investment in the Partnership/Company in connection with the development of that certain project known as Marshall-Ridley (the "Project")

4. No material actions or proceedings of any kind or nature are pending or threatened against the Authority, except as may be described in Exhibit A attached hereto and made a part hereof. Such actions or proceedings are fully covered by insurance or, if adversely determined, would not materially impair the Authority's ability to meet its obligations with respect to the Project.

5. As of the date of this Affidavit, the Authority is solvent, is able to pay its debts as they mature, and has capital sufficient to carry on the businesses in which it is engaged, and the present fair saleable value of its assets is greater than the amount of its liabilities. The Authority will not be rendered insolvent by performing the currently foreseeable obligations on its part to be performed in respect of the Project, or by conducting the transactions contemplated thereunder.

NEWPORT NEWS REDEVELOPMENT AND
HOUSING AUTHORITY, a political subdivision
of the Commonwealth of Virginia

By: _____
Name: Karen R. Wilds
Title: Executive Director

Sworn to before me on this _____ day of October, 2022.

Notary Public

663128

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY

MEMORANDUM

DATE: October 18, 2022

TO: All Members, Board of Commissioners

FROM: Karen R. Wilds, Executive Director *KRW*

SUBJECT: Resolution of Board of Commissioners Authorizing a Project Loan to Choice Neighborhood IV-R LLC

Board approval is needed to issue a loan to the Choice Neighborhood IV-R Development Corporation to facilitate the construction and development of the onsite housing phase of Choice Neighborhood Implementation grant, which will be constructed on the former Ridley Place site, south of 16th Street. The project consists of 84 townhouses and flats.

The loan is made up of funds from the following sources:

Funding Source	Type of Financing	Use	Amount	Construction	Permanent
Choice Neighborhood Initiative Funds	Grant to NNRHA – soft loan to CNI IV-R	Development Construction Costs – Infrastructure	\$1,856,487	X	X
City Design and Amenities Fund	Grant to NNRHA – soft loan to CNI IV-R	Development Construction Costs	\$443,107	X	X
NNRHA Harbor Homes Disposition Proceeds	NNRHA program income – soft loan to CNI IV-R	Development Construction Costs – Infrastructure and Hard Costs	\$1,350,000	X	X
NNRHA Dickerson Courts Disposition Proceeds	NNRHA program income– soft loan to CNI IV-R	Development Construction Costs	\$1,132,500	X	X
Hampton Roads PDC Funds	Grant to NNRHA – soft loan to CNI IV-R	Development Construction Costs – Infrastructure and Hard Costs	\$500,000	X	X

Other City of Newport News Funds	Grant to NNRHA – soft loan to CNI IV-R	Development Construction Costs – Infrastructure and Hard Costs	\$2,577,996	X	X
Newport News Revitalization Funds	Grant to NNRHA – soft loan to CNI IV-R	Development Construction Costs – Infrastructure and Hard Costs	\$3,305,310	X	X

Subtotal \$11,165,400

NNRHA – Funds from DHCD	NHTF – soft loan to CNI IV-R	Permanent pay hard debt	\$700,000		X
NNRHA – Funds from DHCD	HIEE – soft loan to CNI IV-R	Permanent pay hard debt	\$2,000,000		X
NNRHA – Funds from DHCD	VHTF – soft loan to CNI IV-R	Permanent pay hard debt	\$700,000		X

Subtotal \$3,400,000

Please note that \$11,165,400.00 will be loaned to the project as construction financing and \$3,400,000.00 as permanent financing at closing.

The approval of the attached resolution authorizes the Executive Director to execute the loan documents and take such other actions in the furtherance of this resolution.

Approval is recommended.

**RESOLUTION OF THE
NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
AUTHORIZING A \$11,165,400 LOAN TO
CHOICE NEIGHBORHOOD IV-R 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 is now existing and operating 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 corporations, 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 the 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 has engaged Pennrose Holdings, LLC and its affiliates (“Pennrose”) regarding the development of affordable housing on land already owned by the Authority, resulting in a determination that it would be in the best interests of the Authority and the City of Newport News, Virginia for the Authority and Pennrose to jointly form certain new entities for such undertaking, resulting in the organization of (a) Choice Neighborhood IV-R LLC, a Virginia limited liability company (the “Borrower”), as the ownership vehicle for the development, and (b) Choice Neighborhood IV-R Development Corporation, a Virginia corporation (the “Managing Member”) as the managing member of the Borrower; and

WHEREAS, Pennrose and the Borrower are developing and constructing an 84 unit multi-family rental being developed consisting of 11 residential buildings and other improvements as part of the Marshall Ridley Choice Neighborhood Initiative (the “Project”); and

WHEREAS, the Borrower is obtaining funds to develop and construct the Project from various sources; and

WHEREAS, it is in the best interest of the Authority to lend to Borrower in the total amount of \$11,165,400.00 (the “Authority Loan”), which said funds are from various sources: (i) \$1,856,487.00 from Choice Neighborhood Initiative Fund; (ii) \$443,107.00 from the City of Newport News City Design and Amenities Fund; (iii) \$1,350,000.00 from the Harbor Homes Disposition Proceeds; (iv) \$1,132,500 from Dickerson Courts Disposition Proceeds;

(v)\$500,000.00 from Hampton Roads PDC Funds; (vi) \$2,577,996 from other City of Newport News Funds; and (vi) \$3,305,310.00 from Newport News Revitalization Fund, with interest accruing at one percent (1%) per annum for thirty-five (35) years; and

WHEREAS, Section 36-19 of the Act vests redevelopment and housing authorities such as the Authority with “all the powers necessary or convenient to carry out and effectuate the purposes and provisions of this chapter; and

WHEREAS, the financing of the construction and equipping of the Project, as proposed by the Borrower, will continue the operations of the Authority 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 in the City.

NOW, THEREFORE, BE IT RESOLVED BY THE NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY:

1. That any of the Chairman, Vice-Chairman or Executive Director be and is hereby authorized to finalize negotiations and enter into the following documents and transactions, all subject to legal counsel review:
 - a. One or more Project and Loan Agreements between Authority and Borrower for a loan in the aggregate approximate amount of \$11,165,400.00, with interest accruing at one percent (1%) per annum for a term of thirty-five (35) years.
 - b. Such documents to include a promissory note and deed of trust as may be necessary to evidence the provision of the Authority Loan, which final amount is subject to adjustment as may be approved by the Chairman, Vice-Chairman or the Executive Director.
 - c. Any and all loan or funding agreements and related documents with the City of Newport News, Virginia.
2. Any actions taken by the Authority prior to the date hereof in relation to the Project are hereby ratified and affirmed. 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 sections, phrases and provisions of this Resolution.
3. The Authority shall perform such other acts and adopt such further resolutions as may be required to implement its undertakings hereinabove set forth.
4. This Resolution shall take effect immediately upon its adoption.

CERTIFICATE OF VOTES

The following is a record of the vote by the Newport News Redevelopment and Housing Authority (the “Authority”) on the foregoing Resolution, approved at the duly called electronic public meeting of the Authority held on October 18, 2022, 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
Kenneth D. Penrose, Jr., Chairman				
Lisa Wallace-Davis, Vice-Chairman				
William Black				
Lou Call				
George B. Knight				
Barbara Holley				
Thaddeus B. Holloman				

Secretary, Newport News Redevelopment and
Housing Authority

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NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY

MEMORANDUM

DATE: October 13, 2022

TO: All Members, Board of Commissioners

FROM: Karen R. Wilds, Executive Director *KRW*

SUBJECT: Resolution of the NNRHA Board of Commissioners approving the Adoption of the Infrastructure Agreement, Housing Agreement and Wellness Trail Agreement to Support the Development of Choice Neighborhood III-R and Choice Neighborhood IV-R

The City of Newport News is providing funding to NNRHA for the redevelopment of Ridley Place. This funding will support onsite housing construction, the installation of infrastructure, and the development of the CNI Wellness Trail. The City will contribute \$7,813,108 to support the construction of housing and related community space on the Ridley Place site, an amount not to exceed \$21,435,703 to support the infrastructure installation and an amount not to exceed \$6,249,319 for the Wellness Trail.

The aforementioned site activities will be completed by Breeden Construction through a construction contract administered by NNRHA's CNI developer, Pennrose.

I am seeking your approval of three separate funding agreements with the City, subject to legal counsel approval. This action will allow the Executive Director to execute the agreements with the City of Newport News and redevelop the former Ridley site under the Choice Neighborhood Implementation Plan.

The attached resolution is recommended for approval.

**A RESOLUTION OF THE NEWPORT NEWS REDEVELOPMENT AND HOUSING
AUTHORITY AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE FUNDING
AGREEMENTS TO FACILITATE THE DEVELOPMENT OF CHOICE
NEIGHBORHOOD III-R AND CHOICE NEIGHBORHOOD IV-R AND RELATED
PHYSICAL SITE IMPROVEMENTS**

WHEREAS, the City of Newport News, Virginia (the “City”) and the Newport News Redevelopment and Housing Authority (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 has engaged with Penrose Holdings, LLC and its affiliates (“Penrose”), regarding the development of affordable housing on land already owned by the Authority, resulting in a determination that it would be in the best interests of the Authority and the City of Newport News, Virginia for the Authority and Penrose to jointly develop the former Ridley site for mixed income and mixed-use housing; and

WHEREAS, it is expeditious to have the on-site infrastructure and wellness amenities constructed in conjunction with the housing structures; and

WHEREAS, the City of Newport News and related retail space and design amenities is contributing funding to support the housing development in the amount of \$7,813,108.

WHEREAS, the City of Newport News is providing funding to develop the required on-site infrastructure in an amount not to exceed \$21,435,703; and

WHEREAS, the City of Newport News is providing funding to develop a health and wellness trail in an amount not to exceed \$6,249,319; and

WHEREAS, individual agreements will be developed to memorialize the funding arrangements between NNRHA and the City of Newport News.

NOW THEREFORE BE IT RESOLVED that the Newport News Redevelopment and Housing Authority Board of Commissioners authorizes the Executive Director to execute said Agreements contingent upon attorney review and approval.

REPORT TO THE BOARD

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY

OCTOBER, 2022

The mission of the Newport News Redevelopment & Housing Authority (NRRHA) is to create affordable housing, viable neighborhoods, and opportunities for self-sufficiency that enhance the quality of life for all citizens of Newport News.



CONTENTS

Community Development	Page 1
Housing	Page 3
Family Self Sufficiency	Page 4
Wait List Data	Page 6
Finance	Page 7



BOARD OF COMMISSIONERS

Kenneth Penrose, Jr. - Chairperson

Lisa Wallace-Davis - Vice Chairperson

William Black

George Knight

Lou Call

Barbara Holley

Thaddeus Holloman

Raymond Suttle, Jr., Attorney

STAFF

Karen R. Wilds, Executive Director

Secretary-Treasurer

Teresa Bennett, Assistant Secretary-Treasurer

Lysandra Shaw, Deputy Executive Director

Carl Williamson, Director of Housing Operations

Valarie Ellis, Director of Administrative Services

Lisa Dessoffy, Director of Finance

David Staley, Director of Community Development



COMMUNITY DEVELOPMENT

COMMUNITY DEVELOPMENT

CDBG

The 2021-2022 C.A.P.E.R. (Consolidated Annual Performance Evaluation Report) was submitted to HUD via the IDIS system prior to the September 30th due date. The Authority and the City of Newport News continue to meet or exceed the performance levels mandated by HUD and tracked through the IDIS system.

The City has requested that NNRHA administer its CDBG-CV program. The CDBG-CV program is a US Department of Housing and Urban Development supplemental program that provides communities with supplemental resources to prevent and respond to the prevention of COVID-19. At the request of the City, updated budgets were requested of the participating non-profits regarding their

plans and need of CDBG-CV funds. These updated budgets were reviewed and award recommendations have been made. Board action is requested this month

HOME

In September, NNRHA closed on the transfer of two (2) vacant lots to Habitat for Humanity Peninsula & Greater Williamsburg. The vacant lots are located at 645 and 651 41st Street. Habitat will construct two (2) homes on these lots using 3D print technology. 3D print technology uses concrete to build homes. Concrete offers additional long-term savings because it better retains temperature, saving on both heating and cooling costs.

Total Housing Rehabilitation Activity for Fiscal Year July 1, 2022 – June 30, 2023

	Emergency Repair	Open House	HOMEcare	All Programs
Projects Completed	2	0	0	2
Projects in Underwriting	4	4	1	9
Projects Pending Appr	3	0	0	3
Projects Ongoing	0	1		1
Total	9	5	1	15

New Housing Rehabilitation Applications for September	Total for July 1, 2022 – June 30, 2023
3	5

REDEVELOPMENT

NNRHA administers the Citywide, down payment assistance program for first-time homebuyers through the HOME Investment Partnerships Program (HOME). This program assists eligible first-time homebuyers in purchasing a home in the City.

Down Payment Assistance (DPA)				
Fiscal Year: July 1, 2022 – June 30-2023				
Program Year 22-23 (Completed)	Denied	Pending Additional Documentation	Current Month (Completed)	Underwriting in Process
1	5	5	0	2

New Housing Rehabilitation Applications for August	Total for July 1, 2022 – June 30, 2023
2	2

CAPITAL ACTIVITY

Marshall Courts Phase VII

Survey work and subsurface utility investigation is progressing. Plans and specifications for the demolition of the 88 units are nearing completion. We anticipate the start of demolition in late May or early June of 2023 after HUD approval of a demolition application. Notifications were made to residents in early July advising them of the intent to submit the demolition and disposition of the 88 units.

Orcutt Townhomes I

There are numerous ongoing non-invasive tests and activities required for the RAD conversion. Design proposal has been received and accepted. The contract document is being reviewed. Plans and specifications for the renovations will begin soon. Reservation documents from Virginia Housing are forthcoming. Continued communication from NNRHA staff is being maintained with residents concerning the RAD conversion which will take place later this year or in early 2023.

Aqueduct Apartments

DJG Architects has submitted the initial draft of the Physical Needs Assessment of the apartment complex to identify and prioritize renovation improvements for the

property. NNRHA has reviewed the PNA and comments have been returned to DJG to prioritize improvements that need to be addressed. Additional interior and exterior investigations to include subsurface utilities should start soon.

Pinecroft Apartments

DJG Architects has submitted the initial draft of the Physical Needs Assessment for NNRHA staff to review. Recent improvements at Pinecroft include the replacement of electrical panels to upgrade electrical service for all apartments

CHOICE NEIGHBORHOOD INITIATIVE (CNI)

Construction is ongoing for the Lift & Rise on Jefferson Ave. Building I is 84% complete and Building II is 93% complete. The overall project completion is estimated to occur by late October, 2022. Interest in the community continues to grow with over 2,000 people having registered to receive rental applications when available. The leasing manager will be temporary located at Jefferson Brookville in order to conduct pre-leasing activities until construction of the buildings is completed. An agreement with Abbitt Reality has been executed for the marketing and lease up of the onsite retail space.

CNI Event Update: The groundbreaking for the CNI onsite housing phase was rescheduled to October 11th due to inclement weather. On November 1st, there will be a dedication ceremony held at the Lift & Rise on Jefferson Ave. A tour of the Lift & Rise for former Ridley residents has been tentatively scheduled for October 26th.

NNRHA was awarded a bond allocation from the Governor's Discretionary Pool for a portion of the CNI onsite housing. The financial closing for the CNI onsite housing is set for the end of October 2022.

Planning and design of the Phase Two development on the Ridley site is complete. The development plans have been forwarded to HUD and the City of Newport News for review and NNRHA is awaiting final comments. Construction of housing on the former Ridley site is expected to begin in early November.

Preliminary planning for Phase Three, downtown housing, is underway.

Urban Strategies, Inc. (USI) continues to conduct outreach to Ridley residents, as well as complete needs assessments for each household. Currently, 76% of the former Ridley residents are enrolled in family support services

PUBLIC AND ASSISTED HOUSING OCCUPANCY REPORT
Total Waiting List Applications:

Public Housing		285
Approved/Eligible	42	
Pending	243	
Section 8		285
Approved/Eligible	77	
Pending	208	

The pending numbers for the Public Housing Program (243) and the Housing Choice Voucher Program (208) represent the total number of applications being processed for eligibility for housing assistance. Some of these families will be determined to be ineligible based on income, landlord references or criminal activity. Therefore, these numbers may fluctuate each month.

Applicants Housed in September

Public Housing Program	6
Housing Choice Voucher	15
Mod-Rehab (SRO)	<u>1</u>
Total	22

Occupancy Statistics:

Public Housing Program (of 839 units)	97%
Section 8 Program (2,880)	95.9%
Warwick SRO (of 88 units)	99%

Avg. # of Leasing Days (Public Housing) 16

Average Family Rent Contribution for Move-ins Last Month:

1. Public Housing	\$207.
2. Housing Choice Voucher	\$467.
3. Warwick SRO	\$194.

Lease Rate –August. 2022 95.3%

Cumulative Percentage of Section 8 Budget Authority Utilized Sept, 2022 98.8%

FAMILY INVESTMENT CENTER (FIC) ACTIVITIES

EMPLOYED F.I.C. PARTICIPANTS September 2022 (since 1995)	
Aqueduct	123
Ashe Manor	0
Brighton	46
Cypress	24
Dickerson	185
Harbor Homes	126
Lassiter	95
Marshall	170
	28

EMPLOYED F.I.C. PARTICIPANTS
September 2022
(since 1995)

Orcutt	
Orcutt TH	10
Oyster Point	23
Pinecroft	7
Ridley	383
Section 8	72
Spratley	2
Total	1,294

FAMILY SELF-SUFFICIENCY (FSS)
UPDATE

191 Housing Choice Voucher and Public Housing clients have completed their goal of homeownership as follows:

Housing Choice Voucher Families/FSS	69
Public Housing Families/FSS:	56
HCV Homeownership:	<u>66</u>
Total	191

UPCOMING FREE PERSONAL CARE
AIDE CLASSES OFFERED TO NNRHA
RESIDENTS

Kim Hobbs, Owner, CEO, Always There Home Care offered a FREE, two week (October 10, 2022 - October 21, 2022) 40 hours Personal Care Aide course for residents of NNRHA. Each graduate will receive a job offer from Ms. Hobbs. Graduates will be assigned a patient as they become available.

COMMUNITY RESOURCES • Resident
Relations

Ms. Tasia Travis is the 2019 Dominion Terminal Associates scholarship recipient. She graduated from Virginia Tech on May 22, 2022. She acquired her Bachelor of Arts degree in Communication Science and graduated with honors. Tasia has been accepted into the Master's program at Virginia Tech in Blacksburg, VA. She continues to be focused on her research in communication and diversity to become an Early Childcare Center Teacher or a Family Lawyer.



Tasia B. Travis
2019 NNRHA Scholarship Recipient

COMMUNITY RESOURCES • Resident Relations • Senior Residents

Focus Groups at Senior Communities

A team from Eastern Virginia Medical School (EVMS), Hampton University (HU) and Norfolk State University (NSU) are engaged in a study about air quality, smoke-free housing, and resident compliance. Focus groups comprised of facilitators and resident groups of no more than 12 people have gathered for 60-90 minutes sessions. In September, the team hosted 3 groups at Pinecroft Apartments, 2 groups at Ashe Manor and 1 group at Spratley House.

Residents reported the groups are focusing on how residents feel about the no smoking policy, what they think the barriers are to having a smoke free building and how violations are being handled. The team will reportedly complete their study and present their findings and recommendations to the NNRHA. Focus groups are being scheduled in other NNRHA housing communities as well.

Other Happenings

Saturday, September 10th – Serve the City at Spratley House

Fellowship and fun for the volunteers and residents. Lively games of Bingo with prizes.

**Other NNRHA Controlled Multi-Family Properties
Waiting Lists as of September, 2022**

Property	Occupancy Rate	Approved/Eligible	Pending	Total
Orcutt Townhomes III	97%	1	11	12
Cypress Terrace	93%	8	52	60
Oyster Point/Brighton	98%	8	71	79
Great Oak	98%	107	213	320
Lofts on Jefferson	93%	0	4	4
Jefferson Brookville	98%	2	8	10
Lassiter Courts	92%	12	148	160

Family Self Sufficiency (FSS)

Following is a current breakdown of the status of FSS participants in the Public Housing and Housing Choice Voucher Programs for the month of September, 2022.

Participants:	Public Housing	Housing Choice Voucher	Total
Total number in FSS Program	18	92	110
Employed	6	64	70
Currently not working	6	25	34
Attending Thomas Nelson Comm. College	0	2	2
Enrolled in other Training Program	2	0	2
Employed and going to school	1	1	2
Participants with escrow accounts	9	40	49

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
2022 Housing Choice and Mainstream Voucher Program Utilization Report - Actual
For the Year Ending December 31, 2022

CY Housing Choice 2022 Annual Budget Authority \$ 22,729,817 Final budget: 100% proration
 Additional Warwick SRO - RAD2 681,725

Housing Choice Voucher Funding
\$ 23,411,542

Mainstream Voucher Program Funding
 Emergency Housing Voucher Program Funding \$ 798,207 Final - 100%
 \$ 247,896 Final - 100%

HCV Units	2491
WASH units	54
CNI tenant protection	247
Warwick SRO - RAD2	88
Baseline HCV count	2880
Mainstream Vouchers	141
Emergency Housing Vouchers	32
Total Vouchers	3053

Month	# of Vouchers Utilized	Lease Rate	HAP Payments to Landlords	Avg HAP	Monthly +/- Dollar Utilization	Monthly Amount of Funding Utilized		Funding From HUD	FSS Forfeitures	Fraud Recovery	Other Sources Of Funds	NRRHA Held Reserve Balance	HUD Held Reserve Balance
						Utilized	Utilized						
January	HCV	2744	95.3%	\$ 1,925,091.00	\$ 701.56	\$ (37,310.00)	98.1%	\$1,962,401.00		\$ -	\$ -	(57,813.19)	2,510,593.39
	MS	107	75.9%	\$ 71,329.00	\$ 666.63	\$ 4,784.00	107.2%	\$66,545.00		\$ -	\$ -	(20,503.19)	2,465,818.31
	EHV	3	9.4%	\$ 1,777.00	\$ 592.33	\$ 1,777.00	0.0%	\$ -		\$ -	\$ -	131,662.00	157,752.00
February	HCV	2752	95.6%	\$ 1,970,085.00	\$ 715.87	\$ 4,162.00	100.2%	\$1,965,923.00	\$ 1,992.00	\$ -	\$ 1,992.00	(22,673.19)	2,417,521.22
	MS	107	75.9%	\$ 70,106.00	\$ 655.20	\$ (1,900.00)	97.4%	\$72,006.00		\$ -	\$ -	127,023.00	-
	EHV	6	18.8%	\$ 4,639.00	\$ 773.17	\$ 4,639.00	0.0%	\$ -		\$ -	\$ -	121,570.00	-
March	HCV	2764	96.0%	\$ 1,991,407.00	\$ 720.48	\$ 14,993.00	100.8%	\$1,976,414.00	\$ 676.00	\$ -	\$ 676.00	(36,990.19)	2,358,733.14
	MS	110	78.0%	\$ 73,748.00	\$ 670.44	\$ 1,088.00	101.5%	\$72,660.00		\$ -	\$ -	115,104.00	-
	EHV	7	21.9%	\$ 5,453.00	\$ 779.00	\$ 5,453.00	0.0%	\$ -		\$ -	\$ -	(48,693.19)	2,441,154.06
April	HCV	2770	96.2%	\$ 1,988,117.00	\$ 717.73	\$ 11,703.00	100.6%	\$1,976,414.00		\$ -	\$ -	(7,897.19)	2,433,151.97
	MS	112	79.4%	\$ 75,666.00	\$ 675.59	\$ 3,006.00	104.1%	\$72,660.00		\$ -	\$ -	104,507.00	-
	EHV	8	25.0%	\$ 6,466.00	\$ 808.25	\$ 6,466.00	0.0%	\$ -		\$ -	\$ -	(67,061.00)	2,314,468.39
May	HCV	2754	95.6%	\$ 1,984,097.00	\$ 720.44	\$ (40,796.00)	98.0%	\$2,024,893.00		\$ -	\$ -	65,012.00	-
	MS	112	79.4%	\$ 77,304.00	\$ 690.21	\$ (174,989.00)	30.6%	\$252,293.00		\$ -	\$ -	4,974.00	2,175,818.81
	EHV	11	34.4%	\$ 10,597.00	\$ 963.36	\$ 10,597.00	0.0%	\$ -		\$ -	\$ -	52,382.00	-
June	HCV	2755	95.7%	\$ 1,982,650.00	\$ 719.66	\$ (68,846.00)	96.6%	\$2,051,496.00		\$ -	\$ -	(67,061.00)	2,314,468.39
	MS	112	79.4%	\$ 76,281.00	\$ 681.08	\$ 4,773.00	106.7%	\$71,508.00		\$ -	\$ -	65,012.00	-
	EHV	14	43.8%	\$ 11,886.00	\$ 849.00	\$ 11,886.00	0.0%	\$ -		\$ -	\$ -	43,174.00	2,018,777.23
July	HCV	2754	95.6%	\$ 1,999,427.00	\$ 726.01	\$ (72,035.00)	96.5%	\$2,071,462.00		\$ -	\$ -	4,974.00	2,175,818.81
	MS	111	78.7%	\$ 76,615.00	\$ 690.23	\$ (564.00)	98.3%	\$77,179.00		\$ -	\$ -	52,382.00	-
	EHV	15	46.9%	\$ 12,630.00	\$ 842.00	\$ 12,630.00	0.0%	\$ -		\$ -	\$ -	37,168.00	-
August	HCV	2744	95.3%	\$ 2,051,654.00	\$ 747.69	\$ (38,200.00)	98.2%	\$2,089,854.00		\$ -	\$ -	43,174.00	2,018,777.23
	MS	111	78.7%	\$ 78,407.00	\$ 706.37	\$ 1,228.00	101.6%	\$77,179.00		\$ -	\$ -	37,168.00	-
	EHV	16	50.0%	\$ 15,214.00	\$ 950.88	\$ 15,214.00	0.0%	\$ -		\$ -	\$ -	40,923.00	1,927,801.65
September	HCV	2761	95.9%	\$ 2,026,039.00	\$ 733.81	\$ 2,251.00	100.1%	\$2,023,788.00		\$ -	\$ -	40,923.00	1,927,801.65
	MS	109	77.3%	\$ 77,147.00	\$ 707.77	\$ (1,703.00)	80.5%	\$78,850.00		\$ -	\$ -	20,884.00	-
	EHV	18	56.3%	\$ 16,284.00	\$ 904.67	\$ 16,284.00	0.0%	\$ -		\$ -	\$ -	20,884.00	-
												\$ 18,680,116.00	\$ 2,668.00

\$ 18,680,116.00 \$ 2,668.00

ITEM NO. 7

Closed Session

ITEM NO. 8

**RESOLUTION OF THE NEWPORT NEWS REDEVELOPMENT AND HOUSING
AUTHORITY CERTIFYING TO A CLOSED MEETING IN CONFORMITY WITH
VIRGINIA LAW**

WHEREAS, the Newport News Redevelopment and Housing Authority Board of Commissioners convened a closed meeting on September 20, 2022 pursuant to an affirmative recorded vote in accordance with the provisions of The Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3711 Code of Virginia requires a certification by this Authority that such closed meeting was conducted in conformity with Virginia law:

NOW, THEREFORE, BE IT RESOLVED that the Newport News Redevelopment and Housing Authority Board of Commissioners certifies that, to the best of each member's knowledge:

1. Only public business matters lawfully exempted from open meeting requirements by Virginia Law were discussed in the closed meeting to which this certification resolution applies; and
2. Only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Board of Commissioners of the Newport News Redevelopment and Housing Authority.

	<u>VOTE</u>	
<u>AYES</u>		<u>NAYS</u>

Any departure from the requirements of said Act are hereby described:

* * * *

ITEM NO. 9
Other Business

**Choice Neighborhood Commercial Partners Development Corporation
Board of Directors Meeting
October 18, 2022**

227-27th Street
Newport News, VA 23607

Agenda

1. Roll call
2. Consider approval of minutes of regular meeting, January 18, 2022
3. New Business
 - a. Consider a Resolution authorizing the President of the Corporation to execute documents to facilitate a loan to the Corporation from the Newport News Redevelopment and Housing Authority
4. Any other business to come before the Board
5. Adjourn

**Minutes of a Meeting of the
Carrier Point Commercial Partners Development Corporation
January 18, 2022**

Having duly given public notice, the Board of Directors of the Carrier Point Commercial Partners Development Corporation met at the offices of the Authority at 227-27th Street, in the City of Newport News, Virginia, at 9:07 a.m. on Tuesday, January 18, 2022.

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
 Lou Call
 Barbara Holley
 Thaddeus Holloman

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

 Karen R. Wilds – from Home office via Zoom
 Executive Director

 Carl V. Williamson – from NNRHA Board Room
 Director of Housing

 Valarie Ellis, Director – from NNRHA Board Room
 Administrative Services

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

 Justin Orié – from NNRHA Board Room
 NNRHA IT Department

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

**Approve Minutes of
April 20, 2021
Meeting**

Dr. Davis made a motion to approve the minutes of the April 20, 2021 meeting. The motion was seconded by Mr. Knight and passed with a unanimous vote.

**Election of Chairman
and Vice Chairman**

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

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

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

**Update on Carrier Point
Commercial Partners
Development
Corporation**

Ms. Wilds reminded the Board this is the commercial space in the first two buildings that we are building along Jefferson Avenue between 27th and 29th Street. The construction is going well and should be completed later this year. We are starting to seek out potential tenants for the commercial space.

Adjournment

There being no other business to come before the Board, the Chairman adjourned the meeting at 9:10 a.m.

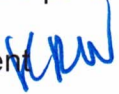
President

**CHOICE NEIGHBORHOOD COMMERCIAL PARTNERS
DEVELOPMENT CORPORATION**

MEMORANDUM

DATE: October 18, 2022

TO: All Members, Board of Directors – Choice Neighborhood Commercial Partners Development Corporation

FROM: Karen R. Wilds, President 

SUBJECT: Resolution Authorizing a Project Loan to the Choice Neighborhood Commercial Partners Development Corporation from the Newport News Redevelopment and Housing Authority

The NNRHA Board approved a loan in the amount of \$594,558 to the Choice Neighborhood Commercial Partners Development Corporation to facilitate the development construction costs associated with the retail space located in the CNI onsite housing phase which will be constructed on the former Ridley Place site. These funds will facilitate the development of 2100 square feet of commercial space in the building at the corner of Jefferson Avenue and 16th Street.

The loan is made up of funds from the following source:

CNIII-R

Funding Source	Type of Financing	Use	Amount	Construction	Permanent
City Capital Improvement Program and Retail	Grant to NNRHA-soft loan to CN Commercial Partners	Condo construction funds (dev. Construction costs)	\$594,558	X	X

The approval of the attached resolution authorizes the President to execute the loan documents and take such other actions in the furtherance of this resolution.

Approval is recommended.

**RESOLUTION OF
CHOICE NEIGHBORHOOD COMMERCIAL PARTNERS DEVELOPMENT
CORPORATION
ADOPTION OF OPERATING AGREEMENT, BYLAWS AND NNRHA LOAN**

WHEREAS, the City of Newport News, Virginia (the “City”) and the Newport News Redevelopment and Housing Authority (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 has engaged with Pennrose Holdings, LLC and its affiliates (“Pennrose”), regarding the development of affordable housing on land already owned by the Authority, resulting in a determination that it would be in the best interests of the Authority and the City of Newport News, Virginia for the Authority and Pennrose to jointly form certain new entities for such undertaking, resulting in the organization of (a) Choice Neighborhood Commercial Partners, LLC, a Virginia limited liability company (the “Company”), as the ownership vehicle for the development, and (b) Choice Neighborhood Commercial Partners Development Corporation, a Virginia corporation (the “Managing Member”), as the Managing Member of the Company; and

WHEREAS, the Authority is proposed to be a 51% stockholder in the Managing Member, with the Authority’s Executive Director serving as President of the Managing Member, and Pennrose is proposed to own the other 49% of the stock in the Managing Member; and

WHEREAS, it is necessary for the Managing Member to adopt bylaws to permit the orderly operation of the Managing Member; and

WHEREAS, the Company has held discussions with representatives of the City and the Authority with respect to providing financing for (i) a portion of the cost of constructing and equipping a commercial condominium unit and other improvements as part of the Marshall-Ridley Choice Neighborhood Initiative, in the City (the “Site”), (ii) the creation of various reserve funds, if required, and (iii) the payment of certain issuance and other transaction costs (collectively, the “Project”); and

WHEREAS, the Company will be the initial legal owner of the Project, and its principal place of business is 227 27th Street, Newport News, VA 23607; and

WHEREAS, it has now been determined that it is in the best interests of the Authority, the Company and the Project to convey by deed the real property within the Condominium on which the Project will be developed to Company; and

WHEREAS, as part of the project financing, the Authority is proposing to loan to the Company a loan in the amount of \$594,558.00 (the “Loan Funds”), with interest accruing at one percent (1%) per annum for a term of thirty-five (35) years to develop the Project; and

NOW, THEREFORE, BE IT RESOLVED that Choice Neighborhood Commercial Partners, LLC, by and through its Managing Member, Choice Neighborhood Commercial Partners Development Corporation, by vote of its Board of Directors, adopts the following resolutions:

1. That the President or her designee be and is hereby authorized to finalize negotiations and enter into and execute the following documents and transactions, all of which shall be subject to legal counsel review:
 - a. Bylaws of the Managing Member.
 - b. Operating Agreement for Choice Neighborhood Commercial Partners LLC, subject to legal counsel having the authority and power to make necessary modifications to said Operating Agreement.
 - c. Such documents as may be necessary to evidence the provision of the Loan Funds, which final amount is subject to adjustment as may be negotiated by the President of the Managing Member.
 - d. Any and all related and necessary documents needed to effectuate the transfer of the real property to Company and to provide the Loan Funds to the Company.
2. Any actions taken prior to the date hereof by Choice Neighborhood Commercial Partners Development Corporation on its behalf or as Managing Member of the Company in relation to the Project are hereby ratified and affirmed. 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 sections, phrases and provisions of this Resolution.
3. This Resolution shall take effect immediately upon its adoption.

**Choice Neighborhood III-R Development Corporation
Board of Directors Meeting
October 18, 2022**

227-27th Street
Newport News, VA 23607

Agenda

1. Roll call
2. Consider approval of minutes of regular meeting, January 18, 2022
3. New Business
 - a. Consider a Resolution authorizing the President of the Corporation to execute documents to facilitate a loan to the Corporation from the Newport News Redevelopment and Housing Authority
 - b. Consider a Resolution approving the consent to admit Royal Bank of Canada (RBC) as the Low-Income Housing Tax Credit investor
 - c. Consider a Resolution of approval of a construction loan from Sentara Healthcare
4. Any other business to come before the Board
5. Adjourn

**Minutes of a Meeting of the
Choice Neighborhood III-R Development Corporation
January 18, 2022**

Having duly given public notice, the Board of Directors of the Choice Neighborhood III-R Development Corporation met at the offices of the Authority at 227-27th Street, in the City of Newport News, Virginia, at 9:17 a.m. on Tuesday, January 18, 2022.

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
 Lou Call
 Barbara Holley
 Thaddeus Holloman

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

 Karen R. Wilds – from Home office via Zoom
 Executive Director

 Carl V. Williamson – from NNRHA Board Room
 Director of Housing

 Valarie Ellis, Director – from NNRHA Board Room
 Administrative Services

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

 Justin Orié – from NNRHA Board Room
 NNRHA IT Department

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

**Approve Minutes of
October 19, 2021
Meeting**

Dr. Davis made a motion to approve the minutes of the October 19, 2021 meeting. The motion was seconded by Mr. Knight and passed with a unanimous vote,

**Election of Chairman
and Vice Chairman**

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

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

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

**Update on Choice
Neighborhood III-R
Development
Corporation**

Ms. Wilds reminded the Board this is the first phase that we will be constructing on the Ridley site. This is for the residential component of all the housing north of 16th Street which will consist of townhouses as well as a multi-family building. This is one of the projects that we just received funding for last week in the amount of \$3.4M from the State Department of Housing and Community Development.

Adjournment

There being no other business to come before the Board, the Chairman adjourned the meeting at 9:19 a.m.

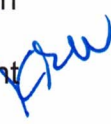
President

CHOICE NEIGHBORHOOD III-R DEVELOPMENT CORPORATION

MEMORANDUM

DATE: October 18, 2022

TO: All Members, Board of Directors – Choice Neighborhood III-R Development Corporation

FROM: Karen R. Wilds, President 

SUBJECT: Financing Structure and approvals of Choice Neighborhood III-R

The financing of Low-Income Housing Tax Credits (LIHTC) properties can become very complex with an intricate capital stack and many funding sources.

In the case of this project several funding sources are contributing to a loan the Newport News Redevelopment and Housing Authority (NNRHA) will make to the project for construction financing. Some of those sources stay in the deal as “soft debt” and are repaid or restructured at the end of the required affordability period. One action you are asked to consider is acceptance of a loan to the Development Corporation to be made by NNRHA.

In addition, the tax credit investor, in this case, RBC Community, Investments LLC (RBC), will invest as an Investor Member. The Development Corporation will be asked, in another proposed action to consent that RBC is the investor and authorize the President of the Development Corporation to execute documents to enable RBC to be the Investor Member.

Lastly, we have negotiated with Sentara Healthcare to provide construction financing, which will convert to permanent financing at the final closing. The Directors of the Development Corporations will be asked to authorize the President to finalize negotiations and execute loan documents.

CHOICE NEIGHBORHOOD III-R DEVELOPMENT CORPORATION

MEMORANDUM

DATE: October 18, 2022

TO: All Members, Board of Directors – Choice Neighborhood III-R Development Corporation

FROM: Karen R. Wilds, President *KRW*

SUBJECT: Resolution of Board of Directors of the Choice Neighborhood III-R Development Corporation Authorizing the Approval of a Project Loan to Choice Neighborhood III-R LLC

The NNRHA Board approved a loan to the Choice Neighborhood III-R Development Corporation to facilitate the construction and development of the CNI onsite housing phase of Choice Neighborhood Implementation grant, which will be constructed north of 16th street on the former Ridley Place site. The project consists of 31 townhouse units and a 41-unit mixed use building.

The loan is made up of funds from the following sources:

Funding Source	Type of Financing	Use	Amount	Construction	Permanent
City of Newport News Funds	Grant to NNRHA – soft loan to CNIII-R	Development Construction Costs – Infrastructure and Hard Costs	\$4,197,447	X	X
Choice Neighborhood Initiative Funds	Grant to NNRHA-soft loan to CNI III-R	Development Construction Costs – Infrastructure and Hard Costs	\$6,300,000	X	X
Subtotal			\$10,497,447		

NNRHA – Funds from Dept. Housing and Community Development (DHCD)	Permanent – VA Housing Trust Fund loan (VHTF) – soft loan to CNIII-R	Permanent to pay hard debt	\$700,000		X
NNRHA – Funds from DHCD	Permanent – National Housing Trust Fund loan (NHTF)– soft loan to CNIII-R	Permanent to pay hard debt	\$700,000		X
NNRHA – Funds from DHCD	Permanent – Housing Innovations in Energy Efficiency (HIEE) – soft loan to CNIII-R	Permanent – to pay hard debt	\$2,000,000		X
Subtotal			\$3,400,000		

Please note that \$10,497,447.00 will be loaned to the project as construction financing and \$3,400,000.00 as permanent financing at closing.

The approval of the attached resolution authorizes the President of the Development Corporation to execute the loan documents and take such other actions in the furtherance of this resolution.

Approval is recommended.

**RESOLUTION OF
CHOICE NEIGHBORHOOD R-III DEVELOPMENT CORPORATION
ADOPTION OF OPERATING AGREEMENT, BYLAWS AND NNRHA LOAN**

WHEREAS, the City of Newport News, Virginia (the “City”) and the Newport News Redevelopment and Housing Authority (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 has engaged with Pennrose Holdings, LLC and its affiliates (“Pennrose”), regarding the development of affordable housing on land already owned by the Authority, resulting in a determination that it would be in the best interests of the Authority and the City of Newport News, Virginia for the Authority and Pennrose to jointly form certain new entities for such undertaking, resulting in the organization of (a) Choice Neighborhood R-III, LLC, a Virginia limited liability company (the “Company”), as the ownership vehicle for the development, and (b) Choice Neighborhood R-III Development Corporation, a Virginia corporation (the “Managing Member”), as the Managing Member of the Company; and

WHEREAS, the Authority is proposed to be a 51% stockholder in the Managing Member, with the Authority’s Executive Director serving as President of the Managing Member, and Pennrose is proposed to own the other 49% of the stock in the Managing Member; and

WHEREAS, it is necessary for the Managing Member to adopt bylaws to permit the orderly operation of the Managing Member; and

WHEREAS, the Company has held discussions with representatives of the City and the Authority with respect to providing financing for (i) a portion of the cost of constructing and equipping an 71 unit multi-family housing development consisting of 4 residential buildings consisting of 58 low-income units and 13 market rate units and other improvements as part of the Marshall-Ridley Choice Neighborhood III-R Apartments as part of the Marshall Ridley Choice Neighborhood Initiative, in the City (the “Site”), (ii) the creation of various reserve funds, if required, and (iii) the payment of certain issuance and other transaction costs (collectively, the “Project”); and

WHEREAS, the Company will be the initial legal owner of the Project, and its principal place of business is 227 27th Street, Newport News, VA 23607; and

WHEREAS, it has now been determined that it is in the best interests of the Authority, the Company and the Project to convey by deed the real property within the Condominium on which the Project will be developed to Company; and

WHEREAS, as part of the project financing, the Authority is proposing to loan to the Company a loan in the amount of \$10,497,447.00 (the “Loan Funds”), with interest accruing at one percent (1%) per annum with a term of thirty-five (35) years, to develop the Project; and

NOW, THEREFORE, BE IT RESOLVED that Choice Neighborhood III-R, LLC, by and through its Managing Member, Choice Neighborhood III-R Development Corporation, by vote of its Board of Directors, adopts the following resolutions:

1. That the President or her designee be and is hereby authorized to finalize negotiations and enter into and execute the following documents and transactions, all of which shall be subject to legal counsel review:
 - a. Bylaws of the Managing Member.
 - b. Operating Agreement for Choice Neighborhood III-R LLC, subject to legal counsel having the authority and power to make necessary modifications to said Operating Agreement.
 - c. Such documents as may be necessary to evidence the provision of the Loan Funds, which final amount is subject to adjustment as may be negotiated by the President of the Managing Member.
 - d. Any and all related and necessary documents needed to effectuate the transfer of the real property to Company and to provide the Loan Funds to the Company.
2. Any actions taken prior to the date hereof by Choice Neighborhood III-R Development Corporation on its behalf or as Managing Member of the Company in relation to the Project are hereby ratified and affirmed. 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 sections, phrases and provisions of this Resolution.
3. This Resolution shall take effect immediately upon its adoption.

Adopted this 18th day of October, 2022 by the Board of Directors for Choice Neighborhood III-R Development Corporation, Managing Member of Choice Neighborhood III-R, LLC.

Secretary

ATTEST:

President

662992

CHOICE NEIGHBORHOOD III-R DEVELOPMENT CORPORATION

MEMORANDUM

DATE: October 18, 2022

TO: All Members, Board of Directors – Choice Neighborhood III-R Development Corporation

FROM: Karen R. Wilds, President *KRW*

SUBJECT: Approval of RBC Community Investments as Investor Member

The attached resolution consents to and approves RBC Community Investments LLC (RB) as an Investor Member. It further authorizes the President of the Managing Member of the Development Corporation to execute all documents to facilitate the tax credit investment by RBC.

The attached resolution is recommended for approval.

**RESOLUTION OF
CHOICE NEIGHBORHOOD III-R DEVELOPMENT CORPORATION
INVESTOR MEMBER**

WHEREAS, the City of Newport News, Virginia (the “City”) and the Newport News Redevelopment and Housing Authority (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 has engaged with Pennrose Holdings, LLC and its affiliates (“Pennrose”), regarding the development of affordable housing on land already owned by the Authority, resulting in a determination that it would be in the best interests of the Authority and the City of Newport News, Virginia for the Authority and Pennrose to jointly form certain new entities for such undertaking, resulting in the organization of (a) Choice Neighborhood III-R, LLC, a Virginia limited liability company (the “Company”), as the ownership vehicle for the development, and (b) Choice Neighborhood III-R Development Corporation, a Virginia corporation (the “Managing Member”), as the Managing Member of the Company; and

WHEREAS, the Authority is a 51% stockholder in the Managing Member, with the Authority’s Executive Director serving as President of the Managing Member, and Pennrose is proposed to own the other 49% of the stock in the Managing Member; and

WHEREAS, the Company will be the initial legal owner of the Project, and its principal place of business is 227 27th Street, Newport News, VA 23607; and

WHEREAS, the Managing Member wishes to develop the low-income housing project (the “Project”) with RBC Community Investments, LLC (“RBC”) through the Company in which RBC will invest as an Investor Member.

NOW, THEREFORE, BE IT RESOLVED that the Managing Member be and it is hereby authorized, empowered and directed to execute and deliver all other project investment closing documents specified in RBC’s closing checklist as the same may be modified and supplemented by RBC for the Project (the “Checklist”) or otherwise requested by RBC in connection with its investment in the Company; and

FURTHER RESOLVED, that the Managing Member be and it is hereby authorized, empowered and directed to furnish to RBC all due diligence materials specified in the Checklist or otherwise requested by RBC in connection with its investment in the Company; and

FURTHER RESOLVED, that the President of the Managing Member be and she hereby is authorized, empowered and directed to execute and deliver all documents and that such officers or staff of the Managing Member be and are thereby authorized, empowered and directed to furnish all materials necessary to consummate the formation of the Company and the investment by RBC as Investor Member, in accordance with the Checklist, and the foregoing resolutions, and that any

previous execution and delivery or furnishing of documents and materials by such officers or staff be and it is hereby authorized, confirmed and ratified; and

FURTHER RESOLVED, that the President of the Managing Member be and she hereby is authorized, empowered and directed to take such further action on behalf of the Managing Member as she deems necessary to effectuate the foregoing.

Adopted this 18th day of October, 2022 by the Board of Directors for Choice Neighborhood III-R Development Corporation, Managing Member of Choice Neighborhood III-R, LLC.

Secretary

ATTEST:

President

663232

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CHOICE NEIGHBORHOOD III-R DEVELOPMENT CORPORATION

MEMORANDUM

DATE: October 18, 2022

TO: All Members, Board of Directors – Choice Neighborhood III-R
Development Corporation

FROM: Karen R. Wilds, President *KRW*

SUBJECT: Sentara Healthcare Loan to Choice Neighborhood III-R Development
Corporation

The attached resolution will authorize the President to finalize negotiations and execute all loan documents related to the construction and permanent financing for development of the referenced project.

Approval is recommended.

**RESOLUTION OF
CHOICE NEIGHBORHOOD III-R DEVELOPMENT CORPORATION
SENTARA HEALTHCARE LOAN**

WHEREAS, the City of Newport News, Virginia (the “City”) and the Newport News Redevelopment and Housing Authority (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 has engaged with Pennrose Holdings, LLC and its affiliates (“Pennrose”), regarding the development of affordable housing on land already owned by the Authority, resulting in a determination that it would be in the best interests of the Authority and the City of Newport News, Virginia for the Authority and Pennrose to jointly form certain new entities for such undertaking, resulting in the organization of (a) Choice Neighborhood III-R, LLC, a Virginia limited liability company (the “Company”), as the ownership vehicle for the development, and (b) Choice Neighborhood III-R Development Corporation, a Virginia corporation (the “Managing Member”), as the Managing Member of the Company; and

WHEREAS, the Authority is a 51% stockholder in the Managing Member, with the Authority’s Executive Director serving as President of the Managing Member, and Pennrose is proposed to own the other 49% of the stock in the Managing Member; and

WHEREAS, the Company has held discussions with representatives of the Authority with respect to obtaining financing for the cost of constructing and equipping an 71 unit multi-family housing development consisting of 4 residential buildings for rental to individuals and families of low-income consisting of 58 low-income units and 13 market rate units and other improvements as part of the Marshall-Ridley Choice Neighborhood Initiative as part of the Marshall Ridley Choice Neighborhood Initiative, in the City (the “Project”); and

WHEREAS, the Company will be the initial legal owner of the Project, and its principal place of business is 227 27th Street, Newport News, VA 23607; and

WHEREAS, Sentara Healthcare (the “Lender”) will provide construction financing in the approximate amount of \$4,912,545 and permanent financing in the approximate amount of \$5,193,490 (the “Loan Funds”) at a rate of 3.25% per annum for a term of twenty (20) years (the “Loan Terms”).

NOW, THEREFORE, BE IT RESOLVED that Choice Neighborhood III-R, LLC, by and through its Managing Member, Choice Neighborhood III-R Development Corporation, by vote of its Board of Directors, adopts the following resolutions:

1. That the President or her designee be and is hereby authorized to finalize negotiations and enter into and execute the following documents and transactions, all of which shall be subject to legal counsel review:

- a. Such documents, to include a Promissory Note, Construction and Term Loan Agreement, Deed of Trust and Security Agreement and other related documents, as may be necessary to evidence the provision of the Loan Funds, which final amount is subject to adjustment as may be negotiated by the President of the Managing Member.
2. This Resolution shall take effect immediately upon its adoption.

Adopted this 18th day of October, 2022 by the Board of Directors for Choice Neighborhood III-R Development Corporation, Managing Member of Choice Neighborhood III-R, LLC.

Secretary

ATTEST:

President

663225

**Choice Neighborhood IV-R Development Corporation
Board of Directors Meeting
October 18, 2022**

227-27th Street
Newport News, VA 23607

Agenda

1. Roll call
2. Consider approval of minutes of regular meeting, January 18, 2022
3. New Business
 - a. Consider a Resolution authorizing the execution of bond issuance and related documents
 - b. Consider a Resolution authorizing the President of the Corporation to execute documents to facilitate a loan to the Corporation from the Newport News Redevelopment and Housing Authority
 - c. Consider a Resolution approving the consent to admit RBC as the Low-Income Housing Tax Credit investor
 - d. Consider a Resolution of approval of a permanent loan from Sentara Healthcare
4. Any other business to come before the Board
5. Adjourn

**Minutes of a Meeting of the
Choice Neighborhood IV-R Development Corporation
January 18, 2022**

Having duly given public notice, the Board of Directors of the Choice Neighborhood IV-R Development Corporation met at the offices of the Authority at 227-27th Street, in the City of Newport News, Virginia, at 9:19 a.m. on Tuesday, January 18, 2022.

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
Lou Call
Barbara Holley
Thaddeus Holloman

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

Karen R. Wilds – from Home office via Zoom
Executive Director

Carl V. Williamson – from NNRHA Board Room
Director of Housing

Valarie Ellis, Director – from NNRHA Board Room
Administrative Services

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

Justin Orié – from NNRHA Board Room
NNRHA IT Department

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

**Approve Minutes of
October 19, 2021
Meeting**

Dr. Davis made a motion to approve the minutes of the October 19, 2021 meeting. The motion was seconded by Mr. Knight and passed with a unanimous vote,

**Election of Chairman
and Vice Chairman**

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

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

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

**Update on Choice
Neighborhood IV-R
Development
Corporation**

Ms. Wilds reminded the Board this is the housing component that will be built on the Ridley site that is south of 16th Street. This is the other project that we received funding in the amount of \$3.4M, last week, from the Virginia Department of Housing and Community Development.

Adjournment

There being no other business to come before the Board, the Chairman adjourned the meeting at 9:22 a.m.


President

CHOICE NEIGHBORHOOD IV-R DEVELOPMENT CORPORATION

MEMORANDUM

DATE: October 18, 2022

TO: All Members, Board of Directors – Choice Neighborhood IV-R Development Corporation

FROM: Karen R. Wilds, President 

SUBJECT: Financing Structure and approvals of Choice Neighborhood IV-R

The financing of Low-Income Housing Tax Credits (LIHTC) properties can become very complex with an intricate capital stack and many funding sources.

In the case of this project several funding sources are contributing to a loan the Newport News Redevelopment and Housing Authority (NNRHA) will make to the project for construction financing. Some of those sources stay in the deal as “soft debt” and are repaid or restructured at the end of the required affordability period. One action you are asked to consider is acceptance of a loan to the Development Corporation to be made by NNRHA.

In addition, the tax credit investor, in this case, RBC Community, Investments LLC (RBC), will invest as an Investor Member. The Development Corporation will be asked, in another proposed action to consent that RBC is the investor and authorize the President of the Development Corporation to execute documents to enable RBC to be the Investor Member.

Lastly, we have negotiated with Sentara Healthcare to provide construction financing, which will convert to permanent financing at the final closing. The Directors of the Development Corporations will be asked to authorize the President to finalize negotiations and execute loan documents.

Choice Neighborhood IV-R requires an additional action which will authorize the President to execute all project loan agreements and bond documents for \$16.3M in bond financing for development construction.

CHOICE NEIGHBORHOOD IV-R DEVELOPMENT CORPORATION
MEMORANDUM

DATE: October 12, 2022
TO: All Members, Board of Directors
FROM: Karen R. Wilds, President *KRW*
SUBJECT: Choice Neighborhood IV-R Bond Document Execution

On October 18, 2022, the Newport News Redevelopment and Housing Authority approved Multifamily Housing Revenue Bonds in the amount not to exceed \$16,300,000 million to be issued to finance a portion of the cost to develop the Choice Neighborhood Initiative development of on-site housing. The project consists of 84 apartment units.

The attached resolution, which is recommended for approval, authorizes the President to execute such documents, subject to legal counsel review, to effectuate the transaction.

**RESOLUTION OF
CHOICE NEIGHBORHOOD IV-R DEVELOPMENT CORPORATION
\$16,300,000**

WHEREAS, the City of Newport News, Virginia (the “City”) and the Newport News Redevelopment and Housing Authority (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 has engaged in discussions with Pennrose Holdings, LLC (“Pennrose”), regarding the development of additional affordable housing on land already owned by the Authority, resulting in a determination that it would be in the best interests of the Authority and the City of Newport News, Virginia for the Authority and Pennrose to jointly form certain new entities for such undertaking, resulting in the organization of (a) Choice Neighborhood IV-R LLC, a Virginia limited liability company (the “Company”), as the ownership vehicle for the development, and (b) Choice Neighborhood IV-R Development Corporation, a Virginia corporation (the “Managing Member”), as the Company’s Managing Member; and

WHEREAS, the Authority is proposed to be a 51% stockholder in the Managing Member, with the Authority’s Executive Director serving as President of the Managing Member, and Pennrose is proposed to own the other 49% of the stock in the Managing Member; and

WHEREAS, the Company has held discussions with representatives of the City and the Authority with respect to providing financing for (i) a portion of the cost of constructing and equipping a eleven (11) two and three story mixed income buildings containing eighty four(84) units in a mix of townhomes and flats with one, two, three and four bedroom units, to be located at 1515 Ivy Avenue in the City (the “Site”), (ii) the creation of various reserve funds, if required, and (iii) the payment of certain issuance and other transaction costs (collectively, the “Project”); and

WHEREAS, the Company will be the initial legal owner of the Project, and its principal place of business is 227 27th Street, Newport News, VA 23607; and

WHEREAS, the Company applied to the Authority for the issuance of \$16,300,000 of the Authority’s Multifamily Note (the “Note”), to be issued to finance a portion of the cost of constructing and equipping the Project; and

WHEREAS, the Authority approved the issuance of the Note at its duly called meeting on October 18, 2022; and

NOW, THEREFORE, BE IT RESOLVED that Choice Neighborhood IV-R LLC, by and through its Managing Member, Choice Neighborhood IV-R Development Corporation, by vote of its Board of Directors, adopt the following resolutions:

1. That the President be and is hereby authorized to enter into and execute the following documents, all of which shall be subject to legal counsel review:
 - a. Project Loan Agreement (the “Project Loan Agreement”) among the Authority, the Fiscal Agent and the Company.
 - b. Project Loan Note in the original principal amount not to exceed \$16,300,000.
 - c. Declaration of Restrictive Covenants, among the Authority, the Company and the Fiscal Agent.
 - d. Multifamily Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing (Virginia), (the “Deed of Trust”), from the Company to the Deed of Trust Trustee named therein, for the benefit of the Authority.
 - e. UCC-1 Financing Statements to be dated the date of their delivery (collectively, the “Financing Statements”), granted by the Company, as debtor, to the Authority, as secured party, to perfect security interests in various forms of tangible and intangible personal property collateral intended to be created pursuant to certain of the foregoing documents.
 - f. Any and all related and necessary documents needed to effectuate the origination and closing of the Note.
2. 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 sections, phrases and provisions of this Resolution.
3. This Resolution shall take effect immediately upon its adoption.

Adopted this 18th day of October, 2022 by the Board of Directors for Choice Neighborhood Development Corporation, Managing Member of Choice Neighborhood IV-R LLC.

Secretary

ATTEST:

President


640634

CHOICE NEIGHBORHOOD IV-R DEVELOPMENT CORPORATION

MEMORANDUM

DATE: October 18, 2022

TO: All Members, Board of Directors – Choice Neighborhood IV-R Development Corporation

FROM: Karen R. Wilds, President 

SUBJECT: Resolution of Board of Directors of the Choice Neighborhood IV-R Development Corporation Authorizing the Approval of a Project Loan to Choice Neighborhood IV-R LLC from the Newport News Redevelopment and Housing Authority

The NNRHA Board approved a loan to the Choice Neighborhood IV-R Development Corporation to facilitate the construction and development of the CNI onsite housing phase of Choice Neighborhood Implementation grant, which will be constructed on the former Ridley Place site. The development consists of 84 townhome units south of 16th street.

The loan is made up of funds from the following sources:

Funding Source	Type of Financing	Use	Amount	Construct ion	Permanent
Choice Neighborhood Initiative Funds	Grant to NNRHA – soft loan to CNI IV-R	Development Construction Costs – Infrastructure	\$1,856,487	X	X
City Design and Amenities Fund	Grant to NNRHA – soft loan to CNI IV-R	Development Construction Costs	\$443,107	X	X
NNRHA Harbor Homes Disposition Proceeds	NNRHA program income – soft loan to CNI IV-R	Development Construction Costs – Infrastructure and Hard Costs	\$1,350,000	X	X
NNRHA Dickerson Courts Disposition Proceeds	NNRHA program income– soft loan to CNI IV-R	Development Construction Costs	\$1,132,500	X	X
Hampton Roads PDC Funds	Grant to NNRHA – soft loan to CNI IV-R	Development Construction Costs –	\$500,000	X	X

		Infrastructure and Hard Costs			
Other City of Newport News Funds	Grant to NNRHA – soft loan to CNI IV-R	Development Construction Costs – Infrastructure and Hard Costs	\$2,577,996	X	X
Newport News Revitalization Funds	Grant to NNRHA – soft loan to CNI IV-R	Development Construction Costs – Infrastructure and Hard Costs	\$3,305,310	X	X
Subtotal			\$11,165,400		

NNRHA – Funds from DHCD	NHTF – soft loan to CNI IV-R	Permanent pay hard debt	\$700,000		X
NNRHA – Funds from DHCD	HIEE – soft loan to CNI IV-R	Permanent pay hard debt	\$2,000,000		X
NNRHA – Funds from DHCD	VHTF – soft loan to CNI IV-R	Permanent pay hard debt	\$700,000		X
Subtotal			\$3,400,000		

Please note that \$11,165,400.00 will be loaned to the project as construction financing and \$3,400,000.00 as permanent financing at closing.

The approval of the attached resolution authorizes the President of the Development Corporation to execute the loan documents and take such other actions in the furtherance of this resolution.

Approval is recommended.

**RESOLUTION OF
CHOICE NEIGHBORHOOD IV-R DEVELOPMENT CORPORATION
ADOPTION OF OPERATING AGREEMENT, BYLAWS AND NNRHA LOAN**

WHEREAS, the City of Newport News, Virginia (the “City”) and the Newport News Redevelopment and Housing Authority (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 has engaged with Pennrose Holdings, LLC and its affiliates (“Pennrose”), regarding the development of affordable housing on land already owned by the Authority, resulting in a determination that it would be in the best interests of the Authority and the City of Newport News, Virginia for the Authority and Pennrose to jointly form certain new entities for such undertaking, resulting in the organization of (a) Choice Neighborhood IV-R, LLC, a Virginia limited liability company (the “Company”), as the ownership vehicle for the development, and (b) Choice Neighborhood IV-R Development Corporation, a Virginia corporation (the “Managing Member”), as the Managing Member of the Company; and

WHEREAS, the Authority is proposed to be a 51% stockholder in the Managing Member, with the Authority’s Executive Director serving as President of the Managing Member, and Pennrose is proposed to own the other 49% of the stock in the Managing Member; and

WHEREAS, it is necessary for the Managing Member to adopt bylaws to permit the orderly operation of the Managing Member; and

WHEREAS, the Company has held discussions with representatives of the City and the Authority with respect to providing financing for (i) a portion of the cost of constructing and equipping an 84 unit multi-family housing development consisting of 11 residential buildings and other improvements as part of the Marshall-Ridley Choice Neighborhood Initiative as part of the Marshall Ridley Choice Neighborhood Initiative, in the City (the “Site”), (ii) the creation of various reserve funds, if required, and (iii) the payment of certain issuance and other transaction costs (collectively, the “Project”); and

WHEREAS, the Company will be the initial legal owner of the Project, and its principal place of business is 227 27th Street, Newport News, VA 23607; and

WHEREAS, it has now been determined that it is in the best interests of the Authority, the Company and the Project to convey by deed the real property within the Condominium on which the Project will be developed to Company; and

WHEREAS, as part of the project financing, the Authority is proposing to loan to the Company a loan in the amount of \$11,165,400.00 (the “Loan Funds”), with interest accruing at one percent (1%) per annum for a term of thirty-five (35) years to develop the Project; and

NOW, THEREFORE, BE IT RESOLVED that Choice Neighborhood IV-R, LLC, by and through its Managing Member, Choice Neighborhood IV-R Development Corporation, by vote of its Board of Directors, adopts the following resolutions:

1. That the President or her designee be and is hereby authorized to finalize negotiations and enter into and execute the following documents and transactions, all of which shall be subject to legal counsel review:
 - a. Bylaws of the Managing Member.
 - b. Operating Agreement for Choice Neighborhood IV-R LLC, subject to legal counsel having the authority and power to make necessary modifications to said Operating Agreement.
 - c. Such documents as may be necessary to evidence the provision of the Loan Funds, which final amount is subject to adjustment as may be negotiated by the President of the Managing Member.
 - d. Any and all related and necessary documents needed to effectuate the transfer of the real property to Company and to provide the Loan Funds to the Company.
2. Any actions taken prior to the date hereof by Choice Neighborhood IV-R Development Corporation on its behalf or as Managing Member of the Company in relation to the Project are hereby ratified and affirmed. 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 sections, phrases and provisions of this Resolution.
3. This Resolution shall take effect immediately upon its adoption.


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CHOICE NEIGHBORHOOD IV-R DEVELOPMENT CORPORATION

MEMORANDUM

DATE: October 18, 2022

TO: All Members, Board of Directors – Choice Neighborhood IV-R
Development Corporation

FROM: Karen R. Wilds, President 

SUBJECT: Approval of RBC Community Investments as Investor Member

The attached resolution consents to and approves RBC Community Investments LLC (RB) as an Investor Member. It further authorizes the President of the Managing Member of the Development Corporation to execute all documents to facilitate the tax credit investment by RBC.

The attached resolution is recommended for approval.

**RESOLUTION OF
CHOICE NEIGHBORHOOD IV-R DEVELOPMENT CORPORATION
INVESTOR MEMBER**

WHEREAS, the City of Newport News, Virginia (the “City”) and the Newport News Redevelopment and Housing Authority (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 has engaged with Pennrose Holdings, LLC and its affiliates (“Pennrose”), regarding the development of affordable housing on land already owned by the Authority, resulting in a determination that it would be in the best interests of the Authority and the City of Newport News, Virginia for the Authority and Pennrose to jointly form certain new entities for such undertaking, resulting in the organization of (a) Choice Neighborhood IV-R, LLC, a Virginia limited liability company (the “Company”), as the ownership vehicle for the development, and (b) Choice Neighborhood IV-R Development Corporation, a Virginia corporation (the “Managing Member”), as the Managing Member of the Company; and

WHEREAS, the Authority is a 51% stockholder in the Managing Member, with the Authority’s Executive Director serving as President of the Managing Member, and Pennrose is proposed to own the other 49% of the stock in the Managing Member; and

WHEREAS, the Company will be the initial legal owner of the Project, and its principal place of business is 227 27th Street, Newport News, VA 23607; and

WHEREAS, the Managing Member wishes to develop the low-income housing project (the “Project”) with RBC Community Investments, LLC (“RBC”) through the Company in which RBC will invest as an Investor Member.

NOW, THEREFORE, BE IT RESOLVED that the Managing Member be and it is hereby authorized, empowered and directed to execute and deliver all other project investment closing documents specified in RBC’s closing checklist as the same may be modified and supplemented by RBC for the Project (the “Checklist”) or otherwise requested by RBC in connection with its investment in the Company; and

FURTHER RESOLVED, that the Managing Member be and it is hereby authorized, empowered and directed to furnish to RBC all due diligence materials specified in the Checklist or otherwise requested by RBC in connection with its investment in the Company; and

FURTHER RESOLVED, that the President of the Managing Member be and she hereby is authorized, empowered and directed to execute and deliver all documents and that such officers or staff of the Managing Member be and are thereby authorized, empowered and directed to furnish all materials necessary to consummate the formation of the Company and the investment by RBC as Investor Member, in accordance with the Checklist, and the foregoing resolutions, and that any

previous execution and delivery or furnishing of documents and materials by such officers or staff be and it is hereby authorized, confirmed and ratified; and

FURTHER RESOLVED, that the President of the Managing Member be and she hereby is authorized, empowered and directed to take such further action on behalf of the Managing Member as she deems necessary to effectuate the foregoing.

Adopted this 18th day of October, 2022 by the Board of Directors for Choice Neighborhood IV-R Development Corporation, Managing Member of Choice Neighborhood IV-R, LLC.

Secretary

ATTEST:

President


663231

CHOICE NEIGHBORHOOD IV-R DEVELOPMENT CORPORATION

MEMORANDUM

DATE: October 18, 2022

TO: All Members, Board of Directors – Choice Neighborhood IV-R Development Corporation

FROM: Karen R. Wilds, President 

SUBJECT: Sentara Healthcare Loan to Choice Neighborhood IV-R Development Corporation

The attached resolution will authorize the President to finalize negotiations and execute all loan documents related to the construction financing for development of the referenced project.

Approval is recommended.

**RESOLUTION OF
CHOICE NEIGHBORHOOD IV-R DEVELOPMENT CORPORATION
SENTARA HEALTHCARE LOAN**

WHEREAS, the City of Newport News, Virginia (the “City”) and the Newport News Redevelopment and Housing Authority (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 has engaged with Pennrose Holdings, LLC and its affiliates (“Pennrose”), regarding the development of affordable housing on land already owned by the Authority, resulting in a determination that it would be in the best interests of the Authority and the City of Newport News, Virginia for the Authority and Pennrose to jointly form certain new entities for such undertaking, resulting in the organization of (a) Choice Neighborhood IV-R, LLC, a Virginia limited liability company (the “Company”), as the ownership vehicle for the development, and (b) Choice Neighborhood IV-R Development Corporation, a Virginia corporation (the “Managing Member”), as the Managing Member of the Company; and

WHEREAS, the Authority is a 51% stockholder in the Managing Member, with the Authority’s Executive Director serving as President of the Managing Member, and Pennrose is proposed to own the other 49% of the stock in the Managing Member; and

WHEREAS, the Company has held discussions with representatives of the Authority with respect to obtaining financing for the cost of constructing and equipping an 84 unit multi-family housing development consisting of 11 residential buildings and other improvements as part of the Marshall-Ridley Choice Neighborhood Initiative as part of the Marshall Ridley Choice Neighborhood Initiative, in the City (the “Project”); and

WHEREAS, the Company will be the initial legal owner of the Project, and its principal place of business is 227 27th Street, Newport News, VA 23607; and

WHEREAS, Sentara Healthcare (the “Lender”) will provide construction financing in the approximate amount of \$6,494,101 and permanent financing in the approximate amount of \$6,005,028 (the “Loan Funds”) at a rate of 3.25% per annum for a term of twenty (20) years (the “Loan Terms”).

NOW, THEREFORE, BE IT RESOLVED that Choice Neighborhood IV-R, LLC, by and through its Managing Member, Choice Neighborhood IV-R Development Corporation, by vote of its Board of Directors, adopts the following resolutions:

1. That the President or her designee be and is hereby authorized to finalize negotiations and enter into and execute the following documents and transactions, all of which shall be subject to legal counsel review:

a. Such documents, to include a Promissory Note, Construction and Term Loan Agreement, Deed of Trust and Security Agreement and other related documents, as may be necessary to evidence the provision of the Loan Funds, which final amount is subject to adjustment as may be negotiated by the President of the Managing Member.

2. This Resolution shall take effect immediately upon its adoption.

Adopted this 18th day of October, 2022 by the Board of Directors for Choice Neighborhood IV-R Development Corporation, Managing Member of Choice Neighborhood IV-R, LLC.

Secretary

ATTEST:

President