NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
BOARD OF COMMISSIONERS REGULAR MEETING

November 21, 2017
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 17, 2017.
4. Communications
5. New Business
   a. **PUBLIC HEARING** – Multifamily Housing Revenue Bonds for Soundview Townhomes Apartments
   b. Consider a resolution authorizing Multifamily Housing Revenue Bonds Issuance Request for Soundview Townhomes Apartments
   c. Consider a resolution approving a construction loan for the Lassiter Courts Project, Rental Assistance Demonstration Program (RAD)
   d. Consider a resolution approving Architectural and Engineering Services Contracts to VIA Design Architects; Matthew G. Burton Architect; and DJG, Inc.
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 17, 2017

Having duly given public notice, the Board of Commissioners of the Newport News Redevelopment and Housing Authority (NNRHA) 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 17, 2017.

Pledge of Allegiance

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

Roll Call

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

Commissioners present: -

George Knight
Bea Berry
Josephine Clark
Lou Call
Gary Hunter
Kenneth Penrose
Mark Hager

Also present:

Ray Suttle, Jr.
Jones, Blechman, Woltz & Kelly, P.C.

Karen R. Wilds
Executive Director

Carl V. Williamson
Housing Operations

Valarie Ellis, Director
Administrative Services

Sandra Powell, Director
Community Development

Lisa Dessoffy, Director
Finance

Teresa Bennett
Executive Assistant

Tricia Wilson
Development Department, City of Newport News

Approval of Minutes, September 19, 2017

Commissioner Call moved that the minutes of the meeting of the Board of Commissioners held on September 19, 2017 be approved. The motion was seconded by Commissioner Hunter and passed with a majority vote. Commissioner Hager abstained as he was not present during the September meeting.

Communications

The following communications were provided to the Board and reviewed by the Executive Director. 1) A Daily Press article dated September 19, 2017 reporting on the federal inspection passing score of seventy two (72) for Lassiter Courts. Ms. Wilds stated that the score was seventeen (17) points higher than last year and the Authority is appealing nine (9) points that could push the score to eighty one (81). 2) A Daily Press article dated September 28, 2017 reporting on the ideas revealed for revitalization of Marshall-Ridley neighborhood. City officials, a hired consultant, residents and business owners have been using a $500,000 planning grant from the Department of Housing and Urban Development to develop a transformation plan under HUD's Choice Neighborhood Initiative, a program to help blighted neighborhoods and revitalize assisted housing properties. 3) A Newport News Now article dated September 21, 2017 reporting on the Marshall-Ridley Neighborhood Community Workshop September 28, 2017. 4) A letter from Virginia Housing Development Authority (VHDA) dated October 2, 2017 concerning the overall compliance rating of "Above Average" for Great Oak Apartments. 5) Two letters from the HAI Group congratulating the Authority for the Outstanding Risk Control Program award for 2017 and the Low Loss Ratio Award for the 2013-2015 HARRG policy years.

New Business

A Resolution of the Newport News Redevelopment and Housing Authority Authorizing Amendments to the Five Year Plan to Update Maintenance Charge Policy

The Board had been provided copies of a resolution authorizing an Amendment to the five year plan to update the maintenance charge policy. This amendment updates the schedule of charges to public housing residents for tenant caused damages to allow the Authority to recoup the costs of these repairs. This maintenance charge policy also includes a schedule of emergency or overtime maintenance service charges. Two significant changes were made to the policy. The first is an increase in hourly rate charge from $20.63 to $21.16. Secondly, a change was added in the amount of $25.00 for removal of items from the exterior of units such as furniture, trash, old grills, etc. The proposed change was posted in each rental office on August 24, 2017. Meetings were held with each resident council to discuss these changes.

Commissioner Hager 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 a Revised Utility Allowance for Public Housing and the Section 8 HCV Program and Amendment to the Five Year Plan

The Board had been provided copies of a resolution authorizing a revised utility allowance for public housing and the Section 8 HCV program. Ms. Wilds stated that HUD requires the Authority to review utility allowance schedules annually and revise its allowance for a utility category if the review finds a utility rate has changed by 10% or more since the last review. The study establishes by complex and unit size, an estimate of reasonable utility consumption levels by an energy conserving household of modest circumstances. The review indicated increases in, natural gas, fuel oil and water/sewer. Fuel oil is only applicable to the HCV Program. A report showing allowances for each complex was provided.

Commissioner Hager made a motion to approve the resolution. Commissioner Berry 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 Amendment to the Five Year Annual Plan for Choice Neighborhoods Plan and RAD Conversion

The Board had been provided copies of a resolution authorizing additions and changes to the Authority's Agency Plan which addresses the submission of applications for the Choice Neighborhoods Initiatives Implementation (CNI) grant and the Rental Assistance Demonstration (RAD) program for the Ridley Place property. The City and the NNRHA were awarded a $500,000 Choice Neighborhoods Initiative Grant from Housing and Urban Development (HUD) to plan for the revitalization and transformation of a portion of the Southeast Community. Authority owned property located in the targeted area include Ridley, Spratley, Lassiter and a portion of Marshall as well as the vacant 35 acre parcel which was the former Dickerson Courts and Harbor Homes Apartments, Public Housing Community. The City and NNRHA is currently working with citizens, public and private agencies and organizations to develop a comprehensive neighborhood revitalization strategy, or Transformation Plan. The NNRHA plans to submit an Implementation Plan for Choice Neighborhoods when HUD issues the Notice of Funding Availability (NOFA) in late 2017. In August, 2017 the Authority advised HUD of its intent to convert Ridley Place (259 units) under the RAD program. The Authority requested citizen comments by placing notices to the proposed amendments as noted in the Resolution.

Commissioner Penrose 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 Submission of a Choice Neighborhoods Implementation Application

The Board had been provided copies of a resolution authorizing the submission of a Choice Neighborhoods Implementation Proposal and the Executive Director and Chairman of the Board are authorized to execute the Choice Neighborhoods Application Certifications – Implementation Grant (HUD 53240) and the Executive Director is authorized to execute any other documents required of the submission by November 22, 2017.

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 Designating the Master Developer for the Choice Neighborhood Initiative Implementation

The Board had been provided copies of a resolution designating a Master Developer to service in a Joint Venture to carry out the Choice Neighborhood Initiative (CNI) transformation plan. There were three respondents whose submissions were evaluated in accordance with Request for Qualifications. The two top ranked firms were interviewed in person by a panel made up of the NNRHA Executive Director and Community Development Director and the City's Director or Development and Director of Planning. Based the panel's assessment of qualifications Ms. Wilds recommended the Authority enter into a Memorandum of Understanding to establish a Joint Venture Agreement with Pennrose Properties, LLC. Ms. Wilds stated that she believes their experience and approach to development best compliments the strengths and

capacity of the NNRHA team.

Commissioner Berry made a motion to approve the resolution. Commissioner Call 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 issuance of Multifamily Housing Revenue Bonds to support the Choice Neighborhoods Program

The Board had been provided copies of a resolution approving the financing of housing replacement units for the Marshall/Ridley Choice Neighborhood Initiative (CNI) program requiring the Authority to issue the Authority's Multifamily Housing Revenue Bonds in an amount not to exceed $20 million for a term of 30 years to support the acquisition, construction and equipping of 114 units. The City Council will be requested to grant "public approval" of the issuance of the proposed Bonds and the plan of financing within the meaning of the applicable sections of the Virginia Code. Subject to City Council's future action, final approval of the bond issue, by the Authority, would be considered at one of the Board's future meetings in 2018. Note that the bonds may be issued for the CNI Master Developer or potentially for use by the NNRHA as co-developer in a joint venture.

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 Application of Voucher Funding in Support of the Choice Neighborhood Grant

The Board had been provided copies of a resolution authorizing the application of voucher funding in support of the Choice Neighborhood Grand. One of the items required for the Choice Neighborhood Initiatives Implementation Grant is an application to the Department of Housing and Urban Development for Housing Choice Voucher assistance in connection with the demolition of occupied public housing units at Ridley Place Apartments. Ridley consists of 259 units of affordable subsidized housing. The plan is to apply for up to the maximum as replacement housing for this development. The voucher funding application (HUD 52515) is due to HUD by November 22, 2017 along with the CNI application and must include the number of occupied units at the time of application and the number of vouchers requested.

Commissioner Hunter made a motion to approve the resolution. Commissioner Call 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 Certifying the Placement of the Ridley Project on the Department of Housing and Urban Development's Participation Waitlist for the Rental Assistance Demonstration Program

The Board had been provided copies of a resolution approving the submission of the NNRHA participation in the Department of Housing and Urban Development's Rental Assistance Demonstration (HUD) Program and HUD's Choice Neighborhood Initiative (CNI) as authorized by the NNRHA Board of Commissioners and the City Council of the City of Newport News, VA. NNRHA had requested, in August, 2017, that HUD place the Ridley Courts Project on its waitlist for RAD participation. The RAD designation for Ridley can facilitate the private equity and other resources necessary to undertake the construction of replacement units for the Ridley development.

Commissioner Hunter made a motion to approve the resolution. Commissioner Penrose 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 Approving a Loan Extension Modification of the Newport News Urban Development Action Grant Loan Funds for Pearlie's Restaurant

The Board had been provided copies of a resolution approving a loan extension modification request from Mikel and Evelym Azeem, owners of Pearlie's Restaurant. The owners are requesting that the Authority forgive the outstanding loan balance of $71,262.99. Ms. Wilds is recommending extending the non interest accruing monthly payments of $200 per month through the end of the first quarter of 2018. In April, 2018, Authority and City staff will reevaluate the business for its financial viability and make a recommendation to the board at that time.

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

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October 17, 2017

Report to the Board

A Report to the Board for October, 2017 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 Family Investment Center (FIC) Coordinator, residents from Ridley Place and Lassiter Courts joined the City of Newport News' Choice Neighborhood Initiative staff in attending the 2017 Virginia Statewide Neighborhood Conference at the Richmond Marriott on September 22-23, 2017. Beginning in October, FIC will offer tutoring and homework resources to students under the age of 12. The News and Neighbors, available to all Authority residents, focused on voter registration for the upcoming November elections.

Ms. Dessoffy reviewed the Voucher Utilization Report in the Report to Board. October 16, 2017 the audit insurance was held. The audit process will begin November 27, 2017.

Ms. Ellis reported that last month we advertised for a request for qualifications for Architectural and Engineering services. We received five (5) responses and next month we will bring before the Board recommendations on which firm to partner with.

Ms. Powell reported a resident meeting is scheduled for October 28, 2017 for the Ridley residents, which is a continuation of the requirements for the CNI Implementation grant. Lassiter Courts will be converting under the Rental Assistance Demonstration program and a request for qualifications to bid has been issued for construction companies and a request for construction loan quotes has been issued to financial institutions.

Other Business

Closed Session

Commissioner Berry made a motion to go into closed session for consultation with legal counsel and discussion regarding the acquisition of a real estate parcel in the southeast area of Newport News, in compliance with Virginia Code 2.2-3711 (A) (3). Public discussion would adversely affect property negotiations.

Consultation with legal counsel and briefings by staff members or consultants pertaining to actual or probable litigation, in compliance with Virginia Code 2.2-3711 (A) (7). The motion was seconded by Commissioner Hunter.

The Board authorized the Executive Director make an offer to a bankruptcy trustee in the amount of $350,000 for a real estate parcel in the southeast area of Newport News.

Coming out of closed session a motion was made by Commissioner Berry certifying only public business matters lawfully exempted from open meeting requirements by Virginia Law and only those matters as identified in the motion were discussed in the closed meeting, today. The motion was seconded by Commissioner Hunter in accordance with Virginia Law, 2.2-3711 (A) (7). The resolution is attached to and made a part of these minutes.

Adjournment

There being no other business to come before the Board, Chairman Knight adjourned the meeting at 10:05 a.m.

Secretary-Treasurer