

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

**March 15, 2022
8:30 a.m.
227-27th Street, Newport News**

1. Pledge of Allegiance to the Flag of the United States of America
2. Roll Call
3. Consider approval of minutes of regular meeting, February 15, 2022.
4. Communications
5. New Business
 - a. **Public Hearing** to receive comments on the Multifamily Housing Revenue Bonds for Choice Neighborhood IV-R LLC
 - b. Consider a resolution approving Multifamily Housing Revenue Bonds Issuance Request for Choice Neighborhood IV-R LLC
 - c. **Public Hearing** to receive comments on the Multifamily Housing Revenue Bonds for Woodlands Oyster Point
 - d. Consider a resolution approving Multifamily Housing Revenue Bonds Issuance Request for Woodlands Oyster Point
 - e. **Public Hearing** to receive comments on the Multifamily Housing Revenue Bonds for Denbigh Trace Apartments
 - f. Consider a resolution approving Multifamily Housing Revenue Bonds Issuance Request for Denbigh Trace Apartments
 - g. **Public Hearing** to receive comments on the Multifamily Housing Revenue Bonds for City Line Apartments
 - h. Consider a resolution approving Multifamily Housing Revenue Bonds Issuance Request for City Line Apartments
 - i. **Public Hearing** to receive comments on the Five-Year Agency Plan and Annual Plan for 2022
 - j. Consider a Resolution authorizing submission of PHA Plans (5 Year Plan and Annual Plan) to HUD
 - k. Consider a resolution approving NNUDAG Loan to Ironclad Distillery, Inc.
 - l. Consider a resolution approving NNUDAG Loan to C.C. Carter Funeral Home
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
February 15, 2022**

Having duly given public notice, the Board of Commissioners of the Newport News Redevelopment and Housing Authority met at the offices of the Authority at 227-27th Street, in the City of Newport News, Virginia, at 8:30 a.m. on Tuesday, February 15, 2022.

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

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

Commissioners present: -
Kenneth Penrose
Lisa Wallace-Davis
William Black – 8:45 a.m.
George Knight
Barbara Holley
Thaddeus Holloman

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

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

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

Valarie Ellis, Director – from NNRHA Board Room
Administrative Services

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

Justin Orie – from NNRHA Board Room
NNRHA IT Department

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

Douglas Sbertoli
Williams Mullen

Paige Miyazaki
Vitus Development

Ethan Forecki – via Zoom
Vitus Development

Approval of Minutes, January 18, 2022 Commissioner Davis moved that the minutes of the meeting of the Board of Commissioners held on January 18, 2022 be approved. The motion was seconded by Commissioner Knight and passed with a majority vote. Ms. Call and Mr. Black were absent.

Communications The following communications were provided to the Board and reviewed by the Executive Director. 1) A letter addressed to Ms. Wilds from the U.S. Department of Housing and Urban Development, Office of Davis Bacon and Labor Standards, Kamaria E. Taylor, Labor Standards Specialist concerning agency Federal labor standards. Based upon their review they found our agency's overall labor standards system and performance adequate. 2) A letter addressed to Ms. Wilds from the U.S. Department of Housing and Urban Development, Office of Davis Bacon and Labor Standards, Kamaria E. Taylor, Labor Standards Specialist outlining corrective actions the Authority took to address findings from the recent monitoring. These findings were cleared. 3) An article in the Richmond Times-Dispatch, dated January 31, 2022 entitled Five Takeaways from Virginia's statewide housing study. The article is about how Virginia can address its housing affordability crisis. A new 426-page report published this month lays out the pressing challenges and potential solutions for housing-related needs across the state.

**Minutes of a Meeting of the
Newport News Redevelopment and Housing Authority
February 15, 2022**

New Business

The Board of Commissioners of the Newport News Redevelopment and Housing Authority Evidencing the Intent to Issue Multifamily Affordable Residential Housing Facility Revenue Bonds in an Aggregate Principal amount not to exceed \$71,000,000 for the Benefit of Stuart Gardens Housing Partners, LP and Stuart Gardens II Housing Partners, LP

The Board had been provided copies of a resolution authorizing the intent to issue Multifamily Housing Revenue Bonds not to exceed \$71,000,000 to Stuart Gardens Phases I and II. The proceeds from the sale of these bonds would be used to finance the acquisition, rehabilitation and equipping of a total of 491 affordable housing units located at 1326C Garden Drive in two separate/contiguous projects containing 252 and 239 units on two parcels of land containing 21.15 acres and 18.98 acres of land, respectively. Representatives from Vitus Development were in attendance to answer any questions from the Board. The City and the Developer have entered into a Memorandum of Understanding agreeing to work collaboratively over a six month period to evaluate and study options for the site. It is anticipated that the NNRHA Board will need to hold a public hearing and reconsider the inducement at the end of the six-month period.

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

Report to the Board

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

Mr. Williamson reported the NNRHA Community Resources staff participated in the point in time count of homeless individuals. The count is conducted annually to assess the number of persons experiencing homelessness during a single night in the year. A police officer accompanied each team during the count to ensure safety. The data collected will be used by the State and Federal government to plan funding for programs to reduce homelessness. Kim Blowe, one of NNRHA's staff volunteered for the event.

Ms. Dessofoy reported the funding for the housing choice and mainstream vouchers programs is on a calendar year basis. We have received our preliminary budget from HUD, which is an estimate for the various programs. HUD has estimated our proration at 98.5%. On 2/14/22 we submitted our public housing operating subsidy request to HUD.

Ms. Ellis reported every year, as part of our Safety and Security Division, we conduct unannounced fire drills for our senior properties, Jefferson Brookville and Lofts on Jefferson. If there is anyone in the buildings that needs assistance, we let them know this is an exercise and they do not have to participate. We monitor how they come out of the building and where they congregate. The drills take approximately 30 minutes and we partner with the Newport News Fire Department.

Mr. Staley reported our next selection of current NNRHA properties to be renovated under the Rental Assistance Demonstration (RAD) program utilizing mixed funds for renovations is Orcutt Townhomes I. The property contains (40) units and is currently undergoing predevelopment activities. We anticipate submitting our application to HUD on or before March 13, 2022.

Closed Session

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Other Business

Adjournment

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

Secretary-Treasurer

ITEM NO. 4

COMMUNICATIONS

Razing of housing project underway

Newport News hopes planned development will help revitalize Southeast Community



Plans for the redevelopment of Ridley Place include one three-story building with 41 apartment units, 14 two- and three-story townhomes and 24 single-family homes.

Jonathon Gruenke/Staff file

BY JESSICA NOLTE STAFF WRITER

Newport News began the four-month process of demolishing a now-closed public housing complex as part of its larger effort to revitalize a neighborhood in the Southeast Community.

The 65-year-old Ridley Place Housing Community, which closed in 2020, is being torn down to make room for a mixed-use development with new homes and commercial spaces. The project also will include community amenities such as a walking and bicycle trail and an early childhood development center for children from 6 weeks to 4 years of age.

“The clearance of the site is the first tangible sign that revitalization is beginning in this part of Newport News,” said Karen Wilds, executive director of the Newport News Redevelopment and Housing Authority, in a news release.

The \$58 million project is funded, in part, by a \$30 million federal grant in 2019 from the U.S. Department of Housing and Urban Development’s Choice Neighborhood Initiative to transform the Marshall-Ridley area. Earlier this month, the City Council devoted an additional \$26.7

million of its American Rescue Plan Act dollars for the project.

Plans for the redevelopment of Ridley Place include one three-story building with 41 apartment units, 14 two- and three-story townhomes and 24 single-family homes.

One of the goals is to transform the neighborhood into a mixed-income community, with 50% of the new rental housing remaining affordable to “extremely low-income households,” according to the city.

As the housing project enters its second phase, the city honored the history of the neighborhood with an event Saturday.

“So many incredible stories were written by the thousands of residents who called Ridley Place home for over 65 years,” Mayor McKinley Price said in a news release. “These stories of triumph, creativity, compassion, and perseverance will stay with us as we begin the next chapter of this important part of our city.”

The city elected to tear down the units because it would have cost almost as much to renovate as to rebuild. Construction on the new units is expected to be completed in 2024.

The city’s first phase of housing construction for the project began in June with a mixed-use development at 2800 Jefferson Ave off Interstate 664.

That site will feature 21 single-bedroom apartments, 48 two-bedroom apartments, six three-bedroom apartments and six townhomes along with amenities such as a play area, community room and fitness center.

About 46% of those new units will be for individuals and families who were displaced by the demolition of the Ridley apartments. The remaining units will be rented at the market rate.

Earlier this month, the City Council allocated \$11.2 million of its federal stimulus dollars to build the early childhood development center that will serve about 200 students at a time.

The center is meant to increase the availability of pre-kindergarten programs, with an emphasis on accommodating children from low-income families. Newport News Public Schools offer a free preschool program for 4-year-old children in the city.

The Virginia Peninsula Community College, formerly Thomas Nelson Community College, will operate the early childhood development center. Tuition for the program will be

determined on a sliding scale based on family income and need.

The center is slated for completion in fall 2023.

Jessica Nolte, 757-912-1675, jnolte@dailypress.com

ITEM NUMBER 5

New Business

- a. **Public Hearing** to receive comments on the Multifamily Housing Revenue Bonds for Choice Neighborhood IV-R LLC
- b. Consider a resolution approving Multifamily Housing Revenue Bonds Issuance Request for Choice Neighborhood IV-R LLC
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PUBLIC HEARING

**NEWPORT NEWS REDEVELOPMENT AND HOUSING
AUTHORITY**

**Multifamily Housing Revenue Bonds for
Choice Neighborhood IV-R**

This morning a public hearing is being held to receive comments on the proposed Multifamily Housing Revenue Bonds for Choice Neighborhood IV-R.

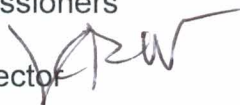
A notice advertising the public hearing was posted in the lobby of the Authority located at 227 27th Street, Newport News, VA and appeared in the Inside Business on February 28, 2022 and March 7, 2022.

I now open this public hearing and invite comments.

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY**MEMORANDUM**

DATE: March 4, 2022

TO: All Members, Board of Commissioners

FROM: Karen R. Wilds, Executive Director 

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

On March 3, 2022, Choice Neighborhood IV-R LLC applied to the Authority for an Inducement Resolution regarding the issuance of the Authority's Multifamily Housing Revenue Bonds not to exceed \$20,000,000 for the construction of a multi-family residential rental housing project to consist of 20 one-bedroom units, 41 two-bedroom units, 22 three-bedroom units and 1 four-bedroom unit (total of 84 units) to be located on approximately 12.70 acres of land located at 1515 Ivy Avenue, Newport News, Virginia 23607. This is part of our financing package for the Ridley on-site CNI development south of 16th Street.

A public hearing is required as part of the Board of Commissioners' action and has been advertised for the March 15, 2022 meeting to obtain public comments on this proposed action. As required by applicable public notification regulations, this matter has been subject to an advertisement in the Daily Press on February 28, 2022 and March 7, 2022.

The attached resolution is included for your consideration following the public hearing. Sherif Ismail of Pennrose Development, our partner, and Mr. William L. Nusbaum of Williams Mullen, bond counsel, will be in attendance to describe the proposed plan of financing and respond to questions.

Subject to the Board's approval of this proposal, the City Council will be requested at the April 12, 2022 meeting to grant "public approval" of the issuance of the proposed Bonds and the plan of financing within the meaning of the applicable sections of the Virginia Code. Subject to City Council's action, final approval of the Authority's bond issuance would be considered at one of the Board's future meetings.

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

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



**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE NEWPORT NEWS
REDEVELOPMENT AND HOUSING AUTHORITY APPROVING
MULTIFAMILY HOUSING REVENUE BONDS ISSUANCE FOR CHOICE
NEIGHBORHOOD IV-R LLC**

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

WHEREAS, the Act empowers the Authority: (a) to issue its notes or bonds in accordance with the provisions of the Act for the purpose of making loans for the prevention and elimination of slum or blighted areas, for assistance in housing construction or rehabilitation by private sponsors and to refund prior obligations issued for any such purposes; (b) with the approval of the local governing body or its designee, to form corporations, partnerships, joint ventures, trusts, or any other legal entity or combination thereof, on its own behalf or with any person or public or private entity; and (c) in connection with any housing project, to lease or rent lands embraced in any housing project; and

WHEREAS, the Authority has engaged in discussions with Pennrose Holdings, LLC ("Pennrose"), regarding the development of additional affordable housing on land already owned by the Authority, resulting in a determination that it would be in the best interests of the Authority and the City of Newport News, Virginia (the "City") for the Authority and Pennrose to jointly form certain new entities for such undertaking, resulting in the organization of (a) Choice Neighborhood IV-R LLC, a Virginia limited liability company (the "Borrower"), as the ownership vehicle for the development, and (b) Choice Neighborhood IV-R Development Corp., a Virginia corporation (the "Managing Member"), as the Borrower's Managing Member and initially the Borrower's sole Member, but with such ownership interest in the Borrower likely being reduced to a 0.01% membership interest upon the admission as a member of the Borrower of a low-income housing tax credit investor entity; and

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

WHEREAS, the Borrower has held discussions with representatives of the City and the Authority with respect to providing financing for (a) a portion of the cost of constructing and equipping of a multi-

family residential rental housing project comprised of eleven (11) two- and three-story buildings, containing eighty-four (84) units, in a mix of townhouses and flats, with one, two, three and four bedroom units, (b) the creation of various reserve funds, if required, and (c) the payment of issuance and other transaction costs (collectively, the "Project"). The Project will be located at 1515 Ivy Avenue, Newport News, Virginia 23607; and

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

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

WHEREAS, the Borrower has applied to the Authority for the issuance of \$20,000,000.00 of the Authority's Multifamily Housing Revenue Bonds (Choice Neighborhood IV-R Project) (the "Bonds"), to be issued to finance a portion of the cost of constructing and equipping the Project, and pursuant to due notice, the Authority has on this date, following reasonable public notice, conducted a public hearing on the application of the Borrower for the issuance of such Bonds in compliance with the requirements of Section 147(f) of the Code, Treasury Regulations Section 1.147(f)-1, Section 15.2-4906 of the Virginia Code, and Section 2 of Chapter 514 of the Acts of the General Assembly of Virginia of 1983; and

WHEREAS, the Borrower has requested that the Authority agree in principle (a) to convey to the Borrower fee simple title to the site of the Project as an in-kind capital contribution to the Borrower and (b) to cooperate in the issuance of the Bonds to provide construction financing for a portion of the cost of the construction and equipping of the Project and agree in principle to issue the Bonds in an amount not to exceed \$20,000,000.00, as proposed by the Borrower, subject to the Borrower obtaining the approval of the Authority's issuance of the Bonds by the City Council of the City prior to the issuance of the Bonds;

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

1. The recitals made in the preambles to this resolution are hereby adopted as a part of this resolution.

2. The Authority's investment as a 51% stockholder in the Managing Member, and the Authority's causing the Managing Member to invest in the Borrower and manage its development and operation of the Project, including but not limited to the Authority's roles in organizing the Borrower and its Managing Member, are all hereby authorized, ratified and approved, with the specific terms of such investments and organizational documents to be determined by the Executive Director of the Authority with the advice of counsel to the Authority and such other advisors as the Executive Director deems appropriate. Such authorizations are expressly conditioned upon and made subject to their subsequent approval by the City Council of the City.
3. Upon the recommendation of the Borrower, the Authority hereby appoints Williams Mullen as Bond Counsel to supervise the Authority's proceedings and approve the issuance of the Bonds for the Project.
4. It is hereby found and determined that the approval of the plan of financing and the issuance of the Bonds for the purposes described herein will promote the provision of decent, safe and sanitary urban or rural dwellings, apartments or other living accommodations for persons of low and moderate income in the City and the Commonwealth, and that upon compliance with the requirements of the Act, the Project will constitute a "housing project" within the meaning of the Act and the Virginia Code eligible for the provision by the Authority of its assistance through the issuance of its bonds.
5. To assist the Borrower to undertake the development and financing of the Project, the Authority hereby agrees in principle to cooperate in the issuance of its Bonds in an amount not to exceed \$20,000,000.00, upon terms and conditions to be mutually agreed upon by the Authority, the Borrower and the purchaser of the Bonds. The Bonds shall be issued pursuant to an installment sale or loan agreement with the Borrower, a bond purchase agreement with a lender, underwriter or placement agent, and such other documentation, including a trust indenture, as may be acceptable to such bond purchaser, the Chairman or Vice Chairman of the Authority and counsel to the Authority.
6. The Borrower has represented to the Authority that interest on the Bonds is intended to be generally excluded from the gross income of the holders thereof for federal and state income tax purposes, and that the Borrower shall pay to the Authority an administrative fee for issuing and carrying the Bonds, due to the Bonds' expected maturity, equal to one-half of 1% of the original principal amount of the Bonds, at closing.
7. All costs and expenses in connection with the Bonds, including but not limited to the fees and expenses of Bond Counsel and counsel to the Authority, shall be paid from the proceeds of the Bonds to the extent permitted by law and funds are available, or else from funds of the Borrower. If for any reason the Bonds are not issued, it is understood that all such expenses shall be paid by the Borrower and that the Authority shall have no responsibility therefor.

8. Neither the Bonds nor the premium, if any, nor the interest payable thereon shall be a general obligation debt of the Commonwealth of Virginia or any political subdivision thereof, including the Authority or the City, and neither the Commonwealth of Virginia, nor any political subdivision thereof, including the Authority or the City, and none of the officials, officers, commissioners and/or employees, past, present or future, are or shall be personally liable thereon. Rather, the Bonds, together with the premium, if any, and the interest payable thereon, shall be a limited obligation of the Authority payable pursuant to the terms of the Bonds and the related documents solely from the revenues and receipts pledged therefor, and neither the faith and credit nor the taxing power of the Commonwealth of Virginia or any political subdivision thereof, including the Authority and the City, shall be pledged to the payment of such obligations.
9. The Authority recommends that the City Council of the City (the "Council") grant "public approval" of the issuance of the proposed Bonds and the plan of financing within the meaning of Section 15.2-4906 of the Virginia Code and Section 147(f) of the Code, but delegates to the Executive Director the final decision on whether to transmit to the Council the Fiscal Impact Statement required by Section 15.2-4907 of the Virginia Code, a copy of this resolution and a reasonably detailed summary of the Authority's public hearing held this date, such decision to be evidenced by a memorandum from the Executive Director to the Chair and Vice Chair, the Borrower and Bond Counsel, delivered not less than one week before the submission deadline for the May 10, 2022 City Council meeting docket.
10. The Authority agrees, subsequent to the Council's granting "public approval," to apply to the Virginia Department of Housing and Community Development, in its capacity as "allocation administrator" for tax-exempt private activity bonds, for an allocation of \$20,000,000.00 of local housing authority "volume cap" for the Project.
11. The provisions of this resolution are hereby declared to be separable, and if any section, phrase or provision of this resolution shall be declared invalid, such invalidity shall not affect the validity of the remainder of the sections, phrases and provisions of this resolution.
12. The Authority shall perform such other acts and adopt such further resolutions as may be required to implement its undertakings hereinabove set forth.
13. This resolution shall take effect immediately upon its adoption.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK;

CERTIFICATE OF VOTES FOLLOWS]

CERTIFICATE OF VOTES

The following is a record of the vote by the Newport News Redevelopment and Housing Authority (the “Authority”), on the foregoing Official Action Resolution, approved at the duly called public meeting of the Authority held on March 15, 2022, after the holding of a public hearing thereon, at which public hearing and meeting a quorum of the Authority was present:

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

Secretary, Newport News Redevelopment and Housing
Authority

PUBLIC HEARING**NEWPORT NEWS REDEVELOPMENT AND HOUSING
AUTHORITY****Multifamily Housing Revenue Bonds for
Woodlands at Oyster Point (AOZPCREI Woodlands
LLC)**

This morning a public hearing is being held to receive comments on the proposed Multifamily Housing Revenue Bonds for Woodlands at Oyster Point (AOZPCREI Woodlands LLC).

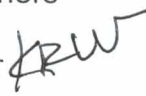
A notice advertising the public hearing was posted in the lobby of the Authority located at 227 27th Street, Newport News, VA and appeared in the Daily Press on March 1, 2022 and March 8, 2022.

I now open this public hearing and invite comments.

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY**MEMORANDUM**

DATE: March 8, 2022

TO: All Members, Board of Commissioners

FROM: Karen R. Wilds, Executive Director 

SUBJECT: Multifamily Housing Revenue Bonds Issuance Request for Woodlands at Oyster Point Apartments (AOZPCREI Woodlands LLC)

On February 18, 2022, AOZPCREI Woodlands LLC applied to the Authority for an Inducement Resolution regarding the issuance of the Authority's Multifamily Housing Revenue Bonds not to exceed \$19,999,000 for the financing or refinancing a portion of the costs of acquiring, constructing, renovating, rehabilitating and equipping an affordable housing development to be known as Woodlands at Oyster Point Apartments, to consist of 20 buildings containing approximately four 1-bedroom units, one hundred forty five 2-bedroom units and two 3-bedroom units, including amenities such as pool, community building, barbeque and picnic area, dog run, community plantings and benches, located on approximately 7 acres of land at 819 Forrest Drive in the City of Newport News, Virginia 23606.

The developer previously obtained Housing Authority and City Council approvals for the financing but those approvals expired by their terms at the end of 2021. The delay was due to a number of COVID-19-related circumstances, including the prior lender/investor losing its funding sources. A new lender and a new investor for the property have been identified and the financing is now expected to close in spring/early summer of 2022.

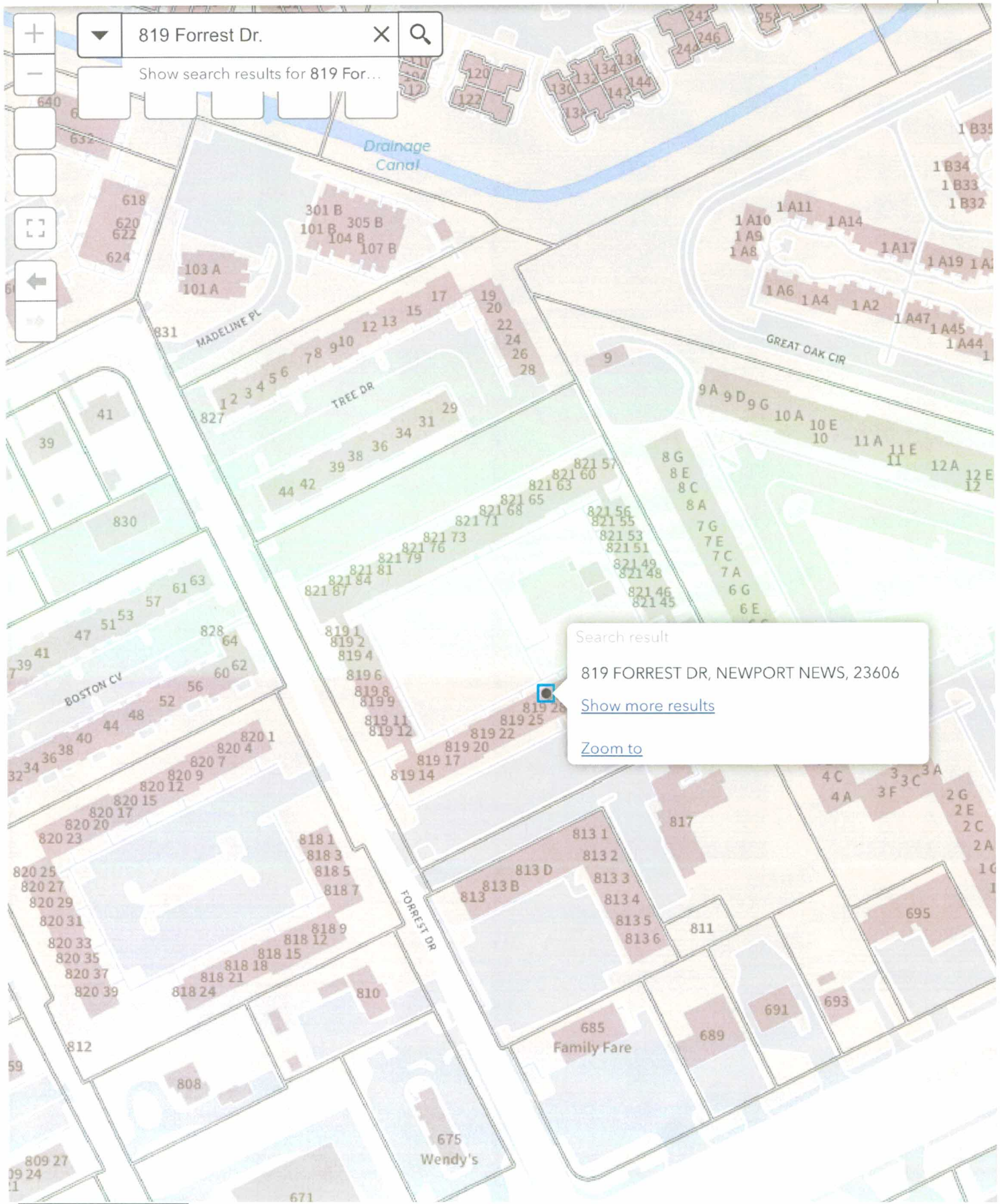
A public hearing is required as part of the Board of Commissioners' action and has been advertised for the March 15, 2022 meeting to obtain public comments on this proposed action. As required by applicable public notification regulations, this matter has been subject to an advertisement in the Daily Press on (i) March 1, 2022 and (ii) March 8, 2022.

The attached resolution is included for your consideration following the public hearing. Mark Hall of AOZPCREI Woodlands LLC and Mr. Michael Graff of McGuireWoods LLP, bond counsel, will be in attendance to describe the proposed plan of financing and respond to questions.

Subject to the Board's approval of this proposal, the City Council will be requested at their April 12, 2022 meeting to grant "public approval" of the issuance of the proposed Bonds and the plan of financing within the meaning of the applicable sections of the Virginia Code. Subject to City Council's action, final approval of the Authority's bond issuance would be considered at one of the Board's future meetings.

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

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



819 Forrest Dr.

Show search results for 819 For...

Search result

819 FORREST DR, NEWPORT NEWS, 23606

[Show more results](#)

[Zoom to](#)

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**RESOLUTION OF THE NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
AUTHORIZING AND APPROVING THE ISSUANCE OF UP TO \$19,999,000 MULTIFAMILY
REVENUE BONDS FOR**

WOODLANDS AT OYSTER POINT APARTMENTS

RECITALS

A. The Newport News Redevelopment and Housing Authority (the “Authority”) is empowered, pursuant to the Virginia Housing Authorities Law, Chapter 1, Title 36 (the “Act”) of the Code of Virginia of 1950, as amended (the “Virginia Code”), to issue its bonds for the purpose, among others, of financing the Plan of Finance (as hereinafter defined), located within the territorial boundaries of the City of Newport News, Virginia (the “City”).

B. To further the Act’s purposes, at the request of AOZPCREI Woodlands LLC, a Virginia limited partnership (the “Applicant”), the Authority has determined to issue and sell its Multifamily Revenue Bonds in a principal amount not in excess of \$19,999,000 (the “Bonds”), pursuant to the Act, for the purpose of assisting the Applicant or an entity affiliated with and controlled by, or under common ownership with, the Applicant (the Applicant or such resulting ownership entity hereinafter referred to as the “Borrower”) in financing or refinancing a portion of the costs of acquiring, constructing, renovating, rehabilitating and equipping a multifamily residential rental housing project to be known as Woodlands at Oyster Point Apartments, to consist of 20 buildings containing approximately four 1-bedroom units, one hundred forty five 2-bedroom units and two 3-bedroom units, including amenities such as pool, community building, barbeque and picnic area, dog run, community plantings and benches, to be located on approximately 7 acres of land at 819 Forrest Drive in the City of Newport News, Virginia 23606 (the “Project”), including the financing of reserve funds as permitted by applicable law and the costs of issuance incurred in connection with the issuance of the Bonds. Based on representations of the Applicant, the Project is structured to meet the requirements of a qualified residential rental project within the meaning of Section 142(d) of the Internal Revenue Code of 1986, as amended. The Applicant has represented that the Project will be owned by the Borrower.

C. Based on the representations of the Applicant and the information submitted concerning the Project, the Authority has determined that the issuance and sale of the Bonds will benefit the inhabitants of Newport News, Virginia and the Commonwealth by promoting their health, welfare, convenience and prosperity.

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

1. The foregoing recitals are approved by the Authority and are incorporated in, and deemed a part of, this resolution.

2. Based on the representations of the Applicant and the information submitted concerning the Project, it is hereby found and determined that the Project will further the public purposes of the Act by promoting the health and welfare of the Commonwealth, the City of Newport News, Virginia and their citizens.

3. Based on the representations of the Applicant and the information concerning the Project, it is hereby found and determined that the facilities which are the subject of the Project will constitute facilities for use primarily as safe and affordable single or multifamily residences, as described in the Act.

4. To induce the Borrower to acquire, construct, renovate, rehabilitate and equip the facilities which are the subject of the Project as safe and affordable single or multifamily residences within the meaning of the Act, the Authority hereby agrees, subject to approvals required by applicable law, to assist the Borrower in financing the Project by undertaking the issuance of (and hereby declares its official intent to issue) the Bonds in an aggregate principal amount not to exceed \$19,999,000 upon terms and conditions as shall be mutually agreeable to the Authority and the Borrower. The Bonds will be issued pursuant to documents as shall be satisfactory to the Authority and its counsel. The Bonds may be issued in one or more series at one time or from time to time, but in no event later than December 31, 2023, pursuant to the terms of a subsequent resolution or resolutions adopted by the Authority.

5. It having been represented by the Applicant to the Authority that it is necessary to proceed with the financing of the Project, the Authority hereby agrees that the Borrower may proceed with the plans for the Project, enter into contracts related to the financing of the Project and take such other steps as it may deem appropriate in connection therewith, provided that nothing herein shall be deemed to authorize the Borrower to obligate the Authority without its consent in each instance to the payment of any moneys or the performance of any acts in connection with the Project or any portion thereof. The Authority agrees that the Borrower may be reimbursed from the proceeds of the Bonds for all expenditures and costs so incurred by it, provided such expenditures and costs are properly reimbursable under the Act and applicable federal laws.

6. The Authority hereby designates McGuireWoods LLP, Tysons, Virginia, to serve as bond counsel and hereby appoints such firm to supervise the proceedings and approve the issuance of the Bonds.

7. As a condition of the issuance of the Bonds by the Authority, the Borrower shall agree in the Bond Documents to indemnify and save harmless the Authority, its commissioners, officers, directors, employees and agents from and against all liabilities, obligations, claims, damages, penalties, losses, costs and expenses in any way connected with the issuance and sale of the Bonds.

8. All costs and expenses in connection with the financing of the Project, including the fees and expenses of the Authority (including, without limitation, any application fee and origination fee or annual fee, as applicable), bond counsel, and counsel for the Authority shall be paid from the proceeds of the Bonds (but only to the extent permitted by applicable law) or from moneys provided by the Borrower. If for any reason the Bonds are not issued, it is understood that all such fees and expenses shall be paid by the Borrower and that the Authority shall have no responsibility therefor.

9. In adopting this resolution the Authority intends to evidence its "official intent" to reimburse Project expenditures with proceeds from the issuance of the Bonds within the meaning of Treasury Regulations Section 1.150-2.

10. The Chair, the Vice Chair, the Secretary/Treasurer of the Authority, any Assistant Secretary of the Authority, or the designee of any of them, any of whom may act alone, are hereby authorized to request an allocation or allocations of the State Ceiling (as defined in Section 15.2-5000 of the Virginia Code) in accordance with the applicable provisions of the Virginia Code and any regulations or executive orders issued thereunder. All costs incurred by the Authority, if any, in connection with such proceeding shall be paid for by the Borrower.

11. No bonds may be issued pursuant to this resolution until such time as (a) the issuance of the bonds has been approved by the City Council of Newport News, Virginia and (b) the bonds have received an allocation or allocations of the State Ceiling in accordance with the applicable provisions of the Virginia Code and any regulations or executive orders issued thereunder.

12. The Bonds shall be limited obligations of the Authority and shall be payable solely out of revenues, receipts and payments specifically pledged therefor. Neither the commissioners, directors,

officers, agents or employees of the Authority, past, present and future, nor any person executing the Bonds, shall be liable personally on the Bonds by reason of the issuance thereof. The Bonds shall not be deemed to constitute a general obligation debt or a pledge of the faith and credit of the Commonwealth or any political subdivision thereof, including the Authority or the Council of the City (the "City Council") (and the Bonds shall so state on their face), and neither the Commonwealth nor any such political subdivision thereof shall be generally liable thereon, nor in any event shall the Bonds be payable out of any funds or properties other than the special funds and sources provided therefor. Neither the faith and credit nor the taxing power of the Commonwealth, or any political subdivision thereof, shall be pledged to the payment of the principal of the Bonds or the interest thereon or other costs incident thereto. The Bonds shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

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

14. The Applicant, by receiving the benefit of this resolution, has agreed that the Borrower will cause the documents executed in connection with the issuance of the bonds to contain a covenant, in form and substance satisfactory to the Authority and its counsel, substantially to the effect that the Borrower will agree to pay to the Authority, at the selection of the Borrower, either (i) a one-time 1/2 of 1% of the total bond issue amount up front or (ii) an annual administrative fee which shall be due and payable on the date of issuance of the Bonds and on each annual anniversary date thereof until payment in full of the Bonds 1/8 of 1% of the outstanding principal amount of the Bonds.

15. The Authority recommends that the City Council approve the issuance of the Bonds.

16. No Bonds may be issued pursuant to this resolution until such time as the issuance of the Bonds has been approved by the City Council.

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

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

Adopted: March 15, 2022

CERTIFICATE

The undersigned Secretary of the Newport News Redevelopment and Housing Authority, Virginia (the "Authority"), hereby certifies that the foregoing is a true, correct and complete copy of a resolution adopted by a majority of the commissioners of the Authority at a meeting duly called and held on March 15, 2022, in accordance with law, and that such resolution has not been repealed, revoked, rescinded or amended but is in full force and effect on the date hereof.

WITNESS the following signature and seal of the Authority as of March 15, 2022.

Secretary, Newport News Redevelopment and Housing
Authority

[SEAL]

PUBLIC HEARING

**NEWPORT NEWS REDEVELOPMENT AND HOUSING
AUTHORITY**

**Multifamily Housing Revenue Bonds for
Denbigh Trace Apartments**

This morning a public hearing is being held to receive comments on the proposed Multifamily Housing Revenue Bonds for Denbigh Trace Apartments.

A notice advertising the public hearing was posted in the lobby of the Authority located at 227 27th Street, Newport News, VA and appeared in the Daily Press on March 1, 2022 and March 8, 2022.

I now open this public hearing and invite comments.

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY**MEMORANDUM**

DATE: March 1, 2022

TO: All Members, Board of Commissioners

FROM: Karen R. Wilds, Executive Director 

SUBJECT: Multifamily Housing Revenue Bonds Issuance Request for Denbigh Trace Apartments (Standard Denbigh Trace Venture LP)

On December 3, 2021, Standard Denbigh Trace Venture LP applied to the Authority for an Inducement Resolution regarding the issuance of the Authority's Multifamily Housing Revenue Bonds not to exceed \$19,957,000. The developer would like to finance a larger amount of the overall project costs than he projected in December of 2021 and is requesting the issuance of the Authority's Multifamily Housing Revenue Bonds not to exceed \$24,000,000 for the financing or refinancing a portion of the costs of acquiring, constructing, renovating, rehabilitating and equipping an affordable housing development to be known as Denbigh Trace Apartments, to consist of 79 two-bedroom units, 39 three-bedroom units and 10 four-bedroom units, including laundry facilities, basketball court, two playgrounds, and central air conditioning, located on approximately 9.44 acres of land located at 13211 Ridgeview Drive in Newport News, Virginia 23608.

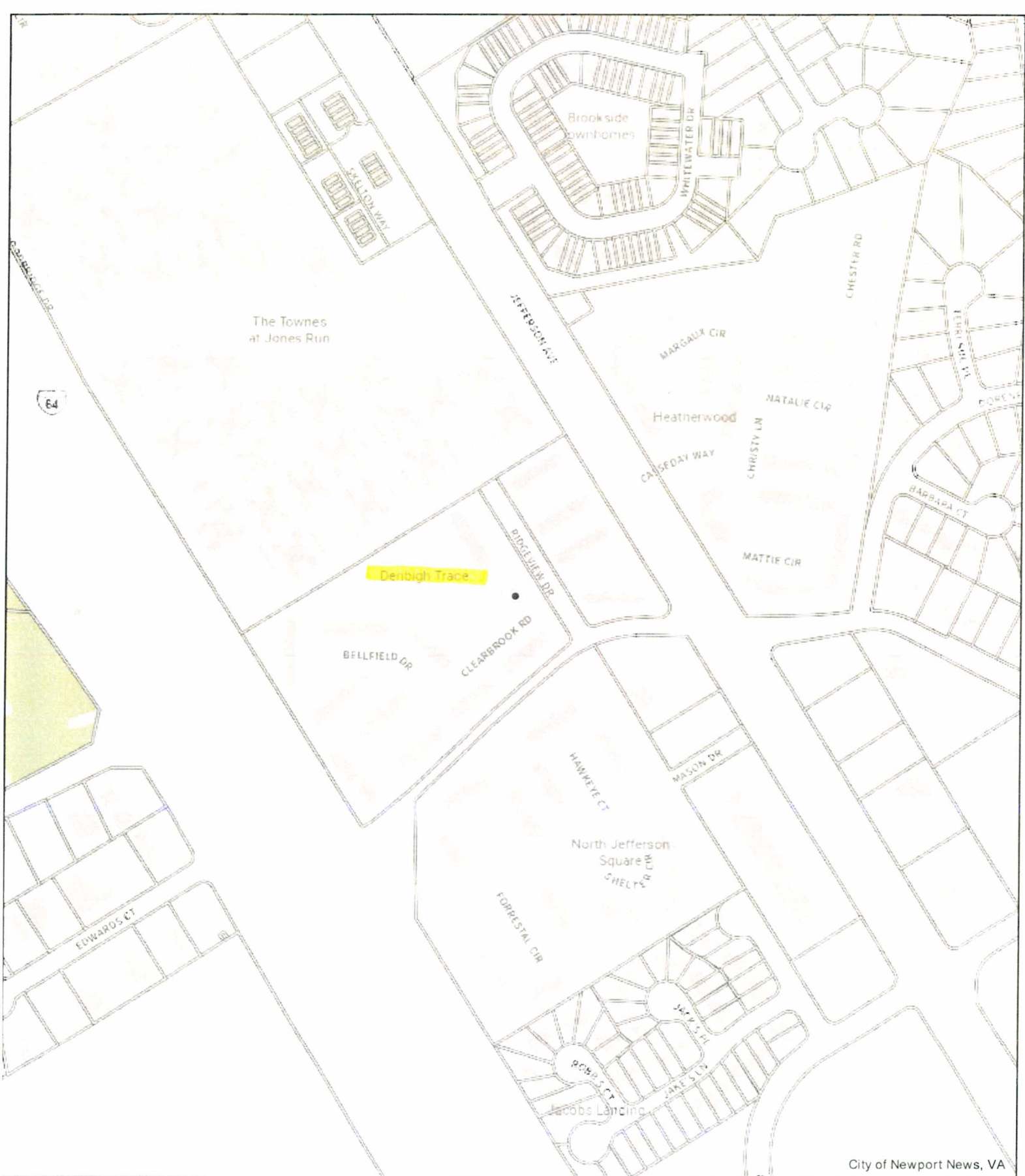
A public hearing is required as part of the Board of Commissioners' action and has been advertised for the March 15, 2022 meeting to obtain public comments on this proposed action. As required by applicable public notification regulations, this matter has been subject to an advertisement in the Daily Press on (i) March 1, 2022 and (ii) March 8, 2022.

The attached resolution is included for your consideration following the public hearing. Steven Kahn of Standard Denbigh Trace LP and Mr. Michael Graff of McGuire Woods LLP, bond counsel, will be in attendance to describe the proposed plan of financing and respond to questions.

Subject to the Board's approval of this proposal, the City Council will be requested at their April 12, 2022 meeting to grant "public approval" of the issuance of the proposed Bonds and the plan of financing within the meaning of the applicable sections of the Virginia Code. Subject to City Council's action, final approval of the Authority's bond issuance would be considered at one of the Board's future meetings.

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

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



City of Newport News, VA



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City of Newport News



**RESOLUTION OF THE NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
AUTHORIZING AND APPROVING THE ISSUANCE OF UP TO \$24,000,000 MULTIFAMILY
REVENUE BONDS FOR
DENBIGH TRACE APARTMENTS**

RECITALS

A. The Newport News Redevelopment and Housing Authority (the “Authority”) is empowered, pursuant to the Virginia Housing Authorities Law, Chapter 1, Title 36 (the “Act”) of the Code of Virginia of 1950, as amended (the “Virginia Code”), to issue its bonds for the purpose, among others, of financing the Plan of Finance (as hereinafter defined), located within the territorial boundaries of the City of Newport News, Virginia (the “City”).

B. To further the Act’s purposes, at the request of Standard Denbigh Trace Venture LP, a Virginia limited partnership (the “Applicant”), the Authority has determined to issue and sell its Multifamily Revenue Bonds in a principal amount not in excess of \$24,000,000 (the “Bonds”), pursuant to the Act, for the purpose of assisting the Applicant or an entity affiliated with and controlled by, or under common ownership with, the Applicant (the Applicant or such resulting ownership entity hereinafter referred to as the “Borrower”) in financing or refinancing a portion of the costs of acquiring, constructing, renovating, rehabilitating and equipping a multifamily residential rental housing project to be known as Denbigh Trace Apartments, to consist of 79 two-bedroom units, 39 three-bedroom units and 10 four-bedroom units, including laundry facilities, basketball court, two playgrounds, and central air conditioning, located on approximately 9.44 acres of land located at 13211 Ridgeview Drive in Newport News, Virginia 23608 (the “Project”), including the financing of reserve funds as permitted by applicable law and the costs of issuance incurred in connection with the issuance of the Bonds. Based on representations of the Applicant, the Project is structured to meet the requirements of a qualified residential rental project within the meaning of Section 142(d) of the Internal Revenue Code of 1986, as amended. The Applicant has represented that the Project will be owned by the Borrower.

C. Based on the representations of the Applicant and the information submitted concerning the Project, the Authority has determined that the issuance and sale of the Bonds will benefit the inhabitants of Newport News, Virginia and the Commonwealth by promoting their health, welfare, convenience and prosperity.

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

1. The foregoing recitals are approved by the Authority and are incorporated in, and deemed a part of, this resolution.

2. Based on the representations of the Applicant and the information submitted concerning the Project, it is hereby found and determined that the Project will further the public purposes of the Act by promoting the health and welfare of the Commonwealth, the City of Newport News, Virginia and their citizens.

3. Based on the representations of the Applicant and the information concerning the Project, it is hereby found and determined that the facilities which are the subject of the Project will constitute facilities for use primarily as safe and affordable single or multifamily residences, as described in the Act.

4. To induce the Borrower to acquire, construct, renovate, rehabilitate and equip the facilities which are the subject of the Project as safe and affordable single or multifamily residences within the meaning of the Act, the Authority hereby agrees, subject to approvals required by applicable law, to assist the Borrower in financing the Project by undertaking the issuance of (and hereby declares its official intent to issue) the Bonds in an aggregate principal amount not to exceed \$24,000,000 upon terms and conditions as shall be mutually agreeable to the Authority and the Borrower. The Bonds will be issued pursuant to documents as shall be satisfactory to the Authority and its counsel. The Bonds may be issued in one or more series at one time or from time to time, but in no event later than December 31, 2023, pursuant to the terms of a subsequent resolution or resolutions adopted by the Authority.

5. It having been represented by the Applicant to the Authority that it is necessary to proceed with the financing of the Project, the Authority hereby agrees that the Borrower may proceed with the plans for the Project, enter into contracts related to the financing of the Project and take such other steps as it may deem appropriate in connection therewith, provided that nothing herein shall be deemed to authorize the Borrower to obligate the Authority without its consent in each instance to the payment of any moneys or the performance of any acts in connection with the Project or any portion thereof. The Authority agrees that the Borrower may be reimbursed from the proceeds of the Bonds for all expenditures and costs so incurred by it, provided such expenditures and costs are properly reimbursable under the Act and applicable federal laws.

6. The Authority hereby designates McGuireWoods LLP, Tysons, Virginia, to serve as bond counsel and hereby appoints such firm to supervise the proceedings and approve the issuance of the Bonds.

7. As a condition of the issuance of the Bonds by the Authority, the Borrower shall agree in the Bond Documents to indemnify and save harmless the Authority, its commissioners, officers, directors, employees and agents from and against all liabilities, obligations, claims, damages, penalties, losses, costs and expenses in any way connected with the issuance and sale of the Bonds.

8. All costs and expenses in connection with the financing of the Project, including the fees and expenses of the Authority (including, without limitation, any application fee and origination fee or annual fee, as applicable), bond counsel, and counsel for the Authority shall be paid from the proceeds of the Bonds (but only to the extent permitted by applicable law) or from moneys provided by the Borrower. If for any reason the Bonds are not issued, it is understood that all such fees and expenses shall be paid by the Borrower and that the Authority shall have no responsibility therefor.

9. In adopting this resolution, the Authority intends to evidence its "official intent" to reimburse Project expenditures with proceeds from the issuance of the Bonds within the meaning of Treasury Regulations Section 1.150-2.

10. The Chair, the Vice Chair, the Secretary/Treasurer of the Authority, any Assistant Secretary of the Authority, or the designee of any of them, any of whom may act alone, are hereby authorized to request an allocation or allocations of the State Ceiling (as defined in Section 15.2-5000 of the Virginia Code) in accordance with the applicable provisions of the Virginia Code and any regulations or executive orders issued thereunder. All costs incurred by the Authority, if any, in connection with such proceeding shall be paid for by the Borrower.

11. No bonds may be issued pursuant to this resolution until such time as (a) the issuance of the bonds has been approved by the City Council of Newport News, Virginia and (b) the bonds have received an allocation or allocations of the State Ceiling in accordance with the applicable provisions of the Virginia Code and any regulations or executive orders issued thereunder.

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

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

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

14. The Applicant, by receiving the benefit of this resolution, has agreed that the Borrower will cause the documents executed in connection with the issuance of the bonds to contain a covenant, in form and substance satisfactory to the Authority and its counsel, substantially to the effect that the Borrower will agree to pay to the Authority, at the selection of the Borrower, either (i) a one-time 1/2 of 1% of the total bond issue amount up front or (ii) an annual administrative fee which shall be due and payable on the date of issuance of the Bonds and on each annual anniversary date thereof until payment in full of the Bonds 1/8 of 1% of the outstanding principal amount of the Bonds.

15. The Authority recommends that the City Council approve the issuance of the Bonds.

16. No Bonds may be issued pursuant to this resolution until such time as the issuance of the Bonds has been approved by the City Council.

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

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

Adopted: March 15, 2022

CERTIFICATE

The undersigned Secretary of the Newport News Redevelopment and Housing Authority, Virginia (the "Authority"), hereby certifies that the foregoing is a true, correct and complete copy of a resolution adopted by a majority of the commissioners of the Authority at a meeting duly called and held on March 15, 2022, in accordance with law, and that such resolution has not been repealed, revoked, rescinded or amended but is in full force and effect on the date hereof.

WITNESS the following signature and seal of the Authority as of March 15, 2022.

Secretary, Newport News Redevelopment and Housing
Authority

[SEAL]

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Mr. Penrose Read

PUBLIC HEARING

**NEWPORT NEWS REDEVELOPMENT AND HOUSING
AUTHORITY**

**Multifamily Housing Revenue Bonds for
City Line Apartments**

This morning a public hearing is being held to receive comments on the proposed Multifamily Housing Revenue Bonds for City Line Apartments.

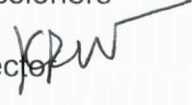
A notice advertising the public hearing was posted in the lobby of the Authority located at 227 27th Street, Newport News, VA and appeared in the Daily Press on March 1, 2022 and March 8, 2022.

I now open this public hearing and invite comments.

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY**MEMORANDUM**

DATE: March 8, 2022

TO: All Members, Board of Commissioners

FROM: Karen R. Wilds, Executive Director 

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

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

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

A public hearing is required as part of the Board of Commissioners' action and has been advertised for the March 15, 2022 meeting to obtain public comments on this proposed action. As required by applicable public notification regulations, this matter has been subject to an advertisement in the Daily Press on (i) March 1, 2022 and (ii) March 8, 2022.

The attached resolution is included for your consideration following the public hearing. Scott Fink and Seth Gellis of City Line Community Partners, LP and Mr. Michael Graff of McGuireWoods LLP, bond counsel, will be in attendance to describe the proposed plan of financing and respond to questions.

Subject to the Board's approval of this proposal, the City Council will be requested at their April 12, 2022 meeting to grant "public approval" of the issuance of the proposed Bonds and the plan of financing within the meaning of the applicable sections of the Virginia Code. Subject to City Council's action, final approval of the Authority's bond issuance would be considered at one of the Board's future meetings.

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

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



RESOLUTION OF THE NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY AUTHORIZING AND
APPROVING THE ISSUANCE OF UP TO \$35,000,000 MULTIFAMILY REVENUE BONDS FOR

CITY LINE APARTMENTS

RECITALS

A. The Newport News Redevelopment and Housing Authority (the “Authority”) is empowered, pursuant to the Virginia Housing Authorities Law, Chapter 1, Title 36 (the “Act”) of the Code of Virginia of 1950, as amended (the “Virginia Code”), to issue its bonds for the purpose, among others, of financing the Plan of Finance (as hereinafter defined), located within the territorial boundaries of the City of Newport News, Virginia (the “City”).

B. To further the Act’s purposes, at the request of City Line Community Partners, LP, a Virginia limited partnership (the “Applicant”), the Authority has determined to issue and sell its Multifamily Revenue Bonds in a principal amount not in excess of \$35,000,000 (the “Bonds”), pursuant to the Act, for the purpose of assisting the Applicant or an entity affiliated with and controlled by, or under common ownership with, the Applicant (the Applicant or such resulting ownership entity hereinafter referred to as the “Borrower”) in financing or refinancing a portion of the costs of acquiring, constructing, renovating, rehabilitating and equipping a multifamily residential rental housing project to be known as City Line Apartments, to consist of 100 one-bedroom units and 100 two-bedroom units, including laundry facilities, two playgrounds and a basketball court, to be located on approximately 12.4 acres of land located at 155 Mytilene Dr A, Newport News, Virginia 23605 (the “Project”), including the financing of reserve funds as permitted by applicable law and the costs of issuance incurred in connection with the issuance of the Bonds. Based on representations of the Applicant, the Project is structured to meet the requirements of a qualified residential rental project within the meaning of Section 142(d) of the Internal Revenue Code of 1986, as amended. The Applicant has represented that the Project will be owned by the Borrower.

C. Based on the representations of the Applicant and the information submitted concerning the Project, the Authority has determined that the issuance and sale of the Bonds will benefit the inhabitants of Newport News, Virginia and the Commonwealth by promoting their health, welfare, convenience and prosperity.

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

1. The foregoing recitals are approved by the Authority and are incorporated in, and deemed a part of, this resolution.

2. Based on the representations of the Applicant and the information submitted concerning the Project, it is hereby found and determined that the Project will further the public purposes of the Act by promoting the health and welfare of the Commonwealth, the City of Newport News, Virginia and their citizens.

3. Based on the representations of the Applicant and the information concerning the Project, it is hereby found and determined that the facilities which are the subject of the Project will constitute facilities for use primarily as safe and affordable single or multifamily residences, as described in the Act.

4. To induce the Borrower to acquire, construct, renovate, rehabilitate and equip the facilities which are the subject of the Project as safe and affordable single or multifamily residences within the meaning of the Act, the Authority hereby agrees, subject to approvals required by applicable law, to assist the Borrower in financing the Project by undertaking the issuance of (and hereby declares its official intent to issue) the Bonds in an aggregate principal amount not to exceed \$35,000,000 upon terms and conditions as shall be mutually agreeable to the Authority and the Borrower. The Bonds will be issued pursuant to documents as shall be satisfactory to the Authority and its counsel. The Bonds may be issued in one or more series at one time or from time to time, but in no event later than December 31, 2023, pursuant to the terms of a subsequent resolution or resolutions adopted by the Authority.

5. It having been represented by the Applicant to the Authority that it is necessary to proceed with the financing of the Project, the Authority hereby agrees that the Borrower may proceed with the plans for the Project, enter into contracts related to the financing of the Project and take such other steps as it may deem appropriate in connection therewith, provided that nothing herein shall be deemed to authorize the Borrower to obligate the Authority without its consent in each instance to the payment of any moneys or the performance of any acts in connection with the Project or any portion thereof. The Authority agrees that the Borrower may be reimbursed from the proceeds of the Bonds for all expenditures and costs so incurred by it, provided such expenditures and costs are properly reimbursable under the Act and applicable federal laws.

6. The Authority hereby designates McGuireWoods LLP, Tysons, Virginia, to serve as bond counsel and hereby appoints such firm to supervise the proceedings and approve the issuance of the Bonds.

7. As a condition of the issuance of the Bonds by the Authority, the Borrower shall agree in the Bond Documents to indemnify and save harmless the Authority, its commissioners, officers, directors, employees and agents from and against all liabilities, obligations, claims, damages, penalties, losses, costs and expenses in any way connected with the issuance and sale of the Bonds.

8. All costs and expenses in connection with the financing of the Project, including the fees and expenses of the Authority (including, without limitation, any application fee and origination fee or annual fee, as applicable), bond counsel, and counsel for the Authority shall be paid from the proceeds of the Bonds (but only to the extent permitted by applicable law) or from moneys provided by the Borrower. If for any reason the Bonds are not issued, it is understood that all such fees and expenses shall be paid by the Borrower and that the Authority shall have no responsibility therefor.

9. In adopting this resolution the Authority intends to evidence its "official intent" to reimburse Project expenditures with proceeds from the issuance of the Bonds within the meaning of Treasury Regulations Section 1.150-2.

10. The Chair, the Vice Chair, the Secretary/Treasurer of the Authority, any Assistant Secretary of the Authority, or the designee of any of them, any of whom may act alone, are hereby authorized to request an allocation or allocations of the State Ceiling (as defined in Section 15.2-5000 of the Virginia Code) in accordance with the applicable provisions of the Virginia Code and any regulations or executive orders issued thereunder. All costs incurred by the Authority, if any, in connection with such proceeding shall be paid for by the Borrower.

11. No bonds may be issued pursuant to this resolution until such time as (a) the issuance of the bonds has been approved by the City Council of Newport News, Virginia and (b) the bonds have received an allocation or allocations of the State Ceiling in accordance with the applicable provisions of the Virginia Code and any regulations or executive orders issued thereunder.

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

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

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

14. The Applicant, by receiving the benefit of this resolution, has agreed that the Borrower will cause the documents executed in connection with the issuance of the bonds to contain a covenant, in form and substance satisfactory to the Authority and its counsel, substantially to the effect that the Borrower will agree to pay to the Authority, at the selection of the Borrower, either (i) a one-time 1/2 of 1% of the total bond issue amount up front or (ii) an annual administrative fee which shall be due and payable on the date of issuance of the Bonds and on each annual anniversary date thereof until payment in full of the Bonds 1/8 of 1% of the outstanding principal amount of the Bonds.

15. The Authority recommends that the City Council approve the issuance of the Bonds.

16. No Bonds may be issued pursuant to this resolution until such time as the issuance of the Bonds has been approved by the City Council.

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

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

Adopted: March 15, 2022

CERTIFICATE

The undersigned Secretary of the Newport News Redevelopment and Housing Authority, Virginia (the "Authority"), hereby certifies that the foregoing is a true, correct and complete copy of a resolution adopted by a majority of the commissioners of the Authority at a meeting duly called and held on March 15, 2022, in accordance with law, and that such resolution has not been repealed, revoked, rescinded or amended but is in full force and effect on the date hereof.

WITNESS the following signature and seal of the Authority as of March 15, 2022.

Secretary, Newport News Redevelopment and Housing
Authority

[SEAL]

PUBLIC HEARING**NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY****Public Housing Agency Plans (Five Year Plan and Annual Plan for
FY 2022-2026) Submission of HUD Form 50075-ST**

This morning a public hearing is being held to receive comments on the proposed Public Housing Agency Five Year Plan for 2022-2026 and submission of HUD Form 50075-ST.

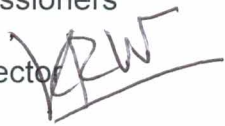
A Notice appeared in the Daily Press on Sunday, January 26, 2022, in the Tidewater Hispanic on February 3, 2022 stating the draft Five Year Plan was available for public review at the Authority's office at 227 27th Street, Newport News, Virginia during business hours. The Five-Year Agency Plan was also posted on the website.

I now open this public hearing and invite comments.

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY**MEMORANDUM**

DATE: March 2, 2022

TO: All Members, Board of Commissioners

FROM: Karen R. Wilds, Executive Director 

SUBJECT: Public Housing Agency (PHA) Plans

Attached for your review and approval is our proposed Five Year Agency Plan which includes the Annual Plan for FY 2022 along with the required attachments.

The public housing Agency Plan is a comprehensive guide to our policies, programs, services offered to clients, operations and plan to assist with local housing needs. There are two parts to the PHA Plan: the Five Year Plan and the Annual Plan. The Five Year Plan describes the mission and goals of the Authority. The Annual Plan is a detailed review of all Authority operations along with the Capital Fund Program priorities.

The Plan includes comments received from residents attending the Resident Advisory Board virtual zoom meeting on January 31, 2022. A telephone call in number was provided as well. The Plan is required by the Department of Housing and Urban Development.

Also, attached is a summary of Capital Plan activities proposed in the five year time frame as well as listing of the projects for 2022 - 2026.

The proposed plan covers the period 2022 – 2026 and includes an Annual Plan for 2022.

The Agency Plan includes all updated requirements for participation in the Rental Assistance Demonstration program, Choice Neighborhoods program Housing Choice Voucher programs. After Board approval, any new elements will be referenced in our Agency Plan, Admission and Continued Occupancy Policy and the Housing Choice Voucher Administrative Plan.

We have met all public participation requirements. A notice appeared in the Daily Press on Sunday, January 26, 2022 and the Tidewater Hispanic on February 3, 2022 stating the draft Plan was available for public review. The Five Year Agency Plan was also posted on the website. In addition to the Resident Advisory Board meeting held on January 31, 2022 to discuss the contents of the Plan, a public hearing will also be held as part of the March 15, 2022 NNRHA board meeting to allow any citizen input.

The Agency Plan is due to HUD no later than April 15, 2022 which is 75 days before the end of our new fiscal year which begins July 1.

The attached resolution is recommended for approval.

Attachment

A RESOLUTION AUTHORIZING THE NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY TO SUBMIT HUD FORM 50075-ST, PHA PLANS (FIVE YEAR PLAN AND ANNUAL PLAN FOR FY 2022 – 2026 TO HUD IN ACCORDANCE WITH STATUTORY REGULATIONS

WHEREAS, NNRHA developed a PHA Plan which includes a 5 Year Plan for Fiscal Years 2022 - 2026 and an Annual Plan for Fiscal Year 2022 - 23; and

WHEREAS, a notice appeared in the Daily Press, the local newspaper of general circulation on January 26, 2022 and Tidewater Hispanic on February 3, 2022 stating the place and location of the Plan for public review and comments and to announce the date, time and place for the public hearing; and

WHEREAS, this notice met the minimum 45 day requirement for notifying the public and residents of the public hearing; and

WHEREAS, NNRHA staff met with the Resident Advisory Board on January 31, 2022 to present the draft plan; and

WHEREAS, a copy of the draft plan was provided to the City Manager of the City of Newport News for comments; and

WHEREAS, a copy of the draft plan was placed in each rental office, the occupancy office and the NNRHA main offices at the Wilbern Building for public to review; and

WHEREAS, the 5 Year and Annual Plan applies to all of the Authority's Asset Management Projects (AMPs); and

WHEREAS, a proposed use of Capital Funds for 2022-2026 has been received; and

WHEREAS, a public hearing was held at the regularly scheduled Board of Commissioners Meeting of the Newport News Redevelopment and Housing Authority on March 15, 2022 to receive comments; and

WHEREAS, all required documents are in order:

NOW THEREFORE BE IT RESOLVED by the Board of Commissioners of the Newport News Redevelopment and Housing Authority that the 5 Year Plan and Capital Grant five year funding for Fiscal Year 2022 - 2026 and the Annual Plan for Fiscal Year 2022 - 23, is hereby approved. The Executive Director is authorized and directed to forward said Agency Plan to the U. S. Department of Housing and Urban Development.

* * *

NNRHA Proposed 5 Year Capital Fund Program FY 2022 - 2026

Anticipated Grant

Budget Year	Award	Proposed Revised Capital Projects	Cost Estimate
2022	Anticipated Budget	Proposed Capital Projects 2022	Anticipated \$
	\$ 4,031,036.25		
		Public Housing Operations (10%)	\$ 403,103.00
		Management Improvements	\$ 50,000.00
		COCC Management Fee (Administration)	\$ 403,103.00
		Inspection Salaries	\$ 135,000.00
		Inspection Benefits	\$ 18,872.00
		Pinecroft RAD Conversion	<u>\$ 3,020,958.25</u>
		Total Proposed 2022	\$ 4,031,036.25
2023	Anticipated Budget	Proposed Revised Capital Projects 2023	Anticipated \$
	\$ 3,500,000.00		
		Public Housing Operations (10%)	\$ 350,000.00
		Management Improvements	\$ 50,000.00
		COCC Management Fee (Administration)	\$ 350,000.00
		Inspection Salaries	\$ 139,050.00
		Inspection Benefits	\$ 18,717.00
		Aqueduct - RAD Conversion	<u>\$ 2,592,233.00</u>
		Total Proposed 2023	\$ 3,500,000.00
2024	Anticipated Budget	Proposed Capital Projects 2024	Anticipated \$
	\$ 3,000,000.00		
		Public Housing Operations (10%)	\$ 300,000.00
		Management Improvements	\$ 50,000.00
		COCC Management Fee (Administration)	\$ 300,000.00
		Inspection Salaries	\$ 143,221.00
		Inspection Benefits	\$ 19,278.00
		Marshall Courts - Ongoing Renovations	\$ 250,000.00
		Aqueduct RAD Conversion	<u>\$ 1,937,501.00</u>
		Total Proposed 2024	\$ 3,000,000.00

2025	Anticipated Budget	Proposed Capital Projects 2025	Anticipated \$
	\$ 2,500,000.00		
		Public Housing Operations (10%)	\$ 250,000.00
		Management Improvements	\$ 50,000.00
		COCC Management Fee (Administration)	\$ 250,000.00
		Inspection Salaries	\$ 147,517.00
		Inspection Benefits	\$ 19,856.00
		Aqueduct RAD Conversion	\$ 1,782,627.00
		Total Proposed 2025	\$ 2,500,000.00
2026	Anticipated Budget	Proposed Capital Projects 2026	Anticipated \$
	\$ 2,000,000.00		
		Public Housing Operations (10%)	\$ 200,000.00
		Management Improvements	\$ 50,000.00
		COCC Management Fee (Administration)	\$ 200,000.00
		Inspection Salaries	\$ 151,942.00
		Inspection Benefits	\$ 20,451.00
		General Capital TBD	\$ 1,377,607.00
		Total Proposed 2026	\$ 2,000,000.00

PHA Plans

5 Year Plan for Fiscal Years 2022 - 2026
Annual Plan for Fiscal Year 2022

PROPOSED

NOTE: THIS PHA PLANS TEMPLATE (HUD 50075) IS TO BE COMPLETED IN
ACCORDANCE WITH INSTRUCTIONS LOCATED IN APPLICABLE PIH NOTICES

Annual PHA Plan
(Standard PHAs and
Troubled PHAs)

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

OMB No. 2577-0226
Expires: 03/31/2024

Purpose. The 5-Year and Annual PHA Plans provide a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA's operations, programs, and services, including changes to these policies, and informs HUD, families served by the PHA, and members of the public of the PHA's mission, goals and objectives for serving the needs of low- income, very low- income, and extremely low- income families.

Applicability. The Form HUD-50075-ST is to be completed annually by **STANDARD PHAs** or **TROUBLED PHAs**. PHAs that meet the definition of a High Performer PHA, Small PHA, HCV-Only PHA or Qualified PHA do not need to submit this form.

Definitions.

- (1) **High-Performer PHA** – A PHA that owns or manages more than 550 combined public housing units and housing choice vouchers, and was designated as a high performer on both the most recent Public Housing Assessment System (PHAS) and Section Eight Management Assessment Program (SEMAP) assessments if administering both programs, or PHAS if only administering public housing.
- (2) **Small PHA** - A PHA that is not designated as PHAS or SEMAP troubled, that owns or manages less than 250 public housing units and any number of vouchers where the total combined units exceed 550.
- (3) **Housing Choice Voucher (HCV) Only PHA** - A PHA that administers more than 550 HCVs, was not designated as troubled in its most recent SEMAP assessment and does not own or manage public housing.
- (4) **Standard PHA** - A PHA that owns or manages 250 or more public housing units and any number of vouchers where the total combined units exceed 550, and that was designated as a standard performer in the most recent PHAS or SEMAP assessments.
- (5) **Troubled PHA** - A PHA that achieves an overall PHAS or SEMAP score of less than 60 percent.
- (6) **Qualified PHA** - A PHA with 550 or fewer public housing dwelling units and/or housing choice vouchers combined and is not PHAS or SEMAP troubled.

A. PHA Information.

A.1 **PHA Name:** Newport News Redevelopment and Housing Authority **PHA Code:** VA003

PHA Type: ☒ Standard PHA ☐ Troubled PHA

PHA Plan for Fiscal Year Beginning: (MM/YYYY): July 1, 2022

PHA Inventory (Based on Annual Contributions Contract (ACC) units at time of FY beginning, above)

Number of Public Housing (PH) Units 1098 **Number of Housing Choice Vouchers (HCVs)** 2966 **Total Combined Units/Vouchers** 4064

PHA Plan Submission Type: ☒ Annual Submission ☐ Revised Annual Submission

Availability of Information. PHAs must have the elements listed below readily available to the public. A PHA must identify the specific location(s) where the proposed PHA Plan, PHA Plan Elements, and all information relevant to the public hearing and proposed PHA Plan are available for inspection by the public. At a minimum, PHAs must post PHA Plans, including updates, at each Asset Management Project (AMP) and main office or central office of the PHA. PHAs are strongly encouraged to post complete PHA Plans on their official website. PHAs are also encouraged to provide each resident council a copy of their PHA Plans.

The PHA Plan will be available at the following locations:

1. Wilburn Building – PHA Plan and PHA Plan Elements – Main Office, 227 27th Street, Newport News, VA 23607
2. NNRHA Occupancy Office – PHA Annual Plan – 2709 Jefferson Avenue, Newport News, VA 23607
3. Lassiter Courts Rental Office – PHA Annual Plan
4. Marshall Courts Rental Office – PHA Annual Plan
5. Spratley House Rental Office – PHA Annual Plan
6. Ashe Manor Rental Office – PHA Annual Plan
7. Oyster Point Rental Office – PHA Annual Plan
8. Cypress Terrace Rental Office – PHA Annual Plan
9. Pinecroft Rental Office – PHA Annual Plan
10. Brighton Rental Office – PHA Annual Plan
11. Posted on the website – www.nnrha.com
12. Each resident council president, as in the past, will receive a copy of the approved PHA Plan along with a copy of the HUD approval letter.

☐ **PHA Consortia:** (Check box if submitting a Joint PHA Plan and complete table below)

Participating PHAs	PHA Code	Program(s) in the Consortia	Program(s) not in the Consortia	No. of Units in Each Program	
				PH	HCV

	Lead PHA:					
B.	Plan Elements					
B.1	<p>Revision of Existing PHA Plan Elements.</p> <p>(a) Have the following PHA Plan elements been revised by the PHA?</p> <p>Y N</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Statement of Housing Needs and Strategy for Addressing Housing Needs</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Deconcentration and Other Policies that Govern Eligibility, Selection, and Admissions.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Financial Resources.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Rent Determination.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Operation and Management.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Grievance Procedures.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Homeownership Programs.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Community Service and Self-Sufficiency Programs.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Safety and Crime Prevention.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Pet Policy.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Asset Management.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Substantial Deviation.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Significant Amendment/Modification</p> <p>(b) If the PHA answered yes for any element, describe the revisions for each revised element(s):</p> <p>(c) The PHA must submit its Deconcentration Policy for Field Office review.</p>					

<p>B.2</p>	<p>New Activities.</p> <p>(a) Does the PHA intend to undertake any new activities related to the following in the PHA's current Fiscal Year?</p> <p>Y N</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Hope VI or Choice Neighborhoods.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Mixed Finance Modernization or Development.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Demolition and/or Disposition.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Designated Housing for Elderly and/or Disabled Families.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Conversion of Public Housing to Tenant-Based Assistance.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Conversion of Public Housing to Project-Based Rental Assistance or Project-Based Vouchers under RAD.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Occupancy by Over-Income Families.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Occupancy by Police Officers.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Non-Smoking Policies.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Project-Based Vouchers.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Units with Approved Vacancies for Modernization.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Other Capital Grant Programs (i.e., Capital Fund Community Facilities Grants or Emergency Safety and Security Grants).</p> <p>(b) If any of these activities are planned for the current Fiscal Year, describe the activities. For new demolition activities, describe any public housing development or portion thereof, owned by the PHA for which the PHA has applied or will apply for demolition and/or disposition approval under section 18 of the 1937 Act under the separate demolition/disposition approval process. If using Project-Based Vouchers (PBVs), provide the projected number of project-based units and general locations, and describe how project basing would be consistent with the PHA Plan.</p>
<p>B.3</p>	<p>Progress Report.</p> <p>Provide a description of the PHA's progress in meeting its Mission and Goals described in the PHA 5-Year and Annual Plan.</p>
<p>B.4</p>	<p>Capital Improvements. Include a reference here to the most recent HUD-approved 5-Year Action Plan in EPIC and the date that it was approved.</p>
<p>B.5</p>	<p>Most Recent Fiscal Year Audit.</p> <p>(a) Were there any findings in the most recent FY Audit?</p> <p>Y N</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/></p> <p>(b) If yes, please describe: Also, there was one finding in the FY2019 audit report.</p> <p>Compliance Requirement: Residual Receipts Account</p> <p>Criteria: Per Title 24 of the Code of Federal Regulations Section 880.601, any remaining project funds must be deposited with the mortgage or other HUD-approved depository in an interest-bearing residual receipts account.</p> <p>Condition: Of the three (3) projects that were required to establish and deposit any remaining project funds into a residual receipts account, we noted two (2) projects that did not have a residual receipts account properly established as of the performance of our testing procedures in January 2020. Based on our review of mortgage loan documents these accounts should have been established sixty days after the June 30, 2018 year end. Upon inquiry of the accounts in January 2020, the Authority established the required account for the two (2) projects.</p> <p>Cause: Previously, the equity partner for the projects held the responsibility of establishing the residual receipts account. Management of the equity partner changed and their policies and the responsibilities were given to the borrowers to create the account. There was a lack of communication between the equity partners and Authority regarding this change, which led to the late creation of the residual receipts account.</p> <p>Effect: The Authority was not in compliance with the residual receipts compliance requirement as of June 30, 2019.</p>
<p>C.</p>	<p>Other Document and/or Certification Requirements.</p>

C.1	<p>Resident Advisory Board (RAB) Comments.</p> <p>(a) Did the RAB(s) have comments to the PHA Plan?</p> <p>Y N <input checked="" type="checkbox"/> <input type="checkbox"/></p> <p>(b) If yes, comments must be submitted by the PHA as an attachment to the PHA Plan. PHAs must also include a narrative describing their analysis of the RAB recommendations and the decisions made on these recommendations.</p>
C.2	<p>Certification by State or Local Officials.</p> <p>Form HUD 50077-SL, <i>Certification by State or Local Officials of PHA Plans Consistency with the Consolidated Plan</i>, must be submitted by the PHA as an electronic attachment to the PHA Plan.</p>
C.3	<p>Civil Rights Certification/ Certification Listing Policies and Programs that the PHA has Revised since Submission of its Last Annual Plan.</p> <p>Form HUD-50077-ST-HCV-HP, <i>PHA Certifications of Compliance with PHA Plan, Civil Rights, and Related Laws and Regulations Including PHA Plan Elements that Have Changed</i>, must be submitted by the PHA as an electronic attachment to the PHA Plan.</p>
C.4	<p>Challenged Elements. If any element of the PHA Plan is challenged, a PHA must include such information as an attachment with a description of any challenges to Plan elements, the source of the challenge, and the PHA's response to the public.</p> <p>(a) Did the public challenge any elements of the Plan?</p> <p>Y N <input type="checkbox"/> <input type="checkbox"/></p> <p>If yes, include Challenged Elements.</p>
C.5	<p>Troubled PHA.</p> <p>(a) Does the PHA have any current Memorandum of Agreement, Performance Improvement Plan, or Recovery Plan in place?</p> <p>Y N N/A <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/></p> <p>(b) If yes, please describe:</p>
D.	<p>Affirmatively Furthering Fair Housing (AFFH).</p>

D.1 Affirmatively Furthering Fair Housing (AFFH).

Provide a statement of the PHA's strategies and actions to achieve fair housing goals outlined in an accepted Assessment of Fair Housing (AFH) consistent with 24 CFR § 5.154(d)(5). Use the chart provided below. (PHAs should add as many goals as necessary to overcome fair housing issues and contributing factors.) Until such time as the PHA is required to submit an AFH, the PHA is not obligated to complete this chart. The PHA will fulfill, nevertheless, the requirements at 24 CFR § 903.7(o) enacted prior to August 17, 2015. See Instructions for further detail on completing this item.

Fair Housing Goal: To address home repair needs and down payment assistance for low to moderate income homeowners.

Describe fair housing strategies and actions to achieve the goal

Financial barriers exist for homeowners who cannot afford to rehabilitate their homes when they are not safe or in livable environments. Often when these deficiencies are not addressed, the issues compound and the household cannot maintain ownership of their homes. The city will provide housing repair financing to homeowners who are below 80% of the AMI. This assistance is provided through a combination of grants, deferred Payment loans and low interest loans.

Fair Housing Goal: To provide more affordable new housing opportunities in the South East Community.

Describe fair housing strategies and actions to achieve the goal

NNRHA will continue in the upcoming funding year with the development of additional new single family homeownership units in a style that is consistent with the historic context of the Southeast community and that are developed in a way that increases the affordability and sustainability of the unit. New home designs that mirror the character of existing neighborhood houses while providing more modern interior features and energy efficient construction and appliances for sustainability.

Fair Housing Goal:

Describe fair housing strategies and actions to achieve the goal

Instructions for Preparation of Form HUD-50075-ST

Annual PHA Plan for Standard and Troubled PHAs

A. PHA Information. All PHAs must complete this section. (24 CFR §903.4)

A.1 Include the full **PHA Name, PHA Code, PHA Type, PHA Fiscal Year Beginning (MM/YYYY), PHA Inventory, Number of Public Housing Units and or Housing Choice Vouchers (HCVs), PHA Plan Submission Year**, and the **Availability of Information**, specific location(s) of all information relevant to the public hearing and proposed PHA Plan. (24 CFR §903.23(4)(e))

PHA Consortia: Check box if submitting a Joint PHA Plan and complete the table. (24 CFR §943.128(a))

B. Plan Elements. All PHAs must complete this section.

B.1 Revision of Existing PHA Plan Elements. PHAs must:

Identify specifically which plan elements listed below that have been revised by the PHA. To specify which elements have been revised, mark the "yes" box. If an element has not been revised, mark "no." (24 CFR §903.7)

☒ **Statement of Housing Needs and Strategy for Addressing Housing Needs.** Provide a statement addressing the housing needs of low-income, very low-income and extremely low-income families and a brief description of the PHA's strategy for addressing the housing needs of families who reside in the jurisdiction served by the PHA and other families who are on the public housing and Section 8 tenant-based assistance waiting lists. The statement must identify the housing needs of (i) families with incomes below 30 percent of area median income (extremely low-income); (ii) elderly families (iii) households with individuals with disabilities, and households of various races and ethnic groups residing in the jurisdiction or on the public housing and Section 8 tenant-based assistance waiting lists based on information provided by the applicable Consolidated Plan, information provided by HUD, and other generally available data. The statement of housing needs shall be based on information provided by the applicable Consolidated Plan, information provided by HUD, and generally available data. The identification of housing needs must address issues of affordability, supply, quality, accessibility, size of units, and location. Once the PHA has submitted an Assessment of Fair Housing (AFH), which includes an assessment of disproportionate housing needs in accordance with 24 CFR §5.154(d)(2)(iv), information on households with individuals with disabilities and households of various races and ethnic groups residing in the jurisdiction or on the waiting lists no longer needs to be included in the Statement of Housing Needs and Strategy for Addressing Housing Needs. (24 CFR §903.7(a)).

The Newport News Redevelopment and Housing Authority will continue to serve the needs of low-income, very low-income and extremely low income families. The Newport News Redevelopment and Housing Authority mission is to create affordable housing, viable communities, and opportunities for self-sufficiency that enhance the quality of life for all citizens of Newport News.

The Newport News Redevelopment and Housing Authority plans to maximize the viability of affordable units within our current resources by:

- Reducing turnover time for vacated public housing units (make ready time to lease up)
- Reducing time to renovate public housing units
- Continue to seek replacement of public housing units loss to the inventory through mixed finance development projects and RAD
- Minimizing the number of units line
- Maintain or increase Housing Choice Voucher lease-up rates by marketing the program to owners
- Maintain or increase payment standards which allow voucher holders to lease throughout the city of Newport News
- Continue to maintain an appropriate Housing Choice Voucher lease-up rates by effectively screening applicants
- Award Project Based Vouchers and form additional partnerships with apartment management companies
- Ensure access to affordable housing among families assisted by NNRHA regardless of required unit size
- Improve REAC scores obtained from inspectors
- Employ admission preference for families who are working
- Affirmatively market to local non-profit agencies that assist families with disabilities
- Advertise wait list openings in newspapers including the Daily Press, Tidewater Hispanic and our website
- Continue to provide affirmative marketing efforts to races/ethnicities that make up the population in the jurisdiction to further fair housing
- Continue to conduct affirmative marketing as needed so the waiting list includes a mix of applicants with races, ethnic backgrounds, ages, and disabilities proportionate to the mix of those groups in the eligible population of the area
- Continue to maintain a single community wide waiting list for admission to the PHA's public housing developments and tenant based housing assistance programs. Program applicants shall be assigned his/her appropriate place on a sing community wide waiting list based on type and size of apartment needed and selected by the family (e.g. mixed population or general occupancy building, accessible or non-accessible apartment, number of bedrooms and applicant preference
- Local preferences are used to establish the order of applicants on the waiting list. These preferences are of equal weight and an applicant may qualify under any of the categories. Families that do not qualify will be categorized as no-local preference
- In addition, the City of Newport News is an entitlement grantee for the U.S. Department of Housing and Urban Development's Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) Programs. The City of Newport News enters into an annual administrative agreement contract with NNRHA for the administration, management, implementation, monitoring and compliance for the CDBG and HOME Program Funds. The Authority works closely with the City in the development of the Consolidated Plan.
- The following activities have been undertaken with entitlement resources to address community revitalization needs primarily the City's older urban neighborhood:
 - Acquisition and rehabilitation of distressed properties
 - Provision of rehabilitation loans and grants to owner occupied residents
 - Sale of property for new residential development/homeownership
 - Provide funding to developers and non-profit organizations for the development and renovation of affordable housing
 - Active involvement in the Choice Neighborhood Initiative planning process
 - Apply for Emergency Housing Vouchers

The identification of housing needs must address issues of affordability, supply, quality, accessibility, size of units, and location. (24 CFR §903.7(a)(2)(i)) Provide a description of the ways in which the PHA intends, to the maximum extent practicable, to address those housing needs in the upcoming year and the PHA's reasons for choosing its strategy. (24 CFR §903.7(a)(2)(ii))

☒ **Deconcentration and Other Policies that Govern Eligibility, Selection, and Admissions.** PHAs must submit a Deconcentration Policy for Field Office review. For additional guidance on what a PHA must do to deconcentrate poverty in its development and comply with fair housing requirements, see 24 CFR 903.2. (24 CFR §903.23(b)) Describe the PHA's admissions policy for deconcentration of poverty and income mixing of lower-income families in public housing. The Deconcentration Policy must describe the PHA's policy for bringing higher income tenants into lower income developments and lower income tenants into higher income developments. The deconcentration requirements apply to general occupancy and family public housing developments. Refer to 24 CFR §903.2(b)(2) for developments not subject to deconcentration of poverty and income mixing requirements. (24 CFR §903.7(b)) Describe the PHA's procedures for maintain waiting lists for admission to public housing and address any site-based waiting lists. (24 CFR §903.7(b)). A statement of the PHA's policies that govern resident or tenant eligibility, selection and admission including admission preferences for both public housing and HCV. (24 CFR §903.7(b)) Describe the unit assignment policies for public housing. (24 CFR §903.7(b))

This is in response to the new Annual PHA Plan which requires PHAs to develop a Deconcentration and other policies that govern eligibility, selection and admission to further the deconcentration of poverty and income mixing in their public housing developments.

The Newport News Redevelopment and Housing Authority (NNRHA) shall attain, to the maximum extent feasible, a tenant body in each project that is composed of families with a broad range of incomes and avoid concentrations of the most economically deprived families. Each eligible applicant placed on the waiting list(s) shall be assigned to a suitable type or size unit based on household characteristics. Assignment plans established by the NNRHA will be consistent with the objective of Title VI of the Civil Rights Act of 1964, and HUD regulations and requirements pursuant to the following:

I. Public Housing Offers

- a. Eligible applicants first in sequence on the public housing waiting list shall be offered a suitable unit. If the applicant rejects the vacancy offered, the applicant will be notified that his/her application will be withdrawn from the public housing waiting list.
- b. If the applicant is willing to accept the unit offered, but is unable to move at the time of the offer and presents clear evidences of his/her inability to move, with Authority approval, the NNRHA shall not require the applicant to be withdrawn or be placed on the bottom of the eligible waiting list. If the unit offered is not available at the time the applicant has the ability to move, the applicant shall be assigned a second unit. If the family rejects the second unit offered, the applicant shall be withdrawn from the public housing waiting list.
- c. If an applicant presents to the satisfaction of the NNRHA, clear evidence that acceptance of a given offer is a suitable unit will result in undue hardship, the Authority will not move the applicant to the bottom of the eligible applicant waiting list or withdraw the application. Proximity to sources of employment or children's day care are examples of reasons permitted and shall not require the applicant to be withdrawn or placed at the bottom of the eligible waiting list. The applicant shall be offered a second unit. If the applicant rejects the second offer, the applicant shall be withdrawn from the public housing waiting list.
- d. If the applicant has applied for other housing assistance programs, the applicant's acceptance of a public housing unit or the applicant's withdrawal from the public housing waiting list shall not cause the applicant to be withdrawn from other housing assistance programs waiting lists.

II. Amendment to Occupancy Policy and Section 8 Administrative Plan

In lieu of the former HUD Federal preferences, the NNRHA established local preferences based on local needs as a priority for selecting families from the waiting lists. At the option of the Housing Authority, the former HUD Federal preferences were adopted as local preferences. The revised Administrative Plan and Occupancy Policy incorporates changes or additions to the NNRHA local preference requirements. Due to the significant number of families in our locality who are living in substandard housing (homeless or overcrowded conditions) paying 50 percent or more of income toward rent; and/or involuntarily displaced; the NNRHA adopted the three former Federal preferences as local preferences. In addition, a fourth preferences for veterans is also included as a local preference. We consistently receive referrals from the Hampton Veterans Administration for veterans who need housing assistance because they lack adequate housing. Our local area consists of a high number of veterans because of the Hampton Veterans Hospital and nearby military bases (Langley Air Force Base, Fort Eustis, Fort Monroe, Norfolk Naval Base, and Yorktown Naval Weapons Station).

The NNRHA has five local preferences consisting of the following:

- Involuntarily Displacement
- Living in Standard Housing (Homeless or Overcrowded)
- Rent Burden (Paying 50 percent or more of income for rent and utilities)
- Veterans
- Mainstream Vouchers

These local preferences will be used to prioritize the selection of applicants on the waiting list. Applicants who are otherwise eligible for assistance and who meet one or more of the local preference requirements at the time of application shall receive priority admission. Date and time of application will be used for all applicants with or without preference.

In addition to local preferences, NNRHA established ranking "among" local preferences to rank among any of the local preferences. This places a priority on families who meet one of the four local preferences who are working families and/or residents of the City of Newport News are defined below:

- **Working Families:**

A family whose head or spouse is or has been employed not less than 30 hours per week for the past twelve months. The employment preference shall not be based on the amount of income earned. Also, the NNRHA shall give the benefit of working family when the head or spouse, or sole member, age 62 or older is receiving social security disability, supplemental security income, disability benefits, or any other payment based on the definition of disabled in accordance with the Social Security Act or Americans with Disabilities Act.

Residents of Newport News:

Families whose last permanent address was Newport News or who work, or have been notified they have been hired to work in the City of Newport News.

Equal Weight with Ranking "Among" The Local Preferences-This plan will provide an equal opportunity for families with the most need to receive housing assistance. The local preferences will be used with ranking "among" the local preferences.

FIVE LOCAL PREFERENCES:

Involuntarily Displaced
Living in Standard Housing (Homeless or Overcrowded)
Rent Burden (Paying 50 percent or more of income for rent and utilities)
Veterans
Mainstream Vouchers

RANKING PREFERENCES

Working Families
Residents of Newport News

Families who are working or residents of Newport News will priority among the local preferences. A preference does not guarantee admission to the housing assistance programs. Preferences are used to establish the order placement on the waiting list. Every family admitted to the program must meet NNRHA's selection criteria as defined in the Occupancy Policy and Administrative Plan.

Public Housing Complexes and Their Average Rent as of December 20, 2021

<u>SOUTHEAST COMPLEXES</u>	<u>AVERAGE RENT</u>
Marshall Courts	\$216.00
*Spratley House	\$262.00
*Ashe Manor	\$292.00
Orcutt Townhomes I	\$268.00
<u>NORTH END COMPLEXES</u>	
*Aqueduct Apartments	\$167.00
*Pinecroft Apartments	\$308.00

*Elderly Housing

**These rents are understated due to tenant contributions to utilities.

Analysis of the rent distributions above, led us to the conclusion that the NNRHA selection plan is successful and creates diversity in tenant selection. The plan continues to provide opportunities to families with a variety of incomes at each of our public housing apartment complexes.

III. **Public Housing Complexes and the Average Income
Deconcentration Analysis as of December 20, 2021**

<u>SOUTHEAST COMPLEXES</u>	<u>TOTAL UNITS</u>	<u>AVERAGE INCOME</u>
*Ashe Manor	50	\$12,263
Marshall Courts	347	\$10,272
**Orcutt Townhomes I	40	\$11,433
*Spratley House	50	\$10,961
<u>NORTH END COMPLEXES</u>		
Aqueduct Apartments	262	\$10,075
*Pinecroft Apartments	140	\$12,801
TOTAL	889	

Average Income for All Families \$11,125

*Elderly Housing Exclusion

**Fewer than 100 units exclusion

The Established Income Range (EIR) is 85% to 115% of the PHA public housing income for the covered development:

<u>Complexes</u>	<u>Avg. Income For All Families</u>	<u>85% Test</u>	<u>Avg. Income For Complex</u>	<u>115% Test</u>
Marshall Courts	11,725	9,456	10,272	
Aqueduct	11,725	9,456	10,075	12,793

Analysis of Average Income Over & Under the Established Income Range:

Analysis of Average Income Outside the Established Income Range:

Contributing factor to EIR properties:

	<u>TANF</u>	<u>% of Family with Earned Income</u>	<u>Social Security/SSI</u>
Marshall	4%	39%	40%
Aqueduct	6%	41%	24%

Under the EIR

1. Of the family members with income in the John H. Ridley Place, 20% receive SSI/SS, 8% receive TANF and 54% have family members with Earned income. Many of the major industries are not located near the Southeast complexes, (i.e., Canon, AAFES, IBEX Global, KINYO, VA Inc. and HIGHLINER FOODS, Inc.).
2. Some families want to live in the Southeast complexes in order to obtain vocational skills, job skills, and training at the Family Investment Center (FIC). The FIC is in walking distance for families. In addition, a large daycare center is in walking distance for families residing in the Southeast complexes. Upon completion of training or increasing job skills, the families are able to increase their income.
3. Some families choose to move to the Southeast complexes based on NNRHA provided utilities. These families may have an outstanding balance with the local utility companies and cannot afford to turn utilities on in their names in the North End complexes. The North End complexes have tenant paid utilities.
4. **Ridley Place Apartments was vacant as of June 30, 2021 due to CNI Demolition/Disposition Action. All families used TPV's, moved to other Public Housing or left program.**

Summary

This analysis was prepared with the data as of December 20, 2021. We feel that income data and characteristics are sufficiently explained by these circumstances for the covered development and support the goals of deconcentration of poverty and income mixing. In addition, we will review this data annually along with the Occupancy Policy as part of the planning process to further fair housing.

☒ **Financial Resources.** A statement of financial resources, including a listing by general categories, of the PHA's anticipated resources, such as PHA operating, capital and other anticipated Federal resources available to the PHA, as well as tenant rents and other income available to support public housing or tenant-based assistance. The statement also should include the non-Federal sources of funds supporting each Federal program, and state the planned use for the resources. (24 CFR §903.7(c))

See attached.

☒ **Rent Determination.** A statement of the policies of the PHA governing rents charged for public housing and HCV dwelling units, including applicable public housing flat rents, minimum rents, voucher family rent contributions, and payment standard policies. (24 CFR §903.7(d))

The Minimum Rent shall be \$50 per month.

Flat Rents

Effective January 1, 2022, we set our flat rents no lower than 80% of the Department of Housing and Urban Development established fair market rent (FMR) in their area by bedroom size. In cases where following this formula causes flat rents to exceed 135% of the existing flat rent, the amount must be phased in to ensure that families do not experience a rent increase of more than 35 % annually. The effected families' rent will change at their next income re-examination. Families still have the option of selecting the Income Based Rent, which in some cases may be lower. In addition, in some cases, the new Flat rent may be phased in by \$50 quarterly until the new rent amount is achieved.

Annual Update of Flat Rents

NNRHA shall review the Fair Market Rent annually and adjust the Flat rents as needed.

Flat rents may either be increased or decreased on the FMR schedule as described above.

When a resident chooses Flat rent, his/her rent shall be adjusted only at the next regular reexamination/recertification rather than at the point the Flat rent may change.

Flat Rents will be adjusted by the tenant paid utility allowances.

Choice of Rent

Once each year, beginning with admission, each family is offered a choice between paying the income-based rent and the Flat rent applicable to the unit they will be occupying.

Because of the way the Federal law is written, choice of Flat rent may be offered at admission and annual reexamination. NNRHA shall use HUD's definition of Annual Income

The Minimum Rent shall be \$50 per month.

Payment Standards

The Housing Choice Voucher Payment standard is used to calculate the housing assistance payment for families participating in the Section 8 program and is the maximum month assistance payment allowable. In accordance with HUD regulations, and at the Housing Authority's (HA) discretion, the Voucher Payment Standard amount may be set by the HA between 90 percent and 110 percent of the HUD published Fair Market Rent (FMR). FMRs are gross housing cost estimates established by HUD for a metropolitan area that include both shelter and rent paid by the tenant to the landlord and the cost of tenant paid utilities. The HA reviews the appropriateness of the Payment Standard annually when the new FMR is published and adopts a Board of Commissioners effective January 2022.

☒ **Operation and Management.** A statement of the rules, standards, and policies of the PHA governing maintenance and management of housing owned, assisted, or operated by the public housing agency (which shall include measures necessary for the prevention or eradication of pest infestation, including cockroaches), and management of the PHA and programs of the PHA. (24 CFR §903.7(e))

The Lease Agreement is a legal binding contract between the tenants and the landlord (NNRHA). The Lease Agreement contains all rules, regulations, rights and obligation of both the tenant and landlord regarding the use and occupancy of the dwelling units and premises. The primary covenants and agreement of both parties include:

1. Lease Term and Renewal
2. Payments Due Under the Lease
3. Security Deposit

4. Utilities
5. Charges
6. Penalties
7. Redetermination of rent, dwelling size and eligibility
8. Tenant Obligations

The Tenant agrees to permit his or her apartment to be treated from time to time for control of pests. Pest control is performed semi-annually in each apartment.

9. Landlord Obligations
10. Inspections
11. Legal Notices
12. Accommodation of Persons with Disabilities
13. Termination of the Lease
14. Grievance Procedure
15. Cost of Legal Proceedings
16. Modifications
17. Failure to enforce the lease

Below are programs provided to our residents:

1. GED
2. Employability Workshops
3. Job Placement Assistance
4. Transportation
5. Self-Paced Typing
6. College Scholarship Opportunities
7. Volunteer Income Tax Assistance (VITA)
8. Crime Prevention Programs
9. Community Leadership Support
10. Special Needs Assessments
11. Enrichment Programs
12. Financial Literacy Workshops
13. Senior Citizens Programs
14. Job Training/Job Readiness Skills
15. Computer Education
16. Homeownership Counseling

☒ **Grievance Procedures.** A description of the grievance and informal hearing and review procedures that the PHA makes available to its residents and applicants. (24 CFR §903.7(f))

The grievance procedure has been established to provide guidelines for management and tenants in the just and effective settlement of grievances. It shall compass all individuals grievances between the tenant and the Authority. Excluded from the procedure is any grievance concerning an eviction or termination of tenancy based upon the tenant's creation or maintenance of a threat to the health and safety of other tenants or management employees.

The grievance procedure includes a list of definitions for all parties, the procedure to obtain an informal hearing, scheduling of the hearing, procedures governing the hearing decision of the hearing panel, if necessary (Lease Termination) action, and the decision of the hearing officer. The grievance procedure is posted in all rental offices.

The Newport News Redevelopment and Housing Authority will do the following as it relates to grievances or appeals: All grievances or appeals arising under the lease shall be processed and resolved pursuant to the Grievance Procedure which is in effect at the time such grievance or appeal arises. The policy is posted in the rental office and incorporated herein by reference. The hearing officer shall be an employee whose duties and responsibilities are not involved in the grievance. In the case of a three member panel, one is selected from NNRHA, a second member from one of the resident councils and a third will be an individual selected by the Hearing Officer. The Hearing Officer chairs the appeal but does not vote in the process.

☒ **Homeownership Programs.** A description of any Section 5h, Section 32, Section 8y, or HOPE I public housing or Housing Choice Voucher (HCV) homeownership programs (including project number and unit count) administered by the agency or for which the PHA has applied or will apply for approval. (24 CFR §903.7(k))

NNRHA Homeownership Assistance Programs

NNRHA offers affordable newly constructed and renovated homes for income eligible purchasers under the HOMEBuilder and HOMEPlace Programs. NNRHA also administers the citywide, down payment assistance program for first-time homebuyers. These Homeownership Assistance Programs are funded through the Community Development Block Grant (CDBG) and HOME Investments Partnerships Program (HOME). These programs are designed to provide assistance to eligible home buyers in purchasing homes within the municipal limits of Newport News to occupy as their primary residence. Eligible applicants must meet income guidelines as set by HUD, attend an 8-hour homebuyer's education class, and demonstrate the ability to obtain a mortgage (additional restrictions may apply).

In May 2019, the U.S. Department of Housing and Urban Development (HUD) awarded a \$30 million Choice Neighborhoods Implementation Grant for revitalization projects in the Marshall-Ridley Choice Neighborhood. Newport News was one of four cities in the country to receive the grant in 2019, which helps to revitalize distressed neighborhoods and strengthen economic development in the community. These funds will be leveraged with public and private investments to undertake a comprehensive transformation of the Ridley Place community and address the challenges in the surrounding neighborhood. In working with residents of the Ridley Circle as well as residents within the neighborhood, one of the primary housing goals of the transformation of this area is to increase the rate of homeownership in the neighborhood. As identified in the application, the Authority intends to develop new homeownership units Within the CNI neighborhood over several phases. Additional information on CNI can be found at <https://www.nnva.gov/2255/Choice-Neighborhoods-Initiative>.

☒ **Community Service and Self-Sufficiency Programs.** Describe how the PHA will comply with the requirements of (24 CFR §903.7(l)). Provide a description of: **1)** Any programs relating to services and amenities provided or offered to assisted families; and **2)** Any policies or programs of the PHA for the enhancement of the economic and social self-sufficiency of assisted families, including programs subject to Section 3 of the Housing and Urban Development Act of 1968 (24 CFR Part 135) and FSS. (24 CFR §903.7(l))

Requirements of the Program

1. Each non-exempt adult in a family paying at least the minimum rent must contribute and document some combination of 8 hours per month of community service or self-sufficiency activity.
2. The 8 hours per month may be either volunteer work or self-sufficiency program activity or a combination of the two.
3. The required community service or self-sufficiency may be completed at 8 hours each month or may be aggregated across a year. Any blocking of hours is acceptable as long as 96 hours is completed by each annual certification.
4. Activities must be performed within the neighborhood and not outside the jurisdictional area of NNRHA. The exception to this rule would be adults who are enrolled in full-time higher education or vocational training. Their hours of education would count toward the requirement.
5. Family obligations
- a. At least execution or re-examination after the effective date of this policy, all adult members (18 or older) of a public housing resident family must
 1. Provide documentation that they are exempt from Community Service requirement if they qualify for an exemption, and
 2. Sign a certification that they have received and read this policy and understand they are not exempt, failure to comply with the Community Service requirement will result in the termination of their lease.
- b. One each month non-exempt family members must present a completed documentation form (provided NNRHA) of activities performed over the previous month to the Service Coordinator.

HUD has published Notice PIH20215-12 on "Administering the Community Service and Self-Sufficiency Requirement (CSSR)." The notice, which replaces Notice PIH 2009-48 this notice expands exemption.

Exempt Residents:

The NNRHA determines if an individual is exempt from the CSSR and the documentation needed to support the exemption. Exemptions for adult residents, as codified at 24 CFR 960.601, include persons who are:

- A. 62 years or older;
- B.
 - 1) Blind or disabled, as defined under 216(i)(1) or 1614 of the Social Security Act (42 U.S.C. Section 416(i)(1); Section 1382c), and who certify that, because of this disability, she or he is unable to comply with the service provisions of this subpart, or
 - 2) Is a primary caretaker of an individual as listed above
- C. Engaged in work activities (see Notice PIH 2003-17 (HA)). In order for an individual to be exempt from the CSSR requirement because he/she is "engaged in work activities," the person must be participating in an activity that meets one of the following definitions of "work activity" contained in
 1. Unsubsidized employment;
 2. Subsidized private-sector employment;
 3. Subsidized public-sector employment;
 4. Work experience (including work associated with the refurbishing of publicly assisted housing) if sufficient private sector employment is not available;
 5. On-the-job training;
 6. Job search;
 7. Community service programs;
 8. Vocational educational training (not to exceed 12 months with respect to any individual);
 9. Job-skills training directly related to employment;
 10. Education directly related to employment in the case of a recipient who has not received a high school diploma or a certificate of high school equivalency;
 11. Satisfactory attendance at secondary school or in a course of study leading to a certificate of general equivalency, in the case of a recipient who has not completed secondary school or received such a certificate;
- D. Able to meet requirements under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. Section 601 et seq.) or under any other welfare program of the State in which PHA is located including a State-administered Welfare-to-Work program; or,
- E. A member of a family receiving assistance, benefits, or services under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. Section 601 et seq.), or under any other welfare program of the State in which the PHA is located, including a State-administered Welfare-to-Work program, and has not been found by the State or other administering entity to be in noncompliance with such a program

The notice expands the exemption from the CSSR for "a member of a family receiving assistance, benefits, or services under a state program funded under part A of title IV of the Social Security Act (42 U.S.C. Section 601 et seq.), or under any other welfare program of the state in which the PHA is located, including a state-administered welfare-to-work program, and has not been found by the state or other administering entity to be in noncompliance with such a program.

HUD has determined that the Supplemental Nutrition Assistance Program (SNAP) qualifies as a welfare program of the state. Therefore, if a tenant is a member of family receiving assistance under SNAP, and has been found by the administering state to be in compliance with the program

requirements, that tenant is exempt from the CSSR.

To help PHAs determine whether a person should be exempt under this requirement, NNRHA will consider the following:

- 1) The person must be a part of the family that is receiving assistance (i.e. part of the family as defined by the state welfare administrator) under this provision;
- 2) The person must be determined by the state agency to be in compliance with the program requirements.

If a person meets these two requirements, then they are exempt under this provision. If not, the person is not exempt from the CSSR under this provision.

College students, whether part-time or full-time, are not automatically exempted from the community service and self-sufficiency requirement (CSSR). However, as described in Notice PIH 2015-12 (and in the HUD regulations at 24 Code of Federal Regulations 960 Subpart F), students may be complying with the CSSR by performing self-sufficiency activities.

Under the CSSR, non-exempt adult residents must perform 8 hours per month of community service activities (or a combination of both). A list of eligible self-sufficiency activities contained in Notice PIH 2015-12 includes "higher education (community college or college)". College students are meeting the CSSR requirement as long as their educational activities total at least 96 hours per year. A student would not need to be enrolled full-time to be in compliance with the CSSR.

Students who are meeting the CSSR requirement through self-sufficiency activities should be coded as "in compliance" in field 3q of Form HUD-50058 (code 1). They should not be coded as exempt from the requirement.

1. At each annual re-examination, non-exempt family members must present a completed documentation form (provided by NNRHA) of activities performed over the previous twelve months. Both forms will include places for signatures of supervisors, instructors, or counselors and the Service Connector certifying to the number of hours contributed each month by month. Additional supporting documentation may be requested of the resident to verify CSSR participation or exempt status. Copies of the certification forms and supporting documentation must be retained in the NNRHA files.
2. Change in exempt status:
 - a. If, during the twelve (12) month period, a non-exempt person becomes exempt, it is his/her responsibility to report this to NNRHA and provide documents of such.
 - b. If, during the twelve (12) month period, an exempt person becomes non-exempt, it is his/her responsibility to report this to NNRHA and the property manager.
 - c. The Service Coordinator will provide the person with the Recording/Certification documentation form and a list of agencies in the neighborhood that provide volunteer and/or training opportunities.

NNRHA OBLIGATIONS

1. To the greatest extent possible and practicable, NNRHA and its property managers will
 - a. Provide names and contacts of agencies that can provide opportunities for residents, including those with disabilities, to fulfill their Community Service/Self-Sufficiency obligations;
 - b. Include a disabled person who is otherwise able to be gainfully employed, since such an individual is not exempt from the Community Service requirement; and provide referrals for volunteer work or self-sufficiency programs.
2. The property manager will provide the family with exemption verification forms and Recording/Certification documentation forms and a copy of this policy at initial application and at lease execution.
3. NNRHA will make the final determination as to whether or not a family member is exempt from the Community Service/Self-Sufficiency requirement. Residents may use NNRHA's Grievance Procedure if they disagree with NNRHA's determination. Non compliance Residents: PHAs may not evict a family due to CSSR non-compliance. However, if NNRHA finds a tenant is non-compliant with CSSR, then the NNRHA must provide written notification to the tenant of the noncompliance which must include: A). A brief description of the finding of non-compliance with CSSR. B). A statement that the NNRHA will not renew the lease at the end of the current 12-month lease term unless the tenant enters into a written work-out agreement with the NNRHA or the family provides written assurance that is satisfactory to the NNRHA explaining that the tenant or other noncompliant resident no longer resides in the unit. Such written work-out agreement must include the means through which a noncompliant family member will comply with the CSSR requirement.

Enforcement Documentation: Should a family refuse to sign a written work-out agreement, or fail to comply with the terms of the work-out agreement, PHAs are required to initiate termination of tenancy proceedings at the end of the current 12-month lease due to the fact that the family is failing to comply with lease requirements. When initiating termination of tenancy proceedings, the NNRHA will provide the following procedural safeguards: A. Adequate notice to the tenant of the grounds for terminating the tenancy and for non-renewal of the lease; B. Right of the tenant to be represented by counsel; C. Opportunity for the tenant to refute the evidence presented by the PHA, including the right to confront and cross-examine witnesses and present any affirmative legal or equitable defense which the tenant may have; and, D. A decision on the merits.

☒ **Safety and Crime Prevention (VAWA).** Describe the PHA's plan for safety and crime prevention to ensure the safety of the public housing residents. The statement must provide development-by-development or jurisdiction wide-basis: (i) A description of the need for measures to ensure the safety of public housing residents; (ii) A description of any crime prevention activities conducted or to be conducted by the PHA; and (iii) A description of the coordination between the PHA and the appropriate police precincts for carrying out crime prevention measures and activities. (24 CFR §903.7(m)) A description of: **1)** Any activities, services, or programs provided or offered by an agency, either directly or in partnership with other service providers, to child or adult victims of domestic violence, dating violence, sexual assault, or stalking; **2)** Any activities, services, or programs provided or offered by a PHA that helps child and adult victims of domestic violence, dating violence, sexual assault, or stalking, to obtain or maintain housing; and **3)** Any activities, services, or programs provided or offered by a public housing agency to prevent domestic violence, dating violence, sexual assault, and stalking, or to enhance victim safety in assisted families. (24 CFR §903.7(m)(5))

The Newport News Redevelopment and Housing Authority has an active plan for safety and crime prevention measures to ensure the safety of public Housing residents. Crime prevention is addressed utilizing a community policing and partnership approach throughout all of our communities. Our Partnership relationships include the Newport News Police Department, Newport News Commonwealth Attorney's Office, residents and citizens of our communities as well as local, State and Federal law enforcement organizations.

We currently partner with the Police Department in a program that has off-duty police officers in our communities to keep and be a deterrent for possible criminal activities. These officers work closely with the Safety & Security Office and AMP Managers to identify problem areas and then address and deal with those problems. This program has proven extremely successful.

We have access to quarterly statistical reports from the Police Department which gives figures for arrests, reported offenses and calls for service within the Housing Authority communities. The Safety & Security Office also has access to the Newport News Police Department's Criminal Justice Information System which allows us to track crimes that have been committed throughout the city on a daily basis to see if they have occurred on our properties. We utilize "Hot Spot" cards, a Fraud Waste and Abuse hotline, and we provide a drop box for residents and employees to share information to us anonymously regarding crimes or illegal activities on our properties. Additionally, we have installed a camera system at Marshall Courts that ties into the Police Department which provides an additional crime fighting and investigative tool.

Annually, all residents are provided with a copy of our VAWA Policy. In addition, each year in partnership with Transitions Family Violence Services and the Newport News Commonwealth Attorney's Office-Advocate Victims Unit, we hold a Domestic Violence Workshop to educate tenants and staff on domestic violence and how it negatively impacts the lives of those in the community. (See attached VAWA Policy)

We continue to look for ways to enhance safety and security in our communities through education, training, updating equipment and demonstrating to our residents our safety focus.

The police department will be using an apartment in Aqueduct as an office. This apartment will help maintain an officer's presence in the area and promote community engagement.

☒ **Pet Policy.** Describe the PHA's policies and requirements pertaining to the ownership of pets in public housing. (24 CFR §903.7(n))

The purpose of the pet policy is to establish the Authority's policy and procedures governing the ownership of common household pets in public housing units. This policy explains the criteria on the keeping of pets and establishes reasonable rules governing their care. The pet policy includes the following Sections:

1. Registration of Pets
2. Animals that assist person with disabilities plus addendum on subject matter
3. Type of Pets
4. Pet Deposits
5. Noise
6. Residents Responsibilities
7. Pet Care
8. Inspections
9. Pet Removal

The pet policy does not plus to service animals, support, or therapy animals that are used to assist persons with disabilities.

☒ **Asset Management.** State how the agency will carry out its asset management functions with respect to the public housing inventory of the agency, including how the agency will plan for the long-term operating, capital investment, rehabilitation, modernization, disposition, and other needs for such inventory. (24 CFR §903.7(q))

The NNRHA Executive Staff reviews its operating income and expense statements with property staff on an on-going basis to address variations to the operating budget. Expenses are monitored and adjustments made as necessary. Capital needs, rehabilitation and modernization will be addressed utilizing the annual Capital Grant and 5 Year Plan priorities. The Rental Assistance Demonstration program will assist with comprehensive capital needs through a combination of 4% and 9% Low Income Housing Tax Credit equity, operating reserves and accumulate Replacement Housing Factor funds as eligible.

In addition, Physical Needs Assessments (PNA) will be prepared and used as a tool to guide all capital and rehabilitation needs.

The PNA review will also inform the need to consider demolition/disposition and reconstruction as a method to ensure assets are viable and meet the need of our residents.

☒ **Substantial Deviation.** PHA must provide its criteria for determining a "substantial deviation" to its 5-Year Plan. (24 CFR §903.7(r)(2)(i))

- (1) NNRHA must ensure consistency with the Consolidated Plan of the jurisdiction;
- (2) Meet with each Resident Council or Resident Advisory Board;
- (3) NNRHA must provide a review of the amendments/modifications to the public during a 45 day public review period;

- (4) A notice will be placed in the local newspaper-Daily Press and we will use other newspapers such as Tidewater Hispanic and the Korean Post to meet our Fair Housing/LEP requirements. The notice will include the date, time and location of the Board of Commissioners meeting
- (5) NNRHA will not adopt the amendment or modification until the Board of Commissioners vote in a meeting open to the public;

☒ **Significant Amendment/Modification.** PHA must provide its criteria for determining a "Significant Amendment or Modification" to its 5-Year and Annual Plan. For modifications resulting from the Rental Assistance Demonstration (RAD) program, refer to the "Sample PHA Plan Amendment" found in Notice PIH-2012-32 REV-3, successor RAD Implementation Notices, or other RAD Notices.

Standard deviations or significant amendments or modifications are defined as discretionary changes in the plans or policies of the housing authority that fundamentally change the mission, goals and objectives, or plans of the agency and which require the formal approval of the Board of Commissioners. Proposed demolition, disposition, homeownership, Capital Fund Financing development, Rental Assistance Demonstration, or mixed finance proposals are considered by HUD to be significant amendments to the CFP 5 Year Action Plan. In addition, in conjunction with this amendment and in consideration of future RAD conversions NNRHA has examined its definition of "Substantial Deviation" in Section 10 of the Five Year Plan and has excluded the following items:

1. The decision to convert to either Project Based Assistance or Project Based Rental Assistance (PBRA).
2. Changes to the Capital Fund Budget produced as a result of each approved RAD conversion.
3. Changes to the construction and rehabilitation plan for each approved RAD conversion.
4. Changes to the financing structure for each approved RAD conversion.

A copy of the revised Significant Amendment and Substantial Deviation Modification is attached.

If any boxes are marked "yes", describe the revision(s) to those element(s) in the space provided.

PHAs must submit a Deconcentration Policy for Field Office review. For additional guidance on what a PHA must do to deconcentrate poverty in its development and comply with fair housing requirements, see 24 CFR 903.2. (24 CFR §903.23(b))

B.2 New Activities. If the PHA intends to undertake any new activities related to these elements in the current Fiscal Year, mark "yes" for those elements, and describe the activities to be undertaken in the space provided. If the PHA does not plan to undertake these activities, mark "no."

☒ **HOPE VI or Choice Neighborhoods.** 1) A description of any housing (including project number (if known) and unit count) for which the PHA will apply for HOPE VI or Choice Neighborhoods; and 2) A timetable for the submission of applications or proposals. The application and approval process for Hope VI or Choice Neighborhoods is a separate process. See guidance on HUD's website at:

https://www.hud.gov/program_offices/public_indian_housing/programs/ph/hope6. (Notice PIH 2011-47)

In June 2016, the City of Newport News and the Newport News Redevelopment and Housing Authority were awarded a \$500,000 Choice Neighborhoods Initiative Grant from HUD to plan for the revitalization and transformation of a portion of the Southeast Community. This planning grant enabled the City and Authority to plan a comprehensive approach to address neighborhoods and distressed public or HUD-assisted housing to transform the neighborhood. The program is designed to facilitate improvements in neighborhood assets, housing, services and schools. Authority-owned property located in the targeted area includes Ridley, Spratley, Lassiter and a portion of Marshall as well as the vacant 35 acre parcel which was the former Dickerson Courts and Harbor Homes Apartments.

In May 2019, HUD awarded a \$30 million Choice Neighborhoods Implementation Grant for revitalization projects in Marshall-Ridley Choice Neighborhood. These funds will be leveraged with public and private investments to undertake a comprehensive transformation of the Ridley Place community and address the challenges in the surrounding neighborhood. This involves the demolition of the Ridley public housing property.

Since the award of the implementation grant, NNRHA and the City of Newport News have been working with citizens, public and private agencies and organizations to refine the CNI Transformation Plan that was adopted by the Newport News City Council in June of 2018 and submitted to and accepted by HUD in July 2018.

NNRHA and its development partner Pennrose, LLC, have begun planning site improvements and building design and have conducted community input sessions. The CNI transformation plan calls for the development of approximately 440 new mixed-income rental housing units to be developed over four phases. The first phase of housing, which will be constructed in the 2700 and 2800 blocks of Jefferson Avenue, has been awarded funding and construction began in early 2021. The second and third phases of CNI housing development will be constructed on the Ridley Place site and has received LIHTC and state matching resources.

Funding will come from multiple sources, with most of the financial support for the housing development coming from the low-income housing tax credit (LIHTC) program.

☒ **Mixed Finance Modernization or Development.** 1) A description of any housing (including project number (if known) and unit count) for which the PHA will apply for Mixed Finance Modernization or Development; and 2) A timetable for the submission of applications or proposals. The application and approval process for Mixed Finance Modernization or Development is a separate process. See guidance on HUD's website at: https://www.hud.gov/program_offices/public_indian_housing/programs/ph/hope6/mfph#4

To date, NNHRA converted six (6) public housing properties, for a total of 458 rental units, under HUD's Rental Assistance Demonstration Program. This program allows public housing properties to convert to long-term Section 8 rental assistance contracts to preserve the nation's affordable rental housing stock. The properties include:

1. Cypress Terrace Apartments	VA003000310	82
2. Oyster Point Apartments	VA003000310	96
3. Brighton Apartments	VA003000310	100

4.	Orcutt III Townhomes Apartments	VA003000326	30
5.	Lassiter Courts	VA003000317	100
6.	Spratley House	VA003000321	50
	TOTAL		458

Spratley House (VA003000321): In November 2018, issued a Commitment to Enter into a Housing Assistance Payments Contract (CHAP) award related to NNRHA's inclusion of this project in the Rental Assistance Demonstration program. NNRHA will be converting this project based on rental assistance under PIH Notice 2019-23, Rev 4 and any successor Notices. Upon conversion to Project Based Rental Assistance the Authority will adopt resident rights, participation, waiting lists, and grievance procedures listed in Section 1.7 of H2019-23/PIH 2019-23, Rev -4, and PIH H-2016-17/PIH -2016-17.

In conjunction with the Spratley House RAD conversion, NNRHA's Capital Fund Budget will be reduced by the pro-rata share (\$56,077) of annual NNRHA capital fund attributed to the Spratley House Public Housing Development converted via RAD and that NNRHA may borrow fund to address their Capital needs. In addition, for the Spratley House Project RAD conversion NNRHA will be contributing Operating Reserves in the approximate amount of \$500,000, and Replacement Housing Factor funds in the amount of \$100,000. These amounts will be leveraged with other federal and state program funds allowed by the RAD Program. The conversion is subject to the approval of RAD conversion and receipt of public and private sources of funds.

In early 2021, NNRHA submitted an application to HUD for the conversions of Orcutt Townhomes I (VA0030002325 – 40 units) under the RAD program. The successful conversion of this project is dependent on several factors such as the financial feasibility and NNRHA's access to private sources of capital and to borrow funds to repair and preserve its affordable housing areas. A LIHTC application will be submitted to Virginia Housing in March 2022 for the Orcutt Townhomes and RAD conversion.

Pinecroft and Aqueduct are being considered for RAD renovation/conversion within the next five years.

As part of the Choice Neighborhoods Initiative (CNI) Transformation Plan, Ridley Place (VA003000304) will be redeveloped over several phases with hard replacement units onsite as well as some units replaced as tenant based or project based vouchers. The CNI transformation plan will govern the mix of the 259 replacement units.

☒ **Demolition and/or Disposition.** With respect to public housing only, describe any public housing development(s), or portion of a public housing development projects, owned by the PHA and subject to ACCs (including project number and unit numbers [or addresses]), and the number of affected units along with their sizes and accessibility features) for which the PHA will apply or is currently pending for demolition or disposition approval under section 18 of the 1937 Act (42 U.S.C. 1437p); and (2) A timetable for the demolition or disposition. This statement must be submitted to the extent that approved and/or pending demolition and/or disposition has changed as described in the PHA's last Annual and/or 5-Year PHA Plan submission. The application and approval process for demolition and/or disposition is a separate process. Approval of the PHA Plan does not constitute approval of these activities. See guidance on HUD's website at: http://www.hud.gov/offices/pih/centers/sac/demo_dispo/index.cfm. (24 CFR §903.7(h))

NNRHA plans to submit the following demolition/disposition application to HUD (pursuant to Section 24 and/or 18 of the U.S. Housing Act of 1937 (42 U.S.C. 1437p) in the plan Fiscal Year.

Ridley Place Apartments VA003000304

As a part of the HUD Choice Neighborhood Initiative, NNRHA plans to demolish the Ridley Place Apartments under Section 24 of the U.S. Housing Act of 1937. Demolition has been approved by HUDSAC and the disposition application will be submitted by February 2022.

Marshall Courts VA003000302

Number of Units Proposed for demolition/disposition: Up to 88 of the 347 (To date a total of 259 of the 347 apartments units have been renovated. Some of the demolition actions indicated above may be further evaluated to determine if a demolition or rehabilitation would be more advantageous). A Section 18 application will be prepared and submitted to HUD.

NNRHA may consider conversion of existing developments to Project-Based Vouchers under Rental Assistance Demonstration (RAD).

NNRHA reserves the right to submit additional and/or disposition applications for any development, subject to Board and HUD's approval, including but not limited to emergency projects, such as demolition of unsafe structures, as may become necessary.

In October 2019, the Authority issued a Request for Proposal (RFP) for the sale and development of 1511 Harbor Lane and 520 21st Street to support the Advancement of economic development and job creation initiatives within the southeast community and the Marshall-Ridley Choice Neighborhood. In June 2020, the NNRHA Board of Commissioners (BOC) designated S23 Holdings, LLC (Developer) as the preferred developer for an approximately a 17-acre portion of 1511 Harbor Lane which is expected to result in significant capital investment and job creation through the creation of ship repair and fabrication facility. To facilitate the proposed project, the Economic Development Authority of the City of Newport News (EDA) who will negotiate and enter into a purchase and sale agreement with the selected Developer. The EDA will also facilitate commercial development on the remaining approximately 3.3 acre portion of 1511 Harbor Lane along with Jefferson Avenue corridor. The sale proceeds will be used to pay for eligible costs of disposition, such as appraisal and environmental expenses, with the primary use of proceeds for development under Choice Neighborhood Initiatives. The sale of 1511 Harbor Lane to the EDA is included in the approved 2019 PHA Plan and the Authority submitted an application to HUD requesting approval of the disposition and sale of 1511 Harbor Lane and release and removal any HUD restrictions. The disposition has been approved by HUD.

☐ **Designated Housing for Elderly and Disabled Families.** Describe any public housing projects owned, assisted or operated by the PHA (or portions thereof), in the upcoming fiscal year, that the PHA has continually operated as, has designated, or will apply for designation for occupancy by elderly and/or disabled families only. Include the following information: 1) development name and number; 2) designation type; 3) application status; 4) date the designation was approved, submitted, or planned for submission; 5) the number of units affected and; 6) expiration date of the designation of any HUD approved plan. **Note:** The application and approval process for such designations is separate from the PHA Plan process, and PHA Plan approval does not constitute HUD approval of any designation. (24 CFR §903.7(i)(C))

☒ **Conversion of Public Housing under the Voluntary or Mandatory Conversion programs.** Describe any public housing building(s) (including project number and unit count) owned by the PHA that the PHA is required to convert or plans to voluntarily convert to tenant-based assistance; 2) An analysis of the projects or buildings required to be converted; and 3) A statement of the amount of assistance received to be used for rental assistance or

other housing assistance in connection with such conversion. See guidance on HUD's website at: <http://www.hud.gov/offices/pih/centers/sac/conversion.cfm>. (24 CFR §903.7(j))

Orcutt Townhomes (VA003000325) 40 units

☒ **Conversion of Public Housing under the Rental Assistance Demonstration (RAD) program.** Describe any public housing building(s) (including project number and unit count) owned by the PHA that the PHA plans to voluntarily convert to Project-Based Rental Assistance or Project-Based Vouchers under RAD. See additional guidance on HUD's website at: [Notice PIH 2012-32 REV-3, successor RAD Implementation Notices, and other RAD notices.](#)

As noted above, in 2013, The Authority submitted a portfolio for nine (9) of its public housing properties to HUD for the Rental Assistance Demonstration (RAD) Program. The Oyster Point, Brighton, Cypress Terrace, Orcutt Townhomes III and Lassiter Courts have been converted to project based assistance under RAD.

In August 2017, the Authority resubmitted its intent to convert Ridley Place (VA003000304) -259 units and Spratley House (VA003000321) under the RAD program. In November 2018, HUD approved the Spratley application for conversion of assistance and issued a Commitment to Enter into a Housing Assistance Payments Contract (CHAP) award. In 2019, a CNI implementation grant was awarded for the Ridley property.

In October 2021, the Authority submitted a RAD application for the conversion of Orcutt Townhomes (VA003000325), 40 units.

☐ **Occupancy by Over-Income Families.** A PHA that owns or operates fewer than two hundred fifty (250) public housing units, may lease a unit in a public housing development to an over-income family (a family whose annual income exceeds the limit for a low income family at the time of initial occupancy), if all the following conditions are satisfied: (1) There are no eligible low income families on the PHA waiting list or applying for public housing assistance when the unit is leased to an over-income family; (2) The PHA has publicized availability of the unit for rental to eligible low income families, including publishing public notice of such availability in a newspaper of general circulation in the jurisdiction at least thirty days before offering the unit to an over-income family; (3) The over-income family rents the unit on a month-to-month basis for a rent that is not less than the PHA's cost to operate the unit; (4) The lease to the over-income family provides that the family agrees to vacate the unit when needed for rental to an eligible family; and (5) The PHA gives the over-income family at least thirty days notice to vacate the unit when the unit is needed for rental to an eligible family. The PHA may incorporate information on occupancy by over-income families into its PHA Plan statement of deconcentration and other policies that govern eligibility, selection, and admissions. See additional guidance on HUD's website at: [Notice PIH 2011-7. \(24 CFR 960.503\) \(24 CFR 903.7\(b\)\)](#)

☐ **Occupancy by Police Officers.** The PHA may allow police officers who would not otherwise be eligible for occupancy in public housing, to reside in a public housing dwelling unit. The PHA must include the number and location of the units to be occupied by police officers, and the terms and conditions of their tenancies; and a statement that such occupancy is needed to increase security for public housing residents. A "police officer" means a person determined by the PHA to be, during the period of residence of that person in public housing, employed on a full-time basis as a duly licensed professional police officer by a Federal, State or local government or by any agency of these governments. An officer of an accredited police force of a housing agency may qualify. The PHA may incorporate information on occupancy by police officers into its PHA Plan statement of deconcentration and other policies that govern eligibility, selection, and admissions. See additional guidance on HUD's website at: [Notice PIH 2011-7. \(24 CFR 960.505\) \(24 CFR 903.7\(b\)\)](#)

No Police Officer living/residing in Public Housing. NNPd is using a unit at for Aqueduct anti-crime prevention activities.

☒ **Non-Smoking Policies.** The PHA may implement non-smoking policies in its public housing program and incorporate this into its PHA Plan statement of operation and management and the rules and standards that will apply to its projects. See additional guidance on HUD's website at: [Notice PIH 2009-21 and Notice PIH-2017-03. \(24 CFR §903.7\(e\)\)](#)

NNRHA has implemented Non-Smoking Policies in all of our public housing complexes and administrative offices as July 1, 2018.

☒ **Project-Based Vouchers.** Describe any plans to use Housing Choice Vouchers (HCVs) for new project-based vouchers, which must comply with PBV goals, civil rights requirements, Housing Quality Standards (HQS) and deconcentration standards, as stated in 983.57(b)(1) and set forth in the PHA Plan statement of deconcentration and other policies that govern eligibility, selection, and admissions. If using project-based vouchers, provide the projected number of project-based units and general locations, and describe how project-basing would be consistent with the PHA Plan (24 CFR §903.7(b)).

In December 2021, in accordance with 24 CFR 983.6(d), we requested permission to project base no more than 25 vouchers through using Request for Proposals. The RFP was posted on January 14, 2022.

NNRHA received approval from the Department of Housing and Urban Development to use project based vouchers within out 20% limit of budget authority. The Department of Housing and Urban Development (HUD) requires that we provide them with a subsidy layering review and environmental review reports for their approval before we enter into a Housing Assistance Payment contract. The subsidy layering review is intended to prevent excessive public assistance from other local, state and federal housing agencies. Project based vouchers help promote deconcentration of poverty and provides alternate affordable housing opportunities for families in Newport News.

☒ **Units with Approved Vacancies for Modernization.** The PHA must include a statement related to units with approved vacancies that are undergoing modernization in accordance with 24 CFR §990.145(a)(1).

The Authority will continue ongoing renovations of residential units at Marshall Courts. The renovations include removal of mansard roofing and exterior renovations, new windows and exterior doors, new lighting (interior and exterior) the construction of new porches, stoops and roofs, removal and replacement of plumbing fixtures and water heaters, replacement of HVAC equipment, renovations to the kitchens including new cabinets and appliances, New flooring throughout the units, renovated bathrooms. The units undergoing renovations must be vacant to perform the work. This work has been approved in previous HUD approved PHA Annual plans. All units planned for rehab at Marshall Courts have been renovated.

Aqueduct Apartments-NNRHA plans to undertake the renovations of the Aqueduct Apartments as well as the Community Center. The work included kitchen and bathroom upgrades, new flooring.

☒ **Other Capital Grant Programs** (i.e., Capital Fund Community Facilities Grants or Emergency Safety and Security Grants).

For all activities that the PHA plans to undertake in the current Fiscal Year, provide a description of the activity in the space provided.

The Authority intends to apply for funding under the Capital Fund Emergency Safety and Security Grant for FY2020-21 to address safety and security threats that pose a risk to the health and safety of public housing residents due to violent crimes or property related crimes within any of its public housing communities that meet HUD's eligibility requirements.

B.3 Progress Report. For all Annual Plans following submission of the first Annual Plan, a PHA must include a brief statement of the PHA's progress in meeting the mission and goals described in the 5-Year PHA Plan. (24 CFR §903.7(r)(1))

B.4 Capital Improvements. PHAs that receive funding from the Capital Fund Program (CFP) must complete this section (24 CFR §903.7(g)). To comply with this requirement, the PHA must reference the most recent HUD approved Capital Fund 5 Year Action Plan in EPIC and the date that it was approved. PHAs can reference the form by including the following language in the Capital Improvement section of the appropriate Annual or Streamlined PHA Plan Template: "See Capital Fund 5 Year Action Plan in EPIC approved by HUD on March 19, 2021"

B.5 Most Recent Fiscal Year Audit. If the results of the most recent fiscal year audit for the PHA included any findings, mark "yes" and describe those findings in the space provided. (24 CFR §903.7(p))

I. Housing Management

The Authority currently has 1,098 units of public housing located throughout the City and administers 2,966 Housing Choice Vouchers (Section 8). Housing activities in 2021 included:

- Two hundred ninety eight (298) new Housing Choice Vouchers (HCV) (Section 8) participants received vouchers.
- Forty nine (49) new families leased a public housing unit in 2021.
- The public housing lease rate for the year was 98.00%.
- There were 324 public housing applications and 302 Section 8 applications processed in 2021.
- The Authority's Maintenance Department completed 8,661 work orders in 2021.
- On December 31, 2021 there were 803 families on the Section 8 and Public Housing waiting lists.
- NNRHA was awarded 32 Emergency Housing Vouchers to assist families who are Homeless or have a higher risk of Housing Instability. This partnership is between Continuum of Care and NNRHA.
- The Lift & Connect Resource Center in Newport News, VA was designated an EnVision Center demonstration site: The site aligns with the EnVision Center goal to empower households towards self-sufficiency and will provide our community with support in the four pillars: Economic Empowerment, Educational Advancement, Health and Wellness, and Character and Leadership.
- The Virginia Fair Housing Law has been amended to include the following Protected Classes: They are included in all marketing materials, advertisements, policy documents and our website:

1. Race
2. Color
3. Religion
4. National Origin
5. Sex
6. Elderliness
7. Familiar Status
8. Disability
9. Source of Funds
10. Sexual Orientation
11. Gender Identity
12. Veterans Status

Total Affordable Housing Inventory Type:

Name	# of Units	Type
Lassiter Courts 811 C Taylor Avenue Newport News, VA 23607	100	LIHTC-RAD
**John H. Ridley Place 811 C Taylor Avenue Newport News, VA 23607	259	Public Housing
Marshall Courts 741 34 th Street Newport News, VA 23607	347	Public Housing
*Oyster Point 550 Blue Point Terrace Newport News, VA 23602	96	LIHTC-RAD
Aqueduct 13244 Aqueduct Drive Newport News, VA 23602	262	Public Housing

*Cypress Terrace 25 Teardrop Lane Newport News, VA 23608	82	LIHTC-RAD
Pinecroft 75 Wellesley Drive Newport News, VA 23606	140	Public Housing
*Brighton 810 Brighton Lane #93 Newport News, VA 23602	100	LIHTC-RAD
Spratley House 651 25 th Street Newport News, VA 23607	50	LIHT-RAD – as of September 2021
*Ashe Manor 900 36 TH Street Newport News, VA 23607	50	LIHTC/Public Housing
*Orcutt Townhomes I 900 36 th Street Newport News, VA 23607	40	LIHTC/Public Housing
*Orcutt Townhomes III 900 36 th Street Newport News, VA 23607	30	LIHTC-RAD
*Great Oak 1 Great Oak Circle Newport News, VA 23606	143	LIHTC-RAD
*Lofts on Jefferson c/o Newport News Redevelopment and Housing Authority P.O. Box 797 Newport News, VA 23607	14	VHDA Reach Loan
*Jefferson Brookville 2501 Jefferson Avenue Newport News, VA 23607	50	LIHTC-RAD Permanent Loan
Total	1763	

*Financed by Virginia Housing Development Authority

**vacant as of 6-30-21 due to CNI activities

II. Community Services

The Authority provides a number of services and programs for its residents. Program accomplishments and related awards are listed below:

In May, 2021 the Scholarship Program generated \$25,300 for scholarships and financial aid assistance for residents living in public housing and housing choice voucher clients. Six individuals, 2 graduating high school students and 4 adults, received scholarships to continue their education.

The Family Self Sufficiency (FSS) programs enrolled seventeen (17) (Public Housing and HCV) new participants during the year. A total of three (3) participants purchased homes. A total of three (3) graduated from the FSS program with goals other than homeownership.

Please see FIC 2021 data below: numbers and activities were low due to the pandemic.

The Authority's Volunteer Tax Assistance (VITA) program e-filed thirty-one (31) returns. The total amount in Federal returns generated was \$59,818, Earned Income Tax Credits (EITC) was \$10,665 and Commonwealth of Virginia returns totaled \$13,788.

NNRHA in partnership with the YMCA's Bright Beginnings Program provided twenty five (25) Ridley Place school-age children with book bags filled with back to school supplies and back to school clothing. Community Resources and YMCA staff members shopped at the Newport News Target and the clothing were delivered to the residents by staff.

On November 18, 2021, the Family Investment Center and Family Self-Sufficiency departments held an Amazon Hiring Information session. The employment session was open to Housing Choice Voucher clients and public housing residents. Moe Holder, Amazon staffing coordinator discussed the benefits of being employed by Amazon and walked them through the hiring process.

Salvation Army Angel Program - NNRHA participated in the Salvation Army Angel Program benefiting children in need in our community during the holiday season. Staff adopted 10 Salvation Army Angels this holiday season. Each "Angel" received an outfit (pants, shirt, shoes, coat) and a toy from their wish list. The gift collection was delivered to volunteers on December 2nd.

Domestic Violence Awareness Month – NNRHA coordinated with the Newport News Police Department's Domestic Violence Team. The NNPD sponsored a city wide donation drive during the month of October to benefit Transitions Family Violence Services. NNRHA's Community Resources Department placed donation boxes at several NNRHA sites. NNRHA staff generously donated brand new clothing, personal hygiene items, diapers, household cleaning supplies, etc. All donations were taken to NNPD headquarters.

The Kappa IOTA Chapter of OMEGA Psi Phi provided twenty (20) Ashe Manor and Marshall Courts seniors and families with Thanksgiving Food Baskets and twenty (20) residents with Christmas Food Baskets and toys living at Marshall Courts.

COVID-19 Response

COVID-19 Vaccinations for Seniors and Disabled – NNRHA's Community Resources Department coordinated with community partners to offer Pfizer-BioNTech COVID-19 vaccinations to NNRHA seniors 65 years and above. Seniors residing at Ashe Manor, Spratley House, Great Oak Apartments, Pinecroft Apartments, Marshall Courts, Jefferson Brookeville, and Ridley Place were contacted to discuss their interest in receiving the vaccine. Between February 27th and April 10th a total of 96 residents received their 1st and 2nd Pfizer-BioNTech vaccines. CARES Act Funds were utilized to pay the transportation cost for residents with no transportation.

Dominion Terminal Associates provided one hundred and sixty (160) box lunches from TASTE to the seniors living in the Southeastern Communities that included: Lassiter Courts, Jefferson Brookville, Marshall Courts and Ashe Manor. The Newport News Police department assisted NNRHA staff with distribution of the lunches on Tuesday, December 21, 2021.

Medicare Enrollment Education (Seniors) - Medicare enrollment sessions (7) were provided by 2 licensed independent insurance agents representing 6 companies. Approximately 80 seniors attended educational sessions focused on plan changes and benefits. Seniors then had the opportunity to meet individually with the agents to discuss their health needs and which plan suits them best.

Case Management (Seniors) – Community Resources coordinated with NNDHS, HNNCSB, InnovAge PACE, PAA, Riverside Hospital, physicians, home health companies, and other community partners in an effort to obtain/maintain senior's benefits, as well as seek appropriate health and mental health services.

Assistance & Education and Social Engagement (Seniors) – Community Resources coordinated with NNFD to host "Fire & Fall Prevention" sessions; Serve the City for social activities; local churches providing Thanksgiving meals and prepared food at seniors; Scott Center for senior activity packets; Jencare and PACE for education and social activities.

Due to COVID-19 the following programs did not occur: Career Expo, STEP, WAA, KOHLS, Coat Drive HUD strong families and Shop Til You Drop.

III. Community Development and Capital Improvements

- Since 2016, the Authority converted six (6) of its public housing communities (Oyster Point, Brighton, Cypress Terrace, Orcutt Townhomes III, Lassiter Courts and Spratley House), under the Rental Assistance Demonstration (RAD) program. A total of 458 residential units have been converted.
- In October 2018, the Authority began a comprehensive renovation of the Lassiter Courts apartment. NNRHA is undertaking, via HUD's RAD program, the conversion of the 100 unit apartments and the construction of a new community center. Work was completed in June 2020. In May 2019, NNRHA received allocations of low-income housing tax credits to convert Spratley House an existing public housing property containing a total of 50 apartment units for seniors, to private ownership using HUD's Rental Assistance Demonstration (RAD) program.
- In early 2019, NNRHA submitted two applications for grant funding for \$500,000 each to the Federal Home Loan Bank for the ongoing Lassiter Courts and a second for the proposed Spratley House Rental Assistance Demonstration (RAD) conversions. Both of these submissions (\$500,000 each) have been approved.
- Completed the Marshall Courts Phase V renovations, which are a continuation of the ongoing comprehensive renovations of this community. This phase included twenty (20) residential apartments. The upgrades include removal of mansard roofing and exterior renovations, new windows and exterior doors, new lighting (interior and exterior), construction of new porches, stoops and roofs, removal and replacement of plumbing fixtures and water heaters, replacement of HVAC equipment, renovations to the kitchens including new cabinets and appliances, new flooring throughout the units and renovated bathrooms.
- In late 2020, NNRHA began Marshall Courts Phase VI renovations. This phase involves the renovations of twelve (12) residential four (4) bedroom apartments. Exterior upgrades include new roofing, exterior siding, windows, and doors. Other improvements include LED lighting, (interior and exterior), new electrical upgrades and new fixtures. Renovations also include replacing water heaters, kitchen and bathroom fixtures, HVAC equipment, new kitchen cabinets, appliances and new flooring throughout the apartment units.
- In 2019, NNRHA approved the issuance of \$34,780,000 of Multifamily Housing Revenue Bonds to assist two developers in financing a portion of the cost of acquiring, constructing, renovating, rehabilitating, and equipping the multifamily residential rental housing communities. Renovation work associated with those two communities were completed in 2020. The two developers were: 617 Adams Drive LLC - \$16,780,000 and Harbour-Newport News Limited Partnership - \$18,000,000.
- Multifamily Housing Revenue Bonds in the amount of \$18,000,000 and \$7,500,000 were approved in 2020 to assist two developers that are constructing, acquiring, and renovating multifamily residential rental housing projects. The two developers were: Woodlands at Oyster Point - \$18M and Carrier Point II Apartments - \$7.5M.

C. Other Document and/or Certification Requirements.

- C.1 Resident Advisory Board (RAB) comments.** If the RAB had comments on the annual plan, mark “yes,” submit the comments as an attachment to the Plan and describe the analysis of the comments and the PHA’s decision made on these recommendations. (24 CFR §903.13(c), 24 CFR §903.19)
- C.2 Certification by State or Local Officials.** Form HUD-50077-SL, *Certification by State or Local Officials of PHA Plans Consistency with the Consolidated Plan*, must be submitted by the PHA as an electronic attachment to the PHA Plan. (24 CFR §903.15). Note: A PHA may request to change its fiscal year to better coordinate its planning with planning done under the Consolidated Plan process by State or local officials as applicable.
- C.3 Civil Rights Certification/ Certification Listing Policies and Programs that the PHA has Revised since Submission of its Last Annual Plan.** Provide a certification that the following plan elements have been revised, provided to the RAB for comment before implementation, approved by the PHA board, and made available for review and inspection by the public. This requirement is satisfied by completing and submitting form HUD-50077 ST-HCV-HP, *PHA Certifications of Compliance with PHA Plan, Civil Rights, and Related Laws and Regulations Including PHA Plan Elements that Have Changed*. Form HUD-50077-ST-HCV-HP, *PHA Certifications of Compliance with PHA Plan, Civil Rights, and Related Laws and Regulations Including PHA Plan Elements that Have Changed* must be submitted by the PHA as an electronic attachment to the PHA Plan. This includes all certifications relating to Civil Rights and related regulations. A PHA will be considered in compliance with the certification requirement to affirmatively further fair housing if the PHA fulfills the requirements of §§ 903.7(o)(1) and 903.15(d) and: (i) examines its programs or proposed programs; (ii) identifies any fair housing issues and contributing factors within those programs, in accordance with 24 CFR 5.154 or 24 CFR 5.160(a)(3) as applicable; (iii) specifies actions and strategies designed to address contributing factors, related fair housing issues, and goals in the applicable Assessment of Fair Housing consistent with 24 CFR 5.154 in a reasonable manner in view of the resources available; (iv) works with jurisdictions to implement any of the jurisdiction’s initiatives to affirmatively further fair housing that require the PHA’s involvement; (v) operates programs in a manner consistent with any applicable consolidated plan under 24 CFR part 91, and with any order or agreement, to comply with the authorities specified in paragraph (o)(1) of this section; (vi) complies with any contribution or consultation requirement with respect to any applicable AFH, in accordance with 24 CFR 5.150 through 5.180; (vii) maintains records reflecting these analyses, actions, and the results of these actions; and (viii) takes steps acceptable to HUD to remedy known fair housing or civil rights violations, impediments to fair housing choice within those programs; addresses those impediments in a reasonable fashion in view of the resources available; works with the local jurisdiction to implement any of the jurisdiction’s initiatives to affirmatively further fair housing; and assures that the annual plan is consistent with any applicable Consolidated Plan for its jurisdiction. (24 CFR §903.7(o)).
- C.4 Challenged Elements.** If any element of the Annual PHA Plan or 5-Year PHA Plan is challenged, a PHA must include such information as an attachment to the Annual PHA Plan or 5-Year PHA Plan with a description of any challenges to Plan elements, the source of the challenge, and the PHA’s response to the public.
- C.5 Troubled PHA.** If the PHA is designated troubled, and has a current MOA, improvement plan, or recovery plan in place, mark “yes,” and describe that plan. Include dates in the description and most recent revisions of these documents as attachments. If the PHA is troubled, but does not have any of these items, mark “no.” If the PHA is not troubled, mark “N/A.” (24 CFR §903.9)

D. Affirmatively Furthering Fair Housing (AFFH).

D.1 Affirmatively Furthering Fair Housing. The PHA will use the answer blocks in item D.1 to provide a statement of its strategies and actions to implement each fair housing goal outlined in its accepted Assessment of Fair Housing (AFH) consistent with 24 CFR § 5.154(d)(5) that states, in relevant part: “To implement goals and priorities in an AFH, strategies and actions shall be included in program participants’ ... PHA Plans (including any plans incorporated therein) Strategies and actions must affirmatively further fair housing” Use the chart provided to specify each fair housing goal from the PHA’s AFH for which the PHA is the responsible program participant – whether the AFH was prepared solely by the PHA, jointly with one or more other PHAs, or in collaboration with a state or local jurisdiction – and specify the fair housing strategies and actions to be implemented by the PHA during the period covered by this PHA Plan. If there are more than three fair housing goals, add answer blocks as necessary.

Until such time as the PHA is required to submit an AFH, the PHA will not have to complete section D., nevertheless, the PHA will address its obligation to affirmatively further fair housing in part by fulfilling the requirements at 24 CFR 903.7(o)(3) enacted prior to August 17, 2015, which means that it examines its own programs or proposed programs; identifies any impediments to fair housing choice within those programs; addresses those impediments in a reasonable fashion in view of the resources available; works with local jurisdictions to implement any of the jurisdiction’s initiatives to affirmatively further fair housing that require the PHA’s involvement; and maintain records reflecting these analyses and actions. Furthermore, under Section 5A(d)(15) of the U.S. Housing Act of 1937, as amended, a PHA must submit a civil rights certification with its Annual PHA Plan, which is described at 24 CFR 903.7(o)(1) except for qualified PHAs who submit the Form HUD-50077-CR as a standalone document.

This information collection is authorized by Section 511 of the Quality Housing and Work Responsibility Act, which added a new section 5A to the U.S. Housing Act of 1937, as amended, which introduced the 5-Year and Annual PHA Plan.

Public reporting burden for this information collection is estimated to average 7.52 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. HUD may not collect this information, and respondents are not required to complete this form, unless it displays a currently valid OMB Control Number.

Privacy Act Notice. The United States Department of Housing and Urban Development is authorized to solicit the information requested in this form by virtue of Title 12, U.S. Code, Section 1701 et seq., and regulations promulgated thereunder at Title 12, Code of Federal Regulations. Responses to the collection of information are required to obtain a benefit or to retain a benefit. The information requested does not lend itself to confidentiality.

REVENUE

Gross Potential Rent	\$ 2,127,936
Less: Vacancy Loss	(64,919)
Net Tenant Rental Revenue	2,063,017
Total Subsidy Eligibility	5,391,005
Less: Est. Proration @ 96%	(215,640)
Net Operating Subsidy	5,175,365
Total Housing Revenue	7,238,381
Non-dwelling Rentals	49,987
Excess Utility Charges	43,385
Capital Fund Operating (1406)	429,516
Capital Mgmt/Safety Improvements (1408)	50,000
Donations from City	50,000
Operating Reserves	35,727
Investment Income	7,947
Tenant Charges & Services	61,000
Total Revenue	\$ 7,965,943

EXPENSES

Administrative Salaries + Benefits	\$ 702,247
Occupancy Salaries + Benefits	79,447
Rent Collection Salaries + Benefits	6,330
Work Order Salary + Benefits	54,022
Audit	28,380
Property Mgmt Fee \$ 75.63	912,769
Bookkeeping Fee \$ 7.50	71,252
Training	13,500
Advertising/Marketing	5,000
VHDA Monitoring/Tax Credit Fee	14,307
Travel/Local	235
Legal	12,800
Administrative/Operating	178,500
Total Administrative	2,078,890

Resident Services Salaries+Ben	191,588
Resident Services Activities (\$25/ea)	20,575
Neigh. Network Lab Sal. & Ben.	87,527
Total Tenant Services	299,690

Gas	125,410
Electric	411,400
Water	356,500
Sanitation	801,838
Total Utilities	1,695,148

Maintenance Salaries + Benefits	549,203
Overtime/Oncall (4% of salaries)	21,968
Specialized Maintenance Standard	12,300
FFS HVAC	20,150
Maintenance Materials	362,023

Contracts:	
Janitorial/Make Ready Cleaning	60,228
Grounds	136,400
Structure	63,000
Painting	51,580
Plumbing/Gas	84,500
Electric	45,200
HVAC	84,103
Elevator	20,500
HQS Inspections \$12/unit	10,068
Auto Repair	12,813
Pest Control	30,900
Trash Removal	2,000
Other	10,500

Total Maintenance	1,577,436
--------------------------	------------------

Security Salaries + Benefits	51,984
Materials	5,000
Contracts/Alarm Systems	39,300
Police Services	50,000
Total Protective Services	146,284

General Liability	66,210
Property	351,735
Executive Protection	1,681
Property Manager Error & Omissions	3,107
Umbrella Insurance	13,927
Workmen's Compensation	36,637
Auto Insurance	9,285
Total Insurance	482,582

PILOT	46,124
Terminal Leave Payments	13,028
Collection Loss (2% of rents)	41,260
Other: Sub/Mem Dues	8,170
Total General Expenses	108,582

N/R Extra Ordinary Maint.	2,000
N/R Nonexpendable Equip.	2,500
Total Non Routine Expenses	4,500

Asset Management Fee	131,760
Total Expenses	6,524,872
Cash Flow From Operations	\$ 1,441,071

NNRHA HUD Capital Improvements

5 Year Plan FFY 2018 - 2022

2018	Budget	Proposed Revised Obligations	Estimated
	\$ 4,058,352.00		
		Operations	\$ 405,835.00
		Management Improvements	\$ 50,000.00
		Tenant Relocation	\$ 642,620.15
		General Capital	\$ 152,399.04
		COCC Management Fee	\$ 405,835.00
		Demolition	\$ 30,473.05
		Inspection Salaries	\$ 66,681.67
		Inspection Benefits	\$ 4,310.41
		Amt Due -> Revolving Fund	\$ 17,842.56
		Marshall VII/SAC Demo	\$ 42,000.00
		Ridley Demo	\$ 1,700,000.00
		Aqueduct HVAC	\$ 540,355.12
		Total Revised Proposed 2018	\$ 4,058,352.00
2019	Budget	Proposed Revised Obligations	Estimated
	\$ 4,074,133.00		
		Operations	\$ 407,413.00
		Management Improvements	\$ 50,000.00
		COCC Management Fee	\$ 407,413.00
		Aqueduct HVAC	\$ 859,644.88
		Ashe Manor PNA	\$ 51,000.00
		Pinecroft PNA	\$ 50,456.00
		Aqueduct PNA	\$ 55,336.00
		Orcutt I Predevelopment	\$ 400,000.00
		Orcutt I RAD Conversion	\$ 1,792,870.12
		Total Revised Proposed 2019	\$ 4,074,133.00
2020	Budget	Proposed Revised Obligations	Estimated
	\$ 4,319,094.00		
		Operations	\$ 431,909.00
		Management Improvements	\$ 50,000.00
		COCC Management Fee	\$ 431,909.00
		Spratley RAD Conversion	\$ 300,000.00
		Orcutt I RAD Conversion	\$ 708,029.88
		Ashe Manor Predevelopment	\$ 450,000.00
		Ashe Manor RAD Conversion	\$ 1,947,246.12
		Total Revised Proposed 2020	\$ 4,319,094.00

2021	Budget	Proposed Revised Obligations	Estimated
	\$ 3,672,566.00		
		Operations	\$ 367,256.00
		Management Improvements	\$ 50,000.00
		COCC Management Fee	\$ 183,628.50
		Ashe Manor RAD Conversion	\$ 1,052,753.88
		Marshall VII Relocation	\$ 150,000.00
		Marshall VII Demolition	\$ 1,300,000.00
		Pinecroft Predevelopment	<u>\$ 568,927.62</u>
		Total Revised Proposed 2021	\$ 3,672,566.00

2022	Anticipated Budget	Proposed Revised Obligations	Estimated
	\$ 4,031,036.25		
		Operations	\$ 403,103.00
		Management Improvements	\$ 50,000.00
		COCC Management Fee	\$ 403,103.00
		Pinecroft RAD Conversion	<u>\$ 3,174,830.25</u>
		Total Revised Proposed 2021	\$ 4,031,036.25

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY

MEMORANDUM

DATE: March 8, 2022

TO: All Members, Board of Commissioners

FROM: Karen R. Wilds, Executive Director 

SUBJECT: Newport News Urban Development Action Grant Loan Program for Ironclad Distillery, Inc.

The Authority has received an application from Ironclad Distillery, Inc via the Newport News Department of Development for financial assistance through the Newport News Urban Development Action Grant Loan Program (NNUDAG). The applicant is requesting \$150,000 to assist in the acquisition of additional equipment in an effort to increase the distillery's production capacity and purchase grains and barrels. The owners' goal is to increase production and distribution revenues to reduce reliance on tasting room revenue.

Ironclad is a family-owned and operated bourbon distillery set up as a Corporation that makes and serves authentic bourbon whisky. Ironclad opened for business in Newport News in 2014 at 124 23rd Street, an up-and-coming area now known as the Yard District. In 2017, they added a tasting room and expanded it in 2019. During the COVID-19 pandemic, Ironclad began making and selling hand sanitizer to bring in revenue when the tasting room was closed due to the Governor's mandate.

NNUDAG funding would assist with the purchase of additional required resources to increase production. Currently, the majority of Ironclad's revenue comes from their on-site tasting rooms. The owners would like to shift towards a majority of the revenue from distribution sales. In order to achieve this, they need to have available product to satisfy an ever-growing distribution network.

The Newport News Department of Development is recommending a \$150,000 loan commitment. The recommended loan term is a ten-year term that will include an initial 12 months of deferred payments. The loan is to be fully amortized over the remaining nine years. The recommended loan interest rate is 0%.

Collateral for the loan would be a subordinate lien position on all furniture, fixtures and equipment of the business. The joint and several unconditional personal guarantees of all owners will also be required.

The project will have a positive impact on the City's overall economic development efforts by not only providing jobs, but increasing tax dollars through sales tax and increasing tax dollars through food and beverage tax and Machinery and Tools tax.

This project will retain 3 jobs with the potential of creating 3 new full-time jobs with the increased distribution potential.

I recommend approval of the attached resolution.

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE NEWPORT NEWS
REDEVELOPMENT AND HOUSING AUTHORITY APPROVING A LOAN FROM THE
NEWPORT NEWS URBAN DEVELOPMENT ACTION GRANT PROGRAM TO
IRONCLAD DISTILLERY INC.**

WHEREAS, the Newport News Redevelopment and Housing Authority (Authority) has entered into a joint powers agreement with the City of Newport News, Virginia (hereinafter referred to as the "City"), to administer the Newport News Urban Development Action Grant Program (NNUDAG; and

WHEREAS, Ironclad Distillery Inc (The Company) has requested financial assistance in the form of a loan totaling \$150,000 from the Newport News Urban Development Action grant program to assist the Company in acquiring additional equipment and inventory in order to increase the distillery's production capacity; and

WHEREAS, the loan terms will be a ten (10) year loan commitment and annual interest rate of 0% with payments deferred for 12-months after which payments of principal and interest will be due monthly, with the loan fully amortized over the remaining nine (9) years; and

WHEREAS, in keeping with the objectives of the Newport News Urban Development Action Grant Program, the project will serve a low to moderate income area; and

WHEREAS, this loan request having been reviewed and recommended by the City of Newport News Department of Development and staff of the Authority

NOW THEREFORE BE IT RESOLVED by the Board of Commissioners a loan to Ironclad Distillery Corporation is hereby approved in the amount of \$150,000 and it being understood that such contract documents shall be subject to review by the Authority's legal counsel.



**IRONCLAD DISTILLERY,
INC.**

**Newport News Urban Development
Action Grant (NNUDAG)**

IRONCLAD DISTILLERY, INC.

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- VI. USE OF FUNDS
- VII. BUSINESS FINANCIAL INFORMATION
- VIII. LOCATION INFORMATION

**RECOMMENDATION
FROM
CITY OF NEWPORT NEWS**

March 9, 2022

Ms. Karen Wilds
Executive Director
Newport News Redevelopment & Housing Authority
227-27th Street
Newport News, Virginia 23607

RE: Newport News Urban Development Action Grant (NNUDAG) Loan Program for
Ironclad Distillery, Inc.

Dear ~~Ms. Wilds~~ *Karen*:

We are pleased to forward the accompanying application from Ironclad Distillery, Inc. for assistance through the Newport News Urban Development Action Grant (NNUDAG) Loan Program. Ironclad is requesting \$150,000 to assist in the acquisition of additional equipment in an effort to increase the distillery's production capacity. They would also like to use the funds towards the purchase of grains and barrels. The owners want to increase production and distribution revenues to reduce reliance on tasting room revenue.

Ironclad is a family-owned and operated bourbon distillery set up as a Corporation. Ironclad officially opened for business in Newport News in 2014 at 124 23rd Street. Ironclad is a family-owned distillery that makes and serves authentic bourbon whiskey. In 2017, they added a tasting room and expanded it in 2019. During the COVID-19 pandemic, Ironclad began making and selling hand sanitizer to bring in revenue when the tasting room was closed due to the Governor's mandate.

This project involves purchasing equipment to increase production. Increased production comes with increased expenses for inventory such as grain and barrels. NNUDAG funding would assist with the purchase of these additional required resources. Currently, the majority of Ironclad's revenue comes from their tasting rooms. Owners would like to shift towards majority of the revenue resulting from distribution sales. In order to achieve this, they need to have available product to satisfy an ever-growing distribution network.

The Newport News Department of Development is recommending a \$150,000 loan commitment. The recommended loan term is a ten-year term that will include an initial 12 months of deferred payments, with the loan fully amortized over the remaining nine years. The recommended interest rate for the loan is a rate of 0%.

Ms. Karen Wilds
March 9, 2022
Page Two

Collateral for the loan would be a subordinate lien position on all furniture, fixtures and equipment of the business and the joint and several unconditional personal guarantees of all owners will also be required.

The project will have a positive impact on the City's overall economic development efforts by not only providing jobs, but increasing tax dollars through sales tax. Our assistance will also result in the contribution to the tax base of the City through increasing tax dollars through food and beverage tax and Machinery and Tools tax.

Your favorable consideration at the Newport News Redevelopment & Housing Authority's March 15, 2022 meeting is appreciated.

Sincerely,



Florence G. Kingston
Director

FGK:pag

C:\Users\williams-elam\AppData\Local\Microsoft\Windows\INetCache\Content.Outlook\52MW8251\Ironclad - NNUDAG
Recommendation Letter.rtf

Attachment

PROJECT WRITE-UP

CREDIT WRITE-UP/EVALUATION
NEWPORT NEWS URBAN DEVELOPMENT ACTION GRANT (NNUDAG)
LOAN REQUEST

February 29, 2022

Company Name: Ironclad Distillery, Inc.

Business Address: 124 23rd Street
Newport News, VA 23607

Principal: Stephen King, 34% Owner
Kara King, 33% Owner
Owen King, 33% Owner

Loan Amount
Recommended: \$150,000

Use of Funds: Assist with the purchase of equipment and inventory

Loan Rate
Recommended: 0%

Term of Loan
Recommended: 10 years, payments deferred first 12 months, amortized over 9 years

Collateral for Second lien on all business furniture, fixtures and equipment.
Loan Bayport Credit Union has a blanket lien on all equipment as a
Recommended result of a previous loan. We will also have the joint and several
unconditional personal guarantees of Stephen King, Kara King and
Owen King.

Summary of Request:

Ironclad Distillery is requesting \$150,000 from the Newport News Urban Development Action Grant Loan Fund (NNUDAG) to assist in the acquisition of additional equipment in an effort to increase the distillery's production capacity. They would also like to use the funds towards the purchase of grains and barrels. The owners want to increase production and distribution revenues to reduce reliance on tasting room revenue.

Company Information and History:

Ironclad Distillery Inc. is a family-owned and operated bourbon distillery set up as a Corporation. Ironclad officially opened for business in Newport News in 2014 at 124

23rd Street. Ironclad is a family-owned distillery that makes and serves authentic bourbon whiskey. In 2017, they added a tasting room and expanded it in 2019. During the COVID-19 pandemic, Ironclad began making and selling hand sanitizer to bring in revenue when the tasting room was closed due to the Governor's mandate.

Company Management:

The founders are Stephen, Kara and Owen King. Resumes for all of the principals are included.

Project Information:

This project involves purchasing equipment to increase production. Increased production comes with increased expenses for inventory such as grain and barrels. NNUDAG funding would assist with the purchase of these additional required resources.

Currently, the majority of Ironclad's revenue comes from their tasting rooms. Owners would like to shift towards majority of the revenue resulting from distribution sales. In order to achieve this, they need to have available product to satisfy an ever-growing distribution network. Currently, they have distribution in Connecticut, New York, New Jersey, Virginia, and Canada. Even with this, their inventory of aging spirits is growing month over month by a few hundred gallons per month. As they continue to seek more distribution, they will quickly overrun this inventory gain.

Ironclad is in discussion with distributors in Florida, North and South Carolina. Potential customers would include the Coast Guard, Breakthru Beverage, Total Wine and Spirits, and expansion of their current distribution through the Navy Exchange. In addition, they just signed an agreement with a company in France to distribute bourbon in most of Europe, UK, UAE, and Lebanon.

Financial Information:

Business income tax returns and P&L Statements for Ironclad Distillery were provided for 2018, 2019, and 2020. In addition, they provided the 2021 financial reports ending June 30, 2021 along with financial projections for 2022, 2023 and 2024.

Observations are as follows:

- Based on historical financial information coupled with the projections for growth, the debt service on this request will be paid from the increased cash flow;
- Financial projections show a steady increase in net profit;
- Overall, the financial projections show the potential for profitable business, with the resiliency to maintain a business throughout COVID-19. The owners were innovative and began making and selling hand sanitizer during the pandemic;

- The owners project that sales will slightly increase by the end of 2022 and continue increasing over the next two years;
- The company's projections show a full expectation for growth to rise naturally based on societal changes to normalcy; and
- Principal's credit and personal financial statements cumulatively show that they are fiscally responsible with solid net worth comprised primarily of residential real estate equity.

Financing & Debt Service:

Other than personal investment of the principals, no other sources of funds will be used in conjunction with the \$150,000 NNUDAG loan request for the items listed in the request.

Debt Service:

The payments on the project debt for the NNUDAG loan are as follows:

<u>NNUDAG</u>	<u>Monthly</u>	<u>Annually</u>
(10 years \$150,000 @ 0.00%)		
Initial 12 months	\$ 0.00	\$ 0.00
Amortized over 9 years	\$1,388.89	\$16,666.68

City Loan Term and Conditions:

Our loan recommendation is for \$150,000 at an interest rate of 0.00% for a term of ten (10) years. Monthly payments will be required after an initial 12 month period of deferred payments. The loan will be fully amortized over the remaining nine (9) years.

A portion of the loan proceeds will be used to purchase additional production equipment which we would have a subordinate lien on along with all other furniture, fixtures and equipment of the business since Bayport Credit Union has a blanket lien on equipment as a result of previous funding. This equipment is valued at approximately \$81,000. We will also have the joint and several unconditional personal guarantees of Stephen King, Kara King and Owen King.

The NNUDAG loan approval and funding are contingent upon, but not limited to, the following: (i) a due-in-full clause if there is a sale of or a major change in ownership and management of Ironclad Distillery Inc.; (ii) a due-in-full clause if the operating entity announces closure and/or closes the Newport News facility located at 124 23rd Street and/or relocates completely outside of Newport News; (iii) a due in full clause if it is determined that approved funds were not used for the purpose intended.

Strengths:

- Strong credit with the ability to repay debt;
- Profitable company with steady sales volumes;
- Downtown Newport News has a population of 5,747 and a workforce of over 39,000 workers which is very favorable for a business which provides authentic bourbon whiskey;
- The City envisions the Provost mixed used project, which includes three eating establishments, along with Coastal Fermentory, Ironclad Distillery and Train Station restaurant, as a major step toward a “restaurant row” that brings vibrancy.

Weaknesses:

- Business is dependent upon the economy and the availability and consumer’s usage of disposable income;
- Specialized collateral;
- Subordinate lien position on collateral.

Conclusions and Summary:

As can be reviewed from the resumes, YTD statements and projections, and staff’s review of the personal financial statements and credit of the principals, Ironclad has the ability to make this venture a success and grow exponentially.

The project will have a positive impact on the City’s overall economic development efforts by not only providing jobs, but increasing tax dollars through sales tax. Our assistance will also result in the contribution to the tax base of the City through increasing tax dollars through food and beverage tax and Machinery and Tools tax.

Based on the aforementioned information, the strengths of this project proposal and the financial stability of the company’s principals, it is the City's recommendation that financing is provided through the NNUDAG Loan Program as previously detailed.

PROJECT APPLICATION

Information about the Business

Business Entity Name	ironclad distillery
Type of Business Organization	C Corporation
Business Address	124 23rd St.
Apt/Suite #	
City, State, Zip	Newport News, VA, 23607
Business Email Address	stephenmking88@gmail.com
Business Phone	7572685790
Business Website	ironcladdistillery.com
Date of Business Organization	03/01/2014
State of Business Organization	VA
Federal ID #/ SSN	46-5727770
Name of Parent Company	ironclad distillery
Federal ID #/ SSN of Parent	
Will the proposed project be located at different addresses?	No
Address	
City, State, Zip	, ,
Current Number of Full-time Employees	3
Average Full-time Wage	36,000/yr
Current Number of Part-time Employees	6
Average Part-time Wage	\$15/hr
Does any customer or supplier presently account for more than 20% of your business? If yes, please provide an explanation.	No
Have you the applicant, officer, director or owners listed in the application ever been in receivership, had any judgments, repossessions, garnishments, or declared bankruptcy? If yes, please provide an explanation.	No
Are any tax obligations, including payroll taxes past due? If yes, please provide an explanation.	No

Are you the applicant, officer, director and owners listed in the application currently a defendant in any suit or legal action? If yes, please provide an explanation.

No

Have you the applicant, officer, director and owners listed in the application been convicted of any criminal offenses, other than a motor vehicle violation? If yes, please provide an explanation.

No

Have you received Local, State, Federal CARES Funding? If yes, please provide an explanation.

No

How was your business negatively affected by COVID-19?

Our tasting room was closed for almost two months do to State mandate. Our Tasting Room accounts for 70% of our revenue.

Business Owner Information

Applicant Name	Stephen King
Title	President
Percentage of Ownership	34
Social Security #	
Home Address	9543 9TH BAY ST Norfolk, VA, 23518
Phone	7572685790
Email	stephenmking88@gmail.com

Proposed Use of Funds

Building Rehab	0
Equipment Purchase (Machinery and Tools)	59300
Working Capital (to include initial inventory and supplies)	115949
Marketing	0

Required Application Attachment Responses

Provide a brief description of your business and principal activity. If the business has been in operation for less than three (3) years include a business plan.

We have been making bourbon since 2014. In 2017, we added a tasting room and expanded it in 2019. Each year has seen an increase in sales although in 2020, we had a one time boost from selling hand sanitizer when the Tasting Room was closed. We managed to keep all our people working through the pandemic.

Describe specifically how you would like to use the PIFC CARES loan funds in your business

Our plan is to use the PIFC CARES money to increase our production capacity and allow us to have the capital for buying grain and barrels. Our goal is to increase our revenue from distribution to 60% of our total so that the Tasting Room revenue is not what we depend on for continuation.

List other sources and amount of funds that might be used in conjunction with this application to include equity and investor funds.

Base line expenses will continue to be borne by the company through on going revenue. All PIFC money would go toward expansion of production.

If equipment is being purchased, provide a description of the equipment and the cost to purchase and install.

Fermentation tanks, positive displacement pump, specialized hoses, and mixers are all detailed in the attachments.

Information necessary to support the loan application including but not limited to estimates, quotes, contracts, invoices, receipts, leases and sales agreements. If applicable, include documentation from architects, engineers, contractors, suppliers, or others involved in the sale, lease or construction of fixed assets, including an implementation schedule.

Current Balance Sheet and last three (3) years of profit & loss statements & YTD

Copy of Business tax returns for last three (3) years

List any collateral you may have to offer (stocks, bonds, mutual funds, equipment, etc).

No collateral is being offered

Recent (within 6 months) Personal Financial Statements for owners/majority members with \geq 20% ownership interest

Last Three Years of Personal Tax Returns for owners/majority members with \geq 20% ownership interest

Owner's Resume – Must Be Provided for All Owners
and managers

Financial Projections for the Business for three (3)
year, first year must be on a monthly basis

Signatures

Name: stephen mark king
Email: stephenmking88@gmail.com

Name: stephen mark king
Email: stephenmking88@gmail.com

Additional Business Owners

Owner Name	Owner Title	Owner Percentage	Owner Home Address	Owner Phone	Owner Email
Kara King	Chief Marketing Officer	33	9543 9TH BAY ST Norfolk, VA. 23518	9176968880	kara.rose.king@gmail.com
Owen King	Vice President	33	9254 Peachtree St. Norfolk, VA. 23603	610823862	opking65@gmail.com

RESUME/BACKGROUND

OF

PRINCIPALS

Resume for Stephen King

1969	Graduated from Mt. Lebanon High School, Mt. Lebanon, PA
1973	Graduated from University of Missouri, Columbia, MO BS Economics
1973 to 1981	Worked for United States Steel, Braddock, PA Foreman to General Foreman in Slab Rolling Mill
1981	Graduated from University of Pittsburgh, Pittsburgh, PA Masters in Accounting
1981 to 1984	Worked for Georgetown Steel Corp., Georgetown, SC General Foreman to Asst. Melt Shop Superintendent
1984 to 1986	Worked for Reading Tube Corporation, Reading, PA Superintendent of Melting and Casting
1988 to 1989	Worked for Pennex Aluminum, Wellsville, PA Superintendent of Melting and Casting
1989 to 1994	Owned Heffleger Kitchens, Reading, PA President
1994 to 1996	Worked for Reading Tube Corporation, Reading, PA Superintendent of Extrusion and Drawing of Copper Tubing
1996 to 1997	Worked for ACPC Inc, Vancouver, WA VP and GM of three aluminum cable plants in WA, CA, NY
1997 to 2003	Worked for Reading Tube Corp/Cambridge Lee Metals/IUSA SA, Toluca, MX Director of all copper tubing operations in Mexico
2003	Graduated from University of Maryland Masters of Business Administration
2003 to 2006	Worked for Craft Machine, Hampton, VA

General Manager of Gate Division and Foundry

2006 to 2016

Owned Paul Davis Restoration, Newport News, VA

President

2014 to present

Partner in Ironclad Distillery Co, Newport News, VA

President

Resume for Kara Rose King

1999	Graduated from Wyomissing High School, Wyomissing, PA Played club soccer for four years Played Varsity Volleyball for two years Elected Homecoming Queen
1999 to 2003	Attended American University of Paris, Paris, France Graduated with a BA in Journalism with a minor in Art History
2003 to 2005	Worked for Liz Claiborne Fashion, New York City, NY
2005 to 2007	Worked for Vincent Partners Marketing, New York City, NY
2007 to 2009	Worked for Lucky Brand Jeans, Los Angeles, CA
2009 to 2011	Worked for Lands End Apparel, Dodgeville, WI Copywriter
2011 to 2014	Worked for Ann Taylor/Loft, New York City, NY Senior Copywriter
2014 to present	Partner in Ironclad Distillery Co., Newport News, VA Chief Marketing Officer

Owen Philips King

9254 Peachtree St.

Norfolk, Virginia 23503

Graduated Wyomissing High School, Wyomissing, Pennsylvania	2006
Varsity Wrestling from 8 th and 9 th grades	
Varsity Football from 9 th to 12 th grade	
Graduated Millersville University, Millersville, Pennsylvania	2011
Varsity Football for 5 years	
Degree conferred: BS Communication	
Fairview Restaurant, Nantucket, Massachusetts	2011
Wait staff	
Paul Davis Restoration, Newport News, Virginia	2012 to 2016
Mitigation manager	
Ironclad Distillery, Newport News, Virginia	2016 to present
Head Distiller and Partner	
Married, no children	

BUSINESS & PRINCIPAL ACTIVITY

Our Story

In our family, we believe there is such a thing as a "bourbon gene." It runs in our blood alcohol level. That's why we founded Ironclad with a single aim, as simple as it is ambitious: to create the best bourbon, from grain to glass – like Grandma would have liked.

Here's to the brown blooded.



The distillery

In 1862, one year into the American Civil War, the first ships to be armored in iron engaged in the waters off the Port of Newport News, Virginia. A few hours later, the Navy would be changed forever.

That mighty battle inspired our name. And it's why we stick to our guns. We make authentic bourbon. That's it. Nothing else. It's our Ironclad rule.

Working with some of Virginia's best grains, our aim is to produce bourbon whiskey that is accessible in flavor and price, while being of the highest quality of production.

Located along the James River, within view of the old *Battle of the Ironclads* site, Ironclad operates in the prodigious S.W. Holt & Co. warehouse built in 1913.

Reference Letters, Letters of Intent, Letters of Support

Since Ironclad began, we have been active in helping to be the first company to locate in the downtown area along 23rd St. Since that time, other companies have developed properties on 23rd St. and the City has embraced the development by preparing the area for events. Our success has led the development by other companies and this whole end of Newport News is coming to life.

The City has expressed their support. Our vendors are happy with their relationship with Ironclad and the community has expressed their support with their wallets in our Tasting Room.

USE OF FUNDS

Use of Fund Category	Expenses	Recommended Amount	Comments	Provided by
Equipment	15 Gallon Barrel	\$31,505.94	Orders this 19 times a year. Recommend approximately 6	Shotgun Inc
Equipment	5 HP Chiller	\$52,200.00	Removed Installation Costs from Invoice	Metro Mechanical Corporation
Equipment	Displacement Pumps	\$3,500.00		WOHL Associates Inc
Equipment	Tanks	\$10,000.00	needs 4 tanks	BX Tank Supply
Equipment	Mixer	\$15,000.00	needs 4 mixers (3750 each)	Aaron Equipment Company
Inventory	Grain	\$37,794.06	Rates are variable. Used weekly caluculations (1602/week) and recommending approximately 6 months	EMAIL CALCULATION

TOTALS

\$150,000.00

BUSINESS FINANCIAL INFORMATION

Ironclad Distillery, Inc.			
Profit/Loss Statement (Per Tax Returns)			
	2020	2019	2018
SALES Line 1	\$804,781	\$462,191	\$272,970
(returns and allowances) Line 1b			
COST OF GOODS SOLD Line 2	\$180,291	\$80,519	\$109,149
GROSS PROFIT Line 3	\$624,490	\$381,672	\$163,821
S,G & A AND OPERATING EXPENSES			
Advertising Line 16	\$30,923	\$39,978	\$19,827
Bank Charges other deductions	\$10,647	\$15,515	\$7,768
Car & Truck Expense other deductions	\$17,812	\$16,166	\$9,976
Commissions	\$113,093	\$88,715	\$66,820
Compensation of Officers	\$70,574	\$48,200	\$26,550
Computer Services & Supplies other deductions	\$1,827		\$26
Credit and Collection cost			
Dues and Subscriptions	\$3,882	\$1,385	\$1,186
Employee Benefits	\$6,000		
Equipment Rental/Lease			\$1,891
Gifts other deductions			
Insurance other deductions	\$29,559	\$22,054	\$8,727
Interest Line 13	\$3,847	\$19,293	\$14,615
Legal & Professional other deductions	\$8,550	\$14,650	\$9,977
Meals and Entertainment other deductions	\$35	\$290	\$596
Meetings/Travel	\$28,671	\$25,098	\$1,135
Miscellaneous	\$5,091	\$5,126	\$875
Office Expense other deductions	\$2,304	\$964	\$1,850
Postage & Delivery other deductions	\$4,003	\$1,888	\$1,265
Permit & Fees			
Rent/Lease Line 11	\$17,695	\$9,000	\$9,000
Repairs and Maintenance Line 9	\$19,213	\$6,131	\$9,428
Salary and Wages Line 8	\$57,381	\$25,603	\$3,598
Security			
Storage other deductions			
Supplies	\$11,561	\$12,228	\$4,866
Taxes and Licenses Line 12 *	\$25,351	\$7,106	\$8,450
Telephone other deductions	\$7,305		

Ironclad Distillery, Inc.			
Profit/Loss Statement (Per Tax Returns)			
	2020	2019	2018
Uniforms other deductions			
Utilities other deductions	\$726		
TOTAL EXPENSES	\$478,070	\$361,409	\$210,444
Other Income (Expense)			
Net Profit/(Loss)	\$146,420	\$20,263	(\$46,623)

Ironclad Distillery
2022 - 2024

COMPANY NAME:

FINANCIAL PROJECTION

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	2022 Total	2023 Total	2024 Total
REVENUE:															
Liet Various Forms of Revenue															
Shop/Instore Sales	\$45,000	\$45,000	\$45,000	\$45,000	\$40,000	\$40,000	\$40,000	\$50,000	\$50,000	\$50,000	\$60,000	\$60,000	\$570,000	\$575,000	\$600,000
Online sales	\$4,000	\$4,000	\$4,000	\$5,000	\$4,000	\$4,500	\$4,500	\$4,000	\$4,000	\$5,000	\$6,000	\$8,000	\$57,000	\$65,000	\$68,000
Distribution	\$12,000	\$12,000	\$13,000	\$15,000	\$15,000	\$15,000	\$18,000	\$18,000	\$18,000	\$18,000	\$23,000	\$18,000	\$195,000	\$400,000	\$500,000
TOTAL REVENUE	\$61,000	\$61,000	\$62,000	\$65,000	\$59,000	\$59,500	\$62,500	\$72,000	\$72,000	\$73,000	\$89,000	\$86,000	\$822,000	\$1,040,000	\$1,168,000
Cost of Goods Sold	\$20,925	\$20,925	\$20,925	\$20,925	\$20,925	\$20,925	\$20,925	\$20,925	\$20,925	\$20,925	\$20,925	\$20,925	\$251,100	\$325,000	\$375,000
EXPENDITURES:															
Payroll	\$8,000	\$8,000	\$8,000	\$8,000	\$7,000	\$8,000	\$8,000	\$8,000	\$8,000	\$10,000	\$10,000	\$10,000	\$101,000	\$150,000	\$175,000
Compensation of officers, directors, etc	\$7,800	\$7,800	\$7,800	\$7,800	\$7,800	\$7,800	\$7,800	\$7,800	\$7,800	\$7,800	\$7,800	\$7,800	\$93,600	\$98,280	\$103,194
ABC commission	\$5,916	\$5,916	\$5,916	\$5,916	\$5,916	\$5,916	\$5,916	\$5,916	\$5,916	\$5,916	\$5,916	\$5,916	\$70,992	\$74,000	\$75,000
Payroll taxes	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,500	\$1,500	\$1,500	\$15,300	\$18,000	\$20,000
Accounting fees	\$3,300			\$2,000		\$2,000	\$2,000			\$2,000	\$2,000	\$9,300	\$9,300	\$9,500	\$9,700
Supplies	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$18,000	\$20,000	\$22,000
Auto Expense	\$1,564	\$1,564	\$1,564	\$1,564	\$1,564	\$1,564	\$1,564	\$1,564	\$1,564	\$1,564	\$1,564	\$1,564	\$18,768	\$19,000	\$20,000
Officer Life Insurance	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$4,800	\$4,800	\$4,800
Shop/Business Service Supplies	\$700	\$900	\$800	\$700	\$900	\$800	\$700	\$900	\$800	\$700	\$900	\$800	\$9,600	\$10,000	\$10,000
Dumpster	\$165	\$165	\$165	\$165	\$165	\$165	\$165	\$165	\$165	\$165	\$165	\$165	\$1,980	\$2,100	\$2,200
Telephone	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$3,600	\$3,600	\$3,600
Utilities	\$1,116	\$1,120	\$1,116	\$1,121	\$1,116	\$1,116	\$1,116	\$1,117	\$1,116	\$1,118	\$1,116	\$1,119	\$13,407	\$14,000	\$15,000
Postage and shipping	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$9,000	\$9,500	\$10,000
Mortgage/Rent for Commercial Property	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$24,000	\$30,000	\$30,000
Real Estate Taxes													\$0		
Insurance(R/E, Equipmt, Liability)	\$1,500				\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$13,500	\$14,000	\$14,500
Equipment Payment	\$1,188	\$1,188	\$1,188	\$1,188	\$1,188	\$1,188	\$1,188	\$1,188	\$1,188	\$1,188	\$1,188	\$1,188	\$14,256	\$14,256	\$14,256
City Loan Payment													\$0		
Advertising/Printing	\$2,333	\$2,333	\$2,333	\$2,333	\$2,333	\$2,333	\$2,333	\$2,333	\$2,333	\$2,333	\$2,333	\$2,333	\$27,996	\$28,000	\$28,000
Travel	\$275	\$275	\$275	\$275	\$275	\$275	\$275	\$275	\$275	\$275	\$275	\$275	\$3,300	\$3,300	\$3,300
License/Taxes	\$725	\$725	\$725	\$725	\$725	\$725	\$725	\$725	\$725	\$725	\$725	\$725	\$8,700	\$9,000	\$9,500
Interest	\$477	\$477	\$477	\$477	\$477	\$477	\$477	\$477	\$477	\$477	\$477	\$477	\$5,724	\$5,800	\$5,800
Depreciation	\$1,450	\$1,450	\$1,450	\$1,450	\$1,450	\$1,450	\$1,450	\$1,450	\$1,450	\$1,450	\$1,450	\$1,450	\$17,400	\$18,000	\$18,000
Misc./Other Expense	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$30,000	\$33,000	\$35,000
TOTAL EXPENSES	\$45,159	\$40,563	\$40,459	\$42,364	\$41,059	\$41,959	\$43,859	\$42,060	\$41,959	\$46,161	\$44,359	\$44,262	\$514,223	\$588,136	\$628,850
NET PROFIT (LOSS)	(\$5,084)	(\$488)	\$616	\$1,711	(\$2,984)	(\$3,384)	(\$2,284)	\$9,015	\$9,116	\$5,914	\$23,716	\$20,813	\$56,677	\$126,864	\$164,150

LOCATION INFORMATION



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mi

Ironclad Distillery, Inc.



NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY**MEMORANDUM**

DATE: March 9, 2022

TO: All Members, Board of Commissioners

FROM: Karen R. Wilds, Executive Director 

SUBJECT: Newport News Urban Development Action Grant Loan Program for Carter Funeral Home

The Authority has received an application from Corneilus-Carter Group Limited LLC d/b/a Carter Funeral Home via the Newport News Department of Development for financial assistance through the Newport News Urban Development Action Grant Loan Program (NNUDAG). The applicant is requesting \$150,000 to fund the costs for new equipment, working capital and fees for the establishment of a new larger funeral home to be constructed at 3700 Marshall Avenue.

Carter Funeral Home is the successor of Gilmore Funeral Home, which was established in 1941, by the late Van P. & Helen Gilmore. The Gilmores offered funeral services to families in the Southeast Community and surrounding areas for over 40 years. William H. Coles assumed ownership of the firm in 1987 and in March of 2011, the business was transferred to Pastor Chris C. Carter, a native of the Newport News/Hampton area and pastor of the New Hope Baptist Church in Hampton, VA.

The current funeral home operates as a full-service facility to care for the needs of families. Services offered are cremation, burial options, celebrations of life and memorial services.

The Newport News Department of Development is recommending a \$150,000 loan commitment. The recommended loan term is a ten-year term that will include an initial 12 months of deferred payments. The loan is to be fully amortized over the remaining nine years. The recommended loan interest rate is 0%.

Collateral for the loan would be a subordinate lien position on all furniture, fixtures and equipment of the business. The joint and several unconditional personal guarantees of all owners will also be required.

The project will have a positive impact on the City's overall economic development efforts by not only revitalizing a prominent commercial intersection but also by providing up to (5) new jobs over the next three years. The project also helps to compliment the City's

efforts related to our Choice Neighborhood Initiative (CNI) Transformation Plan as the project is located just outside, but adjacent to, the boundary of the defined area.

I recommend approval of the attached resolution.

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE NEWPORT NEWS
REDEVELOPMENT AND HOUSING AUTHORITY APPROVING A LOAN FROM THE
NEWPORT NEWS URBAN DEVELOPMENT ACTION GRANT PROGRAM TO
CORNEILUS-CARTER GROUP LLC**

WHEREAS, the Newport News Redevelopment and Housing Authority (Authority) has entered into a joint powers agreement with the City of Newport News, Virginia (hereinafter referred to as the "City"), to administer the Newport News Urban Development Action Grant Program (NNUDAG; and

WHEREAS, Corneilus Carter Group LLC (The Company) has requested financial assistance in the form of a loan totaling \$150,000 from the Newport News Urban Development Action grant program to assist the Company in acquiring equipment and furniture for the new facility and provide a small portion of working capital.

WHEREAS, the loan terms, proposed, will be a ten (10) year loan commitment and annual interest rate of 0% with payments deferred for 12-months after which payments of principal and interest will be due monthly, with the loan fully amortized over the remaining nine (9) years; and

WHEREAS, in keeping with the objectives of the Newport News Urban Development Action Grant Program, the project will serve a low to moderate income area; and

WHEREAS, this loan request having been reviewed and recommended by the City of Newport News Department of Development and staff of the Authority

NOW THEREFORE BE IT RESOLVED by the Board of Commissioners a loan to Corneilus-Carter Group LLC is hereby approved in the amount of \$150,000 and it being understood that such contract documents shall be subject to review by the Authority's legal counsel.



**CORNEILUS-CARTER GROUP
LIMITED LIABILITY COMPANY
D/B/A C.C. Carter Funeral Home**

**Newport News Urban Development Action
Grant (NNUDAG) Loan Program**

THE CORNEILUS-CARTER GROUP LIMITED LIABILITY COMPANY D/B/A C.C. Carter Funeral Home

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**RECOMMENDATION
FROM
CITY OF NEWPORT NEWS**

March 8, 2022

Ms. Karen Wilds
Executive Director
Newport News Redevelopment & Housing Authority
227-27th Street
Newport News, Virginia 23607

RE: Newport News Urban Development Action Grant (NNUDAG) Loan Program for
Corneilus-Carter Group, LLC d/b/a C.C. Carter Funeral Home

Dear Ms. Wilds:

We are pleased to forward the accompanying application from Corneilus-Carter Group, LLC d/b/a C.C. Carter Funeral Home (Carter Funeral Home) for assistance through the Newport News Urban Development Action Grant (NNUDAG) Loan Program. Carter Funeral Home is requesting \$150,000 to fund the costs for new machinery and equipment, working capital and fees for the establishment of a new and larger location to be constructed at 3700 Marshall Avenue.

Carter Funeral Home is successor of Gilmore Funeral Home, which was established in 1941, by the late Van P. & Helen Gilmore. The Gilmores offered funeral services to families in the East End and surrounding areas for over 40 years. William H. Coles assumed ownership of the firm in 1987 and in March 2011, the business was transferred to Pastor Chris C. Carter, a native of the Newport News/Hampton area and pastor of the New Hope Baptist Church in Hampton, VA.

The current funeral home operates as a full-service facility to care for the needs of families. Services offered are cremation, burial options, celebrations of life and memorial services with staff guidance through every decision. Carter Funeral Home strives to meet the needs of families by maintaining affordable pricing and providing quality service while offering a convenient variety of traditional, contemporary, and basic burial and cremation options. Additional services offered are online memorials, tribute videos, option for online donations to defray funeral expense, ordering of flowers and one-year of grief support emails to families.

Ms. Karen Wilds
March 8, 2022
Page Two

This project involves the relocation of an existing funeral home to a new location within the Southeast Community of Newport News. The overall project includes the purchase of land and the construction of a new facility, to include site work and the equipping of the facility. The NNUDAG loan will assist with the purchase of the equipment and furniture for the new facility and provide a small portion of working capital.


The Newport News Department of Development is recommending a \$150,000 loan commitment. The recommended loan term is a ten-year term that will include an initial 12-months of deferred payments, with the loan fully amortized over the remaining nine years. The recommended interest rate for the loan is a rate of 0%.

Collateral for the loan would be a subordinate lien on all existing equipment and machinery, to include the new equipment, furniture and fixtures. The personal guarantee will also be required of Pastor Christopher Carter and Anita Carter as owners of the business

The project will have a positive impact on the City's overall economic development efforts by not only revitalizing a prominent commercial intersection but also by providing up to five (5) new jobs over the next three years. The project also helps to complement the City's efforts related our Choice Neighborhood Initiative (CNI) Transformation Plan as the project is located just outside, but adjacent to the boundary of the defined area.

Your favorable consideration at the Newport News Redevelopment & Housing Authority's March 15, 2022 meeting is appreciated.

Sincerely,



Florence G. Kingston
Director

FGK:tfw

P:\LoanProg\NNUDAG\NNUDAG Flexibilities\Applications - Flexible Terms\CC Carter Funeral Home Project 3-2021\Loan Recommendation Package\Carter Funeral Home - NNUDAG Recommendation Letter.rtf

Attachment

PROJECT WRITE-UP

CREDIT WRITE-UP/EVALUATION
NEWPORT NEWS URBAN DEVELOPMENT ACTION GRANT (NNUDAG)
LOAN REQUEST

March 7, 2022

Company Name: The Corneilus-Carter Group Limited Liability Company t/a C.C. Carter Funeral Home

Current Location: 3314 Roanoke Avenue
Newport News, Virginia 23607
(Southern section of the City)

New Location: 3700 Marshall Avenue
Newport News, Virginia 23607
(Southern section of the City)

Principals: Christopher C. Carter, Sr. 50%
Anita R. Carter 50%

Loan Amount
Recommended: \$150,000

Use of Funds: Assist with purchase of equipment, furniture, fixtures and portion of working capital and fees

Loan Rate
Recommended: 0%

Term of Loan
Recommended: 10 years, payments deferred first 12 months, amortized over 9 years

Collateral
Recommended: Subordinate lien on all business equipment, furniture and fixtures and any other non-real estate assets of the business. Also, have the joint and several unconditional personal guarantees of Christopher Carter and Anita Carter.

Summary of Request:

The Corneilus-Carter Group Limited Liability Company t/a C. C. Carter Funeral Home, Inc. (Carter Funeral Home) is requesting assistance in the amount of \$150,000 to fund the costs for machinery and equipment, working capital and fees for the establishment of a new and larger location to be constructed at 3700 Marshall Avenue, which is geographically at the corner of Marshall Avenue and 39th Street.

Company Information and History:

The predecessor to Carter Funeral Home was the Gilmore Funeral Home which was established in 1941, by the late Van P. & Helen Gilmore. The Gilmores offered funeral services to families in the East End and surrounding areas for over 40 years.

William H. Coles assumed ownership of the firm in 1987 and in March 2011, the business was transferred to Pastor Chris C. Carter, a native of the Newport News/Hampton area and pastor of the New Hope Baptist Church in Hampton, VA.

Through the vision Pastor Carter had for this establishment, he has served families in a way that is unique to the community. Pastor Carter continues with the rich legacy the Gilmore's and Mr. Coles left. The current funeral home operates as a full-service facility to care for the needs of families. Services offered are cremation, burial options, celebrations of life and memorial services with staff guidance through every decision. Carter Funeral Home strives to meet the needs of families by maintaining affordable pricing and providing quality service while offering a convenient variety of traditional, contemporary, and basic burial and cremation options. Additional services offered are online memorials, tribute videos, option for online donations to defray funeral expense, ordering of flowers and one-year of grief support emails to families.

Company Management:

Christopher C. Carter - Pastor Carter serves as President and CEO of the funeral business. He has been in funeral service for over 30 years and 20 of those years was with Ronald Perkins Funeral Home in Hampton, VA where he gained a vast knowledge of the business. He also serves as the Pastor of New Hope Baptist Church, where his ministry has flourished for 25 years.

Pastor Carter holds an Associate Degree in Public Administration with an emphasis in Human Services from Thomas Nelson Community College. He also holds a Bachelor of Arts Degree in Multi-Disciplinary Studies from Liberty University and a Master of Arts Degree in Management and Leadership from Liberty University.

Anita Carter - serves as Vice President and co-owner of the funeral home. She finished her apprenticeship and is a 2018 Graduate of American Academy McAllister Institute of Funeral Service in New York.

She holds a Bachelor of Science degree in Psychology from Christopher Newport University and a Master of Science degree in Administration with a concentration in Health Services from Central Michigan University. Mrs. Carter recently retired from the Hampton/Newport News Community Services Board as a Program Manager with Adult Mental Health Case Management and as a mentor to troubled youth.

Project Information:

This project involves the relocation of an existing funeral home to a new location within the Southeast Community of Newport News. The overall project includes the purchase of land and the construction of a new facility, to include site work and the equipping of the facility. The NNUDAG loan will assist with the purchase of the equipment and furniture for the new facility and provide a small portion of working capital.

Currently the Carter Funeral Home business operates out of a 5,171 sq. ft. facility at 3314 Roanoke Avenue. Pastor Carter was operating under a lease purchase agreement for years and in 2021, the ownership of the property was transferred to an LLC controlled by him. He has since sold the property and is currently leasing until his new project comes to fruition.

For numerous years, Pastor Carter has looked for other locations to relocate the funeral home that would be better suited for a commercial establishment. The current location is housed primarily in a residential neighborhood and does not have sufficient parking options. Thus, patrons have to park along the street and often walk several blocks to enter the funeral home.

Additionally, Pastor Carter desired to be along a more prevalent commercial corridor in order to increase visibility to assist patrons in finding his location. In past years several locations have been identified along Jefferson Avenue, but for size and cost reasons no deal was ever consummated.

Pastor Carter identified a 5.32-acre site owned by the Newport News Economic Development (EDA) at the corner of 39th Street and Marshall Avenue. It is a vacant parcel that has more than ample space for a larger facility and adequate parking. After much negotiation and discussions with the City, EDA, banks and developers, Pastor Carter was able to come to an agreement on the land price with EDA, find a developer that could keep the project costs within his budget and find a bank willing to work with him.

TowneBank, through an SBA 504 structure, will finance the project and closing should occur with the bank and EDA later this month. The new proposed structure will be approximately 10,000 sq. ft.; will include a chapel with seating capacity for approximately 300 and at least

125 parking spaces. A future vision for part of the site is to construct a repast facility/banquet hall, which would complement the funeral home facility.

Although the proposed new facility will be in a new location, it is still considered in the Southeast Community. Additionally, the new facility will not only serve the Southeast area of Newport News but since it will be easily accessible by interstate and have adequate parking, can serve other parts of the City as well as Hampton Roads families.

Financial Information:

Accountant-provided corporate and personal tax returns for 2017 through 2020 and company-provided profit/loss statements for 2021 were all reviewed and used for analysis purposes. All trends are positive, and the company appears to be well-managed and producing cash flow and reflecting very little debt. Observations from tax returns are below:

1. Gross sales have steadily increased and average sales are \$1,456,239 for the 5-years
2. Strong gross profit margins averaging approximately 63%
3. Expenses have remained fairly steady while sales have increased
4. Net Profit averages about 23% of gross sales

A review of the corporate tax returns verifies that Carter Funeral Home shows steady growth with gross sales of approximately \$1.2 Million in 2017 and had increased to \$1.6 Million in 2021 from an internally generated P & L statement. Further, the company has exceptionally strong gross profit margins and ending net profits. More detail can be seen from the historical financial summary.

The company is very stable and well managed. All signs point to further increases in sales as the new location will allow for increased capacity to handle additional funeral business. The continued increases in gross sales, as well as strong net profit, mitigate the risk of the increased level of debt related to the project.

Financing & Debt Service:

TowneBank will provide the primary private financing for this project through an SBA 504 loan structure. During construction, TowneBank will charge interest only on the full amount and later the loan amount will be split as noted below.

Additionally, Pastor Carter has an existing \$50,000 line of credit for the business from Citizens & Farmers (C&F) Bank. All business equipment, furniture and fixtures and other non-real estate assets of the business are used as collateral for the C&F Bank line of credit.

Debt Service:

	<u>Loan Amount/Balance</u>	<u>Monthly</u>	<u>Annually</u>
<u>NNUDAG Loan</u>			
1 st 12 months (no payments)	\$150,000	\$ 0.00	\$ 0.00
2 nd - 10 th year (0%, 10 yr term, 9-yr amortization)	\$150,000	\$1,388.89	\$16,666.68

	<u>Loan Amount/Balance</u>	<u>Monthly</u>	<u>Annually</u>
<u>TowneBank</u> (1 st 12 months) (interest only at 3.75%)	\$2,430,000	\$7,593.73	\$91,125.00

After construction is completed <u>SBA</u> (interest rate 2.91%) 25-yr amortization	\$1,080,000	\$5,071.07	\$60,852.84
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<u>TowneBank</u> (interest rate 3.75%) 25-yr amortization	\$1,350,000	\$6,940.77	\$83,289.24
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City Loan Term and Conditions:

Our loan recommendation is for a \$150,000 direct loan at an interest rate of 0.00% for a term of ten (10) years. Monthly payments will be required after an initial 12-month period of deferred payments. The loan will then be fully amortized over the remaining nine (9) years.

Staff recommends as security for the loan a subordinate lien on all existing equipment and machinery, to include the new equipment, furniture and fixtures. The personal guarantee of \$150,000 will also be required of Pastor Christopher Carter and Anita Carter as owners of the business.

Towne Bank is taking a 1st deed of trust on the property and improvements and an assignment of leases on the property. SBA will take a 2nd deed of trust on the property and improvements and an assignment of leases on the property. Neither the bank nor SBA is attaching the machinery, equipment, furniture or fixtures.

The NNUDAG loan approval and funding are contingent upon, but not limited to, the following: (i) consummation of the real estate deal and bank loan closing; (ii) a due-in-full clause if there is a sale of or a major change in ownership and management of Carter Funeral Home; (iii) a due-in-full clause if the operating entity announces closure and/or closes the Newport News facility to be located at 3700 Marshall Avenue and/or relocates completely outside of Newport News; (iii) a due in full clause if it is determined that approved funds were not used for the purpose intended.

Strengths:

- Existing business with a positive history, track record, and good reputation
- Revenues far exceed obligations
- Principal has approximately 30 years of experience and expertise
- Increasing employment opportunities in lower to moderate income community
- Expansion of a business operation in one of the City's Enterprise Zones
- Assisting a business improve a vacant lot on a prominent commercial corridor

Weaknesses:

- Significantly increasing debt for purchase of land and construction of new building
- Collateral consists primarily of limited specialized equipment
- Specialized equipment would be difficult to liquidate in a foreclosure situation
- Environment of rapidly-escalating construction costs
- Subordinate lien position on collateral

Conclusions and Summary:

Carter Funeral Home has management that displays the professional combination of knowledge, experience, expertise and savvy to implement successful business expansion. The business principals are responsible in the handling of their financial responsibilities as is reflected from the personal and business financial information, as well as the personal credit of the owners. Pastor Carter's connections in the area, through not only his business reputation but also as the longtime pastor of a local church affords him an avenue to continually assist new families.

The financial history is indicative of a company experiencing controlled growth and balancing the costs associated with that growth. The NNUDAG 0% interest rate and period of deferred payments will allow Carter Funeral Home to complete a major construction project with an affordable debt service structure.

The project will have a positive impact on the City's overall economic development efforts and the community. The company will continue to hire and train unskilled and semiskilled persons and will provide a service in a low-to-moderate income area in need of redevelopment. The loan provides an incentive to a longtime successful business in need of a larger facility and evidences a collaboration with the City to help revitalize a prominent commercial intersection. The project further helps to complement the City's efforts related our Choice Neighborhood Initiative Transformation Plan as the project is located just outside, but adjacent to the boundary of the defined area.

Based on the aforementioned, it is the City's recommendation financing be provided through the NNUDAG Loan Program as proposed.

PROJECT APPLICATION

Information about the Business

Business Entity Name	The Corneilus Carter Group/ trading under C.C.Carter FUneral Home.	
Type of Business Organization	S Corporation	
Business Address Apt/Suite # City, State, Zip	3314 Roanoke Ave. Newport News, va, 23607	
Business Email Address	cccarterfuneralhome@aol.com	
Business Phone	7572454391	
Business Website	cccarterfuneralhome.com	
Date of Business Organization	5/1/11	
State of Business Organization	VA	
Federal ID #/ SSN	27-3080542	
Name of Parent Company	The Corneilus Carter Group/ trading under C.C.Carter FUneral Home.	
Federal ID #/ SSN of Parent	27-3080542	
Will the proposed project be located at different addresses?	Yes	
Address City, State, Zip	3700 Marshall Ave. Newport News, va, 23607	
Current Number of Full-time Employees		4
Average Full-time Wage	35,000 per year	
Current Number of Part-time Employees		11
Average Part-time Wage	13hr	
Does any customer or supplier presently account for more than 20% of your business? If yes, please provide an explanation.		
Have you the applicant, officer, director or owners listed in the application ever been in receivership, had any judgments, repossessions, garnishments, or declared bankruptcy? If yes, please provide an explanation.		

Are any tax obligations, including payroll taxes past due? If yes, please provide an explanation. No

Are you the applicant, officer, director and owners listed in the application currently a defendant in any suit or legal action? If yes, please provide an explanation. No

Have you the applicant, officer, director and owners listed in the application been convicted of any criminal offenses, other than a motor vehicle violation? If yes, please provide an explanation. No

Have you received Local, State, Federal CARES Funding? If yes, please provide an explanation. No

How was your business negatively affected by COVID-19? n/a

Business Owner Information

Applicant Name	chris carter
Title	President
Percentage of Ownership	50%
Social Security #	
Home Address	119 Clydesdale Ct Hampton, VA, 23666
Phone	7577491124
Email	CHRISTOPHERCARTER_822@MSN.COM

Proposed Use of Funds

Building Rehab	0
Equipment Purchase (Machinery and Tools)	118774
Working Capital (to include initial inventory and supplies)	31226

Required Application Attachment Responses

Provide a brief description of your business and principal activity. If the business has been in operation for less than three (3) years include a business plan.

Funeral Home established in 2011.

Describe specifically how you would like to use the PIFC CARES loan funds in your business

Purchase Furniture, Fixtures and Equipment for a new funeral home and chapel facility in SE Community of Newport News.

List other sources and amount of funds that might be used in conjunction with this application to include equity and investor funds.

Townbank Loan (see attached) of 2,430,000
Owner's Equity of \$300,000

If equipment is being purchased, provide a description of the equipment and the cost to purchase and install.

Purchase Furniture, Fixtures and Equipment for a new funeral home and chapel facility in SE Community of Newport News. (see attached list)

Information necessary to support the loan application including but not limited to estimates, quotes, contracts, invoices, receipts, leases and sales agreements. If applicable, include documentation from architects, engineers, contractors, suppliers, or others involved in the sale, lease or construction of fixed assets, including an implementation schedule.

Current Balance Sheet and last three (3) years of profit & loss statements & YTD

Copy of Business tax returns for last three (3) years

List any collateral you may have to offer (stocks, bonds, mutual funds, equipment, etc).

FF & E purchased with the loan.

Recent (within 6 months) Personal Financial Statements for owners/majority members with \geq 20% ownership interest

Last Three Years of Personal Tax Returns for owners/majority members with \geq 20% ownership interest

Owner's Resume – Must Be Provided for All Owners and managers

Financial Projections for the Business for three (3)
year, first year must be on a monthly basis

Signatures

Name: Dr. Christopher Carter
Email: CHRISTOPHERCARTER_822@MSN.COM

Name: Dr. Christopher Carter
Email: CHRISTOPHERCARTER_822@MSN.COM

Additional Business Owners

Owner Name	Owner Title	Owner Percentage	Owner Home Address	Owner Phone	Owner Email
Anita R. Carter	VP	50%	119 Clydesdale Ct Hampton, VA. 23666	7577491124	ELDERCARTER@GMAIL.COM

RESUME/BACKGROUND

OF

PRINCIPALS



Pastor Christopher C. Carter. Sr.

Owner/Business Manager

Pastor Christopher C. Carter is a native of Newport News, Virginia. He was reared in Hampton, Virginia and educated in the Hampton Public School System.

Pastor Carter was called into the Gospel Ministry in 1993. He served as an Associate Minister at First Morning Star Baptist Church in Gloucester, Virginia.

He is currently the Pastor of New Hope Baptist Church, where his ministry has flourished for 25 years. His innovative, charismatic, and dynamic teaching/leadership has culminated in New Hope Baptist Church's growth in membership and spiritual enhancement. His extraordinary musical talents are showcased in the soul-stirring vocal renditions he exemplifies through his singing.

Under God's vision and direction, Pastor Carter and the New Hope Baptist Church family embarked on a new journey; and on February 9, 2002, land was dedicated on Big Bethel Road in Hampton, Virginia.

The New Hope Baptist Church Family launched out to build a new edifice that would bring glory and honor to our Lord and Savior as well as accommodate the expansion of the church.

On May 8, 2004, the groundbreaking ceremony was held for our new church building. Our initial service was held in the new church on July 30, 2006.

Pastor Carter is well known in the Hampton-Newport News communities for his civic involvements and service.

In June 1997, Pastor Carter received the Pastor of the Month award from Murray's Steaks, Inc. for his leadership and service to the community; in 1998, the Hampton City Council appointed him to the City of Hampton Parking Authority. And, in September, 2016 they appointed him to the Hampton Planning Commission.

For his outstanding leadership in the ministry and to the community, Pastor Carter received an honorary Doctorate of Divinity degree from the Norfolk Seminary and College in April 2002.

Pastor Carter holds an Associate Degree, in Public Administration with an emphasis in Human Services from Thomas Nelson Community College.

A Bachelor of Arts Degree, in Multi-Disciplinary Studies from Liberty University and a Master of Arts Degree in Management and Leadership, From Liberty University.

He is also a Licensed Apprentice.

Pastor Carter has been in funeral service for over 30 years and 20 of those years was with Ronald Perkins Funeral Home in Hampton, VA where he gained a vast knowledge of the business.

Pastor Carter serves on many boards and community action committees, he is also a member of Omega Psi Phi Fraternity Inc. Kappa Iota Iota.(Fort Eustis Service Chapter).and the Virginia Peninsula Chapter of 100 Hundred Black Men Of America. Also served as former Chairman of the City of Hampton's Planning Commission, now Vice Chairman. And a member of the Aberdeen gardens historic and civic association.

A formidable and outstanding undertaking has been accomplished, in becoming the Co-Owner with his wife Anita, of the C.C. Carter Funeral Home, LLC.

His personal commitment is to minister, comfort, and offer services with the ultimate professionalism and dignity as only Pastor C.C. Carter and staff can provide to bereaved families.

Pastor Carter is married to the former Anita R. Burley of Newport News, Virginia; They have one son Christopher C. Carter JR.(CJ).and they reside in Hampton, Virginia



Anita R. Carter

Owner

Elder Anita R. Carter is a native of Newport News, Virginia. She is a 1987 graduate of Menchville High School in Newport News, Virginia.

She holds a BS degree in Psychology from Christopher Newport University and a MS degree in Administration with a concentration in Health Services from Central Michigan University.

Elder Carter is married to Pastor Christopher C. Sr. of Hampton, Virginia and they have one son Christopher C. Carter Jr. (CJ). and they currently reside in Hampton, Virginia.

Elder Carter recently retired from the Hampton/Newport News Community Services Board as a Program Manager with Adult Mental Health Case Management and as a Mentor to troubled youth.

She now works at the funeral Home where she is the co-owner, finished her Apprenticeship, and is a 2018 Graduate of America MacAllister Institute of Funeral Service. New York. She works side by side with her husband in Ministry at New Hope Baptist Church in Hampton, Virginia.

Elder Carter enjoys enriching the lives of people she meets by imparting the word of God in their lives. She is currently an active member of the Hampton Alumnae Chapter of Delta Sigma Theta, Inc. Elder Carter's favorite scripture is Philippians 4:13 I can do all things through Christ that strengthens me.

BUSINESS & PRINCIPAL ACTIVITY

Business Plan Statement

Development proposal from C. C. Carter Funeral Home LLC.
3700 Marshall Avenue, Newport News, VA 23607

C. C. Carter Funeral Home LLC., established in April 2011 has been serving the Peninsula and Southside cities, providing a professional and respectful approach to assisting bereaved families. In keeping with our tradition, we are proposing the following to build a new funeral home and chapel facility.

- Proposed five acres located at 3700 Marshall Avenue in the city of Newport News, VA 23607
- The facility will consist of up to 11,000 square feet.
- The chapel area of the funeral home will have a seating capacity of 300 persons.
- The parking lot area will have approx. 125 spaces or more.
- The facility estimated cost range is \$2.5M. We will be utilizing public and private funding. Some funding will be provided through one of the city's loan programs.
- General Contractor for the project is Ritchie Curbow Construction Co., A2RCI/Gregory Brezinski is the Architectural Firm and Towne Bank is the bank.
- We currently employ five (5) full – time and eleven (11) part – time employees. Upon completion of the new facility, we will be employing an additional 4 – 5 persons. Some of our current employees consist of individuals that were formerly incarcerated, some are community/neighborhood residents. We have provided on – the – job learning skills and training in support of building our workforce.

Our normal hours of operation will be from 9:00 a.m. until 5:00 p.m. with the exception of evening visitations.

C. C. Carter Funeral Home has served over 1500+ families throughout the Southeast community and beyond since inception. Our gross income for calendar year 2020 was \$1,600,000. We have established and maintained community business relationships and to increase revenue and goodwill throughout our neighboring cities.

By building this new facility in the East End community, it will not only bring economic growth but this facility will help with the renewal and revitalization of the East End.

USE OF FUNDS

Use of Fund Category	Expenses	Recommended Amount	Comments
FF & E (Equipment)	Organ	\$7,645.00	
FF & E (Equipment)	Keyboard	\$1,500.00	
FF & E (Equipment)	Drums	\$1,200.00	
FF & E (Equipment)	Sound System	\$30,000.00	
FF & E (Equipment)	Mortuary Cooler	\$6,744.00	
FF & E (Equipment)	Mortuary Racks	\$5,700.00	2 @ \$2850 each
FF & E (Equipment)	Mortuary Storage Tray	\$3,054.00	6 @ 509 each
FF & E (Equipment)	Folding Dressing Tables	\$3,899.00	
FF & E (Equipment)	Church Chairs	\$9,698.00	200 chairs
FF & E (Equipment)	Podium	\$694.00	
FF & E (Equipment)	Embalming Table	\$10,485.00	3 @ \$3495 each
FF & E (Equipment)	Embalming Machine	\$5,000.00	2 @ \$2500 each
FF & E (Equipment)	Desk with Hutch	\$6,580.00	2 @ \$3290 each
FF & E (Equipment)	Cubicle	\$4,420.00	
FF & E (Equipment)	Sofas, love seats, chairs lamps, wall fixtures pictures, tvs	\$20,000.00	
Working capital and fees	misc. cost overruns, misc w/c and fees	\$33,381.00	

TOTALS

\$150,000.00

BUSINESS FINANCIAL INFORMATION

* Preliminary Balance Sheet

CORNEILUS-CARTER GROUP, LLC

Balance Sheet

December 31, 2021

ASSETS

Current Assets

Cash in Bank- 1st Advantage Cr	\$	292,630.86
Cash in Bank - C&F		1,238.09
Savings Account		5.05

Total Current Assets 293,874.00

Property and Equipment

Automobiles	85,699.63
Leasehold Improvements	16,501.00
Automobile - Hearse	22,330.00
Automobile - Limosine	38,000.00
Automobile- Van	40,069.94
Equipment	4,165.99
Furniture & Fixtures	10,191.53
Accumulated Depreciation	(199,143.00)

Total Property and Equipment 17,815.09

Other Assets

Land Development	19,500.00
Deposits - New Building	60,881.86

Total Other Assets 80,381.86

Total Assets \$ 392,070.95

LIABILITIES AND CAPITAL

Current Liabilities

Note Payable - 1st Adv Credit	\$	70,100.65
Note Payable- Capital One		(10,003.25)
Note Payable - Discover Card		(1,416.75)
Note Payable - Barclay Card		(3,951.81)
Note Payable - GenesisFS Card		(1,290.46)
Note payable - Bank of America		(1,259.86)
Note Payable - Wells Fargo		(52.99)
Note Payable - Chase Credit Ca		(3,482.78)
Note Payable - MBFS		(1,012.41)
Note Payable - At Home CC		(5,931.40)
Note Payable - Best Buy Credit		(2,115.71)
Note Payable - Affirm.com		(117.17)
Note Payable - Commenity BJ's		(5,129.88)
Note Payable - Applecard		(302.55)
Note Payable - TowneBank		17,548.68
Note Payable - PPP Loan		35,226.00
Simple Sep Plan		100.00

Total Current Liabilities 86,908.31

Long-Term Liabilities

Total Long-Term Liabilities 0.00

Total Liabilities 86,908.31

Capital

Beginning Balance Equity	(14,993.69)
Member's Equity	181,500.00
Retained Earnings	(3,091.51)

CORNEILUS-CARTER GROUP, LLC
Balance Sheet
December 31, 2021

Members Contribution	20,505.00	
Members Draw	(138,107.17)	
Member Draw - Carter Taxes	(122,137.00)	
Net Income	381,487.01	
Total Capital		305,162.64
Total Liabilities & Capital	\$	392,070.95

Corneilus-Carter Group Limited Liability Company (C.C. Carter Funeral Home) Profit/Loss Statement (Per Tax Returns)					
	2021 (Internal)	2020	2019	2018	2017
NET SALES REVENUE Line 1	\$1,688,960	\$1,605,645	\$1,530,342	\$1,236,405	\$1,219,845
(returns and allowances) Line 1b					
COST OF GOODS SOLD Line 2	\$572,532	\$548,580	\$604,270	\$448,287	\$495,364
GROSS PROFIT Line 3	\$1,116,428	\$1,057,065	\$926,072	\$788,118	\$724,481
S, G & A AND OPERATING EXPENSES					
Advertising Line 16	\$5,084	\$893	\$467	\$858	\$11,605
Bank Charges & credit card fees other deductions	\$11,639	\$7,283	\$6,946	\$5,066	\$3,696
Car & Truck Expense other deductions	\$25,757	\$19,547	\$18,541	\$17,983	\$18,912
Computer Services & Supplies other deductions					
Credit and Collection cost					
Death certificates	\$15,894	\$14,250	\$7,716	\$8,377	\$7,182
Depreciation		\$423	\$2,533	\$4,465	\$6,061
Dues and Subscriptions	\$1,118	\$495	\$1,633	\$400	\$380
Equipment Rental / Lease other deductions	\$24,460	\$26,906	\$29,352	\$31,797	\$0
Employee Benefit Program	\$31,008	\$22,513	\$22,685	\$24,166	\$15,573
Gifts other deductions	\$3,297	\$100			\$555
Insurance other deductions	\$30,389	\$30,379	\$22,630	\$19,964	\$20,640
Interest Line 13	\$1,600	\$1,368	\$2,390	\$1,780	\$3,264
Janitorial	\$3,960	\$4,060	\$3,000	\$2,700	\$300
Legal & Professional other deductions	\$40,902	\$18,020	\$7,617	\$5,397	\$8,543
Meals and Entertainment Other deductions	\$1,486	\$1,036	\$273	\$800	\$690
Office Expense other deductions	\$5,650	\$1,999	\$2,296	\$4,901	\$2,776
Officer/Owner Compensation	\$120,000	\$60,000	\$60,000	\$55,000	\$25,000
Outside Service	\$48,699	\$139,518	\$125,255	\$154,338	\$138,351
Salary and Wages Line 8	\$213,566	\$123,279	\$107,923	\$66,397	\$89,653
Security					
Supplies	\$33,058	\$46,481	\$21,768	\$20,046	\$22,031
Pension, profit sharing	\$3,450	\$1,800	\$1,775	\$0	\$0
Printing, Postage & Delivery other deductions	\$7,555	\$5,006	\$2,590	\$4,226	\$10,277
Permit & Fees					
Rent/Lease Line 11	\$2,000	\$2,000	\$2,400	\$3,800	\$35,514
Repairs and Maintenance Line 9	\$15,125	\$18,119	\$19,578	\$18,469	\$28,109
Storage other deductions					
Taxes and Licenses Line 12 *	\$63,563	\$43,748	\$44,803	\$46,459	\$47,708
Telephone other deductions	\$8,457	\$7,626	\$3,550	\$2,698	\$2,695
Training & Seminars	\$2,245	\$936		\$10,425	\$8,771
Uniforms other deductions					
Utilities other deductions	\$10,166	\$11,589	\$11,044	\$11,722	\$4,748
Waste Removal	\$4,813	\$2,766	\$2,544	\$1,686	\$2,391
Miscellaneous Expense		5000		\$8,411	\$491
TOTAL EXPENSES	\$734,941	\$617,140	\$531,309	\$532,331	\$515,916
Other Income (Expense)					
Net Profit/(Loss)	\$381,487	\$439,925	\$394,763	\$255,787	\$208,565

CORNEILUS-CARTER GROUP, LIMITED LIABILITY COMPANY (C.G. CARTER FUNERAL HOME)

PROJECTED INCOME STATEMENT

	22-Jan	22-Feb	22-Mar	22-Apr	22-May	22-Jun	22-Jul	22-Aug	22-Sep	22-Oct	22-Nov	22-Dec	TOTAL 2022	TOTAL 2023	TOTAL 2024
REVENUE:															
Funeral Service Income	\$138,000	\$138,000	\$138,000	\$138,000	\$138,000	\$138,000	\$138,000	\$138,000	\$138,000	\$138,000	\$138,000	\$138,000	\$1,656,000	\$1,800,000	\$1,956,600
Cost of Sales	\$44,484	\$44,484	\$44,484	\$44,484	\$44,484	\$44,484	\$44,484	\$44,484	\$44,484	\$44,484	\$44,484	\$44,484	\$533,808	\$666,000	\$723,942
GROSS PROFIT	\$93,516	\$93,516	\$93,516	\$93,516	\$93,516	\$93,516	\$93,516	\$93,516	\$93,516	\$93,516	\$93,516	\$93,516	\$1,122,192	\$1,134,000	\$1,232,658
EXPENDITURES:															
Outside Services	\$10,103	\$10,103	\$10,103	\$10,103	\$10,103	\$10,103	\$10,103	\$10,103	\$10,103	\$10,103	\$10,103	\$10,103	\$121,236	\$132,147	\$145,362
Compensation of officers	\$5,333	\$5,333	\$5,333	\$5,333	\$5,333	\$5,333	\$5,333	\$5,333	\$5,333	\$5,333	\$5,333	\$5,333	\$63,996	\$69,756	\$76,731
Salaries and wages	\$10,014	\$10,014	\$10,014	\$10,014	\$10,014	\$10,014	\$10,014	\$10,014	\$10,014	\$10,014	\$10,014	\$10,014	\$120,168	\$130,983	\$144,081
Employee Benefit Program	\$1,932	\$1,932	\$1,932	\$1,932	\$1,932	\$1,932	\$1,932	\$1,932	\$1,932	\$1,932	\$1,932	\$1,932	\$23,184	\$25,271	\$27,798
Car/Truck Expense	\$1,679	\$1,679	\$1,679	\$1,679	\$1,679	\$1,679	\$1,679	\$1,679	\$1,679	\$1,679	\$1,679	\$1,679	\$20,148	\$21,961	\$24,157
Legal fees & professional fees	\$1,341	\$1,341	\$1,341	\$1,341	\$1,341	\$1,341	\$1,341	\$1,341	\$1,341	\$1,341	\$1,341	\$1,341	\$16,092	\$17,540	\$19,294
Supplies	\$2,390	\$2,390	\$2,390	\$2,390	\$2,390	\$2,390	\$2,390	\$2,390	\$2,390	\$2,390	\$2,390	\$2,390	\$28,680	\$31,261	\$34,387
Repair & Maintenance	\$1,657	\$1,657	\$1,657	\$1,657	\$1,657	\$1,657	\$1,657	\$1,657	\$1,657	\$1,657	\$1,657	\$1,657	\$19,884	\$21,674	\$23,841
Taxes & Licenses	\$4,105	\$4,105	\$4,105	\$4,105	\$4,105	\$4,105	\$4,105	\$4,105	\$4,105	\$4,105	\$4,105	\$4,105	\$49,260	\$53,693	\$59,063
Waste Removal	\$237	\$237	\$237	\$237	\$237	\$237	\$237	\$237	\$237	\$237	\$237	\$237	\$2,844	\$3,100	\$3,410
Telephone	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$5,004	\$5,454	\$6,000
Utilities	\$821	\$821	\$821	\$821	\$821	\$821	\$821	\$821	\$821	\$821	\$821	\$821	\$9,852	\$10,739	\$11,813
Postage and Printing	\$494	\$494	\$494	\$494	\$494	\$494	\$494	\$494	\$494	\$494	\$494	\$494	\$5,928	\$6,462	\$7,108
Mortgage/Rent for Commercial Property	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$24,000	\$26,160	\$28,776
Death Certificates	\$890	\$890	\$890	\$890	\$890	\$890	\$890	\$890	\$890	\$890	\$890	\$890	\$10,680	\$11,641	\$12,805
Insurance(R/E, Equipmt, Liability)	\$2,067	\$2,067	\$2,067	\$2,067	\$2,067	\$2,067	\$2,067	\$2,067	\$2,067	\$2,067	\$2,067	\$2,067	\$24,804	\$27,036	\$29,740
Equipment Rental	\$1,875	\$1,875	\$1,875	\$1,875	\$1,875	\$1,875	\$1,875	\$1,875	\$1,875	\$1,875	\$1,875	\$1,875	\$22,500	\$24,525	\$26,978
City Loan Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$16,667	\$16,667
Advertising	\$315	\$315	\$315	\$315	\$315	\$315	\$315	\$315	\$315	\$315	\$315	\$315	\$3,780	\$4,120	\$4,532
Bank Charges & Credit Cd Fees	\$577	\$577	\$577	\$577	\$577	\$577	\$577	\$577	\$577	\$577	\$577	\$577	\$6,924	\$7,547	\$8,302
Training & Seminars	\$373	\$373	\$373	\$373	\$373	\$373	\$373	\$373	\$373	\$373	\$373	\$373	\$4,476	\$4,879	\$5,367
Interest Expense (bank)	\$7,594	\$7,594	\$7,594	\$7,594	\$7,594	\$7,594	\$7,594	\$7,594	\$7,594	\$7,594	\$7,594	\$7,594	\$91,128	\$0	\$0
Depreciation	\$225	\$225	\$225	\$225	\$225	\$225	\$225	\$225	\$225	\$225	\$225	\$225	\$2,700	\$2,943	\$3,237
Bank Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$83,289	\$83,289
SBA Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$60,853	\$60,853
Misc./Other Expense	\$1,396	\$1,396	\$1,396	\$1,396	\$1,396	\$1,396	\$1,396	\$1,396	\$1,396	\$1,396	\$1,396	\$1,396	\$16,752	\$18,260	\$20,086
TOTAL EXPENSES	\$56,439	\$56,439	\$56,439	\$56,439	\$56,439	\$56,439	\$56,439	\$56,439	\$56,439	\$56,439	\$56,439	\$56,439	\$677,268	\$817,961	\$883,677
NET PROFIT (LOSS)	\$37,077	\$37,077	\$37,077	\$37,077	\$37,077	\$37,077	\$37,077	\$37,077	\$37,077	\$37,077	\$37,077	\$37,077	\$444,924	\$316,039	\$348,981

LOCATION INFORMATION



REPORT TO THE BOARD

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY

MARCH, 2022

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

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COMMUNITY DEVELOPMENT

INDIEDWELL

COMMUNITY DEVELOPMENT

The preparation of the 2022-2023 Annual Action Plan has begun. The public meeting to discuss the Annual Action Plan is tentatively scheduled for April 21st and will be held virtually.

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

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

	Emergency Repair	Open House	HOMEcare	All Programs
Projects Completed	10	3	0	13
Projects in Underwriting	6	4	1	11
Projects Pending Appr	0	0	1	1
Projects Ongoing	4	1	0	5
Total	20	8	2	30

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
12	1	3	1	2

CAPITAL ACTIVITY

Spratley House (50 Apartments)

The Spratley House Rental Assistance Demonstration (RAD) conversion has reached substantial completion, with only the elevator rehabilitation, final testing and inspections, and some punch list items remaining. Close out paperwork and tenant re-occupation activities have begun.

Marshall Courts Phase VII

Marshall Courts Phase VII – Demolition consists of (12) one- and two-story buildings, a total of (88) dwelling units. The unit mix consists of (32) one-bedroom units, (34) two-bedroom units, (18) three-bedroom units, and (4) four-bedroom units. This demolition is in its early design phase with the feasibility study having been completed. It is currently undergoing environmental review. A demolition plan is being prepared for HUD approval and the required City Council consultation occurred on March 8, 2022. Land is to be converted to green space, and tenant protection vouchers are expected to be issued.

Orcutt Townhomes I

Orcutt Townhomes I is the next NNRHA property to be renovated under the Rental Assistance Demonstration (RAD) program utilizing a mixed finance scenario for renovations. The new ownership structure keeps the NNRHA Board members as the governing body and will allow for comprehensive renovation of the property. The property contains (40) units and is currently undergoing predevelopment activities. A Low-Income Housing Tax Credit (LIHTC) application was submitted on March 10, 2022.

Aqueduct

Aqueduct HVAC replacement preliminary analysis has been completed, and drawings and specifications are expected in March 2022. This project will replace all of the existing heating and air conditioning units with new, energy efficient units.

CHOICE NEIGHBORHOOD INITIATIVE (CNI)

Construction of the first phase of housing, two multi-family buildings located on Jefferson Avenue between 27th and 29th Streets, is proceeding on schedule. The projected completion date is October 2022. Plans for marketing the residential units and commercial space are underway.

Planning and design of the Phase Two development on the Ridley site continues. The Citizen Advisory Committee and City and NNRHA staffs are working with the design team to develop a final concept plan for the site. Demolition of the structures began in January and will be completed by May. A community event was held on February 26 to commemorate the history of Ridley Place and celebrate the new development. Our Vice Chair provided remarks at the event.

We continue to seek out funding for Ridley on-site development. In January, the Virginia Department of Housing and Community Development awarded the project a total \$6.8 million. No funding decision has been announced for the 4% Low-income Housing Tax Credit (LIHTC) application submitted in October. A pre-application for Public Housing Revitalization funding was submitted to Virginia Housing on March 9 and discussions are being held with Local Initiatives Support Corporation (LISC) as well.

Preliminary planning for Phase Three, downtown housing will begin soon.

Urban Strategies, Inc. was selected as the new People Plan Lead. A contract has been negotiated with Urban Strategies and will be executed in early March. Urban Strategies will begin working with City and NNRHA staff to ensure a smooth transition

in case management services for residents by the end of April.

PUBLIC AND ASSISTED HOUSING

OCCUPANCY REPORT

Total Waiting List Applications:

Public Housing	262
Approved/Eligible	36
Pending	226
Section 8	353
Approved/Eligible	68
Pending	285

The pending numbers for the Public Housing Program (226) and the Housing Choice Voucher Program (285) 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 February

Public Housing Program	10
Housing Choice Voucher	28
Mod-Rehab (SRO)	3
Total	41

Occupancy Statistics:

Public Housing Program (of 1,098 units)	97%
Section 8 Program (2,813)	95%
Warwick SRO (of 87 units)	97%

Avg. # of Leasing Days (Public Housing) 23

Average Family Rent Contribution for Move-ins Last Month:

1. Public Housing	\$257.
2. Housing Choice Voucher	\$376.
3. Warwick SRO	\$312.

Lease Rate –Feb. 2022 95%

Cumulative Percentage of Section 8
Budget Authority Utilized Feb, 2022 99.2%

FAMILY INVESTMENT CENTER (FIC) ACTIVITIES

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

Aqueduct	112
Ashe Manor	0
Brighton	46
Cypress	24
Dickerson	185
Harbor Homes	126
Lassiter	95
Marshall	167
Orcutt	28
Orcutt TH	10
Oyster Point	23
Pinecroft	7
Ridley	383
Section 8	71
Spratley	2
Total	1,279

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

ADMINISTRATIVE SERVICES

Employee Appreciation Day

Employee Appreciation Day is observed on the first Friday in March as a means for employers to give thanks to their employees. We acknowledged Employee Appreciation Day by providing digital gift cards to all employees. Based on employee feedback, the gift cards were well received.

COVID Protocol

On February 25, the Center for Disease Control and Prevention updated its Covid – 19 prevention guidance based on Community Levels. The Community Levels measure the impact of Covid illness on health and healthcare systems and is a tool utilized to assist communities determine what preventative measures should be taken. The recommendations are based on levels of low, medium and high. Newport News is currently at a low level. As a result, we made the following operational changes:

Mask wearing is based on an individual's personal preference and risk tolerance.

Mandatory Vaccine Reporting requirements and weekly testing ended on March 4th.

Individuals are no longer required to have their temperature taken when entering the building and all buildings are now open to the public. Interactions with clients and vendors may be held in person.

FINANCIAL NEWS

NNRHA is a member of The Virginia Energy Purchasing Governmental Association (VEPGA), which tracks energy developments in Virginia and negotiates electricity contracts on behalf of numerous local governmental agencies.

Due to the significant increase in fuel and energy prices, Dominion Energy's fuel factor for VEPGA will be increasing substantially on July 1, 2022. The current 1.408 cents/kWh fuel factor will become 2.816 cents/kWh.

VEPGA 2022-2023 Riders

% change in VEPGA total electric bills

Rate Schedule	% Increase
<u>PUBLIC AUTHORITY</u>	24.33%
<u>TRAFFIC</u>	20.41%
<u>SCHEDULE 102</u>	
<u>OUTDOOR LIGHTING</u>	25.98%
<u>SCHEDULE 154</u>	
<u>SCHEDULE 150 GM ALS XMH SSL SMH</u>	10.01%
<u>TOTAL VEPGA</u>	23%

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

Property	Occupancy Rate	Approved/Eligible	Pending	Total
Orcutt Townhomes III	97%	0	2	2
Cypress Terrace	96%	5	61	66
Oyster Point/Brighton	99%	9	82	91
Great Oaks	99%	99	121	220
Lofts on Jefferson	93%	0	6	6
Jefferson Brookville	96%	4	10	16
Lassiter Courts	96%	6	8	14

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 February, 2022.

Participants:	Public Housing	Housing Choice Voucher	Total
Total number in FSS Program	21	82	103
Employed	7	59	66
Currently not working	10	18	28
Attending Thomas Nelson Comm. College	0	3	3
Enrolled in other Training Program	4	0	4
Employed and going to school	0	2	2
Participants with escrow accounts	7	38	45

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

CY Housing Choice 2022 Annual Budget Authority										\$ 22,267,819		Estimated budget: 98.5% proration		
Additional Warwick SRO - RAD2										681,725				
Housing Choice Voucher Funding										<u>\$ 22,949,544</u>				
Mainstream Voucher Program Funding										\$ 753,804		Estimated		
Emergency Housing Voucher Program Funding										\$ 270,432		Estimated		
Baseline HCV Units										2552				
VASH units										54				
CNI tenant protection										187				
Warwick SRO - RAD2										88		2881		
Mainstream Vouchers										141				
Emergency Housing Vouchers										32				
										<u>3054</u>				
Month	# of Vouchers Utilized	Lease Rate	HAP Payments to Landlords	Avg HAP	Monthly +/- Dollar Utilization	Monthly Amount of Funding Utilized	Year to Date Amount of Funding Utilized	Funding		FSS Forfeitures	Fraud Recovery	Other Sources Of Funds	NNRHA Held Reserve Balance	HUD Held Reserve Balance
								From HUD						
January	HCV	2744	\$ 1,925,091.00	\$ 701.56	\$ (37,310.00)	98.1%	98.1%	\$1,962,401.00				\$ -	\$ (57,813.19)	2,510,593.39
	MS	107	\$ 71,329.00	\$ 666.63	\$ 71,329.00	107.2%	107.2%	\$66,545.00				-	(20,503.19)	2,465,825.31
	EHV	3	\$ 1,777.00	\$ 592.33	\$ 1,777.00	0.0%	0.0%	-				-	131,662.00	157,752.00
February	HCV	2752	\$ 1,970,085.00	\$ 715.87	\$ 4,162.00	100.2%	99.2%	\$1,965,923.00	\$ 1,992.00			\$ 1,992.00	\$ (22,673.19)	2,417,528.22
	MS	107	\$ 70,106.00	\$ 655.20	\$ (1,900.00)	97.4%	102.1%	\$72,006.00				-		
	EHV	6	\$ 4,639.00	\$ 773.17	\$ 4,639.00	0.0%	0.0%	\$ -				\$ -	127,023.00	-
			\$ 4,043,027.00					\$4,066,875.00				\$ 1,992.00		

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 February 15, 2022 pursuant to an affirmative recorded vote in accordance with the provisions of The Virginia Freedom of Information Act; and

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

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

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

VOTE

AYES

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
March 15, 2022**

227-27th Street
Newport News, VA 23607

Agenda

1. Roll Call
2. Election of Chairman and Vice Chairman
3. Appointment of President, Secretary and Treasurer
4. New Business
 - a. Approval of Operating Agreement of Orcutt TH 40 LLC and Bylaws for the Orcutt TH 40 Development Corporation
6. Any other business to come before the Board
7. Adjourn

NEWPORT NEWS REDEVELOPMENT & HOUSING AUTHORITY**MEMORANDUM**

DATE: March 4, 2022

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

FROM: Karen R. Wilds, President 

SUBJECT: Approval of Operating Agreement of Orcutt TH 40 LLC and By-Laws for the Orcutt TH 40 Development Corporation.

In late 2021 in accordance with Title 36 of the Code of Virginia the NNRHA Board of Commissioners and the Newport News City Council approved the formation of the Orcutt TH 40 LLC and the Orcutt TH 40 Development Corporation which serves as the managing member of the LLC.

These entities were created prerequisite to submission of a request to Virginia Housing for a set-aside of federal tax credits (LIHTC) for the Orcutt Townhomes 1 Project. The equity from the sale of these credits, if received, will be combined with other resources to undertake, via HUD's Rental Assistance Demonstration Program (RAD), the conversion and renovation of the aforementioned 40-unit public housing project located in the vicinity of 33rd, 34th and 35th Streets and Orcutt Avenue.

In conjunction with the submission of the aforementioned tax credit application to Virginia Housing the following are attached for your consideration:

- (1) Initial operating agreement for the Orcutt TH 40 LLC, prospective owner of the Orcutt Townhomes 1 property. Please note that if a set-aside of credits for this project is received, this initial operating agreement will be amended to add an investor member following HUD approval of the RAD conversion. Underwriting and closing barring unforeseen difficulties will occur late this year or in early 2023.
- (2) Consent of the Board of Directors to adopt by-laws for the Development Corporation. Please note the attached by-laws which must be signed by the Board of Directors of the Orcutt TH 40 Development Corporation.

The Orcutt Townhomes I Project, if successfully underwritten and approved will be the seventh existing public housing property in the City converted and renovated via RAD to the Section 8 Housing Assistance Payments program.

Board of Directors' approval of the attached resolutions are recommended.

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE ORCUTT TH 40
DEVELOPMENT CORPORATION APPROVING THE OPERATING AGREEMENT OF
ORCUTT TH 40 LLC AND THE BYLAWS OF THE ORCUTT TH 40 DEVELOPMENT
CORPORATION**

WHEREAS, the revitalization and operation of the Orcutt Townhomes 1 Project is in the best interests of the residents of the city and furtherance of the housing goals of the community.

WHEREAS, creation of the Orcutt TH 40 LLC and the Orcutt TH 40 Development Corporation have been approved by the Board of Commissioners of the Newport News Redevelopment and Housing Authority (NNRHA) and the City Council of the City of Newport News in accordance with Title 36 of the Code of Virginia, and

WHEREAS, such entities are prerequisites for the submission of a low income housing tax credit application (LIHTC) to Virginia Housing for a set-aside of tax credits in Virginia Housing's 2022 round of awards, and

WHEREAS, such credits will be utilized to generate equity capital to be used in combination with other resources to undertake the conversion and renovation of the Orcutt Townhomes 1 Project via the Department of Housing and Urban Development's (HUD) Rental Assistance Demonstration Program (RAD), and

WHEREAS, an initial operating agreement for the Orcutt TH 40 LLC (Owner) and by-laws of the Orcutt TH 40 Development Corporation, managing member of the LLC, are prerequisites for the submission of NNRHA's request for a set-aside for LIHTC assistance to Virginia Housing.

NOW THEREFORE BE IT RESOLVED:

- (1) That the Operating Agreement of Orcutt TH 40 LLC is hereby approved.
- (2) That the Bylaws of the Orcutt TH 40 Development Corporation is hereby approved.

**BY-LAWS
OF
ORCUTT TH 40 DEVELOPMENT CORPORATION**

**ARTICLE I
DIRECTORS**

Section 1. General Powers. The property, affairs and business of the Corporation shall be managed under the direction of the Board of Directors, and, except as otherwise expressly provided by law, the Articles of Incorporation or these By-Laws, all of the powers of the Corporation shall be vested in such Board.

Section 2. Number and Qualifications. The Board of Directors shall be the Board of Commissioners of the Newport News Redevelopment and Housing Authority as appointed by the City Council of the City of Newport News, Virginia. The Board of Directors shall serve without compensation.

Section 3. Annual Meeting. The annual meeting of the Board of Directors shall be held at the registered office or principal office of the Corporation, or at such other place as the Board of Directors may designate from time to time, on the third Tuesday of January of each year. Notice of the annual meeting shall be given by mail to the Board of Directors not less than five (5) days prior to the date of the meeting.

Section 4. Special Meetings. The President, Chairman of the Board or Vice Chairman of the Board may call special meetings of the Board of Directors at any time.

Section 5. Notice. Written notice of the date, time and place of special meetings shall be given to each Director by mail or e-mail, to the address of such Director as it appears in the records of the Corporation not less than three (3) days before the date of the meeting.

Section 6. Action Without Meeting. Any action required or permitted by law to be taken at a meeting of the Board of Directors may be taken without a meeting if the action is taken by all of the members of the Board of Directors. The action shall be evidenced by one or more written consents stating the action taken, signed by each Director either before or after the action taken, and included in the minutes or filed with the corporate records reflecting the action taken.

Section 7. Conduct of Meetings. The President or Vice Chairman, in the absence of the Chairman, shall preside over meetings of the Board of Directors. The Secretary shall act as secretary of all meetings of the Board of Directors. If no such officer is present, the Chairman or President shall appoint a secretary of the meeting.

Section 8. Procedure at Meetings. Robert's Rules of Order Newly Revised shall be utilized for the conduct of meetings and actions voted upon by the Board of Directors, unless waived by a quorum (as defined herein) of Directors in attendance at a duly convened meeting of the Board of Directors.

Section 9. Participation by Conference Telephone. The Board of Directors may permit any or all Directors to participate in a meeting of the Directors by, or conduct the meeting through the use of, conference telephone or any other means of communication by which all Directors participating may simultaneously hear each other during the meeting. A Director participating in a meeting by such means shall be deemed to be present in person at the meeting. When a meeting is so conducted, a written record shall be made of the action taken at such meeting.

Section 10. Quorum. A quorum at any meeting of the Board of Directors shall be a majority of the number of Directors fixed or prescribed by these By-Laws or, if no number is prescribed, the number of Directors in office immediately before the meeting begins. The affirmative vote of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 11. Committees. The Board of Directors may create one or more committees as it may deem necessary and the Board of Directors may authorize the membership of such committees to be comprised of members of the Board of Directors.

Section 12. Term of Office. The term of each Director shall coincide with the term of appointment as a member of the Board of Commissioners of the Newport News Redevelopment and Housing Authority by the City Council of the City of Newport News, Virginia

Section 13 Resignation. A Director may resign at any time by delivering written notice to the Board of Directors, the President or the Secretary. A resignation shall be effective when delivered, unless the notice specifies a later effective date.

Section 14. Conflicts of Interest. No transaction with the Corporation in which a Director has a direct or indirect personal interest shall be void or voidable solely because the Director's interest in the transaction if: (i) the material facts of the transaction and the Director's interest are disclosed or known to the Board of Directors or a committee of the Board of Directors, and the transaction was authorized, approved or ratified by the affirmative vote of a majority of the Directors on the Board of Directors, or on the committee, who have no direct or indirect personal interest in the transaction; provided, however, that a transaction shall not be authorized, approved or ratified by a single Director.

ARTICLE II **OFFICERS**

Section 1. Officers. The Chairman and Vice Chairman of the Board of Commissioners of the Newport News Redevelopment and Housing Authority (NNRHA) and the Executive Director of the NNRHA shall serve as Chairman, Vice Chairman and President/Secretary - Treasurer respectively of the Corporation.

Section 2. Vacancies. Vacancies among the officers occurring during the year shall be filled by appointment by the City Council of the City of Newport News, Virginia to the Board of Commissioners of the NNRHA who shall then become a member of the Board of Directors of the Corporation.

Section 3. Chairman of the Board. The Chairman of the Board shall preside at all meetings of the Board of Directors, and perform such other duties as are incident to his or her office or are properly required by him or her by the Board of Directors.

Section 4. Vice Chairman of the Board. The Vice Chairman of the Board shall exercise the authority of Chairman of the Board in his or her absence and perform such other duties as may be assigned by the Chairman of the Board or by the Board of Directors.

Section 5. President. The President shall be the chief executive officer of the Corporation and subject to the direction of the Board of Directors. The President shall have general supervision and control of the business of the Corporation. Unless otherwise provided by the Board of Directors, the President shall: present at each annual meeting of the Board of Directors a report on the condition of the Corporation; sign and make all contracts and agreements in the name of the Corporation; see that the books, reports, statements, etc. required by statutes are properly kept, made and filed according to law; sign all notes, drafts or bills of exchange, warrants, etc. and shall direct orders for the payment of money duly drawn by the Treasurer; enforce these By-Laws and perform such other acts and duties as from time to time may be delegated by the Board of Directors; and be an ex-officio member of all committees,

Section 6. Secretary. The Secretary shall cause to be prepared for submission to the Board of Directors at the annual meeting, an annual status report of the operation of the Corporation; shall have the responsibility for preparing and maintaining custody of minutes of meetings of the Directors in a book or books kept for that purpose and the responsibility for authenticating records of the Corporation, and shall have such powers and perform such other duties as may be prescribed by the Board of Directors.

Section 7. Treasurer. The Treasurer shall be the chief financial officer of the Corporation. The Treasurer shall have the custody of all moneys and securities of the Corporation and shall deposit the same in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors and, unless otherwise prescribed by the Board of Directors, shall maintain the books of account and financial records, and shall render to the Board of Directors as requested, an account of all transactions of the Treasurer and the financial condition of the Corporation. The Treasurer shall cause to be prepared financial information suitable for inclusion in the annual report of the Corporation; and shall cause to be conducted an annual financial audit of the Corporation if directed to do so by the Board of Directors.

Section 8. Delegation of Power. In the event of and during the absence, disqualification or inability to act of any officer, such other officers or employees as may be designated by the Board of Directors shall have the authority and perform the duties of such officer.

Section 9. Term of Office. Each officer shall be appointed to hold office until the next annual meeting of the Board of Directors, or for such longer or shorter term as the Board of Directors may specify, and until his successor shall have been appointed or such earlier time as he shall resign, die or be removed.

Section 10. Resignation. An officer may resign at any time by delivering written notice to the Board of Directors or the Secretary. A resignation shall be effective when delivered unless the notice specifies a later effective date.

Section 11. Removal. Any officer may be removed, with or without cause, at any time by the Board of Directors and such officer, if appointed by another officer, may likewise remove any officer or assistant officer.

Section 12. Execution of Instruments. Checks, drafts, notes and orders for the payment of money shall be signed by such officer or officers or such other individual or individuals as the Board of Directors may from time to time authorize, and any endorsement of such paper in the ordinary course of business shall be similarly made, except that any officer or assistant officer of the Corporation may endorse checks, drafts or notes for collection or deposit to the credits of the Corporation. The signature of any such officer or other individual may be a facsimile when authorized by the Board of Directors.

ARTICLE III

INDEMNIFICATION PROVISIONS

Section 1. Definitions. In this Article:

“Director” means an individual who is or was a Director of the Corporation or an individual who, while a Director of the Corporation, is or was serving at the Corporation's request as a director or officer.

Each person now and hereafter a Director or officer of the Corporation or who serves at its request as a director or an officer of the Corporation in which it has an interest, shall be indemnified by the Corporation to the fullest extent as may be allowed by the laws of the Commonwealth of Virginia.

ARTICLE IV

AMENDMENTS

These By-Laws may be amended or repealed by a majority vote of the Board of Directors present at a meeting in which a quorum is present if the substance of any proposed amendment to the By-Laws has been set forth in writing as a part of the written notice of the time and place of such a meeting.

**UNANIMOUS WRITTEN CONSENT OF THE ORGANIZATIONAL MEETING
OF THE BOARD OF DIRECTORS OF
ORCUTT TH 40 DEVELOPMENT CORPORATION**

The undersigned, being all of the members of the Board of Directors of Orcutt TH 40 Development Corporation (the "Corporation"), do hereby execute this consent in writing, effective February 8, 2022, pursuant to Section 13.1-685 of the Code of Virginia, 1950, as amended, to the following actions taken by them and serving as the organizational meeting of the Board of Directors of the Corporation:

RESOLVED, that the Corporation adopts the attached By-Laws, which have been read by each director, and which shall be filed with the corporate records of the Corporation.

RESOLVED, that the following persons be elected to the offices set opposite their respective names, to hold office and exercise the powers and responsibilities specified in the Corporation's By-Laws:

<u>Offices</u>	<u>Name</u>
Chairman	Kenneth D. Penrose, Jr.
Vice Chairman	Lisa Wallace-Davis
President and Secretary/Treasurer	Karen R. Wilds

RESOLVED, that the form of stock certificate attached hereto be adopted as the form of stock certificate for the Corporation.

RESOLVED, that the Corporation accepts the offer of the following entity to purchase the number of shares of stock of the Corporation shown in exchange for the consideration set opposite its name, and that the Chairman and President of the Corporation be authorized and empowered to sign and issue to the foregoing entity a certificate evidencing the number of

shares of the stock of the Corporation set opposite its name upon receipt by the Corporation of the aggregate consideration specified:

<u>Subscriber</u>	<u>Number of Shares</u>	<u>Aggregate Consideration</u>
Newport News Redevelopment & Housing Authority	100	\$100.00

RESOLVED, that the Corporation open a banking account or accounts with a bank of its choice, and that the Board shall adopt the appropriate banking resolution.

RESOLVED, that the officers of the Corporation be authorized and empowered to pay all expenses incurred in connection with the organization of the Corporation, including filing, license, attorney's and accountant's fees.

RESOLVED, that the officers of the Corporation be authorized and directed to take all steps necessary to cause the Corporation to develop and manage affordable multifamily housing in Newport News, Virginia and to engage in any and all other lawful business, purpose or activity.

For the purposes of the record, it was reported that the Certificate of Incorporation was filed in the Office of the Clerk of the State Corporation Commission, Commonwealth of Virginia, on December 15, 2021. A true copy thereof together with official receipts showing payment of filing fees and other statutory organizational charges were ordered to be filed with the corporate records.

{signatures appear on the following page}

No further action is hereby taken or consented to.

Kenneth D. Penrose, Jr.

Lisa Wallace-Davis

Barbara Holley

George Knight

William Black

Lou Call

Thaddeus Holloman