AGENDA

NEWPORT NEWS CITY COUNCIL
REGULAR CITY COUNCIL MEETING

JUNE 11, 2019

City Council Chambers

7:00 p.m.

A. Call to Order

B. Invocation
   • Reverend Anne Kirchmier, St. Andrew's Episcopal Church

C. Pledge of Allegiance to the Flag of the United States of America
   • Boy Scouts of America, Troop 27, Grace United Methodist Church

D. Presentations - None

E. Public Hearings
   1. Ordinance Authorizing the City Manager to Execute a Deed of Easement for a Utility Easement on a Portion of City-owned Property Located at 1451 48th Street (Copeland Park)
   2. Ordinance Amending and Reordaining City Code Chapter 45, Zoning Ordinance; Article II., Definitions; Section 45-201, Definitions of Certain Words and Terms; By Adding the Definition of Short-Term Rental
   3. Ordinance Amending and Reordaining City Code Chapter 45, Zoning Ordinance; Article IV., Summary of Uses By District; Section 45-402, Summary of Uses By District; By Amending Permitted Uses "B" Residential
   4. Ordinance Amending and Reordaining City Code Chapter 45, Zoning Ordinance; Article V., General Regulations; By Adding Thereto a New Section, Namely: Section 45-517.1 Short Term Rentals

F. Consent Agenda
1. Minutes of the Work Session of May 28, 2019
2. Minutes of the Special Meeting of May 28, 2019
3. Minutes of the Regular Meeting of May 28, 2019
4. Resolution of Recognition: USS Newport News (SSN 750) Commissioning 30th Anniversary
5. Resolution of Recognition: Newport News Shipbuilding Athletic Program 100th Anniversary

G. Other City Council Actions

1. Resolution Authorizing and Directing the City Manager to Execute Any and All Documents Necessary to Effectuate the FY2018 Choice Neighborhoods Initiative (CNI) Implementation Grant Agreement Between the City of Newport News, Virginia and the U.S. Department of Housing and Urban Development (HUD)

H. Appropriations

1. None Submitted

I. Citizen Comments on Matters germane to the Business of City Council

J. *New Business and Councilmember Comments

1. City Manager
2. City Attorney
3. City Clerk
4. Vick
5. Woodbury
6. Cherry
7. Harris
8. Jenkins
9. Price
10. Scott

K. Adjourn

*THE BUSINESS PORTION OF THE MEETING WILL BE CONCLUDED NO LATER THAN 10:00 P.M. TO ALLOW PERSONS TO ADDRESS CITY COUNCIL UNDER "CITIZEN COMMENTS ON MATTERS GERMANE TO THE BUSINESS OF CITY COUNCIL."
A. Call to Order

B. Invocation – Reverend Anne Kirchmier, St. Andrew’s Episcopal Church

C. Pledge of Allegiance to the Flag of the United States of America – Boys Scouts of America, Troop 27, Grace United Methodist Church

D. Presentations
E. Public Hearings

1. Ordinance Authorizing the City Manager to Execute a Deed of Easement for a Utility Easement on a Portion of City-owned Property Located at 1451 48th Street (Copeland Park)

**ACTION:** A REQUEST TO ADOPT AN ORDINANCE AUTHORIZING THE CITY MANAGER TO EXECUTE A DEED OF EASEMENT FOR A UTILITY EASEMENT ON A PORTION OF CITY-OWNED PROPERTY LOCATED AT 1451 48TH STREET (COPELAND PARK) TO RELOCATE OVERHEAD SERVICE LINES.

**BACKGROUND:**
- At its May 28, 2019 Regular Meeting, City Council received one bid in response to a request to receive bids for granting a utility easement over City-owned property located at 1451 48th Street in Copeland Park.
- The easement is needed to relocate overhead service lines, currently in the 48th Street right-of-way, to underground lines that would cross the property associated with our Copeland Park facilities.
- The successful bidder was Dominion Energy Virginia, with a bid of $4,683.00.
- The City Manager recommends approval.

**FISCAL IMPACT:** N/A

**ATTACHMENTS:**
- Memo to HCC re Utility Easement for 1451 48th St 6.5.19
- Plat
- sdm16852 Authorizing re Deed of Easement
TO: The Honorable City Council
FROM: City Manager
SUBJECT: Utility Easement Located at 1451 48th Street (Copeland Park)

A request was received to grant a utility easement over City-owned property located at 1451 48th Street in Copeland Park as shown on the attached map. The easement is needed to relocate overhead service lines, currently in the 48th Street right-of-way, to underground lines that would cross the property associated with our Copeland Park facilities.

City Council received and opened bids for this easement at its May 28, 2019 Regular Meeting. Dominion Energy Virginia was the successful bidder in that process, with a bid of $4,683.00.

The required public hearing on the adoption of an ordinance authorizing the execution of a Deed of Easement to the successful bidder was advertised for City Council’s June 11, 2019 Regular Meeting.

I recommend approval.

Cynthia D. Rohlf

CDR:LBM:sjh

Attachment

cc: Alan K. Archer, Assistant City Manager
    Louis B. Martinez, Director, Department of Waterworks
ORDINANCE NO. __________

AN ORDINANCE AUTHORIZING AND DIRECTING THE CITY MANAGER TO EXECUTE AND THE CITY CLERK TO ATTEST, ON BEHALF OF THE CITY OF NEWPORT NEWS, VIRGINIA, THAT CERTAIN DEED OF EASEMENT BY AND BETWEEN THE CITY OF NEWPORT NEWS, VIRGINIA, AND VIRGINIA ELECTRIC AND POWER COMPANY, D/B/A DOMINION ENERGY VIRGINIA, DATED THE 11TH DAY OF JUNE, 2019, FOR AN EASEMENT ACROSS CITY-OWNED PROPERTY LOCATED AT 1451 48TH STREET, NEWPORT NEWS, VIRGINIA.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Newport News, Virginia:

1. That it hereby authorizes and directs the City Manager to execute and the City Clerk to attest, on behalf of the City of Newport News, Virginia, that certain Deed of Easement by and between the City of Newport News, Virginia, and Virginia Electric and Power Company, d/b/a Dominion Energy Virginia, dated the 11th day of June, 2019, for an easement across City-owned property located at 1451 48th Street, Newport News, Virginia.

2. That a copy of the said Deed of Easement is attached hereto and made a part hereof.
THIS DEED OF EASEMENT, made this 11th day of June, 2019, between the CITY OF NEWPORT NEWS, a municipal corporation of the Commonwealth of Virginia, hereinafter called "GRANTOR" and VIRGINIA ELECTRIC AND POWER COMPANY, D/B/A DOMINION ENERGY VIRGINIA, hereinafter called "GRANTEE," whose mailing address is 902 G. Street, Hampton, Virginia 23661.

NOTICE TO LANDOWNER: YOU ARE CONVEYING RIGHTS TO A PUBLIC SERVICE CORPORATION. A PUBLIC SERVICE CORPORATION MAY HAVE THE RIGHT TO OBTAIN SOME OR ALL OF THESE RIGHTS THROUGH EXERCISE OF EMINENT DOMAIN. TO THE EXTENT THAT ANY OF THE RIGHTS BEING CONVEYED ARE NOT SUBJECT TO EMINENT DOMAIN, YOU HAVE THE RIGHT TO CHOOSE NOT TO CONVEY THOSE RIGHTS AND YOU COULD NOT BE COMPelled TO DO SO. YOU HAVE THE RIGHT TO NEGOTIATE COMPENSATION FOR ANY RIGHTS THAT YOU ARE VOLUNTARILy CONVEYING.

WITNESSETH:

That for the sum of One Dollar ($1.00), cash in hand paid, and other valuable consideration, the receipt whereof is hereby acknowledged, GRANTOR grants unto GRANTEE, its successors and assigns, for a period of forty (40) years from the date of recordation of this deed of easement, the non-exclusive right, privilege and easement, approximately fifteen (15) feet in width and three hundred twenty (320) feet in length, as shown on the Plat referenced below and attached hereto, to construct, operate and maintain one or more underground lines, and one or more lighting supports
and lighting fixtures, as GRANTEE may from time to time deem expedient or advisable, located on the easement hereinafter described, for the purpose of transmitting and distributing electric power by one or more circuits to GRANTOR, for provision of electric power to its facilities and for lighting and such other purposes as requested by GRANTOR; together with all wires, cables, transformers, transformer enclosures, concrete pads, manholes, handholes, connection boxes, ground connections, meters, attachments, equipment, accessories and appurtenances desirable in connection therewith (hereinafter referred to as "facilities").

The said rights, privilege and easement extends over, under, through and across certain lands of GRANTOR, situated in the City of Newport News, Virginia, as shown on Plat No. 22-19-0051 attached hereto and made a part of this Deed of Easement; the location of said easement being shown in broken lines on said Plat, to which plat reference is made for a more particular and accurate description of the easement.

The facilities constructed hereunder shall remain the property of GRANTEE. GRANTEE shall have the right to inspect, rebuild, remove, repair, improve, relocate on the easement, and make such changes, alterations, substitutions, additions to or extensions of its facilities as GRANTEE may from time to time deem advisable.

GRANTEE shall at all times have the right to keep the easement clear of all buildings, structures, and other obstructions (except fences), trees, roots and undergrowth. All trees and limbs cut by GRANTEE shall, except as hereinafter provided, remain the property of GRANTOR. Trees cut by GRANTEE with merchantable trunks six (6) inches or more in diameter will be cut into lengths of not less than four (4) feet when requested by GRANTOR and will be placed in piles
separate from other trees, limbs, and undergrowth cut by GRANTEE. All trees, limbs, roots and
other growth removed during the periodic maintenance of the easement by GRANTEE shall be
disposed of by GRANTEE, and after which GRANTEE shall restore the surface area affected by the
removal to a level grade safe for pedestrian travel.

For the purpose of constructing, inspecting, maintaining or operating its facilities on the
easement on the property of GRANTOR or on its easement on any other property, GRANTEE shall
have the right of ingress and egress over, upon and along such easement. If GRANTEE is unable
reasonably to exercise the right of ingress and egress over, upon and along the easement on the
property of GRANTOR, GRANTEE shall have such right of ingress and egress over the property
of GRANTOR adjacent to the easement. GRANTEE shall have the further right of ingress to and
egress from the easement over such private roads as may now or hereafter exist on the property of
GRANTOR. The right, however, is reserved to GRANTOR to shift, relocate, close or abandon such
private roads at any time. If there are no public or private roads reasonably convenient to the
easement, GRANTEE shall have such right of ingress and egress over the lands of GRANTOR
adjacent to the easement and lying between public and private roads and the easement in such
manner as shall occasion the least practicable damage and inconvenience to GRANTOR.

GRANTEE shall repair damage to roads, fences or other improvements and shall pay
GRANTOR for other damage done in the process of the construction, inspection, or maintenance
of GRANTEE's facilities, or in the exercise of its right of ingress and egress; GRANTEE shall be
liable for all damages resulting from its exercise of the right of ingress and egress across such
adjacent lands, provided GRANTOR gives written notice thereof to GRANTEE within sixty (60)
days after any property damage occurs.
GRANTOR, its successors and assigns, may use the easement for any purpose not inconsistent with the rights hereby granted, provided such use does not interfere with or endanger the construction, operation and maintenance of GRANTEE's facilities and provided that no buildings, structures or other obstructions (except fences) may be constructed on the easement.

In the event that GRANTEE fails or ceases to use the entire easement for a continuous period of two (2) or more years, then all rights and privileges hereby granted to GRANTEE shall forever cease and revert to GRANTOR by operation of law.

The rights, privileges, and easement conveyed pursuant to this Deed of Easement are in addition to, and not in substitution of, any other rights which may be available to GRANTEE to install its facilities on the property.

GRANTOR covenants that it is seized of and has the right to convey the said easement, rights and privileges; that GRANTEE shall have quiet and peaceable possession, use and enjoyment of the aforesaid easement, rights and privileges; and that GRANTOR shall execute such further assurances thereof as may be required.

IN WITNESS WHEREOF, GRANTOR has caused its corporate name to be signed hereto by its City Manager and its corporate seal to be hereunto affixed and attested by its City Clerk.

[SIGNATURE PAGE FOLLOWS]
CITY OF NEWPORT NEWS

By: ____________________________
    City Manager

ATTEST:                         APPROVED AS TO FORM:

By: ____________________________  By: ____________________________
    City Clerk                 City Attorney

COMMONWEALTH OF VIRGINIA
City of Newport News, to wit:

    I, ____________________________, a Notary Public in and for the City and Commonwealth
aforesaid, whose commission expires on the ___ day of ________________, ____, do hereby
certify that the CITY OF NEWPORT NEWS, by Cynthia D. Rohlf, its City Manager, and attested
by Mabel Washington Jenkins, its City Clerk, whose names are signed to the foregoing writing,
hereto annexed, have each acknowledged the same before me in my City and Commonwealth
aforesaid.

    GIVEN under my hand this ___ day of _____________, 2019.

________________________________
Notary Public
Registration No.: __________________

sdm16880
E. Public Hearings

2. Ordinance Amending and Reordaining City Code Chapter 45, Zoning Ordinance; Article II., Definitions; Section 45-201, Definitions of Certain Words and Terms; By Adding the Definition of Short-Term Rental

**ACTION:**

A REQUEST TO ADOPT AN ORDINANCE AMENDING AND REORDAINING CITY CODE CHAPTER 45, ZONING ORDINANCE; ARTICLE II., DEFINITIONS; SECTION 45-201, DEFINITIONS OF CERTAIN WORDS AND TERMS; BY ADDING THE DEFINITION OF SHORT-TERM RENTAL.

**BACKGROUND:**

- This amendment provides a definition of short-term rental in the zoning ordinance.

- On May 1, 2019, the City Planning Commission voted unanimously 9:0 to recommend adoption of the amendment.

**Vote on Roll Call:**

**For:** Carpenter, Stodghill, Wittkamp, Willis, Groce, Maxwell, Fox, Mulvaney, Simmons

**Against:** None

**Abstention:** None

- The City Manager recommends approval.

**FISCAL IMPACT:**

- N/A

**ATTACHMENTS:**

Description

Memo to HCC re Chpt 45 ZT-2019-0004 Ord Amend 5.22.19

Staff Report and CPC Minutes

sdm16564 Sec. 45-201, Definition of certain words and terms (adding short-term rental)
TO: The Honorable City Council

FROM: City Manager

SUBJECT: Chapter 45 Zoning Text No. ZT-2019-0004 Ordinance Amendment

The request is to amend Chapter 45, Zoning Ordinance; Article II., Definitions; Section 45-201. Definition of certain words, to add the definition of short-term rental to the zoning ordinance.

The rise of online hosting platforms has created a way for owners to rent out their homes or rooms for short-term stays. Understanding the potential issues that could occur, the General Assembly enacted Virginia Code Section 15.2-983 in 2017, that allowed localities the ability to regulate short-term rental of property through its general land use and zoning authority. While the city currently does not allow for any type of short-term rentals in single-family zoning districts, it is understood that the use is occurring. This amendment provides a definition of short-term rental in the zoning ordinance.

On May 1, 2019, the City Planning Commission voted unanimously 9:0 to recommend adoption of the zoning text amendment.

I recommend approval.

Cynthia D. Rohl

cc: Sheila W. McAllister, Director, Department of Planning

G:\Cindy Rohl\1 CM CORRESPONDENCE\Correspondence\2019\5May\Memo to HCC re Chpt 45 ZT-2019-0004 Ord Amend 5.22.19.docx
BACKGROUND

The request is to amend Article II, Definitions, Section 45-201, Definition of Certain Words and Terms, to add the definition of short-term rental to the zoning ordinance.

In 2017, the General Assembly enacted Virginia Code section 15.2-983, that allowed localities to regulate short-term rental of property through its general land use and zoning authority. The rise in popularity of the short-term rental industry through many online hosting platforms has created a way for owners to receive income from their homes by enabling them to rent their homes or rooms in their homes for short-term stays.

Currently, the city does not allow for any type of short-term rentals in residentially zoned districts unless they have gone through the conditional use permit process as a Bed and Breakfast. Short-term rentals have the potential of creating issues for adjacent neighbors and changing the character of neighborhoods. A recent survey by city staff on online platforms found several short-term rentals operating within the city limits.

Creating a balance between protecting neighborhoods and residents, while allowing those residents who want to operate short-term rentals in their homes is what the city seeks to accomplish by allowing the use under certain provisions. The proposed amendment provides a definition of short-term rental in the zoning ordinance.

On January 16, 2019, the Regulations Committee reviewed and recommends approval of the above referenced amendment.

STAFF RECOMMENDATION

It is recommended that the City Planning Commission recommend to City Council adoption of zoning ordinance text amendment ZT-2019-0004.

CPC RECOMMENDATION

On May 1, 2019, the Planning Commission voted unanimously (9:0) to recommend to City Council adoption of zoning ordinance text amendment ZT-2019-0004.
APPENDIX

A-1  ARTICLE II. DEFINITIONS, SECTION 45-201, DEFINITION OF CERTAIN WORDS AND TERMS.

A-2  EXCERPTS FROM THE CITY PLANNING COMMISSION MINUTES OF MAY 1, 2019
ORDINANCE NO.____________________

AN ORDINANCE TO AMEND AND REORDAIN CHAPTER 45, ZONING ORDINANCE, OF THE CODE OF THE CITY OF NEWPORT NEWS, VIRGINIA, ARTICLE II, DEFINITIONS, SECTION 45-201, DEFINITION OF CERTAIN WORDS AND TERMS, BY ADDING THE DEFINITION OF SHORT-TERM RENTAL.

WHEREAS, Section 45-201 of the Code of the City of Newport News, Virginia, contains the definition of certain words and terms used in the Zoning Ordinance of the City of Newport News, Virginia; and

WHEREAS, the Newport News Planning Commission, in accordance with applicable law, has recommended an amendment to Section 45-201 which would add the definition of short-term rental; and

WHEREAS, the Council of the City of Newport News, after public notice and hearing as required by law, desires to approve the addition of the definition of short-term rental in Section 45-201.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Newport News, Virginia:

1. That Chapter 45, Zoning Ordinance, of the Code of the City of Newport News, Virginia, Article II., Definitions, Section 45-201, Definition of certain words and terms, be, and the same hereby is, amended and reordained by adding the definition of the term short-term rental, as follows:

   Short-term rental. A lodging house or room that is suitable or intended for occupancy for dwelling, sleeping, or lodging purposes, for a period of fewer than thirty (30) consecutive days, in exchange for a charge and/or fee for the occupancy.

2. That the rest and remainder of Section 45-201 shall not be affected by this amendment, shall remain effective as adopted, shall be deemed incorporated into this ordinance by reference as if fully set forth herein, and shall be deemed reordained hereby.
EXCERPTS FROM PLANNING COMMISSION MINUTES

May 1, 2019

**ZT-2019-0004, City of Newport News** Requests an amendment to the zoning ordinance to add the definition of short-term rental in Section 45-201.

Flora Chioros, Assistant Director – Current Planning, presented the staff report (copy attached to record minutes).

Mr. Carpenter stated the Regulations Committee vetted and support the proposed zoning text amendment.

Mr. Simmons opened and closed the public hearing.

Mr. Mulvaney made a motion to recommend adoption of zoning text amendment ZT-2019-0004 to City Council. The motion was seconded by Mr. Groce.

**Vote on Roll Call**
For: Carpenter, Stodghill, Wittkamp, Willis, Groce, Maxwell, Fox, Mulvaney, Simmons
Against: None
Abstention: None

The Planning Commission voted unanimously (9:0) to recommend adoption of zoning text amendment ZT-2019-0004 to City Council.
AN ORDINANCE TO AMEND AND REORDAIN CHAPTER 45, ZONING ORDINANCE, OF THE CODE OF THE CITY OF NEWPORT NEWS, VIRGINIA, ARTICLE II., DEFINITIONS, SECTION 45-201, DEFINITION OF CERTAIN WORDS AND TERMS, BY ADDING THE DEFINITION OF SHORT-TERM RENTAL.

WHEREAS, Section 45-201 of the Code of the City of Newport News, Virginia, contains the definition of certain words and terms used in the Zoning Ordinance of the City of Newport News, Virginia; and

WHEREAS, the Newport News Planning Commission, in accordance with applicable law, has recommended an amendment, identified as ZT-2019-0004, to Section 45-201 which would add the definition of short-term rental; and

WHEREAS, the Council of the City of Newport News, after public notice and hearing as required by law, desires to approve the addition of the definition of short-term rental in Section 45-201.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Newport News, Virginia:

1. That Chapter 45, Zoning Ordinance, of the Code of the City of Newport News, Virginia, Article II., Definitions, Section 45-201, Definition of certain words and terms, be, and the same hereby is, amended and reordained by adding the definition of the term short-term rental, as follows:

   Short-term rental. A lodging house or room that is suitable or intended for occupancy for dwelling, sleeping, or lodging purposes, for a period of fewer than thirty (30) consecutive days, in exchange for a charge and/or fee for the occupancy.

2. That the rest and remainder of Section 45-201 shall not be affected by this amendment, shall remain effective as adopted, shall be deemed incorporated into this ordinance by reference as if fully set forth herein, and shall be deemed reordained hereby.

3. That this ordinance shall be in effect on and after July 1, 2019.
E. Public Hearings

3. Ordinance Amending and Reordaining City Code Chapter 45, Zoning Ordinance; Article IV., Summary of Uses By District; Section 45-402, Summary of Uses By District; By Amending Permitted Uses "B" Residential

ACTION: A REQUEST TO ADOPT AN ORDINANCE AMENDING AND REORDAINING CITY CODE CHAPTER 45, ZONING ORDINANCE; ARTICLE IV., SUMMARY OF USES BY DISTRICT; SECTION 45-402, SUMMARY OF USES BY DISTRICT; BY AMENDING PERMITTED USES "B" RESIDENTIAL.

BACKGROUND: • The purpose of this amendment is to establish the zoning districts in which short-term rentals will be allowed.

• On May 1, 2019, the City Planning Commission voted unanimously 9:0 to recommend adoption of the amendment.

Vote on Roll Call
For: Stodghill, Wittkamp, Willis, Groce, Maxwell, Fox, Mulvaney, Carpenter, Simmons,
Against: None
Abstention: None

• The City Manager recommends approval.

FISCAL IMPACT: • N/A

ATTACHMENTS:
Description
Memo to HCC re Chpt 45 ZT-2019-0005 Ord Amend 5.22.19
Staff Report and CPC Minutes
rag1571 Sec. 45-402 Summary of Uses by District (adding B.22 Short Term Rental)
TO: The Honorable City Council
FROM: City Manager
SUBJECT: Chapter 45 Zoning Text No. ZT-2019-0005 Ordinance Amendment

The request is to amend Chapter 45, Zoning Ordinance; Article IV., Summary of Uses by District; Section 45-402., Summary of Uses by District, to stipulate in which districts short-term rentals would be allowed to operate in the city.

The purpose of this amendment is to establish in which districts the use will be allowed. In 2017, the General Assembly enacted Virginia Code Section 15.2-983 that allowed localities the ability to regulate short-term rental of property through its general land use and zoning authority. Balancing the interests of residents and protecting the character of neighborhoods, while allowing those residents who want to operate short-term rentals in their homes the ability to do so, is what the proposed regulations seek to provide. The use will be allowed in residential districts R1, R2, R3, R4 Single-Family, and R5 Low Density Multiple Family Dwelling District.

On May 1, 2019, the City Planning Commission voted unanimously 9:0 to recommend adoption of the zoning text amendment.

I recommend approval.

Cynthia D. Rohlf

CDR:SWM:fdc

Attachment

cc: Sheila W. McAllister, Director, Department of Planning
BACKGROUND

The request is to amend Article IV., Summary of Uses by District, Section 45-402, to stipulate in which districts short-term rentals will be allowed to operate in the city. The purpose of this amendment is to establish in which districts the use will be allowed.

The city does not currently allow short-term rentals. However, with the rise of online hosting platforms such as Airbnb, Vacation Rental by Owner (VRBO), FlipKey, Booking and HomeAway the opportunity for property owners to rent their homes or rent out rooms has become easier. This type of short-term rental can create some nuisances to adjacent property owners as well as disrupt neighborhoods.

Understanding the potential issues that could occur, the General Assembly enacted Virginia Code section 15.2-983 in 2017, that allowed localities the ability to regulate short-term rental of property through its general land use and zoning authority. Because the use is occurring in single-family neighborhoods, where such uses were never permitted before, except with approval of a conditional use permit as a bed and breakfast, the amendment will permit them understanding the potential nuisances that may arise. Currently, apartments in multiple-family zoning districts allow for shorter term stays. Therefore, the city is proposing to limit the use within single-family residential districts.

Balancing the interests of residents and protecting the character of neighborhoods, while allowing those residents who want to operate short-term rentals in their homes the ability to do so, is what the proposed regulations seek to provide.

The amendment recommends that short-term rentals are permitted to operate by-right in the following districts: R1, R2, R3 and R4 Single-Family Dwelling Districts, and R5 Low Density Multiple-Family Dwelling District.

On January 16, 2019, the Regulations Committee reviewed and recommends approval of the above referenced amendment.

STAFF RECOMMENDATION

It is recommended that the City Planning Commission recommend to City Council adoption of zoning ordinance text amendment ZT-2019-0005.

CPC RECOMMENDATION

On May 1, 2019, the Planning Commission voted unanimously (9:0) to recommend to City Council adoption of zoning ordinance text amendment ZT-2019-0005.
APPENDIX

A-1  ARTICLE IV. SUMMARY OF USES BY DISTRICT, SECTION 45-402

A-2  EXCERPTS FROM THE CITY PLANNING COMMISSION MINUTES OF MAY 1, 2019
ORDINANCE NO. ________________

AN ORDINANCE TO AMEND AND REORDAIN CHAPTER 45, ZONING ORDINANCE, ARTICLE IV., SUMMARY OF USES BY DISTRICT, SECTION 45-402, SUMMARY OF USES BY DISTRICT, BY AMENDING PERMITTED USES “B” RESIDENTIAL.

WHEREAS, Section 45-402 of the Code of the City of Newport News, Virginia, contains a comprehensive listing of uses permitted by the Zoning Ordinance of the City of Newport News, Virginia, in a “matrix” format; and

WHEREAS, the Newport News Planning Commission, in accordance with applicable law, has recommended an amendment, identified as ZT-2019-0005, to Section 45-402, Summary of Uses by District, which would add use “B.22. Short Term Rental” to allow such use in the R1 Single-Family Dwelling District, R2 Single-Family Dwelling District, R3 Single-Family Dwelling District, R4 Single-Family Dwelling District, and R5 Low Density Multiple-Family Dwelling District by right; and

WHEREAS, the Council of the City of Newport News, after public notice and hearing as required by law, desires to amend Section 45-402, by adding use “B.22. Short Term Rental” to allow such use in the R1 Single-Family Dwelling District, R2 Single-Family Dwelling District, R3 Single-Family Dwelling District, R4 Single-Family Dwelling District, and R5 Low Density Multiple-Family Dwelling District by right.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Newport News, Virginia:

1. That Chapter 45, Zoning Ordinance, of the Code of the City of Newport News, Virginia, Article IV., Summary of Uses by District, Section 45-402, Summary of Uses by District, be, and the same hereby is, amended and reordained by adding use “B.22. Short Term Rental” to allow such use in the R1 Single-Family Dwelling District, R2 Single-Family Dwelling District, R3 Single-Family Dwelling District, R4 Single-Family Dwelling District, and R5 Low Density Multiple-Family Dwelling District by right.

2. The rest and remainder of Section 45-402 shall not be affected by this amendment, shall remain effective as adopted, shall be deemed incorporated into this ordinance by reference as if fully set forth herein and shall be deemed reordained hereby.
EXCERPTS FROM PLANNING COMMISSION MINUTES

May 1, 2019

**ZT-2019-0005, City of Newport News** Requests an amendment to the zoning ordinance to add short-term rentals to the use matrix, Section 45-402.

Flora Chioros, Assistant Director – Current Planning, presented the staff report (copy attached to record minutes).
Mr. Simmons opened and closed the public hearing.

Ms. Fox made a motion to recommend adoption of zoning text amendment ZT-2019-0005 to City Council. The motion was seconded by Mr. Groce.

**Vote on Roll Call**  
For: Stodghill, Wittkamp, Willis, Groce, Maxwell, Fox, Mulvaney, Carpenter, Simmons  
Against: None  
Abstention: None

The Planning Commission voted unanimously (9:0) to recommend adoption of zoning text amendment ZT-2019-0005 to City Council.
ORDINANCE NO. ________________

AN ORDINANCE TO AMEND AND REORDAIN CHAPTER 45, ZONING ORDINANCE, ARTICLE IV., SUMMARY OF USES BY DISTRICT, SECTION 45-402, SUMMARY OF USES BY DISTRICT, BY AMENDING PERMITTED USES “B” RESIDENTIAL.

WHEREAS, Section 45-402 of the Code of the City of Newport News, Virginia, contains a comprehensive listing of uses permitted by the Zoning Ordinance of the City of Newport News, Virginia, in a “matrix” format; and

WHEREAS, the Newport News Planning Commission, in accordance with applicable law, has recommended an amendment, identified as ZT-2019-0005, to Section 45-402, Summary of Uses by District, which would add use “B.22. Short Term Rental” to allow such use in the R1 Single-Family Dwelling District, R2 Single-Family Dwelling District, R3 Single-Family Dwelling District, R4 Single-Family Dwelling District, and R5 Low Density Multiple-Family Dwelling District by right; and

WHEREAS, the Council of the City of Newport News, after public notice and hearing as required by law, desires to amend Section 45-402, by adding use “B.22. Short Term Rental” to allow such use in the R1 Single-Family Dwelling District, R2 Single-Family Dwelling District, R3 Single-Family Dwelling District, R4 Single-Family Dwelling District, and R5 Low Density Multiple-Family Dwelling District by right.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Newport News, Virginia:

1. That Chapter 45, Zoning Ordinance, of the Code of the City of Newport News, Virginia, Article IV., Summary of Uses by District, Section 45-402, Summary of Uses by District, be, and the same hereby is, amended and reordained by adding use “B.22. Short Term Rental” to allow such use in the R1 Single-Family Dwelling District, R2 Single-Family Dwelling District, R3 Single-Family Dwelling District, R4 Single-Family Dwelling District, and R5 Low Density Multiple-Family Dwelling District by right.

2. The rest and remainder of Section 45-402 shall not be affected by this amendment, shall remain effective as adopted, shall be deemed incorporated into this ordinance by reference as if fully set forth herein and shall be deemed reordained hereby.

3. That this ordinance shall be in effect on and after July 1, 2019.
E. Public Hearings

4. Ordinance Amending and Reordaining City Code Chapter 45, Zoning Ordinance; Article V., General Regulations; By Adding Thereto a New Section, Namely: Section 45-517.1 Short Term Rentals

**ACTION:** A REQUEST TO ADOPT AN ORDINANCE AMENDING AND REORDAINING CITY CODE CHAPTER 45, ZONING ORDINANCE; ARTICLE V., GENERAL REGULATIONS; BY ADDING THERETO A NEW SECTION, NAMELY: SECTION 45-517.1 SHORT TERM RENTALS.

**BACKGROUND:**
- This amendment establishes criteria that must be met to balance allowing short-term rentals, while maintaining the overall character of residential neighborhoods.
- On May 1, 2019, the City Planning Commission voted unanimously 9:0 to recommend adoption of the amendment.

**Vote on Roll Call**
- For: Wittkamp, Willis, Groce, Maxwell, Fox, Mulvaney, Carpenter, Stodghill, Simmons
- Against: None
- Abstention: None

- The City Manager recommends approval.

**FISCAL IMPACT:** N/A

**ATTACHMENTS:**
- Memo to HCC re Chpt 45 ZT-2019-0006 Ord Amend 5.22.19
- Staff Report and CPC Minutes
- sdm16385 Adding Sec. 45-517.1, Short-term rentals
May 22, 2019

TO: The Honorable City Council

FROM: City Manager

SUBJECT: Chapter 45 Zoning Text No. ZT-2019-0006 Ordinance Amendment

The request is to amend Chapter 45, Zoning Ordinance, Article V. General Regulations to add regulations for short-term rentals to the zoning ordinance.

The amendment establishes criteria for a short-term rental permit. The permit prerequisites require that the dwelling is the home owner’s primary residence for a minimum of 185 days per year, provide for a maximum number of overnight lodgers, that the rental is not used for gatherings or meetings, that the property owner is registered with the zoning administrator and has a business license, and that the house meets all building and health codes.

The proposed regulations are intended to achieve a balance between allowing short-term rentals, while maintaining the overall character of residential neighborhoods. On May 1, 2019, the City Planning Commission voted unanimously 9:0 to recommend adoption of the zoning text amendment.

I recommend approval.

Cynthia D. Rohlf

CDR:SWM:fdc

Attachment

cc: Sheila W. McAllister, Director, Department of Planning
BACKGROUND

The request is to amend Article V, General Regulations, to add regulations for short-term rentals to the zoning ordinance. This amendment provides regulations to ensure that the operation of short-term rentals within residential neighborhoods is allowed while mitigating the negative impacts to the surrounding residents and neighborhood.

In 2017, the General Assembly enacted Virginia Code section 15.2-983, that allowed localities to regulate short-term rental of property through its general land use and zoning authority. The rise in popularity of the short-term rental industry through many online hosting platforms such as Airbnb, Vacation Rental by Owner (VRBO), FlipKey, Booking and HomeAway has created a way for owners to receive income from their homes and rooms. While the city currently does not allow for any type of short-term rentals in single-family zoning districts, except as a bed and breakfast, it is understood that the use is occurring within the city.

Balancing the interests of residents and protecting the character of neighborhoods, while allowing those residents who want to operate short-term rentals in their homes is what the proposed regulations seek to provide. Understanding the change in the character of neighborhoods with the introduction of transient occupants who are not vested in maintaining the neighborhood and protecting the quality of life for their neighbors was key in the proposed regulations. The regulation will allow the city the ability to know the location of the use and monitor its impact. Other considerations centered on the responsibilities of the property owner, on-site requirements, safety of the inhabitants, reduction of noise concerns and number of lodgers.

The amendment establishes criteria for a short-term rental permit that addresses these items by requiring that the dwelling unit must be used by the owner as their primary residence for a minimum of 185 days per year, that the maximum number of overnight lodgers is no more than 6, that parking be provided on-site, that the residence provides working fire extinguishers, smoke detectors, and carbon monoxide detectors, and complies with all city and state building and health codes. It further limits the short-term rental by not allowing simultaneous rentals to numerous parties, or the use of the short-term rental for gatherings or meetings.

The property owner of the short term rental would be required to register with the zoning administrator and be issued a short-term rental permit that meets all requirements. The property owner would be responsible for maintaining a registry of all rentals, obtaining a business license, payment of all transient occupancy taxes and be current on their real property taxes to the city. Provided the short-term rental owner abides by all requirements, they would be eligible to renew the short-term permit annually.

The proposed regulations are intended to achieve a balance between
allowing short-term rentals while maintaining the overall character of residential neighborhoods.

On January 16, 2019, the Regulations Committee reviewed and recommends approval of the above referenced amendment.

**STAFF RECOMMENDATION**

It is recommended that the City Planning Commission recommend to City Council adoption of zoning ordinance text amendment ZT-2019-0006.

**CPC RECOMMENDATION**

On May 1, 2019, the Planning Commission voted unanimously (9:0) to recommend to City Council adoption of zoning ordinance text amendment ZT-2019-0006.
APPENDIX

A-1  ARTICLE V. GENERAL REGULATIONS, SECTION 45-517.1, SHORT-TERM RENTALS.

A-2  EXCERPTS FROM THE CITY PLANNING COMMISSION MINUTES OF MAY 1, 2019
ORDINANCE NO. ________________

AN ORDINANCE TO AMEND AND REORDAIN CHAPTER 45, ZONING ORDINANCE, OF THE CODE OF THE CITY OF NEWPORT NEWS, VIRGINIA, ARTICLE V., GENERAL REGULATIONS, BY ADDING THERETO A NEW SECTION, NAMELY: SECTION 45-517.1, SHORT TERM RENTALS.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Newport News, Virginia:

That Chapter 45, Zoning Ordinance, of the Code of the City of Newport News, Virginia, Article V., In General, be, and the same hereby is, amended and reordained, by adding thereto a new section, namely: Section 45-517.1, Short term rentals, as follows:

CHAPTER 45

ZONING ORDINANCE

ARTICLE V. IN GENERAL

Sec. 45-517.1. Short-term rentals.

(1) A short-term rental shall only be allowed where:

a. The dwelling unit is used by the owner as his/her primary residence, which means that he/she resides there for at least one hundred eighty-five days during each year;

b. The bedroom(s) rented to overnight lodgers shall be within the main building of the dwelling unit that the owner occupies as his/her primary residence and shall not be in a detached accessory building;

c. The maximum number of overnight lodgers on any night of a short-term rental shall be no greater than six (6);

d. Three on site parking spaces shall be provided;

e. A short-term rental shall not include simultaneous rentals under separate contracts;
f. A short-term rental shall have working fire extinguishers, smoke detectors and carbon monoxide detectors, and all such equipment shall be accessible to overnight lodgers at all times;

g. Any bedroom used in a short-term rental shall have a closet and it shall have a door that separates such bedroom from other parts of the short-term rental;

h. Commercial meetings, including luncheons, banquets, parties, weddings, meetings, charitable fund-raising, commercial or advertising activities, or other gatherings for direct or indirect compensation are prohibited;

i. A short-term rental shall comply with requirements of the Virginia Uniform Statewide Building Code, as determined by the Building Official;

j. A short-term rental that is equipped with a swimming pool shall comply with the provisions of Chapter 39, Swimming Pools, of the City Code; and

k. A short-term rental shall comply with Article VIII of Chapter 40 of the City Code pertaining to the payment of transient occupancy tax.

(2) The following shall be filed with the zoning administrator with any application for a short-term rental permit:

a. Contact information for the owner of the short-term rental.

b. Proof of the applicant’s ownership of, and permanent residence at the property that is the subject of the application. Acceptable proof of permanent residence includes: applicant’s driver’s license or voter registration card showing the address of the property, or other document(s) which the zoning administrator determines provides equivalent proof of permanent residence by the applicant at the property that is the subject of the application.

c. A floor plan of the short-term rental which identifies the location and number of bedrooms in the dwelling and the location of the items required in subsection 1(f) of this section.

d. A permit fee in the amount of one hundred and fifty dollars ($150.00).

(3) Use of a short-term rental shall require a permit issued by the zoning administrator. The owner of the short-term rental shall operate the same under all conditions of the issued permit, and subject to the following:

a. The owner of a short-term rental shall certify, in writing, compliance with the
provisions of subsection (1) a through k of this section.

b. The owner of a short-term rental must obtain a business license from the commissioner of the revenue prior to operation of the short-term rental. The business license must remain current and active while operating.

c. The owner of a short-term rental must maintain a registry showing the names, addresses and telephone numbers of all short-term rental occupants. The owner must allow the zoning administrator and his/her designee to inspect such registry upon reasonable advance notice, to verify that the short-term rental is being operated in accordance with the provisions of this section and all conditions of the permit.

d. A short-term rental permit shall be valid for one year from the date of issuance.

e. It is the responsibility of the owner to renew the permit prior to expiration, by submitting an updated application as required in section 45-517.1(2) above.

f. The payment of all real property taxes assessed against the short-term rental property must be current prior to the issuance of a short-term rental permit.

g. A short-term rental permit requires the owner to agree to abide by all requirements of this zoning ordinance, and all other applicable federal, state and local laws.

h. A short-term rental permit may be revoked by the zoning administrator as set forth below; an applicant, or related owner whose short-term rental has been revoked pursuant to this paragraph, shall not be eligible to receive any new short-term rental permit for two years:

1. In the event that there are three or more violations recorded by the City within a one year period; or

2. For failure to comply with the regulations set forth in this section, and any permit conditions; or

3. For refusal to cooperate with the City in a complaint investigation, including allowing the zoning administrator or his/her designee to enter the dwelling unit upon reasonable advance notice as required by section 45-3501(a).
(4) Failure of an owner required to register a short-term rental with the city shall result in a penalty in the amount of five hundred dollars ($500.00). Unless and until the owner pays the penalty and registers such property, he/she may not continue to offer such property for short-term rental.

(5) Upon repeated violations of this section, as it relates to a specific short-term rental property, an owner may be prohibited from registering and offering such property for short-term rental.
EXCERPTS FROM PLANNING COMMISSION MINUTES

May 1, 2019

ZT-2019-0006, City of Newport News Requests an amendment to the zoning ordinance to add general regulations for short-term rentals, Section 45-517.1.

Flora Chioros, Assistant Director – Current Planning, presented the staff report (copy attached to record minutes).

Ms. Stodghill asked if parking must be on-site, does that mean no parking on the street. Ms. Chloros stated the proposed regulation requires a minimum of three parking spaces on-site. Ms. Stodghill asked if guests can still park on the street. Ms. Chloros stated when you have a residence, two spaces are required to be on your property so the addition of a short-term rental requires an additional parking space to be on the site. She stated if you have public street parking we cannot prohibit anyone from parking there, but many of our neighborhoods require residential parking permits and that would restrict on-street parking. Ms. Stodghill stated if you cannot have any more than six guests and the parking is provided on-site, not all six guests are required to park on-site. Ms. Chloros stated we are not assuming that six different people are going to show up in six different cars. She stated we also do not allow for multiple rentals to different people, so it is essentially a family or a group of people that are coming together. Ms. Chloros stated they could have more than one car, but they would have at least three on-site spaces to park. Ms. Stodghill stated in each building you can have a maximum of six unrelated people renting rooms. Ms. Chloros stated that is correct. Ms. Stodghill stated they can all come with six different cars. Ms. Chloros stated potentially, they could. Ms. Stodghill asked if they would all have to park on-site. Ms. McAllister stated the ordinance states some parking is provided on-site, not that all of the parking has to be provided on-site. Ms. McAllister stated if you have a dwelling with no on-site parking, then you cannot get a permit. Ms. Stodghill stated if you have six people renting a building with six cars, three of them could park on-site. Ms. Chloros stated yes, according to the regulations, you need to have a minimum of three parking spaces on-site. She stated six people is the maximum allowed in the rental, but we are assuming that it is not six people with six cars.

Ms. Stodghill asked what is the definition of a boarding house. Ms. Chloros read “a boarding house is an owner-occupied building other than a hotel or motel where for compensation, lodging with or without meals is provided for four or more people.” She stated boarding houses are not allowed in single-family neighborhoods and are only permitted in R7, R8 or C3 with a conditional use permit. Ms. Chloros stated short-term rentals are being proposed in single-family neighborhoods. She stated there will be some nuisances, but part of the need for the regulation is that the use is already occurring and the regulations would allow our Zoning Administrator a way to address potential nuisances. Ms. Stodghill stated short term rentals are allowed in R1, R2, R3, R4 and R5,(4,10),(991,990) so there is no overlap with boarding houses. Ms. Chloros stated that is correct.
Ms. Fox asked if the rentals are limited to overnight stays. Ms. Chloros stated it is overnight lodging with a limit on the number of days. She stated commercial meetings, including luncheons, banquets, parties, weddings, meetings, charitable fundraising, commercial or advertising activities or other gatherings for direct or indirect compensation are prohibited.

Mr. Simmons opened and closed the public hearing.

Ms. Fox made a motion to recommend adoption of zoning text amendment ZT-2019-0006 to City Council. The motion was seconded by Mr. Willis.

**Vote on Roll Call**
For: Wittkamp, Willis, Groce, Maxwell, Fox, Mulvaney, Carpenter, Stodghill, Simmons
Against: None
Abstention: None

The Planning Commission voted unanimously (9:0) to recommend adoption of zoning text amendment ZT-2019-0006 to City Council.
AN ORDINANCE TO AMEND AND REORDAIN CHAPTER 45, ZONING ORDINANCE, OF THE CODE OF THE CITY OF NEWPORT NEWS, VIRGINIA, ARTICLE V., GENERAL REGULATIONS, BY ADDING THERETO A NEW SECTION, NAMELY: SECTION 45-517.1, SHORT TERM RENTALS.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Newport News, Virginia:

1. That Chapter 45, Zoning Ordinance, of the Code of the City of Newport News, Virginia, Article V., In General, be, and the same hereby is, amended and reordained, by adding thereto a new section, namely: Section 45-517.1, Short term rentals, as follows:

CHAPTER 45

ZONING ORDINANCE

ARTICLE V. IN GENERAL

Sec. 45-517.1. Short-term rentals.

(1) A short-term rental shall only be allowed where:

a. The dwelling unit is used by the owner as his/her primary residence, which means that he/she resides there for at least one hundred eighty-five days during each year;

b. The bedroom(s) rented to overnight lodgers shall be within the main building of the dwelling unit that the owner occupies as his/her primary residence and shall not be in a detached accessory building;

c. The maximum number of overnight lodgers on any night of a short-term rental shall be no greater than six (6);

d. Three on site parking spaces shall be provided;

e. A short-term rental shall not include simultaneous rentals under separate contracts;
f. A short-term rental shall have working fire extinguishers, smoke detectors and carbon monoxide detectors, and all such equipment shall be accessible to overnight lodgers at all times;

g. Any bedroom used in a short-term rental shall have a closet and it shall have a door that separates such bedroom from other parts of the short-term rental;

h. Commercial meetings, including luncheons, banquets, parties, weddings, meetings, charitable fund-raising, commercial or advertising activities, or other gatherings for direct or indirect compensation are prohibited;

i. A short-term rental shall comply with requirements of the Virginia Uniform Statewide Building Code, as determined by the Building Official;

j. A short-term rental that is equipped with a swimming pool shall comply with the provisions of Chapter 39, Swimming Pools, of the City Code; and

k. A short-term rental shall comply with Article VIII of Chapter 40 of the City Code pertaining to the payment of transient occupancy tax.

(2) The following shall be filed with the zoning administrator with any application for a short-term rental permit:

a. Contact information for the owner of the short-term rental.

b. Proof of the applicant’s ownership of, and permanent residence at the property that is the subject of the application. Acceptable proof of permanent residence includes: applicant’s driver’s license or voter registration card showing the address of the property, or other document(s) which the zoning administrator determines provides equivalent proof of permanent residence by the applicant at the property that is the subject of the application.

c. Proof of liability insurance covering accidental injury to a guest on the property in an amount no less than $300,000.00.

d. A floor plan of the short-term rental which identifies the location and number of bedrooms in the dwelling and the location of the items required in subsection 1(f) of this section.

e. A permit fee in the amount of one hundred and fifty dollars ($150.00).

(3) Use of a short-term rental shall require a permit issued by the zoning administrator. The owner of the short-term rental shall operate the same under all conditions of the
issued permit, and subject to the following:

a. The owner of a short-term rental shall certify, in writing, compliance with the provisions of subsection (1) a through k of this section.

b. The owner of a short-term rental must obtain a business license from the commissioner of the revenue prior to operation of the short-term rental. The business license must remain current and active while operating.

c. The owner of a short-term rental must maintain a registry showing the names, addresses and telephone numbers of all short-term rental occupants. The owner must allow the zoning administrator and his/her designee to inspect such registry upon reasonable advance notice, to verify that the short-term rental is being operated in accordance with the provisions of this section and all conditions of the permit.

d. A short-term rental permit shall be valid for one year from the date of issuance.

e. It is the responsibility of the owner to renew the permit prior to expiration, by submitting an updated application as required in section 45-517.1(2) above.

f. The payment of all real property taxes assessed against the short-term rental property must be current prior to the issuance of a short-term rental permit.

g. A short-term rental permit requires the owner to agree to abide by all requirements of this zoning ordinance, and all other applicable federal, state and local laws.

h. A short-term rental permit may be revoked by the zoning administrator as set forth below; an applicant, or related owner whose short-term rental has been revoked pursuant to this paragraph, shall not be eligible to receive any new short-term rental permit for two years:

1. In the event that there are three or more violations recorded by the City within a one year period; or

2. For failure to comply with the regulations set forth in this section, and any permit conditions; or

3. For refusal to cooperate with the City in a complaint investigation, including allowing the zoning administrator or his/her designee to
enter the dwelling unit upon reasonable advance notice as required by section 45-3501(a); or

4. For delinquency in the payment of real estate taxes assessed against the short-term rental property.

(4) Failure of an owner required to register a short-term rental with the city shall result in a penalty in the amount of five hundred dollars ($500.00). Unless and until the owner pays the penalty and registers such property, he/she may not continue to offer such property for short-term rental.

(5) Upon repeated violations of this section, as it relates to a specific short-term rental property, an owner may be prohibited from registering and offering such property for short-term rental.

2. That this ordinance shall be in effect on and after July 1, 2019.
F. Consent Agenda

1. Minutes of the Work Session of May 28, 2019

ACTION:  ● N/A

BACKGROUND:  ● N/A

FISCAL IMPACT:  ● N/A

ATTACHMENTS:
Description
Minutes of Work Session for May 28, 2019
I. Chesapeake Bay Foundation

City Manager Rohlf introduced Mr. Tanner Council, Grassroots Manager, Chesapeake Bay Foundation (CBF) in Hampton Roads, to provide an overview of CBF (a copy of the presentation, "Saving the Bay in Newport News – May 28, 2019", is attached and made a part of these minutes).

Mr. Council shared at a glance about CBF:

- Largest non-profit working to “Save the Bay”
- Offices in Virginia, Maryland, Pennsylvania, and DC
- Focus on advocacy, restoration, education, and litigation
- More than 274,000 members (31% or ~ 85,000 in Virginia) engage citizens in Bay restoration efforts

Mr. Council advised of Chesapeake Bay facts:

- Largest estuary in North America, 3rd Largest in the World
- Largest land-to-water ratio of any estuary in the world (14:1)
- 64,000 Square Miles of Watershed
- 50 Major Tributaries & more than 100,000 rivers and streams!
- Average depth ~ 22 feet
Over 3,600 species of plants and animals
18 million people
Massive Economic Engine

Mr. Council advised that 13,000 miles of Virginia streams and rivers fail water quality standards; however, water quality was improving. CBF had seen grass return, clearer water, and good reports about blue crabs bouncing back. He advised unprecedented gains were being made with bay restoration.

Mr. Council indicated the sources of nitrogen pollution in the Chesapeake Bay were as follows:

- Agricultural Run-off (41%)
  - Animal waste and fertilizers wash off agricultural land or contaminate groundwater, polluting rivers, streams and the Bay
- Air Pollution (25%)
  - Air pollution from power plants and motor vehicles falls back to the ground and was washed into our waterway by rain
- Wastewater Treatment and Factories (16%)
  - Discharges from wastewater treatment plants and factories are released directly into our rivers and the Bay
- Urban and Suburban Stormwater Run-off (15%)
  - Stormwater running off parking lots, roofs, and other hard surfaces carries pollution like fertilizer and pet waste into our waterways
- Septic (3%)
  - The drain fields of septic systems deliver pollution to the rivers and the Bay through contaminated groundwater

Mr. Tanners indicated that the “dead zone” was caused by what was commonly known as “red tide,” which was excessive nitrogen and phosphorus pollution from human activities or areas with low amounts of oxygen in the Bay. He shared an excess in these nutrients also fueled the growth of dense algae blooms that blocked sunlight that underwater grasses need to grow in order to continue providing food for waterfowl and shelter for blue crabs and juvenile fish, with little or no oxygen, fish, crabs, oysters, and other aquatic animals literally suffocate. Mr. Tanner stated the size of the dead zone was decreasing each summer, but was still a major epidemic.

Mr. Council advised that Virginia was doing good and shared the Chesapeake Clean Water Blueprint plan:
• Pollution limit, or “diet”, for the Bay – Total Maximum Daily Load (TMDL)
• Aggressive Virginia plan (watershed implementation plan or WIP) with progress reports every two (2) years
• Time to implement: Began in 2010; 60% by 2017; 100% by 2025

Mr. Tanner indicated that Governor Ralph Northam issued a press release that Virginia and Maryland were on track to meet their goals; however, Pennsylvania was not.

Mr. Council advised of how CBF shared educational information about how to “Save the Bay”:

• Participated with schools on environmental education
• VoiCeS Adult Education
• Decision Maker Experiences
• Virginia Oyster Restoration Center
• Oyster Shell Recycling
• Oyster Restoration
• Shoreline Restoration

Mr. Council shared, since 1989, over 152,000 volunteers had removed approximately 6.5 million pounds of debris from nearly 7,390 miles of shoreline. He reminded of Clean the Bay Day, Saturday, June 1, 2019 from 9:00 a.m. – Noon with two (2) locations in Newport News, which included Peterson’s Yacht Basin (1325 – 16th Street) and Huntington Beach (River Road).

Mr. Council advised a “Saved Bay was Worth the Investment = A Better Economy for Virginia, worth $8.3 Billion per year”.

With regard to oyster restoration, Vice Mayor Vick inquired how, or whether, people without direct access to the water, participate in the oyster restoration program. Mr. Tanner replied that CBF has partnered and worked with people who had direct water access and matched them up with someone interested in oyster gardening. No one had ever been turned away.

Vice Mayor Vick inquired about the number of times per year that the boat tour went out. Mr. Tanner replied four (4) times per year, two in the spring and two in the fall.

Vice Mayor Vick indicated, while looking at the City’s development projects and what was to come, it made one think about, and be more aware, of the shorelines and erosion. Mr. Tanner replied there were nature base solutions on ways to help.
II. 25-Foot Lot Guidelines

City Manager Rohlf introduced Ms. Shelia McAllister, Director, Department of Planning, and Ms. Angela Hopkins, Senior Planner and Project Manager, Department of Planning, to provide the 25-foot lot guidelines in the Neighborhood Conservation District (NCD) overview, to include current regulations and the proposed guidelines (a copy of the presentation, “Neighborhood Conservation District (NCD) – May 28, 2019”, is attached and made a part of these minutes).

Ms. Hopkins indicated that the current regulations were as follows:

**Non-Conforming Lot of Record**

- As of December 1994:
  - Two (2) or more contiguous lots held in single ownership
  - Ownership history certificate
  - Development on a lot less than fifty (50) feet and proceed only after approval of a special exception

**Special Exception**

- Special Exception Criteria:
  - Single-family dwelling must be two (2) stories
  - Front yard setback must be average of block (not less than 15 feet)
  - Minimum side yard setback must be five (5) feet
  - Must have attached or detached garage
  - Proposed dwelling must be in harmony with surrounding neighborhood

Ms. Hopkins shared the purpose of the proposed design guidelines were as follows:

- Encourage reinvestment and stabilize the community
- Protect and strengthen desirable and unique physical features and design characteristics
- Protect and enhance the characteristic of a pedestrian oriented community
- Reduce conflict caused by incompatible and insensitive development
- Promote new compatible development
- Promote and retain all existing housing types
• Encourage harmonious, orderly and efficient growth and redevelopment of the area

Ms. Hopkins advised of the proposed design guidelines as follows:

Goal of Design Guidelines
• Work in conjunction with NCD Overlay Zoning District Regulations
• Identify common elements
  ○ (Guidelines do not specify architectural styles)
• Illustrate appropriate design of infill development on lot less than fifty (50) feet in width
• Illustrate appropriate design of any dwelling on any size parcel

How Will Guidelines Work?
• Department of Planning will administer design review process
• Property owner submits plans for construction on nonconforming lot
• Planning staff will review proposal for conformity with zoning overlay regulations and NCD guidelines
• Planning staff will render action on proposal (approve, disapprove or modify)

Regarding 25-foot wide lots, Ms. Hopkins advised of recommended design guidelines in an effort to influence how a house(s) was situated on the lot.

• Front yard setback should be no more than to 10-foot
• Side yard setback of 5-foot
• Rear yard setback of 20-foot
• No driveway – on-street parking was not required

Regarding 50-foot wide lots, Ms. Hopkins advised of recommended design guidelines in an effort to influence how a house(s) was situated on the lot.

• front yard setback of 10-foot
• Rear yard setback of 20-foot
• off-street parking would be required and curb cut should not exceed 10-foot in width
• driveway would not exceed 8-foot in width on the front yard setback (with more than one vehicle the driveway could be expanded)
Regarding 75-foot wide lots, Ms. Hopkins advised of recommended design guidelines in an effort to influence how a house(s) was situated on the lot with single ownership as follows:

- front yard setback of 10-foot
- Rear yard setback of 20-foot
- off-street parking would be required and curb cut should not exceed 10-foot in width
- shared one driveway

Regarding a vacant 75-foot wide lots, Ms. Hopkins advised of recommended design guidelines in an effort to influence how a house(s) was situated on the lot by dividing into two (2) 37.5-foot lots as follows:

- front yard setback of 10-foot
- Rear yard setback of 20-foot
- off-street parking would be required and curb cut should not exceed 10-foot in width
- shared one driveway

Ms. Hopkins shared the regulations for architectural details of the single-family dwellings as follows:

- Height, floors and ground floor elevation
- Roof and Pitch
- Location and dimensions of windows and doors
- Porches and porch additions

Ms. Hopkins explained how the City would get there?

**Amend Zoning Regulations**

- Division 3. Special Regulations for Neighborhood Conservation District
- Article XXXII. Board of Zoning Appeals
  - Special Exception
- Article V. General Regulations
  - Nonconforming lot of record

**Approve Design Guidelines**

- Setbacks, height, mass
- Parking, garages, driveways
- Development of non-standard lots
- Neighborhood compatibility

Ms. Hopkins indicated that in the NCD, there were homes built on slabs, which were not traditional homes; and with the new guidelines proposed homes were to be built on a crawl spaces or elevated porch, and be at least two stories to maintain character with the neighborhood.

Vice Mayor Vick questioned the problem with building on a slab, and why building on a slab was not an option. Ms. Hopkins replied there was not a problem with building on a slab, the NCD wanted to stay with the character of the neighborhood with new development. Ms. McAllister indicated nothing was wrong with building on a slab, but explained it may not be an appropriate fit with the character of the neighborhood.

Vice Mayor Vick advised that every house in the Southeast did not look the same, and questioned why a potential homeowner would be denied if they wanted to build on a slab. Ms. McAllister replied the guidelines are just guidelines. Building a house on a slab may be appropriate in a particular neighborhood. The reason for the discussions were to obtain feedback from City Council. City Manager Rohlf noted this was a draft, but wanted to share the proposed guidelines available, provide a visual of what the neighborhoods would look like, in order for City Council to review and provide input.

Vice Mayor Vick expressed concern about the guidelines, because someone could inherit a 35’ x 100’ wide lot but wish to build a rancher, and the proposed guidelines would not allow for that. City Manager Rohlf replied there could be citizens who would say that a rancher would not fit with the character of the neighborhood. Vice Mayor Vick indicated that a homeowner association could be established. She agreed there should be some guidelines but not so strenuous on a family who could not build a house to fit them as a family. The person may have inherited a house that had been neglected or dilapidated and wished to raze the house and rebuild. She did not believe the City should deny homeownership opportunity because of parking. Ms. McAllister replied that parking would not be the issue as a person could apply for a special exception. Vice Mayor Vick indicated that people had to pay for a special exception, which was an added expense, and some families may not be able to afford the additional cost.

City Manager Rohlf advised that the proposed guidelines were being established to keep the neighborhoods attractive so people would want to build, and to ensure a fit with the neighborhood as some lot were unique. The City was trying to encourage building new homes; however, wanted to be respectful of existing neighborhoods.
III. Short-Term Rentals Update

City Manager Rohlf introduced Ms. Shelia McAllister, Director, Department of Planning and Ms. Flora Chiros, Assistant Director, Department of Planning, to provide an update on the proposed zoning regulations for short term rentals (a copy of the presentation, “Short Term Rentals – May 28, 2019”, is attached and made a part of these minutes).

City Manager Rohlf advised that Short term rentals had been scheduled for a public hearing on the May 28, 2019 Regular City Council meeting agenda; however, Councilwoman Scott and Councilwoman Woodbury had concerns and wanted short term rentals to be deferred for action until the June 11, 2019 Regular City Council meeting. She indicated there were no comments at the Newport News Planning Commission but since had heard some feedback. City staff had worked on the short term rentals for approximately three (3) months and had been diligent on researching the issues and reaching out to other localities for comparison. On the evening agenda the consideration would be to establish definition, zoning district where short term rentals would be allowed and general regulations.

City Manager Rohlf advised that a few years ago the General Assembly was set to say that localities had to allow short term rentals, but also included a provisional permit that would be needed and taxes could be collected, with the middle ground stating short term rentals were allowed but needed some regulations. She advised that City staff had done a great job presenting the proposed guidelines.

City Attorney Owens advised under the current zoning ordinance it was unlawful for homeowners to allow short term rentals, but the proposed definition, zoning guidelines and general regulations would get homeowners in compliance, and allow short term rentals legally.

Ms. Chiros noted the need for regulating use of short term rentals:

- Staff was aware that short-term rental use was occurring within the city with approximately 40 - 50 rentals that could be found on numerous online websites.
- The regulations would allow staff the ability to monitor the use and potential nuisances that may occur with these rentals.
- The regulations also allowed the City to collect taxes from the use.

Ms. Chiros shared the proposed zoning regulation highlights as follows:

- Definition of short-term rental added
- Established which zoning districts short-term rentals would be allowed
Short-term rentals would be allowed within single-family residential districts.

- Corporate apartments within multi-family residential districts currently could be rented out for shorter time periods.

Established criteria for a short-term rental permit
- Only allowed in dwelling units used as primary residence
- No more than six (6) overnight lodgers
- Required one additional parking space for a total of three (3) onsite spaces
- Concurrent rentals not allowed
- Short-term rentals could not be used for gatherings or meetings
- Dwelling must meet all applicable Virginia and city health and building codes
- Must have a business license and pay transient occupancy taxes to the City
- Be current on City property taxes

Ms. Chiros noted other regulations in neighboring municipalities were as follows:

- Municipalities allowed the use, either by right, or through a conditional/special use permit process.
- The use was currently allowed in York County, James City County, the Cities of Hampton, Williamsburg, Norfolk, and Virginia Beach.
- Other Virginia municipalities were currently in the process of reviewing regulations for the use.

Ms. Chiros advised that the proposed short term rental ordinance would allow the use in the City, but limit it in such a way to protect the neighborhood and characteristics of being a good neighbor. She believed the City had found the middle ground, and as City Attorney Owens mentioned, once the short term rentals ordinance was adopted, it could be revised.

Ms. Chiros advised that the proposed zoning regulations for short term rentals would be on the May 28, 2019 Regular City Council meeting agenda for consideration.

Vice Mayor Vick questioned that homeowners currently operating short term rentals were being done illegally. City Attorney Owner replied yes, currently they were only allowed if permitted in certain zoning districts, if it was not listed in the matrix as an allowed use, was not allowed and not legal.

Vice Mayor Vick shared, at a Virginia Municipal League (VML) conference there were discussions about Airbnb and the hotel industry, who did not want the competition. She
wanted to know that short term rentals were regulated, but to a point it was still welcoming, because no matter what people say, it was still being done – similar to Uber. People should be given an opportunity. Mayor Price replied that the hotels may be unaware of the proposed ordinance; however, the hotels had information they wanted to share with City Council. The hotels were not trying to stop the proposed ordinance because the adoption of the short term rental ordinance had to happen to make it legal with the definition, zoning guidelines and general regulations. The hotel industry wanted the opportunity to express their concerns.

Ms. Chiros replied that short term rentals had been advertised, there had been discussions, articles were written in the Daily Press, and Regulations Committee members had reached out to the hotel industry.

Vice Mayor Vick questioned whether a person could purchase a house strictly for short term rentals. Ms. McAllister replied no, however the City currently had some, but was trying to prevent this from occurring. City Attorney Owens indicated that would be considered a rental property as there should be no more than three (3) unrelated people living in a house as a family unit. He stated short term rentals were for a period less than 30 days.

Ms. Chiros noted, the problem occurred in terms of the neighborhoods and not knowing one’s neighbors or who would be in an adjacent house. The City was not in a transient society at this point in the City.

Councilman Harris questioned how the neighbors would know what was going on in their neighborhood and how neighbors would be notified that a short term rental was in their neighborhood. Ms. Chiros replied no, the regulations did not address the notification, but if there was a registry and there was a concern of a neighbor, the City could inform them at that time of the short term rental property. Ms. McAllister replied that could be added to the guidelines.

Ms. Chiros indicated the City was trying to find a balance between allowing the use, being sensitive to people who wanted to do this, and also protecting the neighborhood and people who may not approve of the use. She stated, while trying to find a balance, there was no perfect balance and added language to address health and safety issues. Ms. McAllister advised that a short term rental property owner had to live in a house 180 days of the year.

City Manager Rohlf noted the City could take a look at that the concerns of City Council. There would be challenges with enforcement. City Attorney Owens advised the short term rentals ordinance would be effective July 1, 2019. It was in the best interest of Airbnb and other sites – policing of their site and ensuring that their rules and regulations were been adhered too.
Vice Mayor Vick inquired whether there were any problems or concerns with the current short term rentals except the fact that they were operating illegally. Ms. Nyoka Hall, Zoning Administrator, Department of Codes Compliance, shared there had been a couple of notices of violation issued. There was a Recreational Vehicle (RV) in a driveway and was listed on Airbnb and was removed and stopped. There was a house built for the sole purpose of operating as an Airbnb, and they were also served a notice of violation. Short term rentals was a good investment, and the guidelines and regulations were to help and encourage those homeowners who were already started, an abatement issue and have them become legal.

Mayor Price was advised to leave the public hearing open, and continue the matter to the June 11, 2019 Regular City Council meeting.

IV. Cultural Attraction Awards

City Manager Rohlf advised, in keeping with City Council past practices, she had scheduled a presentation on Cultural Attraction Awards, related to the FY 2020 Recommended Operating Budget. She introduced Ms. Lisa Cipriano, Director, Department of Budget & Evaluation, to share the information and actual data on the Cultural Attractions Awards (a copy of the presentation, “Fiscal Year 2019 Cultural Attraction Fund Award – May 28, 2019,” is attached and made a part of these minutes).

Ms. Cipriano indicated this was the fifth year for the Cultural Attraction Awards, which began in FY 2014. She advised that she would provide the Cultural Attractions Awards for the FY 2019 and the purpose of the funds as follows:

- To provide one-time operational and/or project support to local cultural arts entities adversely impacted by the continued effects of the economic recession
- To serve as a financial safety net to ensure the ongoing viability of local cultural assets, both private and public
- To serve as an incentive to encourage private fundraising and grant match investment

Ms. Cipriano advised that applications were accepted from April 1, 2019 – April 15, 2019 with:

- **Thirteen** applications received
- Total funding requested = $352,500
- Total budget = $250,000
Ms. Cipriano indicated the review and award process was as follows:

- Committee reviewed all Applications
- According to the process established by the City Council, City Manager reviews the requests and makes award of grants
- Award information was presented to City Council

Ms. Cipriano advised that the Review Committee consisted of staff from the City Manager’s Office, Department of Development, Department of Parks, Recreation and Tourism and Department of Budget and Evaluation, with the following review criteria:

- Record of financial sustainability
- Ability to leverage other funding
- Ability to use funding as one-time assistance
- Clear objectives and outcome measures
- Impact on the community clearly described
- Ability to generate additional economic effects

Ms. Cipriano noted there were additional considerations during the application process which included:

- Other funding provided by the City
- How proposed programs/projects fit within City priorities and upcoming citywide projects
- Anticipated Outcome Measures, relationship to Strategic Priorities
- Sustainability of program

Ms. Cipriano advised of the FY 2019 Cultural Attraction Fund Requests:

<table>
<thead>
<tr>
<th>Organization</th>
<th>Program or Project</th>
<th>Request</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Mariners’ Museum</td>
<td>Replace 60-year old air-handling unit in Age of Exploration Gallery, overall updates to same Gallery</td>
<td>$75,000</td>
</tr>
<tr>
<td>2 Mosaic Steel Orchestra</td>
<td>Facilitate operations of the After School Program at Downing-Gross Cultural Arts Center</td>
<td>$10,000</td>
</tr>
<tr>
<td>No.</td>
<td>Organization</td>
<td>Description</td>
</tr>
<tr>
<td>-----</td>
<td>---------------------------------------</td>
<td>---------------------------------------------------------------------------</td>
</tr>
<tr>
<td>3</td>
<td>NN Public Art Foundation</td>
<td>Request of $41,012 to finish the <em>Man and Crocodile</em> sculpture installation, $24,530 for lighting upgrades to five locations</td>
</tr>
<tr>
<td>4</td>
<td>Peninsula Fine Arts Center</td>
<td>Support the <em>Toys</em> exhibition series for June 2019</td>
</tr>
<tr>
<td>5</td>
<td>Peninsula SPCA</td>
<td>$2,000 for barnyard physical improvements, $8,000 for general operating support</td>
</tr>
<tr>
<td>6</td>
<td>Port Warwick Foundation</td>
<td>Support security, debris removal, porta-johns</td>
</tr>
<tr>
<td>7</td>
<td>Virginia Living Museum</td>
<td>Support SHARK ZONE! 2019 summer exhibit (May to September 2019)</td>
</tr>
<tr>
<td>8</td>
<td>Virginia Symphony Orchestra</td>
<td>Expand the 2019-20 Pops! Season from 4 to 5 performances</td>
</tr>
<tr>
<td>9</td>
<td>Chesapeake Bay Wind Ensemble</td>
<td>Rent Ferguson Center Music and Arts Hall for upcoming concerts</td>
</tr>
<tr>
<td>10</td>
<td>Parks, Recreation &amp; Tourism-Special Events</td>
<td>Support the World Arts Celebration</td>
</tr>
<tr>
<td>11</td>
<td>Virginia War Museum</td>
<td>Pathway construction in front of the Virginia War Museum for access to Military Vehicles, Weaponry in the park <em>(Not supported through the application process – requested additional information on number of visitors that would be using the pathway and it was City property and could use the funds from existing money that maybe available).</em></td>
</tr>
<tr>
<td>12</td>
<td>Lee Hall Train Station Foundation</td>
<td>Support restoration of a donated Chesapeake &amp; Ohio railway caboose</td>
</tr>
<tr>
<td>13</td>
<td>Virginia Arts Festival</td>
<td>Support mainstage performances at the Ferguson Center and Art Education for NNPS students</td>
</tr>
</tbody>
</table>

Ms. Cipriano shared the FY 2019 Cultural Attraction Fund AWARDS were as follows:
<table>
<thead>
<tr>
<th>Organization</th>
<th>Program or Project</th>
<th>Request</th>
<th>Award</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Mariners' Museum</td>
<td>Replace 60-year old air-handling unit</td>
<td>$75,000</td>
<td>$57,000</td>
</tr>
<tr>
<td>2 Mosaic Steel Orchestra</td>
<td>Facilitate operations of after school youth steelpan orchestra ensemble DGCAC</td>
<td>$10,000</td>
<td>$10,000</td>
</tr>
<tr>
<td>3 NN Public Art Foundation</td>
<td>Lighting upgrades at 5 locations</td>
<td>$65,543</td>
<td>$24,530</td>
</tr>
<tr>
<td>4 Peninsula Fine Arts Center</td>
<td>Support <em>Toys</em> exhibition series starting June 2019</td>
<td>$60,000</td>
<td>$55,000</td>
</tr>
<tr>
<td>5 Peninsula SPCA</td>
<td>$2,000 for barnyard physical improvements, $6,000 general operating support</td>
<td>$10,000</td>
<td>$8,000</td>
</tr>
<tr>
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</tr>
<tr>
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<td>Expand the 2019-20 Pops! Season from 4 to 5 performances</td>
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<td>$15,000</td>
</tr>
<tr>
<td>9 Chesapeake Bay Wind Ensemble</td>
<td>Rent Ferguson Centers Music and Arts Hall for upcoming concerts</td>
<td>$2,000</td>
<td>$500</td>
</tr>
<tr>
<td>10 Parks, Recreation &amp; Tourism-Special Events</td>
<td>Support the World Arts Celebration</td>
<td>$25,000</td>
<td>$25,000</td>
</tr>
</tbody>
</table>
City Manager Rohlf suggested that the Kroger (formerly the site for Old Kmart – 401 Oriana Road) parking lot area the City could sponsor a farmer’s market or food truck rodeo and were seeking input and ideas for Department of Parks, Recreations and Tourism. The pop-up event required less support and work with the community trying to energize that space. She suggested that pop-up would be throughout the City.

Vice Mayor Vick requested fully funding the Lee Hall Train Depot request as that foundation, committee and volunteers were dedicated. She suggested a deduction of $500 from the Peninsula Foundation Arts Center (PFAC) and inquired how $500 would assist the Chesapeake Bay Wind Ensemble. Councilwoman Cherry agreed that the Lee Hall Train Depot should be fully funded. Ms. Cipriano replied the $500 for Chesapeake Bay Wind Ensemble would help defer some of the cost to rent a concert venue, as the specialized group focused on private performances for family and friends. City Manager Rohlf indicated she would revisit and review the request from Lee Hall Train Depot.

Ms. Cipriano advised of the next step:

- Prepare award letters and distribute funds
- Receive progress reports from the funded organizations

V. Comments / Ideas / Suggestions

Councilwoman Cherry indicated there were numerous concerns expressed about the amount of trash in the Southeast Community and questioned why the trash/bulk trash with orange markers sat for days before a pick-up was scheduled, the City needed to seek guidance from the Department of Public Works on how they could better serve the Southeast Community.
Vice Mayor Vick agreed with Councilwoman Cherry. Mayor Price indicated he thought orange markers meant the bulk trash. He said for example a 20-foot piece of a tree would not be picked-up because it would be too large to place in the truck. City Manager Rohlf replied if it was a vacant lot that would present a problem. Councilwoman Cherry stated it was a vacant lot. City Manager Rohlf indicated that there was a problem with regulations; however, the trash needed to be picked up because it was not good for the neighborhood. Vice Mayor Vick questioned whether the property owners would be responsible. City Attorney Owens replied no, renters would leave items in the house, the landlord would clean the house of debris, or for repair, and within a couple days, items would show up on a vacant lot. City Manager Rohlf indicated staff would have to revisit, but in the past, trucks were increased in neighborhoods.

Councilman Harris advised that the water fountains were inoperable at Riverview Farm Park on the Memorial Day weekend of May 24 – 27, 2019. City Manager Rohlf replied staff would look into the matter.

Councilman Harris questioned whether an update could be provided on the zoning situation with the property owner next door to Tommy Garner Air Conditioning and Heating Company (12535 Warwick Boulevard). City Manager Rohlf replied she would provide an update, but initially the work the property owner wanted to do required a conditional use permit; however, the work that the property owner was currently doing, was allowed to by-right at that site. When the property owner changed their application and did not require a conditional use permit, all conditions that could be placed on the property owner was taken away. The project would not come before City Council without a conditional use permit and the work could be done by-right. Vice Mayor Vick shared she had concerns and hoped it would not be a nightmare to the community. City Attorney Owens replied the property owner decided not to have outdoor runs because it would require a conditional use permit. He stated the property was commercial zoning and allowed by a matter of right, but if the zoning was changed, they were grandfathered. City Manager Rohlf advised more details would be provided to City Council.

Mayor Price advised that the NNPS Sub-Committee was almost complete and he would plan a meeting with the committee soon.

City Manager Rohlf indicated City Council was a little off for a quarterly meeting, the revised Capital Improvement Plan (CIP) would be presented at the June 11, 2019 City Council Work Session, and it would be appropriate to have a Joint Meeting with the School Board.

City Manager Rohlf questioned when City Council wanted to schedule the quarterly Joint Meeting to discuss the CIP. Vice Mayor Vick replied at least one hour would be needed. Councilman Harris indicated the June 25, 2019 City Council Work Session would work. City
Manager Rohlf replied she would talk to Dr. George Parker, Superintendent, Newport News Public Schools, to schedule the Joint Meeting for 3:30 p.m. on Tuesday, June 25, 2019 during the regularly scheduled City Council Work Session.

Councilwoman Cherry inquired about the request received from Ms. Angela Gilliam, Administrator/Curriculum Developer, Mr. Michael LeMelle, Director/Lead Instructor, and Ms. Raven LeMelle, Instructor/Programming Consultant with Point, Aim and Shoot Studios who were excited about the continued growth of the youth in the media arts program. As part of the learning objectives, while exposing the students to opportunities and expanding their photographic abilities, Point, Aim and Shoot Studios secured 55 entry passes to the National Museum of African American History and Culture in Washington, DC, for Monday, June 17, 2019. A donation was requested, and three quotes provided, for local motor transportation companies. She advised that City Council was provided with the information. By consensus of the City Council, a donation in the amount of $2,000 would be made from the contingency fund.

Mayor Price questioned whether a Resolution of Recognition of 100th Anniversary of the Athletic Program at Newport News Shipbuilding had been completed. Ms. Middleton replied that a Resolution of Recognition for 100th Anniversary of the Apprentice School at Newport News Shipbuilding had been completed; however, the Clerk's office did not have a Resolution of Recognition for the Athletic Program. City Attorney Owens advised that staff would have a Resolution of Recognition 100th Anniversary of the Athletic Program at the Newport News Shipbuilding on the June 11, 2019 Regular City Council meeting.

VI. Closed Meeting

(6:15 p.m. – 6:26 p.m.)

THERE BEING NO FURTHER BUSINESS
ON MOTION, COUNCIL ADJOURNED 6:26 P.M.

Zina F. Middleton, MMC
Chief Deputy City Clerk

McKinley L. Price
Mayor
Presiding Officer

A true copy, tested:

City Clerk
F. Consent Agenda

2. Minutes of the Special Meeting of May 28, 2019

**ACTION:**  ● N/A

**BACKGROUND:**  ● N/A

**FISCAL IMPACT:**  ● N/A

**ATTACHMENTS:**
Description
Minutes of Special Meeting for May 28, 2019
MINUTES OF SPECIAL MEETING
OF THE NEWPORT NEWS CITY COUNCIL
HELD IN THE 10TH FLOOR CONFERENCE ROOM
2400 WASHINGTON AVENUE
May 28, 2019
6:10 P.M.

PRESENT: Tina L. Vick; Saundra N. Cherry, D. Min; Marcellus L. Harris III; David H. Jenkins; and McKinley L. Price, DDS

ABSENT: Sharon P. Scott, MPA and Dr. Patricia P. Woodbury

OTHERS PRESENT: Cynthia Rohlf; Collins Owens; Darlene Bradbury; David Freeman; Zina Middleton; and Indiana Brown

After ascertaining that proper meeting notice had been provided to each member of City Council, Mayor Price called the meeting to order and stated the meeting was being held for the following purpose:

(1) To call a closed meeting pursuant to Section 2.2-3711(A) of the Code of Virginia, 1950, as amended, subsection: (7) consultation with legal counsel and briefings by staff members or consultants pertaining to actual or probable litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the public body; and consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel. For the purpose of this subdivision, "probable litigation" means litigation that has been specifically threatened or on which the public body or its legal counsel has a reasonable basis to believe will be commenced by or against a known party. Nothing in this subdivision shall be construed to permit the closure of a meeting merely because an attorney representing the public body is in attendance or is consulted on a matter.

Councilman Harris moved for a closed meeting under section and reason cited above; seconded by Councilwoman Cherry.

Vote on Roll Call:
Ayes: Vick, Cherry, Harris, Jenkins, Price
Nays: None

(Closed Session 6:15 p.m. – 6:26 p.m.)

After reconvening in open session, Councilman Harris moved to certify that to the best of each member’s knowledge (1) only public business matters lawfully exempted from open meeting requirements under the Virginia Freedom of Information Act, and (2) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered in the closed meeting by the Council. Motion seconded by Vice Mayor Vick.
Vote on Roll Call:
Ayes: Vick, Cherry, Harris, Jenkins, Price
Nays: None

THERE BEING NO FURTHER BUSINESS,
ON MOTION, COUNCIL ADJOURNED AT 6:26 P.M.

Mabel Washington Jenkins, MMC
City Clerk

McKinley L. Price, DDS
Mayor
Presiding Officer

A true copy, teste:

City Clerk
CERTIFICATE OF CLOSED MEETING

MEETING DATE: May 28, 2019

MOTION: Councilman Marcellus L. Harris III
SECOND: Vice Mayor Tina Vick

WHEREAS, the City Council of the City of Newport News has convened a closed meeting on this date pursuant to an affirmative recorded vote as required under the Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3712.D of the Code of Virginia, 1950, as amended, requires a certification by this City Council that such closed meeting was conducted in conformity with Virginia law.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Newport News does hereby certify that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies, and (ii) only such business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the City Council.

VOTE

AYES: Vick, Cherry, Harris, Jenkins, Price
NAYS: None
ABSTENTION: None

ABSENT DURING VOTE: Scott, Woodbury

ABSENT DURING MEETING: Scott, Woodbury

ATTEST:

Mabel Washington Jenkins
Mabel Washington Jenkins, MMC
City Clerk
F. Consent Agenda

3. Minutes of the Regular Meeting of May 28, 2019

ACTION: • N/A

BACKGROUND: • N/A

FISCAL IMPACT: • N/A

ATTACHMENTS:
Description
Minutes of Regular Meeting for May 28, 2019
MINUTES OF REGULAR MEETING
OF THE NEWPORT NEWS CITY COUNCIL
HELD IN THE CITY COUNCIL CHAMBERS
2400 WASHINGTON AVENUE
MAY 28, 2019
7:00 P.M.

PRESENT:  Tina L. Vick; Saundra N. Cherry, D. Min; Marcellus L. Harris III; David H. Jenkins; and McKinley L. Price, DDS
ABSENT:  Sharon P. Scott, MPA and Dr. Patricia P. Woodbury

A. Call to Order

Mayor Price called the meeting to order, and extended a welcome to all in attendance. He identified the procedure for citizen participation regarding items on the Council agenda, as well as the opportunity for citizens to address City Council on matters germane to the business of the Council. He explained matters that were germane to the business of Council meant matters that the City Council, by law, were empowered to act upon. This did not include announcements that were personal to an individual, business, or organization. He pointed out the availability of copies of the ordinance highlighting citizen participation, and encouraged citizens to review the document.

Mayor Price requested that cell phones and/or pagers be silenced or turned off.

B. Invocation

The invocation was rendered by Elder Darrin C. Lyons, Bethel Restoration Center.

C. Pledge of Allegiance to the Flag of the United States of America

The Pledge of Allegiance to the Flag of the United States of America was led by Vice Mayor Vick.

MOTION MADE BY VICE MAYOR VICK; SECONDED BY COUNCILWOMAN CHERRY; AND CARRIED UNANIMOUSLY TO EXCUSE COUNCILWOMAN SCOTT AND COUNCILWOMAN WOODBURY FROM THIS MEETING.

D. Presentations

1. Presentation: Certificates - Battle of the Books

Ms. Sonia Alcantara Antoine, Director, Newport News Department of Libraries and Information Services; and Ms. Cynthia Temple, Family and Youth Services Manager, Newport News Department of Libraries and Information Services, assisted with the presentations.

Mayor Price indicated, for over 25 years, teams of elementary and middle school students from Newport News had engaged in a battle of reading comprehension and memorization. They participated in a college bowl type quiz event called "The Battle of the
D. Presentations Continued

1. Presentation: Certificates - Battle of the Books Continued

Books.” They competed first on the City level, buzzing in and answering questions about 12 books they had read. This year (2019), after an exciting City Battle, the elementary team from General Stanford took the first place prize.

This team went on to represent the City of Newport News in the Williamsburg Regional Battle of the Books. After competing against the City winners from Hampton, Poquoson, Williamsburg, and York County, the team from General Stanford Elementary School emerged as the Regional winners. City Council recognized the team for their hard work and dedication, and celebrated with them. Mayor Price advised that the teamwork included not only the students, but their teachers, coaches, and parents.

Mayor Price advised that this was the third consecutive year that a school from Newport News had won the Elementary Regional Title – proof positive that Newport News is where great things are happening!

Certificated and trophies were presented to the following team members: Ms. Anna Lamb; Ms. Amya Semilla; Mr. Noah Degrot, and Ms. Taylor Oakes. Mayor Price extended congratulations to all for a job well done.

E. Public Hearings

1. Ordinance Granting Conditional Use Permit No. CU-2019-0003 to Taylor Made Holdings NN, LLC., to Allow the Operation of a Private School With Less Than 200 Students On Property Located at 803 Diligence Drive, Zoned C4 Oyster Point Business

AN ORDINANCE GRANTING CONDITIONAL USE PERMIT NUMBER CU-2019-0003 FOR THE HEREAFTER DESCRIBED PROPERTY FOR THE PURPOSE OF OPERATING A PRIVATE SCHOOL WITH LESS THAN 200 STUDENTS ON A SITE ZONED C4 OYSTER POINT BUSINESS DISTRICT. This ordinance granted Condition Use Permit No. CU-2019-0003 to Taylor Made Holdings NN, LLC., to allow the operation of a private school with less than 200 students, on property located at 803 Diligence Drive, zoned C4 Oyster Point Business. The Faison Center, Inc.’s Peninsula Academy for Autism added a location to allow an increase to the number of students they served. The location allowed central access from most of the Hampton Roads Region. The use was consistent with the One City, One Future Comprehensive plan 2040. On May 1, 2019, the City Planning Commission voted unanimously 9:0 to recommend approval of the request which limited the total number of students to 50. Since May 1, 2019, the Department of Engineering reviewed and approved the applicant’s revised Traffic Impact Statement (TIS), which indicated the site could accommodate the traffic generated by a total of 80 students. The City Manager recommended approval.
E. Public Hearings Continued

1. Ordinance Granting Conditional Use Permit No. CU-2019-0003 to Taylor Made Holdings NN, LLC., to Allow the Operation of a Private School With Less Than 200 Students On Property Located at 803 Diligence Drive, Zoned C4 Oyster Point Business Continued

Mr. Timothy Trant, Attorney for the Applicant, Kaufman and Canoles, 11815 Fountain Way, Suite 400, Newport News, accompanied by Mr. Brian McCann, President and Chief Executive Officer of The Faison Center, Mr. Mike Laing, ECI Development Services, The Faison Center’s Real Estate Advisor, and a number of board members of The Faison Center, Ms. Carolyn Abbott, Ms. Nosuk Kim, and Dr. Douglas Chason, as well as Mr. Trant’s law partner, Mr. Phillip Hatchett. Mr. Trant advised that The Faison Center was a non-profit organization, borne out of a family in need of support and services for a child with autism. Struggling to find resources to help their daughter, The Faison Center began in the basement of their home in Richmond, Virginia, and had grown to serve over 200 students and young adults. The Faison Center looked forward to its expansion in the City of Newport News, to bring hope and peace of mind to families impacted by autism.

Councilwoman Cherry moved closure of the public hearing; seconded by Councilman Harris.

Vote on Roll Call:
Ayes: Vick, Cherry, Harris, Jenkins, Price
Nays: None

Vice Mayor Vick moved adoption of the ordinance as shown above; seconded by Councilman Harris.

Vote on Roll Call:
Ayes: Vick, Cherry, Harris, Jenkins, Price
Nays: None

2. Ordinance Granting Conditional Use Permit No. CU-2019-0004 to North Riverside Baptist Church and City Life Church to Allow the Operation of a Pre-School or Day School with Child Care as Part of a Community Facility Located at 311 Selden Road, Zoned R3 Single Family Dwelling

AN ORDINANCE GRANTING CONDITIONAL USE PERMIT NUMBER CU-2019-0004 FOR THE HERINAFTER DESCRIBED PROPERTY FOR THE PURPOSE OF THE OPERATION OF A PRE-SCHOOL WITH CHILD CARE CENTER AS PART OF A COMMUNITY FACILITY IN AN R3 SINGLE FAMILY DWELLING DISTRICT. This ordinance granted Conditional Use Permit No. CU-2019-0004 to North Riverside Baptist Church and City Life Church, to allow the operation of a Pre-School or Day School with Child Care as part of a Community Facility located at 311 Selden Road, zoned R3 Single-Family Dwelling.
E. Public Hearings Continued

2. Ordinance Granting Conditional Use Permit No. CU-2019-0004 to North Riverside Baptist Church and City Life Church to Allow the Operation of a Pre-School or Day School with Child Care as Part of a Community Facility Located at 311 Selden Road, Zoned R3 Single Family Dwelling Continued

The proposed pre-school and child care provided a needed service to parishioners, the surrounding residential neighborhood, and students at Riverside Elementary School. The use was consistent with the One City, One Future Comprehensive Plan 2040. On May 1, 2019, the City Planning Commission voted unanimously 9:0 to recommend approval of the request.

Ms. Vannessa Michaux, 949 Lacon Drive, Newport News, one of the pastors at City Life Church, read a letter from City Life Church member, Mr. Chris Davidson, President of the York County Chamber of Commerce, and Newport News native, expressing support for City Life Church’s application for the operation of a Pre-School or Day School, with Child Care as part of a community facility located at 311 Selden Road (a copy is attached and made a part of these minutes).

Mr. Cortez Higgs, 206 Mistletoe Drive, Newport News, and member of City Life Church, urged members of City Council to favorably consider granting Conditional Use Permit No. CU-2019-0004 to North Riverside Baptist Church and City Life Church, to allow the operation of a Pre-School with Child Care as part of a community facility located at 311 Selden Road. As a resident of the Riverside community, Mr. Higgs advised that City Life Church was a community facility, functioning not only as a ministry, but were also financial supporters to the Riverside community. He advised that he ran a community organization for the City, with City Life Church being one of the major supporters.

Vice Mayor Vick inquired whether City Life Church served as a good neighbor to the residents in the community. Mr. Higgs responded yes, the community focus was important to City Life Church. Their financial support was proof that they were good community neighbors.

Pastor Fred Michaux, 311 Selden Road, Newport News, indicated that City Life Church was situated directly across the street from Riverside Elementary School. He felt approval of the Conditional Use Permit No. CU-2019-0004 to North Riverside Baptist Church and City Life Church, to allow the operation of a Pre-School with Child Care as part of a community facility, would add to the continuum of care already in the community. The primary motivation for starting a Pre-School and taking over the before and after-school program was that for over 20 years, the program had been an important part of the continuum of care for the youth. As a church, City Life believed instilling values and an identity in young children, during their formative years, would lead to a reduction in crime, suicide, pregnancy and drug addiction. Granting the Conditional Use Permit would enable City Life Church to add to the continuum of care of pre-schools and before and after-school programs already in the community.
E. Public Hearings Continued

2. Ordinance Granting Conditional Use Permit No. CU-2019-0004 to North Riverside Baptist Church and City Life Church to Allow the Operation of a Pre-School or Day School with Child Care as Part of a Community Facility Located at 311 Selden Road, Zoned R3 Single Family Dwelling Continued

Vice Mayor Vick moved closure of the public hearing; seconded by Councilman Harris.

Vote on Roll Call:
Ayes: Vick, Cherry, Harris, Jenkins, Price
Nays: None

Councilman Harris moved adoption of the ordinance as shown above; seconded by Vice Mayor Vick.

Vote on Roll Call:
Ayes: Vick, Cherry, Harris, Jenkins, Price
Nays: None

3. Ordinance Amending and Reordaining City Code Chapter 45, Zoning Ordinance; Article II., Definitions; Section 45-201, Definitions of Certain Words and Terms; By Adding the Definition of Short-Term Rental

AN ORDINANCE TO AMEND AND REORDAIN CHAPTER 45, ZONING ORDINANCE, OF THE CODE OF THE CITY OF NEWPORT NEWS, VIRGINIA, ARTICLE II., DEFINITIONS, SECTION 45-201, DEFINITION OF CERTAIN WORDS AND TERMS, BY ADDING THE DEFINITION OF SHORT-TERM RENTAL. This ordinance amended and reordained the City Code, Chapter 45, Zoning Ordinance; Article II., Definitions; Section 45-201, Definitions of Certain Words and Terms; by adding the definition of Short-Term Rental. This amendment provided a definition of Short-Term Rental in the zoning ordinance. On May 1, 2019, the City Planning Commission voted unanimously 9:0 to recommend adoption of the amendment. The City Manager recommended approval.

Ms. Alcina Phipps, 406 Oakwood Place, Newport News, shared that she was a General Manager at a private hotel, and understood there were certain conditions needed to ensure the safety of the guests, and to meet the needs of those with issues related to the Americans with Disabilities Act (ADA). There had been numerous City inspections conducted by City entities, to include the Department of Codes Compliance, Human Services, Fire Department, alarm companies to monitor fire hazards, food safety, and the general structure of the building. She feared if there were no regulations, there was a possibility this could lead to potential dangers, such as human trafficking. Guests would be allowed to stay for significant periods of time with no regulations, leading to truancy, child abductions, kidnapping, etc. The City needed to be protective of the children regarding the allowance of short-term rentals within
E. Public Hearings Continued

3. Ordinance Amending and Recodifying City Code Chapter 45, Zoning Ordinance; Article II., Definitions; Section 45-201, Definitions of Certain Words and Terms; By Adding the Definition of Short-Term Rental

continued

the communities. She encouraged City Council to do what was necessary to monitor short-term rentals.

Mr. March Butcher, 740 Town Center Drive, Newport News, was available to answer any questions related to short-term rentals.

Ms. Liz Parker, President, Newport News Hospitality Association, 980 Omni Boulevard, Newport News, commented on some of the proposed regulations with regard to short-term rentals. She agreed with the proposed regulations, with the exception of the collection of taxes on short-term rentals through the Airbnb process. She advised that other localities had worked through the process, in which they had never been paid the taxes. Ms. Parker proposed several regulations that the City should add, to include the following: (1) have platform accountability; (2) require Airbnb to share host information with the City; (3) penalties for non-compliance; (4) safety measures (in reference to human trafficking); (5) in compliance to State and local tax obligations; (6) registered with the State, with a clearly legible registration number; (7) data transparency; (8) available to the State for regulatory and auditing purposes; (9) adhere to State lodging regulations; (10) remove all non-compliant listings; (11) commercial insurance for commercial businesses; (12) adhere to health, safety, and zoning rules; (13) ADA compliant; and (14) have liability insurance. She advised that the members of the Hospitality Association would like to have an opportunity to speak with City Council to talk more on how to partner together with the new regulations. Ms. Parker advised that she had been in the business for 35 years. The Association’s concern was for the safety of the guests, and staff. She had been a witness to a possible human trafficking situation at a hotel. She expressed concern that something similar might happen in the City while attempting to obtain a $1 billion award with Jefferson Laboratories.

Mayor Price advised that City Council chose not to close the Public Hearing, to allow for continued dialogue on the matter.

Vice Mayor Vick moved continuance of the public hearing to June 11, 2019; seconded by Councilwoman Cherry.

Vote on Roll Call:
Ayes: Vick, Cherry, Harris, Jenkins, Price
Nays: None

Vice Mayor Vick moved to defer action of the ordinance until the June 11, 2019 Regular Meeting of City Council; seconded by Councilman Harris.
E. Public Hearings Continued

3. Ordinance Amending and Reordaining City Code Chapter 45, Zoning Ordinance; Article II., Definitions; Section 45-201, Definitions of Certain Words and Terms; By Adding the Definition of Short-Term Rental Continued

Vote on Roll Call:
Ayes: Vick, Cherry, Harris, Jenkins, Price
Nays: None

4. Ordinance Amending and Reordaining City Code Chapter 45, Zoning Ordinance; Article IV., Summary of Uses by District; Section 45-402, Summary of Uses by District; By Amending Permitted Uses “B” Residential

AN ORDINANCE TO AMEND AND REORDAIN CHAPTER 45, ZONING ORDINANCE, ARTICLE IV., SUMMARY OF USES BY DISTRICT, SECTION 45-402, SUMMARY OF USES BY DISTRICT, BY AMENDING PERMITTED USES “B” RESIDENTIAL. This ordinance amended and reordained the City Code, Chapter 45, Zoning Ordinance; Article IV., Summary of Uses by District; Section 45-402, Summary of Uses by District; by amending Permitted Uses “B” Residential. The purpose of this amendment was to establish the zoning districts in which short-term rentals would be allowed. On May 1, 2019, the City Planning Commission voted unanimously 9:0 to recommend adoption of the amendment. The City Manager recommended approval.

(No registered speakers)

Vice Mayor Vick moved continuance of the public hearing to June 11, 2019; seconded by Councilwoman Cherry.

Vote on Roll Call:
Ayes: Vick, Cherry, Harris, Jenkins, Price
Nays: None

Vice Mayor Vick moved to defer action of the ordinance until the June 11, 2019 Regular Meeting of City Council; seconded by Councilwoman Cherry.

Vote on Roll Call:
Ayes: Vick, Cherry, Harris, Jenkins, Price
Nays: None
E. Public Hearings Continued

5. Ordinance Amending and Reordaining City Code Chapter 45, Zoning Ordinance; Article V., General Regulations; By Adding Thereto a New Section, Namely; Section 45-517.1, Short Term Rentals

AN ORDINANCE TO AMEND AND REORDAIN CHAPTER 45, ZONING ORDINANCE, ARTICLE V., GENERAL REGULATIONS, BY ADDING THERETO A NEW SECTION, NAMELY: SECTION 45-517.1, SHORT TERM RENTALS. This ordinance amended and reordained the City Code, Chapter 45, Zoning Ordinance; Article V., General Regulations; by Adding Thereto a new Section, Namely: Section 45-517.1, Short Term Rentals. This amendment established criteria that must be met to balance allowing short-term rentals, while maintaining the overall character of residential neighborhoods. On May 1, 2019, the City Planning Commission voted unanimously 9:0 to recommend adoption of the amendment. The City Manager recommended approval.

(No registered speakers)

Vice Mayor Vick moved continuance of the public hearing to June 11, 2019; seconded by Councilman Harris.

Vote on Roll Call:
Ayes: Vick, Cherry, Harris, Jenkins, Price
Nays: None

Vice Mayor Vick moved to defer action of the ordinance until the June 11, 2019 Regular Meeting of City Council; seconded by Councilwoman Cherry.

Vote on Roll Call:
Ayes: Vick, Cherry, Harris, Jenkins, Price
Nays: None

6. Ordinance Authorizing the City Manager to Execute any Documents Necessary to Effectuate the Release and Vacation of a Portion of an Unpaved Street or Right-of-Way Located at Abingdon Road in the Tipton Place Subdivision

AN ORDINANCE CLOSING AND VACATING THAT CERTAIN UNDEVELOPED AND UNPAVED STREET OR RIGHT OF WAY, CONTAINING 0.2153 ACRES, LOCATED IN THE TIPTON PLACE SUBDIVISION IN THE CITY OF NEWPORT NEWS, VIRGINIA, AS SHOWN ON THE PLAT ATTACHED HERETO AND MADE A PART OF THIS ORDINANCE. This ordinance authorized the City Manager to execute any documents necessary to effectuate the closing and vacating of a portion of the undeveloped and unpaved street or right-of-way, containing 0.2153 acres, located in the Tipton Place Subdivision.
E. Public Hearings Continued

6. Ordinance Authorizing the City Manager to Execute any Documents Necessary to Effectuate the Release and Vacation of a Portion of an Unpaved Street or Right-of-Way Located at Abingdon Road in the Tipton Place Subdivision Continued

What was sometimes referred to as “Abingdon Road” was a 50-foot-wide paper street created in 1937 by Deed, which reserved the road to be held in common by all heirs of the D. S. Jones Estate. The City did not have fee simple interest in the area, and had never maintained it as a public easement of right-of-way. Since its creation over 80 years ago, this “road” led to confusion regarding ownership by both abutting landowners, as well as City staff. City staff felt the City was best served by vacating its interest in this portion of the paper street to help clear up present and future title issues. Information regarding the area had been circulated to relevant Departments, and no City utility or other easements were necessary to reserve. The City Manager recommended approval.

(No registered speakers)

Councilman Harris moved closure of the public hearing; seconded by Councilman Jenkins.

Vote on Roll Call:
Ayes: Vick, Cherry, Harris, Jenkins, Price
Nays: None

Vice Mayor Vick moved adoption of the ordinance as shown above; seconded by Councilman Harris.

Vote on Roll Call:
Ayes: Vick, Cherry, Harris, Jenkins, Price
Nays: None

7. Ordinance Amending City Code, Chapter 40, Taxation; Article I., General Provisions and Exemptions; Division 3., Property Exempted by Designation; Section 40-8.05, Property of Newport News Green Foundation, Inc., to Add Property Located at 315 Center Avenue

AN ORDINANCE TO AMEND AND REORDAIN CHAPTER 40, TAXATION, OF THE CODE OF THE CITY OF NEWPORT NEWS, VIRGINIA, ARTICLE I., GENERAL PROVISIONS AND EXEMPTIONS, DIVISION 3., PROPERTY EXEMPTED BY DESIGNATION, SECTION 40-8.05, PROPERTY OF NEWPORT NEWS GREEN FOUNDATION, INC. This ordinance amended and reordained the City Code, Chapter 40, Taxation; Article I., General Provisions and Exemptions; Division 3., Property Exempted by Designation; Section 40-8.04, Property of the Newport News Green Foundation, Inc.; to add property located at 315 Center Avenue. The Newport News Green Foundation, Inc. (NNGF), a
E. Public Hearings Continued

7. Ordinance Amending City Code, Chapter 40, Taxation; Article I., General Provisions and Exemptions; Division 3., Property Exempted by Designation; Section 40-8.05, Property of Newport News Green Foundation, Inc., to Add Property Located at 315 Center Avenue Continued

charitable tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. NNGF’s purpose was to promote the creation and preservation of green space by acquiring property, advocating for, and assisting others, to make the City a more visually attractive place. NNGF’s most recent acquisition, of property located at 315 Center Avenue, continued its mission in enhancing the quality of life by preserving, transforming, and promoting green spaces throughout the City. The City Manager recommended approval.

(No registered speakers)

Councilman Jenkins moved closure of the public hearing; seconded by Councilman Harris.

Vote on Roll Call:
Ayes: Vick, Cherry, Harris, Jenkins, Price
Nays: None

Councilwoman Cherry moved adoption of the ordinance as shown above; seconded by Councilman Jenkins.

Vote on Roll Call:
Ayes: Vick, Cherry, Harris, Jenkins, Price
Nays: None

F. Consent Agenda

Councilwoman Cherry moved adoption of the Consent Agenda, Items 1 through 5, all inclusive, as shown below; seconded by Vice Mayor Vick.

1. Minutes of the Work Session of May 14, 2019

(No registered speakers)

Vote on Roll Call:
Ayes: Vick, Cherry, Harris, Jenkins, Price
Nays: None

2. Minutes of the Special Meeting of May 14, 2019

(No registered speakers)
F. Consent Agenda Continued

2. Minutes of the Special Meeting of May 14, 2019 Continued

Vote on Roll Call:
Ayes: Vick, Cherry, Harris, Jenkins, Price
Nays: None

3. Minutes of the Regular Meeting of May 14, 2019

(No registered speakers)

Vote on Roll Call:
Ayes: Vick, Cherry, Harris, Jenkins, Price
Nays: None

4. Resolution of Recognition: St. Paul’s Episcopal Church

A RESOLUTION OF RECOGNITION FOR ST. PAUL’S EPISCOPAL CHURCH FOR ONE HUNDRED AND THIRTY YEARS OF SERVICE TO THE CITIZENS OF NEWPORT NEWS. In 1880, The Reverend C.J.S. Mayo was assigned the renewal of the Episcopal Church in Warwick County, and officiated services in a school house at Gum Grove, located in what is mid-town Newport News. On Easter Monday in 1883, St. Paul’s Episcopal Church was formally organized by the election of a vestry. On Easter of 1900, St. Paul’s Episcopal Church held its first service in its location at 34th Street, which remained a landmark in downtown Newport News for one hundred and nineteen years. St. Paul’s Episcopal Church served the community in a myriad of ways, including providing a haven for members of the armed forces during World War II. St. Paul’s Episcopal Church provide community outreach to the less fortunate in the community, striving to help those facing the challenges of hunger and poverty through its Community Action Network. The Resolution of Recognition recognized and congratulated the St. Paul’s Episcopal Church family on its many years of dedicated service to the citizens of the City of Newport News. It acknowledged the many individuals who supported the Church and its leaders in their commitment to mankind through the numerous ministries, programs, services, and opportunities for fellowship. The City Manager recommended approval.

(No registered speakers)

Vote on Roll Call:
Ayes: Vick, Cherry, Harris, Jenkins, Price
Nays: None
F. Consent Agenda Continued


A RESOLUTION OF RECOGNITION FOR THE CATALYST EFFECT AND THE SILENCE EMPOWERS VIOLENCE COMMUNITY CARE AND ACTION TEAMS. This resolution recognized and commended the Catalyst Effect (TCE) and the Silence Empowers Violence Community Care and Action Teams (Action Teams) on having the third full week of September designated as Silence Empowers Violence . . . Break the Code Awareness-to-Action Week. In December, 2017, The TCE launched a collaborative, nationwide youth-led awareness to action movement called Silence Empowers Violence . . . Break the Code! to address the problem of unreported and unresolved crimes and violence. TCE created and actively engaged participants in youth-led Silence Empowers Violence Community Action Teams. These teams were encouraged and empowered to break the code of silence when it comes to violence by being a voice for those who are too afraid to speak up or take action and by taking a public stand against violence and crime in their respective communities. They also created violence prevention, intervention, and post-intervention community engagement initiatives and opportunities. In 2017, the Action Teams hosted a two and one-half mile Break the Code Walk to bring community awareness to their cause. The walk concluded with a community resource fair for participants to learn about and partner with local violence prevention organizations. To help accomplish their mission, TCE and the Action Teams partnered with the U.S. Department of Justice, Newport News Public Schools, Newport News Department of Human Services – Youth Services Division, Newport News Youth Gang and Violence Prevention, Newport News Police Department, the Messiah Center, City Life, Life House, Emmaus and Real World Church, and other faith-based organizations, businesses and community individuals. In 2019, House Joint Resolution No. 630, designating the third full week of September as Silence Empowers Violence Break the Code Awareness-to-Action Week in Virginia, was passed by the House of Delegates and the Senate of Virginia. TCE and the Action Teams would observe the week by educating communities about the psychological trauma and monetary effects of unresolved and unreported crimes. The Council wished to recognize and commend The Catalyst Effect and the Silence Empowers Violence Community Care and Action Teams on their efforts in making the City of Newport News a safer place to live, learn, work, and play. The Resolution of Recognition extended best wishes for continued success and draws the attention of all citizens of the City of Newport News the Silence Empowers Violence Break the Code Awareness-to-Action Week during the third full week of September. The City Manager recommended approval.

(No registered speakers)

Vote on Roll Call:
Ayes: Vick, Cherry, Harris, Jenkins, Price
Nays: None
G. Other City Council Actions

1. Receipt of Bids for a Utility Easement at 1451-48th Street in Copeland Park

One (1) bid was received and opened from Dominion Energy Virginia for the grant of a utility easement on a portion of City-owned property located at 1451-48th Street in Copeland Park. The easement was needed to relocate overhead service lines, in the 48th Street right-of-way, to underground lines that would cross the property associated with Copeland Park facilities. The Waterworks Department determined the value of the easement based on the most recent tax assessment of the parcel. The parcel at 1451-48th Street was .11 acres, with an easement value of $4,683.00. Proceeds from the sale would be deposited in the Waterworks Land Fund for use in future land purchases. A Notice of Public Hearing was advertised for the June 11, 2019 Regular City Council Meeting for consideration of the Ordinance, which would grant the easement to the successful bidder(s). The bid was turned over to the City Manager for review and evaluation (a copy of the bid is attached and made a part of these minutes).


A RESOLUTION OF THE COUNCIL OF THE CITY OF NEWPORT NEWS, VIRGINIA, APPROVING THE CONSOLIDATED PLAN FOR HOUSING AND COMMUNITY DEVELOPMENT ANNUAL ACTION PLAN FOR THE CITY OF NEWPORT NEWS INCLUDING THE PROPOSED USE OF COMMUNITY DEVELOPMENT BLOCK GRANT AND HOME FUNDS AND CERTIFICATION FOR FISCAL YEAR 2019-2020 AND AUTHORIZING SUBMISSION OF THIS PLAN TO THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT. This resolution approved and authorized submission of the Consolidated Plan for Housing and Community Development Annual Action Plan for the City, including the propose use of Community Development Block Grant (CDBG) and HOME Investment Partnership Funds for the FY 2019-2020 and Certifications, to the United States Department of Housing and Urban Development (HUD). The Consolidated Plan for Housing and Community Development Annual Action Plan, which identified the City’s needs for housing and community development, the resources available to meet the needs, and the priorities for directing those resources, required the approval of City Council. This document was required by the U. S. Department of HUD and must be submitted to, and approved by, HUD for the City to receive its allocation of CDBG and HOME Investment Partnership (HOME) funds each year. The Annual Action Plan included the proposed use of funds for the upcoming FY 2019-2020, and included HUD entitlement funding and program income for both CDBG and HOME in an aggregate estimated amount of $2,388,524.00. The City Manager recommended approval.

(No registered speakers)

Vice Mayor Vick moved adoption of the above resolution; seconded by Councilman Harris.
G. Other City Council Actions Continued


Vote on Roll Call:
Ayes: Vick, Cherry, Harris, Jenkins, Price
Nays: None

3. Resolution Authorizing the City Manager to Execute a Programmatic Project Administration Agreement Between the City and the Department of Transportation for Revenue Sharing Projects

A RESOLUTION SUPPORTING AN APPLICATION TO THE VIRGINIA DEPARTMENT OF TRANSPORTATION (VDOT) FOR AN ALLOCATION OF $10,000,000.00 PER FISCAL YEAR FOR THREE SUCCEEDING FISCAL YEARS AND AUTHORIZING THE CITY MANAGER TO EXECUTE A PROGRAMMATIC PROJECT ADMINISTRATION AGREEMENT THROUGH THE VDOT REVENUE SHARING PROGRAM. This resolution supported an application to the Virginia Department of Transportation (VDOT) for an allocation of $10,000,000.00 per fiscal year for three consecutive fiscal years, and authorized the City Manager to execute a Programmatic Project Administration Agreement for Revenue Sharing Projects. The current Programmatic Project Administration Agreement (PPAA) for Revenue Sharing projects would expire June 30, 2019. The new PPAA agreement would be valid for three fiscal years, with an option to extend the agreement for three additional fiscal years. VDOT required the City execute a PPAA and participate in a 50/50 cost share for Revenue Sharing projects. The maximum funding the City could receive from the Revenue Sharing program was $5,000,000.00 per year, with a City match of $5,000,000.00. The City Manager recommended approval.

(No registered speakers)

Vice Mayor Vick moved adoption of the above resolution; seconded by Councilman Harris.

Vote on Roll Call:
Ayes: Vick, Cherry, Harris, Jenkins, Price
Nays: None

H. Appropriations

Vice Mayor Vick moved adoption of Appropriation Items 1 and 2, as shown below; seconded by Councilman Harris.
H. Appropriations Continued

1. Office of the Commonwealth’s Attorney – Asset Forfeiture Fund: Technology Equipment Supplies

A RESOLUTION APPROPRIATING FUNDS FROM ASSET FORFEITURE–COMMONWEALTH’S ATTORNEY ($10,000.00) TO COMMONWEALTH’S ATTORNEY OFFICE SUPPLIES ($10,000.00). This resolution appropriated $10,000.00 from the Asset Forfeiture Fund of the Office of the Commonwealth’s Attorney. The current appropriation request was for computer equipment supplies. The current unappropriated asset forfeiture fund balance was approximately $47,427.00. The City Manager recommended approval.

(No registered speakers)

Vote on Roll Call:
Ayes:    Vick, Cherry, Harris, Jenkins, Price
Nays:    None

2. Department of Development – Fourth City Center of Oyster Point Public Parking Garage and Related Traffic Infrastructure Improvements

A RESOLUTION APPROPRIATING FUNDS FROM 2019 GENERAL OBLIGATION IMPROVEMENTS BONDS ($31,300,000.00) TO CITY CENTER AT OYSTER POINT PUBLIC PARKING GARAGE ($24,800,000.00) AND CITY CENTER AT OYSTER POINT TRAFFIC INFRASTRUCTURE IMPROVEMENTS ($6,500,000.00). This resolution appropriated $31,300,000.00 for construction of the fourth City Center at Oyster Point Public Parking Garage and related Oyster Point Traffic Infrastructure Improvements. Consistent with the original City Center at Oyster Point (CCOP) Master Plan, and in support of ongoing expansion at CCOP, the City and the Economic Development Authority (EDA) entered into a Parking Rights and Administration Agreement to facilitate construction of a fourth public parking garage in CCOP. The City agreed to provide full funding for initial construction of the garage in an amount not to exceed $31,300,000.00. At the November 27, 2018 Regular Meeting, City Council authorized issuance of $38,000,000.00 in General Obligation General Improvement Bonds to cover the costs of initial garage construction and related traffic infrastructure improvements. A public Invitation for Bids (IFB) process for construction of the public parking garage, and extension of Pearl Way, was managed by the City’s Purchasing Department, on behalf of the EDA. Upon receipt and evaluation of bids, W.M. Jordan was declared the lowest responsive, responsible bidder, with a total bid of $21,593,000, and additional funding of $1,619,475, representing a 7.5% contingency. Additionally, contracts to provide construction management, and monitoring and testing services necessary to facilitate construction of the garage project, would need to be authorized by the EDA. With contingencies, these contracts were anticipated to total $1,587,525, for a total cost of $24,800,000, for the garage and extension
H. Appropriations Continued

2. Department of Development – Fourth City Center of Oyster Point Public Parking Garage and Related Traffic Infrastructure Improvements Continued

of Pearl Way component of the project. An additional $6,500,000 was requested to fund engineering design work, utility relocation, property acquisition, construction, and related work, associated with transportation infrastructure improvements in and around Oyster Point, to facilitate enhanced traffic flow for individuals travelling in the Oyster Point area. The City Manager recommended approval.

(No registered speakers)

Vote on Roll Call:
Ayes: Vick, Cherry, Harris, Jenkins, Price
Nays: None

I. Citizen Comments on Matters Germene to the Business of City Council

Mr. Dale Goode, 174 Luanita Lane, Newport News, spoke for the Citizens to Save Riverview Farm Park in the absence of Mr. Adrian Whitcomb. Mr. Goode shared the importance of parks, and indicated that a park similar to Riverview Farm Park would enhance the City and be of benefit to the citizens. He further indicated the need for funds, and requested a small amount of funds be allocated toward making the Park assessable to people allowing them to enjoy the river view.

Mr. Goode recalled there had been contentiousness around issues facing the City of Newport News. He felt that local politics was being degraded to the level of national politics. He advised no matter what side was taken on an issue, everyone wanted what was best for Newport News, and everything should remain amicable.

Mr. Antonio Thompson, P. O. Box 413, Newport News, quoted Bible scriptures from Matthew 10:7, 1 Corinthians 15:52, as well as 1 Thessalonians 4:16, alluding to United States President, Donald Trump, being the Trump of God. He advised that United States President, the Honorable Donald Trump, would be re-elected in 2020.

Mr. Thompson encouraged that all citizens come together - Christians, Muslims, and Jews around the world.

Mr. Thompson urged the legalization of marijuana to enrich the City’s treasury.

Mr. Thompson advised that he attended the Newport News Police Department Memorial Service held on Friday, May 17, 2019, at the Mariners’ Museum (100 Museum Drive), in honor of service by past, present, and future police officers. He extended his thanks to Chief
I. Citizen Comments on Matters Germane to the Business of City Council
Continued

Steve Drew and members of the NNPD for their service and sacrifice; along with members of the
Newport News Fire Department. He stated they were the living heroes of every generation.

Mr. Thompson recommended the closure of Detention Centers and Jails.

Mr. Thompson further suggested that members of both departments (NNPD and
NNFD) be given a 110% salary increase after the jails were shut down.

Ms. Jannie Bazemore, 1004 Hampton Avenue, Newport News, posed the
following questions with regard to Huntington Middle School: (1) Had the $2.8 million for the
planning and design of Huntington Middle School been released to the Newport News Public
Schools (NNPS)? (2) If not, Ms. Bazemore inquired whether there had been a change in the
action that occurred to provide the funds? (3) If there had been no change in plans, she inquired
when the City intended to release the funds to enable the planning and design to begin? Ms.
Bazemore requested a response to her questions at janniebazemore@gmail.com. Ms. Bazemore
concluded with her signature phrase, “Huntington (Middle School) would rise again.”

Ms. Pam Hall, a resident of the Southeast Community, P. O. Box 9041,
Hampton, stated, in her opinion, the education of the children was crucial for the future of the
City of Newport News and the State of Virginia. She continued, in her opinion, by providing the
children a 21st or 22nd century education, they would be ensured the ability to compete worldwide.
She advised that technology did not stand still, and despite the City’s vision, plans should proceed
with the rebuilding of a Huntington STEAM (science, technology, engineering, arts,
mathematics) School as soon as possible. Ms. Hall commended Councilman Dave Jenkins for
listening to the citizens.

Mr. James Lovett Jr., 25 Riverlands Drive, Apt. B, Newport News, representing
members of the Huntington High School Alumni Association, advocated for salary increases for
NNPS teachers. As a NNPS employee, Mr. Lovett observed the teachers’ frustration.

Mr. Lovett shared, on January 20, 1963, a famous person said,
“Ask not what your country can do for you, ask what you can do for your country.” Mr. Lovett
urged citizens to challenge society to contribute to improve the public good. He advised that the
Newport News City Council should give $2.8 million to the Newport News School Board for the
design of Huntington Middle School STEM Academy, and $50 million for the rebuilding of
Huntington Middle School as soon as possible. Newport News citizens must think about the
future of the students who live in the lower part of the Southeast District of Newport News.

Mr. Dion Witherspoon, 926-19th Street, Newport News, shared that he was a
Therapeutic Mentor and Behavioral Counselor with the Hampton-Newport News Community
Services Board (CSB). On behalf of the Huntington High School Alumni Association, shared a
passage of scripture from Luke 18, “... men ought always pray, and not faint...” It continued
I. Citizen Comments on Matters Germene to the Business of City Council
   Continued

that God should serve as judge of the unjust. Mr. Witherspoon explained that God was a just
Judge, versus the unjust Judge, with City Council representing the unjust Judge, and regarded the
matters of man. He, being closely associated with the members of, and history of, Huntington
Middle School, advised that City Council did not realized the impact, value, and meaning of the
school. He advised that he would continue to address City Council monthly regarding the matter
of Huntington Middle School. He suggested the matter be added to the agenda for further
discussion.

J. Old Business, New Business and Councilmember Comments

Vice Mayor Vick extended congratulations to the Battle of the Books winners
from General Stanford Elementary School. She advised that the Battle of the Books was one of
her favorite events for the youth as it prepared them for the future. She thanked all of the teachers,
coaches, and parents who were involved in making them champions.

Vice Mayor Vick extended thanks to Mr. Sean Devlin, Commander, American
Legion Braxton-Perkins Post 25, and all members of the Post, for the outstanding Memorial Day
Ceremony, held, Monday, May 27, 2019, 11:00 a.m. at the Victory Arch (25th Street and West
Avenue), as the men and woman were honored for their service and sacrifice. The keynote
speaker for the event was Erin C. Cluff, Colonel, United States Air Force, Commander, 633d
Mission Support Group, Joint Base Langley-Eustis.

Councilwoman Cherry thanked the citizens for their attendance and participation,
and for sharing their thoughts, concerns, and ideas.

Councilwoman Cherry reminded that the South District Your Voice Matters
Town Hall Meeting, for the Huntington Heights discussion, was rescheduled for Thursday, June
6, 2019, 6:00 – 7:30 p.m., at the Brittingham-Midtown Community Center (2570 McLawhorne
Drive). She indicated there would be no Town Hall Meeting on Thursday, June 13, 2019. All
citizens were invited to attend.

Councilwoman Cherry announced that the Annual Juneteenth Freedom Festival
was scheduled for Saturday, June 15, 2019, 12 noon – 4:00 p.m., at Brooks Crossing (30th Street
and Jefferson Avenue). Interested vendors or exhibitors were instructed to contact the City
Clerk’s Office at (757) 926-8634.

Councilwoman Cherry advised that she always wanted to recognize extended
departments and individuals doing great things for the citizens in the City. She further advised
that there had been multiple programs and activities created by Chief Steve Drew and the NNPD.
J. Old Business, New Business and Councilmember Comments Continued

Councilwoman Cherry announced there would be a Faith, Justice & Community Meeting, hosted by the Newport News Police Department (NNPD), was scheduled for Tuesday, June 4, 2019, 2:00 p.m. – 3:00 p.m., at the Newport News Police Headquarters (9710 Jefferson Avenue). All faith communities were invited. There had been great speakers talking about homicides and domestic violence, which Chief Drew advised had been a challenge for the Department.

Councilwoman Cherry advised that Chief Drew, NNPD, had established a Homicide Support Group. The group was created to show support for families that were experiencing loss through acts of violence. Meetings were scheduled for the second Wednesday of each month. The next meeting was scheduled for Wednesday, June 12, 2019, 6:00 p.m. – 7:00 p.m., at the Newport News Police Headquarters (9710 Jefferson Avenue).

Councilwoman Cherry announced that Community Walks were held following the meetings of the Act of Violence Support Group. The walks had been very impactful as the families and the communities were quite effected by acts of violence. More than 70 people participated in the Community Calming Walk held on May 28, 2019 in the North District, to include Pastor Willard Maxwell, Pastor of New Beech Grove Baptist Church, members of his congregation, and members of the NNPD.

Councilwoman Cherry indicated that she had enjoyed the Young Adult Police Commissioners (YAPC) - members from the five area high schools. They had met weekly to build a relationship between the NNPD and youth in the City. Councilwoman Cherry extended kudos and congratulations to them, as well as those who would graduate from high school. She advised the YAPC would have a Closing Ceremony, on Friday, May 31, 2019, at the Holiday Inn, located at 980 Omni Boulevard.

Councilwoman Cherry advised, for National Gun Awareness Month, the NNPD would host three events to engage the residents and bring awareness to gun violence. The events were scheduled for Saturday, June 8, 2019, at Ridley Circle; Saturday, June 22, 2019, at Aqueduct Apartments; and Saturday, June 29, 2019, at South Morrison. Citizens were encouraged to attend.

Councilman Harris thanked the citizens for their attendance and participation, and for sharing their thoughts, concerns, and ideas.

Councilman Harris extended congratulations to the students from General Stanford Elementary School, on their honor of winning the Battle of the Books. He advised that he would celebrate with the students at the 5th Grade Promotion Ceremony, on Thursday, June 13, 2019, 9:00 a.m., for those going to Middle School (929 Madison Avenue, Fort Eustis).

Councilman Harris also attended the Memorial Day Ceremonies on Monday, May 27, 2019, hosted by American Legion Post 368, 8:00 a.m., and held at 368 American Legion
J. Old Business, New Business and Councilmember Comments Continued

Drive; the second ceremony was hosted by American Legion Braxton-Perkins Post 25, at 11:00 a.m. and held at the Victory Arch, in honor and recognition of all of the fallen soldiers.

Councilman Harris announced, the Third Annual Media Network Mixer, to be held on Wednesday, May 29, 2019, 6:00 p. m. – 9:00 p.m., at District 41 Sports Bar, located at 605 Pilot House Drive. There would be a presentation by staff from the City’s Department of Development, as well as a local businesswoman from the City of Richmond, Ms. Tiffany Copeland was a participant in the City’s One City Marathon, held March 3, 2019. The event would bring entrepreneurs, non-profit organizations, and small businesses together to network, and see how to better collaborate with one another.

Councilman Harris advised that City Council would not meet prior to NNPS graduation ceremonies. To the seniors scheduled to graduate on June 8 or 9, 2019, he extended congratulations and wished them well.

Councilman Harris announced there would be a Joint Meeting of the Newport News City Council and the Newport News School Board at the end of June, 2019, to discuss the Capital Improvements Plan(s).

Mayor Price advised that he attended the First Cities Annual Board Meeting, on Friday, May 17, 2019, 9:00 a.m. – 4:00 p.m., at Jefferson Lab (12000 Jefferson Avenue). He extended thanks to Vice Mayor Tina Vick for organizing the Annual Meeting. Governor Ralph Northam was a Guest Speaker.

Mayor Price advised that he and his colleagues attended a Ribbon Cutting Ceremony of the Southeastern Virginia Health System Physicians, held Tuesday, May 21, 2019, 11:00 a.m., at their newest facility located at 9294 Warwick Boulevard.

Mayor Price highlighted new technology – ShotSpotter - in the City of Newport News. He advised that Newport News was first in the State to have this technology. An official announcement was made on Tuesday, May 21, 2019, 2:00 p.m., at the NNPD Headquarters (9710 Jefferson Avenue). Mayor Price extended thanks to Chief Steve Drew for his encouragement, and a special thanks to Riverside Hospital for their contribution to the three-year trial period.

Mayor Price shared that he attended two Ramadan Dinners – One dinner was sponsored by the Rumi Friendship Association, on Thursday, May 23, 2019, 7:00 p.m. – 9:00 p.m., and held at the Brittingham-Midtown Community Center (570 McLawhorne Drive). The second Dinner was hosted by the Virginia Center for Inclusive Communities (VCIC) on Monday, May 13, 2019, 7:30 p.m. – 9:00 p.m., and held at the Thomas Nelson Community College (TNCC) Workforce Development Center, located at 600 Butler Farm Road, Hampton. He advised the dinner presented a good opportunity to share and exchange friendships between the various faiths.
J. Old Business, New Business and Councilmember Comments Continued

Mayor Price reiterated remarks by Councilman Harris as they both attended the Memorial Day Ceremonies on Monday, May 27, 2019, hosted by American Legion Post 368, 8:00 a.m., and held at 368 American Legion Drive; the second ceremony was hosted by American Legion Braxton-Perkins Post 25, at 11:00 a.m. and held at the Victory Arch, in honor and recognition of all of the fallen soldiers.

K. Adjourn

Mayor Price adjourned the meeting by addressing the citizens. He stated, "May what you say and do uplift the City of Newport News."

THERE BEING NO FURTHER BUSINESS, ON MOTION, COUNCIL ADJOURNED AT 8:05 P.M.

Mabel Washington Jenkins, MMC
City Clerk

McKinley L. Price, DDS
Mayor
Presiding Officer

A true copy, teste:

City Clerk
ACTION: A REQUEST TO APPROVE A RESOLUTION RECOGNIZING THE 30TH ANNIVERSARY OF THE COMMISSIONING OF USS NEWPORT NEWS (SSN 750).

BACKGROUND:

- The *Los Angeles*-class nuclear attack submarine USS Newport News was commissioned in June of 1989, after being constructed by the Newport News Shipbuilding and Dry Dock Company.

- This submarine is the eighth vessel to bear the name of this city, and the third to see naval service.

- Since its commissioning in June 1989, the submarine USS *Newport News* has steamed approximately 700,000 nautical miles, visited 40 foreign ports, and has made four transits of the Panama Canal in support of the nation’s defense.

- The USS *Newport News* has provided Tomahawk strike warfare and intelligence support during Operation Desert Storm, Operation Desert Fox, Operation Iraqi Freedom, and during the Global War on Terrorism.

- The USS *Newport News* is highly decorated, and has been awarded the Southwest Asia Service Medal with two bronze stars, two Arctic Service Ribbons, the Sea Service Deployment Ribbon with three bronze stars, the Navy Expeditionary Medal with two bronze stars, a Meritorious Unit Citation, a Navy Unit Citation, and the Sea Service Ribbon with one silver star and one bronze star. In 2011, the USS Newport News received both the Battle Effectiveness (Battle “E”) and the Marjorie Sterrett Battleship Fund Awards.

- After a successful 2011 North Atlantic deployment, the USS *Newport News* underwent a major overhaul. In 2016, the USS Newport News was back in action completing a six-month deployment, which involved visits to Norway, Gibraltar, Greece, and a transit of the Suez Canal. In 2018, the USS
Newport News completed a successful European Command deployment, during which the crew took part in multiple events designed to strengthen the bonds between the United States and the United Kingdom.

- The motto of the USS *Newport News*, Magni Nominis Umbra (“In the Shadow of a Great Name”) links the submarine to its namesake city as well as the careers of previous naval ships that have carried the name Newport News.

- The City Council acknowledges and congratulates Commander David W. Fassel and the crew of the USS *Newport News* (SSN 750) and all who have served on board this vessel on the 30th anniversary of the submarine’s commissioning and for its distinguished and decorated service to our nation.

**FISCAL IMPACT:** N/A

**ATTACHMENTS:**
- Description
  - sdm16904 Recognition re USS Newport News
RESOLUTION NO. _______________

RESOLUTION OF RECOGNITION

WHEREAS, the City Council of the City of Newport News, Virginia, wishes to recognize Commander David W. Fassel and the crew of the USS Newport News (SSN 750) on the 30th anniversary of the submarine’s commissioning; and

WHEREAS, the Los Angeles-class nuclear attack submarine USS Newport News was commissioned in June of 1989, after being constructed by the Newport News Shipbuilding and Dry Dock Company; and

WHEREAS, this submarine is the eighth vessel to bear the name of this city, and the third to see naval service; and

WHEREAS, since its commissioning in June 1989, the submarine USS Newport News has steamed approximately 700,000 nautical miles, visited 40 foreign ports, and has made four transits of the Panama Canal in support of the nation’s defense; and

WHEREAS, the USS Newport News has provided Tomahawk strike warfare and intelligence support during Operation Desert Storm, Operation Desert Fox, Operation Iraqi Freedom, and during the Global War on Terrorism; and

WHEREAS, the USS Newport News is highly decorated, and has been awarded the Southwest Asia Service Medal with two bronze stars, two Arctic Service Ribbons, the Sea Service Deployment Ribbon with three bronze stars, the Navy Expeditionary Medal with two bronze stars, a Meritorious Unit Citation, a Navy Unit Citation, the Sea Service Ribbon with one silver star and one bronze star, and in 2011, the USS Newport News received both the Battle Effectiveness or Battle “E” Award and the Marjorie Sterrett Battleship Fund Award; and

WHEREAS, after a successful 2011 North Atlantic deployment, the USS Newport News underwent a major overhaul. In 2016, the USS Newport News was back in action completing a six month deployment which involved visits to Norway, Gibraltar, Greece, and a transit of the Suez Canal. In 2018, the USS Newport News completed a successful European Command deployment, during which the crew took part in multiple events designed to strengthen the bonds between the United States and the United Kingdom; and

WHEREAS, the motto of the USS Newport News, Magni Nominis Umbra (“In the Shadow of a Great Name”) links the submarine to its namesake city as well as the careers of previous naval ships that have carried the name Newport News.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Newport News, Virginia:
1. That it acknowledges and congratulates Commander David W. Fassel and the crew of the USS Newport News (SSN 750) and all who have served on board this vessel on the 30th anniversary of the submarine’s commissioning and for its distinguished and decorated service to our nation.

2. That is hereby directs that a copy of this resolution be spread upon the records of this body and that a copy be delivered to Commander David W. Fassel and the crew of the USS Newport News.

3. That this resolution shall be in effect on and after the date of its adoption, June 11, 2019.
F. Consent Agenda

5. Resolution of Recognition: Newport News Shipbuilding Athletic Program 100th Anniversary

A REQUEST TO APPROVE A RESOLUTION RECOGNIZING THE 100TH ANNIVERSARY OF THE NEWPORT NEWS SHIPBUILDING ATHLETIC PROGRAM.

BACKGROUND:

- The Apprentice School at Newport News Shipbuilding celebrates its 100th Anniversary on July 1, 2019.

- The Athletic Program at The Apprentice School also celebrates its 100th Anniversary on July 1, 2019.

- The first sports team established at The Apprentice School was football in 1919, followed by basketball and baseball teams established in 1921.

- Edward J. Robeson was named the first Athletic Director of The Apprentice School in 1923.

- In 1926, Maroon and Gold were first used as official school colors and Maroons used as the first school nickname. The current school nickname is the Builders.

- In 1932, track & field was added to the athletic program, followed by wrestling in 1937, and golf and tennis in 1938.

- In 1934, the Apprentice Athletic Building opened and served the school until 1971 when it was closed prior to the opening of the Apprentice Athletic Center in 1972.

- The Athletic Program of The Apprentice School became recognized by the National Collegiate Athletic Association (NCAA) in 1986.

- In 1994, Women’s Basketball was added as the first female sport in the athletic program, followed by Women’s Wrestling in 2019.

- Over its history, The Apprentice School Athletic program has
seen many championship victories, including the Men’s Basketball Team becoming State Amateur Athletic Union (AAU) Champs in 1937; the Women’s Basketball Team winning the United States Collegiate Athletic Association (USCAA) National Championship in 2001 and 2002; the Men’s Basketball Teams winning the USCAA National Championships in 2002 and 2003; the Baseball Team winning the USCAA National Championship in 2007 and 2015; Wrestling winning the National Collegiate Wrestling Association (NCWA) National Championship in 2009; golfer Ben Hunter winning the USCAA Golf Titles in 2010 and 2013; and the Football Team winning the National Club Football Association (NCFA) National Championship in 2018.

- The City Council recognizes and congratulates the coaches, staff, and athletes of The Apprentice School at Newport News Shipbuilding’s Athletic Program for their dedication and success and extends its best wishes for continued success and development.

**FISCAL IMPACT:**

- N/A

**ATTACHMENTS:**

Description

sdm16919 Recognition re The Athletic Program at The Apprentice School
RESOLUTION NO. ______________

RESOLUTION OF RECOGNITION

WHEREAS, The Apprentice School at Newport News Shipbuilding celebrates its 100th Anniversary on July 1, 2019; and

WHEREAS, the Athletic Program at The Apprentice School also celebrates its 100th Anniversary on July 1, 2019; and

WHEREAS, the first sports team established at The Apprentice School was football in 1919, followed by basketball and baseball teams established in 1921; and

WHEREAS, Edward J. Robeson was named the first Athletic Director of The Apprentice School in 1923; and

WHEREAS, in 1926, Maroon and Gold were first used as official school colors and Maroons used as the first school nickname. The current school nickname is the Builders; and

WHEREAS, in 1932, track & field was added to the athletic program, followed by wrestling in 1937, and golf and tennis in 1938; and

WHEREAS, in 1934, the Apprentice Athletic Building opened and served the school until 1971 when it was closed prior to the opening of the Apprentice Athletic Center in 1972; and

WHEREAS, the Athletic Program of The Apprentice School became recognized by the National Collegiate Athletic Association (NCAA) in 1986; and

WHEREAS, in 1994, Women’s Basketball was added as the first female sport in the athletic program followed by Women’s Wrestling in 2019; and

WHEREAS, over its history, The Apprentice School Athletic program has seen many championship victories including the Men’s Basketball Team becoming State Amateur Athletic Union (AAU) Champs in 1937; the Women’s Basketball Team winning the United States Collegiate Athletic Association (USCAA) National Championship in 2001 and 2002; the Men’s Basketball Teams winning the USCAA National Championships in 2002 and 2003; the Baseball Team winning the USCAA National Championship in 2007 and 2015; Wrestling winning the National Collegiate Wrestling Association (NCWA) National Championship in 2009; golfer Ben Hunter winning the USCAA Golf Titles in 2010 and 2013; and the Football Team winning the National Club Football Association (NCFA) National Championship in 2018; and

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Newport News, Virginia:
1. That is hereby recognizes and celebrate The Apprentice School at Newport News Shipbuilding’s Athletic Program for its 100th Anniversary in the City of Newport News, Virginia.

2. That is congratulates the coaches, staff, and athletes of The Apprentice School at Newport News Shipbuilding’s Athletic Program for their dedication and success and extends its best wishes for continued success and development.

3. That a copy of this resolution be spread upon the records of this body and that a copy be presented to The Apprentice School at Newport News Shipbuilding’s Athletic Program.

4. That this resolution shall be in effect on and after the date of its adoption, June 11, 2019.
G. Other City Council Actions

1. Resolution Authorizing and Directing the City Manager to Execute Any and All Documents Necessary to Effectuate the FY2018 Choice Neighborhoods Initiative (CNI) Implementation Grant Agreement Between the City of Newport News, Virginia and the U.S. Department of Housing and Urban Development (HUD)


BACKGROUND: • The Choice Neighborhoods Initiative (CNI) is a U.S. Department of Housing and Urban Development (HUD) program that leverages public and private investments to replace distressed public housing and transform neighborhoods of concentrated poverty into neighborhoods of opportunity.

• The three core goals of CNI are Housing, People and Neighborhood.

• In 2016, the City of Newport News (City) and the Newport News Redevelopment and Housing Authority (NNRHA) were awarded a $500,000 CNI Planning Grant from HUD to develop a Transformation Plan for the Ridley Place public housing site and the surrounding Marshall-Ridley Choice Neighborhood.

• Having been a finalist in FY2017, the City and NNRHA were awarded a $30 million CNI Implementation Grant for FY2018.

• As a condition of the grant, the Co-applicants, the City and NNRHA, are required to sign and return the Grant Agreement prior to June 21, 2019.

• The City Manager recommends approval.
FISCAL IMPACT:  • N/A

ATTACHMENTS:

Description
Memo to HCC re CNI Implementation Grant Award 5.31.19
GA transmital Newport News
FY18 CN Implementation Grant Agreement Newport News
sdm16906 Authorizing re FY18 Choice Neighborhoods Implementation Grant Agmt
TO: The Honorable City Council
FROM: City Manager
SUBJECT: Choice Neighborhoods Initiative (CNI) Implementation Grant Award

The Choice Neighborhoods Initiative (CNI) is a U.S. Department of Housing and Urban Development (HUD) program that leverages public and private investments to replace distressed public housing and transform neighborhoods of concentrated poverty into neighborhoods of opportunity. The three core goals of CNI are Housing, People and Neighborhood.

In 2016, the City of Newport News (City) and the Newport News Redevelopment and Housing Authority (NNRHA) were awarded a $500,000 CNI Planning Grant from HUD to develop a Transformation Plan for the Ridley Place public housing site and the surrounding Marshall-Ridley Choice Neighborhood.

The Transformation Plan was developed over a period of 18 months, utilizing a community driven process and was the basis for the City and NNRHA’s FY2017 CNI Implementation Grant application. Having been a finalist in FY2017, the City and NNRHA were awarded a $30 million CNI Implementation Grant for FY2018.

As a condition of the grant, the Co-applicants, the City and NNRHA, are required to sign and return the Grant Agreement prior to June 21, 2019. The City and NNRHA will have until September 30, 2025 to expend the HUD grant funds and complete the Implementation Plan. The City, NNRHA, our community partners, and neighborhood residents look forward to a successful process and the revitalization of the Marshall-Ridley Choice Neighborhood.

I recommend approval.

______________________________
Cynthia D. Rohlf

CDR:epm

cc: Eoghan P. Miller, Assistant to the City Manager
    Karen R. Wilds, Executive Director, NNRHA
Ms. Karen R. Wilds  
Executive Director  
Newport News Redevelopment and Housing Authority  
P.O. Box 797  
Newport News, VA 23607  

Ms. Cynthia D. Rohlf  
City Manager  
City of Newport News  
2400 Washington Avenue  
10th Floor, City Hall  
Newport News, VA 23607  

SUBJECT: Transmittal of FY2018 Choice Neighborhoods Implementation Grant Agreement  

Dear Ms. Wilds and Ms. Rohlf:  

Once again, congratulations on your selection to receive a FY2018 Choice Neighborhoods Implementation Grant funding award. Your proposal is one of the best that embodies the goals of the Choice Neighborhoods program and shows your capacity to implement your Transformation Plan to transform your selected neighborhood. This letter transmits your FY2018 Choice Neighborhoods Implementation Grant Agreement.  

Grant Agreement  

Enclosed are one copy of your FY2018 Choice Neighborhoods Implementation Grant Agreement and three copies of the Assistance Award/Amendment form (HUD-1044). These documents memorialize the agreements made between you and your Co-Applicant, as the Grantees, and HUD, and incorporates all documents relating to the grant, including the FY2018 Notice of Funding Availability (NOFA), your application, and all subsequent documents. Please note that the terms of the Grant Agreement are not negotiable. In order to proceed with the processing of your Grant Agreement, please do the following:  
1. Obtain a Board Resolution authorizing the Lead Grantee’s Executive Director/executive officer to sign all three HUD-1044s.  
2. The Executive Director/executive officer of the Lead Grantee signs and dates each of the three HUD-1044 forms in block 19 of the form. The HUD-1044 form serves as the coversheet to the Grant Agreement.  
3. The Executive Director/executive officer for both the Lead Grantee and Co-Grantee must sign the signature page in the Grant Agreement document (see Article XIX). The signatures of the Executive Director/executive officer of the Lead Grantee and the Executive Director/executive officer of any Co-Grantee(s) must be provided on the same signature page (not separate signature pages).  
4. The Lead Grantee and any Co-Grantee must also provide documentation in accordance with the “Conducting Business in Accordance with Ethical Standards/Code of Conduct” requirement.
found in Section VI.A of the NOFA. That section states that all Federal recipients must have a code of conduct for procurement that meets all requirements in 2 CFR 200.318(c). Before entering into an agreement with HUD, each selected applicant must ensure an up-to-date copy of the organization’s code of conduct is available in the Code of Conduct e-library. HUD’s Code of Conduct website URL is: https://www.hud.gov/program_offices/spm/gmomgmt/grantsinfo/conductgrants. If the code(s) of conduct is on the website and information has not changed, please note that when you provide the other Grant Agreement-related documents.

5. Return the signed Grant Agreement, including the three copies of the HUD-1044 forms, a copy of the Board Resolution, and a copy of the Lead Grantee’s and Co-Grantee’s code(s) of conduct (if necessary) to Ms. Caroline Tatalovich in the Choice Neighborhoods office no later than Friday, June 21, 2019 at the following address:

U.S. Department of Housing and Urban Development
Choice Neighborhoods Office of Public Housing Investments
451 Seventh Street SW, Room 5150
Washington, DC 20410

Once the Grant Agreement, copy of the Board Resolution, and copy of the code(s) of conduct are received by HUD, the General Deputy Assistant Secretary for Public and Indian Housing will sign and date the final signature block on the signature page of the Grant Agreement, which will be the effective date of the Grant Agreement. The original will be kept by the Department and an executed copy will be transmitted to you via e-mail to keep in your records and administer accordingly.

Choice Neighborhoods Grant Management and Guidance

The Office of Public Housing Investments (OPHI) will administer your grant. Your Choice Neighborhoods Team Coordinator will be reaching out to you shortly to arrange a site visit. Your Team Coordinator will be your primary source of guidance and information about your Implementation Grant. In addition, on the Choice Neighborhoods web site (www.hud.gov/cn), HUD has posted information about accessing LOCCS and valuable information on the Choice Neighborhoods budget, mixed-finance development, procurement, and other technical areas. I urge you to familiarize yourself with the website and take advantage of the information posted there.

Transformation Plan Revisions

The selection of your organization for a Choice Neighborhoods grant does not necessarily mean endorsement of each detail of the plan proposed in your application. The OPHI staff will work with you in the coming months to ensure that your Transformation Plan is fully developed, maximally effective, and legally and financially sound. You may expect HUD to provide feedback and encourage refinements to your Critical Community Improvements, Supportive Services, and Housing Plans. HUD also noted during the review process that the grant budget proposed allocating eight percent of the grant to Administration, which exceeds the five percent limit established in program budget policy. HUD will expect you to reduce the administrative budget to preserve funding for direct services, housing construction, or physical neighborhood improvements. The budget will be subject to HUD approval.
Drawdown of Funds

Once your Grant Agreement has been executed, you may request HUD to approve the release of grant funds. This will be accomplished through the approval of your Choice Neighborhoods Implementation Grant budget form (form HUD-53236) as part of the Post Application Submissions listed in the Grant Agreement. In accordance with the Grant Agreement, eligible costs for reimbursement include those after the written notification of grant award. The official written notification date of your grant award is May 13, 2019. The initial eligible costs include those for predevelopment and supportive services, as stated in the Implementation Grant Agreement. See Article VI for additional information on Choice Neighborhoods Budget and Funding Requests and Article VII Project Drawdowns.

Authorization in LOCCS

In order to access grant funds, at least two staff members must be authorized for Choice Neighborhoods in LOCCS, HUD’s grant payment system. Banking information also must be submitted to HUD. If you are not familiar with LOCCS, please refer to “Grantee Financial Instructions” which is posted on the Choice Neighborhoods website and which provides detailed information about LOCCS access, banking information, and completion of the Choice Neighborhoods voucher.

Expenditure of Choice Neighborhoods Funds

FY2018 Choice Neighborhoods grants are subject to the requirements established under 31 U.S.C. § 1552. In accordance with this statute, all FY2018 funds must be expended by September 30, 2025. Any funds that are not expended will be cancelled and recaptured by the Treasury and thereafter will not be available for obligation or expenditure for any purpose. Given the statutory requirement, Grantees are asked to comply with their Program Schedule, developed in accordance with the time periods for implementation established in the Grant Agreement, and as approved by HUD.

Again, congratulations. Applications for this Choice Neighborhoods grant were extremely competitive, and you should be proud of your accomplishment. Please extend my congratulations to your entire team. We look forward to working jointly with you and your partners in carrying out the transformation of severely distressed public and assisted housing, and we thank you for your participation in the Choice Neighborhoods Initiative.

Sincerely,

Mindy Turbov
Choice Neighborhoods Director
Office of Public Housing Investments

Enclosures
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Exhibit A: Subgrantee and Contractor Certifications and Assurances
This grant agreement (“Grant Agreement”) is made by and between the United States Department of Housing and Urban Development (“HUD”) and the Lead and Co-Applicant(s) (“Grantee”). On May 13, 2019, HUD awarded the Grantee a Choice Neighborhoods Implementation Grant from fiscal year 2018 funds, for the implementation of a Transformation Plan (“Transformation Plan”) that is identified in this Grant Agreement below.

HUD agrees, subject to the terms of this Grant Agreement, to provide grant funds to the Grantee, in the total amount listed on the form HUD-1044, for the activities described in the Transformation Plan as defined in Article III. Either the Lead Applicant or the Co-Applicant Grantee may be the designated entity with access to LOCCS for drawing down grant funds.

The assistance that is the subject of this Grant Agreement is authorized by, and required to be used in accordance with, Section 24 of the U.S. Housing Act of 1937, the Consolidated and Further Continuing Appropriations Act, 2018 (Pub. L. 115-41, approved March 23, 2018) (“2018 HUD Appropriations Act”), (collectively the “Choice Neighborhoods Authorization”).

The form HUD-1044 and Exhibit A are incorporated into and subject to the terms of this Grant Agreement.

HUD and the Grantee hereby agree to be bound by the following terms and conditions of this Grant Agreement:
ARTICLE I. Choice Neighborhoods Requirements

The Grantee agrees to conduct all activities to be assisted with funds provided under this Grant Agreement in accordance with the following requirements, as such requirements now exist or as they may hereafter be amended (hereafter collectively referred to as the “Choice Neighborhoods Requirements”):

A. the U.S. Housing Act of 1937, as amended (the “1937 Act”), as applicable, and all implementing regulations;

B. the 2018 HUD Appropriations Act (Public Law 115-41, approved March 23, 2018);

C. the Fiscal Year (FY) 2018 Notice of Funding Availability for the Choice Neighborhoods Initiative Implementation Grants published via Grants.gov on May 18, 2018 (the “Choice Neighborhoods Implementation NOFA”).

D. 31 U.S.C. § 1552. In accordance with this statute, all FY2018 funding must be expended by September 30, 2025. Any funds that are not expended by that date will be cancelled and recaptured by the Treasury, and thereafter will not be available for obligation or expenditure for any purpose. In order to ensure funds are drawn from LOCCS by that date, HUD may provide additional guidance as the deadline approaches for when grantees should submit the final draw request (e.g. usually approximately two weeks prior to the expenditure deadline).

E. In accordance with section 24(e)(2)(D) of the 1937 Act, Grantees must involve affected residents of the targeted public and/or assisted housing during the implementation process. Grantees are required to involve the affected public and/or assisted housing residents in the implementation of the Transformation Plan. This involvement must be continuous from the beginning of the planning process through the implementation and management of the grant. In addition to the statutory requirement, unless HUD indicates otherwise in writing, Grantees will be expected to undertake resident and community involvement in a manner and method at least as comprehensive as that described in your grant application.

F. all executive orders applicable to the activities being conducted with funds provided under this Grant Agreement;

G. the terms and requirements of this Grant Agreement, and any amendments or addenda thereto;

H. all other applicable Federal requirements, including, without limitation, those set forth the FY2018 Appropriations Act and those set forth in Appendix A; and

I. all regulations, handbooks, notices, and policies applicable to the activities being conducted with funds provided under this Grant Agreement.
ARTICLE II. Program Overview

A. Goals of the Choice Neighborhoods Program. The Choice Neighborhoods Program employs a comprehensive approach to neighborhood transformation. The program transforms neighborhoods of concentrated poverty into mixed-income neighborhoods of long-term viability by revitalizing severely distressed public and/or assisted housing; improving access to economic opportunities; and investing and leveraging investments in well-functioning services, effective schools and education programs, public assets, public transportation, and improved access to jobs. Choice Neighborhoods ensures that current residents benefit from this transformation by preserving affordable housing in the neighborhood or providing the choice to move to affordable housing in another neighborhood of opportunity. The purpose of this grant is to implement a Transformation Plan that has been developed through a local planning process and furthers the goals of the Choice Neighborhoods Program. The core goals of Choice Neighborhoods are:

1. **Housing:** Replace distressed public and assisted housing with high-quality mixed-income housing that is well-managed and responsive to the needs of the surrounding neighborhood;

2. **People:** Improve outcomes of households living in the target housing related to employment and income, health, and children’s education; and

3. **Neighborhood:** Create the conditions necessary for public and private reinvestment in distressed neighborhoods to offer the kinds of amenities and assets, including safety, good schools, and commercial activity, that are important to families’ choices about their community.

ARTICLE III. Choice Neighborhoods Transformation Plan

A. General. The Grantee’s Choice Neighborhoods Transformation Plan (“Transformation Plan”) consists of a document or documents reviewed and approved by HUD to govern the transformation of the neighborhood. The Transformation Plan should integrate effective strategies to implement public and/or assisted housing revitalization, the coordination and design of supportive services, including educational opportunities for children, and neighborhood-level planning to improve a range of neighborhood assets. The Transformation Plan should be created as part of a collaborative planning process that involves neighborhood stakeholders and local governmental entities. The Transformation Plan should translate the three core goals of Choice Neighborhoods – Housing, People and Neighborhood – into a strategy that will direct investments, demonstrate the commitment among a range of public and private partners to address interdependent neighborhood challenges, utilize data to set and monitor progress toward implementation goals, and engage community stakeholders and residents in meaningful decision-making roles.

B. Components of the Transformation Plan. The Grantee’s Transformation Plan includes each of the following components, as needed for the Transformation Plan and as approved by HUD. Because some of these documents may be submitted to HUD for approval throughout the implementation of the Grant Agreement, an approved Transformation Plan shall be
deemed to mean the most recent set of documents that have been submitted to (as set forth in this Article) and approved by HUD:


2. Post Application Submissions that HUD requires the Grantee to submit following HUD’s review of the Choice Neighborhoods application and/or as a result of a site visit to the neighborhood which is the target of redevelopment under this grant (“Development”), including but not limited to:
   a. any additional information required for HUD to approve demolition of the target public and/or assisted housing based on the Choice Neighborhoods application;
   b. certifications and assurances;
   c. a Program Schedule, in accordance with the timeframes established in this Article;
   d. a Choice Neighborhoods Budget (all phases) as described in Article VI;
   e. any other information or documentation that is not otherwise required under any other component of the Transformation Plan that is requested by HUD to supplement or refine information provided in the Choice Neighborhoods Application or to meet any terms or conditions of the Grant Agreement; and
   f. any waiver requests;

(Subparagraphs (a) through (f) are hereafter collectively referred to as, “Post Application Submissions.”)

3. a Supportive Services/People plan;

4. the Grantee’s submissions to HUD in connection with an Endowment Trust, if applicable, in accordance with Article IV(J) (including but not limited to submission of a Choice Neighborhoods Endowment Trust Addendum);

5. for public housing only, a Demolition Application, if applicable, as described in Article IV;

6. for public housing only, a Disposition Application relating to the Development, as described in Article IV, to the extent applicable;

7. a development proposal(s), as described in Article IV;

8. a homeownership proposal, as applicable, as described in Article IV;
9. a plan for Critical Community Improvements projects, as applicable; and

10. any amendment or modification of the foregoing, as approved in writing by HUD.

C. Incorporation into Grant Agreement. As each component of the Transformation Plan is approved in writing by HUD, it will be deemed to be incorporated into this Grant Agreement.

D. Time Periods for Implementation. The Grantee agrees to implement its Transformation Plan in accordance with the approved Program Schedule, including but not limited to the following time periods:

1. In accordance with the Choice Neighborhoods Implementation NOFA as incorporated by Article I(C) above.

2. Items identified in paragraph (B) of this Article must be submitted to HUD in accordance with the HUD-approved Program Schedule. The Program Schedule is due to HUD within 120 calendar days (weekends and holidays are not excluded) from the Grant Award Date. HUD reserves the right to require Grantee to make edits to these items to put them in a form and substance acceptable to HUD.

3. The Grantee must start service coordination and case management services as soon as possible, if they have not already. The Grantee must have started these services within 60 days of the Grant Award Date. It is imperative that case management services begin immediately so that residents who will be relocated have time to participate in and benefit from Supportive Services activities before leaving the site; and that residents who have already been relocated are able to participate in and benefit from Supportive Services activities.

4. The Grantee must submit the People/Supportive Services plan within 9 months of the Grant Award Date for HUD’s review and approval.

5. The Grantee must submit the Critical Community Improvements plan within 12 months of the Grant Award Date for HUD’s review and approval.

6. The closing of the first housing phase of development must take place within 18 months of the Grant Award Date. For this purpose, “closing” means all financial and legal arrangements have been executed and actual activities (construction, etc.) are ready to commence. The construction Notice to Proceed or equivalent must be issued no later than 90 days after the closing date, unless otherwise approved by HUD.

7. Grantees must start housing rehabilitation/construction within 21 months of the Grant Award Date.

8. Grantees must complete replacement housing rehabilitation/construction by obtaining a certificate of occupancy or equivalent for units funded with Choice Neighborhoods funds
by September 30, 2025. In accordance with the statutory deadline for expenditure of funds, HUD cannot approve an extension to this milestone.

E. Time Extensions. All requests for extensions of the time periods for implementation listed in paragraph (D)(1)-(7) of this Article must be requested by the Grantee in advance of the deadline date. All requests for extensions must be made in writing to the Office of Public Housing Investments and will be reviewed and approved or disapproved by the Assistant Secretary of Public and Indian Housing and/or the Deputy Assistant Secretary for the Office of Public Housing Investments.

ARTICLE IV. Transformation Activities and Requirements

A. Program Activities. Grantees must include the activities listed in Section III.E.1 of the Choice Neighborhoods Implementation NOFA in their Transformation Plan.

B. Program Requirements. Grantees must comply with the Program Requirements stated in Section III.E.2 of the Choice Neighborhoods Implementation NOFA, some of which are restated in this Article for emphasis and/or with additional detail.

C. One-for-one Replacement of Public and/or Assisted Housing. Each Transformation Plan must comply with the applicable one-for-one replacement requirement as stated in Section III.E.2.b of the Choice Neighborhoods NOFA.

D. Replacement Housing Development Activities.

1. Public Housing Development Activity. For any public housing development activity under the Transformation Plan (whether on-site reconstruction or off-site development), the Grantee must obtain HUD approval of a development proposal submitted under 24 CFR 905.606 (“Development Proposal”).

2. Any RAD conversion must be done in accordance with the protocol for reviewing RAD/Choice Neighborhoods projects or subsequent guidance.

3. For projects involving Section 8, both Project Based Rental Assistance (PBRA) and Project Based Vouchers (PBV), and Choice Neighborhoods funding, HUD will review the development proposal in accordance with the Cost Controls and Safe Harbor Standards for Rental Mixed-Finance Development, dated April 2003, or subsequent guidance.

4. For Replacement Units to be provided as PBVs in projects developed by an entity other than the Housing Implementation Entity, the PHA that administers the vouchers must comply with 24 CFR part 983. In addition, the Choice Neighborhoods office must review project information in advance of the AHAP or HAP contract to confirm the project satisfies the CN program requirements (e.g. is in a mixed-income development
and, if located outside the target neighborhood, meets the location requirements set forth in the NOFA).

E. Rehabilitation Activities. For rehabilitation and physical improvement of public housing
and/or community facilities primarily intended to facilitate the delivery of community and
supportive services for residents of the Development and residents of off-site replacement
housing under the Transformation Plan, the Grantee will comply with 24 CFR § 905.

F. Affordable Housing Development Activities. Affordable housing (non-replacement, rental
or homeownership, as defined in the NOFA) units developed with Choice Neighborhoods
funds must be done in accordance with a proposal approved by HUD. Such units must be
available to families earning 81-120 percent of AMI and grantees shall commit to an
affordability period of at least 20 years. Affordable housing units must be in the same
building with replacement units, except for buildings with one to four units total. Further,
affordable housing units cannot include other funding that restricts incomes below 120% AMI
e.g. Low-Income Housing Tax Credits). The affordability restrictions shall be
contained in a legally enforceable document recorded in the appropriate recorder’s office or
registry of deeds and consistent with long-term viability of the project.

G. Demolition of Public Housing. You cannot carry out nor permit others to carry out the
demolition of the targeted public housing project or any portion of the project until HUD
approves, in writing, one of the following ((1) - (3) of this section), and until HUD has also:
(i) approved a Request for Release of Funds submitted in accordance with 24 CFR part 58, or
(ii) if HUD performs an environmental review under 24 CFR part 50, has approved the
property for demolition, in writing, following its environmental review.

1. Information regarding demolition in your Choice Neighborhoods Application, along with
Post Application Submissions requested by HUD after the award of the grant. Section
24(g) of the 1937 Act provides that severely distressed public housing that is demolished
pursuant to a revitalization plan is not required to be approved through a demolition
application under section 18 of the 1937 Act or regulations at 24 CFR part 970.


3. A section 33 Required Conversion Plan, in compliance with regulations at 24 CFR part
972, subpart A and other applicable HUD requirements. A Required Conversion Plan
concerns the removal of a public housing project from a PHA’s inventory.

H. Demolition of Multifamily Housing. For projects subject to a project-based section 8
Housing Assistance Payments (“HAP”) contract, the Grantee will not engage in or permit the
partial or total demolition of the project, or any activities related thereto, including any
activities in preparation for such demolition, without the prior written consent of HUD. Such
consent will not be provided until HUD has first approved (i) a proposal for preserving the
project-based section 8 HAP contract consistent with applicable statutory authority (e.g.,
section 212(a) of the 2012 HUD Appropriations Act, or successor legislation; or section
8(bb)(1) of 1937 Act) and all related Departmental policies, procedures, and requirements;


(ii) a proposal for project rehabilitation; and (iii) a replacement housing plan that provides for the orderly, temporary relocation of relocated families (e.g., based on the requirements of Housing Handbook 4350.1 REV-1 CHG-2, Chapter 38 (Multifamily Emergency/Disaster Guidance), section 38-32C (Section 8 Pass Through)) that ensures decent, safe, and sanitary housing, consistent with 24 CFR Part 5 Subpart G (Physical Condition Standards and Inspection Requirements) and 24 CFR Part 200 Subpart P (Physical Condition of Multifamily Properties), at the beginning of and throughout the relocation period.

I. Disposition of Public Housing. This section applies only to disposition of public housing.

1. Disposition of a severely distressed public housing site, by sale or lease, in whole or in part, must be done in accordance with section 18 of the 1937 Act and implementing regulations at 24 CFR part 970, as applicable.

2. The Grantee will also comply with the provisions of its approved disposition application (the approved “Disposition Application”), unless otherwise modified in writing by HUD, and with the procedures for processing dispositions associated with mixed-finance projects as set forth by HUD.

3. A ground lease of one year or more that is not incident to the normal operation of a development is considered to be a disposition that is subject to section 18 of the 1937 Act.

J. Relocation.

1. General. The Grantee will provide suitable, decent, safe, and sanitary housing for each family required to relocate because of transformation activities under the Transformation Plan.

2. Relocation Plan for Public Housing Units. The Grantee must carry out its relocation activities in compliance with a relocation plan that conforms with the following statutory and regulatory requirements, as applicable (the “Relocation Plan”) for displacement or temporary relocation carried out as a result of:
   a. Rehabilitation, acquisition, or demolition pursuant to section 24 of the 1937 Act under an approved Plan is subject to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. § 4601 et seq; 49 CFR part 24) (URA) and regulations at 24 CFR § 905.308 or successor part and meets the requirements of the Choice Neighborhoods Implementation NOFA.
   b. Disposition or demolition pursuant to section 18 of the 1937 Act under an approved Transformation Plan is subject to section 18 of the 1937 Act as amended and 24 CFR 970.21.
      i. Exception: displacement or temporary relocation carried out as a result of disposition pursuant to the mixed-finance development requirements at 24 CFR 905, subpart F is subject to section 18 of the 1937 Act but not 24 CFR 970.21.
c. **Disposition pursuant to a Section 332 required conversion plan** is subject to Section 18 of the 1937 Act and 24 CFR Part 971.

d. **Demolition pursuant to a Section 33 required conversion plan** is subject to the URA.

If the project also utilizes Community Development Block Grant (CDBG) or HOME funds, section 104(d) of the Housing and Community Development Act of 1974 may also apply. Please refer to the Tenant Assistance Relocation and Real Property Acquisition Handbook (HUD Handbook 1378) for detailed information.

3. **Relocation Plan for Non-Public Housing Units.** Except for displacement resulting from demolition or disposition activities subject to section 18 of the 1937 Act, projects involving real property acquisition, rehabilitation or demolition are subject to the URA and the requirements of the Choice Neighborhoods Implementation NOFA. For projects subject to a project-based section 8 HAP contract, the Grantee will (i) secure or cause to be secured temporary replacement housing for displaced families; will ensure that (ii) the temporary housing is available for the entire duration of the displacement period; and (iii) the housing meets the requirements of 24 CFR Part 5, Subpart G (“Physical Condition Standards and Inspection Requirements”) and 24 CFR Part 200 Subpart P (“Physical Condition of Multifamily Properties”) at the beginning of and throughout the displacement period. To satisfy this requirement, the Grantee is encouraged to adopt the model and the related procedures in Housing Handbook 4350.1 REV-1 CHG-2, Chapter 38 (“Multifamily Emergency/Disaster Guidance”), section 38-32 C (“Section 8 Pass Through”) for the temporary relocation of section 8-assisted families necessitated by a natural disaster or other emergency. Based on this model and the related procedures, the Grantee is authorized to enter into a temporary lease for a unit in the same locale that meets the foregoing regulatory requirements on behalf of a displaced section 8-assisted family. During this period, the Owner of a property subject to a project-based section 8 HAP contract (“Owner”), whether the Owner is the Grantee or one of the Grantee’s partners, may voucher for the contract rent for that unit on a temporary basis. The Owner pays no more than the contract rent on the temporary dwelling until the resident’s permanent rental unit has been restored to habitable condition and the Owner notifies the resident that they may resume occupancy of their former unit. The resident is still responsible for the resident’s share of the rent. Should the displaced resident fail to return, the Owner may rent the repaired unit to an eligible section 8 applicant. Before doing so, however, the Owner must inform the resident in writing that their assistance is terminated. In the event that the Owner rents the unit to an eligible section 8 applicant, the Owner must first terminate the “pass through” lease that the Owner executed on behalf of the displaced resident. In addition, should the temporarily relocated resident move from the temporarily leased unit before their permanent rental unit is repaired and made available for their return, the Owner can no longer voucher for the temporary unit and the resident is considered permanently housed. (See Housing Handbook 4350.1 REV-1 CHG-2, Chapter 38 (“Multifamily Emergency/Disaster Guidance”), section 38-32 C (“Section 8 Pass Through”)).
K. Acquisition.

1. Acquisition Proposal. A PHA must submit an acquisition proposal to HUD for review and approval prior to acquisition in accordance with 24 CFR 905.608 when a PHA determines that it is necessary to acquire vacant land for development of replacement housing through new construction, using public housing funds. This acquisition approval must be submission of a development proposal under 24 CFR 905.606.

2. Land for Replacement Units outside the target neighborhood. For acquisition of land for replacement housing outside the target neighborhood, you must comply with 24 CFR 905.602 (site and neighborhood standards).

3. Land for Economic Development-Related Activities. Acquisition of land for this purpose is eligible if the activities specifically promote the economic self-sufficiency of residents of the neighborhood, such as construction or rehabilitation of parks and community gardens, environmental improvements; or promoting economic development, such as development or improvement of transit, retail, community financial institutions, public services, facilities, assets or other community resources. Limited infrastructure and site improvements associated with development retail, commercial, or office facilities, such as rough grading and bringing utilities to (but not on) the site, are eligible activities with prior HUD approval. You may request an amount not to exceed 15 percent of the total Choice Neighborhoods grant to pay the costs of non-housing capital costs as described above for Critical Community Improvements.

L. Supportive Services. The Grantee must plan for and provide current public and assisted housing residents, relocated public and assisted housing residents, and returning and new public and assisted housing residents with supportive services for the term of the Grant Agreement. Supportive Services programs and services must be carefully planned so that they will be sustainable after the Choice Neighborhoods grant period ends. The Grantee is responsible for tracking and providing Supportive Services programs and services to baseline and revitalization development residents. Baseline residents are those residents that lived in the targeted redevelopment site at the time of application for this Choice Neighborhoods grant. The grantee and HUD will also work together to track the experiences and changing characteristics of revitalization development residents who live at the revitalized site. Supportive Services activities must be well integrated with the physical development process, both in terms of timing and the provision of facilities to house on-site service and educational activities. The Grantee should provide final outcomes and metrics on Supportive Services as identified in the Transformation Plan. The Grantee will report to HUD on those outcomes and measure progress using those metrics as discussed in Article XII. HUD will use these reports to determine if the Grantee has met their supportive service requirements as listed in their Transformation Plan. To the extent that the Grantee proposed Supportive Services to the surrounding neighborhood residents as part of the application, public housing and HUD assisted housing resident Supportive Services should be tracked in the same way or as proposed in the application.
1. **Funding.** Consistent with sections 24(d)(1)(L) and 24(j)(3) of the 1937 Act and the Choice Neighborhoods Implementation NOFA, the Grantee may use an amount up to 15 percent of the total Choice Neighborhoods Grant to pay the costs of community and supportive service programs. The Grantee may spend additional sums on community and supportive services programs using donations, HUD funds made available for that purpose, or other Grantee funds.

2. **Supportive Services Endowment Trust.** The Grantee may deposit up to 15 percent of the Choice Neighborhoods Grant amount (the maximum amount of the grant allowable for Supportive Services programs) into an endowment trust to provide Supportive Services activities (the “Endowment Trust”).
   a. The Grantee may not draw down funds provided under this Grant Agreement for deposit into an Endowment Trust until it has a HUD-approved Endowment Trust plan and has executed with HUD an addendum to this Grant Agreement (the “Choice Neighborhoods Endowment Trust Addendum”), as directed by HUD. The Choice Neighborhoods Endowment Trust Addendum establishes the requirements governing the establishment, operation, and management of an Endowment Trust.
   b. In reviewing the amount of the Grantee’s proposed allocation of Choice Neighborhoods Grant funds to an Endowment Trust, HUD will take into account the Grantee’s demonstrated ability to pay for current Supportive Services activities with Choice Neighborhoods or other funds, and the projected long-term sustainability of the Endowment Trust to carry out such activities.
   c. Endowment Trust funds (including any non-Choice Neighborhoods funds donated or otherwise made available to the Endowment Trust, and any interest earned on Choice Neighborhoods and non-Choice Neighborhoods funds) may only be used for eligible and necessary Supportive Services activities.

3. Although targeted housing residents must be the primary beneficiary of Supportive Services, Supportive Services provided to the surrounding neighborhood residents, beyond public and HUD assisted housing residents, are an eligible use of funds.

M. **Administration, Fees and Costs.** Reasonable costs for administration, planning, technical assistance, and fees and costs, as established by the Cost Control and Safe Harbor Standards guidance dated April 9, 2003, or successor document. These costs are limited to the costs of implementing the Transformation Plan, as specifically approved by HUD, such as fees for architectural and engineering work, program management (if any), and reasonable legal fees. You may not use Choice Neighborhoods Implementation Grant funds to pay for any implementation activities carried out on or before the date of the letter announcing the award of the Choice Neighborhoods Grant.

N. **Right of Return.** Each tenant who wishes to return to the on-site or off-site replacement housing may return if the tenant was lease-compliant at the time of departure from the housing prior to relocation and continued to remain lease-compliant during the relocation period. This is a Choice Neighborhoods program requirement and not related to benefits provided in accordance with the URA. A returning tenant shall be provided a preference for occupancy of on-site or off-site replacement units before such units are made available to any
other eligible households. Accordingly, the Housing plan must provide an adequate number of replacement units that can be occupied by households with incomes up to 80 percent AMI (e.g. units that are not limited by another funding source such as LIHTC equity that has a lower income limit). The tenant also has the option not to occupy a replacement unit and may retain tenant-based voucher assistance, subject to appropriations and availability, provided under section 8(o) of the United States Housing Act of 1937 for relocation from the properties revitalized under this Grant Agreement. These preferences are retained even if the resident has already received permanent relocation benefits. This preference applies to residents that were relocated due to the redevelopment activity and remains available until the initial lease-up of the new units. Residents that voluntarily move prior to relocation do not have this right to return preference. Prior written approval for any new tenant-based voucher assistance, including but not limited to Tenant Protection Vouchers, is required prior to Grantee obtaining voucher assistance. If a household is “rightsized” (e.g. splits into two separate households) through the relocation resulting from Choice Neighborhoods, the original head of household will have the right to return. Once all of the original heads of household have been housed, the Grantee is required to offer the second household any units that are available. If no units are available, then the second household will be moved to the top of the waiting list. Both the original household and the second household are required to be lease-compliant at the time of relocation and throughout relocation.

O. Site and Neighborhood Standards for Replacement Housing.

1. Grantee’s Election of Requirements. A Grantee, at its election, separately regarding each site it proposes, will comply with the development regulations regarding Site and Neighborhood Standards (24 CFR § 905.602), or with the Site and Neighborhood Standards contained in this Article.

2. On-Site Replacement Housing (i.e. on the target housing site and/or in the target neighborhood). Because the objective of the Choice Neighborhoods program is to alleviate distressed conditions at the targeted development and in the target neighborhood, replacement housing under Choice Neighborhoods that is located within the target neighborhood will not require approval by HUD under Site and Neighborhood Standards.

3. Off-site Replacement Housing (i.e., outside of the target neighborhood but within the metropolitan area up to 25 miles from the target housing site). Replacement housing outside the target neighborhood must:
   a. offer access to economic opportunities and public transportation and be accessible to social, recreational, educational, commercial, health facilities and services, and other municipal services and facilities that are comparable to those that will be provided in the target neighborhood; and
   b. be located neither in areas of minority concentration nor in areas with a poverty rate above 40 percent. A neighborhood of minority concentration is a Census tract or other defined geographic area in which the percentage of residents who are racial or ethnic minorities is at least 20 percentage points higher than the percentage of minority residents in the Metropolitan Statistical Area (MSA) (or jurisdiction not in a
MSA) as a whole. In MSAs (or jurisdictions not in MSAs) in which the majority of residents are racial or ethnic minorities, HUD will consider and rely on all relevant information to determine whether the neighborhood proposed for replacement housing will lead to the creation of more inclusive and integrated housing in opportunity-rich neighborhoods.

P. Research and Evaluation Cooperation. HUD and its contractors shall perform research and evaluation activities on the Choice Neighborhoods program, including interviews with the Grantee and community, review of grantee documents and data, surveys of assisted households and neighborhood residents, and documentation of changing physical conditions in the buildings and neighborhood. The Grantee shall make all reasonable efforts to cooperate with HUD and its contractors in carrying out these activities, including but not limited to facilitating interviews of Grantee’s staff and partners, providing HUD’s contractor with access to observe community meetings; to data systems, documents, and assisted and public housing residents; and to buildings for conducting physical inspections.

Q. Operation and Management Principle and Policies, and Management Agreement for PHAs. Grantee must develop a Management Agreement that describes their operation and management principles and policies for their public housing units. Grantees and their procured property manager, if applicable, must comply (to the extent required) with the provisions of 24 CFR part 966 in planning for the implementation of the operation and management principles and policies described below.

1. Rewarding work and promoting family stability by promoting positive incentives such as income disregards and ceiling rents;

2. Instituting a system of local preferences adopted in response to local housing needs and priorities, e.g., preferences for victims of domestic violence, residency preferences, working families, and disaster victims. Note that local preferences for public housing must comply with Fair Housing requirements at 24 CFR 960.206. No preference should lead to disparate negative impact on any Fair Housing Act protected class;

3. Lease requirements that encourage self-sufficiency by promoting involvement in the resident association, performance of community service, participation in self-sufficiency activities, and transitioning from public housing;

4. Implementing site-based waiting lists that follow project-based management principles for the redeveloped public housing. Note that site-based waiting lists for public housing must comply with Fair Housing requirements at 24 CFR 903.7(b)(2);

5. Strictly enforcing lease and eviction provisions;

6. Implementation of defensible space principles and the installation of physical security systems such as surveillance equipment, control engineering systems, etc. to improve the safety and security of residents;
7. Enhancing ongoing efforts to eliminate drugs and crime from neighborhoods through collaborative efforts with federal, state, and local crime prevention programs and entities.

R. Lobbying. The Grantee hereby certifies that no funds provided under this Grant Agreement will be expended for lobbying activities, as prohibited by Section 319 of Public Law 101-121 (which prohibits recipients of Federal contracts, grants, and loans from using appropriated funds for lobbying the Executive or Legislative Branches of the Federal Government), and implemented for HUD at 24 CFR part 87, as the same may be amended from time to time. The Grantee will disclose promptly any commitment or expenditure of non-appropriated funds for lobbying activities if those activities would be prohibited if paid with appropriated funds.

ARTICLE V. Changes to the Transformation Plan

A. Changes Requiring Prior HUD Approval. If the following activities in the application are to be modified or amended, the Grantee must request and obtain prior written HUD approval:

1. the Program Schedule. The Grantee must inform HUD immediately, in writing, of any problems, delays or adverse conditions that will impair materially the Grantee’s ability to comply with the Program Schedule, and include a statement of action taken, or proposed to be taken, and any assistance needed to resolve the situation. HUD must approve any proposed changes to the Program Schedule that would modify any date or time period.

2. the form of program oversight or governance;

3. the overall strategy for community involvement;

4. the approved disposition;

5. the approved demolition;

6. the Housing plan, including the total number of housing units to be developed or rehabilitated (whether or not there is an associated budgetary revision requiring prior approval), the unit mix, the location of housing, the design, or any other changes that materially affect the Transformation Plan;

7. the plan for Critical Community Improvements projects;

8. changes in any Choice Neighborhoods Budget or phase budget that propose an increase or decrease in any line item, except as permitted by Article VI;

9. an extension of the period of availability of the Choice Neighborhoods Grant funds provided under this Grant Agreement, not to go beyond the statutory timeframes;
10. changes in the entities or individuals, including any key partners specified in the Transformation Plan as having key responsibilities for carrying out the Transformation Plan (or any component(s) of the Transformation Plan). Subgranting, subcontracting or otherwise obtaining the services of a third party to perform activities that are central to the purposes of the Transformation Plan will constitute such a change in entities or individuals; and

11. changes requested by a subgrantee that relate to any of the itemized categories listed in paragraph (A) of this Article.

B. Changes Requiring Grant Agreement Amendment. For the following types of revisions to the Transformation Plan, the Grantee must submit a written request to HUD and must receive HUD’s written authorization prior to making any such changes:

1. change in the total dollar amount of the grant; and/or

2. change in the Development for which funds provided under this Grant Agreement are made available.

Upon HUD’s written approval, the change will be implemented by the execution of an amendment to this Grant Agreement and shall consist of a revised Form HUD-1044 if there is a change in the dollar amount of the grant.

C. Waiver Requests.

1. Standard for Approval. The activities to be conducted under this Grant Agreement are subject to the terms of this Grant Agreement and the Choice Neighborhoods Requirements. Nevertheless, HUD seeks innovative solutions under the Choice Neighborhoods Program to the long-standing problems of severely distressed public and assisted housing developments located in neighborhoods of concentrated poverty, and will consider granting a waiver of specific regulatory requirements, provided that:
   a. such a waiver would be consistent with applicable statutory requirements; and
   b. the Grantee is able to demonstrate good cause to support HUD’s granting of such a waiver.

2. Waiver Request Procedure. If the Grantee wants HUD to approve a waiver of a regulatory requirement, it must submit a request with sufficient information and justification to enable HUD to make a determination of good cause for granting any such request to deviate from existing regulations. Until such time as the Grantee requests and HUD, in its discretion, approves any such requests in writing, the Grantee does not have authority to implement the activities described in the Choice Neighborhoods Application to which the request for approval applies (or for which a request for approval is needed).

ARTICLE VI. Choice Neighborhoods Budget and Funding Requests
A. Budget. The Grantee must ensure that funds provided under this Grant Agreement are expended in accordance with the Choice Neighborhoods Requirements and a Choice Neighborhoods Budget. Each Grantee must submit to HUD for approval a Choice Neighborhoods Budget as part of the Post Application Submissions. The Choice Neighborhoods Budget allocates ALL Choice Neighborhoods Grant funds into Budget Line Items. The Choice Neighborhoods Budget will serve as the primary budget and may be subject to revision.

B. Budget Form. Each budget submitted in accordance with paragraph (A) of this Article must be submitted on the Choice Neighborhoods Implementation Grants Budget Form (form HUD-53236). Part I must be signed and dated by the Lead Grantee, and Part II must include a detailed description of the uses of the funds. Grantees should also track their leveraged fund expenditures and maintain this information on file should HUD request it.

C. Pre-Grant Agreement Execution Costs. After the execution of this Grant Agreement, the Grantee may include in its Choice Neighborhoods Budget, and the Grantee may draw down funds for, costs that were incurred prior to execution of this Grant Agreement, provided that such costs were incurred after the Grant Award Date, are directly associated with the activities to be funded under this Choice Neighborhoods Grant, and are approved as reasonable and eligible by HUD.

D. Predevelopment Costs.

1. Funding Requests. The Grantee may request a Choice Neighborhoods Grant funds for predevelopment costs by submitting the Choice Neighborhoods Budget to HUD. Funds may be drawn down for eligible Predevelopment Costs (as defined in subparagraph (2) below), subject to receiving HUD approval and the requirement for an environmental review in accordance with the provisions of this Grant Agreement.

2. Eligible Predevelopment Costs. Eligible predevelopment costs ("Predevelopment Costs") may include funds for:
   a. administration costs related to having additional and/or existing staff work on the Choice Neighborhoods Grant;
   b. fees and costs related to procuring goods and services from third parties in connection with eligible predevelopment activities such as architectural and engineering (A&E) fees;
   c. resident relocation;
   d. supportive services costs, including costs dedicated to case management and services;
   e. costs associated with carrying out environmental reviews, in accordance with 24 CFR § 58.23; and
   f. site remediation and demolition costs, provided that HUD has notified the Grantee in writing of the approval.

3. Predevelopment Funds. Upon review and approval of the Choice Neighborhoods Budget as described in this Article, HUD will make the approved predevelopment funds
available to the Grantee for drawdown in LOCCS. The Grantee will ensure that the funds are expended in conformance with the HUD-approved Predevelopment Budget.

E. Program Income. Program Income is defined in 2 CFR § 200.80, or successor regulation. If the Grantee receives program income:

1. prior to grant closeout program income from repayment of loans, sale of homeownership units, and/or other sources:
   a. must be reinvested in the Development or neighborhood and used for Choice Neighborhoods eligible purposes, unless otherwise approved by HUD; and
   b. must be used for eligible activities authorized under this Grant Agreement before the Grantee may draw down additional cash payments from the Choice Neighborhoods Grant.

2. after grant closeout, program income from repayment of loans, sale of homeownership units, and/or other sources the program income must be reinvested in the Development or neighborhood and used for Choice Neighborhoods eligible purposes. Before the grant is closed out, Grantee will provide a plan to HUD for how program income will be reinvested, in a form and substance that is acceptable to HUD. HUD will determine with the Grantee what the sources of program income are.

The language of this provision, article VI (E)(2), shall survive grant close-out and termination of this Grant Agreement.

ARTICLE VII. Project Drawdowns

A. LOCCS Payment System. Consistent with 2 CFR Part 200, the Grantee will request all drawdowns of Choice Neighborhoods Grant funds under the Line of Credit Control System (e-LOCCS), unless and until another payment system is designated by HUD. The Grantee will comply with all rules, guidelines, and notices established for Choice Neighborhoods under LOCCS, or any substitute system, in connection with any drawdown of Choice Neighborhoods Grant funds. If HUD designates a different payment system, it will be based upon the provisions of 2 CFR § 200.305.

B. Drawdowns.

1. The Grantee may draw down Choice Neighborhoods Grant funds for a Budget Line Item (BLI) in an amount up to 100 percent of the amount of that BLI that HUD has approved and made available for drawdown.

2. Any request for funds in excess of 10 percent of the entire grant amount in any month must be approved by HUD. The Grantee must submit copies of the invoices supporting the drawdown amount to the Team Coordinator for review.

C. Drawdown Consequences of Default.
1. Withholding of Payments. HUD may withhold payments in accordance with 24 CFR § 200.338.

2. Grantee Representations. Each drawdown request by the Grantee will constitute, and be deemed to be, a representation that the Grantee is not in default under this Grant Agreement (except as the Grantee previously may have disclosed to HUD in writing).

3. Overdue Reports. HUD may elect to suspend draws under this Grant Agreement during any period in which the Grantee has failed to file with HUD any quarterly report.

ARTICLE VIII. Matching and Leveraged Funds

A. Match Requirements. In accordance with section 24(c) of the 1937 Act (42 U.S.C. 1437v(c)),

1. Grantee must have secured a match in the amount of 5 percent of the grant amount in cash or in-kind donations.

2. Additional Supportive Services Match. The lesser of that provided for in your Transformation Plan or up to 15 percent of the Choice Neighborhoods grant may be used for supportive services activities. However, if the Grantee is using more than 5 percent of the grant funds for supportive services activities, funds (cash or in-kind donations) from sources other than Choice Neighborhoods must secured for the amount between 5 and 15 percent of the grant that Grantee will use for supportive services activities. These resources must be NEW commitments in order to be counted for match.

B. Match Donations and Leverage Resources. Grantee shall keep documentation on matching and leveraged funds during the term of this Grant Agreement and shall provide this documentation in a format acceptable to HUD upon request by HUD, until the closeout of this grant. The documentation should show that the funds are secured and the Grantee should keep records showing how those funds have been expended over time.

ARTICLE IX. Grantees, Subgrantees and Contractors

A. General Grantee Responsibilities.

1. Implementation Team. The Grantee agrees to promptly assemble a competent implementation team, if you have not already, to assist in working with the Grantee’s partners and coordinating all phases of the implementation process.
2. Choice Neighborhoods Requirements. The Grantee shall ensure that any entity to which it makes grant funds available will comply with the Choice Neighborhoods Requirements.

3. Required Certifications.
   a. The Grantee must ensure that all subgrantees and contractors execute an original document in the form of Exhibit A to this Grant Agreement at the time the Grantee executes any contract with any subgrantee or contractor to provide goods or services under this Grant Agreement. The Grantee will retain the executed original certificate together with the executed contract documents.
   b. Grantees that are public housing authorities (PHA Grantee) must ensure that the requirements contained in the General Conditions for Non-Construction Form (Form 5370-C) are included in any solicitation in connection with non-construction contracts that will be made by the PHA Grantee and paid for with assistance under this Grant Agreement. Such conditions must also be included in any non-construction contract entered into by the PHA Grantee.

B. Administrative Requirements for Grantees. Public housing authority, local government, Indian tribe, and non-profit entity grantees are subject to 2 CFR Part 200.

C. Administrative Requirements for Subgrantees and Related Agreements

1. Public housing authority, local government, Indian tribe, and non-profit subgrantees are subject to the requirements of 2 CFR Part 200.

2. For-profit subgrantees are subject to the requirements of 2 CFR Part 200, Subparts A-E. The Grantee is responsible for establishing audit requirements consistent with 2 CFR 200.501(h).

3. Suspension and Debarment. Grantees are subject to the requirements of 2 CFR 200.212.

4. Grantee Responsibilities Regarding Subgrantees. Grantees will be responsible for:
   a. ensuring that subgrantees are aware of the requirements imposed upon them by Federal statutes, regulations, and this Grant Agreement;
   b. ensuring that all subgrant agreements include any clauses required by Federal statutes and their implementing regulations and executive orders; and;
   c. monitoring subgrantees’ performance to ensure compliance with this Grant Agreement.

D. Administrative Requirements for Contractors and Subcontractors and Related Contracts.

1. Grantee Responsibilities Regarding Contractors and Subcontractors. Grantees that are subject to 2 CFR Part 200 as described in (B)(1) of this Article will be responsible for the following:
a. Grantee shall obtain the services of a for-profit entity through a competitive procurement under 2 CFR Part 200. However, if the Grantee can demonstrate to HUD that the services to be provided by the for-profit entity can be obtained only from that one source, the Grantee may request HUD approval to select the entity under a sole-source procurement in accordance with 2 CFR 200.230(f).

b. Consultant Services. Grantees shall obtain consultant services provided under an independent contractor relationship pursuant to 2 CFR Part 200.

2. Trigger for the Submission of Contracts. Contract documents must be submitted to HUD for prior approval if required by 2 CFR Part 200, Subpart D, or if requested by HUD. Any modification of such contracts is also subject to HUD’s written approval before execution.


ARTICLE X. No Third Party Rights

The Grantee and HUD are the sole parties to this Grant Agreement and do not intend to create any third party beneficiaries to this Grant Agreement. Nothing in this Grant Agreement may be construed as conferring the status of third party beneficiary upon the residents; and in no event shall any entity other than the Grantee have direct rights to the Choice Neighborhoods funds provided for under this Grant Agreement.

ARTICLE XI. Conflict of Interest

A. Prohibition. The Grantee shall comply with the conflict of interest requirements in 2 CFR 200.318. No person who is an employee, agent, officer, or elected or appointed official of the Grantee or member of his immediate family and who exercises any functions or responsibilities with respect to activities assisted under this Choice Neighborhoods Grant may have a direct interest in any contract, subcontract, or agreement with respect thereto, or the proceeds thereunder.

B. HUD-Approved Exception.

1. Standard. HUD may grant an exception to the prohibition in paragraph (A) of this Article on a case-by-case basis when it determines that such an exception will serve to further the purposes of Choice Neighborhoods and its effective and efficient administration.

2. Procedure. HUD will consider granting a regulatory waiver only after the Grantee has provided a written request which provides a disclosure of the nature of the conflict, accompanied by:
   a. an assurance that there has been public disclosure of the conflict;
   b. a description of how the public disclosure was made; and
c. an opinion of the Grantee’s attorney that the interest for which the exception is sought does not violate State or local laws.

3. Consideration of Relevant Factors. In determining whether to grant a requested exception under paragraph (B) of this Article, HUD will consider the cumulative effect of the following factors, where applicable:
   a. whether the exception would provide a significant cost benefit or an essential degree of expertise to the Transformation Plan that would otherwise not be available;
   b. whether an opportunity was provided for open competitive bidding or negotiation;
   c. whether the person affected is a member of a group or class intended to be the beneficiaries of the Transformation Plan and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;
   d. whether the affected person has withdrawn from his or her functions or responsibilities, or the decision-making process, with respect to the specific activity in question;
   e. whether the interest or benefit was present before the affected person was in a position as described in paragraph (A) of this Article;
   f. whether undue hardship will result either to the Grantee or the person affected when weighed against the public interest served by avoiding the prohibited conflict; and
   g. any other relevant considerations.

ARTICLE XII. Reporting Requirements

A. Quarterly Report.

1. The Grantee will submit to HUD a Quarterly Report as prescribed by HUD in accordance with the schedule established by HUD, presently 21 calendar days after the end of each quarter, with the first report due after the quarter ending September 30, 2019. In the Quarterly Report the Grantee will report at a minimum the progress of their grant, including but not limited to progress against their schedule and budget, expenditures to date, a narrative statement on their progress, progress on priority outcomes as described in the Choice Neighborhoods Implementation NOFA, progress against the priority metrics identified by HUD, and description of financing secured to date for implementation. The Grantee should also include, as appropriate, best practices and lessons learned from the date of the prior Quarterly Report. Upon expenditure of all Choice Neighborhoods grant funds, grantees must continue to report on all metrics in the Inform system, or its successor, quarterly and annually, through the first quarter of the next calendar year. After that first quarter, grantees must continue to report quarterly on certain Housing, Neighborhood, and People metrics until all housing units (replacement and non-replacement) included in the Housing Plan are complete. Upon completion of all housing units, Grantees will no longer be required to report in Inform.
2. Failure to submit to HUD a timely Quarterly Report will result in a suspension of Choice Neighborhoods Grant funds in LOCCS until such time as the report is received and approved by HUD, and/or any other default remedy authorized by Article XIV.

B. Obligations and Expenditures. The Grantee must enter cumulative obligation and expenditure data into LOCCS by the due dates established by HUD, whether or not there has been any change in the cumulative amounts since the end of the last quarter.

C. End of Grant Report. Grantees are required to submit an end of grant report which discusses their overall success in transforming the target neighborhood and supporting positive outcomes for residents and reproducible before and after photographs. The final report must be submitted to HUD by April 30 of the year following the September grant expenditure deadline.

D. Program Income Reporting. Until all housing units in the Housing Plan are complete, grantees must submit an annual Program Income Report to HUD by September 30 of each year identifying all sources and uses of Program Income. Upon completion of all housing units, the Grantee will no longer be required to submit a Program Income Report; however, for the remainder of the 15-year program income period, HUD reserves the right to request an accounting of Program Income funds.

E. Additional Information Requests. Subject to paragraph (D) of this Article, the Grantee will comply with all other reporting requirements from time to time established by HUD, in its sole discretion, in connection with the Choice Neighborhoods Program. The Grantee will:

   1. fully cooperate with all reasonable information gathering requests made by HUD or contractors of HUD in the course of authorized evaluations of the Choice Neighborhoods Program; and
   
   2. submit a final Transformation Plan report when the Transformation Plan has been completed that details the number of units produced, the status of people outcomes, and any other metrics that HUD prescribes.

F. Additional Requirements. The Grantee agrees to comply with all other terms and conditions HUD may establish to administer, monitor, or evaluate the Choice Neighborhoods Program in an effective and efficient manner. Notwithstanding the foregoing, however, except as provided in Article XIV, HUD hereafter will not establish any additional terms and conditions without:

   1. consideration of the burden imposed on the Grantee by such conditions or requirements;
   
   2. consideration of the availability of less burdensome conditions or requirements; and
   
   3. in the case of a term or condition applicable solely to the Grantee, consulting in advance with the Grantee.
ARTICLE XIII. Technical Assistance

A. Site Visits. The Grantee acknowledges and agrees that HUD, or its designees, may conduct site visits and inspections as deemed necessary by HUD based upon the Grantee’s needs in implementing the Transformation Plan or the needs of the Choice Neighborhoods Program. Technical assistance site visits may be provided by HUD or its designees:

1. in response to requests from the Grantee; or

2. based upon demonstrated needs of the Choice Neighborhoods Program; or

3. as provided in paragraph (B) of this Article.

B. HUD Assessment. HUD representatives will visit the site and make an assessment of any technical assistance and/or training that the Grantee may require for the implementation of the Transformation Plan. HUD will consult with the Grantee in determining the Grantee’s specific technical assistance and training needs and will carry out subsequent on-site assessments as necessary.

C. Technical Assistance Provider. If HUD determines, in its discretion, that technical assistance and/or training is necessary for the implementation of the Transformation Plan, it will assign a technical assistance provider to work with the Grantee for this purpose.

D. Grantee Training/Technical Assistance. The Grantee agrees to use its best efforts to attend any training and to accept any technical assistance provided or sponsored by HUD.

ARTICLE XIV. Unsatisfactory Performance/Default

A. In accordance with Section 24(i) of the 1937 Act, if the Grantee defaults under this grant agreement, HUD may withdraw any unobligated grant amounts and may pursue other actions as described in this Article. HUD shall redistribute any withdrawn amounts to one or more other applicants eligible for Choice Neighborhoods assistance or to one or more other entities capable of proceeding expeditiously in the same locality in carrying out the Transformation Plan of the original Grantee, subject to provisions of the appropriations law. This section applies to all Grantees regardless of their status as a government, PHA, for-profit, or other entity.

B. Default. Each of the following events or occurrences, to the extent it constitutes a material breach or occurrence, may constitute a default by the Grantee under this Grant Agreement, as determined by HUD in its sole discretion:

1. use of funds provided under this Grant Agreement for any purpose, in any manner or at any time, other than as authorized by this Grant Agreement;
2. failure to comply with the Choice Neighborhoods Requirements or any other Federal, State, or local laws, regulations or requirements applicable in creating the Transformation Plan;

3. failure to make any submission under Article III, perform any obligation, or otherwise fail to proceed in a manner consistent with the Transformation Plan, (including, without limitation, failure to accomplish an activity by the date specified in the Program Schedule);

4. any material misrepresentation in any of the required submissions, including, without limit, any misrepresentations in any of the submissions required by Article III(B); or

5. failure to comply with, or any material breach of, any other requirements, conditions or terms of this Grant Agreement.

C. Notice of Default and Action(s) to Cure.

1. General. HUD will give the Grantee written notice of any default. The notice will give the Grantee the opportunity to cure such default within 30 days of the date of the notice, or to demonstrate within this time period, by submitting substantial evidence satisfactory to HUD, that it is not in default. If the default is not able to be cured within the 30-day period, the Grantee will demonstrate, to HUD’s satisfaction, that the Grantee has taken actions necessary to cure the default and that the default is curable within 90 days from the date of the default notice. Additionally, the Grantee must agree to carry out such cure diligently and to complete the cure within the 90-day period.

2. Immediate Default. Notwithstanding the provisions of paragraph (C)(1) of this Article, HUD in its sole discretion may place the Grantee into immediate default for not being in compliance with its Program Schedule or for non-compliance with Choice Neighborhoods requirements once written notification of default has been provided to the Grantee. At that time, HUD may immediately begin imposing consequences of default, including specifically the suspension of draws of the Choice Neighborhoods grant.

3. Imminent Threat. Notwithstanding the provisions of subparagraph (C)(1) of this Article concerning the opportunity to cure defaults, if HUD reasonably determines that there is an imminent threat that the Grantee will expend additional Choice Neighborhoods Grant funds in violation of the provisions of this Grant Agreement, HUD may implement the remedial action provided for under subparagraph (C)(4)(i) of this Article to prevent any such unauthorized expenditure until such time as the Grantee has complied with the cure provisions set forth above. HUD will implement such remedial action by written notice set forth either in the notice of default given under paragraph (C)(1) of this Article or by subsequent written notice to the Grantee. An imminent threat is not an immediate default.

4. Consequences of Default. If the Grantee fails to cure all defaults specified in the notice of default within the time periods set forth in paragraph (C)(1) of this Article, or fails to
diligently pursue or complete any cure as provided in paragraph (C)(1), HUD may take any of the following remedial actions, upon written notice to the Grantee:

a. requiring a Grantee in default to provide evidence to HUD of acceptable performance over such period of time as specified by HUD and to obtain written approval from HUD to proceed to the next phase of activities;
b. requiring additional, more detailed financial reports;
c. requiring additional project monitoring;
d. requiring the Grantee (or subgrantee) to obtain technical or management assistance;
e. establishing additional prior approvals;
f. require the Grantee, within a time period established by HUD, to prepare a revised Program Schedule, obtain HUD’s approval thereto, and follow such revised Program Schedule to complete the activities under the Grant Agreement;
g. require the Grantee, within a time period established by HUD, to revise any activity under the Grant Agreement in order to successfully complete the activities under the Grant Agreement in a manner satisfactory to HUD, including, without limitation, exclusion or revision of affected activities, revision of the Choice Neighborhoods Budget as necessary, and substitution of other eligible activities;
h. require submission of additional documentation before any additional request for funds will be approved;
i. temporarily suspend the Grantee’s authority to draw down Choice Neighborhoods Grant funds for affected activities, or at HUD’s sole discretion for all activities, pending action to cure the defaults;
j. disallow use of Choice Neighborhoods Grant funds for all or part of the cost of the activity or action not in compliance;
k. recover amounts determined by HUD to have been improperly expended, including any property obtained by the Grantee with such grant funds;
l. require reimbursement by the Grantee for Choice Neighborhoods Grant funds determined by HUD to have been improperly expended;
m. make arrangements satisfactory to HUD, in its sole discretion, for use of an entity other than the Grantee to carry out activities assisted under the Grant Agreement, including requiring the Grantee to assign any outstanding contracts obligating grant funds to another entity.

5. Additional Enforcement Actions. If HUD determines that the remedial actions taken by HUD under paragraph (C)(4) of this Article have not been effective in curing the default, or if the Grantee has not complied with the requirements imposed by HUD under paragraph (C)(4) and has not otherwise cured the default, or if HUD exercises its discretion under subparagraph (C)(2) of this Article to institute any of the following actions, HUD may take any of the following remedial or enforcement actions (in addition to any of the remedies permitted under paragraph (C) of this Article upon written notice to the Grantee):

a. reduce the Choice Neighborhoods Grant in the amount affected by the default;
b. terminate the Choice Neighborhoods Grant as to all further activities and initiate closeout procedures;
c. recapture any Choice Neighborhoods Grant funds not obligated by the Grantee.
i. If the basis for the Grantee’s default is its failure to comply with the reasonable time periods established by HUD under Article III(D), HUD shall, in accordance with section 24(i) of the 1937 Act, and unless otherwise approved by HUD under paragraph (C)(3) of this Article, recapture any Choice Neighborhoods Grant funds not obligated by the Grantee.

ii. If the Grantee fails to comply with the reasonable time periods established in Article III(D), HUD may take into account whether factors beyond the Grantee’s control are the cause of the delay.

d. take action against the Grantee under 24 CFR part 24 and Executive Order 12549 with respect to future HUD or Federal grant awards; and

e. take any other available legal or equitable remedial action, including, but not limited to, any remedial actions available under a PHA’s ACC and/or premised on HUD’s interest in the housing development established in the relevant Declaration of Trust or Declaration of Restrictive Covenants or housing assistance contract, as applicable.

6. Delinquent Federal Debts. Consistent with the purposes and intent of 31 U.S.C. 3720B and 28 U.S.C. 3201(e), Grantees with an outstanding federal debt must provide to HUD a negotiated repayment schedule which is not delinquent or have made other arrangements satisfactory to HUD. If arrangements satisfactory to HUD cannot be completed within 90 days of notification of selection, HUD will not make an award of funds to the Grantee, but offer the award to the next eligible Grantee. Applicants selected for funding, or awarded funds, must report to HUD changes in status of current agreements covering federal debt. If a previously agreed-upon payment schedule has not been adhered to or a new agreement with the federal agency to which the debt is owed has not been signed, the Grantee will be considered to be in default under this Agreement.

ARTICLE XV. Project Close-Out

A. Termination of Disbursements Letter. Within 90 days after completion of all grant funded activities, the Grantee will initiate close-out, in accordance with procedures established by HUD, by submitting a Termination of Disbursements letter, which states that:

1. The Grantee has completed all activities to be performed using Choice Neighborhoods Implementation Grant funds.

2. All requirements of the Grant Agreement have been met.

3. All obligated Choice Neighborhoods grant funds have been disbursed; and

4. The Grantee will abide by any continuing Federal requirements;

At HUD’s option, the Grantee may delay initiation of close-out until the resolution of any HUD monitoring findings. If HUD exercises this option, the Grantee must promptly resolve the findings.
B. Preliminary Closeout Materials. The Grantee must submit the following Preliminary Close-Out Materials along with the Termination of Disbursements Letter:

1. Final Choice Neighborhoods Budget;

2. Actual Choice Neighborhoods Cost Certificate (Cost Certificate) (Form HUD-50163), which summarizes the information on the Financial Status Report and serves as the document that officially closes out the grant.

3. Program Income Plan. A Plan for the use of Program Income funds, which indicates the anticipated sources and uses of Program Income, must be submitted. Following close-out, Grantees must comply with the conditions of the Program Income Plan for a period of 15 years from the final approval date on the ACNCC. Funds from each source of Program Income must be tracked separately. Funds must be deposited in an interest-bearing account in an FDIC insured institution. During the 15-year period, no more than 10% of Program Income may be used for administrative purposes.

4. Supportive Services Sustainability Plan. Grantees must submit a Supportive Services Sustainability Plan, which discusses how supportive services for residents will be maintained after all Choice Neighborhoods funds have been expended. While HUD does not have a required format, see Attachment 2 for elements which should be addressed. Grantees who already have a HUD-approved Endowment Trust Plan do not need to submit a Supportive Services Sustainability Plan, unless additional information is requested by HUD.

5. Housing Plan and Schedule. Grantees must submit a brief narrative describing the status of their Housing Plan, including progress on the grantee’s one-for-one unit or bedroom replacement requirement, as well as non-replacement units. The submission should include a chart which reflects the unit count and composition by phase.

C. HUD Review of Preliminary Close-Out Materials. HUD will review Preliminary Close-Out Materials to confirm that:

1. The amounts on the final Choice Neighborhoods Budget and Cost Certificate agree as to funds approved, obligated and expended.

2. The amount of funds approved and disbursed on the Cost Certificate agrees with HUD records in LOCCS.

3. If HUD disbursed more funds that the Grantee expended, the Grantee will immediately remit to HUD the excess funds, without waiting for completion of the final audit.

4. The Program Income Plan provides the requested information and complies with Program Income requirements of the Grant Agreement.
5. The Sustainability Plan provides the requested information and demonstrates a sound strategy for continuing to provide needed supportive services to residents.

6. The Housing Plan and Schedule provides the requested information and demonstrates that the Grantee will be able to complete its housing obligations.

D. Final Audit. Following HUD approval of the Preliminary Close-Out Materials, Grantees that are not for-profit entities must conduct a final audit of the Implementation Grant in accordance with the requirements of 2 CFR Part 200, Subpart F and forward the audit to HUD for approval. For-Profit Grantees must conduct a final audit of the Implementation Grant in accordance with 2 CFR 200.501(h) and forward the audit to HUD for approval.

E. Cost Certificate. Upon receipt of the final audit, the designated HUD official will execute the Cost Certificate once HUD determines to its satisfaction that:

1. the expenditure of funds provided under this Grant Agreement was allowable and reasonable, as determined by the final audit;

2. the activities to be completed using Choice Neighborhoods Grant funds were completed, as required by the Grant Agreement; and

3. all Federal requirements were satisfied.

F. Final Close-Out. Following execution of the Cost Certificate, any funds remaining in the Implementation Grant will be recaptured by HUD. A Post-Audit Date will be entered into LOCCS and the grant will be closed.


ARTICLE XVI. Grant Award Date

The Grant Award Date is May 13, 2019. Except for Quarterly Reports, which are due according to the dates in Article XII, all deliverables in the Grant Agreement are based on the Grant Award Date.

ARTICLE XVII. Funding Obligation Date, Date of Funding Availability and Effective Date

The date of obligation of the funding to the Grantee under this Grant Agreement is the date HUD signed the form HUD-1044. The effective date of the Grant Agreement and date of fund
availability is the date that HUD signs the signature page of the Grant Agreement (See Article XIX).

ARTICLE XVIII. Points of Contact

Any correspondence related to this Grant Agreement should be directed to the following points of contact for HUD, the Lead Grantee, and any other Grantees:

For the U.S. Department of Housing and Urban Development:

Robert Mulderig
Acting Deputy Assistant Secretary, Office of Public Housing Investments
U.S. Department of Housing and Urban Development
451 7th Street, SW Room 4130
Washington, DC  20410

For the Lead Grantee:
Ms. Karen R. Wilds
Executive Director
Newport News Redevelopment and Housing Authority
P.O. Box 797
Newport News, VA  23607

For the Co-Grantee:
Ms. Cynthia D. Rohlf
City Manager
City of Newport News
2400 Washington Avenue
10th Floor, City Hall
Newport News, VA  23607
Article XIX. Signature Page

___________________________________
Ms. Karen R. Wilds
Executive Director
Newport News Redevelopment and Housing Authority

___________________________________
Ms. Cynthia D. Rohlf
City Manager
City of Newport News

___________________________________
Dominique Blom
General Deputy Assistant Secretary
Office of Public and Indian Housing
U.S. Department of Housing and Urban Development

___________________________________
Date
Appendix A

Additional statutory, regulatory, and other requirements with which Grantee must comply as applicable include:

1. Fair Housing Certifications, as the same maybe amended from time to time, and any additional Fair Housing requirements that may become applicable:

   A. the Fair Housing Act (42 U.S.C. §§ 3601-19) and regulations pursuant thereto 24 CFR part 100;
   B. Executive Order 11063 (Equal Opportunity in Housing) and regulations pursuant thereto (24 CFR part 107);
   C. the fair housing poster regulations (24 CFR part 110) and advertising guidelines (24 CFR part 108);
   D. Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d) and regulations pursuant thereto (24 CFR part 1) relating to nondiscrimination in housing;
   E. the prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. §§ 6101-07) and regulations issued pursuant thereto (24 CFR part 146);
   F. the prohibitions against discrimination on the basis of disability, including requirements that the Grantee make reasonable modifications and accommodations and make units accessible, under Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794) and regulations issued pursuant thereto (24 CFR part 8);
   G. the Americans with Disabilities Act (42 U.S.C. § 12101 et seq.) and its implementing regulation at 28 CFR part 36;
   H. the Architectural Barriers Act of 1968, as amended (42 U.S.C. § 4151) and regulations issued pursuant thereto (24 CFR part 40);
   I. Accessible Technology. The Rehabilitation Act Amendments of 1998 apply to all electronic information technology (EIT) used by a Grantee for transmitting, receiving, using, or storing information to carry out the responsibilities of any Federal grant awarded. It includes, but is not limited to, computers (hardware, software, word processing, email and web pages) facsimile machines, copiers and telephones. When developing, procuring, maintaining or using EIT, grantees must ensure that the EIT allows:
      (1) Employees with disabilities to have access to and use information and data that is comparable to the access and use of data by employees who do not have disabilities; and
      (2) Members of the public with disabilities seeking information or service from a grantee must have access to and use of information and data and comparable to the access and use of data by members of the public who do not have disabilities. If these standards impose on a grantee, they may provide an alternative means to allow the individual to use the information and data. No grantee will be required to provide information services to a person with disabilities at any location other than the location at which the information services are generally provided.
2. Finance and Accounting

   A. Commingling of Grant Funds. The Grantee agrees that, in its recordkeeping, it will not commingle Choice Neighborhoods Grant funds with funds from any other sources including, but not limited to, other HUD program funds or funds from other Federal, State or local government agencies. (Such other funds may be used to carry out the Transformation Plan, so long as they are not commingled in the Grantee’s recordkeeping.)

   B. Duplication of Funding. The Grantee will ensure that Choice Neighborhoods Grant funds are not used to duplicate work that is funded with any other HUD funds, funds from any other Federal program, or from any other funding source identified under the Transformation Plan, and will establish controls to assure non-duplication of funding.


4. Recordkeeping

   A. Recordkeeping Authorities. The Grantee will comply with and be subject to all Federal recordkeeping requirements, including, but not limited to 2 CFR 200.333.

   B. Recordkeeping Requirements. Grantees must retain records in accordance with the requirements of paragraph (A) above, including, but not limited to:

      (1) the amount and disbursement of funds received under this Choice Neighborhoods Grant, including sufficient records that document the reasonableness and necessity of each expenditure;

      (2) the amount and nature of any other assistance, including cash, services, or other items contributed to assist in the development of the Transformation Plan or contributed as a condition of receiving this Choice Neighborhoods Grant; and

      (3) any other proceeds received for, or otherwise used in connection with, the Transformation Plan.

   C. Access to Records. For the purpose of audit, examination, monitoring, and evaluation, the Grantee will give HUD (including any duly authorized representatives and the Inspector General) access, and will ensure that any participating party will give HUD such access, to any books, documents, papers, and records of the Grantee, or such participating party, that are pertinent to assistance received under this Choice Neighborhoods Grant or under the Transformation Plan, including all records required to be kept by paragraph (B) above.

5. Reporting


   B. Compliance with Section 872 of the Duncan Hunter National Defense Authorization Act for Fiscal Year 2009 (Public Law 110-417), hereafter referred to as “Section 872.” OMB is in the process of issuing regulations regarding federal agency implementation of section 872 requirements.
RESOLUTION NO. ____________


WHEREAS, on May 13, 2019, the United States Department of Housing and Urban Development ("HUD") announced the award of a $30,000,000 Choice Neighborhoods Implementation Grant to the Newport News Redevelopment and Housing Authority ("NNRHA") and the City of Newport News, Virginia ("City") for their jointly-prepared Choice Neighborhood Initiative Transformation Plan; and

WHEREAS, pursuant to the award, NNRHA, as Lead Grantee, and the City, as Co-Grantee, are required to execute a Choice Neighborhoods Implementation Grant Agreement with HUD; and

WHEREAS, the Council finds it is in the best interest of the City to authorize the execution of the Choice Neighborhoods Implementation Grant Agreement.

NOW, THEREFORE, BE IT RESOLVED by the Council for the City of Newport News, Virginia:

1. That is hereby authorizes and directs the City Manager to execute and the City Clerk to attest, on behalf of the City of Newport News, Virginia, that certain FY2018 Choice Neighborhoods Implementation Grant Agreement by and between the United States Department of Housing and Urban Development, the Newport News Redevelopment and Housing Authority, and the City of Newport News, a copy of which is attached hereto and made a part hereof.

2. That it hereby authorizes and directs the City Manager to execute and submit such additional documents to HUD as may be necessary to finalize the award and receipt of the Choice Neighborhoods Implementation Grant, after review and approval of such documents by the City Attorney as to form.

3. That this resolution shall be in effect on and after the date of its adoption, June 11, 2019.
FY2018 Choice Neighborhoods Implementation Grant Agreement

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Exhibit A: Subgrantee and Contractor Certifications and Assurances
Article XIX. Signature Page

Ms. Karen R. Wilds
Executive Director
Newport News Redevelopment and Housing Authority

Ms. Cynthia D. Rohlf
City Manager
City of Newport News

Dominique Blom
General Deputy Assistant Secretary
Office of Public and Indian Housing
U.S. Department of Housing and Urban Development

Date
FY2018 Choice Neighborhoods
IMPLEMENTATION GRANT AGREEMENT

This grant agreement ("Grant Agreement") is made by and between the United States Department of Housing and Urban Development ("HUD") and the Lead and Co-Applicant(s) ("Grantee"). On May 13, 2019, HUD awarded the Grantee a Choice Neighborhoods Implementation Grant from fiscal year 2018 funds, for the implementation of a Transformation Plan ("Transformation Plan") that is identified in this Grant Agreement below.

HUD agrees, subject to the terms of this Grant Agreement, to provide grant funds to the Grantee, in the total amount listed on the form HUD-1044, for the activities described in the Transformation Plan as defined in Article III. Either the Lead Applicant or the Co-Applicant Grantee may be the designated entity with access to LOCCS for drawing down grant funds.

The assistance that is the subject of this Grant Agreement is authorized by, and required to be used in accordance with, Section 24 of the U.S. Housing Act of 1937, the Consolidated and Further Continuing Appropriations Act, 2018 (Pub. L. 115-41, approved March 23, 2018) ("2018 HUD Appropriations Act"), (collectively the "Choice Neighborhoods Authorization").

The form HUD-1044 and Exhibit A are incorporated into and subject to the terms of this Grant Agreement.

HUD and the Grantee hereby agree to be bound by the following terms and conditions of this Grant Agreement:
ARTICLE I. Choice Neighborhoods Requirements

The Grantee agrees to conduct all activities to be assisted with funds provided under this Grant Agreement in accordance with the following requirements, as such requirements now exist or as they may hereafter be amended (hereafter collectively referred to as the “Choice Neighborhoods Requirements”):

A. the U.S. Housing Act of 1937, as amended (the “1937 Act”), as applicable, and all implementing regulations;

B. the 2018 HUD Appropriations Act (Public Law 115-41, approved March 23, 2018);

C. the Fiscal Year (FY) 2018 Notice of Funding Availability for the Choice Neighborhoods Initiative Implementation Grants published via Grants.gov on May 18, 2018 (the “Choice Neighborhoods Implementation NOFA”);

D. 31 U.S.C. § 1552. In accordance with this statute, all FY2018 funding must be expended by September 30, 2025. Any funds that are not expended by that date will be cancelled and recaptured by the Treasury, and thereafter will not be available for obligation or expenditure for any purpose. In order to ensure funds are drawn from LOCCS by that date, HUD may provide additional guidance as the deadline approaches for when grantees should submit the final draw request (e.g. usually approximately two weeks prior to the expenditure deadline).

E. In accordance with section 24(e)(2)(D) of the 1937 Act, Grantees must involve affected residents of the targeted public and/or assisted housing during the implementation process. Grantees are required to involve the affected public and/or assisted housing residents in the implementation of the Transformation Plan. This involvement must be continuous from the beginning of the planning process through the implementation and management of the grant. In addition to the statutory requirement, unless HUD indicates otherwise in writing, Grantees will be expected to undertake resident and community involvement in a manner and method at least as comprehensive as that described in your grant application.

F. all executive orders applicable to the activities being conducted with funds provided under this Grant Agreement;

G. the terms and requirements of this Grant Agreement, and any amendments or addenda thereto;

H. all other applicable Federal requirements, including, without limitation, those set forth the FY2018 Appropriations Act and those set forth in Appendix A; and

I. all regulations, handbooks, notices, and policies applicable to the activities being conducted with funds provided under this Grant Agreement.
ARTICLE II. Program Overview

A. Goals of the Choice Neighborhoods Program. The Choice Neighborhoods Program employs a comprehensive approach to neighborhood transformation. The program transforms neighborhoods of concentrated poverty into mixed-income neighborhoods of long-term viability by revitalizing severely distressed public and/or assisted housing; improving access to economic opportunities; and investing and leveraging investments in well-functioning services, effective schools and education programs, public assets, public transportation, and improved access to jobs. Choice Neighborhoods ensures that current residents benefit from this transformation by preserving affordable housing in the neighborhood or providing the choice to move to affordable housing in another neighborhood of opportunity. The purpose of this grant is to implement a Transformation Plan that has been developed through a local planning process and furthers the goals of the Choice Neighborhoods Program. The core goals of Choice Neighborhoods are:

1. Housing: Replace distressed public and assisted housing with high-quality mixed-income housing that is well-managed and responsive to the needs of the surrounding neighborhood;
2. People: Improve outcomes of households living in the target housing related to employment and income, health, and children’s education; and
3. Neighborhood: Create the conditions necessary for public and private reinvestment in distressed neighborhoods to offer the kinds of amenities and assets, including safety, good schools, and commercial activity, that are important to families’ choices about their community.

ARTICLE III. Choice Neighborhoods Transformation Plan

A. General. The Grantee’s Choice Neighborhoods Transformation Plan ("Transformation Plan") consists of a document or documents reviewed and approved by HUD to govern the transformation of the neighborhood. The Transformation Plan should integrate effective strategies to implement public and/or assisted housing revitalization, the coordination and design of supportive services, including educational opportunities for children, and neighborhood-level planning to improve a range of neighborhood assets. The Transformation Plan should be created as part of a collaborative planning process that involves neighborhood stakeholders and local governmental entities. The Transformation Plan should translate the three core goals of Choice Neighborhoods – Housing, People and Neighborhood – into a strategy that will direct investments, demonstrate the commitment among a range of public and private partners to address interdependent neighborhood challenges, utilize data to set and monitor progress toward implementation goals, and engage community stakeholders and residents in meaningful decision-making roles.

B. Components of the Transformation Plan. The Grantee’s Transformation Plan includes each of the following components, as needed for the Transformation Plan and as approved by HUD. Because some of these documents may be submitted to HUD for approval throughout the implementation of the Grant Agreement, an approved Transformation Plan shall be
deemed to mean the most recent set of documents that have been submitted to (as set forth in this Article) and approved by HUD:


2. Post Application Submissions that HUD requires the Grantee to submit following HUD's review of the Choice Neighborhoods application and/or as a result of a site visit to the neighborhood which is the target of redevelopment under this grant ("Development"), including but not limited to:
   a. any additional information required for HUD to approve demolition of the target public and/or assisted housing based on the Choice Neighborhoods application;
   b. certifications and assurances;
   c. a Program Schedule, in accordance with the timeframes established in this Article;
   d. a Choice Neighborhoods Budget (all phases) as described in Article VI;
   e. any other information or documentation that is not otherwise required under any other component of the Transformation Plan that is requested by HUD to supplement or refine information provided in the Choice Neighborhoods Application or to meet any terms or conditions of the Grant Agreement; and
   f. any waiver requests;

(Subparagraphs (a) through (f) are hereafter collectively referred to as, "Post Application Submissions.")

3. a Supportive Services/People plan;

4. the Grantee's submissions to HUD in connection with an Endowment Trust, if applicable, in accordance with Article IV(J) (including but not limited to submission of a Choice Neighborhoods Endowment Trust Addendum);

5. for public housing only, a Demolition Application, if applicable, as described in Article IV;

6. for public housing only, a Disposition Application relating to the Development, as described in Article IV, to the extent applicable;

7. a development proposal(s), as described in Article IV;

8. a homeownership proposal, as applicable, as described in Article IV;
9. a plan for Critical Community Improvements projects, as applicable; and

10. any amendment or modification of the foregoing, as approved in writing by HUD.

C. Incorporation into Grant Agreement. As each component of the Transformation Plan is approved in writing by HUD, it will be deemed to be incorporated into this Grant Agreement.

D. Time Periods for Implementation. The Grantee agrees to implement its Transformation Plan in accordance with the approved Program Schedule, including but not limited to the following time periods:

1. In accordance with the Choice Neighborhoods Implementation NOFA as incorporated by Article I(C) above.

2. Items identified in paragraph (B) of this Article must be submitted to HUD in accordance with the HUD-approved Program Schedule. The Program Schedule is due to HUD within 120 calendar days (weekends and holidays are not excluded) from the Grant Award Date. HUD reserves the right to require Grantee to make edits to these items to put them in a form and substance acceptable to HUD.

3. The Grantee must start service coordination and case management services as soon as possible, if they have not already. The Grantee must have started these services within 60 days of the Grant Award Date. It is imperative that case management services begin immediately so that residents who will be relocated have time to participate in and benefit from Supportive Services activities before leaving the site; and that residents who have already been relocated are able to participate in and benefit from Supportive Services activities.

4. The Grantee must submit the People/Supportive Services plan within 9 months of the Grant Award Date for HUD’s review and approval.

5. The Grantee must submit the Critical Community Improvements plan within 12 months of the Grant Award Date for HUD’s review and approval.

6. The closing of the first housing phase of development must take place within 18 months of the Grant Award Date. For this purpose, “closing” means all financial and legal arrangements have been executed and actual activities (construction, etc.) are ready to commence. The construction Notice to Proceed or equivalent must be issued no later than 90 days after the closing date, unless otherwise approved by HUD.

7. Grantees must start housing rehabilitation/construction within 21 months of the Grant Award Date.

8. Grantees must complete replacement housing rehabilitation/construction by obtaining a certificate of occupancy or equivalent for units funded with Choice Neighborhoods funds.
by September 30, 2025. In accordance with the statutory deadline for expenditure of funds, HUD cannot approve an extension to this milestone.

E. Time Extensions. All requests for extensions of the time periods for implementation listed in paragraph (D)(1)-(7) of this Article must be requested by the Grantee in advance of the deadline date. All requests for extensions must be made in writing to the Office of Public Housing Investments and will be reviewed and approved or disapproved by the Assistant Secretary of Public and Indian Housing and/or the Deputy Assistant Secretary for the Office of Public Housing Investments.

ARTICLE IV. Transformation Activities and Requirements

A. Program Activities. Grantees must include the activities listed in Section III.E.1 of the Choice Neighborhoods Implementation NOFA in their Transformation Plan.

B. Program Requirements. Grantees must comply with the Program Requirements stated in Section III.E.2 of the Choice Neighborhoods Implementation NOFA, some of which are restated in this Article for emphasis and/or with additional detail.

C. One-for-one Replacement of Public and/or Assisted Housing. Each Transformation Plan must comply with the applicable one-for-one replacement requirement as stated in Section III.E.2.b of the Choice Neighborhoods NOFA.

D. Replacement Housing Development Activities.

1. Public Housing Development Activity. For any public housing development activity under the Transformation Plan (whether on-site reconstruction or off-site development), the Grantee must obtain HUD approval of a development proposal submitted under 24 CFR 905.606 ("Development Proposal").

2. Any RAD conversion must be done in accordance with the protocol for reviewing RAD/Choice Neighborhoods projects or subsequent guidance.

3. For projects involving Section 8, both Project Based Rental Assistance (PBRA) and Project Based Vouchers (PBV), and Choice Neighborhoods funding, HUD will review the development proposal in accordance with the Cost Controls and Safe Harbor Standards for Rental Mixed-Finance Development, dated April 2003, or subsequent guidance.

4. For Replacement Units to be provided as PBVs in projects developed by an entity other than the Housing Implementation Entity, the PHA that administers the vouchers must comply with 24 CFR part 983. In addition, the Choice Neighborhoods office must review project information in advance of the AHAP or HAP contract to confirm the project satisfies the CN program requirements (e.g. is in a mixed-income development.
and, if located outside the target neighborhood, meets the location requirements set forth in the NOFA).

E. Rehabilitation Activities. For rehabilitation and physical improvement of public housing and/or community facilities primarily intended to facilitate the delivery of community and supportive services for residents of the Development and residents of off-site replacement housing under the Transformation Plan, the Grantee will comply with 24 CFR § 905.

F. Affordable Housing Development Activities. Affordable housing (non-replacement, rental or homeownership, as defined in the NOFA) units developed with Choice Neighborhoods funds must be done in accordance with a proposal approved by HUD. Such units must be available to families earning 81-120 percent of AMI and grantees shall commit to an affordability period of at least 20 years. Affordable housing units must be in the same building with replacement units, except for buildings with one to four units total. Further, affordable housing units cannot include other funding that restricts incomes below 120% AMI (e.g. Low-Income Housing Tax Credits). The affordability restrictions shall be contained in a legally enforceable document recorded in the appropriate recorder’s office or registry of deeds and consistent with long-term viability of the project.

G. Demolition of Public Housing. You cannot carry out nor permit others to carry out the demolition of the targeted public housing project or any portion of the project until HUD approves, in writing, one of the following ((1) - (3) of this section), and until HUD has also: (i) approved a Request for Release of Funds submitted in accordance with 24 CFR part 58, or (ii) if HUD performs an environmental review under 24 CFR part 50, has approved the property for demolition, in writing, following its environmental review.

1. Information regarding demolition in your Choice Neighborhoods Application, along with Post Application Submissions requested by HUD after the award of the grant. Section 24(g) of the 1937 Act provides that severely distressed public housing that is demolished pursuant to a revitalization plan is not required to be approved through a demolition application under section 18 of the 1937 Act or regulations at 24 CFR part 970.


3. A section 33 Required Conversion Plan, in compliance with regulations at 24 CFR part 972, subpart A and other applicable HUD requirements. A Required Conversion Plan concerns the removal of a public housing project from a PHA’s inventory.

H. Demolition of Multifamily Housing. For projects subject to a project-based section 8 Housing Assistance Payments (“HAP”) contract, the Grantee will not engage in or permit the partial or total demolition of the project, or any activities related thereto, including any activities in preparation for such demolition, without the prior written consent of HUD. Such consent will not be provided until HUD has first approved (i) a proposal for preserving the project-based section 8 HAP contract consistent with applicable statutory authority (e.g., section 212(a) of the 2012 HUD Appropriations Act, or successor legislation; or section 8(bb)(1) of 1937 Act) and all related Departmental policies, procedures, and requirements;
(ii) a proposal for project rehabilitation; and (iii) a replacement housing plan that provides for the orderly, temporary relocation of relocated families (e.g., based on the requirements of Housing Handbook 4350.1 REV-1 CHG-2, Chapter 38 (Multifamily Emergency/Disaster Guidance), section 38.32C (Section 8 Pass Through)) that ensures decent, safe, and sanitary housing, consistent with 24 CFR Part 5 Subpart G (Physical Condition Standards and Inspection Requirements) and 24 CFR Part 200 Subpart P (Physical Condition of Multifamily Properties), at the beginning of and throughout the relocation period.

I. Disposition of Public Housing. This section applies only to disposition of public housing.

1. Disposition of a severely distressed public housing site, by sale or lease, in whole or in part, must be done in accordance with section 18 of the 1937 Act and implementing regulations at 24 CFR part 970, as applicable.

2. The Grantee will also comply with the provisions of its approved disposition application (the approved “Disposition Application”), unless otherwise modified in writing by HUD, and with the procedures for processing dispositions associated with mixed-finance projects as set forth by HUD.

3. A ground lease of one year or more that is not incident to the normal operation of a development is considered to be a disposition that is subject to section 18 of the 1937 Act.

J. Relocation.

1. General. The Grantee will provide suitable, decent, safe, and sanitary housing for each family required to relocate because of transformation activities under the Transformation Plan.

2. Relocation Plan for Public Housing Units. The Grantee must carry out its relocation activities in compliance with a relocation plan that conforms with the following statutory and regulatory requirements, as applicable (the “Relocation Plan”) for displacement or temporary relocation carried out as a result of:
   a. Rehabilitation, acquisition, or demolition pursuant to section 24 of the 1937 Act under an approved Plan is subject to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. § 4601 et seq; 49 CFR part 24) (URA) and regulations at 24 CFR § 905.308 or successor part and meets the requirements of the Choice Neighborhoods Implementation NOFA.
   b. Disposition or demolition pursuant to section 18 of the 1937 Act under an approved Transformation Plan is subject to section 18 of the 1937 Act as amended and 24 CFR 970.21.
      i. Exception: displacement or temporary relocation carried out as a result of disposition pursuant to the mixed-finance development requirements at 24 CFR 905, subpart F is subject to section 18 of the 1937 Act but not 24 CFR 970.21.
c. **Disposition pursuant to a Section 332 required conversion plan** is subject to Section 18 of the 1937 Act and 24 CFR Part 971.

d. **Demolition pursuant to a Section 33 required conversion plan** is subject to the URA.

If the project also utilizes Community Development Block Grant (CDBG) or HOME funds, section 104(d) of the Housing and Community Development Act of 1974 may also apply. Please refer to the Tenant Assistance Relocation and Real Property Acquisition Handbook (HUD Handbook 1378) for detailed information.

3. Relocation Plan for Non-Public Housing Units. Except for displacement resulting from demolition or disposition activities subject to section 18 of the 1937 Act, projects involving real property acquisition, rehabilitation or demolition are subject to the URA and the requirements of the Choice Neighborhoods Implementation NOFA. For projects subject to a project-based section 8 HAP contract, the Grantee will (i) secure or cause to be secured temporary replacement housing for displaced families; will ensure that (ii) the temporary housing is available for the entire duration of the displacement period; and (iii) the housing meets the requirements of 24 CFR Part 5, Subpart G ("Physical Condition Standards and Inspection Requirements") and 24 CFR Part 200 Subpart P ("Physical Condition of Multifamily Properties") at the beginning of and throughout the displacement period. To satisfy this requirement, the Grantee is encouraged to adopt the model and the related procedures in Housing Handbook 4350.1 REV-1 CHG-2, Chapter 38 ("Multifamily Emergency/Disaster Guidance"), section 38-32 C ("Section 8 Pass Through") for the temporary relocation of section 8-assisted families necessitated by a natural disaster or other emergency. Based on this model and the related procedures, the Grantee is authorized to enter into a temporary lease for a unit in the same locale that meets the foregoing regulatory requirements on behalf of a displaced section 8-assisted family. During this period, the Owner of a property subject to a project-based section 8 HAP contract ("Owner"), whether the Owner is the Grantee or one of the Grantee's partners, may voucher for the contract rent for that unit on a temporary basis. The Owner pays no more than the contract rent on the temporary dwelling until the resident’s permanent rental unit has been restored to habitable condition and the Owner notifies the resident that they may resume occupancy of their former unit. The resident is still responsible for the resident's share of the rent. Should the displaced resident fail to return, the Owner may rent the repaired unit to an eligible section 8 applicant. Before doing so, however, the Owner must inform the resident in writing that their assistance is terminated. In the event that the Owner rents the unit to an eligible section 8 applicant, the Owner must first terminate the “pass through" lease that the Owner executed on behalf of the displaced resident. In addition, should the temporarily relocated resident move from the temporarily leased unit before their permanent rental unit is repaired and made available for their return, the Owner can no longer voucher for the temporary unit and the resident is considered permanently housed. (See Housing Handbook 4350.1 REV-1 CHG-2, Chapter 38 ("Multifamily Emergency/Disaster Guidance"), section 38-32 C ("Section 8 Pass Through").
K. Acquisition.

1. Acquisition Proposal. A PHA must submit an acquisition proposal to HUD for review and approval prior to acquisition in accordance with 24 CFR 905.608 when a PHA determines that it is necessary to acquire vacant land for development of replacement housing through new construction, using public housing funds. This acquisition approval must be submission of a development proposal under 24 CFR 905.606.

2. Land for Replacement Units outside the target neighborhood. For acquisition of land for replacement housing outside the target neighborhood, you must comply with 24 CFR 905.602 (site and neighborhood standards).

3. Land for Economic Development-Related Activities. Acquisition of land for this purpose is eligible if the activities specifically promote the economic self-sufficiency of residents of the neighborhood, such as construction or rehabilitation of parks and community gardens, environmental improvements; or promoting economic development, such as development or improvement of transit, retail, community financial institutions, public services, facilities, assets or other community resources. Limited infrastructure and site improvements associated with development retail, commercial, or office facilities, such as rough grading and bringing utilities to (but not on) the site, are eligible activities with prior HUD approval. You may request an amount not to exceed 15 percent of the total Choice Neighborhoods grant to pay the costs of non-housing capital costs as described above for Critical Community Improvements.

L. Supportive Services. The Grantee must plan for and provide current public and assisted housing residents, relocated public and assisted housing residents, and returning and new public and assisted housing residents with supportive services for the term of the Grant Agreement. Supportive Services programs and services must be carefully planned so that they will be sustainable after the Choice Neighborhoods grant period ends. The Grantee is responsible for tracking and providing Supportive Services programs and services to baseline and revitalization development residents. Baseline residents are those residents that lived in the targeted redevelopment site at the time of application for this Choice Neighborhoods grant. The grantee and HUD will also work together to track the experiences and changing characteristics of revitalization development residents who live at the revitalized site. Supportive Services activities must be well integrated with the physical development process, both in terms of timing and the provision of facilities to house on-site service and educational activities. The Grantee should provide final outcomes and metrics on Supportive Services as identified in the Transformation Plan. The Grantee will report to HUD on those outcomes and measure progress using those metrics as discussed in Article XII. HUD will use these reports to determine if the Grantee has met their supportive service requirements as listed in their Transformation Plan. To the extent that the Grantee proposed Supportive Services to the surrounding neighborhood residents as part of the application, public housing and HUD assisted housing resident Supportive Services should be tracked in the same way or as proposed in the application.
1. Funding. Consistent with sections 24(d)(1)(L) and 24(j)(3) of the 1937 Act and the Choice Neighborhoods Implementation NOFA, the Grantee may use an amount up to 15 percent of the total Choice Neighborhoods Grant to pay the costs of community and supportive service programs. The Grantee may spend additional sums on community and supportive services programs using donations, HUD funds made available for that purpose, or other Grantee funds.

2. Supportive Services Endowment Trust. The Grantee may deposit up to 15 percent of the Choice Neighborhoods Grant amount (the maximum amount of the grant allowable for Supportive Services programs) into an endowment trust to provide Supportive Services activities (the “Endowment Trust”).
   a. The Grantee may not draw down funds provided under this Grant Agreement for deposit into an Endowment Trust until it has a HUD-approved Endowment Trust plan and has executed with HUD an addendum to this Grant Agreement (the “Choice Neighborhoods Endowment Trust Addendum”), as directed by HUD. The Choice Neighborhoods Endowment Trust Addendum establishes the requirements governing the establishment, operation, and management of an Endowment Trust.
   b. In reviewing the amount of the Grantee’s proposed allocation of Choice Neighborhoods Grant funds to an Endowment Trust, HUD will take into account the Grantee’s demonstrated ability to pay for current Supportive Services activities with Choice Neighborhoods or other funds, and the projected long-term sustainability of the Endowment Trust to carry out such activities.
   c. Endowment Trust funds (including any non-Choice Neighborhoods funds donated or otherwise made available to the Endowment Trust, and any interest earned on Choice Neighborhoods and non-Choice Neighborhoods funds) may only be used for eligible and necessary Supportive Services activities.

3. Although targeted housing residents must be the primary beneficiary of Supportive Services, Supportive Services provided to the surrounding neighborhood residents, beyond public and HUD assisted housing residents, are an eligible use of funds.

M. Administration, Fees and Costs. Reasonable costs for administration, planning, technical assistance, and fees and costs, as established by the Cost Control and Safe Harbor Standards guidance dated April 9, 2003, or successor document. These costs are limited to the costs of implementing the Transformation Plan, as specifically approved by HUD, such as fees for architectural and engineering work, program management (if any), and reasonable legal fees. You may not use Choice Neighborhoods Implementation Grant funds to pay for any implementation activities carried out on or before the date of the letter announcing the award of the Choice Neighborhoods Grant.

N. Right of Return. Each tenant who wishes to return to the on-site or off-site replacement housing may return if the tenant was lease-compliant at the time of departure from the housing prior to relocation and continued to remain lease-compliant during the relocation period. This is a Choice Neighborhoods program requirement and not related to benefits provided in accordance with the URA. A returning tenant shall be provided a preference for occupancy of on-site or off-site replacement units before such units are made available to any
other eligible households. Accordingly, the Housing plan must provide an adequate number of replacement units that can be occupied by households with incomes up to 80 percent AMI (e.g. units that are not limited by another funding source such as LIHTC equity that has a lower income limit). The tenant also has the option not to occupy a replacement unit and may retain tenant-based voucher assistance, subject to appropriations and availability, provided under section 8(o) of the United States Housing Act of 1937 for relocation from the properties revitalized under this Grant Agreement. These preferences are retained even if the resident has already received permanent relocation benefits. This preference applies to residents that were relocated due to the redevelopment activity and remains available until the initial lease-up of the new units. Residents that voluntarily move prior to relocation do not have this right to return preference. Prior written approval for any new tenant-based voucher assistance, including but not limited to Tenant Protection Vouchers, is required prior to Grantee obtaining voucher assistance. If a household is “rightsized” (e.g. splits into two separate households) through the relocation resulting from Choice Neighborhoods, the original head of household will have the right to return. Once all of the original heads of household have been housed, the Grantee is required to offer the second household any units that are available. If no units are available, then the second household will be moved to the top of the waiting list. Both the original household and the second household are required to be lease-compliant at the time of relocation and throughout relocation.

O. Site and Neighborhood Standards for Replacement Housing.

1. Grantee’s Election of Requirements. A Grantee, at its election, separately regarding each site it proposes, will comply with the development regulations regarding Site and Neighborhood Standards (24 CFR § 905.602), or with the Site and Neighborhood Standards contained in this Article.

2. On-Site Replacement Housing (i.e. on the target housing site and/or in the target neighborhood). Because the objective of the Choice Neighborhoods program is to alleviate distressed conditions at the targeted development and in the target neighborhood, replacement housing under Choice Neighborhoods that is located within the target neighborhood will not require approval by HUD under Site and Neighborhood Standards.

3. Off-site Replacement Housing (i.e., outside of the target neighborhood but within the metropolitan area up to 25 miles from the target housing site). Replacement housing outside the target neighborhood must:
   a. offer access to economic opportunities and public transportation and be accessible to social, recreational, educational, commercial, health facilities and services, and other municipal services and facilities that are comparable to those that will be provided in the target neighborhood; and
   b. be located neither in areas of minority concentration nor in areas with a poverty rate above 40 percent. A neighborhood of minority concentration is a Census tract or other defined geographic area in which the percentage of residents who are racial or ethnic minorities is at least 20 percentage points higher than the percentage of minority residents in the Metropolitan Statistical Area (MSA) (or jurisdiction not in a
MSA) as a whole. In MSAs (or jurisdictions not in MSAs) in which the majority of residents are racial or ethnic minorities, HUD will consider and rely on all relevant information to determine whether the neighborhood proposed for replacement housing will lead to the creation of more inclusive and integrated housing in opportunity-rich neighborhoods.

P. Research and Evaluation Cooperation. HUD and its contractors shall perform research and evaluation activities on the Choice Neighborhoods program, including interviews with the Grantee and community, review of grantee documents and data, surveys of assisted households and neighborhood residents, and documentation of changing physical conditions in the buildings and neighborhood. The Grantee shall make all reasonable efforts to cooperate with HUD and its contractors in carrying out these activities, including but not limited to facilitating interviews of Grantee’s staff and partners, providing HUD’s contractor with access to observe community meetings; to data systems, documents, and assisted and public housing residents; and to buildings for conducting physical inspections.

Q. Operation and Management Principle and Policies, and Management Agreement for PHAs. Grantee must develop a Management Agreement that describes their operation and management principles and policies for their public housing units. Grantees and their procured property manager, if applicable, must comply (to the extent required) with the provisions of 24 CFR part 966 in planning for the implementation of the operation and management principles and policies described below.

1. Rewarding work and promoting family stability by promoting positive incentives such as income disregards and ceiling rents;

2. Instituting a system of local preferences adopted in response to local housing needs and priorities, e.g., preferences for victims of domestic violence, residency preferences, working families, and disaster victims. Note that local preferences for public housing must comply with Fair Housing requirements at 24 CFR 960.206. No preference should lead to disparate negative impact on any Fair Housing Act protected class;

3. Lease requirements that encourage self-sufficiency by promoting involvement in the resident association, performance of community service, participation in self-sufficiency activities, and transitioning from public housing;

4. Implementing site-based waiting lists that follow project-based management principles for the redeveloped public housing. Note that site-based waiting lists for public housing must comply with Fair Housing requirements at 24 CFR 903.7(b)(2);

5. Strictly enforcing lease and eviction provisions;

6. Implementation of defensible space principles and the installation of physical security systems such as surveillance equipment, control engineering systems, etc. to improve the safety and security of residents;
7. Enhancing ongoing efforts to eliminate drugs and crime from neighborhoods through collaborative efforts with federal, state, and local crime prevention programs and entities.

R. Lobbying. The Grantee hereby certifies that no funds provided under this Grant Agreement will be expended for lobbying activities, as prohibited by Section 319 of Public Law 101-121 (which prohibits recipients of Federal contracts, grants, and loans from using appropriated funds for lobbying the Executive or Legislative Branches of the Federal Government), and implemented for HUD at 24 CFR part 87, as the same may be amended from time to time. The Grantee will disclose promptly any commitment or expenditure of non-appropriated funds for lobbying activities if those activities would be prohibited if paid with appropriated funds.

ARTICLE V. Changes to the Transformation Plan

A. Changes Requiring Prior HUD Approval. If the following activities in the application are to be modified or amended, the Grantee must request and obtain prior written HUD approval:

1. the Program Schedule. The Grantee must inform HUD immediately, in writing, of any problems, delays or adverse conditions that will impair materially the Grantee’s ability to comply with the Program Schedule, and include a statement of action taken, or proposed to be taken, and any assistance needed to resolve the situation. HUD must approve any proposed changes to the Program Schedule that would modify any date or time period.

2. the form of program oversight or governance;

3. the overall strategy for community involvement;

4. the approved disposition;

5. the approved demolition;

6. the Housing plan, including the total number of housing units to be developed or rehabilitated (whether or not there is an associated budgetary revision requiring prior approval), the unit mix, the location of housing, the design, or any other changes that materially affect the Transformation Plan;

7. the plan for Critical Community Improvements projects;

8. changes in any Choice Neighborhoods Budget or phase budget that propose an increase or decrease in any line item, except as permitted by Article VI;

9. an extension of the period of availability of the Choice Neighborhoods Grant funds provided under this Grant Agreement, not to go beyond the statutory timeframes;
10. changes in the entities or individuals, including any key partners specified in the Transformation Plan as having key responsibilities for carrying out the Transformation Plan (or any component(s) of the Transformation Plan). Subgranting, subcontracting or otherwise obtaining the services of a third party to perform activities that are central to the purposes of the Transformation Plan will constitute such a change in entities or individuals; and

11. changes requested by a subgrantee that relate to any of the itemized categories listed in paragraph (A) of this Article.

B. Changes Requiring Grant Agreement Amendment. For the following types of revisions to the Transformation Plan, the Grantee must submit a written request to HUD and must receive HUD’s written authorization prior to making any such changes:

1. change in the total dollar amount of the grant; and/or

2. change in the Development for which funds provided under this Grant Agreement are made available.

Upon HUD’s written approval, the change will be implemented by the execution of an amendment to this Grant Agreement and shall consist of a revised Form HUD-1044 if there is a change in the dollar amount of the grant.

C. Waiver Requests.

1. Standard for Approval. The activities to be conducted under this Grant Agreement are subject to the terms of this Grant Agreement and the Choice Neighborhoods Requirements. Nevertheless, HUD seeks innovative solutions under the Choice Neighborhoods Program to the long-standing problems of severely distressed public and assisted housing developments located in neighborhoods of concentrated poverty, and will consider granting a waiver of specific regulatory requirements, provided that:
   a. such a waiver would be consistent with applicable statutory requirements; and
   b. the Grantee is able to demonstrate good cause to support HUD’s granting of such a waiver.

2. Waiver Request Procedure. If the Grantee wants HUD to approve a waiver of a regulatory requirement, it must submit a request with sufficient information and justification to enable HUD to make a determination of good cause for granting any such request to deviate from existing regulations. Until such time as the Grantee requests and HUD, in its discretion, approves any such requests in writing, the Grantee does not have authority to implement the activities described in the Choice Neighborhoods Application to which the request for approval applies (or for which a request for approval is needed).

ARTICLE VI. Choice Neighborhoods Budget and Funding Requests
A. Budget. The Grantee must ensure that funds provided under this Grant Agreement are expended in accordance with the Choice Neighborhoods Requirements and a Choice Neighborhoods Budget. Each Grantee must submit to HUD for approval a Choice Neighborhoods Budget as part of the Post Application Submissions. The Choice Neighborhoods Budget allocates ALL Choice Neighborhoods Grant funds into Budget Line Items. The Choice Neighborhoods Budget will serve as the primary budget and may be subject to revision.

B. Budget Form. Each budget submitted in accordance with paragraph (A) of this Article must be submitted on the Choice Neighborhoods Implementation Grants Budget Form (form HUD-53236). Part I must be signed and dated by the Lead Grantee, and Part II must include a detailed description of the uses of the funds. Grantees should also track their leveraged fund expenditures and maintain this information on file should HUD request it.

C. Pre-Grant Agreement Execution Costs. After the execution of this Grant Agreement, the Grantee may include in its Choice Neighborhoods Budget, and the Grantee may draw down funds for, costs that were incurred prior to execution of this Grant Agreement, provided that such costs were incurred after the Grant Award Date, are directly associated with the activities to be funded under this Choice Neighborhoods Grant, and are approved as reasonable and eligible by HUD.

D. Predevelopment Costs.

1. Funding Requests. The Grantee may request a Choice Neighborhoods Grant funds for predevelopment costs by submitting the Choice Neighborhoods Budget to HUD. Funds may be drawn down for eligible Predevelopment Costs (as defined in subparagraph (2) below), subject to receiving HUD approval and the requirement for an environmental review in accordance with the provisions of this Grant Agreement.

2. Eligible Predevelopment Costs. Eligible predevelopment costs ("Predevelopment Costs") may include funds for:
   a. administration costs related to having additional and/or existing staff work on the Choice Neighborhoods Grant;
   b. fees and costs related to procuring goods and services from third parties in connection with eligible predevelopment activities such as architectural and engineering (A&E) fees;
   c. resident relocation;
   d. supportive services costs, including costs dedicated to case management and services;
   e. costs associated with carrying out environmental reviews, in accordance with 24 CFR § 58.23; and
   f. site remediation and demolition costs, provided that HUD has notified the Grantee in writing of the approval.

3. Predevelopment Funds. Upon review and approval of the Choice Neighborhoods Budget as described in this Article, HUD will make the approved predevelopment funds
available to the Grantee for drawdown in LOCCS. The Grantee will ensure that the funds are expended in conformance with the HUD-approved Predevelopment Budget.

E. Program Income. Program Income is defined in 2 CFR § 200.80, or successor regulation. If the Grantee receives program income:

1. prior to grant closeout program income from repayment of loans, sale of homeownership units, and/or other sources:
   a. must be reinvested in the Development or neighborhood and used for Choice Neighborhoods eligible purposes, unless otherwise approved by HUD; and
   b. must be used for eligible activities authorized under this Grant Agreement before the Grantee may draw down additional cash payments from the Choice Neighborhoods Grant.

2. after grant closeout, program income from repayment of loans, sale of homeownership units, and/or other sources the program income must be reinvested in the Development or neighborhood and used for Choice Neighborhoods eligible purposes. Before the grant is closed out, Grantee will provide a plan to HUD for how program income will be reinvested, in a form and substance that is acceptable to HUD. HUD will determine with the Grantee what the sources of program income are.

The language of this provision, article VI (E)(2), shall survive grant close-out and termination of this Grant Agreement.

ARTICLE VII. Project Drawdowns

A. LOCCS Payment System. Consistent with 2 CFR Part 200, the Grantee will request all drawdowns of Choice Neighborhoods Grant funds under the Line of Credit Control System (e-LOCCS), unless and until another payment system is designated by HUD. The Grantee will comply with all rules, guidelines, and notices established for Choice Neighborhoods under LOCCS, or any substitute system, in connection with any drawdown of Choice Neighborhoods Grant funds. If HUD designates a different payment system, it will be based upon the provisions of 2 CFR § 200.305.

B. Drawdowns.

1. The Grantee may draw down Choice Neighborhoods Grant funds for a Budget Line Item (BLI) in an amount up to 100 percent of the amount of that BLI that HUD has approved and made available for drawdown.

2. Any request for funds in excess of 10 percent of the entire grant amount in any month must be approved by HUD. The Grantee must submit copies of the invoices supporting the drawdown amount to the Team Coordinator for review.

C. Drawdown Consequences of Default.
1. Withholding of Payments. HUD may withhold payments in accordance with 24 CFR § 200.338.

2. Grantee Representations. Each drawdown request by the Grantee will constitute, and be deemed to be, a representation that the Grantee is not in default under this Grant Agreement (except as the Grantee previously may have disclosed to HUD in writing).

3. Overdue Reports. HUD may elect to suspend draws under this Grant Agreement during any period in which the Grantee has failed to file with HUD any quarterly report.

ARTICLE VIII. Matching and Leveraged Funds

A. Match Requirements. In accordance with section 24(c) of the 1937 Act (42 U.S.C. 1437v(c)),

1. Grantee must have secured a match in the amount of 5 percent of the grant amount in cash or in-kind donations.

2. Additional Supportive Services Match. The lesser of that provided for in your Transformation Plan or up to 15 percent of the Choice Neighborhoods grant may be used for supportive services activities. However, if the Grantee is using more than 5 percent of the grant funds for supportive services activities, funds (cash or in-kind donations) from sources other than Choice Neighborhoods must be secured for the amount between 5 and 15 percent of the grant that Grantee will use for supportive services activities. These resources must be NEW commitments in order to be counted for match.

B. Match Donations and Leverage Resources. Grantee shall keep documentation on matching and leveraged funds during the term of this Grant Agreement and shall provide this documentation in a format acceptable to HUD upon request by HUD, until the closeout of this grant. The documentation should show that the funds are secured and the Grantee should keep records showing how those funds have been expended over time.

ARTICLE IX. Grantees, Subgrantees and Contractors

A. General Grantee Responsibilities.

1. Implementation Team. The Grantee agrees to promptly assemble a competent implementation team, if you have not already, to assist in working with the Grantee’s partners and coordinating all phases of the implementation process.
2. Choice Neighborhoods Requirements. The Grantee shall ensure that any entity to which it makes grant funds available will comply with the Choice Neighborhoods Requirements.

3. Required Certifications.
   a. The Grantee must ensure that all subgrantees and contractors execute an original document in the form of Exhibit A to this Grant Agreement at the time the Grantee executes any contract with any subgrantee or contractor to provide goods or services under this Grant Agreement. The Grantee will retain the executed original certificate together with the executed contract documents.
   b. Grantees that are public housing authorities (PHA Grantee) must ensure that the requirements contained in the General Conditions for Non-Construction Form (Form 5370-C) are included in any solicitation in connection with non-construction contracts that will be made by the PHA Grantee and paid for with assistance under this Grant Agreement. Such conditions must also be included in any non-construction contract entered into by the PHA Grantee.

B. Administrative Requirements for Grantees. Public housing authority, local government, Indian tribe, and non-profit entity grantees are subject to 2 CFR Part 200.

C. Administrative Requirements for Subgrantees and Related Agreements

1. Public housing authority, local government, Indian tribe, and non-profit subgrantees are subject to the requirements of 2 CFR Part 200.

2. For-profit subgrantees are subject to the requirements of 2 CFR Part 200, Subparts A-E. The Grantee is responsible for establishing audit requirements consistent with 2 CFR 200.501(h).

3. Suspension and Debarment. Grantees are subject to the requirements of 2 CFR 200.212.

4. Grantee Responsibilities Regarding Subgrantees. Grantees will be responsible for:
   a. ensuring that subgrantees are aware of the requirements imposed upon them by Federal statutes, regulations, and this Grant Agreement;
   b. ensuring that all subgrant agreements include any clauses required by Federal statutes and their implementing regulations and executive orders; and;
   c. monitoring subgrantees’ performance to ensure compliance with this Grant Agreement.

D. Administrative Requirements for Contractors and Subcontractors and Related Contracts.

1. Grantee Responsibilities Regarding Contractors and Subcontractors. Grantees that are subject to 2 CFR Part 200 as described in (B)(1) of this Article will be responsible for the following:
a. Grantee shall obtain the services of a for-profit entity through a competitive procurement under 2 CFR Part 200. However, if the Grantee can demonstrate to HUD that the services to be provided by the for-profit entity can be obtained only from that one source, the Grantee may request HUD approval to select the entity under a sole-source procurement in accordance with 2 CFR 200.230(f).

b. Consultant Services. Grantees shall obtain consultant services provided under an independent contractor relationship pursuant to 2 CFR Part 200.

2. Trigger for the Submission of Contracts. Contract documents must be submitted to HUD for prior approval if required by 2 CFR Part 200, Subpart D, or if requested by HUD. Any modification of such contracts is also subject to HUD's written approval before execution.


ARTICLE X. No Third Party Rights

The Grantee and HUD are the sole parties to this Grant Agreement and do not intend to create any third party beneficiaries to this Grant Agreement. Nothing in this Grant Agreement may be construed as conferring the status of third party beneficiary upon the residents; and in no event shall any entity other than the Grantee have direct rights to the Choice Neighborhoods funds provided for under this Grant Agreement.

ARTICLE XI. Conflict of Interest

A. Prohibition. The Grantee shall comply with the conflict of interest requirements in 2 CFR 200.318. No person who is an employee, agent, officer, or elected or appointed official of the Grantee or member of his immediate family and who exercises any functions or responsibilities with respect to activities assisted under this Choice Neighborhoods Grant may have a direct interest in any contract, subcontract, or agreement with respect thereto, or the proceeds thereunder.

B. HUD-Approved Exception.

1. Standard. HUD may grant an exception to the prohibition in paragraph (A) of this Article on a case-by-case basis when it determines that such an exception will serve to further the purposes of Choice Neighborhoods and its effective and efficient administration.

2. Procedure. HUD will consider granting a regulatory waiver only after the Grantee has provided a written request which provides a disclosure of the nature of the conflict, accompanied by:
   a. an assurance that there has been public disclosure of the conflict;
   b. a description of how the public disclosure was made; and
c. an opinion of the Grantee’s attorney that the interest for which the exception is sought does not violate State or local laws.

3. Consideration of Relevant Factors. In determining whether to grant a requested exception under paragraph (B) of this Article, HUD will consider the cumulative effect of the following factors, where applicable:
   a. whether the exception would provide a significant cost benefit or an essential degree of expertise to the Transformation Plan that would otherwise not be available;
   b. whether an opportunity was provided for open competitive bidding or negotiation;
   c. whether the person affected is a member of a group or class intended to be the beneficiaries of the Transformation Plan and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;
   d. whether the affected person has withdrawn from his or her functions or responsibilities, or the decision-making process, with respect to the specific activity in question;
   e. whether the interest or benefit was present before the affected person was in a position as described in paragraph (A) of this Article;
   f. whether undue hardship will result either to the Grantee or the person affected when weighed against the public interest served by avoiding the prohibited conflict; and
   g. any other relevant considerations.

ARTICLE XII. Reporting Requirements

A. Quarterly Report.

1. The Grantee will submit to HUD a Quarterly Report as prescribed by HUD in accordance with the schedule established by HUD, presently 21 calendar days after the end of each quarter, with the first report due after the quarter ending September 30, 2019. In the Quarterly Report the Grantee will report at a minimum the progress of their grant, including but not limited to progress against their schedule and budget, expenditures to date, a narrative statement on their progress, progress on priority outcomes as described in the Choice Neighborhoods Implementation NOFA, progress against the priority metrics identified by HUD, and description of financing secured to date for implementation. The Grantee should also include, as appropriate, best practices and lessons learned from the date of the prior Quarterly Report. Upon expenditure of all Choice Neighborhoods grant funds, grantees must continue to report on all metrics in the Inform system, or its successor, quarterly and annually, through the first quarter of the next calendar year. After that first quarter, grantees must continue to report quarterly on certain Housing, Neighborhood, and People metrics until all housing units (replacement and non-replacement) included in the Housing Plan are complete. Upon completion of all housing units, Grantees will no longer be required to report in Inform.
2. Failure to submit to HUD a timely Quarterly Report will result in a suspension of Choice Neighborhoods Grant funds in LOCCS until such time as the report is received and approved by HUD, and/or any other default remedy authorized by Article XIV.

B. Obligations and Expenditures. The Grantee must enter cumulative obligation and expenditure data into LOCCS by the due dates established by HUD, whether or not there has been any change in the cumulative amounts since the end of the last quarter.

C. End of Grant Report. Grantees are required to submit an end of grant report which discusses their overall success in transforming the target neighborhood and supporting positive outcomes for residents and reproducible before and after photographs. The final report must be submitted to HUD by April 30 of the year following the September grant expenditure deadline.

D. Program Income Reporting. Until all housing units in the Housing Plan are complete, grantees must submit an annual Program Income Report to HUD by September 30 of each year identifying all sources and uses of Program Income. Upon completion of all housing units, the Grantee will no longer be required to submit a Program Income Report; however, for the remainder of the 15-year program income period, HUD reserves the right to request an accounting of Program Income funds.

E. Additional Information Requests. Subject to paragraph (D) of this Article, the Grantee will comply with all other reporting requirements from time to time established by HUD, in its sole discretion, in connection with the Choice Neighborhoods Program. The Grantee will:

1. fully cooperate with all reasonable information gathering requests made by HUD or contractors of HUD in the course of authorized evaluations of the Choice Neighborhoods Program; and

2. submit a final Transformation Plan report when the Transformation Plan has been completed that details the number of units produced, the status of people outcomes, and any other metrics that HUD prescribes.

F. Additional Requirements. The Grantee agrees to comply with all other terms and conditions HUD may establish to administer, monitor, or evaluate the Choice Neighborhoods Program in an effective and efficient manner. Notwithstanding the foregoing, however, except as provided in Article XIV, HUD hereafter will not establish any additional terms and conditions without:

1. consideration of the burden imposed on the Grantee by such conditions or requirements;

2. consideration of the availability of less burdensome conditions or requirements; and

3. in the case of a term or condition applicable solely to the Grantee, consulting in advance with the Grantee.
ARTICLE XIII. Technical Assistance

A. Site Visits. The Grantee acknowledges and agrees that HUD, or its designees, may conduct site visits and inspections as deemed necessary by HUD based upon the Grantee’s needs in implementing the Transformation Plan or the needs of the Choice Neighborhoods Program. Technical assistance site visits may be provided by HUD or its designees:

1. in response to requests from the Grantee; or

2. based upon demonstrated needs of the Choice Neighborhoods Program; or

3. as provided in paragraph (B) of this Article.

B. HUD Assessment. HUD representatives will visit the site and make an assessment of any technical assistance and/or training that the Grantee may require for the implementation of the Transformation Plan. HUD will consult with the Grantee in determining the Grantee’s specific technical assistance and training needs and will carry out subsequent on-site assessments as necessary.

C. Technical Assistance Provider. If HUD determines, in its discretion, that technical assistance and/or training is necessary for the implementation of the Transformation Plan, it will assign a technical assistance provider to work with the Grantee for this purpose.

D. Grantee Training/Technical Assistance. The Grantee agrees to use its best efforts to attend any training and to accept any technical assistance provided or sponsored by HUD.

ARTICLE XIV. Unsatisfactory Performance/Default

A. In accordance with Section 24(i) of the 1937 Act, if the Grantee defaults under this grant agreement, HUD may withdraw any unobligated grant amounts and may pursue other actions as described in this Article. HUD shall redistribute any withdrawn amounts to one or more other applicants eligible for Choice Neighborhoods assistance or to one or more other entities capable of proceeding expeditiously in the same locality in carrying out the Transformation Plan of the original Grantee, subject to provisions of the appropriations law. This section applies to all Grantees regardless of their status as a government, PHA, for-profit, or other entity.

B. Default. Each of the following events or occurrences, to the extent it constitutes a material breach or occurrence, may constitute a default by the Grantee under this Grant Agreement, as determined by HUD in its sole discretion:

1. use of funds provided under this Grant Agreement for any purpose, in any manner or at any time, other than as authorized by this Grant Agreement;
2. failure to comply with the Choice Neighborhoods Requirements or any other Federal, State, or local laws, regulations or requirements applicable in creating the Transformation Plan;

3. failure to make any submission under Article III, perform any obligation, or otherwise fail to proceed in a manner consistent with the Transformation Plan, (including, without limitation, failure to accomplish an activity by the date specified in the Program Schedule);

4. any material misrepresentation in any of the required submissions, including, without limit, any misrepresentations in any of the submissions required by Article III(B); or

5. failure to comply with, or any material breach of, any other requirements, conditions or terms of this Grant Agreement.

C. Notice of Default and Action(s) to Cure.

1. General. HUD will give the Grantee written notice of any default. The notice will give the Grantee the opportunity to cure such default within 30 days of the date of the notice, or to demonstrate within this time period, by submitting substantial evidence satisfactory to HUD, that it is not in default. If the default is not able to be cured within the 30-day period, the Grantee will demonstrate, to HUD's satisfaction, that the Grantee has taken actions necessary to cure the default and that the default is curable within 90 days from the date of the default notice. Additionally, the Grantee must agree to carry out such cure diligently and to complete the cure within the 90-day period.

2. Immediate Default. Notwithstanding the provisions of paragraph (C)(1) of this Article, HUD in its sole discretion may place the Grantee into immediate default for not being in compliance with its Program Schedule or for non-compliance with Choice Neighborhoods requirements once written notification of default has been provided to the Grantee. At that time, HUD may immediately begin imposing consequences of default, including specifically the suspension of draws of the Choice Neighborhoods grant.

3. Imminent Threat. Notwithstanding the provisions of subparagraph (C)(1) of this Article concerning the opportunity to cure defaults, if HUD reasonably determines that there is an imminent threat that the Grantee will expend additional Choice Neighborhoods Grant funds in violation of the provisions of this Grant Agreement, HUD may implement the remedial action provided for under subparagraph (C)(4)(i) of this Article to prevent any such unauthorized expenditure until such time as the Grantee has complied with the cure provisions set forth above. HUD will implement such remedial action by written notice set forth either in the notice of default given under paragraph (C)(1) of this Article or by subsequent written notice to the Grantee. An imminent threat is not an immediate default.

4. Consequences of Default. If the Grantee fails to cure all defaults specified in the notice of default within the time periods set forth in paragraph (C)(1) of this Article, or fails to
diligently pursue or complete any cure as provided in paragraph (C)(1), HUD may take any of the following remedial actions, upon written notice to the Grantee:

a. requiring a Grantee in default to provide evidence to HUD of acceptable performance over such period of time as specified by HUD and to obtain written approval from HUD to proceed to the next phase of activities;
b. requiring additional, more detailed financial reports;
c. requiring additional project monitoring;
d. requiring the Grantee (or subgrantee) to obtain technical or management assistance;
e. establishing additional prior approvals;
f. require the Grantee, within a time period established by HUD, to prepare a revised Program Schedule, obtain HUD’s approval thereto, and follow such revised Program Schedule to complete the activities under the Grant Agreement;
g. require the Grantee, within a time period established by HUD, to revise any activity under the Grant Agreement in order to successfully complete the activities under the Grant Agreement in a manner satisfactory to HUD, including, without limitation, exclusion or revision of affected activities, revision of the Choice Neighborhoods Budget as necessary, and substitution of other eligible activities;
h. require submission of additional documentation before any additional request for funds will be approved;
i. temporarily suspend the Grantee’s authority to draw down Choice Neighborhoods Grant funds for affected activities, at HUD’s sole discretion for all activities, pending action to cure the defaults;
j. disallow use of Choice Neighborhoods Grant funds for all or part of the cost of the activity or action not in compliance;
k. recover amounts determined by HUD to have been improperly expended, including any property obtained by the Grantee with such grant funds;
l. require reimbursement by the Grantee for Choice Neighborhoods Grant funds determined by HUD to have been improperly expended;
m. make arrangements satisfactory to HUD, in its sole discretion, for use of an entity other than the Grantee to carry out activities assisted under the Grant Agreement, including requiring the Grantee to assign any outstanding contracts obligating grant funds to another entity.

5. Additional Enforcement Actions. If HUD determines that the remedial actions taken by HUD under paragraph (C)(4) of this Article have not been effective in curing the default, or if the Grantee has not complied with the requirements imposed by HUD under paragraph (C)(4) and has not otherwise cured the default, or if HUD exercises its discretion under subparagraph (C)(2) of this Article to institute any of the following actions, HUD may take any of the following remedial or enforcement actions (in addition to any of the remedies permitted under paragraph (C) of this Article upon written notice to the Grantee):

a. reduce the Choice Neighborhoods Grant in the amount affected by the default;
b. terminate the Choice Neighborhoods Grant as to all further activities and initiate closeout procedures;
c. recapture any Choice Neighborhoods Grant funds not obligated by the Grantee.
i. If the basis for the Grantee’s default is its failure to comply with the reasonable time periods established by HUD under Article III(D), HUD shall, in accordance with section 24(i) of the 1937 Act, and unless otherwise approved by HUD under paragraph (C)(3) of this Article, recapture any Choice Neighborhoods Grant funds not obligated by the Grantee.

ii. If the Grantee fails to comply with the reasonable time periods established in Article III(D), HUD may take into account whether factors beyond the Grantee’s control are the cause of the delay.

d. take action against the Grantee under 24 CFR part 24 and Executive Order 12549 with respect to future HUD or Federal grant awards; and

e. take any other available legal or equitable remedial action, including, but not limited to, any remedial actions available under a PHA’s ACC and/or premised on HUD’s interest in the housing development established in the relevant Declaration of Trust or Declaration of Restrictive Covenants or housing assistance contract, as applicable.

6. Delinquent Federal Debts. Consistent with the purposes and intent of 31 U.S.C. 3720B and 28 U.S.C. 3201(e), Grantees with an outstanding federal debt must provide to HUD a negotiated repayment schedule which is not delinquent or have made other arrangements satisfactory to HUD. If arrangements satisfactory to HUD cannot be completed within 90 days of notification of selection, HUD will not make an award of funds to the Grantee, but offer the award to the next eligible Grantee. Applicants selected for funding, or awarded funds, must report to HUD changes in status of current agreements covering federal debt. If a previously agreed-upon payment schedule has not been adhered to or a new agreement with the federal agency to which the debt is owed has not been signed, the Grantee will be considered to be in default under this Agreement.

ARTICLE XV. Project Close-Out

A. Termination of Disbursements Letter. Within 90 days after completion of all grant funded activities, the Grantee will initiate close-out, in accordance with procedures established by HUD, by submitting a Termination of Disbursements letter, which states that:

1. The Grantee has completed all activities to be performed using Choice Neighborhoods Implementation Grant funds.

2. All requirements of the Grant Agreement have been met.

3. All obligated Choice Neighborhoods grant funds have been disbursed; and

4. The Grantee will abide by any continuing Federal requirements;

At HUD’s option, the Grantee may delay initiation of close-out until the resolution of any HUD monitoring findings. If HUD exercises this option, the Grantee must promptly resolve the findings.
B. Preliminary Closeout Materials. The Grantee must submit the following Preliminary Close-Out Materials along with the Termination of Disbursements Letter:

1. Final Choice Neighborhoods Budget;

2. Actual Choice Neighborhoods Cost Certificate (Cost Certificate) (Form HUD-50163), which summarizes the information on the Financial Status Report and serves as the document that officially closes out the grant.

3. Program Income Plan. A Plan for the use of Program Income funds, which indicates the anticipated sources and uses of Program Income, must be submitted. Following closeout, Grantees must comply with the conditions of the Program Income Plan for a period of 15 years from the final approval date on the ACNCC. Funds from each source of Program Income must be tracked separately. Funds must be deposited in an interest-bearing account in an FDIC insured institution. During the 15-year period, no more than 10% of Program Income may be used for administrative purposes.

4. Supportive Services Sustainability Plan. Grantees must submit a Supportive Services Sustainability Plan, which discusses how supportive services for residents will be maintained after all Choice Neighborhoods funds have been expended. While HUD does not have a required format, see Attachment 2 for elements which should be addressed. Grantees who already have a HUD-approved Endowment Trust Plan do not need to submit a Supportive Services Sustainability Plan, unless additional information is requested by HUD.

5. Housing Plan and Schedule. Grantees must submit a brief narrative describing the status of their Housing Plan, including progress on the grantee’s one-for-one unit or bedroom replacement requirement, as well as non-replacement units. The submission should include a chart which reflects the unit count and composition by phase.

C. HUD Review of Preliminary Close-Out Materials. HUD will review Preliminary Close-Out Materials to confirm that:

1. The amounts on the final Choice Neighborhoods Budget and Cost Certificate agree as to funds approved, obligated and expended.

2. The amount of funds approved and disbursed on the Cost Certificate agrees with HUD records in LOCCS.

3. If HUD disbursed more funds that the Grantee expended, the Grantee will immediately remit to HUD the excess funds, without waiting for completion of the final audit.

4. The Program Income Plan provides the requested information and complies with Program Income requirements of the Grant Agreement.
5. The Sustainability Plan provides the requested information and demonstrates a sound strategy for continuing to provide needed supportive services to residents.

6. The Housing Plan and Schedule provides the requested information and demonstrates that the Grantee will be able to complete its housing obligations.

D. Final Audit. Following HUD approval of the Preliminary Close-Out Materials, Grantees that are not for-profit entities must conduct a final audit of the Implementation Grant in accordance with the requirements of 2 CFR Part 200, Subpart F and forward the audit to HUD for approval. For-Profit Grantees must conduct a final audit of the Implementation Grant in accordance with 2 CFR 200.501(h) and forward the audit to HUD for approval.

E. Cost Certificate. Upon receipt of the final audit, the designated HUD official will execute the Cost Certificate once HUD determines to its satisfaction that:

1. the expenditure of funds provided under this Grant Agreement was allowable and reasonable, as determined by the final audit;

2. the activities to be completed using Choice Neighborhoods Grant funds were completed, as required by the Grant Agreement; and

3. all Federal requirements were satisfied.

F. Final Close-Out. Following execution of the Cost Certificate, any funds remaining in the Implementation Grant will be recaptured by HUD. A Post-Audit Date will be entered into LOCCS and the grant will be closed.


ARTICLE XVI. Grant Award Date

The Grant Award Date is May 13, 2019. Except for Quarterly Reports, which are due according to the dates in Article XII, all deliverables in the Grant Agreement are based on the Grant Award Date.

ARTICLE XVII. Funding Obligation Date, Date of Funding Availability and Effective Date

The date of obligation of the funding to the Grantee under this Grant Agreement is the date HUD signed the form HUD-1044. The effective date of the Grant Agreement and date of fund
availability is the date that HUD signs the signature page of the Grant Agreement (See Article XIX).

ARTICLE XVIII. Points of Contact

Any correspondence related to this Grant Agreement should be directed to the following points of contact for HUD, the Lead Grantee, and any other Grantees:

For the U.S. Department of Housing and Urban Development:

Robert Mulderig  
Acting Deputy Assistant Secretary, Office of Public Housing Investments  
U.S. Department of Housing and Urban Development  
451 7th Street, SW Room 4130  
Washington, DC  20410

For the Lead Grantee:
Ms. Karen R. Wilds  
Executive Director  
Newport News Redevelopment and Housing Authority  
P.O. Box 797  
Newport News, VA  23607

For the Co-Grantee:
Ms. Cynthia D. Rolf  
City Manager  
City of Newport News  
2400 Washington Avenue  
10th Floor, City Hall  
Newport News, VA  23607
Appendix A

Additional statutory, regulatory, and other requirements with which Grantee must comply as applicable include:

1. Fair Housing Certifications, as the same maybe amended from time to time, and any additional Fair Housing requirements that may become applicable:

   A. the Fair Housing Act (42 U.S.C. §§ 3601-19) and regulations pursuant thereto 24 CFR part 100;
   B. Executive Order 11063 (Equal Opportunity in Housing) and regulations pursuant thereto (24 CFR part 107);
   C. the fair housing poster regulations (24 CFR part 110) and advertising guidelines (24 CFR part 108);
   D. Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d) and regulations pursuant thereto (24 CFR part 1) relating to nondiscrimination in housing;
   E. the prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. §§ 6101-07) and regulations issued pursuant thereto (24 CFR part 146);
   F. the prohibitions against discrimination on the basis of disability, including requirements that the Grantee make reasonable modifications and accommodations and make units accessible, under Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794) and regulations issued pursuant thereto (24 CFR part 8);
   G. the Americans with Disabilities Act (42 U.S.C. § 12101 et seq.) and its implementing regulation at 28 CFR part 36;
   H. the Architectural Barriers Act of 1968, as amended (42 U.S.C. § 4151) and regulations issued pursuant thereto (24 CFR part 40);
   I. Accessible Technology. The Rehabilitation Act Amendments of 1998 apply to all electronic information technology (EIT) used by a Grantee for transmitting, receiving, using, or storing information to carry out the responsibilities of any Federal grant awarded. It includes, but is not limited to, computers (hardware, software, word processing, email and web pages) facsimile machines, copiers and telephones. When developing, procuring, maintaining or using EIT; grantees must ensure that the EIT allows:

   (1) Employees with disabilities to have access to and use information and data that is comparable to the access and use of data by employees who do not have disabilities; and
   (2) Members of the public with disabilities seeking information or service from a grantee must have access to and use of information and data and comparable to the access and use of data by members of the public who do not have disabilities. If these standards impose on a grantees, they may provide an alternative means to allow the individual to use the information and data. No grantee will be required to provide information services to a person with disabilities at any location other than the location at which the information services are generally provided.
2. Finance and Accounting

A. Commingling of Grant Funds. The Grantee agrees that, in its recordkeeping, it will not commingle Choice Neighborhoods Grant funds with funds from any other sources including, but not limited to, other HUD program funds or funds from other Federal, State or local government agencies. (Such other funds may be used to carry out the Transformation Plan, so long as they are not commingled in the Grantee’s recordkeeping.)

B. Duplication of Funding. The Grantee will ensure that Choice Neighborhoods Grant funds are not used to duplicate work that is funded with any other HUD funds, funds from any other Federal program, or from any other funding source identified under the Transformation Plan, and will establish controls to assure non-duplication of funding.


4. Recordkeeping

A. Recordkeeping Authorities. The Grantee will comply with and be subject to all Federal recordkeeping requirements, including, but not limited to 2 CFR 200.333.

B. Recordkeeping Requirements. Grantees must retain records in accordance with the requirements of paragraph (A) above, including, but not limited to:

(1) the amount and disbursement of funds received under this Choice Neighborhoods Grant, including sufficient records that document the reasonableness and necessity of each expenditure;

(2) the amount and nature of any other assistance, including cash, services, or other items contributed to assist in the development of the Transformation Plan or contributed as a condition of receiving this Choice Neighborhoods Grant; and

(3) any other proceeds received for, or otherwise used in connection with, the Transformation Plan.

C. Access to Records. For the purpose of audit, examination, monitoring, and evaluation, the Grantee will give HUD (including any duly authorized representatives and the Inspector General) access, and will ensure that any participating party will give HUD such access, to any books, documents, papers, and records of the Grantee, or such participating party, that are pertinent to assistance received under this Choice Neighborhoods Grant or under the Transformation Plan, including all records required to be kept by paragraph (B) above.

5. Reporting


B. Compliance with Section 872 of the Duncan Hunter National Defense Authorization Act for Fiscal Year 2009 (Public Law 110-417), hereafter referred to as “Section 872.” OMB is in the process of issuing regulations regarding federal agency implementation of section 872 requirements.
H. Appropriations

**ACTION:** A REQUEST FOR A MOTION OF CITY COUNCIL TO APPROVE AS A BLOCK THE FOLLOWING APPROPRIATIONS.

1. None Submitted
*I. Citizen Comments on Matters Germene to the Business of City Council

J. Old Business, New Business and Councilmember Comments

City Manager
City Attorney
City Clerk

Vick
Woodbury
Cherry
Harris
Jenkins
Price
Scott

K. Adjourn

*THE BUSINESS PORTION OF THE MEETING WILL BE CONCLUDED NO LATER THAN 10:00 P.M. TO ALLOW PERSONS TO ADDRESS CITY COUNCIL UNDER “CITIZEN COMMENTS ON MATTERS GERMANE TO THE BUSINESS OF CITY COUNCIL.”