



**Town Council
Regular Council Meeting Minutes
February 28, 2023**

The Town Council of Bedford, Virginia, held a regularly scheduled meeting on Tuesday, February 28, 2023, at 7:00 p.m. in the Council Chambers of the Town Municipal Building at 215 East Main Street, Bedford, Virginia.

Town Council members present:

Mayor Tim Black, Vice Mayor C. G. Stanley, Councilman Bob Carson, Councilman Stacey Hailey, Councilman Bruce Hartwick, Councilman Bruce Johannessen, Councilman Darren Shoen

Town Staff present:

Town Manager Bart Warner, Finance Director Anne Cantrell, Town Attorney Michael Lockaby, Police Chief Ronnie Lewis, Director of Planning and Community Development Mary Zirkle, and Clerk of Council Debra B. Anderson

Mayor Black called the meeting to order and led all those present in reciting the Pledge of Allegiance to the Flag.

APPROVAL OF MINUTES

None.

REPORT OF TOWN MANAGER

Mr. Warner reported the following for the record regarding the Town's discussion on potential surplus properties:

The Town issued a Request for Proposal (RFP) for real estate brokerage services related to the sale of properties that might be identified as surplus, and at its regular meeting on October 25, 2022, Town Council authorized a contract with Lyons Team Realtors. To date, no contract has been executed. Since that time, the Town has received private communications from two individuals, Beck Stanley and Jeff Witt, each indicating a desire to purchase Town property in

the vicinity of the Wheats Valley Reservoir. Town Council took no action on either request. Mr. Warner has met personally with Bedford Regional Water Authority's (BRWA) Executive Director Brian Key, at his request, to discuss the BRWA's potential interest in obtaining Town-owned property in the vicinity of the Reservoir. However, no action has been taken. Furthermore, it is Mr. Warner's understanding that the current official position of the Town is that this is not a priority issue and the Town will be taking no action at this time with regard to any Town-owned properties within the vicinity of the Wheats Valley Reservoir. In the further interest of clarity, he noted that in conjunction with the Fiscal Year 2023-2024 budget proposal, he does intend to propose the transfer of two Town-owned properties on South Street, near its intersection with Ridge Street, to the Redevelopment and Housing Authority in lieu of a direct financial contribution, but it will be discussed as part of the budget process.

APPEARANCES BEFORE COUNCIL

None.

COUNCIL COMMENTS

Councilman Hartwick welcomed everyone to the meeting. It was a beautiful day and there are some great things coming down the pike.

Councilman Carson agreed that the day was beautiful. This past Saturday he watched a group of young people on the Mayor's Youth Council. They were amazing and really engaged as Ms. Zirkle gave a demonstration/presentation of what the Town is all about. They were very interested and they will take this committee a lot further than anyone knows. He really enjoyed it.

Mayor Black noted that it was the second meeting of the Youth Council and he appreciated Ms. Zirkle talking about community development, economic development, and planning; and she took the youth through a planning exercise. They came up with a lot of good questions and ideas. They all recognized that some work needs to be done in the Town's parks and the Town needs to attract some businesses that cater more to young people. They educated the youth that government can do all they can to recruit businesses, but it is not something they can engage in directly. They went down to the fire department and found out that one of the Town's firemen was awarded Firefighter of the Year. The Deputy Fire Chief did a great job engaging the kids. The next meeting will be March 11 from 10 a.m. to 12 Noon and Mr. D.W. Lawhorne will talk about everything the public works department handles. The following month's meeting will have Mr. John Wagner addressing the youth. Mayor Black also reported there will be a joint Town/County meeting next Tuesday at 5:30 p.m. He and Vice Mayor Stanley will be meeting with County Chairman Edgar Tuck, Vice Chairman Tammy Parker, Mr. Hiss and Mr. Warner. If anyone has a topic they want to discuss, let the Mayor or Vice Mayor know and they can put it on their list.

REPORT OF COUNCIL COMMITTEES

None.

REVISIONS TO AGENDA

None.

PUBLIC HEARINGS

Mr. Warner read the following public hearing notice.

NOTICE OF PUBLIC HEARING BEFORE THE TOWN COUNCIL OF THE TOWN OF BEDFORD, VIRGINIA ON PROPOSED PRIVATE ACTIVITY BOND FINANCING FOR JOHN EARLY SENIORS HOUSING LP

Notice is hereby given that the Town Council of the Town of Bedford, Virginia (the "Town Council") will hold a public hearing on the request of John Early Seniors Housing LP, a Virginia limited partnership (the "Borrower"), whose address is 1706 Grandin Road SW, Roanoke, Virginia 24015, for the issuance by the Harrisonburg Redevelopment and Housing Authority (the "Authority"), whose address is 286 Kelley Street, Harrisonburg, Virginia 22802, of up to \$6,715,000 of its revenue bonds to finance or refinance a portion of the cost of acquiring, constructing, renovating, rehabilitating, and equipping an approximately 78-unit multifamily residential rental housing project for seniors known as John Early Apartments, consisting of 7 two-story residential buildings and one one-story community building, and other site work and community-related improvements (the "Project"), all located on approximately 12.13 acres of land in the Town of Bedford, Virginia (the "Town"), at 718 Blue Ridge Avenue, Bedford, Virginia 24523. The Project will meet the requirements of a qualified residential rental project within the meaning of Section 142(d) of the Internal Revenue Code of 1986, as amended. The Project will be owned by the Borrower or an entity affiliated with and controlled by or under common ownership with the Borrower.

The public hearing, which may be continued or adjourned, will be held at 7:00 p.m. on Tuesday, February 28, 2023, before the Town Council in Council Chambers, 215 E. Main Street, Bedford, Virginia 24523.

The proposed private activity bonds will not pledge the credit or the taxing power of the Commonwealth of Virginia, the Town, the City of Harrisonburg, Virginia, the Authority or the Bedford Redevelopment and Housing Authority but will be payable solely from the revenues derived from the Borrower and pledged therefor.

The public hearing will provide an opportunity for interested persons to be heard and communications and writings to be received and considered. Anyone may attend the meeting in person and express an opinion on the issuance of the bonds. The hearing shall provide the fullest opportunity for the expression of opinion, for argument on the merits, and for the introduction of documentary evidence pertinent to the issuance of the proposed private activity bonds.

CLERK OF THE TOWN OF BEDFORD,
VIRGINIA

Published: February 15, 2023

Mayor Black opened the public hearing at 7:12 p.m.

Mike Graff, a bond lawyer with McGuire Woods, LLP spoke using electronic means (Zoom). He introduced Tina Neil, with Perseverance Capital, also attending the public hearing through Zoom. Mr. Graff said that he and Ms. Neil were working with Virginia United Methodist Housing Development Corporation, a non-profit provider of affordable senior housing. They are sponsors of the project that was described in the public hearing, which is the financing of and acquisition of the rehabilitation of the John Early Seniors Apartments in Town. The financing will involve the project taking on some debt as well as equity investment through the federal housing tax credit program. One of the requirements to receive the federal affordable senior housing incentive is to have tax-exempt revenue bonds as part of the financing package and it is the reason they are before Council that evening. They are asking for consent to have the Harrisonburg Housing Authority assist them with the financing of the rehabilitation of the John Early apartments. The Harrisonburg Housing Authority has a statewide conduit revenue bond program and they are a frequent and efficient issuer of these sorts of tax-exempt revenue bonds. The Virginia United Methodist Housing Development Corporation has another project in another jurisdiction at the same time with many of the same financial players. It made sense for efficiency sake to take both projects through the Harrisonburg Authority and one of the legal requirements to proceed with financing is to make sure that both Bedford Redevelopment Housing Authority and the Bedford Town Council are informed of the project and their approval is received.

There being no one else to come forward to speak, Mayor Black closed the public hearing at 7:16 p.m.

Mr. Warner read the following public hearing notice.

NOTICE OF PUBLIC HEARING

Notice is hereby given that the Town Council of the Town of Bedford, Virginia (the "Town Council") will hold a public hearing pursuant to Section 36-23 of the Code of Virginia of 1950, as amended, to determine whether dwelling accommodations in the Town of Bedford, Virginia (the "Town"), can be significantly improved and made substantially safer through the exercise by the Harrisonburg Redevelopment and Housing Authority of its powers to issue bonds

for the benefit of facilities located within the territorial boundaries of the Town. The public hearing, which may be continued or adjourned, will be held at 7:00 p.m. on Tuesday, February 28, 2023, before the Town Council in Council Chambers, 215 E. Main Street, Bedford, Virginia 24523.

The public hearing will provide an opportunity for interested persons to be heard and communications and writings to be received and considered. Anyone may attend the meeting in person and express an opinion on the issuance of the bonds. The hearing shall provide the fullest opportunity for the expression of opinion, for argument on the merits, and for the introduction of documentary evidence pertinent to the issuance of the proposed private activity bonds.

CLERK OF THE TOWN OF BEDFORD,
VIRGINIA

Published: February 15, 2023

Mayor Black opened the public hearing at 7:17 p.m.

There being no one to come forward to speak, Mayor Black closed the public hearing at 7:18 p.m.

Mayor Black requested that the resolution approval pertaining to these public hearings be moved ahead of the Virginia Investment Pool Presentation under **New Business**. There were no objections.

CONSENT AGENDA

None.

OLD BUSINESS

None.

NEW BUSINESS

Resolution - Approving the Issuance of Bonds by the Harrisonburg Redevelopment and Housing Authority for John Early Apartments

John Early Seniors Housing, L.P., an affiliate of Bedford United Methodist Housing, which is current owner of the John Early Apartments, wishes to take ownership of the Apartments and renovate them. The Apartments are located at 718 Blue Ridge Avenue, Tax Map No. 191-A-3A-

T, comprising 12.13 acres, more or less. The 78-unit complex will remain an age-restricted affordable housing complex, and residents are not expected to be displaced.

Neither the Town of Bedford nor the Bedford Redevelopment and Housing Authority is financially involved in this transaction. The owner/renovator expects to issue a tax-exempt revenue bond in the principal amount of \$6.715 million through the Harrisonburg Redevelopment and Housing Authority, which operates out of the City of Harrisonburg in the Shenandoah Valley.

Under both Section 36-23 of the Virginia Code and Sections 142 and 147 of the Internal Revenue Code, in order for a redevelopment and housing authority to issue a tax-exempt private activity bond outside of the municipality that it normally serves, it must receive the consent of both the governing body and the redevelopment and housing authority of the municipality where the project will be located, following advertisement and a public hearing before the governing body. The owner/renovator has advertised this public hearing and borne the cost of the advertisement. Earlier this month, the Bedford Redevelopment and Housing Authority issued its consent to the Harrisonburg Authority carrying out this transaction.

The Resolution attached has been prepared by the bond counsel for the borrower and reviewed by the Town Attorney for form and legality.

A representative of the owner/renovator is present this evening to answer any questions you or the public might have.

ACTION REQUESTED:

Town Council is requested to open and close public hearings on this topic, and adopt the draft resolution as presented.

Mr. Hailey moved, seconded by Mr. Carson, to approve the issuance of bonds by the Harrisonburg Redevelopment and Housing Authority for John Early Apartments and adopt the resolution as presented.

Discussion followed. Ms. Neil from Perseverance Capital answered questions. She said the goal was to submit an application for an FHA loan this spring and hope to go to closing in the July/August timeframe. Construction would then commence in the fall. The Virginia United Methodist Housing Development Corporation is her client and they have developed affordable senior projects all over Virginia since 1976. They are a non-profit entity and very mission-driven and in combination with their 501c3 housing, they are going to renovate this project of which they have been previously involved. There will be no land disturbance, it is just a substantial renovation of the units that are there today and the tenants will not change, it will continue to be an elderly facility for people 62 or older. It is supported by contracts from HUD and through the Virginia Housing they will get low-income housing tax credits if they move forward with the bond issue which will help as part of the equity for the project. Substantial renovation includes windows, doors, roofs, appliances, all new cabinetry, and plumbing fixtures; and will make the units as energy efficient as possible and a nice product for the elderly that live

in the facility now. HUD has extended a housing assistance payment program for this property that has been in place for over 15 years. They will renew the contract and HUD will send project-based money to the community to subsidize the rent. Therefore, the rents themselves will be \$840 for a one bedroom and \$900 for two bedrooms but the tenants only pay 30% of whatever their eligible income is. HUD will pay the remainder through their contract. It is great for the tenants where their rents won't change but allows for the substantial renovations. The elderly public can rent the available apartments as long as they meet the income requirements. No additional units will be added on this property. Mr. Lockaby explained that under the Internal Revenue code and the Virginia Housing Authority's law, permission must be granted by the Town. The Internal Revenue code requires the governing body of the locality in which an affordable housing project which qualifies for the tax-exempt private activity bonds to have a public hearing, advertised twice. The Housing Authority law requires that both the housing authority and the governing body of the locality in which the project is located approve it, but only advertise once for a public hearing. This process is to check off the right things, making sure no one in the Town of Bedford actively objects to carrying out the project. Recommendation from staff is that there is no reason why Council should not say "yes" to this. No risk is seen to be taken by the Town. Mayor Black appreciated the willingness of the parties to invest in this project in Town and provide good quality, affordable housing for community seniors. He looked forward to seeing a successful project.

Voted upon and carried by the following roll call vote.

Councilman Carson	aye
Councilman Hailey	aye
Councilman Hartwick	aye
Councilman Johannessen	aye
Councilman Shoen	aye
Vice Mayor Stanley	aye
Mayor Black	aye

The motion carried with seven members voting aye.

The resolution follows.

**A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF BEDFORD,
VIRGINIA, APPROVING THE ISSUANCE OF BONDS
BY THE HARRISONBURG REDEVELOPMENT AND HOUSING AUTHORITY
FOR JOHN EARLY APARTMENTS**

WHEREAS, the Town Council of the Town of Bedford, Virginia (the "Council"), is the governing body of the Town of Bedford, Virginia (the "Town"); and

WHEREAS, John Early Seniors Housing LP, a Virginia limited partnership, or an affiliated entity (the "Borrower") plans to acquire, construct, renovate, rehabilitate, and equip an approximately 78-unit multifamily residential rental housing project for seniors known as John Early Apartments (the "Apartments"), consisting of 7 two-story residential buildings and one one-story community building, and other site work and community-related improvements (the

"Project"), all located on approximately 12.13 acres of land in the Town at 718 Blue Ridge Avenue, Bedford, Virginia 24523; 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 Borrower has requested the Harrisonburg Redevelopment and Housing Authority (the "Harrisonburg Authority") to agree to issue its multifamily residential rental housing revenue bonds under the Virginia Housing Authorities Law, Chapter 1, Title 36 (the "Act") of the Code of Virginia of 1950, as amended (the "Virginia Code") in an amount not to exceed \$6,715,000 (the "Bonds"), the proceeds of which will be used to finance costs to be incurred in acquiring, constructing, renovating, rehabilitating, and equipping the Project and the costs of issuing the Bonds (collectively, the "Plan of Finance"), all as permitted under the Act; and

WHEREAS, the Harrisonburg Authority held a public hearing on December 21, 2022, on the issuance of the Bonds and adopted a resolution on the same date agreeing to issue the Bonds, subject to certain requirements; and

WHEREAS, the City Council of the City of Harrisonburg, Virginia, adopted a resolution approving the issuance of the Bonds on January 24, 2023; and

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

WHEREAS, the Council has held an advertised public hearing on February 28, 2023, regarding the need for the Harrisonburg Authority to exercise its powers in the Town as required by Section 36-23 of the Act, following notice of such hearing being published in a newspaper of general circulation within the Town at least ten (10) days prior to the date set for such hearing as required by Section 36-23 of the Act, at which all residents of the Town and all other interested persons had the opportunity to be heard; and

Presentation – Virginia Investment Pool (VIP)

Robert Lauterberg, Managing Director for VML/VACo Finance introduced himself and his colleague, Steve Mulroy, to the Council members. He explained that the VIP has received much attention recently and it is a pool that local governments use to manage their operating funds. For several years there has been low interest rates where it is hard to earn any money on idle cash that localities typically have. Now the situation has changed with interest rates rising and not all banks and institutions are reflecting it in their rates paid to depositors. However, his company is paying an interest rate of 4.75% through the VIP on a stable value fund like a money market fund. He presented Council members with background information on the program, its funds and

their features; historical returns and volatility of the funds; and representative cash flows. He answered questions from the Council members and closed explaining how the Town could join if they decided to do so.

FY2023 Non-Competitive Litter Prevention and Recycling Grant

The Town of Bedford has been notified by the Virginia Department of Environmental Quality of a total grant award of \$6,302.50 for Litter Prevention and Recycling Program activities and the Extended Polystyrene (EPS) campaign for the period of July 1, 2022 to June 30, 2023. Staff would like to request for the adopted budget to be amended to reflect the correct balance of revenue and expenditure.

ACTION REQUESTED:

Town Council is requested to approve the below budget amendment which will appropriate budget to the general ledger accounts listed.

<i>Budget Entry:</i>		
Revenue Increase		
100083-424302	Litter Control Grant	\$3,817.50
100091-441499	PY Fund Balance	\$1,485.00
Expenditure Increase		
10088170-558401	Keep Bedford Beautiful Comm.	\$5,302.50

Mr. Hailey moved, seconded by Mr. Hartwick, to approve the budget amendment as presented.

Voted upon and carried by the following roll call vote.

- Councilman Hailey aye
- Councilman Hartwick aye
- Councilman Johannessen aye
- Councilman Shoen aye
- Vice Mayor Stanley aye
- Councilman Carson aye
- Mayor Black aye

The motion carried with seven members voting aye.

Mayor Black read the following Closed Session paragraphs from the Code of Virginia:

Pursuant to Section 2.2-3711 (a) (5) of the Code of Virginia of 1950, as amended, for discussion concerning a prospective industry where no previous announcement has been made, related to a potential business or industry in the western part of the Town.

Pursuant to Section 2.2-3711 (a) (3) of the Code of Virginia of 1950, as amended, for the acquisition or disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position regarding Edmund Street Park.

Mr. Hailey moved, seconded by Mr. Stanley to enter into closed session at 8:05 p.m.

Voted upon and carried by the following roll call vote.

Councilman Hartwick	aye
Councilman Johannessen	aye
Councilman Shoen	aye
Vice Mayor Stanley	aye
Councilman Carson	aye
Councilman Hailey	aye
Mayor Black	aye

The motion carried with seven members voting aye.

Mrs. Cantrell, Ms. Zirkle, Town Attorney Lockaby, and Mrs. Anderson remained for the first closed session. A prospective developer was also present for this closed session

Mrs. Zirkle and the prospective developer exited the first closed session and Mr. Warner entered the second closed session. Mrs. Cantrell, Mr. Lockaby, and Mrs. Anderson remained for the second closed session.

Council reconvened into open session at 8:56 p.m.

The Clerk of Council read aloud the following resolution.

BE IT RESOLVED that the Council of the Town of Bedford hereby certifies that (1) 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 (2) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Council.

Mr. Carson moved, seconded by Mr. Shoen, to adopt the resolution.

Voted upon and carried by the following roll call vote.

Councilman Johannessen	aye
Councilman Shoen	aye
Vice Mayor Stanley	aye
Councilman Carson	aye
Councilman Hailey	aye
Councilman Hartwick	aye
Mayor Black	aye

The motion carried with seven members voting aye.

ADJOURNMENT

8:58 p.m.

Tim Black, Mayor

Debra Anderson, Clerk of the Council