

COMMISSIONERS' SPECIAL BOARD MEETING
December 16, 2019

Resolution(s) Passed:

19-33 Resolution Authorizing and approving the issuance of Multifamily Housing Revenue Refunding Bonds for the Refinancing of the Acquisition, Construction, Renovation, Rehabilitation and Equipping of the approximately 143-Unit Bellevue Apartments Multifamily Housing facility located in the City of Richmond, Virginia and the execution of related documents

MOTIONS: Adams/Harrigan

VOTE: Aye: Harrigan, Young, Coleman, Jones, Adams

ABSTAIN: Kessler

ABSENT: Blount, Olds

19-34 Resolution by the Richmond Redevelopment and Housing Authority Approving, Ratifying, and Authorizing (1) the Chief Executive Officer in executing and delivering all closing documents pertaining to the Baker School Apartments RAD Transaction, and (2) the Chief Executive Officer to take such other actions as the Chief Executive Officer deems necessary to carry out this Resolution and closing

MOTIONS: Jones/Harrigan

VOTE: Aye: Kessler, Harrigan, Young, Coleman, Jones, Adams

ABSTAIN:

ABSENT: Blount, Olds

MINUTES OF THE SPECIAL MEETING OF THE COMMISSIONERS
OF RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY
HELD AT THE CALHOUN CENTER
436 CALHOUN STREET, RICHMOND, VIRGINIA
ON MONDAY, DECEMBER 16, 2019

In Attendance:

Board of Commissioners

Veronica G. Blount, Chairman
Neil Kessler, Vice Chairman
Elliott Harrigan
Samuel S. Young, Jr.
Jonathan Coleman
Robley Jones
Robert J. Adams

Absent

Marilyn Olds

RRHA Staff

Damon E. Duncan, Chief Executive Officer

Vice Chairman Kessler called the meeting to order at 3:03 p.m. with Cory Wolfe serving as Legal Counsel. A quorum was established.

Citizen Information Period

No citizens were scheduled to speak.

Introductions

Vice Chairman Kessler introduced Angela Fountain, RRHA's new Director of Communications and Public Relations. Ms. Fountain provided brief comments and stated that she is excited to join the RRHA team and is looking forward to putting out untold stories about RRHA.

Chairman/CEO Reports

Chief Executive Officer's comments – CEO Damon Duncan provided the following comments and/or updates:

- He stated that working closely with RRHA's partners can create a comprehensive strategy that will mutually benefit everyone by creating avenues of success for our residents and an overall better quality of life.
- He mentioned that RRHA's public safety director was instrumental in assisting law enforcement with intelligence that led to several arrests that were tied to some of the rash of violence that occurred over the last few weeks.
- He was one of four panelists who served on a panel for the VHDA board meeting during the Governor's conference. The discussions were held with several housing authorities on the current use of the Low Income Housing Tax Credit Program as well as their future needs going forward.

- Residents Services is submitting a grant opportunity for supportive services for families through the Housing Trust Fund. The application will be submitted this week.
- The lease enforcement moratorium has been extended through January 31, 2020.

Resolution(s)

Agenda Item No. 1 – Resolution Authorizing and approving the issuance of Multifamily Housing Revenue Refunding Bonds for the Refinancing of the Acquisition, Construction, Renovation, Rehabilitation and Equipping of the approximately 143-Unit Bellevue Apartments Multifamily Housing facility located in the City of Richmond, Virginia and the execution of related documents

(19-33) WHEREAS, 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”), 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 Richmond Redevelopment and Housing Authority (the “Authority”) the plans to refinance the acquisition, construction, renovation, rehabilitation and equipping of a multifamily residential housing project consisting of sixteen buildings containing approximately 143 dwelling units representing approximately 119,899 net rentable square feet and one leasing office known as Bellevue Apartments (the “Project”), located on approximately 7.48 acres on tax map Parcel Number N0002351027 at 4203 Chamberlayne Avenue and Parcel Number N0002351011 at 4210 Old Brook Road, in the City of Richmond, Virginia (the “City”) by Code Genesis Bellevue LLC, a Virginia limited liability company, or an affiliated entity (the “Borrower”); and

WHEREAS, the Project has and 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 is required pursuant to 26 U.S.C. Section 42(h)(6)(B)(iv) to implement an extended low-income housing commitment at the Project which prohibits the Borrower from refusing to lease any holder of a voucher or certificate of eligibility under Section 8 of the United States Housing Act of 1937 because of the status of any prospective tenant as such a holder; and

WHEREAS, the Borrower has requested the Authority to agree to issue its multifamily residential rental housing revenue refunding bonds under the Act in an amount not to exceed \$10,000,000 (the “Bonds”), the proceeds of which will be used to refinance costs incurred in acquiring, 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 the Project Loan Agreement (the “Project Loan Agreement”), dated as of January 1, 2017, among the

Authority, the Borrower and U.S. Bank National Association, as fiscal agent to (the "Fiscal Agent"), as modified by the below-defined Modification Documents; and

WHEREAS, the foregoing arrangements will be reflected in documents to be prepared or reviewed by Bond Counsel (as defined below) to modify the Project Loan Agreement and the other documents previously executed and delivered by the Authority in connection with the original issuance by the Authority of the bonds to be refinanced and refunded by the Bonds (the "Modification Documents"), which the Authority proposes to execute to carry out the transactions described above; and

WHEREAS, a public hearing (the "Public Hearing") was held by the Authority on November 18, 2019 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 refinancing of the acquisition, 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 constitutes "residential buildings" as that term is defined in the Act.
4. To induce the Borrower to refinance the acquisition, construction, renovation, rehabilitation and equipping 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 refinancing the acquisition, construction, renovation, rehabilitation and equipping of the Project, including the refinancing 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 refunding bonds therefor in the maximum principal amount not to exceed \$10,000,000 in one or more tax-exempt series (the "Tax-Exempt Refunding Bonds") or taxable series, at one time or from time to time.
5. It having been represented to the Authority that it is necessary to proceed with the refinancing of 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 refinancing of 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 refinancing of the Project.
6. The Bonds shall be issued in substantially the form and with substantially the terms set forth in the Modification Documents. The Chairman, Vice Chairman, Secretary-Treasurer, 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 Modification Documents. The Bonds 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 Modification 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-five (45) years after the date of the initial issuance of the Bonds, and the aggregate principal amount of the Bonds shall not exceed \$10,000,000. Such approvals shall be evidenced conclusively by the execution and delivery of the Bonds.

7. Each of the Modification Documents shall be in substantially the forms as prepared or reviewed and approved by Bond Counsel, 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, his or her execution to constitute conclusive evidence of the approval of any such completions, omissions, insertions and changes. The Modification Documents shall contain covenants from the Borrower and its ultimate parent entities to use their best efforts to arrange for the reasonable and orderly relocation of any current tenants displaced from the Project as a result of the issuance of the Bonds. The execution, delivery and performance by the Authority of the Modification Documents are hereby authorized and directed.

8. The Borrower acknowledges it is required to accept Section 8 Housing Choice Vouchers at the Project in accordance with applicable law and agrees to provide job training, employment and/or contracting opportunities for the residents and businesses of the neighborhoods surrounding the Project in consultation with the Authority.

9. The Authorized Official is hereby authorized and directed to execute on behalf of the Authority, and to deliver the Bonds, the Modification 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 Modification Documents, and, if required, the Secretary-Treasurer or any other officer of the Authority is authorized and directed to affix the seal of the Authority to the Bonds, the Modification Documents and such other agreements, certificates, documents and instruments and to attest such seal. The signatures of the Authorized Official, the Secretary-Treasurer (or any other officer of the Authority) and the seal of the Authority on the Bonds may be by facsimile.

10. 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, regulatory agreements, Internal Revenue Service Forms 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 Modification 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.

11. 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.

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

13. All costs and expenses in connection with the refinancing of the acquisition, construction, renovation, rehabilitation and equipping of the Project, including the fees and expenses of the Authority (including, without limitation, any application fee, origination fee, refunding fee and annual administrative fee), Bond Counsel, counsel for the Authority and any placement agent for or purchaser

of the Bonds and their counsel 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.

14. The Borrower, by receiving the benefit of this resolution, has agreed that the Borrower will cause the Modification Documents to contain a covenant, in form and substance satisfactory to the Authority and its counsel to the effect that the Borrower will 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

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 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, if required in the opinion of Bond Counsel. All costs incurred by the Authority, if any, in connection with such proceedings shall be paid for by the Borrower.

18. The Authority hereby confirms that the Real Estate Committee of the Authority is authorized to conduct the Public Hearing on behalf of the Authority, and the Authority hereby approves, ratifies and confirms in all respects all of the foregoing previously done or performed by the Real Estate Committee on behalf of the Authority.

19. 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) if required in the opinion of Bond Counsel, 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.

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

1 Motion: (Adams/Harrigan) Move to adopt Resolution 1**Motion Carried****Absent: Blount, Olds****Abstain: Kessler**

Agenda Item No. 2 – Resolution by the Richmond Redevelopment and Housing Authority Approving, Ratifying, and Authorizing (1) the Chief Executive Officer in executing and delivering all closing documents pertaining to the Baker School Apartments RAD Transaction, and (2) the Chief Executive Officer to take such other actions as the Chief Executive Officer deems necessary to carry out this Resolution and closing

(19-34) WHEREAS, it is the mission of Richmond Redevelopment and Housing Authority (the “**Authority**”) to provide a safe, secure, clean and quiet community environment for the families and residents of the Authority’s housing projects.

WHEREAS, the Authority and Community Housing, Inc., a Maryland non-stock corporation (the “**Developer**”) entered into that certain Development Agreement for Fay Towers, dated as of June 18, 2014, as amended by that certain First Amendment to Fay Towers Development Agreement, dated as of March 13, 2017 providing for the development of, among other projects, a fifty (50) unit low-income housing project, related amenities and certain commercial space, commonly known as Baker School (“**Baker School**”).

WHEREAS, in furtherance of Baker School, Baker School LLC, a Virginia limited liability company and affiliate of the Developer (the “**Company**”), and the Authority recorded that certain Declaration of Baker School Land Condominium, dated as of November 20, 2019 to establish two (2) land units at Baker School including a land unit intended for residential use (the “**Project**”) and a land unit intended for commercial use (the “**Annex**”).

WHEREAS, the Authority applied to the U.S. Department of Housing and Urban Development (“**HUD**”) to convert fifty (50) units of public housing at Fay Towers to Section 8 Project Based Rental Assistance (“**PBRA**”) assistance and to transfer such PBRA assistance to the Project.

WHEREAS, HUD approved conversion to PBRA assistance and the transfer of assistance to the Project pursuant to the Rental Assistance Demonstration (“**RAD**”) program and that certain Rental Assistance Demonstration Conversion Commitment dated October 18, 2019.

WHEREAS, the Company and the Authority entered into that certain Deed of Ground Lease for the Baker School property date as of December 28, 2018 (the “**Existing Ground Lease**”).

WHEREAS, the Company and the Authority intend to either (i) terminate the Existing Ground Lease and execute a new Deed of Ground Lease for the Annex with an affiliate of Developer and a new Deed of Ground Lease for the Project with the Company or (ii) amend and restate the Existing Ground Lease as an Amended and Restated Deed of Ground Lease for the Annex with an affiliate of Developer and an Amended and Restated Deed of Ground Lease for the Project with the Company (in either instance, the “**Ground Leases**”).

WHEREAS, at execution of the Existing Ground Lease, the Company executed and delivered to the Authority that certain Promissory Note, dated as of December 28, 2017, in original principal amount of \$742,500 (the “**Existing Note**”) as partial payment of the rent due under the Existing Ground Lease.

WHEREAS, the Company and the Authority intend to terminate and cancel the Existing Note and, as payment of rent under the Ground Leases, the Company will execute and deliver to the Authority one or more promissory notes in the approximate aggregate amount of \$966,300, which promissory notes will be secured by a leasehold deed of trust encumbering the Project (collectively with other customary loan documents, the "**Authority Loan Documents**").

WHEREAS, the Project will be financed with, among other financing, two loans from the Virginia Housing Development Authority in the approximate aggregate amount of \$13,610,000 to be evidenced and secured by a deed of trust encumbering the Company's leasehold interest in the Project and the Authority's fee interest in the Project (the "**VHDA Deed of Trust**") and such other loan documents as required by the Virginia Housing Development Authority (collectively, the "**VHDA Loan Documents**")

WHEREAS, pursuant to the RAD program the Authority will enter into Rental Assistance Demonstration Use Agreement and related documents required by HUD under the RAD program (collectively, the "**RAD Documents**") providing for, respectively, PBRA assistance to the Project and long term affordability restrictions at the Project.

WHEREAS, the forgoing financing and RAD conversion activities are essential to the construction, rehabilitation and preservation of affordable housing in the City of Richmond, Virginia and are in furtherance of the Authority's mission.

NOW THEREFORE, the Board of Commissioners of the Authority hereby authorizes and approves the following:

RESOLVED, that Damon E. Duncan, the Chief Executive Officer of the Authority, or his designee, (the "**Authorized Signatory**"), is hereby authorized, empowered and directed to enter the (i) Ground Leases, (ii) Authority Loan Documents, (iii) the RAD Documents, (iv) the VHDA Deed of Trust, (v) the VHDA Loan Documents and (vi) if necessary, documents effectuating the termination of the Existing Ground Lease, and any additional or ancillary documents, instruments, certifications, guarantees, and agreements required thereunder and to take such further actions to carry out the forgoing transactions and as may be necessary in connection with the closing of the Baker School or related thereto;

RESOLVED, that the Authorized Signatory, is authorized, empowered, and directed to negotiate and execute any and all necessary documents, agreements, and/or certifications necessary to complete and close with all funding partners with respect to Baker School;

RESOLVED, that to the extent any of the actions authorized by this Resolution have already been taken, such actions are hereby ratified and confirmed as the valid actions of the Authority, effective as of the date such actions were taken.

This Resolution shall be in full force and effect from and upon its adoption.

2 Motion: (Jones/Harrigan) Move to adopt Resolution 2

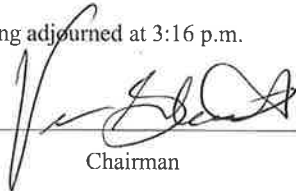
Motion Carried

Absent: Blount, Olds

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Adjournment

There being no further business, the meeting adjourned at 3:16 p.m.



Chairman



Chief Executive Officer/Secretary