

**RESOLUTION NO. 12952-16**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NEWPORT NEWS, VIRGINIA FOR JURISDICTIONAL APPROVAL OF THE ISSUANCE BY THE NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY OF ITS MULTIFAMILY HOUSING REVENUE BONDS FOR THE BENEFIT OF IVY TOWER APARTMENTS (FORMERLY KNOWN AS THE TOWERS) LOCATED IN THE CITY OF NEWPORT NEWS, VIRGINIA.

WHEREAS, the Newport News Redevelopment and Housing Authority (the "Authority"), has considered the application of Ivy Tower Associates, Limited Partnership (the "Company") requesting the issuance of the Authority's housing revenue bonds in an amount not to exceed \$16,000,000 (the "Bonds") to assist in financing the acquisition, rehabilitation and equipping of the multifamily residential facility for families and individuals of low and moderate income located in the City of Newport News, Virginia and to be known as Ivy Tower (formerly known as The Towers) (the "Project"), and has held a public hearing regarding the project on July 19, 2016; and

WHEREAS, the City Council of the City of Newport News, Virginia (the "Council") has determined to make certain findings and determinations as required in order to permit the Authority to issue the Bonds; and

WHEREAS, Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), provides that the governmental unit having jurisdiction over the area in which the Project to be financed is located must approve the issuance of the Bonds; and

WHEREAS, the Authority issues its bonds on behalf of the City of Newport News, Virginia (the "City") and the Project is located in the City; and

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

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

WHEREAS, a public hearing was held by the Authority and an affidavit of publication of notice of such public hearing has been submitted to the Council and such notice apprised the residents of the City of Newport News of the public hearing with respect to the Bonds, in compliance with all legal requirements, including Section 147(f) of the Code and the public

hearing was conducted in a manner which provided a reasonable opportunity for persons with differing views on the Project to be heard, and a copy of the Authority's resolution approving the issuance of the Bonds has been filed with the Council.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NEWPORT NEWS, VIRGINIA:

1. The Council hereby finds and determines (a) that unsanitary or unsafe inhabited dwelling accommodations exist in the City and there is a shortage of safe or sanitary dwelling accommodations in the City available to persons of low income at rentals they can afford; and (b) that these conditions can be best remedied through the exercise of the aforesaid Authority's powers within the territorial boundaries of the City.

2. The Council approves the issuance of the Bonds by the Authority for the benefit of the Company, as required by Section 147(f) of the Code, Section 15.2-4906, as applicable to housing authorities, of the Code of Virginia of 1950, as amended (the "Virginia Code") and Section 36-19(9) of the Virginia Code to permit the Authority to assist in the financing of the Project, conditioned upon the Company agreeing, in writing, to the following:

- a. Company agrees to a minimum investment of \$10,000,000, which will be used to make extensive improvements to both the exterior and interior of the building, to include new exterior siding, appliances, flooring and air conditioning for all units;
- b. Company agrees to provide state of the art management for the building and residential operation;
- c. Company agrees to entirely remodel the first floor with new handicap accessible units and a community room; and
- d. Company agrees to provide City a first right of refusal on purchase of the Project should company choose to sell to different investors.

3. The approval of the issuance of the Bonds does not constitute an endorsement to a prospective purchaser of the Bonds of the creditworthiness of the Project or the Company.

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

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

6. This resolution shall be in effect on and after the date of its adoption, September 13, 2016.

PASSED BY THE COUNCIL OF THE CITY OF NEWPORT NEWS ON SEPTEMBER 13, 2016

Mabel Washington Jenkins, MMC  
City Clerk

McKinley L. Price, DDS  
Mayor

A true copy, teste:

City Clerk