

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

**July 19, 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, June 21, 2022.
4. Communications
5. New Business
 - a. Consider a Resolution authorizing the issuance of Multifamily Housing Revenue Bonds for Denbigh Trace Apartments (Standard Denbigh Trace Venture LP)
 - b. Consider a Resolution authorizing the issuance of Multifamily Housing Revenue Bonds for Woodlands at Oyster Point Apartments (AOZPCREI Woodlands LLC)
 - c. Consider a Resolution approving an Extension for Habitat for Humanity Peninsula and Greater Williamsburg and the sale of 645 41st St & 651 41st St to Habitat for Humanity
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
June 21, 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 8:35 a.m. on Tuesday, June 21, 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	<p>The meeting was called to order by the Chairman, and those present were as follows:</p> <p>Commissioners present: -</p> <div><div></div><div>Kenneth Penrose</div><div>Lisa Wallace-Davis</div><div>William Black</div><div>George Knight</div><div>Lou Call</div><div>Barbara Holley</div><div>Thaddeus Holloman</div></div> <p>Also present:</p> <div><div></div><div>Raymond H. Suttle, Jr. – from NNRHA Board Room</div><div>Jones, Blechman, Woltz & Kelly, P.C.</div><div></div><div>Karen R. Wilds – from NNRHA Board Room</div><div>Executive Director</div><div></div><div>Lysandra Shaw – from NNRHA Board Room</div><div>Deputy Executive Director</div><div></div><div>Carl V. Williamson – from NNRHA Board Room</div><div>Director of Housing</div><div></div><div>Valarie Ellis, Director – from NNRHA Board Room</div><div>Administrative Services</div><div></div><div>Lisa Dessoffy, Director – from NNRHA Board Room</div><div>Finance</div><div></div><div>David Staley, Director – from NNRHA Board Room</div><div>Community Development</div><div></div><div>Teresa Bennett – from NNRHA Board Room</div><div>Executive Assistant</div><div></div><div>Justin Orie – from NNRHA Board Room</div><div>NNRHA IT Department</div><div></div><div>Tricia Wilson – from NNRHA Board Room</div><div>City of Newport News</div><div></div><div>Priscilla Green – from NNRHA Board Room</div><div>City of Newport News</div><div></div><div>Katelyn Sheeley – via Zoom</div><div>City of Newport News</div><div></div><div>Jordan Wilson – via Zoom</div><div>City of Newport News</div></div>

**Minutes of a Meeting of the
Newport News Redevelopment and Housing Authority
June 21, 2022**

Newport News.

New Business

Public Hearing

Chairman Penrose announced that a public hearing was being held to receive comments on the Section 8 Housing Choice Voucher, Mainstream Voucher and Emergency Housing Voucher Budgets for the Fiscal Year ending June 30, 2023

Copies of the budgets were posted on the NNRHA website at www.nnrha.com

No public comments or emails were made or received.

Commissioner Black made a motion to close the Public Hearing. Commissioner Knight seconded the motion which passed with a unanimous vote.

**The Board of
Commissioners of
the Newport News
Redevelopment and
Housing Authority
Approving the
Operating Budget for
Fiscal Year July 1,
2022 through June
30, 2023 for the
Section 8 Housing
Choice Voucher,
Mainstream Voucher
and Emergency
Housing Voucher
Program**

The Board had been provided copies of a resolution approving the proposed Section 8 Housing Choice Voucher, Mainstream Voucher and Emergency Housing Voucher Budget – Fiscal year ending June 30, 2023. The budget provides and annual Housing Assistance Payment (HAP) amount of \$26,163,653. These payments are made directly to Newport News landlords who lease to eligible voucher holders. The program will assist and average of 3,054 families per month at an average HAP payment of \$714 per unit per month, an increase of \$35 from the average monthly payment budgeted in the current year. The Authority has been notified of our Budget Authority for fiscal year 2022/23; NNRHA will receive funding at a 100 percent proration.

The budget includes 54 vouchers to Veterans under the Veterans Affairs Supportive Housing (VASH) program, 141 Mainstream Vouchers and 32 Emergency Housing Vouchers to assist low-income household that include persons with disabilities. The Warwick Single Room Occupancy (SRO) program, which assists formerly homeless individuals, converted to Project Based Voucher in March, 2022. In prior years, the 88 vouchers were funded by Section 8 Moderate Rehabilitation SRO Program. This year the 88 Warwick SRO vouchers are included in the Section 8 Housing Choice Voucher Program budget.

While maintaining our program to serve the 3,054 families authorized by HUD, we will need to access \$1,953,904 of our HAP reserves which are currently being held by HUD.

In addition to the HAP, the Authority receives \$2,671,174 in Administrative fees to operate and manage the voucher program. We anticipate Congress will fund at least 88% of the fee that Public Housing Authorities are eligible to receive for fiscal year 2022/23. This is 6% more than the current year.

We will receive \$168,047 to administer the Family Self Sufficiency Homeownership programs through December 31, 2022. This program is funded on a calendar year basis and we will be advised in the fall regarding 2023 funding.

In addition to fees, we receive revenue³ from interest and rent which brings our total Administrative Revenue to \$2,861,441 for fiscal year 2022/23. We are able to avoid the use of administrative reserves this year to balance the administrative budget even with the 88% proration of fees.

Expenses to administer the program are projected to be \$1,427,788 providing for an operating cash flow of \$433,653.

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

Public Hearing

Chairman Penrose announced that a public hearing was being held to receive comments on the proposed Central Office Cost Center and Public Housing Operating Budgets for FY 2022-2023 and authorizing the Chairman to sign HUD form 52574.

Copies of the budgets were posted on the NNRHA website at www.nnrha.com

No public comments or emails were made or received.

Commissioner Davis made a motion to close the Public Hearing. Commissioner Knight seconded the motion which passed with a unanimous vote.

**Minutes of a Meeting of the
Newport News Redevelopment and Housing Authority
June 21, 2022**

The Board of Commissioners of the Newport News Redevelopment and Housing Authority approving the Central Office Cost Center and Public Housing Operating Budgets for FY 2022-2023 and Authorizing the Chairman to sign HUD form 52574

The Board had been provided copies of a resolution approving the Public Housing and Central Office Cost Center (COCC) budget for FY 2022-2023. The Executive Director reviewed the budgets based on an estimated 98% of the eligible subsidy from the U.S. Department of Housing and Urban Development (HUD), up from the 96% proration available to the Authority for FY21-22. The projected total housing revenue for the year is \$6,428,004, and estimated overall decrease of \$810,377 from last year. The projected net operating subsidy of \$4,118,413 makes up the bulk of our total revenue and is down \$1,056,952 over last year, due to the reduced funding for Ridley. The net rental revenue collected from tenants projected for this fiscal year is \$2,309,591. This is overall \$246,574 more than last year due to an increase in per unit tenants' rents and more accurate rent forecasting utilizing our current average rents rolls, which is based on current household income. All other properties are projected to have occupancy rates between 95-99%.

Projected investment income is down due to the removal of the Harbor Homes & Dickerson Courts AMP from the public housing budget.

The total estimated operating expense of our public housing properties is \$6,425,099 which is a decrease of \$99,773 over last year's budget due to the phased tenant relocation of Ridley residents and the sale of the Harbor Homes and Dickerson Courts public housing sites. Administrative and tenant services staff costs decreased by \$3,838 or .16%. Expenses for utilities for public housing properties are projected to decrease overall by \$65,098 which is 3.8% less than last year again, due to the removal of the Ridley property. Although there is an overall decrease in utility costs, we continue to experience large increases in water and sanitation rates. HRSD costs have continued to increase annually.

This year, total maintenance expenditures are budgeted to increase by just over \$93,159 to \$1,670,595. We have experienced increased costs for our HVAC, electrical and plumbing/gas contractors while addressing property maintenance and repairs. This is due to more reliance on contracted maintenance services because of staffing shortages. We are working to turn this around and get maintenance fully staffed.

The budgeted insurance line items have decreased by \$116,826 or 24%, mostly due to the removal of Ridley from our public housing insurance policy. We increased property and auto insurance coverage, acquiring additional coverage for Property Manager Error and Omissions and Umbrella Insurance policies. We contract with an insurance broker to review all of policies to secure better pricing, ensure accurate information and that the Authority and employees are adequately insured.

The Asset management fees the AMPs pay to the COCC is projected to be \$100,680. The fees are based on total housing units and are paid only when the AMPs have a positive cash flow. All AMPs are projected to pay the fee in FY23.

This budget projects the Authority's public housing operating reserve to increase by approximately \$697,251 in FY 2023. This is a decrease of \$743,820 from FY 2022 primarily because the Ridley subsidy was reduced significantly.

The revenue for the COCC is made up of fees allowed to be assessed to all programs administered by the Authority. The total projected revenue is \$3,180,619. HUD allows us to charge a management fee to the public housing properties based on occupied units and HUD approved vacant units. The fee is \$76.89 per unit, an increase of 1.7%. Overall, grants and Housing Choice Voucher fees are increasing slightly due to grant funding increases.

Overall COCC expenses total \$3,062,187 (4.4% more than last year) leaving a positive cash flow of \$118,433. This increase is mostly attributed to increased payroll and health insurance costs. Both budgets allow for a 5% salary increase to staff to be given at the start of the fiscal year.

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

The Board of Commissioners of the Newport News Redevelopment and Housing Authority Authorizing Charge Off of Tenants' Accounts Receivable

The Board had been provided copies of a resolution authorizing the proposed charge-offs of Tenants' Accounts Receivable. There are 25 accounts recommended for charge-off action with a total dollar value of \$13,733.60 for the period of October 1, 2021 – April 30, 2022. The average amount per vacated account is \$549.34. In December 2021 the Board approved charge-offs for May 1 – September 2021 in the amount of \$37,352.81. Recoveries from previously charged-off accounts are \$17,007.57 for the 12 months ending April 30, 2022. This reduces our actual loss to \$34,078.84 this fiscal year representing 1.6% of anticipated rents. We budget 2% of

**Minutes of a Meeting of the
Newport News Redevelopment and Housing Authority
June 21, 2022**

our net rental revenue as a collection loss.

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

**The Board of
Commissioners of
the Newport News
Redevelopment and
Housing Authority
Approving a Loan
from the Newport
News Urban
Development Action
Grant Program to
Stash 5 Enterprises
LLC DBA Gastro at
23rd**

The Board had been provided copies of a resolution approving a loan from the Newport News Urban Development Action Grant Program to Stash 5 Enterprises LLC dba Gastro at 23rd. The Authority received an application from Stash 5 Enterprises LLC dba Gastro at 23rd via the Newport News Department of Development for financial assistance through the Newport News Urban Development Action Grant Loan Program (NNUDAG). The applicant requested \$50,000 to assist with the cost associated with starting a new restaurant in the Yard District.

Stash 5 Enterprises LLC dba Gastro at 23rd is a privately held, small, woman, minority-owned startup restaurant set up as a Virginia Limited Liability Company. The company was formed in 2019 and anticipates opening for business this summer at 208 23rd Street Suite 1100, to establish a restaurant in an area that does not offer many dining options for the 39,000 workers in the downtown area.

Gastro's target market will be businesses and residents in the southeast and downtown communities of Newport News. The owner, Tianna Kearney has recruited Chef Craig Downes who has over 20 years of cooking experience, restaurant start-up and management experience. Much of the hands-on labor-intensive tasks will be performed by Mr. Downes, who will be relocating to the area from Atlanta, GA.

The Newport News Department of Development is recommending a \$50,000 loan commitment. The recommended loan term is a seven-year term that will include an initial 12 months of deferred payments. The loan is to be fully amortized over the remaining six years. The recommended loan interest rate is 0%.

Collateral for the loan would be a second lien on the equipment purchased with the NNUDAG funding and the personal guarantee of Tianna Kearney will also be required.

The project will have a positive impact on the City's overall economic development efforts by creating at least 10 jobs in the next three years and increasing tax revenue through equipment purchases, sales tax, food and beverage tax and Machinery and Tools tax.

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

**The Board of
Commissioners of
the Newport News
Redevelopment and
Housing Authority
Authorizing the
Amendment to the
Newport News Urban
Development Action
Grant Loan Program
Guidelines-Extension
of Temporary
Guidelines
Flexibilities**

The Board had been provided copies of a resolution approving an extension of the Newport News Urban Development Action Grant (NNUDAG) Guideline Flexibilities. In November 2021, the Board of Commissioners approved several temporary changes to the NNUDAG program administrative guidelines. (The November, 2021 memo and resolution were proved to the Board). The flexibilities address the impact of COVID 19 on small businesses and the demand for resources to provide credit quickly and efficiently. The other programs funded by US EDA and administered by the City are scheduled to "sunset" on 6/30/22. To encourage continued loan utilization and provision of assistance for businesses still in need of flexibility, it is recommended the NNUDAG Loan Program continue to allow the previously relaxed guidelines for the previously approved activities and now allow for financial lending assistance for real estate purchases.

The City and Authority staff recommend that these changes be extended to December 31, 2022.

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.

**Minutes of a Meeting of the
Newport News Redevelopment and Housing Authority
June 21, 2022**

Report to the Board

A Report to the Board for June, 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 annual NNRHA and Neighborhood Education Center Scholarship Awards was held virtually on May 26th. A total of twelve recipients were awarded scholarships. Featured in the News and Neighbors was an article on the prevention of childhood diabetes.

Ms. Dessoify reported the books were closed for the fiscal year June 30, 2022.

Ms. Ellis reported on the participation of Authority staff in the Juneteenth parade. Authority staff created a float for the parade and several employees marched in the parade.

Ms. Shaw reported the first phase of housing on Jefferson Avenue has been named "The Lift & Rise on Jefferson". The buildings should be completed by October, 2022 and we have a long list of people who have inquired about the buildings. Management will occupy some of the temporary offices to begin the application process. Our People Plan lead, Urban Strategies, has done more hiring and are almost 90% staffed.

Ms. Wilds reported on the Ridley demolition, which is now complete. Staff is working on finalizing the financing for the development. Virginia Housing has provided funding for repositioning of public housing in the amount of over \$3,000,000, which will be applied to the onsite CNI construction. In addition, the City is contributing a significant amount of resources to fill funding gaps. The projects have been approved for Low-Income Housing Tax Credit resources.

Spratley House, which is our most recent RAD conversion, is complete. We have it a little more than half reoccupied with the families that lived there before and we anticipate that we will close on the permanent financing for Spratley this week.

We applied for Low-Income Tax Credits, back in March, for Orcutt Townhomes for a RAD conversion. The way that the funding is allocated, this year, only the top ranked application was receiving automatic funding for 9% tax credits but Ms. Wilds' understanding is that the Virginia Housing Board is meeting this week to entertain a staff recommendation to award 9% credits to additional public housing repositioning applications. Our fallback position, without 9% credits, is to apply for 4% tax credits, which will require us to secure other funding resources and issue bonds to cover construction costs.

Closed Session

Other Business

Adjournment

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

Secretary-Treasurer

ITEM NO. 4

COMMUNICATIONS



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

OFFICE OF PUBLIC AND INDIAN HOUSING

June 23, 2022

Ms. Karen Wilds
Executive Director
Newport News Redevelopment
and Housing Authority
P. O. Box 797
Newport News, VA 23607

Dear Ms. Wilds:

The Department of Housing and Urban Development (HUD) reviewed the Newport News Redevelopment and Housing Authority (NNRHA) request submitted pursuant to **Notice PIH 2022-09, "Streamlined Regulatory Waivers for the Housing Choice Voucher (including Mainstream and Mod Rehab) Program."** The Notice provided instructions on the streamlined processing of public housing authority (PHA) requests to continue to use specific regulatory waivers for the Housing Choice Voucher (HCV) (including Mainstream and Mod Rehab) program impacted by the COVID-19 pandemic. The waivers you requested are marked "Yes" in column one on the table below.

Background:

The CARES Act provided HUD with authority in the context of the public health emergency, to waive statutes and regulations (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment) for the Housing Choice Voucher (HCV) and Public Housing programs. These waivers provided PHAs with the flexibility to adjust program practices where necessary so they could prioritize mission critical functions. Most CARES Act waivers and alternative requirements contained in Notice PIH 2021-14 expired on December 31, 2021; but specific previously exercised HCV waiver approvals may extend through 2022. In recognition of the need to provide continued flexibility to PHAs to respond to the pandemic recovery, this Notice includes three of the five waivers previously eligible for expedited review. These three waivers will assist PHAs in managing ongoing challenges related to rental market fluctuations and the need for extended time for families to search for a unit with their voucher.

NNRHA's application was submitted by an authorized official and included NNRHA's justifications for the waiver(s) to be granted. Notice PIH 2022-09 specifies that good cause justification must include: (a) why a PHA needs the waiver; (b) the impact on PHA operations or applicants if the waiver is not provided; and (c) the proposed waiver duration is limited to only the time necessary for a PHA to resume normal operations and not to exceed December 31, 2022.

Additionally, if requesting a waiver of Regulation 24 CFR § 982.503(b) Voucher Tenancy: New Payment Standard Amount, a PHA must certify that it meets one of the following good cause reasons (explained in further detail in Notice PIH 2022-09): (1) The PHA's jurisdiction is in a Fair Market Rent (FMR) area identified by HUD to have significant rental market fluctuations, where an increase in the PHA's payment standards up to 120 percent of the FMR may help the PHA more quickly respond to local circumstances (a list of these FMR areas is attached to Notice 2021-34); (2) Utilization Rate is lower than 98 percent for the current year-to-date or more than a 5 percent reduction between years 2019 and 2021; or (3) less than 85 percent of the PHA's vouchers issued in the last six months have leased. If your PHA adopts this waiver, please notify PIH_Expedited_Waivers@hud.gov if it elects to change its payment standards back to the basic range between 90 and 110 percent based on the FY 2022 FMR.

After reviewing the waiver request(s) and considering NNRHA's stated justification(s) of good cause, HUD: (1) finds there is good cause to waive, and hereby waives, the regulations and/or requirements marked "APPROVED" in the "Waiver Status" column and/or (2) finds there is not good cause to waive, and therefore does not waive, the regulations and/or requirements marked "NOT APPROVED" in the "Waiver Status" column.

List of streamlined regulatory waivers

Waiver Requested	Waiver Status/Term Expiration	Waiver Name	Regulation	Summary of relief from HUD Requirements
		Increase in Payment Standard During Housing Assistance Payment (HAP) Contract Term	24 CFR § 982.505(c)(4)	PHAs have the option to increase the payment standard for the family at any time after the effective date of the increase, rather than waiting for the next regular reexamination.
Yes	APPROVED: Expiration 12/31/2022	Term of Voucher: Extensions of Term	24 CFR § 982.303(b)(1)	Allows PHAs to grant a family one or more extensions of the initial voucher term regardless of the policy described in the Administrative Plan. PHAs should ensure consistency with these requests and remain in compliance with the PHA's informally adopted interim standard.
Yes	APPROVED Expiration 12/31/2022	Voucher Tenancy: New Payment Standard Amount	24 CFR § 982.503(b)	PHAs may establish payment standards from 111 to 120 percent of the FMR.

All waiver approvals are set to expire at the end of the term requested or December 31, 2022, whichever is earliest, unless an alternative limit is provided by HUD. If any provision of these waivers or their application to any HUD requirement is made invalid by PHA omission or is no longer needed due to changing circumstances, HUD reserves the right to revoke all or a portion of these waivers at any time.

Should you have any questions, please contact the Waiver Processing Team at ***PIH_Expedited_Waivers@hud.gov***.

Sincerely,

 for

Dominique Blom
General Deputy Assistant Secretary

ITEM NUMBER 5

New Business

- a. Consider a Resolution authorizing the issuance of Multifamily Housing Revenue Bonds for Denbigh Trace Apartments (Standard Denbigh Trace Venture LP)
- b. Consider a Resolution authorizing the issuance of Multifamily Housing Revenue Bonds for Woodlands at Oyster Point Apartments (AOZPCREI Woodlands LLC)
- c. Consider a Resolution approving an Extension for Habitat for Humanity Peninsula and Greater Williamsburg and the sale of 645 41st St & 651 41st St to Habitat for Humanity

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY**MEMORANDUM**

DATE: July 12, 2022

TO: All Members, Board of Commissioners

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

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

At the request of Standard Denbigh Trace Venture LP, a Virginia limited partnership (the "Borrower"), the Authority adopted a preliminary resolution on March 15, 2022 (the Inducement Resolution") authorizing up to \$20,000,000 of its revenue bonds, (the "Bonds"), the proceeds of which will be used to make a loan to the Borrower to finance 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, to be located on approximately 9.44 acres of land located at 13211 Ridgeview Drive in Newport News, Virginia 23608.

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

On April 26, 2022, the City Council of the City approved the issuance of the Bonds by NNRHA as requested in the Inducement Resolution and as required by Section 147(f) of the Internal Revenue Code and Section 15.2-4906 of the Virginia Code, which is applicable to housing authorities.

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

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

**RESOLUTION OF THE NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
AUTHORIZING AND APPROVING THE ISSUANCE OF
REVENUE BONDS FOR THE BENEFIT OF STANDARD DENBIGH TRACE VENTURE LP IN AN
AMOUNT NOT TO EXCEED \$20,000,000
AND THE EXECUTION OF RELATED DOCUMENTS**

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

WHEREAS, at the request of Standard Denbigh Trace Venture LP, a Virginia limited partnership (the “Borrower”), the Authority (a) adopted a preliminary resolution on March 15, 2022 (the “Inducement Resolution”) authorizing the issuance of up to \$20,000,000 of its revenue bonds, in one or more series (as described below, the “Bonds”), the proceeds of which will be used to make a loan to the Borrower to finance or refinance a portion of the cost of the acquisition, construction, renovation, rehabilitation and equipping of a multifamily residential rental housing project consisting of 31 two-story buildings containing approximately 79 two-bedroom units, 39 three-bedroom units and 10 four-bedroom units, including laundry facilities, basketball court, two playgrounds, and central air conditioning, to be known as Denbigh Trace Apartments (the “Project”) located at 13211 Ridgeview Drive in the City of Newport News, Virginia (the “City”) and (b) held a public hearing on March 15, 2022 in accordance with the Act and Section 15.2-4906 of the Virginia Code, as applicable to housing authorities, and as required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Internal Revenue Code”); and

WHEREAS, on April 26, 2022, the City Council of the City approved the issuance of the Bonds by the Authority as requested in the Inducement Resolution and as required by Section 147(f) of the Internal Revenue Code and Section 15.2-4906 of the Virginia Code, as applicable to housing authorities; and

WHEREAS, the Bonds will be issued pursuant to a Funding Loan and Security Agreement (the “Funding Loan Agreement”), to be dated as of the first day of the month in which it is executed and delivered, among Walker & Dunlop, LLC, as funding lender, the Authority and U.S. Bank Trust Company, National Association, as fiscal agent (the “Fiscal Agent”); and

WHEREAS, the Bonds will be limited obligations of the Authority, the principal of and, premium, if any, and interest on which will be payable solely out of the receipts and revenues of the Authority from a Project Loan Agreement (the “Borrower Loan Agreement”), to be dated as

of the first day of the month in which it is executed and delivered, among the Authority, the Fiscal Agent and the Borrower; and

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

WHEREAS, the foregoing arrangements will be reflected in the following documents (the "Bond Documents") which have been prepared or reviewed by bond counsel to the Authority ("Bond Counsel") and presented to the Authority for its approval:

- (a) the Funding Loan Agreement (including the forms of the Bonds attached thereto as Exhibit A – Form of Governmental Note;
- (b) the Borrower Loan Agreement; and
- (c) the Regulatory Agreement and Declaration of Restrictive Covenants to be dated as of the first day of the month in which it is executed and delivered, among the Authority, the Fiscal Agent and the Borrower.

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

1. The issuance of the Bonds in the aggregate principal amount of up to \$18,000,000 pursuant to the Funding Loan Agreement, consisting of the Authority's multifamily note substantially in the form with substantially the terms provided in Exhibit A to the Funding Loan Agreement is hereby authorized and approved. The Bonds may be issued in one or more series at one time or from time to time, and the Bonds of any such series may be either taxable or tax-exempt for purposes of federal income taxation. The Chair, Vice Chair, Secretary-Treasurer and any other officer of the Authority, any of whom may act alone (the "Authorized Official") are each hereby authorized and directed to execute the Bonds, which shall bear interest at the rates (which may be variable or fixed), shall mature on such dates and shall be subject to redemption at such times as are set forth in the Bond Documents. The Authorized Official is hereby authorized to approve the final terms of the Bonds; provided that the interest rate borne by the Bonds shall not exceed 9% per annum, the final maturity of the Bonds shall not be later than thirty (30) years after the date of the initial issuance of the Bonds, and the aggregate principal amount of the Bonds shall not exceed \$20,000,000. Such approvals shall be evidenced conclusively by the execution and delivery of the Bonds.

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

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

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

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

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

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

8. All costs and expenses in connection with the financing and the acquisition, construction, renovation, rehabilitation and equipping Project, including the fees and expenses of the Authority related to the issuance and sale of the Bonds (including without limitation, any application fee and/or origination fee) and the fees and expenses of Bond Counsel, counsel for the Authority and any placement agent for or purchaser of the Bonds and its counsel, shall be paid from the proceeds of the Bonds or from moneys provided by the Borrower.

9. The Borrower agrees, and has agreed in the Borrower Loan Agreement, to indemnify and save harmless the Authority, its officers, commissioners, employees and agents from and against all

liabilities, obligations, claims, damages, penalties, losses, costs and expenses in any way connected with the issuance and sale of the Bonds.

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

11. No Bonds may be issued pursuant to this Resolution until such time as the Bonds have received 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.

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

Adopted: July 19, 2022

CERTIFICATE OF VOTES

Record of the roll-call vote by the Newport News Redevelopment and Housing Authority, upon reading of a resolution titled **"RESOLUTION OF THE NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY AUTHORIZING AND APPROVING THE ISSUANCE OF REVENUE BONDS FOR THE BENEFIT OF STANDARD DENBIGH TRACE VENTURE LP IN AN AMOUNT NOT TO EXCEED \$20,000,000 AND THE EXECUTION OF RELATED DOCUMENTS"** at a meeting of the Authority held on July 19, 2022:

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

Dated: July 19, 2022

(SEAL)

Chair, Newport News Redevelopment
and Housing Authority

ATTEST: _____
Secretary-Treasurer

The undersigned Secretary-Treasurer of the Newport News Redevelopment and Housing Authority hereby certifies that the foregoing is a true, correct, and complete copy of a resolution adopted by the Authority's commissioners present and voting at a meeting duly called and held on July 19, 2022, in accordance with law, and that such resolution has not been repealed, revoked, rescinded, or amended, but is in full force and effect as of the date hereof.

WITNESS my hand and the seal of the Authority this __ day of July, 2022.

**NEWPORT NEWS REDEVELOPMENT
AND HOUSING AUTHORITY**

By: _____
Secretary-Treasurer

161821794_2

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY**MEMORANDUM**

DATE: July 12, 2022

TO: All Members, Board of Commissioners

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

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

At the request of AOZPCREI Woodlands LLC, a Virginia limited liability corporation (the "Borrower"), the Authority adopted a preliminary resolution on March 15, 2022 (the "Inducement Resolution") authorizing up to \$19,999,000 of its revenue bonds, (the "Bonds"), the proceeds of which will be used to finance 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, to be located on approximately 7 acres of land at 819 Forrest Drive in the City of Newport News, Virginia 23606.

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

On April 26, 2022, the City Council of the City approved the issuance of the Bonds by the Authority as requested in the Inducement Resolution and as required by Section 147(f) of the Internal Revenue Code and Section 15.2-4906 of the Virginia Code, applicable to housing authorities.

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
THE ISSUANCE OF UP TO \$19,900,000 MULTIFAMILY HOUSING REVENUE BONDS FOR THE
ACQUISITION, CONSTRUCTION, RENOVATION, REHABILITATION AND EQUIPPING OF THE
APPROXIMATELY 151-UNIT WOODLANDS AT OYSTER POINT APARTMENTS MULTIFAMILY HOUSING
FACILITY LOCATED IN THE CITY OF NEWPORT NEWS, VIRGINIA**

WHEREAS, there have been described to the Newport News Redevelopment and Housing Authority (the “Authority”) the plans to acquire, construct, renovate, rehabilitate and equip a multifamily residential housing project consisting of 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 known as Woodlands at Oyster Point Apartments (the “Project”), on approximately 7 acres of land at 819 Forrest Drive in the City of Newport News, Virginia 23606 (the “City”), by AOZPCREI Woodlands LLC, a Virginia limited liability company, or an affiliated entity (the “Borrower”); and

WHEREAS, the Project shall be established and maintained as a “qualified residential rental project” within the meaning of Section 142(d) of the Internal Revenue Code of 1986, as amended (the “Code”); and

WHEREAS, 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 acquisition, construction, renovation, rehabilitation and equipping of multifamily residential rental apartment projects such as the Project, located within the territorial boundaries of the City; and

WHEREAS, the Borrower has requested the Authority to agree to issue its multifamily residential rental housing revenue bonds under the Act in an amount not to exceed \$19,900,000 (the “Bonds”), the proceeds of which will be used to finance costs to be incurred in acquiring, constructing, renovating, rehabilitating and equipping the Project as permitted under the Act;

WHEREAS, a public hearing (the “Public Hearing”) has been held on March 15, 2022 with respect to the Project and the Bonds in accordance with Section 147(f) of the Code and Section 15.2-4906, as applicable to housing authorities, of the Virginia Code; and

WHEREAS, the Bonds will be issued pursuant to certain documents (the “Bond Documents”) to be approved by the Authorized Official (defined below) in consultation with counsel to the Authority, which Bond Documents may include, without limitation, the following or similar documents: (a) a trust indenture between the Authority and a trustee to be named therein, (b) a loan agreement between the Authority and the Borrower, and (c) a bond purchase agreement among the Authority, the Borrower and the purchaser or underwriter of the Bonds.

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

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

2. It is hereby found and determined that the acquisition, construction, renovation, rehabilitation and equipping of the Project for the Borrower will further the public purposes of the Act by assisting in providing housing to low- and moderate-income persons in the City.

3. It is hereby found and determined that the Project will constitute a “residential building” as that term is defined in the Act.

4. To induce the Borrower to acquire, construct, renovate, rehabilitate and equip the Project and maintain the Project as a “qualified residential rental project” within the meaning of Section 142(d) of the Code, the Authority hereby agrees, subject to approvals required by applicable law, to assist the Borrower in financing the acquisition, construction, renovation, rehabilitation and equipping of the Project, including the financing of reserve funds as permitted by applicable law, by undertaking the issuance of (and hereby declares its official intent to issue) the Bonds in the maximum principal amount not to exceed \$19,900,000 upon the terms and conditions to be mutually agreed upon between the Authority and the Borrower. The Bonds shall be issued in form and pursuant to terms to be set by the Authority. The Bonds may be issued in one or more series at one time or from time to time, and the Bonds of any such series may be either taxable or tax-exempt for purposes of federal income taxation.

5. It having been represented to the Authority that it is necessary to proceed with the acquisition, construction, renovation, rehabilitation and equipping of the Project, the Authority hereby agrees that the Borrower may proceed with the plans for the Project, enter into contracts related to the

acquisition, construction, renovation, rehabilitation and equipping 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 the Code.

6. The Chairman, Vice Chairman, Secretary-Treasurer and any other officer of the Authority, any of whom may act (the "Authorized Official"), are hereby authorized and directed to execute the Bonds, which shall bear interest at the rates (which may be variable or fixed), shall mature on such dates and shall be subject to redemption at such times as are set forth in the Bonds Documents. The Authorized Official is hereby authorized to approve the final terms of the Bonds; provided that the interest rate borne by the Bonds shall not exceed the rate of 10% per annum, the final maturity of the Bonds shall not be later than five years after the date of the initial issuance of the Bonds, and the principal amount of the Bonds shall not exceed \$19,900,000. Such approvals shall be evidenced conclusively by the execution and delivery of the Bonds.

8. The Bonds and each of the Bond Documents shall be and are hereby approved in the forms approved by the Authorized Official executing them, in consultation with counsel to the Authority, such Authorized Official's execution to constitute conclusive evidence of his or her approval. The execution, delivery and performance by the Authority of the Bond Documents are hereby authorized and directed.

9. The Authorized Official is hereby authorized and directed to execute on behalf of the Authority, and to deliver the Bonds, the Bond Documents and such other agreements, certificates, documents and instruments as are authorized hereby or contemplated by the Bond Documents, and, if required, the Secretary-Treasurer or any other officer of the Authority is authorized and directed to affix the seal of the Authority to the Bonds, the Bond Documents and such other agreements, certificates, documents and instruments and to attest such seal. The signatures of the Authorized Official, the Secretary (or such other officer) and the seal of the Authority on the Bonds may be by facsimile.

10. The Authorized Official is hereby authorized and directed to execute and deliver on behalf of the Authority such other agreements, certificates, documents and instruments and to do and perform such other things and acts, as shall be necessary or appropriate to carry out the transactions authorized by this resolution or contemplated by the Bonds, the Bond Documents or such other

agreements, certificates, documents and instruments. All of the foregoing previously done or performed on behalf of the Authority are in all respects hereby approved, ratified and confirmed.

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

12. All other acts of the officers of the Authority that are in conformity with the purposes and intent of this resolution and in furtherance of the issuance and sale of the Bonds and the undertaking of the Project are hereby approved and confirmed.

13. 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.

14. The Authority hereby agrees, if requested, to accept the recommendation of the Borrower with respect to the appointment of a placement agent or underwriter for the sale of the Bonds or a purchaser for the Bonds pursuant to the terms to be mutually agreed upon.

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

16. All costs and expenses in connection with the financing and the acquisition, construction, renovation, rehabilitation and equipping of the Project, including the fees and expenses of the Authority (including, without limitation, any application fee and/or origination fee), bond counsel, counsel for the Authority and any placement agent or underwriter for the sale of the Bonds or purchaser of the Bonds shall be paid from the proceeds of the Bonds (but only to the extent permitted by applicable law) or by the Borrower. If for any reason such Bonds are not issued, it is understood that all such expenses shall be paid by the Borrower and that the Authority shall have no responsibility therefor.

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

18. 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, officers, agents or employees of the Authority, past, present and future, nor any person executing the Bonds, shall be liable personally on the Bonds by reason of the issuance thereof. The Bonds shall not be deemed to constitute a general obligation debt or a pledge of the faith and credit of the Commonwealth of Virginia or any political subdivision thereof, including the Authority or the City (and the Bonds shall so state on their face), and neither the Commonwealth of Virginia nor any such political subdivision thereof shall be personally liable thereon, nor in any event shall the Bonds be payable out of any funds or properties other than the special funds and sources provided therefor. Neither the faith and credit nor the taxing power of the Commonwealth of Virginia, nor 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.

19. The Authority (including its officers, commissioners, employees and agents) shall not be liable and hereby disclaims all liability to the Borrower and all other persons or entities for any damages, direct or consequential, resulting from the issuance of the Bonds or failure of the Authority to issue the Bonds for any reason. Any obligation of the Authority to exercise its powers in the City 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 of the City (the "City Council") to approve the issuance of the Bonds.

21. The Authorized Official, or his or her designee, is 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 proceedings shall be paid for by the Borrower.

22. 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, 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.

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

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

Adopted: July 19, 2022

CERTIFICATE OF VOTES

Record of the roll-call vote by the Newport News Redevelopment and Housing Authority, upon reading of a resolution titled **“RESOLUTION OF THE NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY AUTHORIZING THE ISSUANCE OF UP TO \$19,900,000 MULTIFAMILY HOUSING REVENUE BONDS FOR THE ACQUISITION, CONSTRUCTION, RENOVATION, REHABILITATION AND EQUIPPING OF THE APPROXIMATELY 151-UNIT WOODLANDS AT OYSTER POINT APARTMENTS MULTIFAMILY HOUSING FACILITY LOCATED IN THE CITY OF NEWPORT NEWS, VIRGINIA”** at a meeting of the Authority held on July 19, 2022:

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

Dated: July 19, 2022

(SEAL)

Chair, Newport News Redevelopment
and Housing Authority

ATTEST:

Secretary-Treasurer

The undersigned Secretary-Treasurer of the Newport News Redevelopment and Housing Authority hereby certifies that the foregoing is a true, correct, and complete copy of a resolution adopted by the Authority's commissioners present and voting at a meeting duly called and held on July 19, 2022, in accordance with law, and that such resolution has not been repealed, revoked, rescinded, or amended, but is in full force and effect as of the date hereof.

WITNESS my hand and the seal of the Authority this ____ day of July, 2022.

**NEWPORT NEWS REDEVELOPMENT
AND HOUSING AUTHORITY**

By: _____

Secretary-Treasurer

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY**MEMORANDUM**

DATE: July 12, 2022
TO: All Members, Board of Commissioners
FROM: Karen R. Wilds, Executive Director 
SUBJECT: Habitat for Humanity Peninsula & Greater Williamsburg

I am requesting the Board consider several matters related to the work the NNRHA does with Habitat for Humanity Peninsula & Greater Williamsburg (HFHPGW).

The Newport News Redevelopment and Housing Authority has enjoyed a 30 year plus relationship with the local Habitat for Humanity chapter. The issues below require Board action.

Extend the CHDO Grant Contract/Program Agreement dated April 6, 2020.

The original Agreement required all construction activities related to 711 21st Street, 2102 Madison Avenue and 2104 Madison Avenue be completed within two years from the date of the Agreement. All but one property has yet to be completed (711 21st Street). Delays due to the pandemic and its impact on the construction industry has caused the need for this change. I am recommending the Board approve an extension of the current contract to August 31, 2022 at which time HFHPGW will have completed construction.

Transfer two (2) single family residential lots owned by Newport News Redevelopment and Housing Authority to HFHPGW for the purpose of building new single-family homes for lower income, first time homebuyers.

The subject lots are located at 645 and 649 41st Street, in the Jefferson Park neighborhood, and will utilize 3D printing technology.

In the CHDO Grant Contract/Program Agreement dated July 7, 2021, three (3) properties were identified as being the subject of FY 2019 and 2020 HOME Program CHDO Set-Aside funds totaling \$150,000.00. They were: 646 Hampton Avenue, 1225 21st Street and 2800 Marshall Avenue. 646 Hampton Avenue is nearing completion. Getting the construction process underway for both 645 & 651 41st Street has become a more immediate priority for Habitat. Therefore, they are requesting to "swap out" 1225 21st Street and 2800 Marshall Avenue and use FY 2019 and 2020 HOME Program CHDO Set-Aside funds to construct both of the 41st Street homes.

Presently, Habitat is preparing their CDHO recertification application for approval. Once approved, Habitat will submit a funding application to obtain FY 2020-2021 HOME Program CHDO Set-Aside funds to build housing for lower income, first-time homebuyers. The residential lots expected to benefit from the FY 2020 and 2021 Set-Aside funds are: 2404 & 2408 Marshall Avenue; 2800 Marshall Avenue and 1225 21st Street). All four (4) lots were transferred from NNRHA to Habitat via an Agreement of Sale dated June 24, 2021.

The attached resolution is recommended for approval.

**RESOLUTION OF THE NEWPORT NEWS REDEVELOPMENT AND HOUSING
AUTHORITY AUTHORIZING THE EXTENSION OF THE CHDO GRANT
CONTRACT/PROGRAM AGREEMENT DATED APRIL 6, 2020 AND THE SALE OF
645 41ST STREET & 651 41ST STREET, NEWPORT NEWS, VIRGINIA**

WHEREAS, the Authority received a request from Habitat for Humanity Peninsula and Greater Williamsburg to extend the CHDO Grant Contract/Program Agreement dated April 6, 2020; and

WHEREAS, the Authority received a request from Habitat for Humanity Peninsula and Greater Williamsburg to purchase the property located at 645 41st Street and 651 41st Street; and

WHEREAS, a Purchase/Sales Agreement and a Development Agreement between the Authority and Buyer will govern the criteria for the property improvement.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Newport News Redevelopment and Housing Authority authorizes the Executive Director to negotiate and execute all documents necessary to extend the current CHDO Grant Contract/Program Agreement to August 31, 2022 and to transfer the properties at 645 41st Street and 651 41st Street, Newport News, Virginia to Habitat for Humanity.

REPORT TO THE BOARD

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY

JULY, 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

Kenneth Penrose, Jr. - Chairperson

Lisa Wallace-Davis - Vice Chairperson

William Black

George Knight

Lou Call

Barbara Holley

Thaddeus Holloman

Raymond Suttle, Jr., Attorney

STAFF

Karen R. Wilds, Executive Director

Secretary-Treasurer

Teresa Bennett, Assistant Secretary-Treasurer

Lysandra Shaw, Deputy Executive Director

Carl Williamson, Director of Housing Operations

Valarie Ellis, Director of Administrative Services

Lisa Dessoify, Director of Finance

David Staley, Director of Community Development



COMMUNITY DEVELOPMENT

is due to HUD no later than September 30, 2022.

COMMUNITY DEVELOPMENT BLOCK GRANT

Program year 2021-2022 has concluded as of June 30, 2022 for both the Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME). Activities for both CDBG and HOME will be recapped in the Consolidated Annual Performance and Evaluation Report (CAPER). The CAPER for FY 2021-2022

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

	Emergency Repair	Open House	HOMEcare	All Programs
Projects Completed	16	5	1	22
Projects in Underwriting	9	7	0	16
Projects Pending Appr	1	0	0	1
Projects Ongoing	1	0	1	2
Total	27	12	2	41

REDEVELOPMENT

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

Down Payment Assistance (DPA) Fiscal Year: July 1, 2022 – June 30-2023				
Program Year 21-22 (Completed)	Denied	Pending Additional Documentation	Current Month (Completed)	Underwriting in Process
15	2	7	0	3

RAD CONVERSIONS

Spratley House (50 Apartments)

Closing on permanent financing for the Spratley House project took place on June 27, 2022.

Orcutt Townhomes I

The Low-Income Housing Tax Credit (LIHTC) application for Orcutt Townhomes I received approval for 9% tax credits from Virginia Housing in late June. NNRHA staff is preparing the required documents for RAD conversion which will take place later this year or early 2023.

CAPITAL GRANT

Marshall Courts Phase VII

Marshall Courts Phase VII – The demolition design phase of the 88 units is nearing completion. The architectural firm VIA Design, is finalizing demolition drawings and survey work for the project has been initiated. The SAC Application will be submitted to HUD on or after January 1, 2023. Land use will be converted to green space and possibly single-family development along Madison Avenue. The Authority will apply for tenant protection vouchers when HUD approves the demolition next year.

Aqueduct

Aqueduct HVAC replacement preliminary analysis has been completed. Drawings and specifications have been received and reviewed by NNRHA staff. A decision has been made to continue to replace HVAC units on an as needed basis rather than initiating the replacement of all of the HVAC units at this time. DJG Architects is performing a Physical Needs Assessment of the apartment complex to identify and prioritize renovation improvements for the property.

CHOICE NEIGHBORHOOD INITIATIVE (CNI)

Construction of the first phase of housing on Jefferson Avenue is proceeding on schedule. The projected completion date is October, 2022 and a ribbon-cutting event will be scheduled to celebrate the new housing. A new name has been selected for the development "*The Lift & Rise on Jefferson*". Over 700 people have registered to receive rental applications when available.

Planning and design of the Phase Two development on the Ridley site is nearing completion. The Citizen Advisory Committee, City, NNRHA staff and the design team worked closely together in order to finalize plans for submission and review to the City in June. Those plans are currently under review by the City. Demolition of the structures was completed in early June. Construction will start with a ground breaking ceremony in fall 2022.

Work continues to secure funding for the Ridley on-site development. Funding commitment letters are being gathered from the various funding entities. Virginia Housing has awarded 4% Low-income Housing Tax Credit to the project and has approved NNRHA's Public Housing Revitalization Grant in the amount of \$3.67M. A large health-care entity has expressed interest in providing financing for the project. A financial closing is scheduled for September, 2022.

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

Urban Strategies, Inc. (USI), the new People Plan Lead, is established in Newport News and has hired their local staff. Support from the national office will continue on a monthly basis. USI's primary focus is engaging Ridley families

through general information meetings and one-on-one meetings with case managers. USI is also reaching out to the CNI Service Provider Network and Leverage Partners to confirm services and other support for Ridley families. In July, USI plans to complete full assessments on Marshal-Ridley families.

PUBLIC AND ASSISTED HOUSING

OCCUPANCY REPORT *Total Waiting List Applications:*

Public Housing		238
Approved/Eligible	34	
Pending	204	
Section 8		310
Approved/Eligible	76	
Pending	228	

The pending numbers for the Public Housing Program (204) and the Housing Choice Voucher Program (228) 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 June

Public Housing Program	16
Housing Choice Voucher	11
Mod-Rehab (SRO)	<u>2</u>
Total	29

Occupancy Statistics:

Public Housing Program (of 839 units)	98%
Section 8 Program (2,881)	95.7%
Warwick SRO (of 88 units)	99%

Avg. # of Leasing Days (Public Housing) 37

Average Family Rent Contribution for Move-ins Last Month:

1. Public Housing	\$233.
2. Housing Choice Voucher	\$318.
3. Warwick SRO	\$226.

Lease Rate –June. 2022 95.7%

Cumulative Percentage of Section 8
Budget Authority Utilized June, 2022 99%

FAMILY INVESTMENT CENTER (FIC) ACTIVITIES

EMPLOYED F.I.C. PARTICIPANTS June 2022 (since 1995)	
Aqueduct	112
Ashe Manor	0
Brighton	46
Cypress	24
Dickerson	185
Harbor Homes	126
Lassiter	95
Marshall	170
Orcutt	28
Orcutt TH	10
Oyster Point	23
Pinecroft	7
Ridley	383
Section 8	71
Spratley	2
Total	1,282

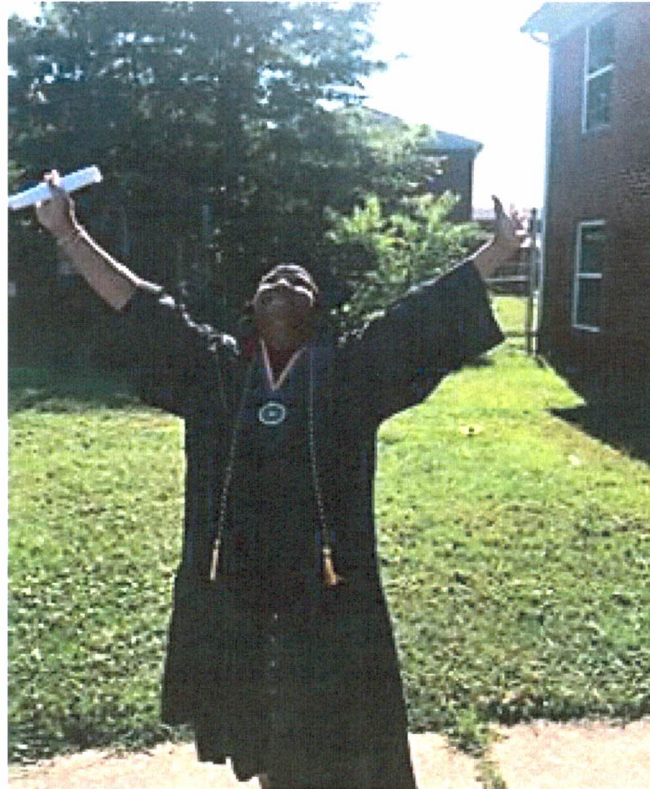
FAMILY SELF-SUFFICIENCY (FSS) UPDATE

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

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

COMMUNITY RESOURCES

Resident Relations



LaTanya Grady
2021 NNRHA Scholarship Recipient

LaTanya Grady is the 2021 Temple of Peace/Wheels United Motorcycle Club/Matthew Burton scholarship recipient. Ms. Grady graduated from Grace Bible College Theology & Seminary in Hampton, Virginia on June 23, 2022. She acquired her Bachelor's Degree in the Biblical Studies program. She has also written a book titled "*Keeping Faith After A Tragedy*". Ms. Grady plans to continue her studies to obtain her Master's degree. She wants to become a spiritual Counselor.

COMMUNITY RESOURCES

Seniors



Ashe Manor and Pinecroft

Residents at Ashe Manor and Pinecroft Apartments enjoyed bingo on June 15th and June 16th. Ken Hodge, licensed insurance agent, sponsored the two programs and provided small prizes for the winners. Community partners are eager to begin engaging with the residents of Spratley House again and several dates are already on the calendar beginning in July.

Coming Soon

Serve the City, Jencare, Newport News Fire Department, and Newport News Sheriff's Department are just a few of the agencies who have programs scheduled in the upcoming months at our senior communities.

Pinecroft Resident Council



Pinecroft Resident Council had their first meeting in April and their most recent one on June 22nd. They sponsored a yard sale on June 4th and celebrated Father's Day and Juneteenth on June 19th. Board Members have been organized, active and eager to continue the positive momentum that they have initiated.



ADMINISTRATIVE SERVICES

In our continuing efforts to provide as many resources as possible to the staff, we have partnered with HealthCues, a preventative health care management program. The program is designed to assist with creating and maintaining a healthier lifestyle. It does not replace our current medical plan, but offers additional resources. There is no cost to eligible employees. Eligibility is based on an increase in an employee's take home pay as a result of the tax advantages of the program and reduces our tax liability per employee. The program is effective on August 1, 2022.

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

Property	Occupancy Rate	Approved/Eligible	Pending	Total
Orcutt Townhomes III	97%	0	59	59
Cypress Terrace	94%	10	60	70
Oyster Point/Brighton	98%	10	79	89
Great Oak	96%	103	117	220
Lofts on Jefferson	93%	0	14	14
Jefferson Brookville	98%	1	10	11
Lassiter Courts	96%	3	160	163

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 June, 2022.

Participants:	Public Housing	Housing Choice Voucher	Total
Total number in FSS Program	21	92	113
Employed	7	65	72
Currently not working	10	24	34
Attending Thomas Nelson Comm. College	0	2	2
Enrolled in other Training Program	4	0	4
Employed and going to school	0	1	1
Participants with escrow accounts	7	42	49

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

CY Housing Choice 2022 Annual Budget Authority													\$ 22,729,817		Final Budget, 100% proration	
Additional Warwick SRO - RAD2													681,725			
Housing Choice Voucher Funding													\$ 23,411,542			
Mainstream Voucher Program Funding													\$ 798,207		Final - 100%	
Emergency Housing Voucher Program Funding													\$ 247,896		Final - 100%	
Baseline HCV Units													2552			
VASH units													54			
CNI tenant protection													187		2881	
Warwick SRO - RAD2													88			
Mainstream Vouchers													141			
Emergency Housing Vouchers													32			
													3054			
Month	# of Vouchers Utilized	Lease Rate	HAP Payments		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		
			to Landlords	Avg HAP				From HUD								
January	HCV 2744	95.2%	\$ 1,925,091.00	\$ 701.56	\$ (37,310.00)	98.1%	98.1%	\$1,962,401.00	\$			\$ -	\$	2,510,593.39		
	MS 107	75.9%	\$ 71,329.00	\$ 666.63	\$ 4,784.00	107.2%	107.2%	\$66,545.00				-	(20,503.19)	2,465,818.31		
	EHV 3	9.4%	\$ 1,777.00	\$ 592.33	\$ 1,777.00	0.0%	0.0%	-				-	131,662.00	157,752.00		
February	HCV 2752	95.5%	\$ 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)	2,417,521.22		
	MS 107	75.9%	\$ 70,106.00	\$ 655.20	\$ (1,900.00)	97.4%	102.1%	\$72,006.00				\$	127,023.00	-		
	EHV 6	18.8%	\$ 4,639.00	\$ 773.17	\$ 4,639.00	0.0%	0.0%	-				\$	121,570.00	-		
March	HCV 2764	95.9%	\$ 1,991,407.00	\$ 720.48	\$ 14,993.00	100.8%	99.7%	\$1,976,414.00	\$ 676.00			\$ 676.00	(36,990.19)	2,358,733.14		
	MS 110	78.0%	\$ 73,748.00	\$ 670.44	\$ 1,088.00	101.5%	101.9%	\$72,660.00				\$	121,570.00	-		
	EHV 7	21.9%	\$ 5,453.00	\$ 779.00	\$ 5,453.00	0.0%	0.0%	-				\$	115,104.00	-		
April	HCV 2770	96.1%	\$ 1,988,117.00	\$ 717.73	\$ 11,703.00	100.6%	99.9%	\$1,976,414.00	\$			\$ -	(48,693.19)	2,441,154.06		
	MS 112	79.4%	\$ 75,666.00	\$ 675.59	\$ 3,006.00	104.1%	102.5%	\$72,660.00				\$	115,104.00	-		
	EHV 8	25.0%	\$ 6,466.00	\$ 808.25	\$ 6,466.00	0.0%	0.0%	-				\$	104,507.00	-		
May	HCV 2754	95.6%	\$ 1,984,097.00	\$ 720.44	\$ (40,796.00)	98.0%	99.5%	\$2,024,893.00	\$			\$ -	(7,897.19)	2,433,151.97		
	MS 112	79.4%	\$ 77,304.00	\$ 690.21	\$ (174,989.00)	30.6%	68.7%	\$252,293.00				\$	104,507.00	-		
	EHV 11	34.4%	\$ 10,597.00	\$ 963.36	\$ 10,597.00	0.0%	0.0%	-				\$	60,948.81	2,314,468.39		
June	HCV 2755	95.6%	\$ 1,982,650.00	\$ 719.66	\$ (68,846.00)	96.6%	99.0%	\$2,051,496.00	\$			\$ -	60,948.81	2,314,468.39		
	MS 112	79.4%	\$ 76,281.00	\$ 681.08	\$ 4,773.00	106.7%	73.1%	\$71,508.00				\$	92,621.00	-		
	EHV 14	43.8%	\$ 11,886.00	\$ 849.00	\$ 11,886.00	0.0%	0.0%	-				\$	-	-		
													\$ 12,326,699.00			
															\$ 2,668.00	

ITEM NO. 7

Closed Session

ITEM NO. 8

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

WHEREAS, the Newport News Redevelopment and Housing Authority Board of Commissioners convened a closed meeting on July 19, 2022 pursuant to an affirmative recorded vote in accordance with the provisions of The Virginia Freedom of Information Act; and

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

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

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

AYES

VOTE

NAYS

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

* * * *

ITEM NO. 9
Other Business