

**Choice Neighborhood I Development Corporation
Board of Directors Special Meeting
February 2, 2024**

227-27th Street
Newport News, VA 23607

Agenda

1. Roll Call
2. New Business
 - a. Consider a resolution approving the permanent loan funding for Choice Neighborhood I and authorizing the President execute documents
3. Any other business to come before the Board
4. Adjourn

ITEM NUMBER 2


New Business

- a. Consider a resolution approving the permanent loan funding for Choice Neighborhood I and authorizing the President execute documents

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CHOICE NEIGHBORHOOD I DEVELOPMENT CORPORATION

MEMORANDUM

DATE: January 31, 2024
TO: All Members, Board of Directors
FROM: Karen R. Wilds
Executive Director 
SUBJECT: Permanent Financing Loan Approvals

As it is necessary to close on the permanent financing for our project known as the Lift & Rise, I am requesting approval of the attached resolution.

The NNRHA Board is considering a companion action on February 2, 2024.

**RESOLUTION OF
CHOICE NEIGHBORHOOD I DEVELOPMENT CORPORATION AS MANAGER OF
CHOICE NEIGHBORHOOD I LLC**

WHEREAS, the Newport News Redevelopment and Housing Authority (the “Authority”), was created pursuant to the Virginia Housing Authorities Law (the “Act”), Chapter 1, Title 36, Code of Virginia of 1950, as amended (the “Virginia Code”), and exist and operates as a public body corporate and politic; and

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

WHEREAS, the City of Newport News, Virginia (the “City”) and the Authority were awarded a Choice Neighborhood Initiative Grant pursuant to that Choice Neighborhood Initiative Implementation Grant Agreement dated June 27, 2019 (the “Grant Agreement”) by and among the United States Department of Housing and Urban Development (“HUD”), the Authority and the City; and

WHEREAS, the Authority with consent of the City formed and organized Choice Neighborhood I LLC, a Virginia limited liability company (“Choice I LLC”) and Choice Neighborhood I Development Corporation, a Virginia corporation (“Choice I Development”) to act as manager of Choice I LLC, to develop and construct Carrier Point I, a residential development in the southern part of the City (the “Project”); and

WHEREAS, the Authority has entered into an agreement with Pennrose Holdings, LLC (“Pennrose”), for the development and construction of the Project; and

WHEREAS, the Authority, Choice Neighborhood I, LLC and Pennrose entered certain loan agreements for the design, development, and construction of the Project; and

WHEREAS, the construction is now complete and the parties are obtaining permanent financing through Virginia Housing Development Authority (“VHDA”), and the Virginia Department of Housing and Community Developments (“DHCD”), Virginia Housing Trust Fund (“VHTF”) and the National Housing Trust Fund (“NHTF”) and other funding sources; and

WHEREAS, Choice I is obtaining three loans for permanent financing as follows (1) loan from VHDA in the approximate amount of \$2,347,000, (2) loan from the Authority from funds provided by VHDA and VHTF in the approximate amount of \$700,000 and (3) loan from the Authority provided by DHCD and NHTF in the approximate amount of \$700,000. The loans referenced above are collectively referred to as the “Loans”; and

WHEREAS, the permanent financing of the Project will continue the operations of the Authority and the Project and further discharge its lawful purposes, duties and responsibilities by making additional affordable, safe and sanitary dwelling accommodations available for persons of low or moderate income who reside in the City.

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

1. The recitals made in the preambles to the Resolution are hereby adopted as a part of this Resolution.
2. That the President of Choice I Development as manager of Choice I LLC is hereby authorized to enter into the following documents, all subject to legal counsel review:
 - a. All loan documents associated with the Loans, to include any and all documents, notes, loan agreements, deeds of trust, pledge agreements, regulatory agreements, amendments, modifications, refinancing and any thereof.
 - b. Any and all related and necessary documents needed to effectuate the Loans and the refinance of the construction loans to permanent loans to include any amendments, modifications, and refinancing thereof.
3. The President of Choice I Development shall have the authority to negotiate any further terms, conditions, and requirements for the Loans.
4. The provisions of this Resolution are hereby declared to be separable, and if any section, phrase or provision of this Resolution shall be declared invalid, such invalidity shall not affect the validity of the remainder of the sections phrases and provisions of this Resolution.
5. The Authority shall perform such other acts and adopt such further resolutions as may be required to implement its undertakings hereinabove set forth.
6. This Resolution shall take effect immediately upon its adoption.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK;
CERTIFICATE OF VOTES FOLLOWS]

CERTIFICATE OF VOTES

The following is a record of the vote by the Choice Neighborhood I Development Corporation as manager of Choice Neighborhood I LLC, on the foregoing Resolution, approved at the duly called electronic public meeting of the Authority held on February 2, 2024, after the holding of a public hearing thereon, at which public hearing and meeting a quorum of the Authority was present electronically:

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

Secretary, Newport News Redevelopment and
Housing Authority

ITEM NUMBER 3

Other Business