

September 20, 2023

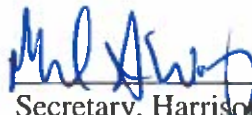
City Council
City of Harrisonburg
Harrisonburg, Virginia

**Harrisonburg Redevelopment and Housing Authority
Proposed Financing for 5701 Chamberlayne, LLC**

5701 Chamberlayne, LLC, a Virginia limited liability company (the “Borrower”), has requested that the Harrisonburg Redevelopment and Housing Authority (the “Authority”), issue up to \$33,000,000 of its revenue bonds (the “Bonds”) to assist the Borrower in financing the acquisition, construction and equipping of an approximately 186-unit multifamily residential rental housing project to be known as Helios (the “Project”) to be located at 5701 Chamberlayne Road, Henrico, Virginia 23227 in the County of Henrico, Virginia.

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

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



Secretary, Harrisonburg Redevelopment and
Housing Authority

CERTIFICATE

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

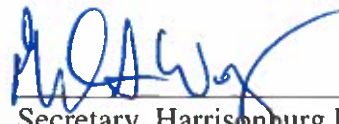
1. A meeting of the Board of Commissioners of the Authority (the "Board") was duly called and held at 4:00 p.m. on September 20, 2023 at the City of Harrisonburg Council Chambers, 409 South Main Street, Harrisonburg, Virginia 22801, pursuant to proper notice given to each Commissioner of the Authority before such meeting. The meeting was open to the public. The time of the meeting and the place at which the meeting was held provided a reasonable opportunity for persons of differing views to appear and be heard.

2. The Chairman of the Board announced the commencement of a public hearing on the application of 5701 Chamberlayne, LLC, and that a notice of the hearing was published on September 13, 2023 in a newspaper having general circulation in the City of Harrisonburg, Virginia (the "Notice"). A copy of the Notice has been filed with the records of the Authority and is attached as Exhibit A.

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

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

WITNESS my hand and the seal of the Authority, this 20th day of September, 2023.



Secretary, Harrisonburg Redevelopment and
Housing Authority

[SEAL]

Exhibits:

A – Copy of Certified Notice of Public Hearing

B – Summary of Statements

C - Resolution

EXHIBIT A

CERTIFIED NOTICE OF PUBLIC HEARING

[To be attached]

EXHIBIT B

SUMMARY OF STATEMENTS

Representatives of 5701 Chamberlayne, LLC and McGuireWoods LLP, bond counsel, appeared before the Authority to explain the proposed plan of financing. No one appeared in opposition to the proposed bond issue.

INDUCEMENT RESOLUTION

[To be attached]

RESOLUTION NO. _____
INDUCEMENT RESOLUTION REGARDING THE ISSUANCE OF
MULTIFAMILY HOUSING REVENUE BONDS FOR THE ACQUISITION,
CONSTRUCTION AND EQUIPPING OF HELIOS APARTMENTS LOCATED
IN THE COUNTY OF HENRICO, VIRGINIA

WHEREAS, there have been described to the Harrisonburg Redevelopment and Housing Authority (the “Authority”) the plans by 5701 Chamberlayne, LLC, a Virginia limited liability company, or an affiliated entity (the “Borrower”), to acquire, construct and equip an approximately 186-unit multifamily residential rental housing project to be known as Helios consisting of two residential buildings containing one-, two- and three-bedroom apartments and a clubhouse/leasing office (the “Project”), all located on land at 5701 Chamberlayne Road, Henrico, Virginia 23227, in the County of Henrico, Virginia; and

WHEREAS, the Project shall be established and maintained as a “qualified residential rental project” within the meaning of Section 142(d) of the Internal Revenue Code of 1986, as amended (the “Code”); and

WHEREAS, the Authority is empowered, pursuant to the Virginia Housing Authorities Law, Chapter 1, Title 36 (the “Act”) of the Code of Virginia of 1950, as amended (the “Virginia Code”), to issue its bonds for the purpose, among others, of financing the acquisition, construction, rehabilitation and equipping of multifamily residential rental apartment projects such as the Project; and

WHEREAS, the Borrower has requested the Authority to agree to issue its multifamily residential rental housing revenue bonds under the Act in an amount not to exceed \$33,000,000 (the “Bonds”), the proceeds of which will be used to finance costs to be incurred in acquiring, constructing and equipping the Project as permitted under the Act; and

WHEREAS, a public hearing (the “Public Hearing”) has been held on September 20, 2023 with respect to the Project and the Bonds in accordance with Section 147(f) of the Code and Section 15.2-4906, as applicable to housing authorities, of the Virginia Code.

NOW, THEREFORE, BE IT RESOLVED BY THE HARRISONBURG REDEVELOPMENT AND HOUSING AUTHORITY THAT:

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

2. It is hereby found and determined that the acquisition, construction and equipping of the Project by the Borrower will further the public purposes of the Act by assisting in providing housing to “persons of low income” and “persons of moderate income” (as each such term is defined in the Act).

3. It is hereby found and determined that the Project will constitute a “housing project” as that term is defined in the Act.

4. To induce the Borrower to acquire and rehabilitate the Project and maintain the Project as a “qualified residential rental project” within the meaning of Section 142(d) of the Code, the Authority hereby agrees, subject to approvals required by applicable law, to assist the Borrower in financing the acquisition, construction and equipping of the Project, including any necessary reserve funds and costs of issuance of the Bonds, in each case only as permitted by applicable law, by undertaking the issuance of (and hereby declares its official intent to issue) its multifamily housing revenue bonds therefor in the maximum principal amount not to exceed \$33,000,000 upon the terms and conditions to be mutually agreed upon between the Authority and the Borrower. The Bonds shall be issued in form and pursuant to terms to be set by the Authority.

5. It having been represented to the Authority that it is necessary to proceed with the acquisition, construction and equipping of the Project, the Authority hereby agrees that the Borrower may proceed with the plans for the Project, enter into contracts related to the acquisition, construction and equipping of the Project and take such other steps as it may deem appropriate in connection therewith, provided that nothing herein shall be deemed to authorize the Borrower to obligate the Authority without its consent in each instance to the payment of any moneys or the performance of any acts in connection with the Project.

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

7. The Authority hereby agrees, if requested, to accept the recommendation of the Borrower with respect to the appointment of a placement agent or underwriter for the sale of Bonds, or a purchaser for the Bonds, pursuant to terms to be mutually agreed upon.

8. The Borrower has represented to the Authority that interest on the Bonds is intended to be generally excluded from the gross income of the holders thereof for federal and state income tax purposes, and that the Borrower will pay to the Authority an origination fee of one-half of one percent (0.5%) of the first five million dollars (\$5,000,000) of the principal amount of the Bonds and two-tenths of one percent (0.2%) of the principal amount of the Bonds which exceed five million dollars (\$5,000,000) up to ten million dollars (\$10,000,000); no additional fee is levied for Bonds over ten million dollars (\$10,000,000).

9. All costs and expenses in connection with the Bonds, including but not limited to the fees and expenses of the Authority, bond counsel, and counsel for the Authority, shall be paid from the proceeds of the Bonds (but only to the extent permitted by applicable law) or by the Borrower. If for any reason such Bonds are not issued, it is understood that all such expenses shall be paid by the Borrower and that the Authority shall have no responsibility therefor.

10. In adopting this Resolution, the Authority intends to evidence its “official intent” to reimburse the Project expenditures with proceeds from the issuance of the Bonds within the meaning of Treasury Regulations Section 1.150-2, including, without limitation, such expenditures with respect to the Project as are incurred prior to the issuance of the Bonds but not more than sixty (60) days before the date of this Resolution.

11. The Bonds shall be limited obligations of the Authority and shall be payable solely out of revenues, receipts and payments specifically pledged therefor. Neither the commissioners, officers, agents or employees of the Authority, past, present and future, nor any person executing the Bonds, shall be liable personally on the Bonds by reason of the issuance thereof. The Bonds shall not be deemed to constitute a general obligation debt or a pledge of the faith and credit of the Commonwealth of Virginia or any political subdivision thereof, including the Authority and the City of Harrisonburg (the “City”) (and the Bonds shall so state on their face), and neither the Commonwealth of Virginia nor any such political subdivision thereof shall be personally liable thereon, nor in any event shall the Bonds be payable out of any funds or properties other than the special funds and sources provided therefor. Neither the faith and credit nor the taxing power of the Commonwealth of Virginia, or any political subdivision thereof, shall be pledged to the payment of the principal of the Bonds or the interest thereon or other costs incident thereto. The Bonds shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

12. The Authority (including its officers, commissioners, employees and agents) shall not be liable and hereby disclaims all liability to the Borrower and all other persons or entities for any damages, direct or consequential, resulting from the issuance of the Bonds or failure of the Authority to issue the Bonds for any reason. Any obligation of the Authority to exercise its powers to issue the Bonds as requested by the Borrower is contingent upon the satisfaction of all legal requirements and the Authority shall not be liable and hereby disclaims all liability to the Borrower for any damages, direct or consequential, resulting from the Authority’s failure to issue Bonds for the Project for any reason, including but not limited to, the failure of the City Council of the City (the “City Council”) to approve the issuance of the Bonds.

13. The Authority recommends that the City Council approve the issuance of the Bonds and hereby directs the Chairperson or the Vice Chairperson of the Authority to submit to the City Council a reasonably detailed summary of the comments, if any, expressed at the public hearing, the fiscal impact statement required by Virginia law, and a copy of this Resolution.

14. The Authority hereby authorizes the Chairperson, the Vice Chairperson or the Executive Director of the Authority to request an allocation or allocations of the State Ceiling (as defined in Section 15.2-5000 of the Virginia Code) in accordance with the applicable provisions of the Virginia Code and any regulations or executive orders issued thereunder. All costs incurred by the Authority, if any, in connection with such proceedings shall be paid for by the Borrower.

15. No Bonds may be issued pursuant to this Resolution until such time as (a) the issuance of the Bonds has been approved by the City Council and (b) the Bonds have received an allocation or allocations of the State Ceiling in accordance with the applicable provisions of the Virginia Code and any regulations or executive orders issued thereunder.

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

17. All other acts of the officers of the Issuer, which are in conformity with the purposes and intent of this Resolution and in furtherance of the issuance of the Bonds, are hereby approved and confirmed.

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

Adopted: September 20, 2023

CERTIFICATE OF VOTES

Record of the roll-call vote by the Harrisonburg Redevelopment and Housing Authority, upon reading on a Resolution titled **“INDUCEMENT RESOLUTION REGARDING THE ISSUANCE OF MULTIFAMILY HOUSING REVENUE BONDS FOR THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF HELIOS APARTMENTS IN THE COUNTY OF HENRICO, VIRGINIA”** taken at a meeting of the Authority held on September 20, 2023:

	AYE	NAY	ABSTAIN	ABSENT
Gil Colman, Chair	✓			
Kevin Coffman, Vice-Chair	✓			
Luciano Benjamin	✓			
Shonda Green				✓
Janet E. Harvey	✓			
Kenneth Kettler	✓			
Amanda Leech	✓			

Dated: September 20, 2023

(SEAL)



Michael G. Wong, Executive Director of the
Harrisonburg Redevelopment and Housing
Authority

RESOLUTION APPROVING THE ISSUANCE BY THE HARRISONBURG REDEVELOPMENT AND HOUSING AUTHORITY OF ITS REVENUE BONDS FOR THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE APPROXIMATELY 186-UNIT HELIOS MULTIFAMILY HOUSING FACILITY LOCATED IN THE COUNTY OF HENRICO, VIRGINIA

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

WHEREAS, the Authority has considered the application of 5701 Chamberlayne, LLC, a Virginia limited liability company (the “Borrower”), requesting that the Authority issue up to \$33,000,000 of its revenue bonds (the “Bonds”) to assist the Borrower in financing the acquisition, construction and equipping of an approximately 186-unit multifamily residential rental housing project to be known as Helios (the “Project”) in Henrico County, Virginia, and has held a public hearing in connection therewith on September 20, 2023; and

WHEREAS, Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), provides that the applicable elected representatives of the governmental unit having jurisdiction over the issuer of private activity bonds must approve the issuance of such bonds;

WHEREAS, the Authority issues its bonds on behalf of the City of Harrisonburg, Virginia (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 previously held a public hearing regarding the Project and adopted a Resolution authorizing in principle the issuance of the Bonds; and

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

WHEREAS, a copy of the Authority’s Resolution authorizing the issuance of the Bonds, subject to the terms to be agreed upon, a Fiscal Impact Statement complying with the requirements of Section 15.2-4907 of the Virginia Code, as applicable to housing authorities, and a certificate of the public hearing have been filed with the Council.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HARRISONBURG, VIRGINIA THAT:

1. The Council approves the issuance of the Bonds by the Authority for the benefit of the Borrower, as required by Section 147(f) of the Code, Section 15.2-4906, as applicable to housing authorities, of the Code of Virginia of 1950, as amended (the “Virginia

Code”), and, to the extent applicable, Section 36-19(9) of the Virginia Code to permit the Authority to assist in the financing of the Project.

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

3. The Bonds shall provide that neither the Commonwealth of Virginia, the County of Henrico, 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 Commonwealth of Virginia, the County of Henrico, the City or the Authority is pledged to the payment of the principal of the Bonds or the interest thereon or other costs incident thereto.

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

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

Adopted by the City Council of the City of Harrisonburg, Virginia this 26th day of September, 2023.

CERTIFICATE

Record of the roll-call vote by the City Council of the City of Harrisonburg, Virginia, upon reading on a Resolution titled “**RESOLUTION APPROVING THE ISSUANCE BY THE HARRISONBURG REDEVELOPMENT AND HOUSING AUTHORITY OF ITS REVENUE BONDS FOR THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE APPROXIMATELY 186-UNIT HELIOS MULTIFAMILY HOUSING FACILITY LOCATED IN THE COUNTY OF HENRICO, VIRGINIA,**” taken at a meeting of the City Council held on September 26, 2023:

	AYE	NAY	ABSTAIN	ABSENT
Deanna R. Reed, Mayor				
Laura Dent, Vice Mayor				
Dany Fleming				
Christopher B. Jones				
Monica Robinson				

The undersigned Clerk of the City Council of the City of Harrisonburg, Virginia, hereby certifies that the foregoing is a true, correct, and complete copy of a Resolution adopted by the City Council at its meeting duly called and held on September 26, 2023, in accordance with law, and that such Resolution has not been repealed, revoked, rescinded, or amended, but is in full force and effect as of the date hereof.

WITNESS my hand and the seal of the City of Harrisonburg, Virginia this 26th day of September, 2023.

[SEAL]

Clerk, City Council of the City of
Harrisonburg, Virginia

**FISCAL IMPACT STATEMENT
FOR PROPOSED BOND FINANCING**

Date: September 20, 2023

To the Mayor and City Council
of the City Harrisonburg, Virginia

Applicant: 5701 Chamberlayne, LLC

Facility: Multifamily Housing Facility to be known as Helios in Henrico County, Virginia

1.	Maximum amount of financing sought.	\$	33,000,000
2.	Estimated taxable value of the facility's real property to be constructed in the locality.	\$	39,786,000
3.	Estimated real property tax per year using present tax rates.	\$	346,140
4.	Estimated personal property tax per year using present tax rates.	\$	5,750
5.	Estimated merchants' capital tax per year using present tax rates.	\$	0
6.	(a) Estimated dollar value per year of goods that will be purchased from Virginia companies within the locality.	\$	300,000
	(b) Estimated dollar value per year of goods that will be purchased from non-Virginia companies within the locality.	\$	0
	(c) Estimated dollar value per year of services that will be purchased from Virginia companies within the locality.	\$	250,000
	(d) Estimated dollar value per year of services that will be purchased from non-Virginia companies within the locality.	\$	0
7.	Estimated number of regular employees on year round basis.		5
8.	Average annual salary per employee.	\$	75,000



Chair, Harrisonburg Redevelopment and Housing
Authority