

**Just a Reminder**

**That Masks**

**are to be**

**Worn Inside**

**NNRHA Buildings**

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

**February 15, 2022  
8:30 a.m.  
227-27<sup>th</sup> 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, January 18, 2022.
4. Communications
5. New Business
  - a. Consider a resolution approving Multifamily Housing Revenue Bonds Issuance Request for Stuart Gardens Phases I and II
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  
January 18, 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 227-27<sup>th</sup> Street, in the City of Newport News, Virginia, at 8:30 a.m. on Tuesday, January 18, 2022.

**Pledge of Allegiance**

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

**Roll Call**

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

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 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 Orie – from NNRHA Board Room  
NNRHA IT Department

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

**Approval of Minutes, December 21, 2021**

Commissioner Davis moved that the minutes of the meeting of the Board of Commissioners held on December 21, 2021 be approved with a correction. The motion was seconded by Commissioner Black and passed with a majority vote. Mr. Knight abstained as he was not present.

**Election of Officers**

Commissioner Davis made a motion to nominate Kenneth Penrose, Jr. to the position of Chairman. The motion was seconded by Commissioner Knight and passed with a unanimous vote.

No other nominations were made from the floor.

Commissioner Black made a motion to nominate Lisa Wallace-Davis to the position of Vice-Chairman. The motion was seconded by Commissioner Knight and passed with a unanimous vote.

No other nominations were made from the floor.

**Re-Affirmation of Appointments, Secretary-Treasurer and Assistant Secretary-Treasurer**

Commissioner Davis made a motion to re-affirm the appointment of Karen R. Wilds as Secretary-Treasurer and Teresa G. Bennett as Assistant Secretary-Treasurer. The motion was seconded by Commissioner Knight and passed with a unanimous vote.

No other nominations were made from the floor.

**Communications**

The following communications were provided to the Board and reviewed by the Executive Director. 1) A press release from Governor Northam announcing over \$60 million in affordable and special needs funding that was awarded across the state. Ms. Wilds stated that the Newport News Redevelopment and Housing Authority was awarded two different grants for our Choice Neighborhood onsite at our Ridley property. Each project was awarded \$3.4 million dollars for a total of \$6.8 million

**Minutes of a Meeting of the  
Newport News Redevelopment and Housing Authority  
January 18, 2022**

dollars for this project. Ms. Wilds reminded the Board members that they should have received a financial disclosure form from the City Clerks office and this must be completed and returned by February 1, 2022.

**New Business**

**The Board of Commissioners of the Newport News Redevelopment and Housing Authority Authorizing a Written Policy Pursuant to section 2.2-3708.2, Code of Virginia held through Electronic Communication Means**

The Board had been provided copies of a resolution authorizing an attendance policy regarding electronic participation of Board meetings. The Virginia Code allows for Board Member electronic participation in meetings under certain conditions so long as the entity has adopted a policy establishing acceptable criteria for doing so. Ms. Wilds stated that the policy limits electronic participation to two meetings per year. Board members were provided with a policy prepared by Mr. Suttle for consideration.

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

**The Board of Commissioners of the Newport News Redevelopment and Housing Authority Authorizing the Executive Director to submit an application to the U.S. Department of Housing and Urban Development for the Disposition of the Ridley Place Multi-Family Housing Community, 600 Ridley Circle, Newport News, VA (Development #VA003000304)**

The Board had been provided copies of a resolution approving the submission of a Section 18 demolition/disposition application to the US Department of Housing and Urban Development (HUD) for the disposition of property located at 600 Ridley Circle (the former Ridley Place Housing Community). This property is subject to HUD deed restrictions and the disposition is conditioned upon HUD's approval to release and remove any restrictions. Disposition of the Ridley Place property will support implementation of the Marshall Ridley Transformation Plan funded by the Choice Neighborhoods Initiative Grant. Ms. Wilds stated the Ridley Place site will be redeveloped with multi-family and single-family housing, commercial development and a health and wellness trail. If approved by HUD and the Board, parcels will be conveyed to multiple entities. (A list was provided to the Board.) Any sales proceeds will be used to pay for eligible costs of disposition and to further future CNI housing goals. The disposition of Ridley Place is included in the approved NNRHA Agency Plan and is consistent with NNRHA's Property Disposition Guidelines for the Disposition of Public Housing Properties.

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 January, 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 reported we had staff that sponsored the Salvation Army Angels this holiday season. We had several organizations that provided gifts and food baskets to residents. Dominion Coal Terminal Associates provided one hundred and sixty (160) box lunches to the seniors living the Southeast Communities.

Ms. Dessoify reported shortly we will begin the tax audits for the entities, which is on a calendar year. We are also in the middle of the Authorities June 30<sup>th</sup> audit. The auditors will be onsite this Friday to review files. This audit is not only a financial audit but also a programmatic audit.

Ms. Ellis did not have a report for this month.

Mr. Staley reported Spratley Housing is in the final stages of construction. We anticipate construction being completed in February and moving back into the facility in March. Marshall Phase VII, which is the demolition of 88 units, we have had ongoing discussions with Via Architects and recently Dominion Due Diligence who will be providing information with interface and documentation for completing the Section 18 demolition and disposition with HUD.

**Minutes of a Meeting of the  
Newport News Redevelopment and Housing Authority  
January 18, 2022**

**Closed Session**

**Other Business**

**Adjournment**

There being no other business to come before the Board, the Chairman adjourned the meeting at 8:53 a.m.

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Secretary-Treasurer

**ITEM NO. 4**

**COMMUNICATIONS**

# U. S. Department of Housing and Urban Development



Office of Davis Bacon and Labor Standards

600 Broad Street  
Richmond, VA 23219

Phone: 804.822.4806  
Web: [www.hud.gov](http://www.hud.gov)

Via Electronic Mail Only

January 25, 2022

Karen W. Wilds, Executive Officer  
Newport News Redevelopment and Housing Authority  
227 27th Street  
Newport News, VA 23607

Dear Ms. Wilds,

We have completed our review of your agency's Federal labor standards administration and enforcement under Section 12(a) of the U.S. Housing Act of 1937, as amended. In conducting our review, we relied upon records in our office and materials submitted by you.

The enclosed monitoring report provides our evaluation of the agency's performance in the areas listed in the report. Based on the information submitted and reviewed, we find your agency's overall labor standards system and performance are adequate. However, one finding was noted in the area of Federal labor standards administration. You will be required to implement corrective action and to report to HUD as this action is completed.

If you disagree with any of the conclusions in this report, you should notify me in writing. Your response should explain what you disagree with and why, and provide evidence supporting your position. If appropriate, you should propose revised action(s) and/or target completion date(s). I am available to provide technical assistance to resolve the finding noted in the report.

The cooperation of Newport News Redevelopment and Housing Authority during the review was greatly appreciated. Should you have any questions concerning this review or other matters pertaining to federal labor standards, please contact me at (804) 822-4802 or email me at [Kamaria.E.Taylor@hud.gov](mailto:Kamaria.E.Taylor@hud.gov).

Sincerely,

A handwritten signature in black ink that reads "Kamaria E. Taylor".

Kamaria E. Taylor  
Labor Standards Specialist

Enclosure

cc: Valarie L. Ellis, Director of Administrative Services

# Federal Labor Standards Monitoring Report

Newport News Redevelopment and Housing Authority

We have completed our review of Newport News Redevelopment and Housing Authority's performance relative to the administration and enforcement of Federal labor standards pursuant to Section 12(a) of the U.S. Housing Act of 1937, as amended. For this review, we examined documents on file in our office and documents provided by your agency which included the federal labor standards Agency Remote Monitoring Forms (HUD-4742), contract documents, wage information for maintenance staff and the Semi-Annual Labor Standards Enforcement Report (HUD-4710).

The following work activities were selected for review:

<b>Contract Name</b>	<b>Amount</b>	<b>Project Start</b>	<b>Completion</b>
Great Oak Tree Removals	\$18,485.00	January 19, 2021	100%
Great Oak Concrete Step Work	\$4,875.00	August 12, 2021	100%
Jefferson Brookville Structural Repairs	\$56,200.00	February 25, 2021	100%
Aqueduct Covid 19 Upgrades	\$286,458.39	February 26, 2021	100%
<b>Total</b>	<b>\$ 366,018.39</b>		

A review of the Housing Authority's procedures, organizational structure and administration of the contracts selected for review resulted in one finding in the area of Federal labor standards administration. Based on the result of this review, we have concluded that while the Housing Authority's administration and enforcement of Federal labor standards are adequate, there was an area of improvement that should be addressed.

During the review technical assistance was provided to Valarie L. Ellis, Director of Administrative Services, covering labor standards provisions, applicable wage decisions, employee interviews and contractor eligibility. The Housing Authority is currently reinforcing changes to improve their project management system to ensure Davis-Bacon regulations are met. Our office is available to offer additional technical assistance that will assist the Housing Authority to achieve those goals.

## Narrative Summary

The documentation in the contracts reviewed contained most of the required compliance information. This information included the scope of work, contractor eligibility, contract award date, contract start date, labor standards provisions and wage decisions. The agency also provided copies of certified payroll reports collected and reviewed for compliance. On-site interviews were not conducted with workers employed on the construction site due to Coronavirus (COVID-19) safety concerns; however, the Housing Authority normally conducts on-site interviews on Davis-Bacon covered contracts.

In the Great Oak Tree Removals and Great Oak Concrete Step Work Contracts, a residential wage decision was used for both projects. A heavy wage decision should have been used for the tree removals project and a highway wage decision should have been used for the concrete walkway work.



# Federal Labor Standards Monitoring Report

Newport News Redevelopment and Housing Authority

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For the Maintenance Wage Rate Administration review the Housing Authority currently employs thirteen (13) maintenance employees. Their pay is sufficient based on a review of the documentation received showing base wages and fringe benefits considering the HUD approved maintenance wage rates (form HUD 52158) which are in effect. All job classifications are clearly defined and related to employee duties.

The agency has been cooperative in its timely submission of the Semi-Annual Enforcement Report (SAR) and all information and documents requested by the Office of Davis-Bacon and Labor Standards.

## **FINDING 1 - Federal Labor Standards Administration – Wage Decisions**

Two of the projects reviewed had incorrect wage decisions incorporated in the contract documents. Residential wage decision, VA20200140 Modification 1 dated 01/24/2020 was included in the Great Oak Tree Removals contract. The scope of work was described as the removal of sixteen trees and stumps. Heavy construction projects are those that are not properly classified as “residential”, “building”, or “highway”. The removal of trees and stumps, independent of any other construction is subject to Heavy wage rates therefore, Heavy wage decision VA20200053 Modification 3 dated 05/22/2020 should have been used for the project.

Residential wage decision, VA20210140 Modification 1 dated 01/08/2021 was incorporated in the Great Oak Concrete Step Work contract. The scope of work was described as the removal of existing steps and walk area and replace with a concrete ramp. Highway construction projects includes the initial construction, alteration or repair of roads, streets, highways, alleys, parking areas, sidewalks and other similar projects not incidental to residential, building or heavy construction. The removal and replacement concrete sidewalks, independent of any other construction work is subject to Highway wage rates therefore, Highway wage decision VA20210195 Mod 0 01/01/2021 should have been used for the project.

**CITATION:** U.S. Housing Act of 1937, as amended; 29 CFR Parts 1 and 5.5; and HUD Handbook 1344.1, Rev-2, Section 3-13 and Part 3-3 (C and D)

**CAUSE:** The Housing Authority was not aware Heavy wage rates applied to the tree removal project and Highway wages applied to the sidewalk project. Both projects contained work independent of any other construction.

**EFFECT:** The two projects cited were not awarded in compliance with Federal Labor Standards and the Davis-Bacon Related Acts. The Housing Authority is responsible for ensuring that the correct wage decision is chosen and becomes part of the bid and contract documents. Incorporation of an incorrect wage decision can result in wage restitution and the correction of monetary deficiencies is the responsibility of the Housing Authority.

**CORRECTIVE ACTION:** The Agency must devise and implement procedures to ensure the correct wage decision is incorporated into all active and future construction contracts to which

## **Federal Labor Standards Monitoring Report**

Newport News Redevelopment and Housing Authority

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Davis-Bacon and Related Acts are applicable. Please submit to our office a copy of written policies developed within 60 days from the date of this report.

We hope this review will serve as a useful tool in bringing the Authority's labor standards component into compliance with regulatory requirements. The Authority must take immediate action to eliminate these deficiencies. When violations occur, they should be communicated to the appropriate contractors and immediate steps to achieve compliance should be taken to best serve the Authority's clients and to protect both the Authority and HUD from potential financial liability resulting from noncompliance.

All of the required HUD forms I have referred to in this report can be downloaded through our Internet site at: [https://www.hud.gov/program\\_offices/davis\\_bacon\\_and\\_labor\\_standards](https://www.hud.gov/program_offices/davis_bacon_and_labor_standards)

# Five takeaways from Virginia's statewide housing study

• By MARK ROBINSON Richmond Times-Dispatch – January 31, 2022

How can Virginia chip away at its housing affordability crisis?

A **new 426-page report published this month** lays out the pressing challenges and potential solutions for housing-related needs across the state.

Following **a 2020 bill** sponsored by Del. Kathleen Murphy, D-Fairfax, the HB 854 Statewide Housing Study provides a comprehensive look at demographic and economic trends, the state's housing inventory, homeownership and rental markets and homelessness, as well as an assessment of existing programs.

“The report confirms a lot of the trends and needs we have independently known and understood in different parts of the state,” said Jonathan Knopf, executive director for programs at HousingForward Virginia, a nonprofit organization the state commissioned to put together the report. “I would hope it demonstrates housing can be something that we as a state can make significant progress on together.”

Here are five takeaways:

*1. Demand for federal housing vouchers among low- and moderate-income families trumps the supply available. A state rental subsidy could help meet the need.*

More than 27,700 low-income households across the state relied on the federal Housing Choice Voucher program to pay a portion of their rent, according to the report.

More than twice as many households that qualified for the subsidy sat on waiting lists maintained by public housing authorities around the state, as of early last year, according to a survey of the public housing authorities around the state.

Eleven public housing authorities did not respond to the survey, meaning the number of families vying for vouchers is even higher.

The report recommends the creation of a statewide housing choice voucher program to close the delta. A bill and budget amendment introduced this legislative session would jump-start that process, said Brian Koziol, executive director of the Virginia Housing Alliance.

“We’re estimating that \$73 million would assist 5,000 households across the commonwealth,” said Koziol, who served on an advisory panel that assisted with the report. “It’s not the scale we need to get to, but it’s worth getting something on the books until we can increase funding for it.”

*2. Renters of color are disproportionately cost burdened in their housing.*

Nearly 500,000 renter households in the state are cost-burdened, meaning they spend more than 30% of their monthly income on housing.

Since 2010, white and Asian renters have seen their share of cost-burdened renters decrease. In the same span, Black and Latino renters' share of cost-burdened renters has risen. As of 2017, roughly half of Black and Latino renter households were considered cost-burdened, and a quarter of those same households were severely cost-burdened, meaning they spend more than 50% of their monthly income on rent.

Researchers noted that the COVID-19 pandemic likely hit renters of color the hardest. Many were frontline workers who were at greater risk of contracting the virus and losing income or wages, while rents continued to climb. That, in turn, put them at greater risk of eviction and homelessness.

*3. The Black homeownership rate in Virginia is slightly better than the national average, but far behind the white homeownership rate.*

While roughly 3 out of 4 white Virginians own their homes, just 48% of Black Virginians do, according to the report. The latter figure is slightly higher than the nationwide average of 44% for Black households.

Researchers attribute the gap of 25 percentage points in homeownership to a variety of factors, starting with past racist policies and practices that restricted Black families from accessing credit to buy or maintain homes and thus limiting their ability to build wealth to pass down to future generations in the same way white families did.

The report also cites present-day structural barriers that have fueled wide disparities in income and loan approval that have disadvantaged Black households seeking to buy a home.

State agencies have made a more concerted effort in recent years to reach Black homebuyers. Those efforts must be continued and supplemented if the state is to close the gap, the report states.

“While Virginia is maybe a little better than average in terms of our racial homeownership gap compared to some other parts of the state and country, there’s still a major gap,” Knopf said. “Our state agencies can continue to expand their recent efforts to conduct better engagement and expand homeownership offerings to bring greater racial equity to housing opportunities in Virginia.”

#### *4. Starter homes are few and far between, creating a barrier for first-time buyers.*

Traditionally, young families and first-time buyers have been able to find moderately priced homes for sale to begin building equity and wealth, but not anymore. Homes priced near \$150,000 are scarce, if not nonexistent, in most large markets, researchers found.

In Richmond, the number of homes affordable to a buyer making 80% of the region’s median income decreased by 13% between 2013 and 2021, according to the report. Compounding the issue is a trend researchers identified: Most newly built homes are larger and therefore more expensive. The report cites high land and materials costs, local zoning barriers and profit-driven developers as reasons the supply of new starter homes has dried up.

To meet the need, the report recommends the creation of a statewide, public-private partnership to increase the stock of starter homes.

“I would hope the way that we quantified that shortage is a step toward getting policymakers to understand that this is a huge missed opportunity to provide homeownership and the chance to build wealth to Virginians all across the state,” Knopf said.

*5. Virginia has seen a decline in homelessness across the state over the last decade, but housing insecurity among school-age children has risen during the same span.*

From 2010 to 2020, Virginia reduced homelessness across the state from 9,080 to 5,957, according to the report. Drilling down, the state also registered decreases within certain target populations: veterans, survivors of domestic violence, and people with substance abuse disorders,

The figures stem from an annual, federally mandated census that counts anyone sleeping in shelter, transitional housing, on the street or anywhere unfit for human habitation, per a definition set by the U.S. Department of Housing and Urban Development. People sleeping in motels or doubling up with a relative or friend are not counted as homeless in the HUD census.

But the U.S. Department of Education uses a broader definition to track school-age children experiencing homelessness. Its figures paint a different picture of housing insecurity across the state.

In the 2010-11 school year, 16,420 children were counted as homeless. The figure peaked at 20,593 in the 2016-17 school year. In 2019-20, the last year of data included in the report, 17,496 schoolchildren around the state were homeless.

*Read the full report  
at <https://dmz1.dhcd.virginia.gov/HB854/index.html>.*

# U. S. Department of Housing and Urban Development



Office of Davis Bacon and Labor Standards

600 East Broad Street  
Richmond, VA 23219

Phone: 804.822.4806  
Web: [www.hud.gov](http://www.hud.gov)

Via Electronic Mail Only

February 7, 2022

Karen W. Wilds, Executive Officer  
Newport News Redevelopment and Housing Authority  
227 27th Street  
Newport News, VA 23607

Dear Ms. Wilds,

This is in response to your letter dated February 4, 2022, outlining corrective actions your agency has taken to address the finding from a recent monitoring. The finding from the Federal Labor Standards Monitoring Report dated January 25, 2022, has been cleared.

<b>Finding</b>	<b>Reference</b>	<b>Status</b>
1	Federal Labor Standards Administration: Wage Decisions	Cleared

I appreciate your attention to this matter and the cooperation extended by your agency during the monitoring process. Please contact me should you have any questions concerning this review or other matters pertaining to Federal Labor Standards. I can be reached at (804) 822-4802 or email at [Kamaria.E.Taylor@hud.gov](mailto:Kamaria.E.Taylor@hud.gov).

Sincerely,

A handwritten signature in cursive script that reads "Kamaria E. Taylor".

Kamaria E. Taylor  
Labor Standards Specialist

cc: Valarie L. Ellis, Director of Administrative Services



**ITEM NUMBER 5**


**New Business**

- a. Consider a resolution approving Multifamily Housing Revenue Bonds Issuance Request for Stuart Gardens Phases I and II

**Newport News Redevelopment and Housing Authority****Memorandum**

**Date:** February 7, 2022

**To:** All Members, Board of Commissioners

**From:** Karen R. Wilds 

**Subject:** Multifamily Housing Revenue Bonds Issuance Request for Stuart Gardens Phases I and II

Stuart Gardens Housing Partners, LP and Stuart Gardens II Housing Partners LP have applied to the Newport News Redevelopment and Housing Authority (NNRHA) for the issuance of multifamily housing revenue bonds not to exceed \$71,000,000. The proceeds from the sale of these bonds would be used to finance the acquisition, rehabilitation, and equipping of a total of 491 affordable housing units located at 1326C Garden Drive in two separate/contiguous projects containing 252 and 239 units on two parcels of land containing 21.15 acres and 18.98 acres of land, respectively. These projects are currently known as Stuart Gardens Phases I and II.

The attached inducement resolution is provided for your consideration. Representatives of the purchasers will be in attendance to present the proposed financing plan and the overall development and to respond to questions.

In the meantime, the City and the Developer have entered into a memorandum of understanding agreeing to work collaboratively over a six month period to evaluate and study options for the site. It is anticipated that the NNRHA Board will need to hold a public hearing and reconsider the inducement at the end of the six-month study period.

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

**RESOLUTION OF THE NEWPORT NEWS REDEVELOPMENT AND HOUSING  
AUTHORITY EVIDENCING THE INTENT TO ISSUE MULTIFAMILY  
AFFORDABLE RESIDENTIAL HOUSING FACILITY REVENUE BONDS IN AN  
AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$71,000,000 FOR THE  
BENEFIT OF STUART GARDENS HOUSING PARTNERS, LP AND STUART  
GARDENS II HOUSING PARTNERS, LP**

WHEREAS, the Newport News Redevelopment and Housing Authority, a political subdivision of the Commonwealth of Virginia (the "**Authority**"), is empowered by the Virginia Housing Authorities Law in Chapter 1, Title 36 of the Code of Virginia, as amended (the "**Act**"), to issue its revenue bonds to promote the availability of affordable housing for all citizens of the Commonwealth of Virginia (the "**Commonwealth**") by providing, among other things, safe, decent and sanitary housing for those citizens with low or moderate incomes and assisting in the financing of multifamily affordable residential housing facilities; and

WHEREAS, such assistance will benefit the inhabitants of the City of Newport News, Virginia (the "**City**") and the Commonwealth, through the promotion of affordable housing opportunities and of the safety, health and welfare of its citizens; and

WHEREAS, the Authority has received a request from Stuart Gardens Housing Partners, LP and Stuart Gardens II Housing Partners LP, both Virginia limited partnerships, along with their affiliates (collectively, the "**Borrower**"), to issue multifamily affordable residential housing facility revenue bonds in an aggregate principal amount not to exceed \$71,000,000, consisting of \$34,000,000 for one of the two parcels ("**Phase I**") upon which the Stuart Gardens Apartments are located, and \$37,000,000 for the second parcel where the rest of the housing facilities are situated ("**Phase II**") (collectively, the "**Bonds**"). The Bonds shall be issued in one or more series, at one time or from time to time, to finance or refinance a portion of the cost of acquiring, renovating, rehabilitating, improving and equipping an existing residential rental housing project consisting of an aggregate total of 491 units, with Phase I consisting of 252 units, comprised of 59 1-2 story apartment buildings located on a 21.15-acre lot, and Phase II consisting of 239 units, comprised of 50 1-2 story apartment buildings located on a 18.98-acre lot (collectively, the "**Project**"); and

WHEREAS, preliminary plans for the establishment of a credit facility to finance the Project consisting of the issuance of the Bonds and the award by Virginia Housing, formerly known as the Virginia Housing Development Authority (the "**VHDA**") or any other governmental authority on behalf of the Commonwealth and subsequent sale by the Borrower of low income housing tax credits ("**LIHTC**") awarded to it, together with equity contributions made by the Borrower and other sources of funds, as necessary, have been described in general terms to the Authority (the "**Plan of Financing**"); and

WHEREAS, the Borrower has represented that the Project will be financed through the issuance of one or more series of Bonds, at one time or from time to time; and

WHEREAS, pursuant to due notice, the Authority will conduct a public hearing on the Applications of the Borrower for the issuance of the Bonds in compliance with the requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended (the "**Code**") and Section 15.2-4906 of the Code of Virginia (the "**Virginia Code**") at a later date and shall determine at that time if the Authority shall

recommend that the City Council of the City (the “City Council”) provide “governing body approval” of the issuance of the Bonds; and

WHEREAS, the Borrower and the Authority shall comply with all applicable provisions of the Act; and

WHEREAS, the Borrower currently proposes for the Project 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 the area median gross income, as required by Section 142(d)(1)(B) of the Code; and

WHEREAS, each member of the Authority has, before entering upon his or her duties during his or her present term of office, taken and subscribed to the oath prescribed by Section 49-1 of the Code of Virginia of 1950, as amended; and

WHEREAS, no member of the Board of Commissioners of the Authority has any personal interest or business interest in the Borrower or the Bonds or has otherwise engaged in conduct prohibited under the Conflict of Interests Act, Chapter 31, Title 2.2 of the Code of Virginia of 1950, as amended (the “**Conflict of Interests Act**”) in connection with this Resolution or any other official action of the Authority in connection therewith:

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

1. It is hereby found and determined that the Project and the approval of the Plan of Finance and the issuance of the Bonds will be in the public interest and will promote the availability of affordable housing and safe, decent and sanitary housing for those citizens with low or moderate income in the Commonwealth and the City.

2. The Authority hereby agrees to assist the Borrower in facilitating the Plan of Financing by undertaking the issuance of its tax-exempt revenue Bonds in an aggregate amount not to exceed \$71,000,000 upon terms and conditions mutually agreeable to the Authority and the Borrower. The Bonds will be issued pursuant to documents satisfactory to the Authority. The Bonds may be issued in one or more series at one time or from time to time.

3. It having been represented to the Authority that it is necessary for the Borrower to proceed immediately with certain actions regarding the Project and the Plan of Financing, therefore the Authority agrees that the Borrower may proceed to undertake actions to facilitate work on the Project and the Plan of Financing, enter into contracts with respect to the acquisition, renovation, rehabilitation, equipping and improvement of the Project, and take such other steps as it may deem appropriate in connection with the Project and the Plan of Financing, provided, however, that nothing in this Resolution shall be deemed to authorize the Borrower to obligate the Authority without its consent in each instance to the payment of any moneys or the performance of any acts in connection with the Project and the Plan of Financing. The Authority agrees that the Borrower may be reimbursed from the proceeds of the Bonds for all expenditures and costs so incurred by it, provided such expenditures and costs are properly reimbursable under the Act, the Code, and any other applicable federal or state laws.

4. All costs and expenses in connection with the Plan of Financing and the acquisition, renovation, rehabilitation, equipping and improvement of the Project, including the fees and expenses of

the Authority, Bond Counsel, and counsel for the Authority shall be paid by the Borrower or, to the extent permitted by applicable law, from the proceeds of the Bonds. If for any reason such Bonds are not issued, it is understood that all such expenses shall be paid by the Borrower and that the Authority shall have no responsibility therefore.

5. In adopting this Resolution the Authority intends to take “official action” toward the issuance of the Bonds and to establish its “official intent” to issue tax-exempt bonds within the meaning of Treasury Regulation Section 1.150-2 as promulgated under the Code, and to allow the Borrower to be reimbursed from the proceeds of the Bonds for any expenditures paid by the Borrower to finance or refinance the acquisition, renovation, rehabilitation, equipping and improvement of the Project and the planning therefore prior to the issuance of the Bonds, all within the meaning of regulations issued by the Internal Revenue Service pursuant to Sections 103 and 141 through 150 and related sections of the Code.

6. The Borrower intends to utilize the proceeds from the sale of the Bonds and LIHTC or other debt incurred to pay the costs of the Project in an amount not currently expected to exceed \$71,000,000. Such amount may be revised as the Bond issue is sized and structured, but the aggregate principal amount of the Bond, without taking into account original issue premium, shall not be increased without the approval of the Authority. Any taxable debt incurred by the Borrower to finance the Project may be refinanced with tax-exempt bonds as approved by Bond Counsel.

7. The Bonds shall not be a general obligation debt of the Commonwealth or any political subdivision thereof, including the Authority or the City, and neither the Commonwealth, nor any political subdivision thereof, including the Authority or the City, nor any officials, officers, commissioners and/or employees, past, present or future, of any or all of them, are or shall be personally liable thereon. The Bonds, together with the premium, if any, and the interest payable thereon, shall be a limited obligation of the Authority payable solely by the Borrower from revenues, receipts and payments specifically pledged therefor pursuant to the terms of the Bonds and the related financing documents. Neither the faith and credit nor the taxing power of the Commonwealth, or any political subdivision thereof, including the City, shall be pledged to the payment of the principal of the Bonds, the premium, if any, 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.

8. The Borrower hereby agrees to satisfy all applicable federal, state and local laws with respect to the Project, including, but not limited to, any applicable fair housing requirements.

9. After a public hearing is conducted, the Authority may submit a Public Hearing Certificate to the City Council requesting “governing body approval” of the issuance of the proposed Bonds 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 in such event the Chairman, Vice-Chairman or Secretary of the Authority shall transmit to the City Council a copy of this Resolution and a reasonably detailed summary of the Authority’s public hearing held on such public hearing date. The Fiscal Impact Statement regarding the Project as executed by the Borrower and the Authority as required by Section 15.2-4907 of the Virginia Code shall be filed with the City Council as well.

10. The Authority agrees, subsequent to the City Council’s granting of the “governing body approval” for the issuance of Bonds by the Authority, and with the direction and assistance of Bond Counsel and the Borrower, to apply to the Virginia Department of Housing and Community Development,

in its capacity as “allocation administrator” for tax-exempt private activity bonds, bond dollar allocations from the Local Housing Authority Pool, the Governor’s Discretionary Pool, or any other governmental source of bond dollar allocations, for one or more allocations totaling an aggregate amount not to exceed \$71,000,000 of local housing authority “volume cap” for the Project.

11. Any obligation of the Authority to exercise its powers to issue the Bonds as requested by the Borrower is contingent upon the satisfaction of all legal requirements and the Authority (including its officers, commissioners, employees and agents) shall not be liable and hereby disclaims all liability to the Borrower and all other persons or entities for any damages, direct or consequential, resulting from the Authority’s failure to issue the Bonds for the Project for any reason, including but not limited to the failure of the City Council to approve the issuance of the Bonds.

12. No tax-exempt Bonds may be issued pursuant to this Resolution until such time as (a) the issuance of the Bonds has been approved by the City Council, (b) the Project has received an allocation or allocations from the Local Housing Authority or the Governor’s Discretionary Fund Pool for Tax-Exempt Bond Dollar Allocation “volume cap” funds in accordance with applicable provisions of the Virginia Code and any regulations or executive orders issued in connection therewith, and (c) the final terms and details of the Bonds, have been approved by subsequent resolution of the Authority.

13. 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.

14. The Authority hereby appoints Williams Mullen, as requested by the Borrower, to serve as Bond Counsel.

15. The Bonds may not be issued pursuant to this Resolution until such time as the issuance of the Bonds has been approved by the City Council.

16. By submitting its request for this Inducement Resolution to the Authority, the Borrower has agreed to indemnify and hold harmless the Authority, its officers, commissioners, employees and agents from and against all liabilities, obligations, claims, damages, penalties, losses, costs and expenses in any way connected with the Project, the Plan of Finance or the Bonds.

17. The approval of the issuance of the Bonds does not constitute an endorsement to a prospective purchaser of the Bonds or the creditworthiness of the Plan of Finance.

18. The Authority shall perform such other acts and adopt such further resolutions as may be required to implement its undertakings hereinabove set forth.

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

Date: February 15, 2022

**CERTIFICATE**

The undersigned, secretary of the Newport News Redevelopment and Housing Authority (the “**Authority**”), does hereby certify that the foregoing resolution was adopted at a meeting of the Board of Commissioners of the Authority, duly called and held on February 15, 2022, at which meeting a quorum of the directors was present and acting throughout, and that such resolution has not been repealed, amended or supplemented and is in full force and effect on the date hereof.

Member Name	Voting				
	Present	Absent	Yes	No	Abstaining
Kenneth D. Penrose, Jr., Chair					
Lisa Wallace-Davis, Vice-Chair					
William Black, Commissioner					
Lou Call, Commissioner					
Barbara Holley, Commissioner					
Thaddeus Holloman, Commissioner					
George Knight, Commissioner					

WITNESS my hand and seal of the County this 15 day of February, 2022.

NEWPORT NEWS REDEVELOPMENT AND HOUSING  
AUTHORITY

By: \_\_\_\_\_  
Kenneth D. Penrose, Jr., Chair

( S E A L )

46581764.3

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# REPORT TO THE BOARD

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NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY

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## FEBRUARY, 2022

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



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## **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**

**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

## INDIEDWELL

### COMMUNITY DEVELOPMENT

The CDBG application process for FY 2022-2023 is underway. A Public Meeting was held virtually on Tuesday, December 7<sup>th</sup> at 6 p.m. The CDBG applications were accepted from December 8<sup>th</sup> through January 14, 2022. Applicant presentations were held on February 10<sup>th</sup> to the CDBG Review Committee.

indieDwell modular housing has contracted with W.M. Jordan Company to construct a modular home manufacturing facility in Hampton Roads. Through this commercial development, Virginia Housing obtained two modular container homes which were provided to NNRHA and will be placed in Newport News. Currently this project has received preliminary approval from the City of Newport News and is in the engineering phase.

### Total Housing Rehabilitation Activity for Fiscal Year July 1, 2021 – June 30, 2022

	Emergency Repair	Open House	HOMEcare	All Programs
Projects Completed	10	2	0	12
Projects in Underwriting	4	4	1	9
Projects Pending Appr	2	1	1	4
Projects Ongoing	1	3	0	4
<b>Total</b>	17	10	2	29

### 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, 2021 - June 30-2022				
Program Year 21-22 (Completed)	Denied	Pending Additional Documentation	Current Month (Completed)	Underwriting in Process
11	1	0	1	0

## **RENTAL ASSISTANCE DEMONSTRATION**

### **Spratley House (50 Apartments)**

The Spratley House Rental Assistance Demonstration (RAD) conversion has nearly reached completion, with only the elevator rehabilitation and some punch list items remaining. This project is on target to reach substantial completion by March, 2022.

### **Marshall Courts Phase VII**

Marshall Courts Phase VII – Demolition consists of (12) one- and two-story buildings, a total of (88) dwelling units. The unit mix consists of (32) one-bedroom units, (34) two-bedroom units, (18) three-bedroom units, and (4) four-bedroom units. This demolition is in its early design phase with the feasibility study having been completed. It is currently undergoing environmental review. Land use will be converted to green space, and tenant protection vouchers are expected to be issued.

### **Orcutt Townhomes I**

Orcutt Townhomes I is the next selection of current NNRHA properties to be renovated under the Rental Assistance Demonstration (RAD) program utilizing mixed funds for renovations. The new ownership structure keeps the NNRHA Board members as the governing body and will allow for comprehensive renovation of the property. The property contains (40) units and is currently undergoing predevelopment activities.

## **CHOICE NEIGHBORHOOD INITIATIVE (CNI)**

Construction of the first phase of housing, two multi-family buildings located on Jefferson Avenue between 27th and 29th Streets, is proceeding on schedule. The projected completion date is summer

2022. Plans for marketing the residential units and commercial space are underway.

Planning and design of the Phase Two development on the Ridley site continues. The Citizen Advisory Committee and City and NNRHA staffs are working with the design team to develop a final concept plan for the site. Preparation for demolition on the Ridley Place site has been concluded and demolition of the structures will begin in early February. A community event is planned for February 26 from 11am-1pm to commemorate the history of Ridley Place and celebrate the new development.

Work continues to secure funding for Ridley on-site development. In January, the Virginia Department of Housing and Community Development awarded the project a total \$6.8 million. No funding decision has been announced for the 4% Low-income Housing Tax Credit (LIHTC) application submitted in October.

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

Urban Strategies, Inc. has been selected as the new People Plan Lead. Contract negotiations are underway with the goal of having Urban Strategies in place by early March. The Newport News Department of Human Services will continue to provide case management services to Ridley residents until the end of April, ensuring a smooth transition of services for Ridley residents.

## PUBLIC AND ASSISTED HOUSING

### OCCUPANCY REPORT

#### *Total Waiting List Applications:*

Public Housing	366	
Approved/Eligible	71	
Pending	295	
Section 8	360	
Approved/Eligible	70	
Pending	290	

The pending numbers for the Public Housing Program (295) and the Housing Choice Voucher Program (290) 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 January***

Public Housing Program	2	
Housing Choice Voucher	15	
Mod-Rehab (SRO)	<u>1</u>	
<b>Total</b>	<b>18</b>	

#### ***Occupancy Statistics:***

Public Housing Program (of 1,098 units)	97%
Section 8 Program (3,054)	95%
Warwick SRO (of 87 units)	98%

Avg. # of Leasing Days (Public Housing) 16

#### ***Average Family Rent Contribution for Move-ins Last Month:***

1. Public Housing	\$442.
2. Housing Choice Voucher	\$330.
3. Warwick SRO	\$ 45.

Lease Rate –Jan. 2022 95%

Cumulative Percentage of Section 8  
Budget Authority Utilized Jan, 2022 97.9%

## FAMILY INVESTMENT CENTER (FIC) ACTIVITIES

EMPLOYED F.I.C. PARTICIPANTS Dec, 2021 (since 1995)	
Aqueduct	112
Ashe Manor	0
Brighton	46
Cypress	24
Dickerson	185
Harbor Homes	126
Lassiter	95
Marshall	166
Orcutt	28
Orcutt TH	10
Oyster Point	23
Pinecroft	7
Ridley	383
Section 8	71
Spratley	2
<b>Total</b>	<b>1,278</b>

## FAMILY SELF-SUFFICIENCY (FSS) UPDATE

190 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>65</u>
Total	190

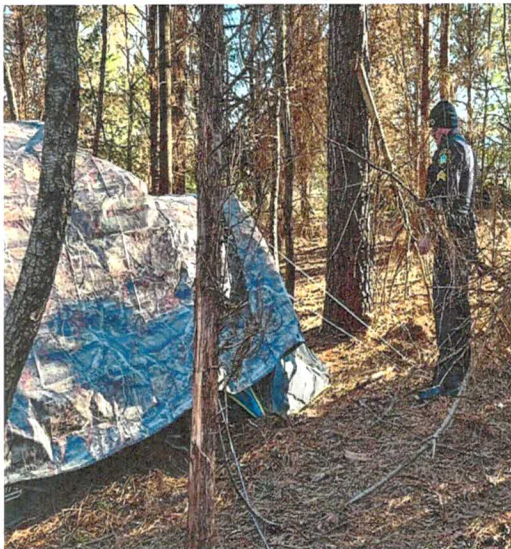
## Community Resources Resident Relations - Seniors

### Point in Time Count

On January 27<sup>th</sup>, NNRHA Community Resources staff participated in the Point In Time Count. The count is conducted annually to assess the number of persons

experiencing homelessness during a single night in the year. Approximately 30 volunteers from community agencies, 1<sup>st</sup> responders, housing, CSB's, social services, etc. were split into teams to complete assessments in James City County, Newport News and Hampton. Kim Blowe, Tenant Relations Advisor, served as a volunteer for this event. A police officer accompanied each team during the count to ensure safety. The data collected during the Point In Time Count will be used by the State and Federal government to plan funding for programs to reduce homelessness.

Teams canvassed areas where people experiencing homelessness were known to be. If the individual was willing, a short survey was completed and they were given a reusable backpack containing food and supplies.



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

<b>Property</b>	<b>Occupancy Rate</b>	<b>Approved/Eligible</b>	<b>Pending</b>	<b>Total</b>
Orcutt Townhomes III	97%	0	15	15
Cypress Terrace	96%	5	61	66
Oyster Point/Brighton	99%	10	81	91
Great Oaks	97%	96	124	220
Lofts on Jefferson	93%	0	6	6
Jefferson Brookville	97%	6	10	16
Lassiter Courts	97%	6	10	16

**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 January, 2022.

<b>Participants:</b>	<b>Public Housing</b>	<b>Housing Choice Voucher</b>	<b>Total</b>
<b>Total</b> number in FSS Program	25	75	<b>100</b>
Employed	13	54	<b>67</b>
Currently not working	9	16	<b>25</b>
Attending Thomas Nelson Comm. College	0	3	<b>3</b>
Enrolled in other Training Program	2	0	<b>2</b>
Employed and going to school	1	2	<b>3</b>
Participants with escrow accounts	11	37	<b>48</b>

**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 \$ 22,267,819 Estimated budget:  
96.5% proration  
 Additional Warwick SRO - RAD2 681,725

Housing Choice Voucher Funding  
 \$ 22,949,544

Mainstream Voucher Program Funding \$ 753,804 Estimated  
 Emergency Housing Voucher Program Funding \$ 270,432 Estimated

Baseline HCV Units	2552	}	2881
VASH units	54		
CNI tenant protection	187		
Warwick SRO - RAD2	88		
Mainstream Vouchers	141		
Emergency Housing Vouchers	32		
	<u>3054</u>		

Month	# of Vouchers Utilized	Lease Rate	HAP Payments to Landlords	Avg HAP	Monthly +/- Dollar Utilization	Monthly Amount of Funding Utilized	Year to Date Amount of Funding Utilized	Funding From HUD	FSS Forfeitures	Fraud Recovery	Other Sources Of Funds	NRRHA Held Reserve Balance	HUD Held Reserve Balance
January	2744	95.2%	\$ 1,925,091.00	\$ 701.56	(40,832.00)	97.9%	\$ 1,965,923.00	\$	\$	\$	-	(57,813.19)	2,510,593.39
MS	107	75.9%	\$ 71,329.00	\$ 666.63	71,329.00	99.1%	\$72,006.00	\$	-	-	-	(16,981.19)	2,462,303.31
EHV	3	9.4%	\$ 1,777.00	\$ 592.33	1,777.00	0.0%	-	-	-	-	-	131,662.00	157,752.00
			<u>\$ 1,998,197.00</u>				<u>\$2,037,929.00</u>						

**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 February 15, 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.

**AYES**                      **VOTE**                      **NAYS**

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

\* \* \* \*

**ITEM NO. 9**  
**Other Business**