

INTRODUCED: June 24, 2019

AN ORDINANCE No. 2019-186

To authorize the Chief Administrative Officer, for and on behalf of the City of Richmond, to execute a Certificate of Completion for the benefit of Church Hill North Phase 2B LLC and the Richmond Redevelopment and Housing Authority at such time as the Chief Administrative Officer has determined that a certain deed condition requiring the construction and development of certain parcels of land as an affordable housing development has been fulfilled and completed.

Patron – Mayor Stoney

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: JUL 22 2019 AT 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That, at such time as the Chief Administrative Officer has determined that the condition under a certain Quit Claim Deed, dated January 23, 2017, and recorded in the land records of the Circuit Court of the City of Richmond on January 26, 2017, as Document No. 17-1669 (the “Deed”), that certain parcels of land located in the city of Richmond, Virginia, conveyed by the City of Richmond to the Richmond Redevelopment and Housing Authority be constructed and developed as an affordable housing development initially financed in part with an allocation of low-income housing tax credits provided through the Virginia Housing Development

AYES: 8 NOES: 0 ABSTAIN: 1
 _____ _____ _____

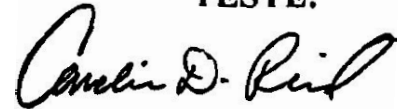
ADOPTED: SEP 23 2019 REJECTED: _____ STRICKEN: _____

Authority has been fulfilled and completed, the Chief Administrative Officer, for and on behalf of the City of Richmond, be and is hereby authorized to execute a Certificate of Completion for the benefit of Church Hill North Phase 2B LLC and the Richmond Redevelopment and Housing Authority for the purpose of certifying, with respect to said parcels, that Church Hill North Phase 2B LLC and the Richmond Redevelopment and Housing Authority have fulfilled and completed the obligation under the Deed to construct and develop said parcels as an affordable housing development initially financed in part with an allocation of low-income housing tax credits provided through the Virginia Housing Development Authority. The Certificate of Completion shall be approved as to form by the City Attorney and shall be substantially in the form of the document attached to this ordinance.

§ 2. This ordinance shall be in force and effect upon adoption.

A TRUE COPY:

TESTE:

A handwritten signature in black ink, appearing to read "Amelia D. Reed".

City Clerk



CITY OF RICHMOND
INTRACITY CORRESPONDENCE

O & R REQUEST
4-8789
MAY 01 2019
Office of the Chief Administrative Officer

O&R REQUEST

DATE: April 25, 2019

EDITION: 1

TO: The Honorable Members of City Council

RECEIVED

THROUGH: The Honorable Levar M. Stoney, Mayor

MAY 20 2019

THROUGH: Selena Cuffee-Glenn, Chief Administrative Officer

OFFICE OF THE CITY ATTORNEY

THROUGH: Sharon Ebert, Deputy Chief Administrative Officer

FROM: Douglas C. Dunlap, Director
Department of Housing and Community Development

RE: To Authorize the Chief Administrative Officer to execute and issue Certificates of Completion on behalf of the City to Church Hill North Phases 1 LLC, Church Hill North Phases 2A LLC, Church Hill North Phases 2B LLC, and Richmond Redevelopment and Housing for Phases 1A, 2A and 2B of the redevelopment of the former Armstrong High School site located at 1116 N. 31st Street and 1501 N. 31st Street.

ORD. OR RES. No. _____

PURPOSE: To Authorize the Chief Administrative Officer to execute and issue Certificates of Completion on behalf of the City to Church Hill North Phases 1 LLC, Church Hill North Phases 2A LLC, Church Hill North Phases 2B LLC, and Richmond Redevelopment and Housing for Phases 1A, 2A and 2B of the redevelopment of the former Armstrong High School site located at 1116 N. 31st Street and 1501 N. 31st Street.

REASON: The City of Richmond recorded a Quit Claim Deed on January 26, 2017 as Document No. 17-1669 which granted and conveyed certain parcels of land located at 1116 N. 31st Street and 1501 N. 31st Street in the City of Richmond, Virginia to the Richmond Redevelopment and Housing Authority for the purpose of redeveloping and revitalization the former Armstrong High School site as a mixed income residential development.

The City Deed provides that if the Property is not constructed and developed as an affordable housing project, financed in part with an allocation of low-income housing tax credits provided through the Virginia Housing Development Authority, title to the Property is subject to a reversionary interest in favor of the City (the "Right of Reversion"). Removing the aforementioned

deed restrictions allows the developer to obtain permanent financing needed to fund the project beyond the construction phase.

The City agrees to relinquish its ability to exercise its Right of Reversion against the Property, and the Landlord will remain the fee owner of the Property, (i) so long as the Tenant is in compliance with the affordability requirements under that certain Extended Use Regulatory Agreement and Declaration of Restrictive Covenants (the "Extended Use Agreement") by and between the Tenant and the Virginia Housing Development Authority.

The Chief Administrative Officer, for and on behalf of the City, shall execute and deliver to the Tenant a Certificate of Completion with respect to the Leased Property in recordable form to be recorded by the Tenant.

The City agrees and does hereby subordinate any right, remedy, title, estate and interest in and to the Phase 1A Property arising as a result of its Right of Reversion to the lien of the Leasehold Mortgage. Without limiting the generality of the foregoing, if title becomes vested in the City, its successor or assigns as a result of the exercise of the Right of Reversion, such title shall be subject and subordinate to the lien of the Leasehold Mortgage.

RECOMMENDATION: The City of Richmond, including the Department of Housing and Community Development, recommend approval.

BACKGROUND: This ordinance request is directly related to Ordinance 2019-100 adopted on March 25th which authorizes the CAO to execute a Certificate of Completion for Phase 1B. The City and Richmond Redevelopment and Housing Authority have committed to address the de-concentration of poverty by redeveloping the former Armstrong High School site (31st Street) where the school structure was demolished and up to 250 new mixed income housing units will be developed.

The result will be a redevelopment effort in the Church Hill North Neighborhood which includes the current Creighton Court site and portions of the Nine Mile Road Corridor. This involves the redevelopment of the Creighton Court public housing complex site (30+ acres) containing 504 public housing units. The phased redevelopment has begun on the former Armstrong High School site. The master developer has been awarded funding to support the development of new homes in the Church Hill North neighborhood. The City has supported the effort by providing additional funding to offset construction cost associated with the planned redevelopment. The City is authorized by Section 36-7 of the Code of Virginia of 1950, as amended (the "Code") to make donations to the Authority to enable or assist the Authority in carrying out its purposes.

FISCAL IMPACT / COST: No Impact

NAFISCAL IMPLICATIONS: NA

BUDGET AMENDMENT NECESSARY: NA

REVENUE TO CITY: NA

DESIRED EFFECTIVE DATE: Upon Adoption

REQUESTED INTRODUCTION DATE: May 28, 2019

CITY COUNCIL PUBLIC HEARING DATE: June 24, 2019

REQUESTED AGENDA: Consent

RECOMMENDED COUNCIL COMMITTEE: Landuse, Housing, and Transformation Standing Committee

CONSIDERATION BY OTHER GOVERNMENTAL ENTITIES:

AFFECTED AGENCIES: Housing and Community Development

RELATIONSHIP TO EXISTING ORD. OR RES.: Ordinance 2015-46-48, Ordinance 2019-100

REQUIRED CHANGES TO WORK PROGRAM(S): NA

ATTACHMENTS: Draft Certificate of Completion Phases 1, 2A and 2B

STAFF: Douglas C. Dunlap, Housing and Community Development – 646-6822

Denise Lawus, Housing and Community Development – 646-3975

RECORD AND RETURN TO:

CERTIFICATE OF COMPLETION

MADE this _____ day of _____, [20__]

FROM

THE CITY OF RICHMOND, VIRGINIA, a municipal corporation of the Commonwealth of Virginia (the "City"),

TO

CHURCH HILL NORTH PHASE 2B LLC, a Virginia limited liability company, (the "Owner")

AND

RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY, a political subdivision of the Commonwealth of Virginia (together with its successors and assigns, the "Landlord").

RECITALS

A. The City by a Quit Claim Deed dated January 23, 2017 and recorded in the Clerk's Office of the City of Richmond (the "Clerk's Office") on January 26, 2017 as Document No. 17-1669 (the "City Deed") granted and conveyed certain parcels of land located in the City of Richmond, Virginia (the "Property") to the Landlord.

B. The Landlord conveyed a 99-year leasehold interest in a portion of the Property (the "Leased Property") to the Owner as more particularly described on Exhibit A attached hereto by Memorandum of Deed of Ground Lease dated as of [____], [201_] (the "Memorandum") and recorded with the Clerk's Office on [____], [201_] as Document No. [_____].

C. The City Deed provides that if the Leased Property is not constructed and developed as an affordable housing development initially financed in part with an allocation of low-income housing tax credits ("LIHTC's") provided through the Virginia Housing Development Authority ("VHDA") title to the Leased Property is subject to a right of re-entry in favor of the City (the "Right of Re-Entry").

D. The Owner has completed the construction and development on the Leased Property of a building containing 45 housing units for low-income seniors initially financed in part with an allocation of LIHTCs through the VHDA.

E. The City desires to certify to the Owner and Landlord that (i) the obligation under the City Deed to construct and develop on the Leased Property an affordable housing development initially financed in part with an allocation of LIHTCs provided through the VHDA has been fulfilled and completed; and (ii) the Right of Re-Entry is of no further force and effect as of the date set forth above; and

NOW, THEREFORE, the City does hereby certify to the Owner and Landlord that (i) the Owner and Landlord have fulfilled and completed the obligation under the City Deed to construct and develop on the Leased Property an affordable housing development initially financed in part with an

allocation of LIHTCs provided through the VHDA; and (ii) the Right of Re-Entry is of no further force and effect as of the date of this Certificate.

This Certification shall constitute a conclusive determination of satisfaction of the obligation under the City Deed to construct and develop on the Leased Property an affordable housing development initially financed in part with an allocation of LIHTCs provided through the VHDA.

This Certification shall further mean that neither the City nor any other party shall hereinafter have nor be entitled to exercise the Right of Entry with respect to the Leased Property or any part thereof so sold (or in the case of lease with respect to the leasehold interest).

[SIGNATURE PAGE FOLLOWS]

MADE and entered into as of the day and year first above written.

ATTEST:

THE CITY OF RICHMOND, VIRGINIA

Name:
Title:

By: _____
Name:
Title:

COMMONWEALTH OF VIRGINIA

)
) SS:
)

COUNTY OF [_____]

On this, the _____ day of _____, 20____, before me, a Notary Public, the undersigned officer, personally appeared [_____], who acknowledged him/herself to be the [_____] of the City of Richmond, Virginia, and that /she has such office, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the City of Richmond, Virginia by him/herself as such officer.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public

APPROVED AS TO FORM

Bonnie M. Ashley
Deputy City Attorney

EXHIBIT A

Legal Description

ALL those certain lots, pieces or parcels of land lying and being in the City of Richmond, Virginia shown and designated as Lots 69 and 70, on subdivision plat prepared by H&B Surveying and Mapping, LLC, entitled, "FINAL PLAT OF CHURCH HILL NORTH SUBDIVISION 7th DISTRICT * CITY OF RICHMOND, VIRGINIA", recorded January 16, 2018, as Instrument No. 180000761, to which plat reference is hereby made for a more particular description of the property hereby conveyed.