

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

**October 19, 2021
8:30 a.m.
227-27th Street, Newport News**

1. Pledge of Allegiance to the Flag of the United States of America
2. Roll Call
3. Consider approval of minutes of regular meeting, September 21, 2021.
4. Communications
5. New Business
 - a. Consider a resolution approving the Sale and Development of vacant lots included in RFP #SDVL 03-21 in the Marshall Ridley Choice Neighborhood
 - b. Consider a resolution authorizing the formation of OTH-I LLC as successor limited partner in the Orcutt Townhomes I, L.P. and Creation of Orcutt TH 40 LLC and Orcutt TH 40 Development Corporation
 - c. Consider a resolution authorizing the Rental Assistance Demonstration Program Application for the Orcutt Townhomes Project to the Department of Housing and Urban Development
6. Report to the Board
7. Closed session in accordance with the Virginia Freedom of Information Act, Code of Virginia, Section 2.2-3711
8. Consider adoption of resolution certifying a Closed Meeting in conformity with Virginia law.
9. Any other business to come before the Board.
 - Comments from the Public: (*Time Limit 5 Minutes*)
10. Adjournment

**Minutes of a Meeting of the
Newport News Redevelopment and Housing Authority
September 21, 2021**

Having duly given public notice, the Board of Commissioners of the Newport News Redevelopment and Housing Authority met at the offices of the Authority and electronically at 227-27th Street, in the City of Newport News, Virginia, at 8:30 a.m. on Tuesday, September 21, 2021.

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

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

Commissioner's present: -

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

Also present:

- Raymond H. Suttle, Jr. – from NNRHA Board Room
Jones, Blechman, Woltz & Kelly, P.C.
- Karen R. Wilds – from NNRHA Board Room
Executive Director
- Sandra Powell – from NNRHA Board Room
Deputy, Executive Director
- Carl V. Williamson – from NNRHA office via Zoom
Director of Housing
- Valarie Ellis, Director – from NNRHA office via Zoom
Administrative Services
- Lisa Dessoify, Director – from NNRHA office via Zoom
Finance
- David Staley, Director – from NNRHA office via Zoom
Community Development
- Teresa Bennett – from NNRHA Board Room
Executive Assistant
- Justin Orie – from NNRHA Board Room
NNRHA IT Department
- Tricia Wilson – via Zoom
City of Newport News, Department of Development

Approval of Minutes, June 15, 2021 Commissioner Black moved that the minutes of the meeting of the Board of Commissioners held on June 15, 2021 be approved as presented. The motion was seconded by Commissioner Holloman and passed with a unanimous vote.

Communications The following communications were provided to the Board and reviewed by the Executive Director. 1) A letter from the U.S. Department of Housing and Urban Development (HUD) dated August 17, 2021 concerning the prospective application to convert assistance under the Rental Assistance Demonstration (RAD) program – Project Based Voucher (PBV) conversion from moderate rehabilitation for Single Room Occupancy (SRO) contract for the Warwick SRO. HUD has determined the Conversion Plan meets the requirements to proceed with the RAD conversion request. The approval of the Conversion Plan is condition upon a firm commitment of financing on substantially the same terms as those presented in the Conversion Plan.

**Minutes of a Meeting of the
Newport News Redevelopment and Housing Authority
September 21, 2021**

New Business

The Board of Commissioners of the Newport News Redevelopment and Housing Authority Authorizing the Executive Director to execute a contract for services between the City of Newport News and the Newport News Redevelopment and Housing Authority to administer the fiscal year 2021-2022 HOME Investment Partnerships Program

The Board had been provided copies of a resolution authorizing a Contract for Services between the NNRHA and the City of Newport News for the administration of the HOME Investment Partnerships Program for 2021-2022. The City of Newport News' Consolidated Plan for Housing and Community Development is a planning requirement of the U.S. Department of Housing and Urban Development (HUD) for the receipt and use of Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) funds. As a recipient of these funds, the City is required to prepare a long-range consolidated plan that identifies housing, community and economic development needs and determines priorities, establishes strategic goals and allocate resources for programs funded by HUD and administered by the City. The Authority administers both of the programs on behalf of the City of Newport News under separate contract agreements. The 2021-2022 HOME budget consists of \$771,200 in entitlement funding from the Department of Housing and Urban Development and \$140,000 in estimated program income for a total of \$911,200. Administrative costs are set at 10% of the total HOME budget and at least 15% of funds must be set aside for specific activities to be undertaken by an approved CHDO.

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

The Board of Commissioners of the Newport News Redevelopment and Housing Authority Authorizing the Executive Director to execute a Contract for Services between the City of Newport News and the Newport News Redevelopment and Housing Authority to administer the fiscal year 2021-2022 Community Development Block Grant Program

The Board had been provided copies of a resolution to execute contracts for services between the City of Newport News and the Newport News Redevelopment and Housing Authority for the administration of the Community Development Block Grant (CDBG) for the 2021-2022 fiscal year. The City Council approved the Consolidated Plan for Housing and Community Development and the Annual Action Plan on May 25, 2021 and authorized the City Manager to execute contracts with NNRHA. The Authority administers the CDBG program on behalf of the City of Newport News. The CDBG program is a flexible US Department of Housing and Urban Development (HUD) entitlement program that provides communities with resources to address a wide range of unique community development needs. The City receives annual entitlement grant funds to provide decent affordable housing, services to the most vulnerable in our communities, and to create jobs through the expansion and retention of businesses. The 2021-2022 Annual Action Plan budget for CDBG activities consists of \$1,327,413 in 2021-2022 CDBG Entitlement Funds and \$150,000 in CDBG estimated program income for a total of \$1,477,413.

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

The Board of Commissioners of the Newport News Redevelopment and Housing Authority Authorizing the Executive Director to enter into contracts for services with Hampton Roads Community Action Program, inc., Boys and Girls Clubs of the Virginia Peninsula, Freedom Outreach Center, Inc., LINK of Hampton Roads, Inc., Transitions Family Violence Services, Inc., Peninsula Agency on Aging, Inc., Menchville House Ministries, Inc. and House of Refuge Worship Center

The Board had been provided copies of a resolution authorizing the Executive Director to enter into contractual agreements with eight (8) non-profit organizations for fiscal year 2021-2022, contingent upon the City Manager's signature of the 2021-2022 Consolidated Housing and Community Development Agreement between the City and the Authority. Ms. Wilds stated that copies of the contracts will be submitted to Mr. Suttle, with Jones, Blechman, Woltz and Kelly, for his review.

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

The Board of Commissioners of the Newport News Redevelopment and Housing Authority Approving a Loan Agreement of the

The Board had been provided copies of a resolution approving a loan payment arrangement. Ms. Wilds stated over the past eleven years, the Board has approved several loan modifications for this business. In June 2019, the NNRHA Board approved to extend the term for 24 months and allow continued payments of \$200 per month through June, 2021. The extended loan term ended June 20, 2021 with a balloon payment balance due of approximately \$65,760.88. NNRHA staff sent a

**Minutes of a Meeting of the
Newport News Redevelopment and Housing Authority
September 21, 2021**

**Newport News Urban
Development Action
Grant Loan Funds for
Pearlie's Restaurant**

notification letter to the business owners requiring the outstanding balance be paid by August 30, 2021. On August 10, 2021, NNRHA and City staff met with the owners. The owners asked if the NNRHA Board would consider forgiving all or a portion of the debt and release the liens on both the business and rental properties used as collateral for the debt. Given the previous approved modifications, the staff discouraged such a request. The owner asked if she could pay off the balance in full by December 31, 2021. The owners requested to make four monthly installments to pay off the loan balance. The Authority and City staff advised the owner that the request would be recommended at the September Board meeting if a good faith payment was made prior to the meeting. The Authority received the first payment of \$16,250 on September 7, 2021. The Authority attorney will prepare all loan documents to effectuate this loan repayment agreement.

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

Report to the Board

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

Mr. Williamson reported Dominion Terminal Associates sponsored a \$10,000. Scholarship award, brand new laptop and a \$150. Gift card to the 2021 NNRHA scholarship awardee who is a resident at Marshall Courts. Mr. Williamson also reported that in this month's newsletter there is information about voter registration and information regarding the new child tax credit.

Ms. Dessoffy reported last week we had our entrance conference with the auditors for the fiscal year 2021 audit. They will be doing some internal compliance work the first and second week of December. They will also be doing additional field work in January. Our audit is due the end of March to HUD. We submitted our unaudited financial statements to HUD last week. This is something that we do every year.

Ms. Ellis reported all staff must be vaccinated for COVID-19 by October 1st, unless medical or religious reasons. Those that are not vaccinated will be required to have weekly testing.

Mr. Staley reported that renovations are progressing smoothly with Spratley House. We had some initial delays but OKJ construction has made up the delay and we are on track for completion in January.

Ms. Powell reported construction for the first phase of the multifamily housing at 2700 and 2800 Jefferson Avenue are under construction now. We have also started the planning of phase two which will be on the Ridley site. The phase two development will be approximately 155 units. We have started the design and had a community meeting in August and that was well attended. We have also started the financing work for phase two. We are also working on getting the final approval for the demolition of the Ridley site. We are planning on starting the demolition in October/November timeframe. We are also allowing law enforcement to use the site for training purposes prior to demolition.

Closed Session

Other Business

Adjournment

There being no other business to come before the Board, the Chairman adjourned the meeting at 8:54 a.m.

Secretary-Treasurer

ITEM NO. 4

COMMUNICATIONS



189 Commerce Court
PO Box 189
Cheshire, CT 06410-0189

203-272-8220 or 800-873-0242
fax 203-271-2265
www.housingcenter.com

September 29, 2021

Karen Wilds
NNRHA
PO BOX 797
Newport News, VA
23607
US

RE: Low Loss Ratio Award

Dear Member:

Congratulations! On behalf of HAI Group, I would like to congratulate you on receiving the **Low Loss Ratio Award** for the 2017-2019 HARRG policy years. Enclosed is a certificate for your housing authority to post in recognition of this achievement.

Award recipients are determined using general liability claims data over the three policy years:

- Your loss ratio is calculated using open and closed general liability claims (BIGL, PIGL, PDGL).
- You must have an average loss ratio below 50% over the three-year period.
- Your general liability coverage is current and was continuous during the evaluation period.

The Risk Control Committee recognizes consistently positive performance by acknowledging members with low loss ratios. Your commitment to risk management hasn't gone unnoticed. We truly appreciate your diligence and encourage you to continue the hard work that brought you these results.

Sincerely,

A handwritten signature in black ink, appearing to read "Elizabeth Owens".

Elizabeth Owens
Director, Risk Control & Consulting

Enclosure



2021

LOW LOSS ACHIEVEMENT AWARD

Presented to

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY, VA

To recognize your consistent positive performance in achieving a low loss ratio
in general liability claims for the years 2017, 2018, and 2019

Presented by HAI Group



Elizabeth Owens
Director, Risk Control & Consulting

ITEM NUMBER 5

New Business

- a. Consider a resolution approving the Sale and Development of vacant lots included in RFP #SDVL 03-21 in the Marshall Ridley Choice Neighborhood
- b. Consider a resolution authorizing the formation of OTH-I LLC as successor limited partner in the Orcutt Townhomes I, L.P. and Creation of Orcutt TH 40 LLC and Orcutt TH 40 Development Corporation
- c. Consider a resolution authorizing the Rental Assistance Demonstration Program Application for the Orcutt Townhomes Project to the Department of Housing and Urban Development

**NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
MEMORANDUM**

DATE: October 12, 2021
TO: All Members, Board of Commissioners
FROM: Karen R. Wilds, Executive Director 
SUBJECT: Approval of the Sale and Development of vacant lots included in RFP
SDVL 03-21 in the Marshall-Ridley Choice Neighborhood

On March 30, 2021, the Authority initiated a Request for Proposal for Sale and Development of vacant lots in the Marshall-Ridley Choice Neighborhood (RFP #SDVL-03-21) to seek qualified residential developers and contractors to construct single-family dwelling units on in-fill parcels. The city-owned vacant parcels are to be made available to the selected proposer(s) to design, build and sell owner-occupied, single-family homes in the MRCN area. The lots are comprised of various size lots, some of which will be combined to create fourteen (14) buildable parcels.

Developers could submit proposals for one, some, or all of the parcels. Six (6) firms submitted proposals. Immediately following the submittal deadline, the evaluation panel, including City and NNRHA staff, began independent evaluation of the proposals. The panel also invited all six proposers to be interviewed and discuss their proposals. The panel determined four of the six were the most qualified firms. They include: Tobee Homes, CBEG, New Homes Builders, Inc, and Hickmann Brand. A listing of the score sheet is attached.

The Newport News City Council will be taking action to convey the lots to NNRHA. I am recommending that following conveyance to the Authority, these lots will be sold to the four private developers recommended by the panel. The developers will be required to pay the current assessed value per lot to take title to the subject parcel(s). The sale and transfer of the parcels will be subject to the terms and conditions of an Agreement for Purchase and Sale of Real Property and a Development Agreement to be reviewed and approved by Mr. Suttle.

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

**RESOLUTION OF THE NEWPORT NEWS REDEVELOPMENT AND HOUSING
AUTHORITY AUTHORIZING THE SALE AND DEVELOPMENT OF VACANT LOTS
INCLUDED IN RFP # SDVL 03-21 IN THE MARSHALL-RIDLEY CHOICE
NEIGHBORHOOD**

WHEREAS, on March 30, 2021, the Authority initiated a Request for Proposal for Sale and Development of city-owned vacant lots in the Marshall-Ridley Choice Neighborhood (RFP #SDVL-03-21) to seek qualified residential developers and contractors to construct single-family dwelling units on in-fill parcels; and

WHEREAS, these city-owned vacant parcels are comprised of various size lots, some of which will be combined to create fourteen (14) buildable lots; and

WHEREAS, the Newport News City Council will take action to convey the lots to NNRHA; and

WHEREAS, NNRHA will negotiate and enter into development agreements with the selected qualified developers; and

WHEREAS, the developers will be required pay the current assessed value per lot and take title to the subject parcel(s) subject to the terms and conditions of an Agreement for Purchase and Sale of Real Property and a Development Agreement with the Authority; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Newport News Redevelopment and Housing Authority authorizes the Executive Director to negotiate and execute all documents necessary to sell the properties following conveyance from the City to the four recommended private developers.

ATTACHMENT
List of Vacant Lots

Buildable Lot	SITE ADDRESS	PARCEL	DIMEN	Story Requirement	Sales Price Based on Current Assessment Value of combined lots
1	620 36TH ST	299040504	50X100	NA	\$15,000
	618 36th ST	299040503	25X100		
2	729 20TH ST	312040338	25X100	NA	\$15,000
	731 20TH ST	312040337	25X100		
	733 20TH ST	312040336	25X100		
3	731 33RD ST	300030421	50X100	NA	\$9,000
4	735 21ST ST	312020452	25X100	NA	\$15,000
	737 21ST ST	312020451	25X100		
	739 21ST ST	312020450	25X100		
5	710 29TH ST	306010546	50X100	2	\$9,000
6	1610 MADISON AVE	316000303	25X100	NA	\$15,000
	1612 MADISON AVE	316000302	25X100		
	1614 MADISON AVE	316000301	25X100		
7	635 34TH ST	305020417	75X100	NA	\$15,000
8	652 20TH ST	312040720	25X100	NA	\$9,000
	654 20TH ST	312040721	25X100		
9	725 16TH ST	316000327	50X100	NA	\$9,000
10	738 18TH ST # B	312040617	25X100	2	\$9,000
	740 18TH ST	312040618	25X100		
11	2803 MADISON AVE	306030233	50X100	2	\$9,000
12	744 20TH ST	312040422	25X100	NA	\$15,000
	746 20TH ST	312040423	25X100		
	748 20TH ST	312040424	25X100		
13	2005 MARSHALL AVE	312020434	50x100	2	\$9,000
14	737 20TH ST	312040334	37.5X100	NA	\$15,000
	741 20TH ST	312040331	37.5X100		

Marshall-Ridley Choice Neighborhood

RFP #SDVL-03-21

Reviewer: Overall Scores

Proposer	Scoring						TOTAL	Average score	# of lots recommended
	Sandra Powell (NNRHA)	David Staley (NNRHA)	Eoghan Miller (City)	Sheila Mcallister (City)	Harold Roach (City)	Derek Perry (City)			
Tobee Homes	87	86	95	86	95	95	544	90.67	5
CBEG	85	75	88	83	95	90	516	86.00	3
New Homes Builders, Inc.	82	63	83	73	90	70	461	76.83	3
Hickmann Brand	70	58	87	50	80	70	415	69.17	3
Dominion CDC	55	46	78	25	70	60	334	55.67	0
Innovative Developments	NA	NA	NA	NA	N/A	NA	N/A	N/A	0

NEWPORT NEWS REDEVELOPMENT & HOUSING AUTHORITY**MEMORANDUM**

DATE: October 14, 2021

TO: All Members, Board of Commissioners

FROM: Karen R. Wilds, Executive Director 

SUBJECT: Authorization to form OTH-I LLC as successor limited partner in the Orcutt Townhomes I, L.P and Creation of Orcutt TH 40 LLC and Orcutt TH 40 Development Corporation.

The 40-unit Orcutt Townhomes I property in the vicinity of 36th Street and Orcutt Avenue in the Southeast area of the city was developed by NNRHA in the early 2000s. Low Income Housing Tax Credits (LIHTC) received by NNRHA were combined with capital funds to undertake this mixed finance development that was placed in service in 2005.

The required fifteen (15) year LIHTC compliance period has been fulfilled and the existing investor (limited) partner and special limited partner in the Orcutt Townhomes I L.P. (owner of the property) has requested to voluntarily withdraw from the partnership.

The investor partner, Housing Equity Fund of Virginia X L.L.C. and the special limited partner (Virginia Affordable Housing Management Corporation) have successfully met their IRS obligations in accordance with the partnership agreement.

In order to continue the partnership and operation of the Orcutt Townhomes property, the withdrawing entities must be replaced with a successor limited partner. Thus, in accordance with Title 36 of the Code of Virginia the attached resolution requests that the Board of Commissioners consider the formation of the OTH-I LLC, and that the City Council likewise approve this proposed action. This entity will be wholly owned by NNRHA. This is an interim arrangement until such time that we need a structure that will facilitate the submission of a RAD application for this project that was authorized by the Board in a separate action. It is proposed that the Board consider in the attached resolution for the formation of the Orcutt TH 40 LLC and the Orcutt TH 40 Development Corporation. These entities allow for a new equity partner so that we may accomplish a comprehensive renovation of the property with a successful LIHTC award. The creation of these entities must also be approved by the City Council and will enable NNRHA to submit a LIHTC request to Virginia Housing in early 2022.

In the existing L.P partnership and in the new entity to be created the managing partner will continue to be the respective Development Corporation, which will be governed by a Board of Directors comprised of the current members of the NNRHA Board of Commissioners. The NNRHA Executive Director will continue to serve as President of the Corporation, similar to previous NNRHA developed tax credit developments in the community. A concurrent meeting of the existing corporation will be held to consider the entry of the OTH-I LLC into the partnership subject to Board and City Council approval of this entity.

Until the Orcutt Townhomes Project is converted via RAD, the provisions in the existing partnership agreement will remain in full force and effect. However, in conjunction with the proposed interim transfer, a \$20,000 transfer fee will be paid by the Orcutt Townhomes I L.P. to the withdrawing limited partner to cover legal and transfer costs. These non-federal funds will be paid from the property's operating reserve fund.

Accordingly, the attached resolution presented for your consideration authorizes the formation of the OTH-I LLC as the successor limited partner to the withdrawing investor and special limited partners and the formation of the Orcutt TH 40 LLC and Orcutt TH 40 Development Corporation. It further requests that similar actions be taken by the Newport News City Council.

The formation of these entities is essential to the continued operation of the Orcutt Townhomes property and Board approval of the attached resolution is recommended.

**RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE NEWPORT NEWS
REDEVELOPMENT AND HOUSING AUTHORITY AUTHORIZING THE FORMATION
OF OTH-I LLC AS SUCCESSOR LIMITED PARTNER IN THE ORCUTT
TOWNHOMES I L.P. TO ALLOW FOR EXIT OF INVESTOR PARTNER AND THE
FORMATION OF THE ORCUTT TH 40 LLC AND THE ORCUTT TH 40
DEVELOPMENT CORPORATION TO ALLOW FOR RAD CONVERSION OF THE
PROPERTY AND REQUESTING NEWPORT NEWS CITY COUNCIL APPROVAL OF
THESE PROPOSED ENTITIES**

WHEREAS, the Orcutt Townhomes Project (hereinafter the Project) provides safe, decent, affordable housing to low-income families and individuals in the City of Newport News; and

WHEREAS, the federal Low Income Housing Tax Credit (LIHTC) program, and proceeds from the sale of such tax credits, in combination with capital funds, were utilized to develop this mixed finance project which was placed in service in 2005; and

WHEREAS, the required fifteen (15) year LIHTC compliance period has been fulfilled and the limited (investor) partner and the special limited partner, which have successfully met their obligations under the partnership agreement, wish to withdraw from the Orcutt Townhomes I L.P. partnership; and

WHEREAS, a successor limited partner (OTH-I LLC) must be created to replace the current (investor) partner and special limited partner in the Partnership to enable the Project to continue to operate as affordable housing to families and individuals in the city; and

WHEREAS, new ownership and development entities (Orcutt TH 40 LLC and Orcutt TH 40 Development Corporation) must be formed to enable NNRHA to request a set aside of federal tax credits (LIHTC) from Virginia Housing which is essential for the conversion and rehabilitation of the complex via HUD's Rental Assistance Demonstration Program (RAD); and

WHEREAS, Title 36 of the Code of Virginia requires that the formation of legal entities by local public housing authorities be approved by the local public agency (NNRHA) and the local governing body (Newport News City Council); and

WHEREAS, continued operation and refurbishment of the Orcutt Townhomes Project are in the best interests of the residents of the city and furtherance of the housing goals of the community.

NOW THEREFORE BE IT RESOLVED:

- (1) That in accordance with Title 36 of the Code of Virginia the Board of Commissioners authorizes the creation of the OTH-I LLC, Orcutt TH 40 LLC and


Orcutt TH 40 Development Corporation, and the Executive Director is hereby authorized to take the necessary actions to form these entities in accordance with applicable requirements.

- (2) BE IT FURTHER RESOLVED that the Board of Commissioners requests that the Newport News City Council likewise approve the formation of these entities.

NEWPORT NEWS REDEVELOPMENT & HOUSING AUTHORITY**MEMORANDUM**

DATE: October 14, 2021

TO: All Members, Board of Commissioners

FROM: Karen R. Wilds, Executive Director 

SUBJECT: Rental Assistance Demonstration Program Application for the Orcutt Townhomes Project to the Department of Housing and Urban Development

NNRHA is participating in the Department of Housing and Urban Development's (HUD) Rental Assistance Demonstration Program (RAD). To date, the Oyster Point, Brighton, Cypress Terrace, Orcutt Townhomes III, Lassiter Courts and Spratley House Projects have been completed or are underway (Spratley House renovations) via RAD conversion.

In accordance with NNRHA's approved five year plan, studies will begin shortly on the Orcutt Townhomes Project to determine its viability as a RAD conversion and rehabilitation. This 40 unit (all three bedrooms) project was completed and occupied in 2005 by NNRHA as a mixed finance endeavor utilizing federal tax credits (LIHTC) and capital funds. Since the LIHTC 15-year compliance period has expired the Board in a separate action at its upcoming meeting will consider the creation of a new Authority owned limited partner to replace the original limited partner that wishes to exit the partnership.

The first step of this proposed RAD conversion, is the submission of a request to HUD to secure a RAD CHAP contract (Commitment to enter into a Housing Assistance Payments Contract) for this undertaking. This is a key prerequisite to securing Section 8 assistance for the property subject to obtaining the myriad of approvals, new public funding and LIHTC generated equity allowed by RAD, and physical and economic studies that are required prior to a conversion to the Section 8 funding platform.

It is expected that HUD review of this initial RAD application will take from 60 to 90 days and should result in receipt of CHAP contract for Orcutt Townhomes early in 2022. This will dovetail with NNRHA's application to Virginia Housing (VH) in March for a set-aside of low income housing tax credits (LIHTC) in its 2022 round of awards. If NNRHA is able to successfully compete for this assistance this award will enable detailed planning and engineering to be undertaken during 2022 in concert with the other requirements that will enable closing and conversion of this project in late 2022 or early 2023.

Board approval of the attached resolution authorizing the Executive Director to submit an initial RAD application to HUD is recommended.

**RESOLUTION OF THE BOARD OF COMMISSIONERS AUTHORIZING
SUBMISSION OF A RENTAL ASSISTANCE DEMONSTRATION (RAD)
APPLICATION FOR THE ORCUTT TOWNHOMES PROJECT TO THE
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

WHEREAS, the Newport News Redevelopment and Housing Authority (NNRHA) is participating in the Department of Housing and Urban Development's (HUD) Rental Assistance Demonstration Program (RAD); and

WHEREAS, NNRHA to date has converted and refurbished, via the RAD Program, the Cypress Terrace, Oyster Point, Brighton, Orcutt III, Lassiter Courts and Spratley House (the latter is ongoing); and

WHEREAS, it has been determined that participation in the RAD program to preserve and enhance the long-term viability of this project is in the best interests of the NNRHA, the City of Newport News and residents of this community, and

WHEREAS, meetings have been held with residents of the Orcutt Townhomes Project in accordance with RAD requirements.

NOW THEREFORE BE IT RESOLVED:

- That it is hereby determined that participation in the RAD Program, and use of related financing and other requests, to enable NNRHA to take advantage of the benefits of the RAD program, is in the best interests of NNRHA, the City and affected residents.
- The Executive Director is hereby authorized to submit a RAD application for the Orcutt Townhomes Project to HUD to secure a CHAP contract and to take related actions required to effectuate the funding and capitalization of this development, including a request for a set aside of 9% low-income housing tax credits (LIHTC) from Virginia Housing in its upcoming 2022 funding round.
- That it is understood that participation in the RAD Program requires strict adherence to the requirements of PIH Notice 2012-32 and the Fair Housing and Civil Rights requirements of 24 CFR 5.105 (a) and all applicable federal and state rules and regulations.

- That the Executive Director is hereby authorized to execute applicable application forms for the Orcutt Townhomes Project as the same may be amended as due diligence and further studies are completed for this undertaking.
- That the Executive Director is further authorized to take such other actions required to effectuate activities related to the RAD program for the Orcutt Townhomes Project and related financing and other requests.

REPORT TO THE BOARD

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY

OCTOBER 2021

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

Sandra Powell, 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

The public review and comment period for the 2020-2021 Consolidated Annual Performance and Evaluation Report (CAPER) ended on Thursday, September 16, 2021. No public comments were received. The CAPER was submitted to HUD for formal review and approval.

The Annual Action Plan (AAP) for FY 2021-2022 continues to be under review by HUD. A date has yet to be provided as to when the AAP will be finalized.

INDIEDWELL CONTAINER HOUSING

IndieDwell engineers are working on providing a roof design that will be feasible. We are expecting a resolution by mid-October.

REHABILITATION

Feasibility Inspections continue to be conducted for all Residential Rehabilitation Programs with four (4) Emergency repairs and one (1) Open House cases completed since July 1.

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

	Emergency Repair	Open House	HOMEcare	All Programs
Projects in Underwriting	4	3	2	9
Projects Pending Appr	3	3	0	6
Ongoing Projects	2	1	0	3
Total in Process	9	7	2	18

REDEVELOPMENT

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

Down Payment Assistance (DPA) Fiscal Year: July 1, 2021 – June 30-2022				
Program Year 21-22 (Completed)	Denied	Pending Additional Documentation	Current Month (Completed)	Underwriting in Process
9	2	0	1	0

RENTAL ASSISTANCE DEMONSTRATION

Spratley House (50 Apartments)

Project is more than 58% complete and satisfactorily progress is being made. Delay issues have been resolved.

Marshall Courts Phase VII

The Marshall Courts Phase VII demolition project is in its early design phase with the feasibility study having been completed.

CHOICE NEIGHBORHOOD INITIATIVE (CNI)

Construction of the first phase of housing, two multi-family buildings located on Jefferson Avenue between 27th and 29th Street, is proceeding. The projected completion date is summer, 2022.

Planning and design of the Phase Two development on the Ridley site continues. The Citizen Advisory Committee, City and NNRHA staffs are working with the design team to develop a final concept plan for the site. Demolition of the existing Ridley Place housing is scheduled to begin in late October.

Work has begun to secure funding for Ridley Place on-site development. Applications for state funding and additional 4% Low-income Housing Tax Credits will be submitted this month.

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

All Ridley residents have relocated to new housing as of June 30, 2021.

A new People Plan Lead entity will be selected through an RFP process to replace the current provider, Hampton Roads Community Action Program (HRCAP). HRCAP will cease CNI operations as of November 29, 2021 and

an interim plan to provide services to Ridley residents is being developed.

PUBLIC AND ASSISTED HOUSING

OCCUPANCY REPORT

Total Waiting List Applications:

Public Housing		449
Approved/Eligible	89	
Pending	360	
Section 8		447
Approved/Eligible	86	
Pending	361	

The pending numbers for the Public Housing Program (360) and the Housing Choice Voucher Program (361) represent the total number of applications being processed for eligibility for housing assistance. Some of these families will be determined to be ineligible based on income, landlord references or criminal activity. Therefore, these numbers may fluctuate each month.

Applicants Housed in September

Public Housing Program	8
Housing Choice Voucher	36
Mod-Rehab (SRO)	<u>1</u>
Total	45

Occupancy Statistics:

Public Housing Program (of 1,098 units)	97%
Section 8 Program (baseline 2,813);	94%
Warwick SRO (of 88 units)	100 %

Avg. # of Leasing Days (Public Housing) 22

Average Family Rent Contribution for Move-ins Last Month:

1. Public Housing	\$311.
2. Housing Choice Voucher	\$345.
3. Warwick SRO	\$149.

Lease Rate –Sept 2021 94%

Cumulative Percentage of Section 8
Budget Authority Utilized Sept, 2021 98.6%

The wait list for Great Oaks Senior Housing will be open on October 18th and 19th.

**FAMILY INVESTMENT CENTER (FIC)
ACTIVITIES**

EMPLOYED F.I.C. PARTICIPANTS Sept, 2021 (since 1995)	
Aqueduct	112
Ashe Manor	0
Brighton	46
Cypress	24
Dickerson	185
Harbor Homes	126
Lassiter	95
Marshall	163
Orcutt	28
Orcutt TH	10
Oyster Point	23
Pinecroft	7
Ridley	383
Section 8	71
Spratley	2
Total	1,275

**FAMILY SELF-SUFFICIENCY (FSS)
UPDATE**

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

Housing Choice Voucher Families/FSS	69
Public Housing Families/FSS:	56
HCV Homeownership:	65
Total	190

Ridley Relocation as of 10/6/2021

Total Leased (New Unit) All Phases-225
Total RFTA-1
Total in Temporary Unit/Port-2
Total in Temporary Unit/Searching for S8 Unit-13

**Community Resources Resident
Relations - Seniors**

Medicare Open Enrollment Starts Soon

Medicare open enrollment starts on October 15th and continues through December 7th. During this time, Medicare plan enrollees can reevaluate their coverage and make changes if they like. Changes may be needed if the enrollee:

- * Has new health needs
- * Their prescription medications have changed
- * Their current plan has changed or removed some of its benefits

Ken Hodge, Benefit Plan Services, conducted a Medicare Enrollment Question and Answer Session on **September 1st**. Twenty-five residents attended, learned about Medicare enrollment, and then played some bingo! A little information combined with a little fun.

In October, informational programs are scheduled at both Pinecroft Apartments and Ashe Manor on Humana, Optima, and



United Health Care programs. In addition to Mr. Hodge, Leslie Young, The Benefits Center, will be facilitating several of those programs.



Senior Happenings

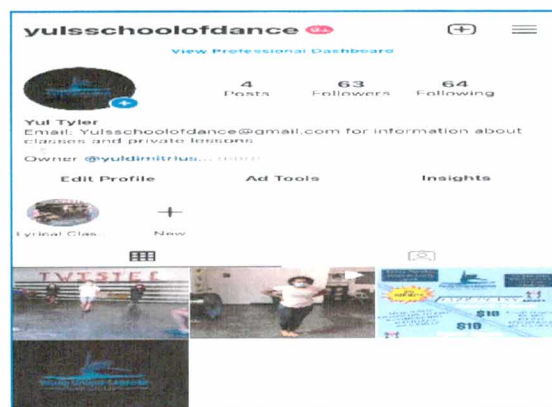
On **September 9th**, JenCare Senior Medical Center sponsored Bingo at Pinecroft Apartments for 25 residents.

On **September 21st**, Leslie Young, The Benefits Center, conducted a Life Insurance Workshop where she provided

information and answered questions about life insurance. Ms. Young is an independent agent offering multiple life insurance company options. KFC lunches were provided to the 25 residents who attended.

Resident Relations – Highlight on Youth

Yul Tyler Jr. was the 2017 NNRHA Agency scholarship recipient. He is currently enrolled at Virginia Commonwealth University majoring in Health Science. He is also an entrepreneur and the owner of the *Young Unique Legends School of Dance* located at 55 Labrook Concourse, Richmond, Virginia 23224. The school enrolls youth from ages 9-18 and teaches the jazz and dance. The classes include Choreography, Stretching and Technique placement. Yul took a break from his studies due to COVID-19 and the loss of his father last semester. He plans to graduate the 2022 school year.



**Other NNRHA Controlled Multi-Family Properties
Waiting Lists as of September, 2021**

Property	Occupancy Rate	Approved/Eligible	Pending	Total
Orcutt Townhomes III	100%	16	10	26
Cypress Terrace	96%	10	59	69
Oyster Point/Brighton	93%	10	96	106
Great Oak	98%	90	60	150
Lofts on Jefferson	100%	6	2	8
Jefferson Brookville	98%	7	12	19
Lassiter Courts	98%	2	39	41

Family Self Sufficiency (FSS)

Following is a current breakdown of the status of FSS participants in the Public Housing and Housing Choice Voucher Programs for the month of September, 2021.

Participants:	Public Housing	Housing Choice Voucher	Total
Total number in FSS Program	25	76	101
Employed	13	51	64
Currently not working	9	21	30
Attending Thomas Nelson Comm. College	0	1	1
Enrolled in other Training Program	2	1	3
Employed and going to school	1	2	3
Participants with escrow accounts	11	36	47

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
2021 Housing Choice and Mainstream Voucher Program Utilization Report - Actual
For the Year Ending December 31, 2021

CY Housing Choice 2021 Annual Budget Authority															\$ 21,659,104	Final budget: 100%	
Additional VASH budget authority															60,089		
Additional CNI budget authority															933,804 <th colspan="2"></th>		
Housing Choice Voucher Funding															\$ 22,652,997		
Mainstream Voucher Program Funding															\$ 524,146	Final	
Emergency Housing Voucher Program Funding															\$ 270,432		
Baseline HCV Units															2552		
VASH units															54		
CNI tenant protection															187	2793	
Mainstream Vouchers															141		
Emergency Housing Vouchers															32		
															2966		
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		FSS Forfeitures	Fraud Recovery	Other Sources Of Funds	NNRHA Held Reserve Balance	HUD Held Reserve Balance			
								From HUD									
January	HCV MS 2578	93.0%	\$ 1,762,573.00	\$ 683.70	\$ (168,467.00)	91.3%	91.3%	\$1,931,040.00	\$ 4,094.38	\$		\$ 4,094.38	\$ 834,983.67	1,054,172.72			
		55.3%	\$ 52,867.00	\$ 677.78	\$ 52,867.00	107.8%	107.8%	\$49,059.00						1,043,615.48			
February	HCV MS 2594	93.5%	\$ 1,778,481.00	\$ 685.61	\$ (149,426.00)	92.2%	91.8%	\$1,927,907.00	\$	1,886.50	\$	1,886.50	\$ 986,296.17	1,064,860.39			
		57.4%	\$ 53,838.00	\$ 664.67	\$ 4,779.00	109.7%	108.8%	\$49,059.00									
March	HCV MS 2594	92.9%	\$ 1,789,670.58	\$ 689.93	\$ (147,309.42)	92.4%	92.0%	\$1,936,980.00	\$	1,049.00	\$	1,049.00	\$ 1,134,654.59	1,073,351.05			
		61.0%	\$ 57,717.00	\$ 671.13	\$ 7,000.00	113.8%	110.5%	\$50,717.00									
April	HCV MS 2601	93.1%	\$ 1,793,447.00	\$ 689.52	\$ (138,787.00)	92.8%	92.2%	\$1,932,234.00	\$	\$	\$	-	\$ 1,273,441.59	1,065,445.22			
		60.3%	\$ 57,083.00	\$ 671.56	\$ 3,159.00	105.9%	109.2%	\$53,924.00									
May	HCV MS 2609	93.4%	\$ 1,791,158.00	\$ 686.53	\$ 557,417.00	145.2%	99.5%	\$1,233,741.00	\$ 393.00	\$	419.50	\$ 812.50	\$ 716,837.09	1,728,175.39			
		66.7%	\$ 62,075.00	\$ 660.37	\$ 8,151.00	115.1%	110.5%	\$53,924.00									
June	HCV MS 2604	93.2%	\$ 1,789,562.00	\$ 687.24	\$ (100,770.00)	94.7%	98.6%	\$1,890,332.00	\$ 24,392.00	\$	874.00	\$ 25,266.00	\$ 842,873.09	1,744,953.05			
		70.2%	\$ 63,340.00	\$ 639.80	\$ 51,167.00	520.3%	129.0%	\$12,173.00									
July	HCV MS 2601	93.1%	\$ 1,821,338.00	\$ 700.25	\$ (58,281.00)	96.9%	98.4%	\$1,879,619.00	\$	495.50	\$	495.50	\$ 901,649.59	1,743,984.55			
		69.5%	\$ 62,697.00	\$ 639.77	\$ 3,826.00	106.5%	125.0%	\$58,871.00									
August	HCV MS 2611	93.5%	\$ 1,841,606.00	\$ 705.33	\$ (38,012.00)	98.0%	98.3%	\$1,879,618.00	\$	839.50	\$	839.50	\$ 940,501.09	1,733,122.05			
		70.2%	\$ 63,416.00	\$ 640.57	\$ 4,545.00	107.7%	125.0%	\$58,871.00									
September	HCV MS 2636	94.4%	\$ 1,863,285.00	\$ 706.86	\$ 15,021.00	100.8%	98.6%	\$1,848,264.00	\$	424.00	\$	424.00	\$ 925,904.09	1,731,543.55			
		73.8%	\$ 65,240.00	\$ 627.31	\$ 6,369.00	110.8%	125.0%	\$58,871.00									
															\$16,905,204.00	\$	34,867.38

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 October 19, 2021 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

**Choice Neighborhood III-R Development Corporation
Board of Directors Meeting
October 19, 2021**

227-27th Street
Newport News, VA 23607

Agenda

1. Roll call
2. Consider approval of minutes of regular meeting, January 19, 2021
3. New Business
 - a. Consider a Resolution approving a pre-development line of credit from Virginia Community Capital
4. Any other business to come before the Board
5. Adjourn

**Minutes of a Meeting of the
Choice Neighborhood III-R Development Corporation
January 19, 2021**

Having duly given public notice, the Board of Directors of the Choice Neighborhood III-R Development Corporation met telephonically and electronically at the offices of the Authority at 227-27th Street, in the City of Newport News, Virginia, at 10:13 a.m. on Tuesday, January 19, 2021.

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

Roll Call

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

Directors Present: Gary B. Hunter – from NNRHA Board Room
Kenneth Penrose – from NNRHA Board Room
Josephine Clark – from NNRHA Board Room
Lisa Wallace-Davis – via Zoom
William Black – from NNRHA Board Room
George Knight – via Zoom

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

Karen R. Wilds – from NNRHA Board Room
Executive Director

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

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

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

Lisa Dessoify, Director – from NNRHA office via Zoom
Finance

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

Teresa Bennett – from NNRHA Board Room
Executive Assistant

Justin Orie – from NNRHA Board Room
NNRHA IT Department

Tricia Wilson
City of Newport News, Department of Development

Annual Meeting

This is the first annual meeting of Choice Neighborhood III-R Development Corporation. Ms. Wilds stated this Development Corporation was established for the housing that will be developed on the Ridley site. We will be applying for Low Income Housing Tax Credits starting in March for funding.

**Election of Chairman
and Vice Chairman**

Mr. Black 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 Ms. Clark and passed with a unanimous vote.

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

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

**Minutes of a Meeting of the
Choice Neighborhood III-R Development Corporation
January 19, 2021**

Adjournment

There being no other business to come before the Board, the Chairman adjourned the meeting at 10:17 a.m.

President

**CHOICE NEIGHBORHOOD III-R DEVELOPMENT CORPORATION
MEMORANDUM**

DATE: October 14, 2021
TO: All Members, Board of Directors
FROM: Karen R. Wilds, Executive Director *KRW*
SUBJECT: Pre-Development Line of Credit for Choice Neighborhood III-R
Development Corporation

Pennrose and Newport News Redevelopment and Housing Authority (NNRHA) have been able to secure a pre-development line of credit from Virginia Community Capital for pre-development expenses related to the development of the referenced project, in the next phase of housing on the Ridley site north of 16th Street for our Choice Neighborhood Initiative program.

As indicated on the attached commitment letter the loan amount of \$1,300,000 will be guaranteed by Pennrose LLC. The term is for one year and monthly interest only payments will be made on the outstanding loan balance. The line of credit will be paid off at the time of closing with deal related construction loans, Low Income Housing Tax Credits or owner equity.

As you will note, I have signed the commitment and Pennrose LLC has paid the 1% origination fee.

This loan will not close until or unless the Choice Neighborhood III-R Development Corporation approves this action.

The attached resolution is recommended for your approval.

**RESOLUTION OF THE CHOICE NEIGHBORHOOD III-R DEVELOPMENT
CORPORATION AUTHORIZING THE CLOSING ON A PRE-DEVELOPMENT LOAN
WITH VIRGINIA COMMUNITY CAPITAL IN THE AMOUNT OF \$1,300,000**

WHEREAS, the NNRHA and City of Newport News successfully competed for a U.S. Department of Housing and Urban Development Choice Neighborhood Initiative (CNI) Implementation Grant for the Marshall-Ridley Neighborhood; and

WHEREAS, the Choice Neighborhood III-R Development Corporation was created to develop a multi-family housing for the on-site redevelopment of the Ridley project; and

WHEREAS, the project has and will incur pre-development expenses for fees and design; and

WHEREAS, Virginia Community Capital has offered a pre-development line of credit in the amount of \$1,300,000 to finance the ongoing pre-development activities of the Choice Neighborhood III-R Development Corporation.

NOW THEREFORE BE IT RESOLVED that the Choice Neighborhood III-R Development Corporation Board of Directors as Manager of Choice Neighborhood III-R, LLC approve said line of credit as outlined in the Loan Commitment letter dated September 14, 2021.



Commitment Letter

September 14, 2021

Richard Barnhart
Pennrose, LLC
Choice Neighborhood III-R LLC
1301 North 31st Street
Philadelphia, PA 19121

Karen Wilds
Newport News Redevelopment and Housing Authority
Choice Neighborhood III -R LLC
227 27th Street
Newport News, VA 23607

Re: Commitment Letter- Predevelopment Loan-Choice Neighborhood III-R LLC

Dear Mr. Barnhart and Ms. Wilds:

I am pleased to advise you that Virginia Community Capital (VCC) (the "Lender") has approved your request for a Predevelopment Line of Credit of \$1,300,000 (the "Commitment"), collectively the "Loan," for predevelopment activities associated with Choice Neighborhood III-R LLC subject to the following terms and conditions:

Loan Terms

Borrowers:	Choice Neighborhood III-R LLC
Guarantors:	Pennrose, LLC
Loan Amount:	\$1,300,000. All advances under the Loan shall be conditioned upon the receipt and approval by Lender of requests for funding.
Purpose:	To serve as predevelopment line of credit to finance the ongoing predevelopment activities of Choice Neighborhood III-R LLC low income housing tax credit deal.

Term:	The term of the loan shall be for 12-months from the date of closing.
Interest Rate:	Interest rate will be fixed at 5.40%. Interest on all Loans shall be computed based on the actual number of days the Loans are outstanding as if each year were composed of 360 days.
Interest Reserve:	\$42,000 shall be set aside from the loan proceeds for monthly interest payments. No interest will be charged on this reserve until expended.
Loan Origination Fee:	1.0% of the total loan amount (\$13,000.00). The commitment fee is due upon commitment acceptance. This fee is considered earned at commitment acceptance and is non-refundable.
Funding Requests:	Each funding request shall be submitted with a detailed cost breakdown and documentation of project related expenses to be reviewed and approved by lender and risk management team.
Payments/Maturity:	Borrower shall make monthly payments of interest only on the outstanding Loan balances commencing on the first day of the second month following loan closing and continuing the first day of each month thereafter to and including the Maturity Date. Funds drawn from established interest reserve.
Prepayment Penalty:	None
Repayment Source:	Repayment sources may include but not limited to: Deal related construction loans, proceeds from the federal low-income housing tax credits, and owner equity.
Collateral:	None
Closing Costs:	Borrower shall pay all out-of-pocket costs and expenses, if any, incurred by Lender about the Loan (pre- and post-closing), including, but not limited to, all costs associated with documenting, recording, closing; and all fees and expenses of VCC's outside legal counsel and Borrower's legal counsel and the cost of any other reports deemed necessary by Lender, whether or not the Loan closes.
Closing Date:	Within 90 days of commitment execution.

Minimum Financial

Reporting Requirements: 2020 Audited Financials of the guarantor, within 120 of
FYE, to be reviewed annually. (Received)

Loan Covenants: None

Closing Conditions: Authorization from Newport News Redevelopment and
Housing Authority for Pennrose to enter into the proposed
loan agreement.

Acceptance; Termination: This Commitment shall terminate automatically without
notice at 5:00 pm eastern standard time on or before **September 27th, 2021**, unless
before that time Borrower has accepted it by delivering a signed original of this letter
to the undersigned and required commitment fee (\$13,000). If all the conditions of
this Commitment have not been satisfied or if Lender and Borrower are unable to agree
on and reduce to writing all of the Loan Documents in a manner satisfactory to both of
them by the Closing Date, time being of the essence, or if there has been any
misrepresentation or any material error in anything submitted to Lender regarding the
Loan or pursuant to any other provision hereof, the Lender shall have the option to
terminate this Commitment.

**THE LOAN DOCUMENTS WILL REPRESENT THE FINAL AGREEMENT
BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY
EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL
AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN
AGREEMENTS BETWEEN THE PARTIES.**

Sincerely,
Virginia Community Capital



Corbin T. Anderson
Vice President/Loan Officer
804-793-0989

Signatures on following pages

The undersigned accept and agree to all terms and conditions of the foregoing Commitment.

For the Borrower:

Choice Neighborhood III-R LLC

Karen Wilds



Signature

Title

KAREN R WILDS

Name (Printed)

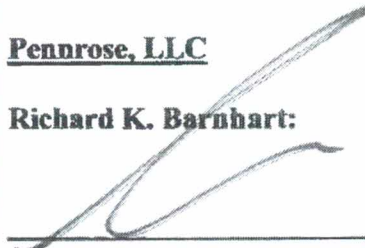
9-15-2021

Date

For the Unconditional Guarantor:

Pennrose, LLC

Richard K. Barnhart:



Chairman and CEO

Signature

Title

Richard K. Barnhart

Name (Printed)

9/17/21

Date

**Choice Neighborhood IV-R Development Corporation
Board of Directors Meeting
October 19, 2021**

227-27th Street
Newport News, VA 23607

Agenda

1. Roll call
2. Consider approval of minutes of regular meeting, January 19, 2021
3. New Business
 - a. Consider a Resolution approving a pre-development line of credit from Virginia Community Capital
4. Any other business to come before the Board
5. Adjourn

**Minutes of a Meeting of the
Choice Neighborhood IV-R Development Corporation
January 19, 2021**

Having duly given public notice, the Board of Directors of the Choice Neighborhood IV-R Development Corporation met telephonically and electronically at the offices of the Authority at 227-27th Street, in the City of Newport News, Virginia, at 10:17 a.m. on Tuesday, January 19, 2021.

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

Roll Call

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

Directors Present: Gary B. Hunter – from NNRHA Board Room
Kenneth Penrose – from NNRHA Board Room
Josephine Clark – from NNRHA Board Room
Lisa Wallace-Davis – via Zoom
William Black – from NNRHA Board Room
George Knight – via Zoom

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

Karen R. Wilds – from NNRHA Board Room
Executive Director

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

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

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

Lisa Dessoify, Director – from NNRHA office via Zoom
Finance

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

Teresa Bennett – from NNRHA Board Room
Executive Assistant

Justin Orie – from NNRHA Board Room
NNRHA IT Department

Tricia Wilson
City of Newport News, Department of Development

Annual Meeting

This is the first annual meeting of Choice Neighborhood IV-R Development Corporation. Ms. Wilds stated this Development Corporation was established for the housing that will be developed on the Ridley site. We will be applying for Low Income Housing Tax Credits starting in March for funding.

**Election of Chairman
and Vice Chairman**

Mr. Black 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 Ms. Clark and passed with a unanimous vote.

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

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

**Minutes of a Meeting of the
Choice Neighborhood IV-R Development Corporation
January 19, 2021**

Adjournment

There being no other business to come before the Board, the Chairman adjourned the meeting at 10:18 a.m.

President

**CHOICE NEIGHBORHOOD IV-R DEVELOPMENT CORPORATION
MEMORANDUM**

DATE: October 14, 2021
TO: All Members, Board of Directors
FROM: Karen R. Wilds, Executive Director *KRW*
SUBJECT: Pre-Development Line of Credit for Choice Neighborhood IV-R
Development Corporation

Pennrose and Newport News Redevelopment and Housing Authority (NNRHA) have been able to secure a pre-development line of credit from Virginia Community Capital for pre-development expenses related to the development of the referenced project, in the next phase of housing on the Ridley site north of 16th Street for our Choice Neighborhood Initiative program.

As indicated on the attached commitment letter the loan amount of \$1,500,000 will be guaranteed by Pennrose LLC. The term is for one year and monthly interest only payments will be made on the outstanding loan balance. The line of credit will be paid off at the time of closing with deal related construction loans, Low Income Housing Tax Credits or owner equity.

As you will note, I have signed the commitment and Pennrose LLC has paid the 1% origination fee.

This loan will not close until or unless the Choice Neighborhood IV-R Development Corporation approves this action.

The attached resolution is recommended for your approval.

**RESOLUTION OF THE CHOICE NEIGHBORHOOD IV-R DEVELOPMENT
CORPORATION AUTHORIZING THE CLOSING ON A PRE-DEVELOPMENT LOAN
WITH VIRGINIA COMMUNITY CAPITAL IN THE AMOUNT OF \$1,500,000**

WHEREAS, the NNRHA and City of Newport News successfully competed for a U.S. Department of Housing and Urban Development Choice Neighborhood Initiative (CNI) Implementation Grant for the Marshall-Ridley Neighborhood; and

WHEREAS, the Choice Neighborhood IV-R Development Corporation was created to develop a multi-family housing for the on-site redevelopment of the Ridley project; and

WHEREAS, the project has and will incur pre-development expenses for fees and design; and

WHEREAS, Virginia Community Capital has offered a pre-development line of credit in the amount of \$1,500,000 to finance the ongoing pre-development activities of the Choice Neighborhood IV-R Development Corporation.

NOW THEREFORE BE IT RESOLVED that the Choice Neighborhood IV-R Development Corporation Board of Directors as Manager of Choice Neighborhood IV-R, LLC approve said line of credit as outlined in the Loan Commitment letter dated September 14, 2021.



Commitment Letter

September 14, 2021

Richard Barnhart
Pennrose, LLC
Choice Neighborhood IV-R LLC
1301 North 31st Street
Philadelphia, PA 19121

Karen Wilds
Newport News Redevelopment and Housing Authority
Choice Neighborhood IIV-R LLC
227 27th Street
Newport News, VA 23607

Re: Commitment Letter- Predevelopment Loan-Choice Neighborhood IV-R LLC

Dear Mr. Barnhart and Ms. Wilds:

I am pleased to advise you that Virginia Community Capital (VCC) (the "Lender") has approved your request for a Predevelopment Line of Credit of \$1,500,000 (the "Commitment"), collectively the "Loan," for predevelopment activities associated with Choice Neighborhood IV-R LLC subject to the following terms and conditions:

Loan Terms

Borrowers:	Choice Neighborhood IV-R LLC
Guarantors:	Pennrose, LLC
Loan Amount:	\$1,500,000. All advances under the Loan shall be conditioned upon the receipt and approval by Lender of requests for funding.
Purpose:	To serve as predevelopment line of credit to finance the ongoing predevelopment activities of Choice Neighborhood IV-R LLC low income housing tax credit deal.

Term: The term of the loan shall be for 12-months from the date of closing.

Interest Rate: Interest rate will be fixed at 5.40%. Interest on all Loans shall be computed based on the actual number of days the Loans are outstanding as if each year were composed of 360 days.

Interest Reserve: \$50,000 shall be set aside from the loan proceeds for monthly interest payments. No interest will be charged on this reserve until expended.

Loan Origination Fee: 1.0% of the total loan amount (\$15,000.00). The commitment fee is due upon commitment acceptance. This fee is considered earned at commitment acceptance and is non-refundable.

Funding Requests: Each funding request shall be submitted with a detailed cost breakdown and documentation of project related expenses to be reviewed and approved by lender and risk management team.

Payments/Maturity: Borrower shall make monthly payments of interest only on the outstanding Loan balances commencing on the first day of the second month following loan closing and continuing the first day of each month thereafter to and including the Maturity Date. Funds drawn from established interest reserve.

Prepayment Penalty: None

Repayment Source: Repayment sources may include but not limited to: Deal related construction loans, proceeds from the federal low-income housing tax credits, and owner equity.

Collateral: None

Closing Costs: Borrower shall pay all out-of-pocket costs and expenses, if any, incurred by Lender about the Loan (pre- and post-closing), including, but not limited to, all costs associated with documenting, recording, closing; and all fees and expenses of VCC's outside legal counsel and Borrower's legal counsel and the cost of any other reports deemed necessary by Lender, whether or not the Loan closes.

Closing Date: Within 90 days of commitment execution.

Minimum Financial

Reporting Requirements: 2020 Audited Financials of the guarantor within 120 of FYE, to be reviewed annually. (Received)

Loan Covenants: None

Closing Conditions: Authorization from Newport News Redevelopment and Housing Authority for Pennrose to enter into the proposed loan agreement.

Acceptance; Termination: This Commitment shall terminate automatically without notice at 5:00 pm eastern standard time on or before **September 27th, 2020** unless before that time Borrower has accepted it by delivering a signed original of this letter to the undersigned and required commitment fee (\$15,000). If all the conditions of this Commitment have not been satisfied or if Lender and Borrower are unable to agree on and reduce to writing all of the Loan Documents in a manner satisfactory to both of them by the Closing Date, time being of the essence, or if there has been any misrepresentation or any material error in anything submitted to Lender regarding the Loan or pursuant to any other provision hereof, the Lender shall have the option to terminate this Commitment.

THE LOAN DOCUMENTS WILL REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN AGREEMENTS BETWEEN THE PARTIES.

Sincerely,
Virginia Community Capital



Corbin T. Anderson
Vice President/Loan Officer
804-793-0989

Signatures on following pages

The undersigned accept and agree to all terms and conditions of the foregoing Commitment.

For the Borrower:

Choice Neighborhood IV-R LLC

Karen Wilds



Signature **Title**

KAREN P WILDS
Name (Printed)

9-15-2021
Date

For the Unconditional Guarantor:

Pennrose, LLC

Richard K. Barnhart:



Signature **Chairman and CEO**
Title

Richard K. Barnhart
Name (Printed)

9/17/21
Date

**Orcutt Townhomes Development Corporation
Board of Directors Meeting
October 19, 2021**

227-27th Street
Newport News, VA 23607

Agenda

1. Roll call
2. Consider approval of minutes of regular meeting, January 19, 2021
3. New Business
 - a. Consider a Resolution authorizing Admittance of Successor Limited Partner for withdrawing Investor Limited Partner and Special Limited Partner in the Orcutt Townhomes I L.P. partnership
4. Any other business to come before the Board
5. Adjourn

**Minutes of a Meeting of the
Orcutt Townhomes Development Corporation
January 19, 2021**

Having duly given public notice, the Board of Directors of the Lower Jefferson Avenue Development Corporation met telephonically and electronically at the offices of the Authority at 227-27th Street, in the City of Newport News, Virginia, at 10:35 a.m. on Tuesday, January 19, 2021.

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

Roll Call

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

- Directors Present:

Gary B. Hunter – from NNRHA Board Room
Kenneth Penrose – from NNRHA Board Room
Josephine Clark – from NNRHA Board Room
Lisa Wallace-Davis – via Zoom
William Black – from NNRHA Board Room
George Knight – via Zoom
- Also present:

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

Karen R. Wilds – from NNRHA Board Room
Executive Director

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

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

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

Lisa Dessoffy, Director – from NNRHA office via Zoom
Finance

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

Teresa Bennett – from NNRHA Board Room
Executive Assistant

Justin Orie – from NNRHA Board Room
NNRHA IT Department

Tricia Wilson
City of Newport News, Department of Development

**Approve Minutes of
January 21, 2020
Meeting**

Ms. Clark made a motion to approve the minutes of the January 21, 2020 meeting. The motion was seconded by Dr. Davis and passed with a majority vote. Mr. Knight abstained as he was not present.

**Election of Chairman
and Vice Chairman**

Mr. Black 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 Ms. Clark and passed with a unanimous vote.

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

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

**Minutes of a Meeting of the
Orcutt Townhomes Development Corporation
January 19, 2021**

**Update on Orcutt
Townhomes
Development
Corporation**

Ms. Wilds reported that on December 31, 2020 the property had a balance of \$306,620.81 in replacement reserves, \$298,685.68 in operating reserves, occupancy rate of 100% and rent collection was 85%.

Adjournment

There being no other business to come before the Board, the Chairman adjourned the meeting at 10:38 a.m.

President

ORCUTT TOWNHOMES DEVELOPMENT CORPORATION**MEMORANDUM**

Date: October 19, 2021

To: All Members, Board of Directors – Orcutt Townhomes Development Corporation

From: Karen R. Wilds, President *KRW*

Subject: Resolution Authorizing Admittance of Successor Limited Partner for withdrawing Investor Limited Partner and Special Limited Partner in the Orcutt Townhomes I L.P. partnership

Attached for your information is a memorandum to the NNRHA Board of Commissioners and resolution (proposed for approval by the Board) summarizing the necessity of and approving the creation of a successor limited partner for the investor partner and special limited partner in the Orcutt Townhomes I L.P. partnership, owner of the Orcutt Townhomes project. This complex was developed utilizing tax credits (LIHTC) and capital funds (mixed finance) and placed in service in 2005.

As noted, the actions described herein and in the attachments this is related to a request from the existing limited partner to withdraw from the aforementioned partnership now that the 15 year LIHTC compliance period has passed. In order to continue the partnership and the operation of the Orcutt Townhomes property, the withdrawing entities must be replaced by a successor limited partner.

In this regard, the NNRHA Board of Commissioners, as required by Title 36 of the Code of Virginia, has approved the creation of OTH-I LLC and has requested that the Newport News City Council likewise consider this proposed action.

Accordingly, the attached resolution presented for your consideration approves the admittance of the OTH-I LLC into the Orcutt Townhomes I L.P. partnership, subject to the final local approval regarding creation of this entity by the Newport News City Council.

Approval is recommended.

Resolution of the Board of Directors of the Orcutt Townhomes Development Corporation Approving Admittance of OTH-I LLC as Successor Limited Partner

WHEREAS, the Orcutt Townhomes housing complex was developed utilizing low income housing tax credits (LIHTC) and placed in service in 2005 in accordance with applicable regulations; and

WHEREAS, the fifteen (15) year LIHTC compliance period has passed and the investor and special limited partner in the Orcutt Townhomes I L.P. have indicated a desire to withdraw from the partnership; and

WHEREAS, in order to continue the aforementioned entity the withdrawing limited and special limited partners must be replaced by a successor limited partnership; and

WHEREAS, creation of the OTH-I LLC has been approved by the NNRHA Board of Commissioners and a related request has been made to the City Council of Newport News, VA that it also approves the creation of this entity.

NOW, THEREFORE BE IT RESOLVED:

- (1) That pending approval by the City Council of Newport News VA. of the creation of the OTH-I LLC, and the actual creation of the entity subsequent thereto, and the admittance of the OTH-I LLC as a limited partner in the Orcutt Townhomes I L.P. is hereby approved.
- (2) That the President of the Corporation is authorized to take such other actions required for the modification of the partnership and state registration of the OTH-I LLC.