

A SPECIAL BOARD MEETING IS BEING HELD BY THE NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY ON FEBRUARY 2, 2024 AT 227 27TH STREET, NEWPORT NEWS, VA 23607 AT 12:00PM TO CONSIDER THE FOLLOWING:

- CONSIDER APPROVAL OF THE PERMANENT LOAN FUNDING FOR CHOICE NEIGHBORHOOD I AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE DOCUMENTS**

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

**February 2, 2024
12:00 p.m.
227 27th Street, Newport News**

1. Pledge of Allegiance to the Flag of the United States of America
2. Roll Call
3. New Business
 - a. Consider a resolution approving the permanent loan funding for Choice Neighborhood I and authorizing the Executive Director execute documents
4. Any other business to come before the Board.
 - Comments from the Public: (*Time Limit 3 Minutes*)
5. Adjournment

ITEM NUMBER 3

New Business

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

3a

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY

MEMORANDUM

DATE: January 31, 2024
TO: All Members, Board of Commissioners
FROM: Karen R. Wilds
Executive Director *KRW*
SUBJECT: Choice Neighborhood I Permanent Financing Loan Approvals

The NNRHA, the Development Corporation for the referenced project and Pennrose Development need to close on the permanent financing for the Choice Neighborhood I development, known as Lift and Rise I.

The attached resolution, prepared by Mr. Suttle, sets forth the final loan terms and authorizes the Executive Director to execute documents. A companion action is also needed by the Choice Neighborhood I Development Corporation following the NNRHA Board approval.

**RESOLUTION OF THE
NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
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 created 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”) through the Virginia Housing Trust Fund (“VHTF”) and Virginia Department of Housing and Community Development through the National Housing Trust Fund (“NHTF”) and other financing sources; and

WHEREAS, the Authority is making two loans to Choice I in the approximate amount of \$700,000 (the “Sponsor Loans”) each to be funded from funds provided by VHDA and DHCD through VHTF and NHTF (the “Deferred Loans”) (the Deferred Loans and the Sponsor Loans 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 Secretary of the Authority is hereby authorized to enter into the following documents, all subject to legal counsel review:
 - a. All loan documents with Choice I, LLC, VHDA and DHCD to affect both the Deferred Loans and the Sponsor Loans, to include any and all documents, notes, loan agreements, deed of trusts, pledge agreements, regulatory agreements, amendments, modifications and refinancing 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, or refinancing thereof.
3. The Secretary 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 Newport News Redevelopment and Housing Authority (the "Authority"), 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 NO. 4
Other Business