

INTRODUCED: November 14, 2016

Expedited Consideration

A RESOLUTION No. 2016-R080

To approve the issuance by the Richmond Redevelopment and Housing Authority of its multifamily housing revenue bonds in an amount up to \$36,290,000 for the acquisition, construction, renovation, rehabilitation and equipping of an approximately 278-unit multifamily residential rental housing project to be known as The Muse Apartments located at 1400 Semmes Avenue in the city of Richmond.

\_\_\_\_\_  
Patron – Ms. Robertson

\_\_\_\_\_  
Approved as to form and legality  
by the City Attorney  
\_\_\_\_\_

PUBLIC HEARING: NOV 14 2016 AT 6 P.M.

WHEREAS, the Richmond Redevelopment Housing Authority (the “Authority”) is authorized to advertise and hold public hearings relative to the issuance of private activity bonds; and

WHEREAS, the Authority has considered the application of The Muse Apartments, LP (the “Borrower”), a Virginia limited partnership, requesting that the Authority issue up to \$36,290,000 of its multifamily residential rental housing revenue bonds (the “Bonds”) to assist the Borrower in financing the acquisition, construction, renovation, rehabilitation and equipping of an approximately 278-unit multifamily residential rental housing project to be known as The Muse

AYES:            9            NOES:            0            ABSTAIN:            \_\_\_\_\_

ADOPTED: NOV 14 2016    REJECTED: \_\_\_\_\_    STRICKEN: \_\_\_\_\_

Apartments (the “Project”) and has held a public hearing in connection therewith on August 11, 2016; and

WHEREAS, section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), provides that the applicable elected representatives of the governmental unit having jurisdiction over the issuer of private activity bonds and over the area in which any facility financed with the proceeds of private activity bonds is located must approve the issuance of such bonds;

WHEREAS, the Authority issues its bonds on behalf of the City of Richmond, Virginia (the “City”), and the Project is located in the City; and

WHEREAS, the Authority, as the issuing governmental unit with respect to the Bonds, has no applicable elected representative, the City constitutes the next highest governmental unit with such a representative, and the members of the City Council of the City (the “Council”) constitute the applicable elected representatives of the City; and

WHEREAS, the Authority has recommended that the Council approve the issuance of the Bonds; and

WHEREAS, a copy of the Authority’s resolution, adopted May 18, 2016, approving the issuance of the Bonds, subject to the terms to be agreed upon, and a certificate of the public hearing have been filed with the Council;

NOW, THEREFORE,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF RICHMOND:

1. That the Council approves the issuance of the Bonds by the Authority for the benefit of the Borrower, as required by section 147(f) of the Code to permit the Authority to assist in the financing of the Project.

2. That the approval of the issuance of the Bonds does not constitute an endorsement to a prospective purchaser of the Bonds of the creditworthiness of the Project or the Borrower.

3. That the Bonds shall provide that neither the City nor the Authority shall be obligated to pay the Bonds or the interest thereon or other costs incident thereto except from the revenues and monies pledged thereto and that neither the faith and credit nor the taxing power of the City or the Authority is pledged to the payment of the principal of the Bonds or the interest thereon or other costs incident thereto.

4. That, in adopting this resolution, the City, including its elected representatives, officers, employees and agents, shall not be liable for, and hereby disclaim all liability for, any damages to any person, direct or consequential, resulting from the Authority's failure to issue the Bonds for any reason.

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



# Richmond City Council

The Voice of the People

Richmond, Virginia

Lou Brown All  
Council Chief of Staff

## Office of the Council Chief of Staff

RECEIVED

NOV 01 2016

## Ordinance/Resolution Request

**TO** Allen Jackson, City Attorney

**THROUGH** Lou Brown All, Council Chief of Staff *LB*

**FROM** Meghan Brown, Deputy Council Chief of Staff *MCB*

**COPY** Ellen F. Robertson, 6<sup>th</sup> District Council Member  
Haskell Brown, Deputy City Attorney  
Kiya Stokes, 6<sup>th</sup> District Liaison

**DATE** October 31, 2016

**PAGE/s** 1 of 2

**TITLE** **Resolution to approve the issuance of multifamily housing revenue bonds by the Richmond Redevelopment and Housing Authority - The Muse Apartments**

OFFICE OF CITY ATTORNEY

This is a request for the drafting of an

Ordinance  Resolution

**REQUESTING COUNCILMEMBER/PATRON**

**SUGGESTED STANDING COMMITTEE**

Councilwoman Robertson

Land Use, Housing and Transportation

### ORDINANCE/RESOLUTION SUMMARY

The patron requests a resolution to express the support of the Richmond City Council the request by The Muse Apartments, LP, a Virginia limited partnership (the "Borrower") for the issuance of up to \$36,290,000 of revenue bonds (the "Bonds") by the Richmond Redevelopment and Housing Authority (the "Authority") to finance a multifamily residential housing project consisting of approximately 278 units to be known as The Muse Apartments, located at 1400 Semmes Avenue, in the City of Richmond.

### BACKGROUND

This resolution is to express City Council's support regarding the request by The Muse Apartments, LP that the Authority issue up to \$36,290,000 of its revenue bonds for which the proceeds are to assist with financing the construction, renovation, rehabilitation and equipping of a multifamily residential housing project consisting of approximately 278 units to be known as The Muse Apartments located at 1400 Semmes Avenue. A public meeting was held on Thursday, August 11, 2016.

The Authority has recommended the City Council approve the issuance of the Bonds and a copy of the Authority's resolution approving the issuance of the Bonds, a certificate of the public hearing, and the fiscal impact statement have been filed with the Council and are attached.



August 11, 2016

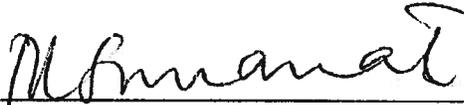
City Council  
City of Richmond  
Richmond, Virginia

**Richmond Redevelopment and Housing Authority  
Proposed Financing for The Muse Apartments**

The Muse Apartments, LP, a Virginia limited partnership (the "Borrower"), has requested that the Richmond Redevelopment and Housing Authority (the "Authority"), issue up to \$36,290,000 of its revenue bonds (the "Bonds") to assist the Borrower or an affiliated entity in financing the acquisition, construction, renovation, rehabilitation and equipping of an approximately 278 unit multifamily residential rental housing project to be known as The Muse Apartments (the "Project") located at 1400 Semmes Avenue within the City of Richmond, Virginia.

As set forth in the resolution of the Authority attached hereto (the "Resolution"), the Authority has agreed to issue the Bonds as requested. The Authority has conducted a public hearing (the "Public Hearing") on the proposed financing of the Project and has recommended that you approve the issuance of the Bonds as required by Section 147(f) of the Internal Revenue Code of 1986, as amended, Section 15.2-4906, as applicable to housing authorities, of the Code of Virginia of 1950, as amended (the "Virginia Code") and Section 36-19(9) of the Virginia Code.

Attached hereto is (1) a copy of the Resolution, (2) a copy of the notice of the Public Hearing, which was published once a week for two successive weeks in a newspaper having general circulation in the City of Richmond, with the second publication appearing not less than six days nor more than twenty-one days prior to the hearing date, (3) a summary of the comments expressed at the Public Hearing, (4) the fiscal impact statement required pursuant to Virginia Code Section 15.2-4907, as applicable to housing authorities and (5) the form of resolution suggested by counsel to evidence your approval.

  
Secretary, Richmond Redevelopment and  
Housing Authority

**INDUCEMENT RESOLUTION  
REGARDING THE ISSUANCE OF MULTIFAMILY  
HOUSING REVENUE BONDS FOR THE ACQUISITION,  
CONSTRUCTION, RENOVATION, REHABILITATION AND EQUIPPING OF  
THE APPROXIMATELY 278-UNIT THE MUSE APARTMENTS MULTI-  
FAMILY HOUSING FACILITY LOCATED IN THE CITY OF RICHMOND,  
VIRGINIA**

**WHEREAS**, there have been described to the Richmond Redevelopment and Housing Authority (the "Authority") the plans to acquire, construct, renovate, rehabilitate and equip a multifamily residential housing project consisting of approximately 278 units to be known as The Muse Apartments (the "Project"), located at 1400 Semmes Avenue, in the City of Richmond, Virginia (the "City") by The Muse Apartments, LP, a Virginia limited partnership, 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 Authority is empowered, pursuant to the Virginia Housing Authorities Law, Chapter 1, Title 36 of the Code of Virginia of 1950, as amended (the "Act"), to issue its bonds for the purpose, among others, of financing the acquisition, construction and equipping of multifamily residential rental apartment projects such as the Project, located within the territorial boundaries of the City; 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 \$36,290,000 (the "Bonds"), the proceeds of which will be used to finance costs to be incurred in acquiring, constructing, renovating, rehabilitating and equipping the Project as permitted under the Act; and

**WHEREAS**, a public hearing (the "Public Hearing") will be held at a later date with respect to the Project and the Bonds in accordance with Section 147(f) of the 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 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 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 acquisition, 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 tax-exempt multifamily housing revenue bonds therefor in the maximum principal amount not to exceed \$36,290,000 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 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 Authority hereby designates McGuireWoods LLP, Richmond, Virginia, to serve as bond counsel ("Bond Counsel") and hereby appoints such firm 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. 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 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.

9. 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.

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 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.

12. 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 Code of Virginia of 1950, as amended (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.

13. The Authority hereby authorizes and appoints each officer of the Authority and Bond Counsel, or any one of the foregoing, to conduct the Public Hearing.

14. No Bonds may be issued pursuant to this resolution until such time as (a) the Public Hearing has been held, (b) the issuance of the Bonds has been approved by the City Council, (c) 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 (d) the final terms and details of the Bonds have been approved by subsequent resolution of the Authority.

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

Adopted: May 18, 2016

**EXPLANATION:** This is an inducement resolution giving the Richmond Redevelopment and Housing Authority's ("RRHA") preliminary approval to the proposed bond financing of The Muse Apartments. It allows the Borrower to go forward with the proposed bond financing project and, if tax-exempt bonds are ultimately issued, it allows the Borrower to reimburse itself from bond proceeds for qualifying project expenditures made up to 60 days before the adoption of the initial resolution. However, no bonds can be issued before the holding of the Public Hearing, City Council approval, the obtaining of volume cap allocation from the state ceiling administered by the Virginia Department of Housing and Community Development and the adoption of a final bond resolution by RRHA at a subsequent meeting which will approve the substantially final bond documents and the overall parameters of the bond issue (i.e. the principal amount, the term and the interest rate of the bonds).

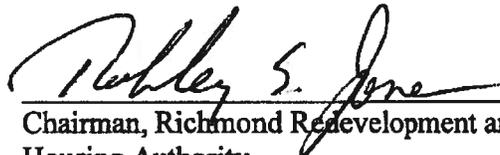
**CERTIFICATE OF VOTES**

Record of the roll-call vote by the Richmond Redevelopment and Housing Authority, upon reading on a resolution titled "INDUCEMENT RESOLUTION REGARDING THE ISSUANCE OF MULTIFAMILY HOUSING REVENUE BONDS FOR THE ACQUISITION, CONSTRUCTION, RENOVATION, REHABILITATION AND EQUIPPING OF THE APPROXIMATELY 278-UNIT THE MUSE APARTMENTS MULTI-FAMILY HOUSING FACILITY LOCATED IN THE CITY OF RICHMOND, VIRGINIA" taken at a meeting of the Authority held on May 18, 2016:

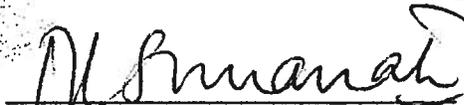
	AYE	NAY	ABSTAIN	ABSENT
Robley S. Jones, Chairman	X			
Samuel S. Young, Jr., Vice Chairman				X
Elliott Harrigan	X			
Jonathan E. Coleman	X			
Robert J. Adams	X			
LaToya Hawks	X			
Marilyn B. Olds				X
Heidi W. Abbott	X			
Neil S. Kessler	X			

Dated: May 18, 2016

(SEAL)

  
 \_\_\_\_\_  
 Chairman, Richmond Redevelopment and Housing Authority

ATTEST:

  
 \_\_\_\_\_  
 Secretary

The undersigned Secretary of the Richmond Redevelopment and Housing Authority hereby certifies that the foregoing is a true, correct, and complete copy of a Resolution adopted by the Authority's commissioners present and voting at a meeting duly called and held on May 18, 2016, in accordance with law, and that such Resolution has not been repealed, revoked, rescinded, or amended, but is in full force and effect as of the date hereof.

WITNESS my hand and the seal of the Authority this 18<sup>th</sup> day of May, 2016.

**RICHMOND REDEVELOPMENT  
AND HOUSING AUTHORITY**

# Richmond Times-Dispatch

Advertising Affidavit

Account Number

6054210

300 E. Franklin Street  
Richmond, Virginia 23219  
(804) 649-6208

Date

August 04, 2016

MCGUIREWOODS LLP  
Attn MARGARET DOLAN  
1750 TYSONS BOULEVARD  
SUITE 1800  
MC LEAN, VA 22102-4215

Date	Category	Description	Ad Size	Total Cost
08/04/2016	Meetings and Events	NOTICE OF PUBLIC HEARING BEFORE THE RICHMOND R	2 x 39 L	516.80

### NOTICE OF PUBLIC HEARING BEFORE THE RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY ON PROPOSED PRIVATE ACTIVITY BOND FINANCING FOR THE MUSE APARTMENTS MULTIFAMILY HOUSING FACILITY

Notice is hereby given that the Richmond Redevelopment and Housing Authority (the "Authority") will hold a public hearing on the request of The Muse Apartments, LP, a Virginia limited partnership (the "Borrower"), whose address is c/o Herman & Kittle Properties, Inc., 500 E. 96th Street, Suite 300, Indianapolis, Indiana 46240, for the issuance by the Authority of up to \$36,290,000 of its revenue bonds to finance or refinance a portion of the cost of acquiring, constructing, renovating, rehabilitating and equipping a multifamily residential rental housing project consisting of an approximately 449,000 square foot, five-story building containing approximately 278 units to be known as The Muse Apartments (the "Project") located at 1400 Semmes Avenue, in the City of Richmond, Virginia. The Project will meet the requirements of a qualified residential rental project within the meaning of Section 143(d) of the Internal Revenue Code of 1986, as amended. The Project will be owned by the Borrower or another entity affiliated with and controlled by Herman & Kittle Properties, Inc. The public hearing, which may be continued or adjourned, will be held at 11:30 a.m. on August 11, 2016 before the Authority at the Authority's offices located at 901 Chamberlayne Parkway, Richmond, Virginia 23228.

The proposed private activity bonds will not pledge the credit or the taxing power of the Authority or the City of Richmond, Virginia but will be payable solely from the revenues derived from the Borrower and pledged therefor.

The public hearing will provide an opportunity for interested persons to be heard and communications and writings to be received and considered. Interested persons wishing to express their views on the issuance of the proposed private activity bonds may also submit written comments prior to the time of the hearing to the Authority's bond counsel, Michael W. Graff, Jr., Esq., 1750 Tysons Boulevard, Suite 1800, Tysons, Virginia 22102. The hearing shall provide the fullest opportunity for the expression of opinion, for argument on the merits, and for the introduction of documentary evidence pertinent to the issuance of the proposed private activity bonds.

RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY

### Publisher of the Richmond Times-Dispatch

This is to certify that the attached NOTICE OF PUBLIC HEARING was published by the Richmond Times-Dispatch, Inc. in the City of Richmond, State of Virginia, on the following dates:

07/28, 08/04/2016

The First insertion being given ... 07/28/2016

Newspaper reference: 0000362368

Sworn to and subscribed before me this

August 4 2016

Kimberly B Harris      Janet Williams  
Notary Public      Supervisor

KIMBERLY B HARRIS  
NOTARY PUBLIC  
Commonwealth of Virginia  
356753

My Commission Expires Jan 31, 2017

State of Virginia  
City of Richmond  
My Commission expires \_\_\_\_\_

## **SUMMARY OF STATEMENTS**

**Representatives of The Muse Apartment, LP, Herman & Kittle Properties, Inc. and McGuireWoods LLP, bond counsel, appeared before the Authority to explain the proposed plan of financing. No one appeared in opposition to the proposed bond issue.**

**FISCAL IMPACT STATEMENT  
FOR PROPOSED BOND FINANCING**

Date: August 15, 2016

**Applicant:** The Muse Apartments, LP

**Facility:** Multi-Family Housing Facility in the City of Richmond, Virginia to be known as The Muse Apartments

- |        |                                                                                                              |              |
|--------|--------------------------------------------------------------------------------------------------------------|--------------|
| 1.     | Maximum amount of financing sought.                                                                          | \$36,290,000 |
| 2.     | Estimated taxable value of the facility's real property to be constructed in the locality.                   | \$18,639,398 |
| 3.     | Estimated real property tax per year using present tax rates.                                                | \$223,672.80 |
| 4.     | Estimated personal property tax per year using present tax rates.                                            | \$N/A        |
| 5.     | Estimated merchants' capital tax per year using present tax rates.                                           | \$N/A        |
| 6. (a) | Estimated dollar value per year of goods that will be purchased from Virginia companies within the locality. | \$210,720    |

Advertising/Marketing	\$31,970
Repairs/maintenance	\$41,700
Pest Control	\$13,900
Pool maintenance	\$5,000
Trash removal	\$20,850
Utilities – Electric	\$41,700
Utilities – Water/sewer	\$55,600

- |     |                                                                                                                  |          |
|-----|------------------------------------------------------------------------------------------------------------------|----------|
| (b) | Estimated dollar value per year of goods that will be purchased from non-Virginia companies within the locality. | \$73,670 |
|-----|------------------------------------------------------------------------------------------------------------------|----------|

Advertising	\$31,970
Repairs/maintenance	\$41,700
DirecTV	0
Internet services	0
Phone and alarms	0

(c) Estimated dollar value per year of services that will be purchased from Virginia companies within the locality. \$60,600

Accounting	0
Advertising	0
Insurance	0
Maintenance/repairs	\$41,700
Management	0
Pest Control	\$13,900
Pool maintenance	\$5,000

(d) Estimated dollar value per year of services that will be purchased from non-Virginia companies within the locality. \$31,970

Advertising/marketing	\$31,970
Phone and alarms	0

7. Estimated number of regular employees on year round basis. 5.5
8. Average annual salary per employee. \$62,686

  
Chairman, Richmond Redevelopment and Housing Authority