



Legislation Text

File #: RES. 2022-R044, **Version:** 1

To permit and approve the issuance by the Harrisonburg Redevelopment and Housing Authority of its multifamily housing revenue bonds in an amount up to \$15,000,000.00 for the acquisition, construction, renovation, rehabilitation and equipping of an approximately 66-unit multifamily residential rental housing project to be known as the Brookland Park Apartments located at 1218, 1224, 1226, and 1228 East Brookland Park Boulevard in the city of Richmond. (6th District)

WHEREAS, the City Council of the City of Richmond, Virginia (the "Council") is the governing body of the city of Richmond, Virginia (the "City"); and

WHEREAS, Brookland Park Apartments (the "Apartments"), is an approximately 66-unit multifamily apartment project to be constructed and located in the City at 1218, 1224, 1226, and 1228 East Brookland Park Boulevard, Richmond, Virginia 23222, which qualifies 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, Nehemiah Ventures, LLC, a Virginia limited liability company, the proposed purchaser of the Apartments (the "Purchaser"), has a contract pursuant to which it will acquire, construct and equip the Apartments; and

WHEREAS, the Purchaser will invest approximately \$243,014.00 per unit on labor and materials to construct the Apartments, which will include approximately 72,244 square feet of space, including a community room for resident programs, an exercise room and flexible community space, which investment will improve the safety and living conditions for citizens of the City who become residents of the Apartments; and

WHEREAS, in accordance with federal tax law that fosters private investments in affordable housing, the Purchaser wishes to access private funds from the capital markets through the sale of tax-exempt bonds in an aggregate amount not to exceed \$15,000,000.00 (the "Bonds") to finance a portion of the costs of the acquisition and rehabilitation of the Apartments, including the costs of the aforementioned improvements (collectively, the "Project");

and

WHEREAS, to accomplish this, the Purchaser has sought assistance from the Harrisonburg Redevelopment and Housing Authority (the “Authority”) as the Purchaser has collaborated with the Authority in prior successful financings and seeks to maximize the economies and efficiencies of such prior collaborations in the process of acquiring, constructing and equipping the Project; and

WHEREAS, the Virginia Housing Authorities Law, Chapter 1, Title 36 of the Code of Virginia of 1950, as amended (the “Act”), allows for the Authority to issue bonds such as the Bonds, for a project such as the Project, located in the City; and

WHEREAS, the Authority held a public hearing on June 15, 2022, on the issuance of revenue bonds to assist in the financing of the Project and adopted a resolution on that same date agreeing to issue its bonds for such purpose, subject to, among other requirements, approval by the Council as required by the Code and Section 36-23 of the Act; and

WHEREAS, the published Agenda for the meeting of the City Council of the City of Harrisonburg, Virginia (the “Harrisonburg Council”) to be held on June 28, 2022, includes as an action item, a resolution approving the issuance of the Bonds; and

WHEREAS, Section 36-23 of the Act authorizes the Authority to provide financing assistance for multifamily residential housing developments in the City, provided the Council, after holding an advertised public hearing on the matter, adopts a resolution which declares a need for the Authority to exercise its powers within the City; and

WHEREAS, the Council held an advertised public hearing on July 5, 2022, regarding the need for the Authority to exercise its powers in the City as required by Section 36-23 of the Act following notice of such hearing in the form attached hereto as Exhibit A, published in a newspaper of general circulation within the City at least ten days prior to the date set for such hearing as required by Section 36-23 of the Act; and

WHEREAS, the Council held an additional, concurrent public hearing on July 5, 2022, on the Apartments and the issuance of the Bonds as required by Section 15.2-4906 of the Code of Virginia of 1950, as amended (the "Virginia Code"), and Section 147(f) of the Code, following notice of such hearing in the form attached hereto as Exhibit B, published in a newspaper of general circulation within the City (i) at least 14 days prior to the date set for such hearing as required by applicable public hearing requirements of the Code and (ii) once a week for two successive weeks with the second advertisement published at least six but not more than 21 days before the date set for such hearing, as required by Section 15.2-4906 of the Virginia Code; and

WHEREAS, a Fiscal Impact Statement complying with the requirements of Section 15.2-4907 of the Virginia Code relating to the Apartments has been filed with the Council; and

WHEREAS, the advertised public hearings provided opportunities for interested persons to be heard, for the expressions of opinion, for arguments on the merits, and for the introduction of documentary evidence pertinent to the proposed issuance of the Bonds and the Authority's exercise of its powers in the City;

NOW, THEREFORE,

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

1. The Council acknowledges that, with the assistance of the Authority through the issuance of its tax-exempt bonds, the financing would enable the aforementioned Apartments to be constructed and equipped, thereby creating approximately 66 new units of affordable, safe, and sanitary housing for persons and families of low to moderate income levels, and thus the safety of the tenants at the Apartments and the surrounding environs of the City would consequently be improved insofar as the improvements would be made with the proceeds of the Bonds, and therefore the Council hereby declares that there is a need for the Authority to exercise its powers within the City.

2. The Council finds, as required by Section 36-23 of the Act, that the additional dwelling accommodations that will be constructed and equipped and available to the citizens of the City of low to moderate income residing in the

Apartments will be new residential units with energy efficient appliances and modern features, and thus will increase the safety and improve the living conditions of citizens of the City, if the Authority exercises its power within the territorial boundaries of the City.

3. The Council makes the appropriate findings as required by Section 36-23 of the Act, and approves the issuance of the Bonds by the Authority for the Apartments, as required by Section 147(f) of the Code and Section 15.2-4906 of the Virginia Code. Each of the Chief Administrative Officer of the City or any delegate of the Chief Administrative Officer is hereby authorized to take such further actions and execute and deliver such other documents, instruments, certificates, or other correspondence (including, without limitation, any acknowledgements of support necessary for the issuance of the Bonds by the Authority), as are not inconsistent with this Resolution and may be necessary or appropriate in the judgement of Purchaser's bond counsel for the issuance of the Bonds by the Authority.

4. This approval does not constitute an endorsement to prospective purchasers of the Bonds or of the creditworthiness of the Apartments or the Purchaser.

5. The issuance of the Bonds shall not create a debt or pledge of the full faith and credit or the taxing power of the Commonwealth of Virginia, the City of Richmond, Virginia, the City of Harrisonburg, Virginia, or the Authority.

6. This resolution applies exclusively to the Project. Nothing contained herein shall be construed to authorize or permit the Authority to exercise its powers or engage in any other project financing within the City except as authorized by this resolution.

7. This resolution shall take effect immediately upon its adoption and will remain in effect for a period of one year from the date of its adoption.