

**CITY OF CHARLOTTESVILLE, VIRGINIA
CITY COUNCIL AGENDA**



Agenda Date:	April 18, 2022
Action Required:	Adoption of Resolution (1 reading only, no public hearing)
Presenter:	Michael W. Graff, Jr. McGuire Woods LLP
Contacts:	John Sales, CRHA Executive Director Lisa Robertson, City Attorney
Title:	City Council Approval for CRHA to Issue Bonds for Midway Manor Affordable Housing Development

Background:

Standard Midway Manor has requested that the CRHA and the City Council approve bonds to help finance the acquiring, constructing, renovating, rehabilitating and equipping of an age restricted multifamily residential rental housing project to be known as Midway Manor Apartments. The bonds are not obligations of the CRHA or the City and have no impact on the City's debt ratings. They are "pass through" or conduit revenue bonds payable solely from the Midway Manor project. When issued by a governmental entity like the CRHA, the bonds carry a tax-advantaged, lower rate of interest and allow the project to qualify for federal housing tax credits (another incentive available to workforce housing development at no cost to the CRHA or the City).

Discussion:

Adoption of a resolution approving the CRHA's upcoming Midway Manor revenue bond issuance for the issuance of revenue bond financing in the amount of up to \$23,000,000 for Standard Midway Manor Venture LP, consisting of completion of the approximately 98 age restricted units located at 100 Ridge Street.

Budgetary Impact:

City staff consulted with the City's Bond Counsel, and have been advised that these bonds would NOT count against the City's debt limit or be taken into account by the rating agencies, unless the City were to provide some sort of financial backing for the bonds.

Alignment with Council Vision Areas and Strategic Plan:

Yes.

Community Engagement:

City Manager Recommendation:

The City Manager recommends approval of the attached Resolution.

Suggested Motion: “I move the RESOLUTION Approving the issuance by the Charlottesville Redevelopment and Housing Authority of its up to \$23,000,000 multifamily revenue bonds for Standard Midway Manor Venture LP”

Attachments:

- Proposed Resolution for City Council’s Approval
- Collected CRHA Materials, documenting CRHA’s approval of the Bond Issue

RESOLUTION

Approving the issuance by the Charlottesville Redevelopment and Housing Authority of its up to \$23,000,000 multifamily revenue bonds for Standard Midway Manor Venture LP

WHEREAS the Charlottesville Redevelopment and 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 Standard Midway Manor Venture LP, a Virginia limited partnership (the “Applicant”) requesting that the Authority issue up to \$23,000,000 of its revenue bonds (the “Bonds”) to assist the Applicant or an entity affiliated with and controlled by, or under common ownership with, the Applicant (the Applicant or such resulting ownership entity hereinafter referred to as the “Borrower”) in acquiring, constructing, renovating, rehabilitating and equipping an age restricted multifamily residential rental housing project to be known as Midway Manor Apartments, to consist of 94 one-bedroom units and 4 two-bedroom units, to be located on approximately 2.32 acres of land located at 100 Ridge Street in Charlottesville, Virginia 22902 (the “Project”), including the financing of reserve funds as permitted by applicable law and the costs of issuance incurred in connection with the issuance of the Bonds. Based on representations of the Applicant, the Project is structured to meet the requirements of a qualified residential rental project within the meaning of Section 142(d) of the Internal Revenue Code of 1986, as amended (the “Code”). The Applicant has represented that the Project will be owned by the Borrower; and

WHEREAS the facilities related to the Project to be financed or refinanced with the Bonds are located in the City of Charlottesville, Virginia; and

WHEREAS, the City of Charlottesville, Virginia is the geographic jurisdiction that contains the site of the Project to be financed or refinanced with the Bonds (“Host”) the City Council of the City of Charlottesville, Virginia (the “City Council”) constitutes the governmental unit having jurisdiction of the Project Site, and Section 147(f) of the Code requires the City Council, as the governmental unit, to approve the issue; and

WHEREAS a copy of the Authority’s resolution authorizing the issuance of the Bonds, a certificate of the public hearing (including a summary of statements expressed at the hearing) and a fiscal impact statement have been filed with the City Council; and

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

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Charlottesville, THAT:

1. The City Council approves the issuance of the Bonds by the Authority for the benefit of the Borrower, to satisfy the requirements of Section 147(f) of the Code, to permit the Authority to assist in the financing of the Project.
2. The approval of the issuance of the Bonds does not constitute City Council’s

endorsement to a prospective purchaser of the Bonds or the creditworthiness of the Project or the creditworthiness of the Borrower.

3. The Bonds shall provide that the City of Charlottesville, Virginia shall not be obligated to pay the Bonds or the interest thereon, or other costs incident thereto, and neither the full faith and credit nor the taxing power of the City of Charlottesville, Virginia is pledged to payment of the principal of the Bonds, or the interest thereon, or other costs incident thereto.

4. The Bonds shall provide that the Authority shall not 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 full faith and credit of the Authority shall not be pledged to the payment of the principal of the Bonds or the interest thereon or other costs incident thereto.

5. In adopting this resolution, the City of Charlottesville, Virginia, including its elected councilors, 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.

The undersigned Clerk of the City Council of Charlottesville, Virginia certifies that the foregoing Resolution was adopted by the City Council on _____, 2022.

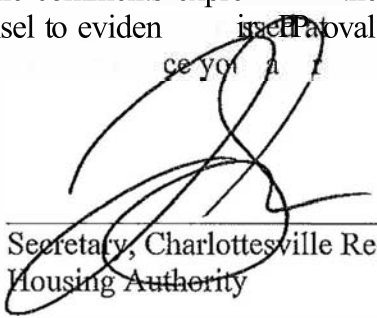
March 21, 2022

**Charlottesville Redevelopment and Housing Authority
Proposed Financing for Standard Midway Manor Venture LP**

Standard Midway Manor Ventnre LP, a Virginia limited partnership (the "Applicant"), has requested that the Charlottesville Redevelopment and Housing Authority (the "Authority") issue up to \$23,000,000 of its revenue bonds (the "Bonds") to assist the Applicant or an entity affiliated with and controlled by, or under common ownership with, the Applicant (the Applicant or such resulting ownership entity hereinafter referred to as the "Borrower") in acquiring, constructing, renovating, rehabilitating and equipping an affordable housing development to be known as Midway Manor Apartments, to consist of 94 one-bedroom units and 4 two-bedroom units, to be located on approximately 2.32 acres of land located at 100 Ridge Street in Charlottesville, Virginia 22902 (the "Project"), including the financing of reserve funds as permitted by applicable law and the costs of issuance incurred in connection with the issuance of the Bonds. The Project will meet the requirements of a qualified residential rental project within the meaning of Section 142(d) of the Internal Revenue Code of 1986, as amended. The Project will be owned by the Borrower.

As set forth in the resolution of the Authority attached as Exhibit C to the certificate described below (the "RBA 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 in satisfaction of the requirements set forth in Section 147(f) of the Internal Revenue Code of 1986, as amended, and Section 15.2-4906 of the Code of Virginia of 1950, as amended (the "Virginia Code").

Attached hereto is (1) a certificate evidencing the conduct of the Public Hearing and adoption of the RHA Resolution, (2) the fiscal impact statement required pursuant to Virginia Code Section 15.2-4907, (3) a summary of the comments expressed at the Public Hearing and (4) the form of resolution suggested by counsel to evidence your approval.



Secretary, Charlottesville Redevelopment and
Housing Authority

CERTIFICATE

The undersigned Secretary of the Charlottesville Redevelopment and Housing Authority (the "Authority") certifies as follows:

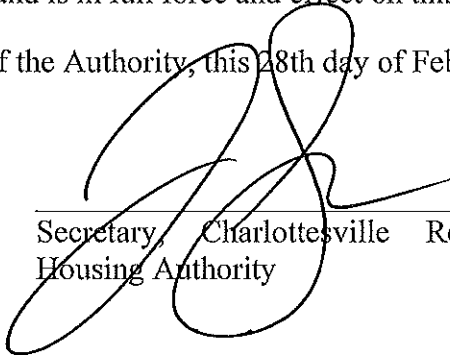
1. A meeting of the Authority was duly called and held at 5:00 p.m. on February 28, 2022 pursuant to proper notice given to each commissioner of the Authority before such meeting. The meeting was open to the public. The time of the meeting and the foregoing arrangements provided a reasonable opportunity for persons of differing views to participate and be heard.

2. The Chair announced the commencement of a public hearing on the application of Standard Midway Manor Venture LP and that a notice of the hearing was published once a week for two successive weeks in a newspaper having general circulation in Charlottesville, Virginia (the "Notice"), with the second publication appearing not less than seven days nor more than twenty-one days prior to the hearing date. A copy of the Notice has been filed with the records of the Authority and is attached as Exhibit A.

3. A summary of the statements made at the public hearing is attached as Exhibit B.

4. Attached as Exhibit C is a true, correct and complete copy of a resolution ("Resolution") adopted at such meeting of the Authority by a majority of the commissioners present at such meeting. The Resolution constitutes all formal action taken by the Authority at such meeting relating to matters referred to in the Resolution. The Resolution has not been repealed, revoked, rescinded or amended and is in full force and effect on this date.

WITNESS my hand and the seal of the Authority, this 28th day of February, 2022.



Secretary, Charlottesville Redevelopment and
Housing Authority

[SEAL]

Exhibits:

A - Copy of Certified Notice

B - Summary of Statements

C - Resolution

The Daily Progress

Advertising Affidavit

Account Number

6050832

P.O. Box 9030
 Charlottesville, Virginia 22906
 (434) 978-7215

Date

February 21, 2022

MCGUIRE WOODS LLP
 GATEWAY PLAZA
 800 EAST CANAL STREET
 RICHMOND, VA 23219

Date	Category	Description	Ad Size	Total Cost
03/02/2022	Legal Notices	NOTICE OF PUBLIC HEARING OF CHARLOTTESVILLE RED	2 x 47 L	860.80

NOTICE OF PUBLIC HEARING OF CHARLOTTESVILLE REDEVELOPMENT AND HOUSING AUTHORITY ON PROPOSED REVENUE BOND FINANCING FOR STANDARD MIDWAY MANOR VENTURE LP

Notice is hereby given that the Charlottesville Redevelopment and Housing Authority (the "Authority"), whose mailing address is 1000 1st Street S, Charlottesville, VA 22902, will hold a public hearing on the application of Standard Midway Manor Venture LP (the "Applicant"), a Virginia limited partnership whose business address is 1901 Avenue of the Stars, Suite 395, Los Angeles, CA 90067. The Applicant has requested the Authority issue up to \$23,800,000 of its revenue bonds (the "Bonds"), in one or more series of qualified residential rental bonds, at one time or from time to time pursuant to a plan of finance, to assist the Applicant in financing or refinancing a portion of the costs of acquiring, constructing, renovating, rehabilitating and equipping an age restricted affordable housing development to be known as Midway Manor Apartments, to consist of 94 one-bedroom units and 4 two-bedroom units, to be located on approximately 2.32 acres of land located at 109 Ridge Street in Charlottesville, Virginia 22902 (the "Project"). The Project will meet the requirements of a qualified residential rental project within the meaning of Section 142(f) of the Internal Revenue Code of 1986, as amended (the "Code").

The Project will be owned by the Applicant or an entity affiliated with and controlled by or under common ownership with the Applicant.

THE ISSUANCE OF THE BONDS AS REQUESTED BY THE APPLICANT WILL NOT CONSTITUTE A DEBT OR PLEDGE OF THE FAITH AND CREDIT OF THE COMMONWEALTH OF VIRGINIA OR ANY OTHER POLITICAL SUBDIVISION THEREOF, INCLUDING THE AUTHORITY AND CHARLOTTESVILLE, VIRGINIA, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COMMONWEALTH OF VIRGINIA OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING CHARLOTTESVILLE, VIRGINIA, WILL BE PLEDGED TO THE PAYMENT OF SUCH BONDS BUT WILL BE PAYABLE SOLELY FROM THE REVENUES DERIVED FROM THE APPLICANT AND PLEDGED TO THE PAYMENT THEREOF.

The public hearing, which may be continued or adjourned, will be held at 6:00 o'clock p.m. on Monday, February 28, 2022, before the Authority. Due to the ongoing COVID-19 pandemic, in accordance with applicable law, the public hearing will be conducted electronically as described below.

Any person interested in the issuance of the Bonds or the facilities to be financed or refinanced with the bond proceeds may participate in the public hearing and present his or her views. The public hearing may be accessed via <https://www.charlottesville.gov/calendar> or by telephone number 1-844-844-8414, PIN Code 1333568.

This notice is published, and the public hearing is being held by or on behalf of the Authority as issuer of the proposed revenue bonds, as required by Section 141(f) of the Code and the regulations promulgated thereunder.

CHARLOTTESVILLE REDEVELOPMENT AND HOUSING AUTHORITY

**Publisher of the
 Daily Progress**


This is to certify that the attached NOTICE OF PUBLIC HEARING was published by the Daily Progress in the city of Charlottesville, in the State of Virginia, on the following dates:

02/14, 02/21/2022

The First insertion being given ... 02/14/2022

Newspaper reference: 0001306570

Sworn to and subscribed before me this Monday, February 21, 2022



 Notary Public



 Billing Representative

State of Virginia
 County of Hanover
 My Commission expires _____

Linh Thuy Le
 Notary Public
 Commonwealth of Virginia
 Reg. No. 7953581
 My Comm. Expires Nov. 30, 2025

CHARLOTTESVILLE REDEVELOPMENT & HOUSING AUTHORITY

P.O. BOX 1405

CHARLOTTESVILLE, VIRGINIA 22902

TELEPHONE/TTY/711: (434) 326-4748 FAX: (434) 971-4797

www.cvillerha.com



CRHA RESOLUTION #1437

**RESOLUTION OF THE CHARLOTTESVILLE)
REDEVELOPMENT AND HOUSING AUTHORITY)
AUTHORIZING AND APPROVING THE)
ISSUANCE OF UP TO \$23,000,000 MULTIFAMILY)
REVENUE BONDS FOR MIDWAY MANOR)
APARTMENTS.**

RECITALS

A. The Charlottesville 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 Charlottesville, Virginia (the "City").

B. To further the Act's purposes, at the request of Standard Midway Manor Venture LP, a Virginia limited partnership (the "Applicant"), the Authority has determined to issue and sell its Multifamily Revenue Bonds in a principal amount not in excess of \$23,000,000 (the "Bonds"), pursuant to the Act, for the purpose of assisting the Applicant or an entity affiliated with and controlled by, or under common ownership with, the Applicant (the Applicant or such resulting ownership entity hereinafter referred to as the "Borrower") in financing or refinancing a portion of the costs of acquiring, constructing, renovating, rehabilitating and equipping an age restricted multifamily residential rental housing project to be known as Midway Manor Apartments, to consist of 94 one-bedroom units and 4 two-bedroom units, to be located on approximately 2.32 acres of land located at 100 Ridge Street in Charlottesville, Virginia 22902 (the "Project"), including the financing of reserve funds as permitted by applicable law and the costs of issuance incurred in connection with the issuance of the Bonds. Based on representations of the Applicant, the Project is structured to meet the requirements of a qualified residential rental project within the meaning of Section 142(d) of the Internal Revenue Code of 1986, as amended. The Applicant has represented that the Project will be owned by the Borrower.

C. Based on the representations of the Applicant and the information submitted concerning the Project, the Authority has determined that the issuance and sale of the Bonds will benefit the inhabitants of Charlottesville, Virginia and the Commonwealth by promoting their health, welfare, convenience and prosperity.



CRHA does not discriminate on the basis of race, color, sex, age, religion, national origin, disability, veteran status, or union affiliations in any of its federally assisted programs and activities.



NOW, THEREFORE, BE IT RESOLVED BY THE CHARLOTTESVILLE REDEVELOPMENT AND HOUSING AUTHORITY OF CHARLOTTESVILLE, VIRGINIA THAT:

1. The foregoing recitals are approved by the Authority and are incorporated in, and deemed a part of, this resolution.

2. Based on the representations of the Applicant and the information submitted concerning the Project, it is hereby found and determined that the Project will further the public purposes of the Act by promoting the health and welfare of the Commonwealth, the City of Charlottesville, Virginia and their citizens.

3. Based on the representations of the Applicant and the information concerning the Project, it is hereby found and determined that the facilities which are the subject of the Project will constitute facilities for use primarily as safe and affordable single or multifamily residences, as described in the Act.

4. To induce the Borrower to acquire, construct, renovate, rehabilitate and equip the facilities which are the subject of the Project as safe and affordable single or multifamily residences within the meaning of the Act, the Authority hereby agrees, subject to approvals required by applicable law, to assist the Borrower in financing the Project by undertaking the issuance of (and hereby declares its official intent to issue) the Bonds in an aggregate principal amount not to exceed \$23,000,000 upon terms and conditions as shall be mutually agreeable to the Authority and the Borrower. The Bonds will be issued pursuant to documents as shall be satisfactory to the Authority and its counsel. The Bonds may be issued in one or more series at one time or from time to time, but in no event later than December 31, 2023, pursuant to the terms of a subsequent resolution or resolutions adopted by the Authority.

5. It having been represented by the Applicant to the Authority that it is necessary to proceed with the financing of the Project, the Authority hereby agrees that the Borrower may proceed with the plans for the Project, enter into contracts related to the financing 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 or the performance of any acts in connection with the Project or any portion thereof. The Authority agrees that the Borrower may be reimbursed from the proceeds of the Bonds for all expenditures and costs so incurred by it, provided such expenditures and costs are properly reimbursable under the Act and applicable federal laws.

6. The Authority hereby designates McGuireWoods LLP, Tysons, Virginia, to serve as bond counsel and hereby appoints such firm to supervise the proceedings and approve the issuance of the Bonds.

7. As a condition of the issuance of the Bonds by the Authority, the Borrower shall agree in the Bond Documents to indemnify and save harmless the Authority, its commissioners, officers, directors, 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.

8. All costs and expenses in connection with the financing of the Project, including the fees and expenses of the Authority (including, without limitation, any application fee and origination fee or annual fee, as applicable), bond counsel, and counsel for the Authority shall be paid from the proceeds of the Bonds (but only to the extent permitted by applicable law) or from moneys provided by the Borrower. If for any reason the Bonds are not issued, it is understood that all such fees and 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 Project expenditures with proceeds from the issuance of the Bonds within the meaning of Treasury Regulations Section 1.150-2.

10. The Chair, the Vice Chair, the Secretary/Treasurer of the Authority, any Assistant Secretary of the Authority, or the designee of any of them, any of whom may act alone, are 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.

11. 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 of Charlottesville, Virginia and (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.

12. 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, directors, 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 or any political subdivision thereof, including the Authority or the Council of the City (the "City Council") (and the Bonds shall so state on their face), and neither the Commonwealth nor any such political subdivision thereof shall be generally 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, 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.

13. The Authority (including its commissioners, officers, directors, 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. The Authority's agreement to exercise its powers 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 to approve the issuance of the Bonds.

14. The Applicant, by receiving the benefit of this resolution, has agreed that the Borrower will cause the documents executed in connection with the issuance of the bonds to contain a covenant, in form and substance satisfactory to the Authority and its counsel, substantially to the effect that the Borrower will agree to pay to the Authority an annual administrative fee which shall be due and payable on the date of issuance of the Bonds and on each annual anniversary date thereof until payment in full of the Bonds, which shall be 1/8 of 1% of the outstanding principal amount of the Bonds.

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

16. No Bonds may be issued pursuant to this resolution until such time as the issuance of the Bonds has been approved by the City Council.

17. 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.

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

RESOLVED THIS TWENTY-EIGHTH DAY OF FEBRUARY 2022 BY THE CRHA BOARD OF COMMISSIONERS.


Dr. A'lelia R. Henry, CRHA Board Chair


John M. Sales, CRHA Secretary

FISCAL IMPACT STATEMENT
FOR PROPOSED BOND FINANCING

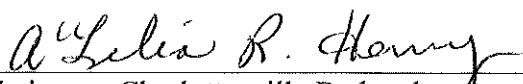
Date: February 28, 2022

To the City Council
of Charlottesville, Virginia

Applicant: Standard Midway Manor Venture LP

Facility: Standard Midway Manor Venture LP

1.	Maximum amount of financing sought.	\$	23,000,000
2.	Estimated taxable value of the facility's real property to be constructed in the locality.	\$	14,025,000
3.	Estimated real property tax per year using present tax rates.	\$	109,725
4.	Estimated personal property tax per year using present tax rates.	\$	500
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.	\$	18,620
	(b) Estimated dollar value per year of goods that will be purchased from non-Virginia companies within the locality.	\$	980
	(c) Estimated dollar value per year of services that will be purchased from Virginia companies within the locality.	\$	23,275
	(d) Estimated dollar value per year of services that will be purchased from non-Virginia companies within the locality.	\$	1,225
7.	Estimated number of regular employees on year round basis.		4
8.	Average annual salary per employee.	\$	\$56,000


Chairman, Charlottesville Redevelopment and
Housing Authority