NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
BOARD OF COMMISSIONERS REGULAR MEETING

November 19, 2019
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 15, 2019
4. Communications
5. New Business
   a. Consider a Resolution authorizing a request to Extend Commitment of Project Based Vouchers to Choice Neighborhood Phases I and II
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 15, 2019

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, October 15, 2019.

Pledge of Allegiance

Chairperson Call 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 Chairperson, and those present were as follows:

Commissioners present: -

Lou Call
Gary B. Hunter
Josephine Clark
Kenneth Penrose
Lisa Wallace-Davis
William Black

Commissioners Hager's absence was excused.

Also present:

Raymond H. Suttle, Jr.
Jones, Blechman, Woltz & Kelly, P.C.

Karen R. Wilds
Executive Director

Carl V. Williamson, Director
Housing Operations

Sandra Powell, Director
Community Development

Lisa Dessoffy, Director
Finance

Teresa Bennett
Executive Assistant

Tricia Wilson
Development Department, City of Newport News

Approval of Minutes, August 20, 2019

Commissioner Clark moved that the minutes of the meeting of the Board of Commissioners held on August 20, 2019 be approved as presented. The motion was seconded by Commissioner Penrose and passed with a unanimous vote.

Communications

The following communications were provided to the Board and reviewed by the Executive Director. 1) A letter addressed to Ms. Wilds from the Virginia Housing Development Authority, dated August 19, 2019. An on-site audit of Great Oak apartments was completed on May 29, 2019 and received an overall rating of satisfactory. 2) A letter, dated September 4, 2019, from the HAI Group congratulating the Authority with a Low Loss Ratio Award for the 2015-2017 HARRG policy years. 3) A letter, dated September 9, 2019, from Florence Kingston, Director of Development with the City of Newport News concerning the 2019 annual monitoring of CDBG and HOME Programs. All areas reviewed were found to be administered and managed in a satisfactory manner. 4) An article from the Daily Press, dated September 23, 2019, entitled "When They Build it, Jobs Will Come", concerning the Section 3 Resident meeting that was held September 19th at the Downing Gross Cultural Arts Center. 5) A picture from the People to People presentation that was given by Karen Wilds and Florence Kingston providing an overview of the Choice Neighborhood Initiative.

New Business

A Resolution of the Newport News Redevelopment and Housing Authority Extending the Approval of Project Based

The Board had been provided copies of a resolution authorizing an extension for project-based vouchers for Grande Oak Apartments. In August, 2018, the Board approved an extension for one year to allow the develop for Grande Oak Apartments to compete in the 2019 Virginia Housing Development Authority (VHDA) Low Income Housing Tax Credit private sector pool with the assurance that NNRHA will provide

Vouchers for Grande Oak VA, LLC for Grande Oak Apartments

five (5) project based vouchers in the event the tax credits were awarded in the 2019 round. Grande Oak was not successful in 2019. Ms. Wilds stated the developer requested that we extend the project-based voucher commitment for another year so that they might compete in the upcoming 2020 LIHTC round.

Commissioner Davis made a motion to approve the resolution. Commissioner Hunter 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 Execution of Documents with the Department of Housing and Urban Development and other entities related to submission of a revised financing plan for the conversion, renovation and financing of the Lassiter Courts Project via the Rental Assistance Demonstration

The Board had been provided copies of a resolution authorizing the Executive Director to submit a revised RAD financing plan to HUD for the Lassiter Courts Funding for this endeavor must be reflected in this key RAD financing component to enable NNRHA to access additional equity and debt capital allowed by the RAD program needed to meet cost overruns in project renovations. Ms. Wilds stated substantial cost overruns in renovations were caused primarily by a six-month delay in the start of renovations, related labor costs to ensure completion of work in accordance with LIHTC timeframes, unexpected and unbudgeted site work, VHDA mandated interior finishes and installment of dehumidifiers. In response to these cost overruns, NNRHA's request for additional low-income housing tax credits to VHDA in its 2019 round of awards was recently approved.

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.

Resolution of the Newport News Redevelopment and Housing Authority authorizing the Executive Director to enter into an Agreement with ND Owner LLC

The Board had been provided copies of a resolution authorizing the HOME Investment Partnerships Program funds for Huntington Village Apartments. At the April 26, 2019 meeting, the Board of Commissioners approved the use of $250,000 in HOME Investment Partnerships Program funds to assist in the development of Huntington Village Apartments located at 12752-12778 Nettles Drive in Newport News. The terms of approval of the HOME funds were in the form of a deferred loan with a three percent interest rate (3.0%) per annum, compounded annually, which is due and payable fifteen (15) years from the date the units are initially placed in service. The request from the developer is that the term be extended to forty (40) years or at least coterminous with the senior VHDA loan and that the interest rate be revised to 0.5%. Ms. Wilds recommended that the terms of the HOME funds approval be modified to extend the affordability period from 15 years to 20 years to be consistent with the applicable statutes for new construction projects with interest at 3% per annum due and payable twenty (20) years from the date the units are initially placed in service. All HOME funds will be contingent upon receipt of LIHTC's, and all other funding required completing the project to include an approved Subsidy Layering Review completed by HUD. Loan documents will be subject to review by the Authority's legal counsel.

Commissioner Hunter 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 II Development Corporation

The Board had been provided copies of a resolution authorizing the formation of ownership entity related to Choice Neighborhood Initiative Development. In October 2017, the Board of Commissioners approved Pennrose, LLC as the development partner for Choice Neighborhood Initiative (CNI) activities. The Authority is a jointly initiating tasks, with Pennrose, in preparation for submission of a second Low Income Housing Tax Credit (LIHTC) application to the Virginia Housing Development Authority later this year. In October 2018, The Board of Commissioners approved the creation of Choice Neighborhood I LLC and Choice Neighborhood I Development Corporation for the submission of a 9% LIHTC application that was submitted in March 2019. Because of the competitiveness of this program, this project was not awarded credits in this year's round. During the review process, it was determined that dividing the planned 82-unit project into two smaller developments makes it more competitive under a 9%/4% LIHTC scenario. The first phase of the CNI housing development will consist of 44 units at 2800 Jefferson Avenue. The second phase will consist of 38 units at 2700 Jefferson Avenue. Both sites are owned by NNRHA. As in earlier NNRHA initiated tax credit developments, the utilization of tax credits require that a separate development corporation and a limited liability partnership be formed for the purpose of (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 development corporation and general partner (which will control all aspects of the development) of the limited partnership will be wholly owned by the NNRHA Board of Commissioners.

Commissioner Davis made a motion to approve the resolution. Commissioner Hunter 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 October, 2019 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 Effective Job Search sessions are being offered every Tuesday and Friday from 10:00 a.m. – 12:00 p.m. at the Family Investment Center. Residents can walk-in or schedule an appointment with the Job Placement Manager to attend the sessions. The Authority's Annual Career Expo will be held at the Brooks Crossing Innovative and Opportunity Center on October 24th from 12:00 p.m. – 3:00 p.m.

Ms. Dessoffy reported that the Authority will be submitting the unaudited financial statements to HUD today. We had received an extension on the submission due to our computer system conversion.

Ms. Ellis reported the Authority partnered with the Newport News Police Department to provide Civilian Response to Active Shooter Events (C.R.A.S.E.) training to all staff. As a result, our staff is better prepared for these types of unfortunate events in and outside of the workplace.

Ms. Powell reported the demolition at the Waterfront Lumber site is nearing completion. Excavation of the underground fuel tank has been completed, final grading of the site and installation of the perimeter fencing remains. The projected completion date is the end of October. Authority staff has been working on the Ridley Place Relocation Plan and have met with three of the Ridley Residents who are a part of the Citizen Advisory Committee for their review and input on the plan. After their comments are reviewed and considered, the draft plan will be submitted to HUD for review.

Ms. Wilds reported that the grand opening celebration of the Whittaker Apartments will be held October 31st. There will be sixty-seven (67) 1- and 2-bedroom apartments.

On October 10th, Ms. Wilds was recognized by the Hampton Roads Housing Consortium (HRHC) and was presented with the HRHC Lifetime Achievement Award. A banquet was held at the Virginia Beach Convention Center

Closed Session

Other Business

Adjournment

There being no other business to come before the Board, the Chairman adjourned the meeting at 8:58 a.m.

Karen P. Wilds
Secretary-Treasurer