

COMMISSIONERS' REGULAR BOARD MEETING
November 13, 2017

Resolution(s) Passed:

- (17-27) Resolution authorizing and approving the issuance of \$6,000,000 Multifamily Housing Revenue Bonds for the Construction, Renovation, Rehabilitation and Equipping of the approximately 45-unit Church Hill North Phase 1B Multifamily Housing facility located in the City of Richmond, Virginia and the Execution of Related Documents

MOTIONS: Harrigan/Jones

VOTE: Aye: Adams, Blount, Harrigan, Olds, Young, Jones, Abbott, Kessler

ABSTAIN: None

ABSENT: Coleman

- (17-28) Resolution of the Richmond Redevelopment and Housing Approving the Submission of a Disposition and Demolition Application to the Department of Housing and Urban Development

MOTIONS: Kessler/Harrigan

VOTE: Aye: Adams, Blount, Harrigan, Olds, Young, Jones, Kessler

ABSTAIN: None

ABSENT: Coleman, Abbott

- (17-29) Resolution of the Richmond Redevelopment and Housing Authority approving the Rental Assistance Demonstration application submissions for Stovall, Bainbridge, Fulton, Randolph, Afton, Old Brook, Fourth Avenue, Lombardy, Fox Manor, Decatur, Stonewall, Townes of River South, Blackwell Cottages, Dove I and Dove II

MOTIONS: Young/Kessler

VOTE: Aye: Adams, Blount, Harrigan, Olds, Young, Jones, Kessler

ABSTAIN: None

ABSENT: Coleman, Abbott

MINUTES OF THE REGULAR MEETING OF THE COMMISSIONERS
OF RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY
HELD IN THE OFFICES OF RRHA
901 CHAMBERLAYNE PARKWAY, RICHMOND, VIRGINIA
ON MONDAY, NOVEMBER 13, 2017

In Attendance:

Board of Commissioners

Robert J. Adams, Chairman
Veronica G. Blount, Vice Chairman
Marilyn B. Olds
Elliott M. Harrigan
Samuel S. Young Jr.
Robley S. Jones
Heidi Abbott
Neil S. Kessler

Absent

Jonathan Coleman

RRHA Staff

T.K. Somanath, Chief Executive Officer

The Chairman called the meeting to order at 5:42 p.m. with Lawrence Pearson serving as Legal Counsel. A quorum was established.

Minutes

The Minutes from the *October 18, 2017 Annual Meeting and Regular Board of Commissioners Meeting* were approved.

1 Motion: (Harrigan/Abbott) Move to adopt the Minutes from the October 18, 2017 Annual Meeting and Regular Board of Commissioners Meeting.

Motion Carried

Absent: Blount, Coleman

Note: Commissioner Blount arrived at 5:45 p.m., after the minutes were voted on.

Citizen Information Period

None at this time.

New Business

Chairman's Comments

Chairman Adams provided the following comments and/or updates:

- Attended the Mayor's housing summit that was held on October 31, 2017. The importance of affordable housing was discussed. At the top of the Mayor's list was the transformation of RRHA's large public housing communities. The Mayor identified three priorities (1) finding a sustainable source of financing, (2)

implementing a comprehensive plan to ensure successful transition of RRHA's residents and (3) look for ways to ensure that a portion of the new housing that is being developed in the city of Richmond is made affordable.

- Attended the NAHRO conference on October 27-29, 2017 in Pittsburgh, PA. He noted that Pittsburgh is very comparable to the city of Richmond and that RRHA can learn a lot from Pittsburgh.
- He mentioned that two tax bills have been proposed by the House of Sentate. The House Bill to eliminate housing bonds will create a very significant problem for RRHA. He encouraged the Commissioners to talk to their senate leaders about this bill.

Chief Executive Officer's Comments

CEO Somanath provided the following comments and/or updates:

- An agency wide staff meeting was held with employees on October 20, 2017 to discuss the budget, RRHA's priorities, and teamwork.
- Representatives from HUD met with RRHA staff on October 30, 2017 and toured RRHA's large public housing communities.
- Stacy Daniels-Fayson gave a brief update on the budget for 2017-2018. Overall, the operating expenses for RRHA are very favorable.

Resolution(s)

The following resolution(s) were presented for consideration:

Agenda Item No. 1 – Resolution authorizing and approving the issuance of \$6,000,000 Multifamily Housing Revenue Bonds for the Construction, Renovation, Rehabilitation and Equipping of the approximately 45-unit Church Hill North Phase 1B Multifamily Housing facility located in the City of Richmond, Virginia and the Execution of Related Documents

(17-27) WHEREAS, pursuant to the Housing Authorities Law, Chapter 1, Title 36 (the "Act") of the Code of Virginia of 1950, as amended (the "Virginia Code"), the Richmond Redevelopment and Housing Authority, a political subdivision of the Commonwealth of Virginia (the "Authority"), is authorized to exercise all the powers set forth in the Act, which include, among other things, the power, within its area of operation or as otherwise permitted under Section 36-23 of the Act, to make loans for assistance in planning, development, acquisition, rehabilitation, construction and equipping of facilities used primarily for multifamily residences in order to promote decent, safe and sanitary housing in the Commonwealth of Virginia, to issue its revenue bonds from time to time for such purposes and to pledge all or any part of its revenues derived by the Authority in connection with any such loans made by the Authority to secure the payment of such revenue bonds; and

WHEREAS, there have been described to the Authority the plans to acquire, construct, renovate, rehabilitate and equip a multifamily residential housing project consisting of approximately 45 units to be known as Church Hill North Phase 1B (the "Project"), located at 1611 N. 31st Street, in the City of Richmond, Virginia (the "City") by Church Hill North Phase 1B LLC, a Virginia limited liability company, or an affiliated entity (the "Borrower"); and

WHEREAS, the Project shall be established and maintained as a “qualified residential rental project” within the meaning of Section 142(d) of the Internal Revenue Code of 1986, as amended (the “Code”); and

WHEREAS, the Borrower has requested the Authority to agree to issue its multifamily residential rental housing revenue bonds under the Act in an amount not to exceed \$6,000,000 (the “Bonds”), the proceeds of which will be used to finance costs to be incurred in constructing, renovating, rehabilitating and equipping the Project as permitted under the Act; and

WHEREAS, the Bonds will be limited obligations of the Authority, the principal of and, premium, if any, and interest on which will be payable solely out of the receipts and revenues of the Authority from a Loan Agreement (the “Loan Agreement”), to be dated as of a date on or prior to the date on which it is executed and delivered, among the Authority, the Borrower and a trustee to be named therein (the “Trustee”); and

WHEREAS, the foregoing arrangements will be reflected in documents (the “Bond Documents”) which the Authority proposes to execute to carry out the transaction described above, including the following documents which have been prepared or reviewed by bond counsel to the Authority and presented to the Authority for its approval:

- (a) a Trust Indenture (the “Indenture”) between the Authority and the Trustee (including the form of the Bonds attached thereto as Exhibit A);
- (b) the Loan Agreement; and
- (c) a Bond Purchase Agreement among the Authority, the Borrower and U.S. Bank National Association.

WHEREAS, a public hearing (the “Public Hearing”) has been held on November 13, 2017 with respect to the Project and the Bonds in accordance with Section 147(f) of the Code and Section 15.2-4906, as applicable to housing authorities, of the Virginia Code.

NOW, THEREFORE, BE IT RESOLVED BY THE RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY THAT:

1. The foregoing recitals are approved by the Authority and are incorporated in, and deemed a part of, this resolution.

2. It is hereby found and determined that the construction, renovation, rehabilitation and equipping of the Project for the Borrower will further the public purposes of the Act by assisting in providing housing to low and moderate income persons in the City.

3. It is hereby found and determined that the Project will constitute a “residential building” as that term is defined in the Act.

4. To induce the Borrower to acquire, construct, renovate, rehabilitate and equip the Project and maintain the Project as a “qualified residential rental project” within the meaning of Section 142(d) of the Code, the Authority hereby agrees, subject to approvals required by applicable law, to assist the Borrower in financing the construction, renovation, rehabilitation and equipping of the Project, including the financing of reserve funds as permitted by applicable law, by undertaking the issuance of (and hereby declares its official intent to issue) its multifamily housing revenue bonds therefor in the maximum principal amount not to exceed \$6,000,000 upon the terms and conditions to be mutually agreed upon between the Authority and the Borrower. The Bonds shall be issued in form and pursuant to terms to be set by the Authority. The Bonds may be issued in one or more series at one time or from time to time, and the Bonds of any such series may be either taxable or tax-exempt for purposes of federal income taxation.

5. It having been represented to the Authority that it is necessary to proceed with the acquisition, construction, renovation, rehabilitation and equipping of the Project, the Authority hereby agrees that the Borrower may proceed with the plans for the Project, enter into contracts related to the acquisition, construction, renovation, rehabilitation and equipping of the Project and take such other steps as it may deem appropriate in connection therewith, provided that nothing herein shall be deemed to authorize the Borrower to obligate the Authority without its consent in each instance to the payment of any moneys of the performance of any acts in connection with the Project.

6. The Bonds shall be issued in substantially the form and with substantially the terms set forth in Exhibit A to the Indenture. The Chairman, Vice Chair, Chief Executive Officer and any other officer of the Authority, any of whom may act alone (the "Authorized Official") are each hereby authorized and directed to execute the Bonds, which shall bear interest at the rates (which may be variable or fixed), shall mature on such dates and shall be subject to redemption at such times as are set forth in the Bond Documents. The Authorized Official is hereby authorized to approve the final terms of the Bonds; provided that the interest rate borne by the Bonds shall not exceed the maximum rate permitted by law, the final maturity of the Bonds shall not be later than forty (40) years after the date of the initial issuance of the Bonds, and the aggregate principal amount of the Bonds shall not exceed \$6,000,000. Such approvals shall be evidenced conclusively by the execution and delivery of the Bonds.

7. Each of the Bond Documents and the Bonds shall be in substantially the forms as submitted to this meeting, which are hereby approved, with such completions, omissions, insertions and changes (including, without limitation, changes of the dates thereof and the captions of the Bonds) as may be approved by the Authorized Official executing them, in consultation with Bond Counsel (hereinafter defined), his or her execution to constitute conclusive evidence of the approval of any such completions, omissions, insertions and changes.

8. The Authorized Official is hereby authorized and directed to execute on behalf of the Authority, and to deliver the Bonds, the Bond Documents and such other agreements, certificates, documents and instruments, and to do and perform such things and acts, as are authorized hereby or contemplated by the Bond Documents, and, if required, the Secretary or any other officer of the Authority is authorized and directed to affix the seal of the Authority to the Bonds, the Bond Documents and such other agreements, certificates, documents and instruments and to attest such seal. The signatures of the Authorized Official, the Secretary (or any other officer of the Authority) and the seal of the Authority on the Bonds may be by facsimile.

9. The Authorized Official is hereby authorized and directed to execute and deliver on behalf of the Authority such other agreements, certificates, documents and instruments (including, without limitation, Internal Revenue Service Form 8038, assignments and tax agreements and certificates) and to do and perform such other things and acts, as shall be necessary or appropriate to carry out the transactions authorized by this Resolution or contemplated by the Bonds, the Bond Documents or such other agreements, certificates, documents and instruments. All of the foregoing previously done or performed on behalf of the Authority are in all respects hereby approved, ratified and confirmed.

10. Any authorization herein to execute a document shall include authorization to change the date of such document, record such document where appropriate and to deliver it to the other parties thereto.

11. The Authority hereby designates McGuireWoods LLP, Richmond, Virginia, and Harrell & Chambliss LLP, Richmond, Virginia, to serve as co-bond counsel ("Bond Counsel") and hereby appoints such firms to supervise the proceedings and approve the issuance of the Bonds.

12. All costs and expenses in connection with the financing and the acquisition, construction, renovation, rehabilitation and equipping of the Project, including the fees and expenses of the Authority (including, without limitation, any application fee and/or origination fee), Bond Counsel, counsel for the Authority and any purchaser of the Bonds shall be paid from the proceeds of the Bonds (but only to the extent permitted by applicable law) or by the Borrower. If for any reason such Bonds are not issued, it is understood that all such expenses shall be paid by the Borrower and that the Authority shall have no responsibility therefor.

13. The Borrower has agreed in the Loan Agreement to indemnify and save harmless the Authority, its officers, commissioners, employees and agents from and against all liabilities, obligations, claims, damages, penalties, losses, costs and expenses in any way connected with the issuance and sale of the Bonds.

14. In adopting this resolution the Authority intends to evidence its "official intent" to reimburse the Project expenditures with proceeds from the issuance of the Bonds within the meaning of Treasury Regulations Section 1.150-2.

15. The Bonds shall be limited obligations of the Authority and shall be payable solely out of revenues, receipts and payments specifically pledged therefor. Neither the commissioners, officers, agents or employees of the Authority, past, present and future, nor any person executing the Bonds, shall be liable personally on the Bonds by reason of the issuance thereof. The Bonds shall not be deemed to constitute a general obligation debt or a pledge of the faith and credit of the Commonwealth of Virginia or any political subdivision thereof, including the Authority or the City (and the Bonds shall so state on their face), and neither the Commonwealth of Virginia nor any such political subdivision thereof shall be personally liable thereon, nor in any event shall the Bonds be payable out of any funds or properties other than the special funds and sources provided therefor. Neither the faith and credit nor the taxing power of the Commonwealth of Virginia, or any political subdivision thereof, shall be pledged to the payment of the principal of the Bonds or the interest thereon or other costs incident thereto. The Bonds shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

16. The Authority (including its officers, commissioners, employees and agents) shall not be liable and hereby disclaims all liability to the Borrower and all other persons or entities for any damages, direct or consequential, resulting from the issuance of the Bonds or failure of the Authority to issue the Bonds for any reason. Any obligation of the Authority to exercise its powers in the City to issue the Bonds as requested by the Borrower is contingent upon the satisfaction of all legal requirements and the Authority shall not be liable and hereby disclaims all liability to the Borrower for any damages, direct or consequential, resulting from the Authority's failure to issue Bonds for the Project for any reason, including but not limited to, the failure of the City Council of the City (the "City Council") to approve the issuance of the Bonds.

17. The Authorized Official, or his or her designee, is hereby authorized to request an allocation or allocations of the State Ceiling (as defined in Section 15.2-5000 of the Virginia Code) in accordance with the applicable provisions of the Virginia Code and any regulations or executive orders issued thereunder. All costs incurred by the Authority, if any, in connection with such proceeding shall be paid for by the Borrower.

18. No Bonds may be issued pursuant to this resolution until such time as (a) the issuance of the Bonds has been approved by the City Council and (b) the Bonds have received an allocation or allocations of the State Ceiling in accordance with the applicable provisions of the Virginia Code and any regulations or executive orders issued thereunder.

19. This resolution shall take effect immediately upon its adoption.

2 Motion: (Harrigan/Jones) Move to approve Resolution 1**Motion Carried****Absent: Coleman**

Agenda Item No. 2 – Resolution of the Richmond Redevelopment and Housing Approving the Submission of a Disposition and Demolition Application to the Department of Housing and Urban Development

(17-28) WHEREAS, pursuant to the Housing Authorities Law, Chapter 1, Title 36 of the Code of Virginia, as amended, and specifically Sections 36-19(1) and (4), RRHA is authorized to make and execute contracts and other instruments necessary or convenient to exercise its powers as a housing authority in the Commonwealth of Virginia, and, in connection with any housing project, to sell, lease, exchange, transfer, assign, pledge, or dispose of any real property or any interest therein; and

WHEREAS, HUD regulation Section 18 authorizes a Public Housing Authority (“PHA”) to submit an application to demolish, dispose or both demolish-and-dispose of public housing to HUD’s Special Applications Center under Section 18 of the 1937 Act and 24 CFR part 970 for HUD approval;

NOW THEREFORE, BE IT RESOLVED that the Board does hereby approve the submission of an application to HUD’s Special Applications Center requesting authorization to dispose and/or demolish six large public housing site properties that are in RRHA’s public housing inventory (Gilpin, Whitcomb, Fairfield, Hillside, Mosby Court, and Creighton Court.)

BE IT FURTHER RESOLVED THAT, the Chief Executive Officer, or his designee, is hereby authorized on behalf of RRHA to execute and deliver any and all documents necessary to carry out the intent of this Resolution provided such documents are in a form acceptable to the Chief Executive Officer.

3 Motion: (Kessler/Harrigan) Move to approve Resolution 2**Motion Carried****Absent: Coleman, Abbott**

Discussions were held regarding the lack of resident participation at the meetings that were in November 2017 to discuss RRHA’s plans for public housing. Commissioner Young commented that there is a need for RRHA to be creative to increase resident participation at the community meetings. He volunteered to lead an effort to come up with some creative ways to do this. Chairman Adams agreed that there are some creative things that can be done to reach the residents.

In addition, there were discussions around the role of the family coaches that were hired to work with the residents in the Creighton community. Commissioner Adams asked that staff discuss this item at the Property Management meeting.

1 Action Item: Marcia Davis should provide the Commissioners with a copy of the document that was shared with the residents of the six major public housing communities to discuss RRHA’s plans for public housing.

Note: Commissioner Abbott left at 6:12 p.m. before the vote was taken on Resolution # 2.

Agenda Item No. 3 – Resolution of the Richmond Redevelopment and Housing Authority approving the Rental Assistance Demonstration application submissions for

Stovall, Bainbridge, Fulton, Randolph, Afton, Old Brook, Fourth Avenue, Lombardy, Fox Manor, Decatur, Stonewall, Townes of River South, Blackwell Cottages, Dove I and Dove II

(17-29) WHEREAS, the Consolidated and Further Continuing Appropriations Act of 2012 (Public Law 112-55, approved November 18, 2011), provided fiscal year 2012 appropriations for the U. S. Department of Housing and Urban Development to implement the Rental Assistance Demonstration; and

WHEREAS, the Rental Assistance Demonstration allows public housing authorities to convert public housing developments into long-term, project-based Section 8 rental assistance contracts; whereby this conversion also generates access to private debt and equity to address immediate and long-term capital needs through rehabilitation of the property; and whereby existing residents are not permanently relocated.

WHEREAS, participation in the Rental Assistance Demonstration requires completion of an application and a Board Approval Form, which includes the proposed pro-forma and other key certifications; and

WHEREAS, the Richmond Redevelopment and Housing Authority' has determined to file a RAD Portfolio Application, with the following properties identified for conversion as Part 1 of the Portfolio Application:

1. Blackwell Senior Cottages (tentative)
2. Dove 1 and Dove II (tentative)
3. Townes at River South I
4. Townes at River South II
5. Small Family Sites I (Stovall and Afton)
6. Small Family Sites II (Bainbridge, Randolph, Fulton)
7. Senior sites (Old Brook, Fourth Avenue, Lombardy, Fox Manor, Decatur, Stonewall).

The properties have been selected for the Rental Assistance Demonstration as it provides elderly and family housing. Representative Board approval templates are attached as Exhibit A.

NOW, THEREFORE, BE IT RESOLVED, the Commissioners of Richmond Redevelopment and Housing Authority approve the Rental Assistance Demonstration application for the properties listed above and dated November 27, 2017, and hereby authorize RRHA's Chief Executive Officer to review the final materials, make any necessary updates and approve for filing.

4 Motion: (Young/Kessler) Move to approve Resolution 3

Motion Carried

Absent: Coleman, Abbott

Closed Session

At 6:53 p.m., Commissioner Jones asked to go into closed session and read the following motion:

I move that we go into closed meeting to consult with legal counsel and staff pertaining to actual or probable litigation or other specific legal matters including,

litigation brought by Legal Aid on behalf of public housing residents as permitted by Section 2.2-3711(A)(7) of the Virginia Freedom of Information Act.

5 Motion: (Jones/Young) Move to go into Closed Session.

Motion Carried

Absent: Coleman, Abbott

CERTIFICATION OF CLOSED MEETING

WHEREAS, the Board of Commissioners of the Richmond Redevelopment and Housing Authority (the "Board") convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3711(B) of the Code of Virginia of 1950, as amended, requires a certification by the Board that such closed meeting was conducted in conformity with Virginia law.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Board.

6 Motion: (Jones/Young) Move to accept the certification.

Motion Carried

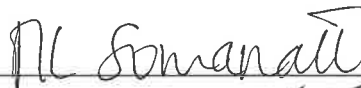
Absent: Coleman, Abbott

Adjournment

There being no further business, the meeting adjourned at 7:31 p.m.



Chairman



Chief Executive Officer/Secretary