

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

**April 18, 2023  
8:30 a.m.  
227 27<sup>th</sup> Street  
Newport News, VA 23607**

1. Pledge of Allegiance to the Flag of the United States of America
2. Roll Call
3. Consider approval of minutes of regular meeting, March 21, 2023
4. Communications
5. New Business
  - a. Consider a resolution Authorizing the execution of the Choice Neighborhood Initiative Supplemental Grant
  - b. Consider a resolution approving the Housing Choice Voucher Budget for 2023-24
  - c. Consider a resolution authorizing execution of closing documents related to the conversion of the Orcutt Townhomes I Project via the Rental Assistance Demonstration
  - d. Consider a resolution authorizing the continuation of the Authority Scholarship Program
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  
April 18, 2023**

Having duly given public notice, the Board of Commissioners of the Newport News Redevelopment and Housing Authority met at 227 27<sup>th</sup> Street, in the City of Newport News, Virginia, at 8:30 a.m. on Tuesday, April 18, 2023.

**Pledge of Allegiance**

William Black 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  
Barbara Holley  
Lou Call  
Thaddeus Holloman

Also present: Raymond H. Suttle, Jr. – from NNRHA Board Room  
Kaufman & Canoles, P.C.

Karen R. Wilds  
Executive Director

Lysandra Shaw  
Deputy Executive Director

Carl V. Williamson  
Director of Housing

Valarie Ellis, Director  
Administrative Services

Lisa Dessoify, Director  
Finance

David Staley, Director  
Community Development

Teresa Bennett  
Executive Assistant

Torkeesha Brooks  
Executive Assistant

Justin Orié – from NNRHA Board Room  
NNRHA IT Department

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

Laura Harden  
Cherry Bekaert LLP

DeAnna Smith  
Legal Aid Society of Eastern Virginia

Jamesa Parker  
Legal Aid Society of Eastern Virginia

**Approval of Minutes, March 21, 2023**

Commissioner Davis moved that the minutes of the meeting of the Board of Commissioners held on March 21, 2023 be approved. The motion was seconded by Commissioner Knight and passed with a majority vote. Commissioner Call and Commissioner Black abstained as they were not present at the meeting.

**Minutes of a Meeting of the  
Newport News Redevelopment and Housing Authority  
April 18, 2023**

**Communications**

The following communications were provided to the Board and reviewed by the Executive Director. 1) A letter addressed to Ms. Wilds from the Department of Housing and Community Development congratulating the Authority and the City having been selected to receive a Fiscal Year (FY) 2022 Choice Neighborhoods Supplemental Grant in the amount of \$5,000,000. to further support the development of replacement housing in conjunction with the Transformation Plan for Ridley Place in the Marshall-Ridley neighborhood. 2) Two separate articles concerning the acquisition of Aqua Vista Apartments and City Line Apartments. The acquisitions were made by two different developers who plan on performing renovations of each apartment complex.

**New Business**

**Presentation by  
Cherry Bekaert on the  
Financial Statements**

A PowerPoint presentation from Laura Harden on the Examination of Financial Statements for the Year Ended June 30, 2022. Ms. Harden advised the Board that this is an unmodified opinion for both the financial statements and Federal awards, with no material weaknesses or significant deficiencies identified in the internal control over financial reporting. There were two programmatic findings related to the Low-Rent Public Housing Program and the Section 8 Project-Based Programs. A nonmaterial noncompliance, significant deficiency was noted in both programs. Required documentation to support the eligibility determinations were not properly maintained in eleven of eighty tenant files reviewed.

**Report to the Board**

A Report to the Board for April, 2023 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 several organizations, including Serve the City, Summit Christian Academy students, Newport News Public Libraries and Inspired Home Health provided fun activities for our senior residents at Spratley House, Ashe Manor and Pinecroft. This months News and Neighbors provided information on voter registration and financial literacy for the residents.

Ms. Dessofoff thanked all of the Department Directors and staff for their assistance with the audit. We are currently working on the insurance renewal for the upcoming fiscal year beginning July 1, 2023. We are also working on the Public Housing and Section 8 Cost Center budgets.

Ms. Shaw reported we have received 51 applications for the Lift & Rise, 31 of those are former Ridley residents. We are expecting move in to begin soon. We have a temporary Certificate of Occupancy (CO) for the Lift & Rise II building. It is temporary because we have some administrative items that need to be cleared. We are able to occupy based on this temporary CO. The next step is lining up inspections. We have partnered with Norfolk Redevelopment and Housing Authority to do housing quality standard inspections for the project-based units. We are scheduling inspections so that the former Ridley residents can be first to occupy. For the Ridley on-site housing phase, we are continuing to do site-work. Ridley north is anticipated to be completed March, 2024, Ridley south, November, 2024. We are beginning to have preliminary conversations about the homeowner lots. We have been approved for \$5M of supplemental CNI funding for the downtown housing phase. Urban Strategies has hired a new project manager for implementing CNI People Services. Over the next few months, she is going to concentrate on re-establishing partnerships with those agencies that committed to leveraging services for the CNI grant.

Ms. Ellis reported we have a contract with Managed Benefits, our insurance broker. As part of our contract, they offer a training division. This month we focused on Sexual Harassment Training for non-supervisory staff. We will begin a series of training for supervisors next week and will focus on sexual harassment, employment law, managing conflict, performance management difficult conversations and a review of our personnel handbook.

Mr. Staley reported applications for the Marshall/Ridley Residential Façade program, which is a \$2.1M City funded program, ran from 2/25/23 – 3/31/23. We received 113 applications from residents within the footprint of CNI.

**Minutes of a Meeting of the  
Newport News Redevelopment and Housing Authority  
April 18, 2023**

Ms. Wilds reported the Annual NNRHA Scholarship Award ceremony will be held again this year, virtually. The Board will be provided the date and time and encouraged participation.

**Closed Session**

**Other Business**

**Adjournment**

There being no other business to come before the Board, the Chairman adjourned the meeting at 8:55 a.m.

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Secretary-Treasurer

**ITEM NO. 4**

**COMMUNICATIONS**

**ITEM NUMBER 5**

**New Business**

- a. Consider a resolution Authorizing the execution of the Choice Neighborhood Initiative Supplemental Grant
- b. Consider a resolution approving the Housing Choice Voucher Budget for 2023-24
- c. Consider a resolution authorizing execution of closing documents related to the conversion of the Orcutt Townhomes I Project via the Rental Assistance Demonstration
- d. Consider a resolution authorizing the continuation of the Authority Scholarship Program

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NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY

MEMORANDUM

DATE: May 9, 2023  
TO: All Members, Board of Commissioners  
FROM: Karen R. Wilds, Executive Director *KRW*  
SUBJECT: Choice Neighborhood Initiative (CNI) Supplemental Grant – Resolution  
Authorizing the Executive Director's Signature

The Newport News Redevelopment and Housing Authority and the City of Newport News were awarded a Fiscal Year 2022 Choice Neighborhoods Supplemental Grant in the amount of \$5M to further support the development of housing associated with the Marshall-Ridley Transformation Plan. The Department of Housing and Urban Development (HUD) received 17 applications for the FY 2022 Choice Neighborhoods Supplemental Grant and awarded 16 grants totaling \$98,216,956.

The attached resolution authorizes the Executive Director to sign the grant agreement and perform actions required to fully execute the agreement after attorney review and approval.

The attached resolution is recommended for approval.

**RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE NEWPORT NEWS  
REDEVELOPMENT AND HOUSING AUTHORITY AUTHORIZING THE EXECUTIVE  
DIRECTOR TO EXECUTE THE CHOICE NEIGHBORHOOD INITIATIVE  
SUPPLEMENTAL GRANT AGREEMENT**

**WHEREAS**, the Newport News Redevelopment and Housing Authority, a political subdivision of the Commonwealth of Virginia (the "Authority") was organized for the purpose, among others, of developing and operating low-income housing; and

**WHEREAS**, the Authority and the City of Newport News, Virginia were awarded a \$5 million Choice Neighborhoods Initiative (CNI) Supplemental grant on to further support the construction of replacement housing units under the Marshal-Ridley Choice Neighborhoods (MRCN) Transformation Plan; and

**WHEREAS**, as a condition of the grant fund disbursements, will need to executive a grant agreement with the U.S. Department of Housing and Urban Development (HUD).

**NOW THEREFORE IT BE RESOLVED** that the NNRHA Board of Commissioners hereby authorizes the Executive Director to sign the Choice Neighborhood Initiative Supplemental Grant Agreement and perform any other actions required to fully execute the agreement.

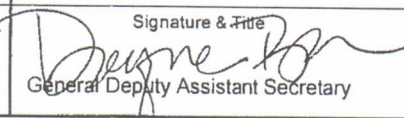


# Assistance Award/Amendment

U.S. Department of Housing  
and Urban Development  
Office of Administration

1. Assistance Instrument <input type="checkbox"/> Cooperative Agreement <input checked="" type="checkbox"/> Grant		2. Type of Action <input checked="" type="checkbox"/> Award <input type="checkbox"/> Amendment	
3. Instrument Number VA3F003CNG122		4. Amendment Number	5. Effective Date of this Action
6. Control Number		7. Name and Address of Recipient Newport News Redevelopment and Housing Authority 227 27th Street P.O. Box 797 Newport News, VA 23607	
8. HUD Administering Office Office of Public Housing Investments Public and Indian Housing		8a. Name of Administrator Marianne Nazzaro	8b. Telephone Number 202-402-4306
10. Recipient Project Manager		9. HUD Government Technical Representative	
11. Assistance Arrangement <input checked="" type="checkbox"/> Cost Reimbursement <input type="checkbox"/> Cost Sharing <input type="checkbox"/> Fixed Price	12. Payment Method <input type="checkbox"/> Treasury Check Reimbursement <input type="checkbox"/> Advance Check <input checked="" type="checkbox"/> Automated Clearinghouse	13. HUD Payment Office	
14. Assistance Amount		15. HUD Accounting and Appropriation Data	
Previous HUD Amount	\$	15a. Appropriation Number	15b. Reservation Number
HUD Amount this action	\$	\$5,000,000	
Total HUD Amount	\$	\$5,000,000	
Recipient Amount	\$	Amount Previously Obligated	\$
Total Instrument Amount	\$	Obligation by this action	\$
		Total Obligation	\$
			\$5,000,000
			\$5,000,000

16. Description  
FY 2022 Choice Neighborhoods Supplemental Grant  
(grant type: Implementation)  
  
Public Housing Site: Ridley Place  
Neighborhood: Marshall-Ridley  
Located In: Newport News, VA  
  
Unique Entity ID: G14QX97EXKY3  
EIN/TIN: 54-6001452  
  
Period of Performance Start Date: one day after HUD's signature on this form  
Period of Performance End Date: September 30, 2026

17. <input checked="" type="checkbox"/> Recipient is required to sign and return three (3) copies of this document to the HUD Administering Office		18. <input type="checkbox"/> Recipient is not required to sign this document.	
19. Recipient (By Name)		20. HUD (By Name) Dominique Blom	
Signature & Title	Date (mm/dd/yyyy)	Signature & Title  General Deputy Assistant Secretary	Date (mm/dd/yyyy) 04/11/2023

Previous editions are obsolete.

form HUD-1044 (8/90)  
ref. Handbook 2210.17

# FY 2022 Choice Neighborhoods Supplemental Grant Agreement

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**FY 2022 Choice Neighborhoods  
SUPPLEMENTAL GRANT AGREEMENT**

This grant agreement (“Grant Agreement”) is made by and between the United States Department of Housing and Urban Development (“HUD”) and the Lead and Co-Applicant (if applicable) (collectively, the “Grantee”). On April 11, 2023, HUD awarded the Grantee a Choice Neighborhoods Supplemental Grant (“Supplemental Grant”), for the construction of replacement housing in mixed-income developments related to a previously awarded Choice Neighborhoods Implementation Grant. To the greatest extent practicable, the Grantee’s Choice Neighborhoods Implementation Grant Agreement and this Supplemental Grant Agreement will be read consistently. In the event of a conflict between these Agreements, HUD will, in its sole discretion, resolve the conflict.

HUD agrees, subject to the terms of this Grant Agreement, to provide Supplemental Grant funds to the Grantee, in the total amount listed on the form HUD-1044. The same entity that is/was designated with access to the Line of Credit Control System (LOCCS) for drawing down grant funds for the previously awarded Choice Neighborhoods Implementation Grant will be the designated entity to draw down funds for this grant.

The assistance that is the subject of this Grant Agreement is authorized by, and required to be used in accordance with, Section 24 of the U.S. Housing Act of 1937, the Consolidated Appropriations Act, 2021 (Public Law 116-260, approved December 27, 2020), and Consolidated Appropriations Act, 2022 (Public Law 117-103, enacted March 15, 2022) (collectively the “Choice Neighborhoods Authorization”).

The Assistance Award/Amendment form (HUD-1044) and Exhibit A are incorporated into and subject to the terms of this Grant Agreement.

HUD and the Grantee hereby agree to be bound by the following terms and conditions of this Grant Agreement:

**ARTICLE I. Grant Award Date and Period of Performance**

The Grant Award Date is April 11, 2023. The Period of Performance Start Date is one day after the Grant Award Date (April 12, 2023) and the End Date is either three years from the date of the Grant Agreement execution or one year after the expiration date of the current Implementation Grant, whichever is later. Refer to the HUD-1044 form for the specific applicable date.

**ARTICLE II. Choice Neighborhoods Requirements**

The Grantee agrees to conduct all activities assisted with funds provided under this Grant Agreement in accordance with the following requirements, as such requirements now exist or as they may hereafter be amended (hereafter collectively referred to as the “Choice Neighborhoods Requirements”):

- A. the U.S. Housing Act of 1937, as amended (the “1937 Act”), as applicable, and all implementing regulations;
- B. the Consolidated Appropriations Act, 2021 (Public Law 116-260, approved December 27, 2020) and Consolidated Appropriations Act, 2022 (Public Law 117-103, enacted March 15, 2022);
- C. the Fiscal Year (FY) 2022 Notice of Funding Opportunity for the Choice Neighborhoods Initiative Implementation Grants published via Grants.gov on September 30, 2022 (the “Choice Neighborhoods Implementation NOFO”).
- D. 31 U.S.C. § 1552. In accordance with this statute, all FY 2021 funding must be expended by September 30, 2028, and all FY 2022 funding must be expended by September 30, 2031. Any funds that are not expended by that date will be cancelled and recaptured by the Treasury, and thereafter will not be available for obligation or expenditure for any purpose. **However, as stated in the NOFO, the Grant Term for this Supplemental Grant is either three years from the date of the Grant Agreement execution or one year after the expiration date of the current Implementation Grant, whichever is later.**
- E. In accordance with section 24(e)(2)(D) of the 1937 Act, Grantees must involve affected residents of the targeted public and/or assisted housing during the implementation process. Grantees are required to involve the affected public and/or assisted housing residents in the implementation of the Transformation Plan. This involvement must be continuous from the beginning of the planning process through the implementation and management of the grant. In addition to the statutory requirement, unless HUD indicates otherwise in writing, Grantees will be expected to undertake resident and community involvement in a manner and method at least as comprehensive as that described in your grant application.
- F. all executive orders applicable to the activities being conducted with funds provided under this Grant Agreement;
- G. the terms and requirements of this Grant Agreement, and any amendments or addenda thereto;
- H. all other applicable Federal requirements, including, without limitation, those set forth the FY 2021 and FY 2022 appropriations acts and those set forth in Appendix A; and
- I. all regulations, handbooks, notices, and policies applicable to the activities being conducted with funds provided under this Grant Agreement.

### **ARTICLE III. Program Overview**

Goals of the Choice Neighborhoods Program. The Choice Neighborhoods Program employs a comprehensive approach to neighborhood transformation. The program transforms neighborhoods of concentrated poverty into mixed-income neighborhoods of long-term viability by revitalizing severely distressed public and/or assisted housing; improving access to economic opportunities; and investing and leveraging investments in well-functioning services, effective schools and education programs, public assets, public transportation, and improved access to jobs. Choice Neighborhoods ensures that current residents benefit from this transformation by preserving affordable housing in the neighborhood or providing the choice to move to affordable housing in another neighborhood of opportunity. The purpose of this grant is to implement a Transformation Plan that has been developed through a local planning process and furthers the goals of the Choice Neighborhoods Program. The core goals of Choice Neighborhoods are:

1. **Housing:** Replace severely distressed public and assisted housing with high-quality mixed-income housing that is well-managed and responsive to the needs of the surrounding neighborhood;
2. **People:** Improve outcomes of households living in the target housing related to employment and income, health, and children's education; and
3. **Neighborhood:** Create the conditions necessary for public and private reinvestment in distressed neighborhoods to offer the kinds of amenities and assets, including safety, good schools, and commercial activity, that are important to families' choices about their community.

### **ARTICLE IV. Choice Neighborhoods Transformation Plan**

- A. The Grantee's Choice Neighborhoods Transformation Plan ("Transformation Plan"), previously funded with a Choice Neighborhoods Implementation Grant, consists of a document or documents reviewed and approved by HUD through its grant management of the previously awarded Choice Neighborhoods Implementation Grant to govern the transformation of the neighborhood. This Supplemental Grant is intended to support continued progress in developing the Housing component of the Transformation Plan.

### **ARTICLE V. Supplemental Grant Activities and Requirements**

- A. Program Activities. Supplemental Grant funds may only be used for the construction of replacement housing in mixed-income developments as detailed in the Transformation Plan of the original Choice Neighborhoods Implementation Grant. All funding will be put in the Dwelling Structures Budget Line Item (BLI 1460) on the Choice Neighborhoods budget form. These grant funds may not be used for any other activity that is typically eligible with Choice Neighborhoods funding. In addition, Grantees must continue to demonstrate that this Supplemental Grant does not supplant planned uses with the original Implementation Grant

funds. Accordingly, recipients of a Supplemental Grant will not be able to revise the budget of the original Implementation Grant to reduce the amount of funding budgeted for unit development (BLI 1460) nor increase the budget for other activities such as Administration (BLI 1410) and Fees & Costs (BLI 1430).

- B. Program Requirements. Grantees must continue to comply with the Program Requirements stated in the Choice Neighborhoods Implementation NOFA/NOFO under which the Implementation Grant was previously awarded and the Implementation Grant Agreement.

## **ARTICLE VI. Changes to the Transformation Plan**

- A. Changes Requiring Prior HUD Approval. If the following activities in the application are to be modified or amended, the Grantee must request and obtain prior written HUD approval:
  - 1. the Program Schedule. The Grantee must inform HUD immediately, in writing, of any problems, delays or adverse conditions that will materially impair the Grantee's ability to comply with the Program Schedule, and include a statement of action taken, or proposed to be taken, and any assistance needed to resolve the situation. HUD must approve any proposed changes to the Program Schedule that would modify any date or time period;
  - 2. the form of program oversight or governance;
  - 3. the Housing plan, including the number of housing units to be developed or rehabilitated in a phase (whether or not there is an associated budgetary revision requiring prior approval), the unit mix, the location of housing, the design, or any other changes that materially affect the Transformation Plan;
  - 4. an extension of the Grant Term of this Supplemental Grant provided under this Grant Agreement, not to go beyond the statutory timeframes; and
  - 5. changes in the entities or individuals, including any key partners specified in the Transformation Plan as having key responsibilities for implementing the Transformation Plan (or any component(s) of the Transformation Plan). Subgranting, subcontracting or otherwise obtaining the services of a third party to perform activities that are central to the purposes of the Transformation Plan will constitute such a change in entities or individuals.
- B. Changes Requiring Grant Agreement Amendment. For the following types of revisions to the Transformation Plan, the Grantee must submit a written request to HUD and must receive HUD's written authorization prior to making any such changes:
  - 1. change in the total dollar amount of the grant; and/or
  - 2. change in the Development for which funds provided under this Grant Agreement are made available.

Upon HUD's written approval, the change will be implemented by the execution of an amendment to this Grant Agreement and shall consist of a revised Form HUD-1044 if there is a change in the dollar amount of the grant.

## **ARTICLE VII. Choice Neighborhoods Budget and Funding Requests**

- A. Budget. The Grantee must ensure that funds provided under this Grant Agreement are expended in accordance with the Choice Neighborhoods Requirements and a Choice Neighborhoods Budget. HUD will release these grant funds in LOCCS for drawdown in conjunction with HUD's final approval of a housing development proposal and related evidentiary documents.
- B. Budget Form. Each budget submitted in accordance with paragraph (A) of this Article must be submitted on the Choice Neighborhoods Implementation Grants Budget Form (form HUD-53236). Part I must be signed and dated by the Lead Grantee, and Part II must include a detailed description of the uses of the funds. Grantees should also track their leveraged fund expenditures and maintain this information on file should HUD request it.
- C. Program Income. Program Income is defined in 2 CFR § 200.1, or successor regulation. If the Grantee receives program income:
1. During the Grant Term (prior to grant closeout), program income from repayment of loans and/or other sources:
    - a. must be reinvested in the Development or neighborhood and used for Choice Neighborhoods eligible purposes, unless otherwise approved by HUD; and
    - b. must be used for eligible activities authorized under this Grant Agreement before the Grantee may draw down additional cash payments from the Choice Neighborhoods Grant.
  2. after grant closeout, program income from repayment of loans and/or other sources must be reinvested in the Development or neighborhood and used for Choice Neighborhoods eligible purposes. Before the grant is closed out, Grantee will provide a plan to HUD for how program income will be reinvested, in a form and substance that is acceptable to HUD. HUD will determine with the Grantee what the sources of program income are.

The language of this provision, article VI (C), shall survive grant close-out and termination of this Grant Agreement.

## **ARTICLE VIII. Project Drawdowns**

- A. LOCCS Payment System. Consistent with 2 CFR Part 200, the Grantee will request all drawdowns of Supplemental Grant funds through LOCCS, unless and until another payment system is designated by HUD. The Grantee will comply with all rules, guidelines, and notices established for Choice Neighborhoods under LOCCS, or any substitute system, in connection with any drawdown of Supplemental Grant funds. If HUD designates a different payment system, it will be based upon the provisions of 2 CFR § 200.305.

B. Drawdowns.

1. The Grantee may draw down Supplemental Grant funds for a Budget Line Item (BLI) in an amount up to 100 percent of the amount of that BLI that HUD has approved and made available for drawdown.
2. HUD approval is required for any request for funds in excess of 10 percent of the entire grant amount in a month. The Grantee must submit copies of the invoices supporting the drawdown amount to the Team Coordinator for review.

C. Drawdown Consequences of Default.

1. Withholding of Payments. HUD may withhold payments in accordance with 24 CFR § 200.339.
2. Grantee Representations. Each drawdown request by the Grantee will constitute, and be deemed to be, a representation that the Grantee is not in default under this Grant Agreement (except as the Grantee previously may have disclosed to HUD in writing).
3. Overdue Reports. If the Grantee fails to file with HUD any quarterly report, HUD may elect to suspend draws under this Grant Agreement until the Grantee comes into compliance.

**ARTICLE VIII. Matching and Leveraged Funds**

- A. Match Requirements. In accordance with section 24(c) of the 1937 Act (42 U.S.C. 1437v(c)), Grantee must have secured a match in the amount of 5 percent of the grant amount in cash or in-kind donations.
- B. Match Donations and Leverage Resources. Grantee shall keep documentation on matching and leveraged funds during the term of this Grant Agreement and shall provide this documentation in a format acceptable to HUD upon request by HUD, until the closeout of this grant. The documentation should show that the funds are secured and the Grantee should keep records showing how those funds have been expended over time.

**ARTICLE IX. Grantees, Subgrantees and Contractors**

- A. General Grantee Responsibilities.
  1. Choice Neighborhoods Requirements. The Grantee shall ensure that any entity to which it makes grant funds available will comply with the Choice Neighborhoods Requirements.
  2. Required Certifications.
    - a. The Grantee must ensure that all subgrantees and contractors execute an original document in the form of Exhibit A to this Grant Agreement at the time the Grantee executes any contract with any subgrantee or contractor to provide goods or services



under this Grant Agreement. The Grantee will retain the executed original certificate together with the executed contract documents.

- b. Grantees that are public housing authorities (PHA Grantee) must ensure that the requirements contained in the General Conditions for Non-Construction Form (Form 5370-C) are included in any solicitation in connection with non-construction contracts that will be made by the PHA Grantee and paid for with assistance under this Grant Agreement. Such conditions must also be included in any non-construction contract entered into by the PHA Grantee.
- c. Certifications required by 2 CFR 200.415.

B. Administrative Requirements for Grantees. Public housing authority, local government, Indian tribe, and non-profit entity grantees are subject to 2 CFR Part 200.

C. Administrative Requirements for Subgrantees and Related Agreements

1. Public housing authority, local government, Indian tribe, and non-profit subgrantees are subject to the requirements of 2 CFR Part 200.
2. Suspension and Debarment. Grantees are subject to the requirements of 2 CFR 200.214.
3. Grantee Responsibilities Regarding Subgrantees. Grantees will be responsible for:
  - a. ensuring that subgrantees are aware of the requirements imposed upon them by Federal statutes, regulations, and this Grant Agreement;
  - b. ensuring that all subgrant agreements include any clauses required by Federal statutes and their implementing regulations and executive orders; and
  - c. monitoring subgrantees' performance to ensure compliance with this Grant Agreement.

D. Administrative Requirements for Contractors and Subcontractors and Related Contracts.

1. Grantee Responsibilities Regarding Contractors and Subcontractors. Grantees that are subject to 2 CFR Part 200 as described in (B) of this Article will be responsible for the following:
  - a. Grantee shall obtain the services of a for-profit entity through a competitive procurement under 2 CFR Part 200. However, if the Grantee can demonstrate to HUD that the services to be provided by the for-profit entity can be obtained only from that one source, the Grantee may request HUD approval to select the entity under a sole-source procurement in accordance with 2 CFR 200.230(f).
  - b. Consultant Services. Grantees shall obtain consultant services provided under an independent contractor relationship pursuant to 2 CFR Part 200.
2. Trigger for the Submission of Contracts. Contract documents must be submitted to HUD for prior approval if required by 2 CFR Part 200, Subpart D, or if requested by HUD. Any modification of such contracts is also subject to HUD's written approval before execution.
3. Debarred or Suspended Parties. Grantees must comply with 2 CFR 200.214.

## **ARTICLE X. No Third-Party Rights**

The Grantee and HUD are the sole parties to this Grant Agreement and do not intend to create any third-party beneficiaries to this Grant Agreement. Nothing in this Grant Agreement may be construed as conferring the status of third-party beneficiary upon the residents; and in no event shall any entity other than the Grantee have direct rights to the Supplemental Grant funds provided for under this Grant Agreement.

## **ARTICLE XI. Conflict of Interest**

- A. Prohibition. The Grantee shall comply with the conflict of interest requirements in 2 CFR 200.318. No person who is an employee, agent, officer, or elected or appointed official of the Grantee or member of his immediate family and who exercises any functions or responsibilities with respect to activities assisted under this Supplemental Grant may have a direct interest in any contract, subcontract, or agreement with respect thereto, or the proceeds thereunder.
- B. HUD-Approved Exception.
1. Standard. HUD may grant an exception to the prohibition in paragraph (A) of this Article on a case-by-case basis when it determines that such an exception will serve to further the purposes of Choice Neighborhoods and its effective and efficient administration.
  2. Procedure. HUD will consider granting a regulatory waiver only after the Grantee has provided a written request which provides a disclosure of the nature of the conflict, accompanied by:
    - a. an assurance that there has been public disclosure of the conflict;
    - b. a description of how the public disclosure was made; and
    - c. an opinion of the Grantee's attorney that the interest for which the exception is sought does not violate State or local laws.
  3. Consideration of Relevant Factors. In determining whether to grant a requested exception under paragraph (B)(2) of this Article, HUD will consider the cumulative effect of the following factors, where applicable:
    - a. whether the exception would provide a significant cost benefit or an essential degree of expertise to the Transformation Plan that would otherwise not be available;
    - b. whether an opportunity was provided for open competitive bidding or negotiation;
    - c. whether the affected person is a member of a group or class intended to be the beneficiaries of the Transformation Plan and the exception will permit such person to receive generally the same interests or benefits that are being made available or provided to the group or class;
    - d. whether the affected person has withdrawn from his or her functions or responsibilities, or the decision-making process, with respect to the specific activity in question;
    - e. whether the interest or benefit was present before the affected person was in a position as described in paragraph (A) of this Article;

- f. whether undue hardship will result either to the Grantee or the affected person when weighed against the public interest served by avoiding the prohibited conflict; and
- g. any other relevant considerations.

## **ARTICLE XII. Reporting Requirements**

### **A. Quarterly Report.**

- 1. The Grantee will continue to submit to HUD a Quarterly Report as prescribed by HUD in accordance with the schedule established by HUD, presently via the CN Inform System.
- 2. Failure to submit a timely Quarterly Report to HUD will result in a suspension of Supplemental Grant funds in LOCCS until such time as the report is received and approved by HUD, and/or any other default remedy authorized by Article XIII.

### **B. Obligations and Expenditures.** The Grantee must enter cumulative obligation and expenditure data into LOCCS by the due dates established by HUD, whether or not there has been any change in the cumulative amounts since the end of the last quarter.

### **C. End of Grant Report.** Grantees are required to submit a report at the end of this Supplemental Grant to append to the end of grant report provided at the termination of the original Choice Neighborhoods Implementation Grant. The final report must be submitted to HUD within 120 days of the end of the Grant Term.

### **D. Program Income Reporting.** As necessary, Grantees will amend the Program Income Report developed at the end of the original Choice Neighborhoods Implementation Grant to include this Supplemental Grant. Until all housing units in the Housing Plan are complete, grantees must submit an annual Program Income Report to HUD by September 30 of each year identifying all sources and uses of Program Income. Upon completion of all housing units, the Grantee will no longer be required to submit a Program Income Report; however, for the remainder of the 15-year program income period, HUD reserves the right to request an accounting of Program Income funds.

### **E. Additional Information Requests.** Subject to paragraph (D) of this Article, the Grantee will comply with all other reporting requirements from time to time established by HUD, in its sole discretion, in connection with the Choice Neighborhoods Program. The Grantee will:

- 1. fully cooperate with all reasonable information gathering requests made by HUD or contractors of HUD in the course of authorized evaluations of the Choice Neighborhoods Program; and
- 2. submit a final report when the Transformation Plan has been completed that details the number of units produced, the status of resident outcomes, and any other metrics that HUD prescribes.

### **F. Additional Requirements.** The Grantee agrees to comply with all other terms and conditions HUD may establish to administer, monitor, or evaluate the Choice Neighborhoods Program

in an effective and efficient manner. Notwithstanding the foregoing, however, except as provided in Article XIII, HUD hereafter will not establish any additional terms and conditions without:

1. consideration of the burden imposed on the Grantee by such conditions or requirements;
2. consideration of the availability of less burdensome conditions or requirements; and
3. in the case of a term or condition applicable solely to the Grantee, consulting in advance with the Grantee.

### **ARTICLE XIII. Unsatisfactory Performance/Default**

- A. In accordance with Section 24(i) of the 1937 Act, if the Grantee defaults under this Grant Agreement, HUD may withdraw any unobligated grant amounts and may pursue other actions as described in this Article. HUD shall redistribute any withdrawn amounts to one or more other applicants eligible for Choice Neighborhoods assistance or to one or more other entities capable of proceeding expeditiously in the same locality in implementing the Transformation Plan of the original Grantee, subject to provisions of the appropriations law. This section applies to all Grantees regardless of their status as a government, PHA, for-profit, or other entity.
- B. Default. Each of the following events or occurrences, to the extent it constitutes a material breach or occurrence, may constitute a default by the Grantee under this Grant Agreement, as determined by HUD in its sole discretion:
1. use of funds provided under this Grant Agreement for any purpose, in any manner or at any time, other than as authorized by this Grant Agreement;
  2. failure to comply with the Choice Neighborhoods Requirements or any other Federal, State, or local laws, regulations or requirements applicable in creating the Transformation Plan;
  3. failure to perform any obligation, or otherwise fail to proceed in a manner consistent with the Transformation Plan, (including, without limitation, failure to accomplish an activity by the date specified in the Program Schedule);
  4. any material misrepresentation in any of the required submissions (e.g., the mixed-finance development proposal); or
  5. failure to comply with, or any material breach of, any other requirements, conditions or terms of this Grant Agreement.
- C. Notice of Default and Action(s) to Cure.
1. General. HUD will give the Grantee written notice of any default. The notice will give the Grantee the opportunity to cure such default within 30 days of the date of the notice, or to demonstrate within this time period, by submitting substantial evidence satisfactory to HUD, that it is not in default. If the default cannot be cured within the 30-day period, the Grantee will demonstrate, to HUD's satisfaction, that the Grantee has taken actions necessary to cure the default and that the default is curable within 90 days from the date

of the default notice. Additionally, the Grantee must agree to conduct such cure diligently and to complete the cure within the 90-day period.

2. Immediate Default. Notwithstanding the provisions of paragraph (C)(1) of this Article, HUD in its sole discretion may place the Grantee into immediate default for not being in compliance with its Program Schedule or for non-compliance with Choice Neighborhoods requirements once written notification of default has been provided to the Grantee. At that time, HUD may immediately begin imposing consequences of default, including specifically the suspension of draws of the Choice Neighborhoods grant.
3. Imminent Threat. Notwithstanding the provisions of subparagraph (C)(1) of this Article concerning the opportunity to cure defaults, if HUD reasonably determines that there is an imminent threat that the Grantee will expend additional Supplemental Grant funds in violation of the provisions of this Grant Agreement, HUD may implement the remedial action provided for under subparagraph (C)(4)(i) of this Article to prevent any such unauthorized expenditure until such time as the Grantee has complied with the cure provisions set forth above. HUD will implement such remedial action by written notice set forth either in the notice of default given under paragraph (C)(1) of this Article or by subsequent written notice to the Grantee. An imminent threat is not an immediate default.
4. Consequences of Default. If the Grantee fails to cure all defaults specified in the notice of default within the time periods set forth in paragraph (C)(1) of this Article, or fails to diligently pursue or complete any cure as provided in paragraph (C)(1), HUD may take any of the following remedial actions, upon written notice to the Grantee:
  - a. require a Grantee in default to provide evidence to HUD of acceptable performance over such period of time as specified by HUD and to obtain written approval from HUD to proceed to the next phase of activities;
  - b. require additional, more detailed financial reports;
  - c. require additional project monitoring;
  - d. require the Grantee (or subgrantee) to obtain technical or management assistance;
  - e. establishing additional prior approvals;
  - f. require the Grantee, within a time period established by HUD, to prepare a revised Program Schedule, obtain HUD's approval thereto, and follow such revised Program Schedule to complete the activities under the Grant Agreement;
  - g. require the Grantee, within a time period established by HUD, to revise any activity under the Grant Agreement in order to successfully complete the activities under the Grant Agreement in a manner satisfactory to HUD, including, without limitation, exclusion or revision of affected activities, revision of the Choice Neighborhoods Budget as necessary, and substitution of other eligible activities;
  - h. require submission of additional documentation before any additional request for funds will be approved;
  - i. temporarily suspend the Grantee's authority to draw down Supplemental Grant funds for affected activities, or at HUD's sole discretion for all activities, pending action to cure the defaults;
  - j. disallow use of Supplemental Grant funds for all or part of the cost of the activity or action not in compliance;
  - k. recover amounts determined by HUD to have been improperly expended, including any property obtained by the Grantee with such grant funds;

- l. require reimbursement by the Grantee for Supplemental Grant funds determined by HUD to have been improperly expended; and/or
    - m. make arrangements satisfactory to HUD, in its sole discretion, for use of an entity other than the Grantee to conduct activities assisted under the Grant Agreement, including requiring the Grantee to assign any outstanding contracts obligating grant funds to another entity.
5. Additional Enforcement Actions. If HUD determines that the remedial actions taken by HUD under paragraph (C)(4) of this Article have not been effective in curing the default, or if the Grantee has not complied with the requirements imposed by HUD under paragraph (C)(4) and has not otherwise cured the default, or if HUD exercises its discretion under subparagraph (C)(2) of this Article to institute any of the following actions, HUD may take any of the following remedial or enforcement actions (in addition to any of the remedies permitted under paragraph (C) of this Article upon written notice to the Grantee):
  - a. reduce the Choice Neighborhoods Grant in the amount affected by the default;
  - b. terminate the Choice Neighborhoods Grant as to all further activities and initiate closeout procedures;
  - c. recapture any Supplemental Grant funds not obligated by the Grantee.
    - i. If the basis for the Grantee's default is its failure to comply with the established time periods, HUD shall, in accordance with section 24(i) of the 1937 Act, and unless otherwise approved by HUD under paragraph (C)(3) of this Article, recapture any Supplemental Grant funds not obligated by the Grantee.
    - ii. If the Grantee fails to comply with the established time periods, HUD may take into account whether factors beyond the Grantee's control are the cause of the delay.
  - d. take action against the Grantee under 24 CFR part 24 and Executive Order 12549 with respect to future HUD or Federal grant awards; and
  - e. take any other available legal or equitable remedial action, including, but not limited to, any remedial actions available under a PHA's ACC and/or premised on HUD's interest in the housing development established in the relevant Declaration of Trust or Declaration of Restrictive Covenants or housing assistance contract, as applicable.
6. Delinquent Federal Debts. Consistent with the purposes and intent of 31 U.S.C. 3720B and 28 U.S.C. 3201(e), Grantees with an outstanding federal debt must provide to HUD a negotiated repayment schedule which is not delinquent or have made other arrangements satisfactory to HUD. If arrangements satisfactory to HUD cannot be completed within 90 days of notification of selection, HUD will not make an award of funds to the Grantee, and will offer the award to the next eligible Grantee. Applicants selected for funding, or awarded funds, must report to HUD changes in status of current agreements covering federal debt. If a previously agreed-upon payment schedule has not been adhered to or a new agreement with the federal agency to which the debt is owed has not been signed, the Grantee will be considered to be in default under this Agreement.

## **ARTICLE XIV. Project Close-Out**

- A. Grants will be closed out in accordance with 2 CFR 200.344, or successor regulation, and as detailed in the Choice Neighborhoods closeout guidance. The program specific guidance is posted to the Choice Neighborhoods website. The closeout process includes the following steps:
1. Submission of closeout materials. Within 120 days after the Period of Performance End Date, Grantee must submit closeout materials, including a termination of disbursements letter, the final Choice Neighborhoods budget, and the Actual Choice Neighborhoods Cost Certificate (ACNCC) (form HUD-50163).
  2. HUD Review of Preliminary Closeout Materials. HUD will review Preliminary Closeout Materials to confirm that:
    - i. The amounts on the final Choice Neighborhoods Budget and ACNCC match as to funds approved, obligated, and expended.
    - ii. The amount of funds approved and disbursed on the ACNCC matches HUD records in LOCCS.
    - iii. If HUD disbursed more funds than the Grantee expended, the Grantee will immediately remit to HUD the excess funds, without waiting for completion of the final audit.
  3. Final Audit. Following HUD approval of the Preliminary Closeout Materials, the Grantee must conduct a final audit of the Planning Grant in accordance with the requirements of 2 CFR Part 200, Subpart F. and forward the audit to HUD for approval.
  4. Final Closeout. Upon receipt of the final audit, the designated HUD official will execute the ACNCC. Any funds remaining in the Planning Grant will be recaptured by HUD. HUD will enter a Post-Audit Date into LOCCS and the grant will be closed.

## **ARTICLE XVI. Funding Obligation Date, Date of Funding Availability and Effective Date**

The date of obligation of the funding to the Grantee under this Grant Agreement is the date HUD signed the form HUD-1044. The effective date of the Grant Agreement and date of fund availability is the date that HUD signs the signature page of the Grant Agreement.

## **ARTICLE XVII. Points of Contact**

Any correspondence related to this Grant Agreement should be directed to the following points of contact for HUD, the Lead Grantee, and any other Grantees:

For the U.S. Department of Housing and Urban Development:  
Ms. Luci Blackburn  
Choice Neighborhoods Director, Office of Public Housing Investments  
U.S. Department of Housing and Urban Development  
451 7<sup>th</sup> Street, SW Room 4130  
Washington, DC 20410

For the Lead Grantee:  
Ms. Karen R. Wilds  
Executive Director  
Newport News Redevelopment and Housing Authority  
227 27th Street  
P.O. Box 797  
Newport News, VA 23607

For the Co- Grantee:  
Ms. Cynthia D. Rohlf  
City Manager  
City of Newport News  
2400 Washington Avenue, 10th Floor  
Newport News, VA 23607



**Article XVIII. Signature Page**

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Karen R. Wilds  
Executive Director  
Newport News Redevelopment and Housing Authority

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Cynthia D. Rohlf  
City Manager  
City of Newport News

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Marianne Nazzaro  
Deputy Assistant Secretary  
Office of Public Housing Investments  
Office of Public and Indian Housing  
U.S. Department of Housing and Urban Development

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Date

## Appendix A

Additional statutory, regulatory, and other requirements with which Grantee must comply as applicable include:

1. Fair Housing Certifications, as the same may be amended from time to time, and any additional Fair Housing requirements that may become applicable:
  - A. the Fair Housing Act (42 U.S.C. §§ 3601-19) and regulations pursuant thereto 24 CFR part 100;
  - B. Executive Order 11063 (Equal Opportunity in Housing) and regulations pursuant thereto (24 CFR part 107);
  - C. the fair housing poster regulations (24 CFR part 110) and advertising guidelines (24 CFR part 108);
  - D. Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d) and regulations pursuant thereto (24 CFR part 1) relating to nondiscrimination in housing;
  - E. the prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. §§ 6101-07) and regulations issued pursuant thereto (24 CFR part 146);
  - F. the prohibitions against discrimination on the basis of disability, including requirements that the Grantee make reasonable modifications and accommodations and make units accessible, under Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794) and regulations issued pursuant thereto (24 CFR part 8) or the 2010 ADA Standards for Accessible Design;
  - G. the Americans with Disabilities Act (42 U.S.C. § 12101 et seq.) and its implementing regulation at 28 CFR part 35;
  - H. the Architectural Barriers Act of 1968, as amended (42 U.S.C. § 4151) and regulations issued pursuant thereto (24 CFR part 40);
  - I. Accessible Technology. Section 508 of the Rehabilitation Act of 1973, as amended (Section 508) requires HUD to ensure, when developing, procuring, maintaining, or using electronic and information technology (EIT), that the EIT allows persons with disabilities to access and use information and data comparably to those without disabilities unless an undue burden would result to the Federal agency. HUD encourages its recipients to adopt the goals and objectives of Section 508 by ensuring comparable access whenever EIT is used. Recipients must also comply with Section 504 of the Rehabilitation Act and, where applicable, the ADA. These statutes also require effective communication with individuals with disabilities and prohibit EIT-imposed barriers to access information, programs, and activities for persons with disabilities.
2. Finance and Accounting
  - A. Commingling of Grant Funds. The Grantee agrees that, in its recordkeeping, it will not commingle Choice Neighborhoods Grant funds with funds from any other sources including, but not limited to, other HUD program funds or funds from other Federal, State, or local government agencies. (Such other funds may be used to implement the

Transformation Plan, so long as they are not commingled in the Grantee's recordkeeping.)

- B. Duplication of Funding. The Grantee will ensure that Choice Neighborhoods Grant funds are not used to duplicate work that is funded with any other HUD funds, funds from any other Federal program, or from any other funding source identified under the Transformation Plan, and will establish controls to assure non-duplication of funding.

### 3. Record Retention

- A. Record Retention Authorities. The Grantee must comply with and be subject to all Federal recordkeeping requirements, including, but not limited to 2 CFR 200.334.
- B. Record Retention Requirements. Grantees must retain records in accordance with the requirements of paragraph (A) above, including, but not limited to:
  - (1) the amount and disbursement of funds received under this Choice Neighborhoods Grant, including sufficient records that document the reasonableness and necessity of each expenditure;
  - (2) the amount and nature of any other assistance, including cash, services, or other items contributed to assist in the development of the Transformation Plan or contributed as a condition of receiving this Choice Neighborhoods Grant; and
  - (3) any other proceeds received for, or otherwise used in connection with, the Transformation Plan.
- C. Access to Records. For the purpose of audit, examination, monitoring, and evaluation, the Grantee will give HUD (including any duly authorized representatives and the Inspector General) access, and will ensure that any participating party will give HUD such access, to any books, documents, papers, and records of the Grantee, or such participating party, that are pertinent to assistance received under this Choice Neighborhoods Grant or under the Transformation Plan, including all records required to be kept by paragraph (B) above.

### 4. Reporting

- A. Compliance with the Federal Funding Accountability and Transparency Act of 2006 (Pub. L. 109-282) (Transparency Act), as amended and 2 CFR 170, as amended. Please refer to [www.ftrs.gov](http://www.ftrs.gov) for complete information on requirements under the Transparency Act and OMB guidance.
- B. Compliance with Suspension and Debarment, 2 CFR 2424 and 2 CFR 180.

- 5. Eminent Domain. Sections 407 of Div. H, Title IV of the Further Consolidated Appropriations Act, 2020 and the Consolidated Appropriations Act, 2021, prohibit the use of funds to support any federal, state, or local project that seeks to use the power of eminent domain, unless eminent domain is employed only for a public use.



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-5000

OFFICE OF PUBLIC AND INDIAN HOUSING

May 1, 2023

SUBJECT: Transmittal of FY 2022 Choice Neighborhoods Supplemental Grant Agreement

Dear Grantee:

Once again, congratulations on your selection to receive a FY 2022 Choice Neighborhoods Supplemental Grant funding award. This letter transmits your Grant Agreement.

Enclosed are one copy of your FY 2022 Choice Neighborhoods Supplemental Grant Agreement and the Assistance Award/Amendment form (HUD-1044). These documents memorialize the agreements made between you and your Co-Applicant (if any), as the Grantees, and HUD, and incorporates all documents relating to the grant, including the FY 2022 Notice of Funding Opportunity (NOFO), your application, and all subsequent documents. The HUD-1044 form serves as the coversheet to the Grant Agreement. Please note that the terms of the Grant Agreement are not negotiable. In order to proceed with the processing of your Grant Agreement, please do the following:

1. Obtain a Board Resolution authorizing the Lead Grantee's Executive Director/executive officer to sign the Grant Agreement and form HUD-1044.
2. The Executive Director/executive officer of the Lead Grantee signs and dates the HUD-1044 form in block 19. Only one copy of this form needs to be signed. The HUD-1044 form serves as the coversheet to the Grant Agreement.
3. The Executive Director/executive officer for both the Lead Grantee and Co-Grantee must sign the signature page in the Grant Agreement document. The signatures of the Executive Director/executive officer of the Lead Grantee and the Executive Director/executive officer of any Co-Grantee(s) must be on the same page (not separate copies of the signature page).
4. The Lead Grantee and any Co-Grantee must also provide documentation in accordance with the "Conducting Business in Accordance with Ethical Standards/Code of Conduct" requirement found in Section VI.B of the NOFO. All Federal recipients must develop and maintain written standards/codes of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts. Before entering into an agreement with HUD, each selected applicant must ensure an up-to-date copy of the organization's code of conduct is available in the Code of Conduct e-library. HUD's Code of Conduct website URL is:  
[https://www.hud.gov/program\\_offices/spm/gmomgmt/grantsinfo/conductgrants](https://www.hud.gov/program_offices/spm/gmomgmt/grantsinfo/conductgrants). If the code(s) of conduct is on the website and information has not changed, please note that when you provide the other Grant Agreement-related documents.
5. Return the signed Grant Agreement, the HUD-1044 form, and a copy of the Board Resolution to Ms. Caroline Tatalovich by **Thursday, June 1, 2023**. Please submit via email to [Caroline.C.Tatalovich@hud.gov](mailto:Caroline.C.Tatalovich@hud.gov).

Once the Grant Agreement, copy of the Board Resolution, and copy of the code(s) of conduct are received by HUD, the Deputy Assistant Secretary for the Office of Public Housing

Investments will sign and date the final signature block on the signature page of the Grant Agreement, which will be the effective date of the Grant Agreement. The original will be kept by the Department and an executed copy will be transmitted to you via e-mail to keep in your records and administer accordingly.

Please be reminded that Supplemental Grant funds may only be used for the construction of replacement housing in mixed-income developments as detailed in the Transformation Plan of the original Choice Neighborhoods Implementation Grant. All funding will be put in the Dwelling Structures Budget Line Item (BLI 1460) on the Choice Neighborhoods budget form. These grant funds may not be used for any other activity that is typically eligible with Choice Neighborhoods funding. In addition, Grantees must continue to demonstrate that this Supplemental Grant does not supplant planned uses with the original Implementation Grant funds. Accordingly, recipients of a Supplemental Grant will not be able to revise the budget of the original Implementation Grant to reduce the amount of funding budgeted for unit development (BLI 1460) nor increase the budget for other activities such as Administration (BLI 1410) and Fees & Costs (BLI 1430). HUD will release the grant funds in LOCCS for drawdown in conjunction with HUD's final approval of a housing development proposal and related evidentiary documents.

Again, congratulations on receipt of this Supplemental Grant. We look forward to continuing to work with you and your partners in conducting the transformation of severely distressed public and assisted housing, and we thank you for your participation in the Choice Neighborhoods Initiative.

Sincerely,



Luci Blackburn  
Director, Choice Neighborhoods Program  
Office of Public Housing Investments

Enclosures

## **Subgrantee and Contractor Certifications and Assurances**

The Department of Housing and Urban Development (HUD) requires that all Subgrantees and Contractors on Choice Neighborhoods projects sign this “Certifications and Assurances” form certifying that they will comply with the applicable federal requirements described below. Any applicable federal law, regulation, or other federal requirement continues to apply to the Grantee, Subgrantee and/or Contractor notwithstanding its omission from this Certification and Assurances form. The parties who must sign a “Certifications and Assurances” form are defined below:

- **Subgrantees:** These are organizations to which the Grantee has awarded a grant from the Choice Neighborhoods grant that the Grantee received from HUD. The subgrantee is accountable to the Grantee for the use of the funds provided, but the Grantee is ultimately accountable to HUD.
- **Contractors:** This includes any for-profit contractor, consultant, service provider, or supplier that the Grantee contracts with for goods or services on any Choice Neighborhoods project.

.....

**Certification and Assurance:** The subgrantee or contractor executing this certification hereby assures and certifies that it will comply with all of the applicable requirements of the following, as the same may be amended from time to time, including adding appropriate provisions to all contracts between Grantee and Subgrantees or Contractors:

- (1) Administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as may be appropriate. (Contracts more than the simplified acquisition threshold)
- (2) Termination for cause and for convenience by the grantee or subgrantee including the manner by which it will be effected and the basis for settlement. (All contracts in excess of \$10,000)
- (3) Compliance with the Copeland “Anti-Kickback” Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR part 3). (All contracts and subgrants for construction or repair)
- (4) Compliance with the Davis-Bacon Act (40 U.S.C. 276a to 276a-7) as supplemented by Department of Labor regulations (29 CFR part 5).
- (5) Compliance with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-330) as supplemented by Department of Labor regulations (29 CFR part 5).
- (6) Notice of awarding agency requirements and regulations pertaining to reporting.
- (7) Notice of awarding agency requirements and regulations pertaining to patent rights with respect to any discovery or invention which arises or is developed in the course of or under such contract.
- (8) Awarding agency requirements and regulations pertaining to copyrights and rights in data.

(9) Access by the grantee, the subgrantee, the Federal grantor agency, the Comptroller General of the United States, or any of their duly authorized representatives to any books, documents, papers, and records of the contractor which are directly pertinent to that specific contract for the purpose of making audit, examination, excerpts, and transcriptions.

(10) Retention of all required records for three years after grantees or subgrantees make final payments and all other pending matters are closed.

(11) Compliance with all applicable standards, orders, or requirements issued under the Clean Air Act (42 U.S.C. 7401 et seq.), the Clean Water Act (33 U.S.C. 1251 et seq.), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR part 15).

(12) Mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94-163, 89 Stat. 871), as amended.

(13) Any applicable requirement listed in the Choice Neighborhoods Implementation Grant Agreement.

The information contained in this certification is true and accurate, to the best of my knowledge.

Name of Subgrantee or Contractor	Name and Contract Number:	
Signature of Authorized Certifying Official:	Title:	Date:

**WARNING:** Section 1001 of the Title 18 of the United States Code (Criminal Code and Criminal Procedure, 72 Stat.967) applies to this certification. 18 U.S.C. 1001, among other things, provides that whoever knowingly and willfully makes or uses a document or writing knowing the same to contain any false, fictitious or fraudulent statement or entry, in any matter within jurisdiction of any department or agency of the United States, shall be fined no more than \$10,000 or imprisoned for not more than five years, or both.

Return this form to:

Grantee Name \_\_\_\_\_


Address \_\_\_\_\_

City, State, ZIP Code \_\_\_\_\_

**NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY****MEMORANDUM**

**DATE:** May 9, 2023

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

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

**SUBJECT:** Proposed Section 8 Housing Choice Voucher, Mainstream Voucher, and Emergency Housing Voucher Budget – Fiscal Year ending June 30, 2024

Attached for your review and approval is the proposed budget for our Section 8 Housing Choice Voucher, Mainstream Voucher, and Emergency Housing Voucher programs.

This budget provides an annual Housing Assistance Payment (HAP) amount of \$28,162,704. These payments are made directly to Newport News landlords who lease to eligible voucher holders. Our program will assist an average of 3,068 families per month at an average HAP payment of \$764 per unit per month, an increase of \$50 from the average monthly payment budgeted in the current year. In calendar year 2022, we were able to assist 3,054 families.

We have been notified of our Budget Authority for fiscal year 2023/24; NNRHA will receive funding at a 100 percent proration.

Our budget includes 54 vouchers to Veterans under the Veterans Affairs Supportive Housing (VASH) program, 141 Mainstream Vouchers, and 32 Emergency Housing Vouchers to assist low-income households that include persons with disabilities. The budget also includes funding for the 247 CNI tenant protection vouchers, and 88 vouchers for the Warwick Single Room Occupancy (SRO) program, which assists formerly homeless individuals.

As you will note, while maintaining our program to serve the 3,068 families authorized by HUD, we will need to access \$920,796 of our Housing Assistance Payment reserves which are currently being held by HUD. During this past year, HUD-held reserves have increased due to increased funding and a slight decrease in HAP payments. Our leasing rate has not been optimal primarily due to lasting impacts from COVID-19 and less than full staffing for the program. We are encouraged by HUD to use these reserves to maximize leasing to families. HUD provides an online forecasting tool that we use to



assist us with planning and managing our program under various funding models. We run scenarios monthly, based on current leasing levels and project funding to determine voucher issuance levels. When HUD sees that our expenses to serve all families authorized is exceeding HUD funding, an increase may be authorized.

In addition to the HAP, the Authority receives \$2,713,732 in Administrative fees to operate and manage the voucher program. We anticipate Congress will fund at least 89% of the fee that Public Housing Authorities are eligible to receive for fiscal year 2023/24. This is 1% more than the current year.

We will receive \$168,047 to administer the Family Self Sufficiency Homeownership programs through December 31, 2023. This program is funded on a calendar year basis and we will be advised in the Fall regarding 2024 funding.

In addition to fees, we receive revenue from interest and rent which brings our total Administrative Revenue to \$2,910,999 for fiscal year 2023/24. We are able to avoid the use of administrative reserves this year to balance the administrative budget even with the 89% proration of fees.

Expenses to administer the program are projected to be \$2,568,856 providing for an operating cash flow of \$342,142.

If you have any questions prior to the meeting, please do not hesitate to call me at 928-2663 or Lisa Dessoify, Director of Finance 928-2634.

The attached resolution is recommended for your approval.

**RESOLUTION OF THE NEWPORT NEWS  
REDEVELOPMENT AND HOUSING AUTHORITY  
APPROVING THE OPERATING BUDGET FOR FISCAL YEAR  
JULY 1, 2023 THROUGH JUNE 30, 2024  
FOR THE SECTION 8 HOUSING CHOICE VOUCHER,  
MAINSTREAM VOUCHER AND EMERGENCY HOUSING VOUCHER PROGRAM**

**WHEREAS**, the Operating Budget for Fiscal Year July 1, 2023 through June 30, 2024 for Section 8 Housing Choice Voucher, Mainstream Voucher and Emergency Housing Voucher Program has been reviewed by the Commissioners of the Newport News Redevelopment and Housing Authority; and

- (a) The proposed expenditures are necessary in the efficient and economical operation of the Housing Authority for the purpose of serving low-income families in the Housing Choice Voucher, Mainstream Voucher, and Emergency Housing Voucher Programs; and
- (b) The financial plan is reasonable in that it indicates a source of funding adequate to cover all proposed expenditures; and
- (c) All proposed changes and expenditures will be consistent with provisions of law and the Annual Contributions Contract.

**NOW THEREFORE BE IT RESOLVED**, that the Board of Commissioners hereby approves the Operating Budget for Fiscal Year July 1, 2023 through June 30, 2024 for the Section 8 Housing Choice Voucher, Mainstream Voucher and Emergency Housing Voucher Programs.

# Operating Budget for Housing Choice Voucher, Mainstream Voucher and Emergency Housing Voucher Program July 1, 2023 - June 30, 2024

## HOUSING ASSISTANCE PAYMENTS

Housing Assistance Payment Subsidy (Revenue)		
Housing Choice Voucher	26,052,256	100% proration factor
Mainstream Voucher	1,015,975	100% proration factor
Emergency Housing Voucher	173,677	100% proration factor
Total Revenue	27,241,908	
Housing Assistance Payments to Landlords (Expense)	28,162,704	(36816 units * \$764.96 PUM)
<b>Budgeted Use of HUD Held Reserves</b>	<b>\$ (920,796)</b>	

## OPERATING

Section 8 Administrative Fees (89% of Eligibility Fee of \$3,049,137)	\$ 2,713,732	
HCV FSS Program	168,047	
Non-Dwelling Rent Income	10,920	
EHV Services Fees	8,000	
Interest Income	10,300	
<b>Total Revenue</b>	<b>\$ 2,910,999</b>	
Administrative Salaries	\$ 804,946	
Administrative Benefits	386,471	
FSS Program Salaries & Benefits	192,513	
Management Fee (COCC)	717,912	
Advertising	10,000	
Legal/Tenant Screening/Background Checks	24,300	
Staff Training	16,000	
Terminal Leave	6,440	
Port-Out Administrative Fee	37,855	
Audit Costs	39,480	
Office Expense (Rent, Supplies, Contracts, etc)	254,100	
<b>Total Administrative</b>	<b>\$ 2,490,016</b>	
Utilities	20,661	
Maintenance	14,300	
Insurance	43,879	
<b>Total General Expenses</b>	<b>\$ 78,840</b>	
<b>Total Operating Expenses</b>	<b>\$ 2,568,856</b>	
<b>Net Cash Flow</b>	<b>\$ 342,142</b>	

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**NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY**

**MEMORANDUM**

**DATE:** May 12, 2023

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

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

**SUBJECT:** Resolution of Board of Commissioners authorizing execution of closing documents related to the conversion of the Orcutt Townhomes I Project via the Rental Assistance Demonstration Program (RAD)

Closing on the conversion of the Orcutt Townhomes I Project in accordance with the Department of Housing and Urban Development's (HUD) Rental Assistance Demonstration Program (RAD), is expected to occur in September 2023.

Since closing is dependent on receipt of final HUD reviews of numerous RAD program components. I am requesting the Board's approval of certain items to enable the RAD Financing Plan to be submitted to HUD prior to receipt of a RAD Conversion Commitment (RCC). This will enable closing documents to be prepared and a related closing schedule to be established.

The following resolution authorizes the Executive Director to execute, on behalf of NNRHA, agreements with HUD, Orcutt TH 40 LLC, Orcutt TH 40 Development Corporation, the Virginia Department of Housing and Community Development (DHCD), and with Virginia Community Development Corporation (VCDC) which is the equity investor in the Project. I am also asking the Board to consider the staff's recommendation regarding selection of a Contractor to undertake required renovations and to authorize execution of a related construction contract, an Early Start Agreement, and to take related actions to effectuate and fund this conversion, including revisions to the existing operating agreement for the Project.

**Recommendation of Construction Loan Provider**

Construction financing has been an important component of all RAD conversions to date. NNRHA received proposals for providing construction financing for Orcutt Townhomes I from Towne Bank ("Towne") and Old Point National Bank ("Old Point"). Towne, headquartered in Suffolk, was the construction lender for the conversions of the Oyster Point-Brighton and Cypress Terrace Apartments undertaken in 2016-17.

NNRHA staff has worked closely with Old Point staff for an extended period in connection with the oversight of accounts related to several projects including the Orcutt Townhomes I Project. Old Point has also provided permanent financing/letters of credit for earlier RAD

conversions, the latest of which was the Spratley House conversion completed in mid-2022.

The Towne Bank and Old Point proposals submitted earlier this year, which were responsive to NNRHA's solicitation. A comparison of these proposals is also attached for your information.

NNRHA is responsible for all fees and the costs in the underwriting of this loan including third party reports, related reviews and bank legal fees etc. It is expected that the total costs for each loan will be similar with a higher Old Point loan fee being offset by considerably lower legal review fees.

To mitigate potential risk, I recommend that the interest rates of construction loan rates for our RAD conversions be fixed. In this case, OPNB has offered an interest rate of 5.96% (at acceptance of the term sheet) for a 16-month term which coincides with expected construction and final closing timeframes. Towne has proposed to fix the interest rate interest at closing pegged to the 2-year treasury bill rate + 2.15% at that time. Thus, if closing had occurred when the proposals were received earlier by NNRHA the Towne construction loan rate would have been 6.31 % as shown on the comparison. The T bill rate has fluctuated significantly since the proposals were received. If closing occurred today the construction rate would be 6.19 %.

In addition to the foregoing, it is important to mention that the timely processing of construction draws, which has been inconsistent in the previous 5 conversions requiring renovations, will be very important to the success of the Orcutt Townhomes I Project. As noted above, our staff's existing relationship with their counterparts at Old Point and the proximity of the headquarters of this regional bank will facilitate this aspect of the loan process.

Accordingly, it is recommended that Old Point National Bank be approved as the construction lender for the Orcutt Townhomes I RAD conversion.

### **Recommendation of Contractor for the Renovation of the Project**

In conjunction with the NNRHA's participation in the Department of Housing and Urban Development's (HUD) Rental Assistance Demonstration Program (RAD) and the proposed conversion via RAD of the Orcutt Townhomes I Project ("Project"), bids for the renovation of this Project were received on May 9, 2023. The contractors submitting construction bids for undertaking this work had been prequalified by NNRHA based on responses to a publicly solicited Request for Qualifications and related reviews by NNRHA staff and the Project architect.

The bids submitted for the renovation of the Orcutt Townhomes I project are as follows:

Mark Turner Construction Company -  
Associated Contracting Services (ACS) -

The low/acceptable bid was offered by OKJ Construction Company totaling \$5,246,000.

Following Board authorization to accept the aforementioned bid, Orcutt TH 40 LLC and OKJ Construction Company will enter into a Standard Form of Agreement Between Owner and Contractor (Form AIA 101 – 2017) and General Conditions of the Contract for Construction (Form AIA 201 – 2017). In conjunction with this action, a notice to proceed will be issued to the Contractor following closing the RAD conversion anticipated to occur in September.

In addition, the aforementioned resolution authorizes Orcutt TH 40 LLC, with HUD concurrence, to enter into an Early Start Agreement with the Contractor to enable “long lead” construction materials and equipment to be ordered prior to the start of work in order to expedite the completion of renovations and to meet very tight RAD occupancy deadlines for his project. Similar early start agreements have been successfully utilized in the last two conversions (Spratley House and Lassiter Courts).

#### Summary and Requested Action

The attached resolution authorizes the following actions:

- (1) Admission of the VCDC Equity Fund 27 L.L.C. and VAHM, L.L.C. as investor member and special investor member respectively into the Orcutt TH 40 LLC. The Orcutt TH 40 Development Corporation, whose Board of Directors is comprised of the current members of the NNRHA Board of Commissioners, will be the managing member. The President of the managing member is also the NNRHA Executive Director.
- (2) Allows NNRHA, as developer of the project, to provide guarantees related to the managing member’s performance under the amended and restated operating agreement.
- (3) Execution of certain documents related to the VCDC Equity Fund 27 L.L.C. investment in the project.
- (4) Execution of loan documents and requisite guarantees with Old Point National Bank for a construction loan totaling \$5,000,000 for the project.
- (5) Execution of loan documents with the Virginia Department of Housing and Community Development for the provision of \$2.1 million into the project.
- (6) Approval of loans to the project including:
  - (a) \$3,938,380 in Capital Program funds
  - (b) \$4,875,000 in seller take back financing
- (7) Execution of all RAD conversion documents including a RAD Conversion Commitment, a RAD Use Agreement and Housing Assistance Payments Contract
- (8) Execution of a management agreement with Orcutt Townhomes 40 LLC for the provision of management services to the project
- (9) Execution of a construction contract and early start agreement with a construction

company to be selected for the renovation of the project.

- (10) Execution of a reimbursement agreement for the repayment to NNRHA of funds advanced for architectural and engineering services, and other pre-development costs for the project.

The Board of Directors of the Orcutt TH 40 Development Corporation will also be asked to authorize these actions.

Following receipt of a RAD Conversion Commitment (RCC) from HUD, NNRHA staff will initiate relocation of occupants in order to turnover vacated buildings for renovation to the contractor as quickly as possible following closing on the conversion. Construction is expected to be completed in 10 months so that no resident will be temporarily displaced for more than 12 months in accordance with RAD program requirements.

Board approval is recommended.

**RESOLUTION OF THE BOARD OF COMMISSIONERS  
OF NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY  
AUTHORIZING EXECUTION OF CLOSING DOCUMENTS RELATED TO THE  
CONVERSION OF THE ORCUTT TOWNHOMES I PROJECT VIA THE RENTAL  
ASSISTANCE DEMONSTRATION PROGRAM (RAD)**

**WHEREAS**, the Newport News Redevelopment and Housing Authority, a political subdivision of the Commonwealth of Virginia (the "Authority") was organized for the purpose, among others, of developing and operating low-income housing;

**WHEREAS**, the Authority presently owns and operates Orcutt Townhomes 1 Project (the "Project"), a public housing project located in the City of Newport News, Virginia;

**WHEREAS**, pursuant to action by the Board of Commissioners of the Authority, it has been determined that the sale and redevelopment of the Project via the Department of Housing and Urban Development's Rental Assistance Demonstration Program ("RAD") serves the Authority's purpose of providing safe and sanitary dwelling accommodations for persons of low income; and

**WHEREAS**, the Project will be acquired and developed through a limited liability company known as Orcutt TH 40 LLC, a Virginia limited liability company (the "Company"), whose sole member is Orcutt TH 40 Development Corporation, a Virginia corporation ("Managing Member") of which the Authority is the sole shareholder.

**WHEREAS**, in connection with making an equity investment in the Company (the "Equity Investment"), the VCDC Equity Fund 27 L.L.C. or an affiliated fund (the Fund) will be admitted as investor member and VAHM, L.L.C., a Virginia limited liability company, or an affiliated entity ("VAHM"), will be admitted as the special investor member, and the Managing Member will become the managing member, as contemplated pursuant to the to-be-executed Amended and Restated Operating Agreement of the Company (the "Operating Agreement");

**WHEREAS**, as a condition of investing in the Company, the Fund and VAHM require that the Authority guarantee the performance by the Managing Member of its Company obligations under the Operating Agreement, and under other related agreements, and that it guarantee the accuracy of information and representations provided by the Managing Member and defend and indemnify the Fund and VAHM against material breach thereof (the "Authority Equity Guarantees");

**WHEREAS**, in connection with the development of the Project and the Fund's and VAHM's investment in the Company, the Fund and VAHM require that the Authority enter into certain documents, potentially including, without limitation, a Development Agreement, an Amended and Restated Purchase Option and Right of First Refusal Agreement, an Affiliate Guaranty Agreement, and all other project investment closing documents related to the Fund's and VAHM's investment in the Company (the "Equity Documents");



**WHEREAS**, in connection with the development of the Project, Old Point National Bank (“Old Point”) has offered to make a construction loan to the Company in the approximate amount of \$5,000,000 (the “Old Point National Bank Loan”) and will enter into certain documents with the Company, the Managing Member, and the Authority related thereto, including, without limitation, a security agreement, a deed of trust, and other documents pursuant to which the Company will grant to Old Point security interests in the Company’s real and personal property, and one or more agreements pursuant to which the Managing Member and the Authority will guaranty the obligations of the Company under the Old Point National Bank Loan (the “Old Point Bank Loan Documents”);

**WHEREAS**, in connection with the Old Point National Bank Loan, Old Point requires that the Authority enter into certain guarantees for the completion of Project and the performance of the Company under the Old Point National Bank Loan Documents (the “Authority Old Point National Bank Guarantees”);

**WHEREAS**, in connection with the development of the Project, the Authority (or a related entity) has committed to make permanent financing loans to the Company in the approximate amount of \$2,100,000, utilizing approximately \$700,000 in Virginia Department of Housing and Community Development (“DHCD”) National Housing Trust Fund funds (the “DHCD NHTF Permanent Loan”), approximately \$700,000 in DHCD HOME Investment Partnership Program funds (the “DHCD HOME Permanent Loan”), and approximately \$700,000 in DHCD Virginia Housing Trust funds (the “DHCD VHTF Permanent Loan” and together with the DHCD NHTF Permanent Loan and the DHCD HOME Permanent Loan, the “DHCD Loans”), and will enter into certain documents with the Company and DHCD related thereto (collectively, the “DHCD Loan Documents”);

**WHEREAS**, in connection with the development of the Project, the Authority has committed to make a construction loan that will convert to a permanent loan to the Company in the approximate amount of \$3,935,380 utilizing public housing capital funds (the “Authority Capital Funds Loan”), and will enter into certain documents with the Company related thereto (the “Authority Capital Funds Loan Documents”);

**WHEREAS**, in connection with the development of the Project, the Authority will convey the Project to the Company pursuant to a deed conveying fee simple interests (the “Deed”) or a long-term ground lease agreement with the Company (the “Ground Lease”), and desires to enter into or record any and all documents required for the transfer of ownership interests in the Property to the Company, including but not limited to a Deed or a recorded memorandum of the Ground Lease (the “Transfer Documents”);

**WHEREAS**, in connection with the development of the Project, the Authority has committed to make acquisition loans to the Company in the approximate amount of \$4,875,000 in the form of seller take-back financing (the “Authority Seller Loan”), and will enter into certain documents with the Company related thereto (the “Authority Seller Loan Documents”);

**WHEREAS**, in connection with the development of the Project, the Authority applied,

pursuant to previous authorization by the Board of Commissioners of the Authority, to the Rental Assistance Demonstration program (“RAD”) of United States Department of Housing and Urban Development (“HUD”) to convert public housing assistance at the Project to Section 8 Project Based Rental Assistance, and HUD issued a Commitment to Enter into a Housing Assistance Payment;

**WHEREAS**, in connection with the development of the Project, the Authority is required to execute certain agreements necessary to effect the conversion of public housing assistance at the Project to Section 8 Project Based Rental Assistance, including a RAD Conversion Commitment and any other documents that may be required pursuant to the RAD program (the “RAD Documents”);

**WHEREAS**, in order to facilitate the Project, the Authority will act as the management agent for the Project under the terms of a management agreement between the Authority and the Company (the “Management Agreement”);

**WHEREAS**, in order to rehabilitate the Project, the Company will enter into a certain [Standard Form of Agreement Between Owner and Contractor (AIA 101-2017), together with General Conditions of the Contract for Construction (AIA 201-2017)], with OKJ Construction Company (“Contractor”) pursuant to bids received on May 9, 2023 (the “Construction Contract”);

**WHEREAS**, in order to undertake certain limited work and purchase construction materials and equipment to facilitate the timely completion of work to meet RAD completion deadlines, the Company will enter into an Early Start Agreement, subject to HUD approval, with the Contractor (the “Early Start Agreement”).

**WHEREAS**, in order to facilitate the Project, the Authority has or will pay for or advance funds for costs incurred in connection with architectural, engineering, construction, accounting, legal, and other services provided through contracts with the Authority, the Managing Member, or the Company, including but not limited to costs related to the Construction Contract, and the Authority and the Company desire to enter into a Reimbursement, Assignment, and Assumption Agreement to provide for reimbursement to the Authority by the Company of such costs (the “Reimbursement Agreement”).

**NOW, THEREFORE, BE IT RESOLVED**, subject to the approval of the RAD application and satisfaction of the conditions in the RAD Conversion Commitment, that the Authority be and it is hereby authorized, empowered, and directed to enter into, execute, and deliver any and all documents as may be necessary or desirable to consummate the transactions described above, including, without limitation, the Authority Equity Guarantees, the Equity Documents, the Old Point National Bank Loan Documents, the Authority Old Point National Bank Guarantees, the DHCD Loan Documents, the Authority Capital Funds Loan Documents, the Authority Seller Loan Documents, the RAD Documents, the Transfer Documents, the Management Agreement, the Construction Contract, the Early Start Agreement and the Reimbursement Agreement;

**FURTHER RESOLVED**, that the Authority be and it is hereby authorized, empowered, and directed to furnish to the Fund and VAHM all due diligence materials reasonably requested by the Fund and VAHM in connection with its investment in the Company;

**FURTHER RESOLVED**, that the Authority be and it is hereby authorized, empowered, and directed to furnish to Old Point National Bank, DHCD and any other lender all due diligence materials reasonably requested by the same in connection with the above-contemplated loans to the Company;

**FURTHER RESOLVED**, the Authority authorizes the acceptance of the bid by OKJ Construction Company by Orcutt TH 40 LLC;

**FURTHER RESOLVED**, that the Executive Director of the Authority or her designee(s), together or individually, without attestation, be and they hereby are authorized, empowered, and directed to execute and deliver all documents, and that such officer or staff of the Authority be and are hereby authorized, empowered, and directed to furnish all materials necessary to consummate the foregoing resolution;

**FURTHER RESOLVED**, that the Executive Director of the Authority (or her designees), together or individually, be and they hereby are authorized, empowered, and directed to take such further action on behalf of the Authority as they deem necessary to effectuate the foregoing; and

**FURTHER RESOLVED**, that any previous execution and delivery or furnishing of documents and any other actions by the Authority in furtherance of the foregoing resolutions be and are hereby authorized, confirmed, and ratified.

[Signatures Appear on Next Page]

CERTIFICATION

The foregoing resolutions were adopted in accordance with the Charter and Bylaws of the Newport News Redevelopment and Housing Authority (the “Authority”) and the laws of the Commonwealth of Virginia; the Commissioners of the Authority have the full power and authority to bind the Authority pursuant to the foregoing resolution; and the resolution is in full force and effect and have not been altered, modified or rescinded.

IN WITNESS WHEREOF, I have affixed my name as Secretary of the Authority this 16 day of May, 2023.

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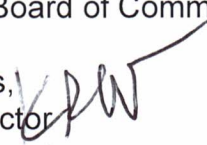
Print: Karen R. Wilds  
Executive Director

## NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY

## MEMORANDUM

**DATE:** May 12, 2023

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

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

**SUBJECT:** Continuation of Authority Scholarship

The attached resolution provides for the continuation of the NNRHA scholarship program for our residents and program participants. Since 1989, we have been able to provide two scholarships annually in the amount of \$1,000 each for four years to graduating seniors or others who wish to pursue higher education who reside in public or assisted housing. These two scholarships are awarded each year at the Scholarship Banquet along with those supported by our private scholarship donors. Last year, a total of twelve (12) scholarships were awarded to our public housing residents and Section 8 clients. This year's banquet will be held virtually on June 1st at 3:00 p.m.

Funds are available to continue this program with two scholarships for 2023 and adoption of the resolution is recommended.

**RESOLUTION OF THE NEWPORT NEWS REDEVELOPMENT AND  
HOUSING AUTHORITY AUTHORIZING CONTINUATION OF A  
SCHOLARSHIP PROGRAM**

**WHEREAS**, on February 26, 1980, the Board of Commissioners of the Newport News Redevelopment and Housing Authority authorized a scholarship be awarded to a public or assisted housing resident; and

**WHEREAS**, said scholarship was determined to be in the amount of ONE THOUSAND DOLLARS (\$1,000) per year for four years provided the recipient maintains satisfactory scholastic averages and complies with the rules and regulations of their institution of higher learning; and

**WHEREAS**, on January 17, 1989, the Board of Commissioners authorized an additional scholarship in the amount of ONE THOUSAND DOLLARS (\$1,000) per year for four years provided the recipient maintains satisfactory scholastic averages and complies with the rules and regulations of their institution of higher learning;

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Commissioners of the Newport News Redevelopment and Housing Authority that the award of two such scholarships in accordance with the established guidelines is hereby authorized and approved.

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# REPORT TO THE BOARD

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NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY

## MAY, 2023

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**

**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

#### Community Development Block Grant (CDBG)

The public hearing to receive citizen comments on the draft Consolidated Housing Community Development Annual Action Plan for program year 2023-2024 took place on April 20, 2023. The public comment period ended on May 3, 2023. Public comments received will be included in the final plan. The final draft of the Annual Action Plan is scheduled to be presented to City Council on Tuesday, May 23, 2023.

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

	Emergency Repair	Open House	HOMEcare	All Programs
Projects Completed	12	6	0	18
Projects in Underwriting	6	5	1	12
Projects Pending Approval	6	0	1	7
Projects Ongoing	1	1	0	2
<b>Total</b>	<b>25</b>	<b>12</b>	<b>2</b>	<b>39</b>

New Housing Rehabilitation Applications for March 1, 2023 – March 31, 2023	Total for July 1, 2022 – June 30, 2023
11	33

### 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 homes.

#### 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
4	8	6	0	0

New Housing Rehabilitation Applications for April, 2023	Total for July 1, 2022 – June 30, 2023
15	37

New DPA Applications as of April 2023	Total New DPA Applications Received for July 1, 2022 – June 30, 2023
1	18

## **CAPITAL ACTIVITY**

### **Marshall Courts Phase VII Demolition**

NNRHA anticipates completion of the Phase I Environmental Site Assessment (ESA) and Historic Review Process later this month. Demolition drawings have been reviewed by the City. The Section 18 Demolition application will be submitted to HUD later this month.

### **Orcutt Townhomes I**

The Orcutt Townhomes I RAD Project Invitation for Bids was issued to pre-qualified contractors on April 4, 2023. The closing date to submit bids was May 9, 2023. A resident meeting was held on May 10<sup>th</sup> to discuss the project timeline and resident relocation. Staff is working to complete the project's RAD financing plan for submission to HUD. Plan submission is targeted for the end of May.

### **Aqueduct Apartments**

NNRHA is awaiting additional contractor submissions in order to begin the sewer line improvement project. Staff is working with the contractor to retrieve the necessary submissions and anticipate the project will begin in late May. The improvements will alleviate recurring sewer related issues at the apartment complex.

### **Southeastern Family Project 2351 Terminal Avenue**

The Southeastern Family Project building will undergo extensive renovation in coming months. NNRHA has been collaborating with the Hampton-Newport News Community Service Board (HNNCSB) to develop specifications for the project. Improvements will include a new HVAC system, new energy

efficient windows and exterior doors, a new kitchen, new flooring and painting throughout

the facility. The architect for the project is currently finalizing plans and specifications.

### **MARSHALL-RIDLEY RESIDENTIAL FACADE PROGRAM**

The Marshall-Ridley Residential Facade Program is a \$2.1 million dollar grant program funded by the City and administered by NNRHA. The program will assist homeowners in the Marshall-Ridley Choice Neighborhood Initiative area to make exterior improvements to their homes. Up to \$20,000 per owner-occupied residential dwelling may be granted to residents that meet the program criteria. The Marshall-Ridley Residential Facade Program received 113 applications during the application submission period. Thus far, staff has reviewed 33 applications which are at various stages of processing.

### **Marshall-Ridley Residential Façade Program Activity**

Total Applicants	113
Financial Review	24
Inspected	19
Codes Review	12
Contract Pending	6
Contracted	3
Completed	0
Not Eligible	10

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

All residential units in the Lift and Rise received Temporary Certificates of Occupancy (TCOs) and are now ready for lease-up and occupancy. Final Certificate of Occupancy will be issued pending the City's

acceptance of the “As-built” drawings. NNRHA must use a third-party inspection for Housing Quality Standard (HQS) inspections per HUD requirements for any Project Based Voucher (PBV) or Housing Choice Voucher (HCV) unit in a development with a NNRHA owner interest. NNRHA has established a Memorandum of Understanding (MOU) with Norfolk Redevelopment and Housing (NRHA) for the inspections. NRHA inspectors started inspections on May 10<sup>th</sup>.

The property manager for the Lift and Rise is now on-site and is processing applications. There are currently 35 applications approved for move-in of which 21 are former Ridley residents. The property manager will continue to process applications and will begin coordinating move-ins along with NNRHA relocation staff. HCV staff are processing PBV applications and coordinating the Section 8 HQS inspections with NRHA. Move-ins should begin later in May.

Abbitt Reality continues to market the onsite retail space and reach out to potential tenants. Buildout will provide basic finished units with HVAC and bathrooms and be ready for tenant improvements. The work is scheduled to be completed and ready in late July. The square footage is 1,420 for the north building & 1,540 square feet for the south building.

Site work is fully underway at the former Ridley site. Construction on the apartments with building pads, elevator and stair towers is in process. Construction completion for Ridley North is planned for March 2024 and for Ridley south by November 2024.

NNRHA and the City have been awarded \$5 million in HUD CNI supplemental development funding for construction of replacement housing. The CNI development team is now awaiting Virginia Housing action on competitive Low- Income Housing Tax Credit (LIHTC) application for the Downtown

Phase, a 73-unit, four-story elevator building at 28<sup>th</sup> and Washington Street. LIHTC award notification will be in July of this year. Urban Strategies, Inc. (USI) continues to conduct outreach to Ridley residents, as well as complete needs assessments for each household. Currently, 164 former Ridley families are enrolled in case management and family supportive services. USI continues to work on revisions to the People Plan. A fourth session with the community was held on April 21st. A final session was held May 10<sup>th</sup>. The Plan is due to HUD by May 17<sup>th</sup>.

## PUBLIC AND ASSISTED HOUSING OCCUPANCY REPORT

### *Total Waiting List Applications:*

Public Housing		346
Approved/Eligible	48	
Pending	298	
Section 8		390
Approved/Eligible	86	
Pending	304	

The pending numbers for the Public Housing Program (298) and the Housing Choice Voucher Program (304) 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 April*

Public Housing Program	7
Housing Choice Voucher	30
Mod-Rehab (SRO)	1
<b>Total</b>	<b>38</b>

### *Occupancy Statistics:*

Public Housing Program (of 839 units)	93%
Section 8 Program (2,895)	94%
Warwick SRO (of 88 units)	98%

Avg. # of Leasing Days (Public Housing) 19

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

- 1. Public Housing \$184.
- 2. Housing Choice Voucher \$330.
- 3. Warwick SRO \$270.

**New Homeowner**

A single-family home was purchased by an HCV-V participant in Newport News recently.

Cumulative Percentage of Section 8 Budget Authority Utilized Apr 2023 102.5%

**FAMILY INVESTMENT CENTER (FIC) ACTIVITIES**

EMPLOYED F.I.C. PARTICIPANTS April 2023 (since 1995)	
Aqueduct	124
Ashe Manor	0
Brighton	46
Cypress	24
Dickerson	185
Harbor Homes	126
Lassiter	95
Marshall	171
Orcutt	28
Orcutt TH	10
Oyster Point	23
Pinecroft	7
Ridley	383
Section 8	72
Spratley	2
<b>Total</b>	<b>1,296</b>

**The Family Investment Center**

On Wednesday, April 5th, Mr. Thomas Sentz, Program Manager, Housing and Financial Literacy Services (HRCAP) offered a free Financial Literacy workshop to NNRHA residents who resided in Aqueduct Apartments. The residents were given information to obtain practical skills that encourage financial planning for future expenses. To identify spending habits, the differences between needs vs wants and flexible vs. fixed expenses. Participants were given resources to help them prepare their own personal spending plan/budget, identify their spending comfort level and determine their own debt to income ratio.

**COMMUNITY RESOURCES**

**Resident Relations**

The Newport News Redevelopment and Housing Authority is pleased to announce that three Housing Choice Voucher (HCV) students were selected to receive the Virginia Association of Housing and Community Development Officials Scholarships. These students were selected based on their GPA and interview. The recipients will receive their scholarship at the Norfolk Sheraton Waterside luncheon on May 11, 2023. The three recipients are:

**FAMILY SELF-SUFFICIENCY (FSS)**

192 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>68</u>
Total	193

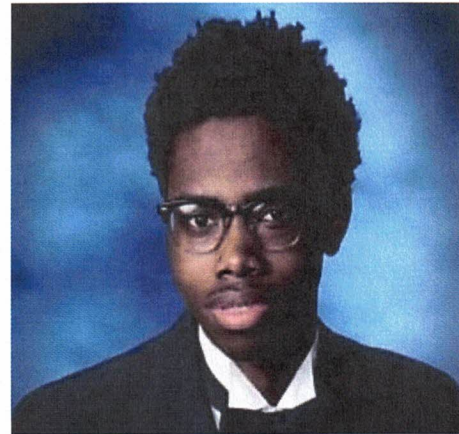
**Jayvon Beatty** is currently attending Heritage High School in the STEM Program. His plans after graduation are to pursue a degree in Engineering. He is an accomplished athlete and was the captain of his Volleyball and Wrestling teams. He has always understood that hard work pays off and it certainly has for Jayvon he has been accepted to multiple Universities and plans to attend North Carolina A & T. Jayvon has a 3.94 weighted GPA.



**Nya Cyrus** has attended An Achievable Dream High School since elementary school and will successfully complete her Advanced Diploma studies in June 2023. Nya has played volleyball and was a dance team participant. She enjoys gaming and spending time with friends at the beach. In the fall of 2023, she plans to attend ODU majoring in Psychology.



**Sahir Taliaferro** is currently attending Point Option where he is a participant in Emerge, a high school leadership program. After being Principal For A Day this past March, he decided his career goal is to become an educator and ultimately a school principal. Sahir is excited about graduating and loves his large family, being a leader, and teaching. Sahir has been accepted at Morgan State and Virginia State University and plans on staying in Virginia to attend Virginia State.



### **Spratley Residents Celebrate 1 Year Back**



On April 14<sup>th</sup>, residents celebrated their first year back at Spratley House. Residents relaxed to the soothing saxophone sounds of Coco. Tamice Jones, Jencare Medical

Director, provided helpful health information. Crystal Feathers, spoke about "peace of mind benefits." Rental office and other NNRHA staff introduced themselves, spoke briefly about their roles and how they can help. Rita Council, Jencare, provided a light lunch for those who attended. Several small raffles were won by appreciative residents. This fun event was sponsored by the Spratley Resident Council.



### PACE Paint Party at Pinecroft



Tiffany Andrews-Franklin, InnovAge PACE, partnered with the NNRHA's Community Resources Department to provide a Paint Party at Pinecroft on April 20<sup>th</sup>. This event was well attended by Pinecroft residents. Ms. Andrews-Franklin provided all of the art supplies (canvas, paint, etc.). She instructed residents in easy to understand steps which, in the end, produced paintings that they could be proud of. Residents of different ages and abilities were able to engage in this activity, socialize with their neighbors and

bring their art home to hang up on their walls. A paint party is scheduled for Ashe Manor next month and Spratley House the following month.

### Craft & Games Newport News Public Libraries (NNPL)



NNRHA's Community Resources appreciates the wonderful partnership that it now has with NNPL. Over the past several months NNPL staff have sponsored very well planned events each month at Spratley House, Ashe Manor and Pinecroft Apartments. It is clear that NNPL staff enjoys bringing unique activities and interacting with the residents. This month residents played spirited matching games and won small prizes. For the craft, they made fun little magnets. Residents utilized their fine motor skills to adhere a small piece of fabric of their choice to a clear glass bead (flat on one side). Then a magnet was glued to the back. There was a great deal of concentrating and a lot of laughter throughout the event.

NNPL staff has been working to get library cards for residents and are scheduling a bookmobile visit to these communities.

## Additional Happenings

**Serve the City (STC)** – STC volunteers continue to provide programs monthly at Ashe Manor and Spratley. They play Bingo, win small prizes, enjoy snacks and generally have lots of fun!

### **Resident Council Meetings are Happening**

- Pinecroft and Ashe Manor resident council boards conducted well attended resident council meetings this month. Spratley House had a resident event in which the return of resident council meetings was announced.

### **Peninsula Agency on Aging (PAA)** – PAA

is scheduled in all 3 communities in May. They will be introducing their Community Health Program which promotes connecting seniors to healthcare resources and encouraging healthy lifestyles.

## ADMINISTRATIVE SERVICES

The Authority issued a Request for Proposals on February 17, 2023 for a compensation study to determine if our current compensation schedule is competitive with our local employment market as well as review our internal relationships to assist with identifying any equity concerns. We received responses from Gallagher Benefit Services, Experience Management Institute and CBIZ Compensation Consulting. The evaluation panel included Lysandra Shaw, LaSandra Wingate and Valarie Ellis. The proposals were scored on a 75-point scale with the following results.

CBIZ: 69.6

Gallagher: 63.6

Experience Management Institute: 50.3

We conducted a successful interview with CBIZ on May 5, 2023. The fee for this service is \$34,750.00 and we anticipate starting by the end of this month.

**Other NNRHA Controlled Multi-Family Properties  
Waiting Lists as of April, 2023**

<b>Property</b>	<b>Occupancy Rate</b>	<b>Approved/Eligible</b>	<b>Pending</b>	<b>Total</b>
Orcutt Townhomes III	90%	2	4	6
Cypress Terrace	91%	10	22	32
Oyster Point/Brighton	96%	10	52	62
Great Oak	99%	112	205	317
Lofts on Jefferson	100%	3	4	7
Jefferson Brookville	96%	0	6	6
Lassiter Courts	96%	9	145	154

**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 April, 2023.

<b>Participants:</b>	<b>Public Housing</b>	<b>Housing Choice Voucher</b>	<b>Total</b>
<b>Total</b> number in FSS Program	18	93	<b>111</b>
Employed	8	69	<b>77</b>
Currently not working	7	21	<b>28</b>
Attending Thomas Nelson Comm. College	0	1	<b>1</b>
Enrolled in other Training Program	1	0	<b>1</b>
Employed and going to school	2	2	<b>4</b>
Participants with escrow accounts	9	51	<b>60</b>



**NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY**  
**2023 Housing Choice and Mainstream Voucher Program Utilization Report - Actual**  
**For the Year Ending December 31, 2023**

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	Fraud Recovery	Other Sources Of Funds	NRRHA Held Reserve Balance	HUD Held Reserve Balance
CY Housing Choice 2023 Annual Budget Authority      \$ 26,052,256      Final - 100% proration Housing Choice Voucher Funding      \$ 26,052,256												
Mainstream Voucher Program Funding      \$ 1,015,975      Final - 100% Emergency Housing Voucher Program Funding      \$ 173,677      Final - 100%												
HCV Units      2506 VASH units      54 CNI tenant protection      247 Warwick SRO - RAD2      88 Baseline HCV count      2895 Mainstream Vouchers      141 Emergency Housing Vouchers      32 Total Vouchers      3068												
January	HCV MS EHV	2751	95.0%	\$ 2,051,002.00	\$ 745.55	\$ (41,685.00)	98.0%	\$ 2,092,687.00	\$ 1,000.00	\$ 1,000.00	\$ 202,264.00	\$ 1,691,973.47
		113	80.1%	\$ 81,036.00	\$ 717.13	\$ 3,570.00	104.6%	\$ 77,466.00	-	-	\$ 35,304.00	\$ 184,971
		27	84.4%	\$ 26,175.00	\$ 969.44	\$ 7,740.00	142.0%	\$ 18,435.00	-	-	\$ (21,786.00)	\$ 173,955
February	HCV MS EHV	2727	94.2%	\$ 2,068,096.00	\$ 758.74	\$ (23,591.00)	98.4%	\$ 2,092,687.00	\$ 140.00	\$ 140.00	\$ 225,995.00	\$ 1,800,787.22
		115	81.6%	\$ 82,807.00	\$ 720.06	\$ 5,341.00	105.8%	\$ 77,466.00	-	-	\$ 29,963.00	\$ 191,576
		27	84.4%	\$ 26,175.00	\$ 969.44	\$ 7,740.00	142.0%	\$ 18,435.00	-	-	\$ (29,526.00)	\$ 169,993
March	HCV MS EHV	2730	94.3%	\$ 2,095,363.00	\$ 767.53	\$ 8,417.00	99.1%	\$ 2,086,946.00	\$ 285.00	\$ 285.00	\$ 217,863.00	\$ 1,935,682.97
		115	81.6%	\$ 86,256.00	\$ 750.05	\$ 7,533.00	107.0%	\$ 78,723.00	-	-	\$ 22,430.00	\$ 198,036
		27	84.4%	\$ 24,540.00	\$ 908.89	\$ (23,510.00)	90.5%	\$ 48,050.00	-	-	\$ (6,016.00)	\$ 136,416
April	HCV MS EHV	2721	94.0%	\$ 2,140,066.00	\$ 786.51	\$ 53,140.00	100.0%	\$ 2,086,946.00	\$ 951.00	\$ 951.00	\$ 165,674.00	\$ 2,176,631.72
		119	84.4%	\$ 88,565.00	\$ 744.24	\$ 8,884.00	108.1%	\$ 79,681.00	-	-	\$ 13,546.00	\$ 203,538
		29	90.6%	\$ 26,489.00	\$ 913.41	\$ 3,931.00	96.2%	\$ 22,558.00	-	-	\$ (9,947.00)	\$ 128,331
											\$ 8,797,590.00	\$ 2,376.00
											\$ 8,780,080.00	\$ 2,376.00

**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 May 16, 2023 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**

**Orcutt TH 40 Development Corporation  
Board of Directors Meeting  
May 16, 2023**

227-27<sup>th</sup> Street  
Newport News, VA 23607

**Agenda**

1. Roll Call
2. Consider approval of minutes of regular meeting, January 17, 2023
3. New Business
  - a. Consider a resolution authorizing execution of documents with NNRHA and other entities to undertake the RAD conversion and renovation of the Orcutt Townhomes I Project
6. Any other business to come before the Board
7. Adjourn

**Minutes of a Meeting of the  
Orcutt TH 40 Development Corporation  
January 17, 2023**

Having duly given public notice, the Board of Directors of the Orcutt TH 40 Development Corporation met at the offices of the Authority at 227-27<sup>th</sup> Street, in the City of Newport News, Virginia, at 9:34 a.m. on Tuesday, January 17, 2023.

**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 – via Zoom  
                                      George Knight  
                                      Lou Call  
                                      Barbara Holley

Also present:                Raymond H. Suttle, Jr. – from NNRHA Board Room  
                                      Kaufman & Canoles, P.C.

                                      Karen R. Wilds  
                                      Executive Director

                                      Lysandra Shaw  
                                      Deputy Executive Director

                                      Carl V. Williamson  
                                      Director of Housing

                                      Valarie Ellis, Director  
                                      Administrative Services

                                      Lisa Dessoify, Director  
                                      Finance

                                      David Staley, Director  
                                      Community Development

                                      Teresa Bennett  
                                      Executive Assistant

                                      Justin Orié – from NNRHA Board Room  
                                      NNRHA IT Department

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

                                      Jamesa Parker  
                                      Legal Aid

**Approve Minutes of  
March 15, 2022  
Meeting**

Director Davis made a motion to approve the minutes of the March 15, 2022 meeting. The motion was seconded by Director Knight and passed with a unanimous vote.

**Election of Chairman  
and Vice Chairman**

Director Knight 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 Director Holley and passed with a unanimous vote.

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

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

**Update on Orcutt TH 40  
Development  
Corporation**

Ms. Wilds reported that on December 31, 2022 the property had a balance of \$298,768.49 in operating reserves, \$322,485.55 in replacement reserves and an occupancy rate of 100%.

**Adjournment**

There being no other business to come before the Board, the Chairman adjourned the meeting at 9:36 a.m.

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President

**ITEM NUMBER 3**


**New Business**

- a. Consider a resolution authorizing execution of documents with NNRHA and other entities to undertake the RAD conversion and renovation of the Orcutt Townhomes I Project

**ORCUTT TH 40 DEVELOPMENT CORPORATION****MEMORANDUM**

**DATE:** May 12, 2023

**TO:** All Members, Board of Directors – Orcutt TH 40 Development Corporation

**FROM:** Karen R. Wilds, President 

**SUBJECT:** Resolution of Board of Directors of the Orcutt TH 40 Development Corporation authorizing execution of documents with NNRHA and other entities to undertake the RAD conversion and renovation of the Orcutt Townhomes I Project

The attached memorandum to the NNRHA Board of Commissioners and related resolution, which is being considered by the Board at its May 16, 2023 meeting, relate to the execution of an amended and restated Orcutt TH 40 LLC operating agreement admitting Housing Equity Fund 27 L.L.C and VAHM L.L.C. as investor member and special investor member respectively into the Orcutt TH 40 LLC. In addition, the NNRHA resolution authorizes the Executive Director to execute with the LLC and other entities, documents, contracts, loan agreements and related financing documents in connection with the conversion and renovation of the Orcutt Townhomes I Project, and the capitalization of the costs of this undertaking.

Accordingly, the attached resolution of the Orcutt TH 40 Development Corporation, managing member of the Orcutt TH 40 LLC, authorizes the president of the development corporation to execute such documents and to take such other actions in furtherance of this resolution.

Approval is recommended.



**RESOLUTION OF THE BOARD OF DIRECTORS  
OF ORCUTT TH 40 DEVELOPMENT CORPORATION  
AUTHORIZING EXECUTION OF DOCUMENTS WITH NNRHA AND OTHER  
ENTITIES TO UNDERTAKE THE RAD CONVERSION AND RENOVATION OF THE  
ORCUTT TOWNHOMES I PROJECT**

**WHEREAS**, Orcutt TH 40 Development Corporation (the "Corporation") was organized for the purpose, among others, of developing and operating low-income housing;

**WHEREAS**, the Corporation is the sole member of Orcutt TH 40 LLC, a Virginia limited liability company and the anticipated purchaser of the Project (as defined below) (the "Company");

**WHEREAS**, the Corporation, acting through the Company, wishes to develop a low-income housing project through the acquisition and rehabilitation/construction of the buildings and improvements located on property in Newport News, Virginia, commonly known as Orcutt Townhomes 1, an apartment community comprised of approximately 40 units (the "Project");

**WHEREAS**, in connection with making an equity investment in the Company (the "Equity Investment"), VCDC Equity Fund 27, L.L.C., a Virginia limited liability company, or an affiliated fund ("the Fund"), will be admitted as investor member, and VAHM, L.L.C., a Virginia limited liability company, or an affiliated entity ("VAHM"), will be admitted as the special investor member, and the Corporation will become the managing member, as contemplated pursuant to the to-be-executed Amended and Restated Operating Agreement of the Company (the "Operating Agreement");

**WHEREAS**, in connection with the development of the Project and the Fund's and VAHM's investment in the Company, the Corporation and the Company will enter into certain ancillary documents, potentially including, without limitation, a Development Agreement, an Amended and Restated Purchase Option and Right of First Refusal Agreement, a Pledge and Security Agreement, a Construction Incentive Management Fee Agreement, an Affiliate Guaranty Agreement, and all other project investment closing documents (the "Equity Documents");

**WHEREAS**, in connection with the development of the Project, Old Point National Bank ("Old Point") has offered to make a construction loan to the Company in the approximate amount of \$5,000,000 (the "Old Point National Bank Loan") and will enter into certain documents with the Company, the Corporation, or the Authority related thereto, including, without limitation, a security agreement, a deed of trust, and other documents pursuant to which the Company will grant to Old Point security interests in the Company's real and personal property, and one or more agreements pursuant to which the Corporation and the Authority will guaranty the obligations of the Company under the Old Point Bank Loan (the "Old Point Loan Documents");

**WHEREAS**, in connection with the development of the Project, the Authority has committed

to make a permanent financing loan to the Company in the approximate amount of \$2,100,000, utilizing approximately \$700,000 in Virginia Department of Housing and Community Development (“DHCD”) National Housing Trust Fund funds (the “DHCD NHTF Permanent Loan”), approximately \$700,000 in HOME Investment Partnership Program funds (the “DHCD HOME Permanent Loan”, and approximately \$700,000 in “DHCD Virginia Housing Trust funds (the “DHCD VHTF Permanent Loan” and together with the DHCD NHTF Permanent Loan and the DHCD HOME Permanent Loan, the “DHCD Loans”), and will enter into certain documents with the Company and DHCD related to the afore-stated loans (collectively, the “DHCD Loan Documents”);

**WHEREAS**, in connection with the development of the Project, the Authority (or a related entity) has committed to make a construction loan that will convert to a permanent loan to the Company in the approximate amount of \$3,935,380 utilizing public housing capital funds (the “Authority Capital Funds Loan”), and will enter into certain documents with the Company related thereto (the “Authority Capital Funds Loan Documents”);

**WHEREAS**, in connection with the development of the Project, the Company will acquire the Project from the Authority pursuant to a deed conveying fee simple interests (the “Deed”) or a long-term ground lease agreement with the Authority (the “Ground Lease”), and desires to enter into or record any and all documents required for the transfer of ownership interests in the Property to the Company, including but not limited to a Deed or a recorded memorandum of the Ground Lease (the “Transfer Documents”);

**WHEREAS**, in connection with the development of the Project, the Authority has committed to make an acquisition loan to the Company in the approximate amount of \$4,875,000, in the form of seller take-back financing (the “Authority Seller Loan”), and will enter into certain documents with the Company related thereto (the “Authority Seller Loan Documents”);

**WHEREAS**, in connection with the development of the Project, the Authority applied, pursuant to previous authorization by the Board of Commissioners of the Authority, to the Rental Assistance Demonstration program (“RAD”) of the Department of Housing and Urban Development (“HUD”) to convert public housing assistance at the Project to Section 8 Project Based Rental Assistance;

**WHEREAS**, subject to HUD approval of the Authority’s request to convert the Project to Section 8 Project Based Rental Assistance, the Company will be required to execute certain agreements necessary to affect the conversion of public housing assistance at the Project, including a RAD Use Agreement, a Housing Assistance Payments Contract for Section 8 Project Based Rental Assistance, and any other documents that may be required pursuant to the RAD program (the “RAD Documents”); and

**WHEREAS**, in order to facilitate the Project, the Authority will act as the management agent for the Project under the terms of a management agreement between the Authority and the Company (the “Management Agreement”).

**WHEREAS**, in order to rehabilitate the Project, the Company will enter into a [Standard

Form of Agreement Between Owner and Contractor (AIA 101-2017), together with General Conditions of the Contract for Construction (AIA 201-2017)], with OKJ Construction Company ("Contractor") pursuant to bids received on May 9, 2023 (the "Construction Contract");

**WHEREAS**, in order to undertake certain limited work and purchase construction materials and equipment to facilitate the timely completion of work to meet RAD completion deadlines, the Company will enter into an Early Start Agreement, subject to HUD approval, with the Contractor the "Early Start Agreement").

**WHEREAS**, in order to facilitate the Project, the Authority has or will pay for or advance funds for costs incurred in connection with architectural, engineering, construction, accounting, legal, and other services provided through contracts with the Authority, the Corporation, or the Company, including but not limited to costs related to the Construction Contract, and the Authority and the Company desire to enter into a Reimbursement, Assignment, and Assumption Agreement to provide for reimbursement to the Authority by the Company of such costs (the "Reimbursement Agreement");

**NOW, THEREFORE, BE IT RESOLVED**, that the Company and the Corporation, on its own behalf and on behalf of the Company, be and it is hereby authorized, empowered, and directed to enter into, execute, and deliver any and all documents as may be necessary or desirable to consummate the transactions described above, including without limitation the Operating Agreement, the Equity Documents, the Old Point National Bank Loan , the DHCD NHTF Permanent Loan Documents, the DHCD HOME Permanent Loan Documents, the DHCD VHTF Permanent Loan Documents, the Authority Seller Loan Documents, the RAD Documents, the Transfer Documents, the Management Agreement; the Construction Contract, the Early Start Agreement, and the Reimbursement Agreement;

**FURTHER RESOLVED**, that the Company and the Corporation, on its own behalf and on behalf of the Company, be and it is hereby authorized, empowered, and directed to furnish to the Fund and VAHM all due diligence materials reasonably requested by the Fund and VAHM in connection with its investment in the Company;

**FURTHER RESOLVED**, that the Company and the Corporation, on its own behalf and on behalf of the Company, be and it is hereby authorized, empowered, and directed to furnish to Old Point, DHCD, and any other lender all due diligence materials reasonably requested by the same in connection with the above-contemplated loans to the Company;

**FURTHER RESOLVED**, that the President of the Orcutt TH 40 Development Corporation or its designee is authorized to enter into a Standard Form of Agreement Between Owner and Contractor (Form AIA 101-2017) and General Conditions of the Contract for Construction (Form AIA 201-2017) RAD conversion construction contract with OKJ Construction Company (Contractor);

**FURTHER RESOLVED**, that the Presidents of the Company and the Corporation and

his/her designee(s), together or individually, without attestation, be and are hereby authorized, empowered, and directed to execute and deliver on behalf of the Company and the Corporation, on its own behalf and on behalf of the Company, any and all documents, agreements, mortgages, assignments or financing statements required to consummate the foregoing resolutions, and that such officers or staff of the Company and the Corporation be and are hereby authorized, empowered, and directed to furnish all materials necessary to consummate the foregoing resolutions;

**FURTHER RESOLVED**, that the President of the Corporation and his/her designee(s), together or individually, be and they hereby are authorized, empowered, and directed to take such further action on behalf of the Company and the Corporation, on its own behalf and on behalf of the Company, as they deem necessary to effectuate the foregoing; and

**FURTHER RESOLVED**, that any previous execution and delivery or furnishing of documents and any other actions by the Company and the Corporation, on its own behalf and on behalf of the Company, in furtherance of the foregoing resolutions be and are hereby authorized, confirmed, and ratified.

[SIGNATURE PAGE TO RESOLUTION OF THE BOARD OF DIRECTORS OF  
Orcutt TH 40 DEVELOPMENT CORPORATION  
AND CONSENT OF SOLE MEMBER OF Orcutt TH 40 LLC]

CERTIFICATION OF ORCUTT TH 40 DEVELOPMENT CORPORATION

The foregoing resolutions were adopted in accordance with the Articles of Incorporation and Bylaws of Orcutt TH 40 Development Corporation (the "Corporation"), and of the laws of the Commonwealth of Virginia; the Board of Directors of the Corporation has the full power and authority to bind the Corporation, pursuant to the foregoing resolutions; and the resolutions are in full force and effect and have not been altered, modified or rescinded.

IN WITNESS WHEREOF, I have affixed my name as Secretary of the Corporation this 16 day of May, 2023.

COMPANY SECRETARY

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Karen R. Wilds

[SIGNATURE PAGE TO RESOLUTION OF THE BOARD OF DIRECTORS OF  
Orcutt TH 40 DEVELOPMENT CORPORATION  
AND CONSENT OF SOLE MEMBER OF Orcutt TH 40 LLC]

CERTIFICATION OF ORCUTT TH 40 LLC

The foregoing resolutions were adopted in accordance with the Articles of Organization and Operating Agreement of Orcutt TH 40 LLC (the "Company"), and of the laws of the Commonwealth of Virginia; the sole member of the Company has the full power and authority to bind the Company, pursuant to the foregoing resolutions; and the resolutions are in full force and effect and have not been altered, modified or rescinded.

IN WITNESS WHEREOF, I have affixed my name as Secretary of Orcutt TH 40 Development Corporation, as the sole member of the Company, this 16 day of May, 2023.

Orcutt TH 40 Development Corporation,  
the sole member of Orcutt TH 40 LLC

By: \_\_\_\_\_  
Name: Karen R. Wilds  
Title: Secretary