NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
BOARD OF COMMISSIONERS REGULAR MEETING

November 17, 2020
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, October 6, 2020

4. Communications

5. New Business

   a. **PUBLIC HEARING** – Multifamily Housing Revenue Bonds issuance request for Woodlands at Oyster Point (AOZPCREI Woodlands LLC)

   b. Consider a Resolution authorizing Multifamily Housing Revenue Bonds issuance request for Woodlands at Oyster Point (AOZPCREI Woodlands LLC)

   c. ~~Consider a Resolution authorizing Multifamily Housing Revenue Bonds issuance approval for Carrier Point II Apartments.~~

   d. Consider a Resolution authorizing the Executive Director to execute loan documents and transfer land for Phase 1 development for Choice Neighborhood I, Choice Neighborhood II and Carrier Point Commercial Partners

   e. Consider a Resolution approving the modification of a loan to First Baptist Church East End

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
October 6, 2020

Having duly given public notice, the Board of Commissioners of the Newport News Redevelopment and Housing Authority met partially telephonically and electronically at the offices of the Authority at 227-27th Street, in the City of Newport News, Virginia, at 8:33 a.m. on Tuesday, October 6, 2020 for a specially called meeting.

Chairman Hunter stated: "This is a special meeting being partially conducted telephonically and electronically (Zoom) in accordance with the budget bill of the Commonwealth of Virginia (the "Commonwealth") for the biennium ending June 30, 2020, as adopted by the reconvened session of the 2020 Virginia General Assembly, pursuant to section 2.2-3708.2(A)(3) of the code of Virginia and executive order dated March 12, 2020 issued by Governor Northam declaring a state of emergency and Attorney General Herring's opinion letter dated March 20, 2020, and with guidance provided by legal counsel. It has been determined that the catastrophic nature of the declared emergency makes it impracticable or unsafe for all to assemble in a single location and the purpose of the meeting is to address the emergency as well as the continuity of agency functions. More importantly, based on what we know now about the coronavirus pandemic and prudent precautions as a result thereof, the meeting is being conducted in a way to provide the maximum amount of protection to Commissioners, staff, residents and the public. He apologized for any inconvenience to anyone, and asked for understanding and compliance.

Pledge of Allegiance

Chairman Hunter 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 answering present were as follows:

Commissioners present: -

Gary B. Hunter – from NNRHA Board Room
Kenneth Penrose, Jr. – from NNRHA Board Room
Josephine Clark – from NNRHA Board Room
Lisa Wallace-Davis – from work
William Black – from NNRHA Board Room
George Knight – from home
Sandra Davoy – from work

Also present:

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

Karen R. Wilds – from NNRHA Board Room
Executive Director

Sandra Powell – from NNRHA Board Room
Deputy Executive Director

Valarie Ellis – from NNRHA office
Director of Administration

Lisa Dessoffy – from NNRHA office
Director of Finance

David Staley – from NNRHA Office
Director of Community Development

Tricia Wilson – from work
Department of Development, City of Newport News

Teresa Bennett – from NNRHA Board Room
Executive Assistant

Approval of Minutes, August 18, 2020

Commissioner Clark moved that the minutes of the meeting of the Board of Commissioners held on August 18, 2020 be approved as presented. The motion was seconded by Commissioner Black and passed with a unanimous vote.

Minutes of a Meeting of the
Newport News Redevelopment and Housing Authority
October 6, 2020

Communications

The following communications were provided to the Board and reviewed by the Executive Director. 1) A letter dated August 21, 2020, from the Department of Veterans Affairs, addressed to Ms. Wilds concerning the "Ending Veteran Homelessness Initiative". Based on their internal deliberations, they committed to support a new allocation of HUD-VASH vouchers to the Newport News Redevelopment and Housing Authority. 2) A letter from the U.S. Department of Housing and Urban Development, dated September 17, 2020, allocating an additional $89,389 in the Section 8 Housing Choice Voucher Program for the Authority for portability expenses.

Public Hearing

Chairman Hunter announced that a public hearing was being held to receive comments on an amendment to the Public Housing Agency Plan for fiscal year 2020-2024.

A notice advertising the Public Hearing was posted on the front door of the Authority and the NNRHA website. The Zoom meeting link and the call-in phone number were provided on the notice.

No public comments or emails were made or received.

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

New Business

The Board of Commissioners of the Newport News Redevelopment and Housing Authority Authorizing an Amendment to the Public Housing Agency Plan for Fiscal Year 2020-2024 related to Late Charges

The Board had been provided copies of a resolution authorizing an amendment to the Public Housing Lease Amendment and Multifamily Housing Late Charge Policy in accordance with the July 1st enacted newly enacted Virginia Residential Landlord and Tenant Act, Section 55.1-1204, Item E. Ms. Wilds stated the Virginia Residential Landlord and Tenant Act requires that a landlord shall not charge a tenant for late payment of rent unless such charge is provided for in the written rental agreement. No such late charge shall exceed the lesser of 10% of the periodic rent or 10% of the remaining balance due and owed by the tenant.

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

A Resolution of the Newport News Redevelopment and Housing Authority Authorizing the Executive Director to submit an application to the U.S. Department of Housing and Urban Development for the Disposition of 1511 Harbor Lane, Newport News, VA (Development Number VA003000301) NNRHA 10-5c

The Board had been provided copies of a resolution authorizing the submission of a Section 18 Demolition/Disposition application to the U.S. Department of Housing and Urban Development (HUD) for the disposition of property located at 1511 Harbor Lane, (the former Harbor Homes Public Housing site.) In June 2020, the NNRHA Board of Commissioners designated S23 Holdings, LLC as the preferred developer for an approximate 17-acre portion of 1511 Harbor Lane to include two non-dwelling structures, as outlined on Exhibit A. As a result of the Developer's response to the Request for Proposal (RFP), it is expected to result in significant capital investment and job creation through the creation of a ship repair and fabrication facility. To facilitate the proposed project, the NNRHA Board also authorized the Executive Director to enter into a Purchase agreement for $1,336,350 with the Economic Development Authority of the City of Newport News (EDA) which 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-acre portion of 1511 Harbor Lane along the 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 disposition of 1511 Harbor Lane is included in the approved 2019 PHA Plan and is consistent with NNRHA's Property Disposition Guidelines for the Disposition of Public Housing Properties. (Maps were viewed/shared on the television/Zoom)

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

A Resolution of the Newport News Redevelopment and Housing Authority Authorizing the Formation of and Requesting Newport News City Council approval of Choice Neighborhood III-R LLC, Choice Neighborhood IV LLC, and Choice Neighborhood Commercial Partners LLC and the Managers of the Corresponding Limited Companies; Choice Neighborhood III-R Development Corporation, Choice Neighborhood IV-R Development Corporation, and the Choice Neighborhood Commercial Partnership Development Corporation

The Board had been provided copies of a resolution authorizing the formation of three new ownership entities and corresponding managers necessary for the second phase of the Choice Neighborhood Initiative (CNI) housing development to be constructed on the Ridley Place site. Ms. Wilds stated funding will come from multiple sources, with most of financial support for the housing development coming from the Low-income Housing Tax Credit (LIHTC) program. Because of limited annual LIHTC allocations, it is necessary to break the phase 2 development plan into smaller phases to be competitive in the Virginia Housing's 2021 LIHTC application round. This action will require separate ownership entities to be created for each housing development as well as the commercial space. The utilization of LIHTC's required that a separate development corporation and a limited liability company be formed for (1) limiting any liability in this venture to the project itself and not exposing other Authority assets in the event of unforeseen issues; and (2) allocating depreciation (per IRS regulations) to the investor entity which will ultimately hold a 99.99% interest in the development. The NNRHA Board of Commissioners will serve on the Development Corporations Board of Directors (which will control all aspects of the development) of the limited liability corporation, the owner. The formation of these entities is subject to City Council approval under Title 36 of the Code of Virginia, which enumerates the activities of redevelopment and housing authorities in the State. (Maps were viewed/shared on the television/Zoom)

Commissioner Clark 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.

A Resolution of the Newport News Redevelopment and Housing Authority Authorizing an Execution of Ground Leases between the Newport News Redevelopment and Housing Authority and Choice Neighborhood I LLC, Choice Neighborhood II LLC, and Carrier Point Commercial Partners LLC related to the Choice Neighborhood Initiative (CNI) Phase one Housing Development

The Board had been provided copies of three resolutions authorizing ground leases for the first phase of the Choice Neighborhood Implementation program. A critical aspect of the Development Proposal to be submitted to HUD is entering into Ground Leases. The three resolutions authorize the Chairman to execute ground leases for projects between NNRHA and the respective development corporations (managing members) for the Carrier Point I and Carrier Point II Project and the Carrier Point Commercial Partners LLC and to take other actions related to the furtherance of these activities. Each lease will contain a provision mandating the automatic termination of the lease in the event HUD has not approved the CNI financing proposals by March 11, 2024. (Maps were viewed/shared on the television/Zoom)

Choice Neighborhood I LLC

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

Choice Neighborhood II LLC

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

Carrier Point Commercial Partners LLC

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

Closed Session

Other Business

Adjournment

There being no other business to come before the Board, the Chairman adjourned the meeting at 8:52 a.m.

Secretary-Treasurer