

COMMISSIONERS' REGULAR BOARD MEETING
February 21, 2018

Resolution(s) Passed:

- (18-04) Inducement Resolution regarding the Issuance of Multifamily Housing Revenue Bonds for the Acquisition, Construction, Renovation, Rehabilitation and Equipping of the approximately 216 Unit The Belt Atlantic Multifamily Housing Facility located in the City of Richmond, Virginia

MOTIONS: Harrigan/Young

VOTE: Aye: Adams, Blount, Olds, Harrigan, Young, Coleman, Abbott

ABSTAIN: None

ABSENT: Jones, Kessler

- (18-05) Inducement Resolution regarding the Issuance of Multifamily Housing Revenue Bonds for the Acquisition, Construction, Renovation, Rehabilitation and Equipping of the approximately 159-Unit Richmond Artistspace Lofts Multifamily Housing facility located in the City of Richmond, Virginia

MOTIONS: Young/Abbott

VOTE: Aye: Adams, Blount, Olds, Harrigan, Young, Coleman, Abbott

ABSTAIN: None

ABSENT: Jones, Kessler

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 WEDNESDAY, FEBRUARY 21, 2018

In Attendance:

Board of Commissioners

Robert J. Adams, Chairman
Veronica G. Blount, Vice Chairman
Jonathan Coleman
Elliott M. Harrigan
Samuel S. Young Jr.
Marilyn Olds
Heidi Abbott

Absent

Robley S. Jones
Neil S. Kessler

RRHA Staff

Orlando Artze, Interim Chief Executive Officer

The Chairman called the meeting to order at 5:41 p.m. with Lawrence Pearson serving as Legal Counsel. A quorum was established.

Minutes

The Minutes from the *January 23, 2018 Regular Board of Commissioners Meeting* were approved.

1 Motion: (Abbott/Coleman) Move to adopt the Minutes from the January 23, 2018 Regular Board of Commissioners Meeting.

Motion Carried

Absent: Kessler, Jones

Citizen Information Period

Earl Bradley addressed the Board of Commissioners regarding tenants rights as partners.

Nathan Beyah addressed the Board of Commissioners and wanted to know if it is still RRHA's mission to deconcentrate poverty.

New Business

Chairman's Comments

Chairman Adams provided the following comments and/or updates:

- The RRHA Board of Commissioners has established four top priorities for the agency: (1) restoration of heat, (2) handling emergencies and communications, (3) assessing the condition of RRHA's current infrastructure and (4) search for the next chief executive officer

- Several meetings were held with HUD and elected officials regarding the future of public housing.
- The Board and staff will put together a framework to address the future of public housing due to capital funding cuts.
- In an effort to build a relationship between the ROI and RRHA boards, several members from both boards met and discussed the mission and goals of ROI. Commissioner Jonathan Coleman has agreed to represent RRHA's Board of Commissioners at the ROI board meetings.

Interim Chief Executive Officer's Comments

Interim CEO Artze thanked the Commissioners for giving him the opportunity to serve as the Interim CEO of RRHA. He provided the following comments and updates:

- Heating Issues at Creighton Creighton
 - 78 apartments in 13 buildings had a complete loss of heat.
 - Space heaters were provided to the residents in those apartments as a temporary heating source until a permanent solution could be provided.
 - Electric baseboard heaters are being installed as a solution to fix this issue.
 - To date, electric baseboard heaters have been installed in 28 of those apartments.
 - Staff anticipates having the baseboard heating installed in all 78 apartments by the end of March 2018.
- Heating Issues in other RRHA Communities
 - There are 333 apartments in other communities in which one or more of the radiators are not working. The non-working radiators did not cause a complete loss of heat in those apartments.
 - Temporary space heaters were provided to the residents to deal with this heating situation.
 - Staff was able to restore heat in 161 of those apartments by bleeding the radiators.
 - Staff will identify a long term solution to fully restore heat to the remaining 172 apartments.
- Updates were provided to the Board of Commissioners, City Council and Tenant Counsel Presidents on the heating issue in Creighton.
- On February 20, 2018, an update was provided to City Council's Land Use Committee regarding RRHA's heating issues. In addition, basic background information on RRHA was shared with the committee as well.

Discussion:

Commissioner Veronica Blount wanted to know what measures are being taken to ensure that this does not happen again. Interim CEO Artze explained that all maintenance members are being trained on the process to handle basic types of routine maintenance

(such as bleeding radiators). Starting as early as August 2018, maintenance staff will test all of the radiators to ensure that they are working properly in preparation for the upcoming winter season.

Resolution(s)

The following resolution(s) were presented for consideration:

Agenda Item No. 1 – Inducement Resolution regarding the Issuance of Multifamily Housing Revenue Bonds for the Acquisition, Construction, Renovation, Rehabilitation and Equipping of the approximately 216 Unit The Belt Atlantic Multifamily Housing Facility located in the City of Richmond, Virginia

(18-04) WHEREAS, the Richmond Redevelopment and Housing Authority (the "Authority") is empowered, pursuant to the Virginia Housing Authorities Law, Chapter 1, Title 36 (the "Act") of the Code of Virginia of 1950, as amended (the "Virginia Code"), to issue its bonds for the purpose, among others, of financing the Plan of Finance (as hereinafter defined), located within the territorial boundaries of the City of Richmond, Virginia (the "City"); and

WHEREAS, Midlothian Community Partners, LP (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 \$25,000,000 (the "Bonds"), the proceeds of which will be used to finance or refinance a portion of the cost of acquiring, constructing, renovating, rehabilitating and equipping a multifamily residential rental housing project consisting of six 3-story buildings containing approximately 216 units to be known as The Belt Atlantic (the "Project") located at 4000 Midlothian Turnpike, in the City of Richmond, Virginia and the costs of issuance incurred in connection with the issuance of the Bonds (together with the Project, the "Plan of Finance") as permitted under the Act; 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 indicated that the Project will include, among other features, those security measures and renovation activities described on Exhibit A to this resolution (the "Special Project Features"); and

WHEREAS, preliminary plans for the Plan of Finance have been described to the Authority, an Official Intent Resolution with respect to the Bonds was adopted by the Authority on January 23, 2018, and a public hearing (the "Public Hearing") has been held on February 21, 2018 with respect to the Plan of Finance 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; and

WHEREAS, the Authority has determined that it is in the best interest of the Authority to issue its tax-exempt revenue bonds pursuant to the Act, in such amounts as may be necessary to finance the Plan of Finance, and in connection therewith to obtain tax credits for the Project.

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 Plan of Finance 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 undertake the Plan of Finance 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 Plan of Finance, 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 tax-exempt multifamily housing revenue bonds therefor in the maximum principal amount not to exceed \$25,000,000 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. All other acts of the officers of the Authority that are in conformity with the purposes and intent of this resolution and in furtherance of the issuance and sale of the Bonds and the undertaking of the Plan of Finance are hereby ratified, approved and confirmed.

6. The Authority hereby designates McGuireWoods LLP, Tysons, 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.

7. The Authority hereby agrees, if requested, to accept the recommendation of the Borrower with respect to the appointment of a placement agent or underwriter for the sale of Bonds pursuant to the terms to be mutually agreed upon.

8. The Borrower agrees 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.

9. All costs and expenses in connection with the financing and the Plan of Finance, 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 placement agent or underwriter for the sale 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.

10. 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.

11. 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 Plan of Finance 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.

12. The Authority recommends that the City Council approve the issuance of the Bonds.

13. The Secretary of the Authority is authorized and directed to deliver to the City Council (1) a reasonably detailed summary of the comments, if any, expressed at the public hearing, (2) a fiscal impact statement concerning the Plan of Finance and (3) a copy of this resolution.

14. The Chairman or Secretary of the Authority, or the designee of either of them, 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.

15. 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, (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, and (c) the final terms and details of the Bonds have been approved by subsequent resolution of the Authority (including, but not limited to, terms satisfactory to the Authority with respect to the Borrower's commitment to provide the Special Project Features).

16. The approval of the issuance of the Bonds does not constitute an endorsement to a prospective purchase of the Bonds or the creditworthiness of the Plan of Finance of the Borrower.

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

2 Motion: (Harrigan /Young) Move to approve Resolution 1

Motion Carried

Absent: Jones, Kessler

Agenda Item No. 2 – Inducement Resolution regarding the Issuance of Multifamily Housing Revenue Bonds for the Acquisition, Construction, Renovation, Rehabilitation and Equipping of the approximately 159-Unit Richmond Artistspace Lofts Multi-Family Housing facility located in the City of Richmond, Virginia

(18-05) WHEREAS, the Richmond Redevelopment and Housing Authority (the "Authority") is empowered, pursuant to the Virginia Housing Authorities Law, Chapter 1, Title 36 (the "Act") of the Code of Virginia of 1950, as amended (the "Virginia Code"), to issue its bonds for the purpose, among

others, of financing the Plan of Finance (as hereinafter defined), located within the territorial boundaries of the City of Richmond, Virginia (the "City"); and

WHEREAS, at Artisan, LLC (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 \$20,000,000 (the "Bonds"), the proceeds of which will be used to finance or refinance a portion of the cost of acquiring, constructing, renovating, rehabilitating and equipping a multifamily residential rental housing project consisting of two buildings containing approximately 159 units to be known as the Richmond ArtistSpace Lofts (the "Project") located at 716 Jeff Davis Highway, in the City of Richmond, Virginia and the costs of issuance incurred in connection with the issuance of the Bonds (together with the Project, the "Plan of Finance") as permitted under the Act; 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 indicated that it will work in good faith with the Authority to (a) consider accepting certain Housing Choice Vouchers at the Project and (b) endeavor to provide certain job training, employment and/or contracting opportunities to residents of the neighborhoods surrounding the Project (the "Borrower's Special Commitments"); and

WHEREAS, preliminary plans for the Plan of Finance have been described to the Authority, an Official Intent Resolution with respect to the Bonds was adopted by the Authority on January 23, 2018, and a public hearing (the "Public Hearing") has been held on February 21, 2018 with respect to the Plan of Finance 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; and

WHEREAS, the Authority has determined that it is in the best interest of the Authority to issue its tax-exempt revenue bonds pursuant to the Act, in such amounts as may be necessary to finance the Plan of Finance, and in connection therewith to obtain tax credits for the Project.

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 Plan of Finance 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 undertake the Plan of Finance 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 Plan of Finance, 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 tax-exempt multifamily housing revenue bonds therefor in the maximum principal amount not to exceed \$20,000,000 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. All other acts of the officers of the Authority that are in conformity with the purposes and intent of this resolution and in furtherance of the issuance and sale of the Bonds and the undertaking of the Plan of Finance are hereby ratified, approved and confirmed.

6. The Authority hereby designates McGuireWoods LLP, Tysons, 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.

7. The Authority hereby agrees, if requested, to accept the recommendation of the Borrower with respect to the appointment of a placement agent or underwriter for the sale of Bonds pursuant to the terms to be mutually agreed upon.

8. The Borrower agrees 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.

9. All costs and expenses in connection with the financing and the Plan of Finance, 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 placement agent or underwriter for the sale 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.

10. 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.

11. 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 Plan of Finance 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.

12. The Authority recommends that the City Council approve the issuance of the Bonds.

13. The Secretary of the Authority is authorized and directed to deliver to the City Council (1) a reasonably detailed summary of the comments, if any, expressed at the public hearing, (2) a fiscal impact statement concerning the Plan of Finance and (3) a copy of this resolution.

14. The Chairman or Secretary of the Authority, or the designee of either of them, 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.

15. 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, (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, and (c) the final terms and details of the Bonds have been approved by subsequent resolution of the Authority (including, but not limited to, terms satisfactory to the Authority with respect to the Borrower's commitment to provide the Borrower's Special Commitments).

16. The approval of the issuance of the Bonds does not constitute an endorsement to a prospective purchase of the Bonds or the creditworthiness of the Plan of Finance of the Borrower.

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

3 Motion: (Young/Abbott) Move to approve Resolution 2

Motion Carried

Absent: Jones, Kessler

Other Item

Interim CEO Artze and Chairman Adams thanked Lawrence Pearson for his service to RRHA over the last few years as General Counsel.

Adjournment

There being no further business, the meeting adjourned at 6:48 p.m.



Chairman



Interim Chief Executive Officer/Secretary