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# 2019 Federal Low Income Housing Tax Credit Program

## Application For Reservation

### Deadline for Submission

#### 9% Competitive Credits

Applications Must Be Received At VHDA No Later Than 2:00 PM  
Richmond, VA Time On March 14, 2019

#### Tax Exempt Bonds

Applications should be received at VHDA at least one month before the  
bonds are *priced* (if bonds issued by VHDA), or 75 days before the bonds  
are *issued* (if bonds are not issued by VHDA)



Virginia Housing Development Authority  
601 South Belvidere Street  
Richmond, Virginia 23220-6500



## INSTRUCTIONS FOR THE VIRGINIA 2019 LIHTC APPLICATION FOR RESERVATION

The application was prepared using Excel, Microsoft Office 2016. Please note that using the active Excel workbook does not eliminate the need to submit the required PDF of the signed hardcopy of the application and related documentation. A more detailed explanation of application submission requirements is provided below and in the Application Manual.

**An electronic copy of your completed application is a mandatory submission item.**

### Applications For 9% Competitive Credits

Applicants should submit an electronic copy of the application package prior to the application deadline, which is 2:00 PM Richmond Virginia time on March 14, 2019. Failure to submit an electronic copy of the application by the deadline will cause the application to be disqualified.

### **Please Note:**

**Applicants should submit all application materials in electronic format only.**

**There should be distinct files which should include the following:**

- 1. Application For Reservation – the active Microsoft Excel workbook**
- 2. A PDF file which includes the following:**
  - Application For Reservation – Signed version of hardcopy
  - All application attachments (i.e. tab documents, excluding market study and plans & specs)
- 3. Market Study – PDF or Microsoft Word format**
- 4. Plans - PDF or other readable electronic format**
- 5. Specifications - PDF or other readable electronic format (may be combined into the same file as the plans if necessary)**
- 6. Unit-By-Unit work write up (rehab only) - PDF or other readable electronic format**

### **IMPORTANT:**

VHDA can accept files via our work center site Procorem or on flash/thumb drives. Contact Hope Rutter for access to Procorem.

Do not submit any application materials to any email address unless specifically requested by the VHDA LIHTC Allocation Department staff.

### Disclaimer:

VHDA assumes no responsibility for any problems incurred in using this spreadsheet or for the accuracy of calculations. Check your application for correctness and completeness before submitting the application to VHDA.

### Entering Data:

Enter numbers or text as appropriate in the blank spaces highlighted in yellow. Cells have been formatted as appropriate for the data expected. All other cells are protected and will not allow changes.

### **Please Note:**

- ▶ **VERY IMPORTANT! : Do not use the copy/cut/paste functions within this document.** Pasting fields will corrupt the application and may result in penalties. You may use links to other cells or other documents but do not paste data from one document or field to another.
- ▶ Some fields provide a dropdown of options to select from, indicated by a down arrow that appears when the cell is selected. Click on the arrow to select a value within the dropdown for these fields.
- ▶ The spreadsheet contains multiple error checks to assist in identifying potential mistakes in the application. These may appear as data is entered but are dependent on values entered later in the application. Do not be concerned with these messages until all data within the application has been entered.
- ▶ Also note that some cells contain error messages such as “#DIV/0!” as you begin. These warnings will disappear as the numbers necessary for the calculation are entered.

### Assistance:

If you have any questions, please contact the VHDA LIHTC Allocation Department. Please note that we cannot release the copy protection password.

### VHDA LIHTC Allocation Staff Contact Information

<b>Name</b>	<b>Email</b>	<b>Phone Number</b>
JD Bondurant	john david.bondurant@vhda.com	(804) 343-5725
Hope Coleman Rutter	hope.rutter@vhda.com	(804) 343-5574
Sheila Stone	sheila.stone@vhda.com	(804) 343-5582
Stephanie Flanders	stephanie.flanders@vhda.com	(804) 343-5939
Pamela Freeth	pamela.freeth@vhda.com	(804) 343-5563
Jovan Burton	Jovan.burton@vhda.com	(804) 343-5518

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## 2019 Low-Income Housing Tax Credit Application For Reservation

Please indicate if the following items are included with your application by putting an 'X' in the appropriate boxes. Your assistance in organizing the submission in the following order, and actually using tabs to mark them as shown, will facilitate review of your application. Please note that all mandatory items must be included for the application to be processed. The inclusion of other items may increase the number of points for which you are eligible under VHDA's point system of ranking applications, and may assist VHDA in its determination of the appropriate amount of credits that may be reserved for the development.

- \$1,000 Application Fee **(MANDATORY)**
  - Electronic Copy of the Microsoft Excel Based Application **(MANDATORY)**
  - Scanned Copy of the **Signed** Tax Credit Application with Attachments (excluding market study and plans & specifications) **(MANDATORY)**
  - Electronic Copy of the Market Study **(MANDATORY - Application will be disqualified if study is not submitted with application)**
  - Electronic Copy of the Plans **(MANDATORY)**
  - Electronic Copy of the Specifications **(MANDATORY)**
  - Electronic Copy of the Physical Needs Assessment **(MANDATORY if rehab)**
  - Electronic Copy of Appraisal **(MANDATORY if acquisition credits requested)**
  - Electronic Copy of Environmental Site Assessment (Phase I) **(MANDATORY if 4% credits requested)**
  - Tab A: Partnership or Operating Agreement, including chart of ownership structure with percentage of interests **(MANDATORY)**
  - Tab B: Virginia State Corporation Commission Certification **(MANDATORY)**
  - Tab C: Principal's Previous Participation Certification **(MANDATORY)**
  - Tab D: List of LIHTC Developments (Schedule A) **(MANDATORY)**
  - Tab E: Site Control Documentation & Most Recent Real Estate Tax Assessment **(MANDATORY)**
  - Tab F: Architect's Certification and RESNET Rater Certification **(MANDATORY)**
  - Tab G: Zoning Certification Letter **(MANDATORY)**
  - Tab H: Attorney's Opinion **(MANDATORY)**
  - Tab I: Nonprofit Questionnaire **(MANDATORY for points or pool)**
- The following documents need not be submitted unless requested by VHDA:
- Nonprofit Articles of Incorporation      -IRS Documentation of Nonprofit Status
  - Joint Venture Agreement (if applicable)      -For-profit Consulting Agreement (if applicable)
- Tab J: Relocation Plan **(MANDATORY, if tenants are displaced)**
  - Tab K: Documentation of Development Location:
    - K.1 Revitalization Area Certification
    - K.2 Location Map
    - K.3 Surveyor's Certification of Proximity To Public Transportation
  - Tab L: PHA / Section 8 Notification Letter
  - Tab M: Locality CEO Response Letter
  - Tab N: Homeownership Plan
  - Tab O: Plan of Development Certification Letter
  - Tab P: Developer Experience documentation and Partnership agreements
  - Tab Q: Documentation of Rental Assistance, Tax Abatement and/or existing RD or HUD Property
  - Tab R: Documentation of Operating Budget and Utility Allowances
  - Tab S: Supportive Housing Certification
  - Tab T: Funding Documentation
  - Tab U: Documentation to Request Exception to Restriction-Pools With Little/No Increase in Rent Burdened Population
  - Tab V: Nonprofit or LHA Purchase Option or Right of First Refusal
  - Tab W: (Reserved)
  - Tab X: Marketing Plan for units meeting accessibility requirements of HUD section 504

**A. GENERAL INFORMATION ABOUT PROPOSED DEVELOPMENT**

Application Date: 2/6/2019

1. Development Name: Sycamore Towers Apartments
2. Address (line 1): 128 Sycamore Street  
 Address (line 2): \_\_\_\_\_  
 City: Petersburg State: VA Zip: 23803
3. If complete address is not available, provide longitude and latitude coordinates (x,y) from a location on site that your surveyor deems appropriate. Longitude: 00.00000 Latitude: 00.00000  
 (Only necessary if street address or street intersections are not available.)
4. The Circuit Court Clerk's office in which the deed to the development is or will be recorded:  
 City/County of Petersburg City
5. The site overlaps one or more jurisdictional boundaries..... FALSE  
 If true, what other City/County is the site located in besides response to #4?.....
6. Development is located in the census tract of: 8107.00
7. Development is located in a **Qualified Census Tract**..... TRUE
8. Development is located in a **Difficult Development Area**..... FALSE
9. Development is located in a **Revitalization Area based on QCT** ..... TRUE
10. Development is located in a **Revitalization Area designated by resolution** ..... FALSE
11. Development is located in an **Opportunity Zone** (with a binding commitment for funding)..... FALSE

(If 9, 10 or 11 are True, **Action:** Provide required form in **TAB K1**)

12. Development is located in a census tract with a poverty rate of.....	3%	10%	12%
	FALSE	FALSE	FALSE

Enter only Numeric Values below:

13. Congressional District: 3
- Planning District: 19
- State Senate District: 16
- State House District: 63

*Click on the following link for assistance in determining the districts related to this development:*  
[Link to VHDA's HOME - Select Virginia LIHTC Reference Map](#)

14. **ACTION:** Provide Location Map (**TAB K2**)

15. Development Description: In the space provided below, give a brief description of the proposed development

Sycamore Towers Apartments project consists of the rehabilitation of one hundred (100) existing elderly public housing units. The project consists of fifty-six (56) efficiency units, thirty-six (36) one bedroom units, and eight (8) two bedroom units. The project has received a CHAP from HUD through their Rental Assistance Demonstration Program (RAD). In addition, the project has closed and converted under RAD and HUD has allowed for the removal of the declaration of trust (which allows for the project to secured private debt).

A. GENERAL INFORMATION ABOUT PROPOSED DEVELOPMENT

Application Date: 2/6/2019

16. Local Needs and Support

- a. Provide the name and the address of the chief executive officer (City Manager, Town Manager, or County Administrator of the political jurisdiction in which the development will be located:

Chief Executive Officer's Name: Aretha Ferrell-Brnavides  
 Chief Executive Officer's Title: City Manager Phone: (804) 733-2301  
 Street Address: 135 N. Union Street  
 City: Petersburg State: VA Zip: 23803

Name and title of local official you have discussed this project with who could answer questions for the local CEO: Michelle B. Peters, Director of Planning and Code Enforcement

- b. If the development overlaps another jurisdiction, please fill in the following:

Chief Executive Officer's Name: \_\_\_\_\_  
 Chief Executive Officer's Title: \_\_\_\_\_ Phone: \_\_\_\_\_  
 Street Address: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Name and title of local official you have discussed this project with who could answer questions for the local CEO: \_\_\_\_\_

**ACTION:** Provide Locality Notification Letter at **Tab M** if applicable.

**B. RESERVATION REQUEST INFORMATION**

**1. Requesting Credits From:**

a. If requesting 9% Credits, select credit pool:

or  
 b. If requesting Tax Exempt Bonds, select development type:  
 For Tax Exempt Bonds, Skip Numbers 2

**2. Type(s) of Allocation/Allocation Year**

Definitions of types:

a. **Regular Allocation** means all of the buildings in the development are expected to be placed in service this calendar year, 2019.

b. **Carryforward Allocation** means all of the buildings in the development are expected to be placed in service within two years after the end of this calendar year, 2019, but the owner will have more than 10% basis in development before the end of twelve months following allocation of credits. For those buildings, the owner requests a carryforward allocation of 2019 credits pursuant to Section 42(h)(1)(E).

**3. Select Building Allocation type:**

**Note** regarding Type = Acquisition and Rehabilitation: Even if you acquired a building this year and "placed it in service" for the purpose of the acquisition credit, you cannot receive its acquisition 8609 form until the rehab 8609 is issued for that building.

4. Is this an additional allocation for a development that has buildings not yet placed in service?

FALSE

**5. Planned Combined 9% and 4% Developments**

FALSE

A site plan has been submitted with this application indicating two developments on the same or contiguous site. One development relates to this 9% allocation request and the remaining development will be a 4% tax exempt bond application. (25, 35 or 45 pts)

a. Has the developer met with VHDA regarding the 4% tax exempt bond deal?

TRUE

b. List below the number of units planned for each allocation request. This stated count cannot be changed or 9% Credits will be cancelled.

Total Units within 9% allocation request?	<u>0</u>
Total Units within 4% Tax Exempt allocation Request?	<u>0</u>
Total Units:	<u>0</u>

% of units in 4% Tax Exempt Allocation Request: 0.00%

**6. Extended Use Restriction**

**Note:** Each recipient of an allocation of credits will be required to record an **Extended Use Agreement** as required by the IRC governing the use of the development for low-income housing for at least 30 years. Applicant waives the right to pursue a Qualified Contract.

**Must Select One:** 30

**Definition of selection:**

Development will be subject to the standard extended use agreement of 15 extended use period (after the mandatory 15-year compliance period.)

**C. OWNERSHIP INFORMATION**

NOTE: VHDA may allocate credits only to the tax-paying entity which owns the development at the time of the allocation. The term "Owner" herein refers to that entity. Please fill in the legal name of the owner. The ownership entity must be formed prior to submitting this application. Any transfer, direct or indirect, of partnership interests (except those involving the admission of limited partners) prior to the placed-in-service date of the proposed development shall be prohibited, unless the transfer is consented to by VHDA in its sole discretion. **IMPORTANT: The Owner name listed on this page must exactly match the owner name listed on the Virginia State Corporation Commission Certification.**

**1. Owner Information:**

*Must be an individual or legally formed entity.*

Owner Name: Sycamore Towers Apartments, L.P.

Developer Name: Petersburg Redevelopment and Housing Authority

Contact: M/M ▶ Mr. First: Nathaniel MI: T Last: Pride

Address: 128 S. Sycamore Street

City: Petersburg St. ▶ VA Zip: 23803

Phone: (804) 733-2200 Ext. \_\_\_\_\_ Fax: (804) 733-2229

Email address: nathaniel.pride@petersburgrha.org

Federal I.D. No. 364803964 (If not available, obtain prior to Carryover Allocation.)

Select type of entity: ▶ Limited Partnership Formation State: ▶ VA

Additional Contact: Please Provide Name, Email and Phone number.

- ACTION:** a. Provide Owner's organizational documents (e.g. Partnership agreements) **(Mandatory TAB A)**  
 b. Provide Certification from Virginia State Corporation Commission **(Mandatory TAB B)**

**2. Principal(s) of the General Partner:** List names of individuals and ownership interest.

<u>Names **</u>	<u>Phone</u>	<u>Type Ownership</u>	<u>% Ownership</u>	
<u>Petersburg Redevelopment and Housing Authority</u>	<u>(804) 733-2200</u>	<u>Initial Limited Partner</u>	<u>99.990%</u>	
<u>Nathaniel T. Pride, Executive Director of Initial Limited Partnership</u>			<u>0.000%</u>	<i>needs</i>
<u>Sycamore Towers Apartments G.P., LLC</u>	<u>(804) 733-2200</u>	<u>General Partner</u>	<u>0.010%</u>	
<u>Nathaniel T. Pride, Executive Director of the PRHA as</u>	<u>(804) 733-2200</u>		<u>0.000%</u>	<i>needs</i>
_____	_____	_____	<u>0.000%</u>	
_____	_____	_____	<u>0.000%</u>	
_____	_____	_____	<u>0.000%</u>	

The above should include 100% of the GP or LLC member interest.

\*\* These should be the names of individuals who make up the General Partnership, not simply the names of entities which may comprise those components.

**C. OWNERSHIP INFORMATION**

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- ACTION:**
- a. Provide Principals' Previous Participation Certification (**Mandatory TAB C**)
  - b. Provide a chart of ownership structure (Org Chart) and a list of all LIHTC Developments within the last 15 years. (**Mandatory at TABS A/D**)

**3. Developer Experience:** Provide evidence that the principal or principals of the controlling general partner or managing member for the proposed development have developed:

a. as a controlling general partner or managing member, (i) at least three tax credit developments that contain at least three times the number of housing units in the proposed development or (ii) at least six tax credit developments. .... FALSE

**Action:** Must be included on VHDA Experienced LIHTC Developer List or provide copies of 8609s, partnership agreements and organizational charts (**Tab P**)

b. at least three deals as principal and have at \$500,000 in liquid assets..... FALSE

**Action:** Must be included on the VHDA Experienced LIHTC Developer List or provide Audited Financial Statements and copies of 8609s (**Tab P**)

c. The development's principal(s), as a group or individually, have developed as controlling general partner or managing member, at least one tax credit development that contains at least the same number of units of this proposed development (can include Market units). .... FALSE

**Action:** Must provide copies of 8609s and partnership agreements (**Tab P**)

D. SITE CONTROL

**NOTE:** Site control by the Owner identified herein is a mandatory precondition of review of this application. Documentary evidence in the form of either a deed, option, purchase contract or lease for a term longer than the period of time the property will be subject to occupancy restrictions must be included herewith. (For 9% Competitive Credits - An option or contract must extend beyond the application deadline by a minimum of four months.)

**Warning:** Site control by an entity other than the Owner, even if it is a closely related party, is not sufficient. Anticipated future transfers to the Owner are not sufficient. The Owner, as identified previously, must have site control at the time this Application is submitted.

**NOTE:** If the Owner receives a reservation of credits, the property must be titled in the name of or leased by (pursuant to a long-term lease) the Owner before the allocation of credits is made.

Contact VHDA before submitting this application if there are any questions about this requirement.

1. Type of Site Control by Owner:

Applicant controls site by (select one and provide documentation - **Mandatory TAB E**)

Select Type:      ▶ Long Term Lease

Expiration Date:      11/25/2117

In the Option or Purchase contract - Any contract for the acquisition of a site with an existing residential property may not require an empty building as a condition of such contract, unless relocation assistance is provided to displaced households, if any, at such level required by VHDA. See QAP for further details.

FALSE ..... There is more than one site for development and more than one form of site control.

(If **True**, provide documentation for each site specifying number of existing buildings on the site (if any), type of control of each site, and applicable expiration date of stated site control. A site control document is required for each site (**Tab E**.)

2. Timing of Acquisition by Owner:

Only one of the following statement should be True.

a. TRUE ..... Owner already controls site by either deed or long-term lease.

b. FALSE ..... Owner is to acquire property by deed (or lease for period no shorter than period property will be subject to occupancy restrictions) no later than.....

c. FALSE ..... There is more than one site for development and more than one expected date of acquisition by Owner.

(If c is **True**, provide documentation for each site specifying number of existing buildings on the site, if any, and expected date of acquisition of each site by Owner (**Tab E**.)

D. SITE CONTROL

**Seller Information:**

Name: Petersburg Redevelopment and Housing Authority

Address: 128 S. Sycamore Street, Annex Building

City: Petersburg St.: VA Zip: 23803

Contact Person: Nathaniel T. Pride Phone: (804) 733-2200

There is an identity of interest between the seller and the owner/applicant..... TRUE

If above statement is TRUE, complete the following:

Principal(s) involved (e.g. general partners, controlling shareholders, etc.)

<u>Names</u>	<u>Phone</u>	<u>Type Ownership</u>	<u>% Ownership</u>
Petersburg Redevelopment and Housi	(804) 733-2200	Sole Member of G.P.	100.00%
			0.00%
			0.00%
			0.00%
			0.00%
			0.00%
			0.00%



## 2019 Low-Income Housing Tax Credit Application For Reservation

### E. DEVELOPMENT TEAM INFORMATION

Complete the following as applicable to your development team. Provide Contact and Firm Name.

- |                          |   |                           |                                  |
|--------------------------|---|---------------------------|----------------------------------|
| 1. Tax Attorney:         | <u>Delphine Carnes</u>                                    | This is a Related Entity. | <u>FALSE</u>                     |
| Firm Name:               | <u>Crenshaw, Ware &amp; Martin, P.L.C.</u>                |                           |                                  |
| Address:                 | <u>150 W. Main Street, Suite 1500, Norfolk, VA 23510</u>  |                           |                                  |
| Email:                   | <u>dcarnes@cwm-law.com</u>                                | Phone:                    | <u>(757) 623-3000</u>            |
| 2. Tax Accountant:       | <u>Mike Vicars</u>  | This is a Related Entity. | <u>FALSE</u>                     |
| Firm Name:               | <u>Dooley &amp; Vicars CPAS</u>                           |                           |                                  |
| Address:                 | <u>21 S. Sheppard Street, Richmond, Virginia</u>          |                           |                                  |
| Email:                   | <u>mike@dvcpas.com</u>                                    | Phone:                    | <u>(804) 355-2808</u>            |
| 3. Consultant:           | <u>Rob Hazelton</u>                                       | This is a Related Entity. | <u>FALSE</u>                     |
| Firm Name:               | <u>Dominion Due Diligence (DG3)</u>                       | Role:                     | <u>Owners Rep/RAD Specialist</u> |
| Address:                 | <u>210 Wylderose Drive, Midlothian, Virginia 23113</u>    |                           |                                  |
| Email:                   | <u>rhazelton@dg3.com</u>                                  | Phone:                    | <u>(804) 237-1900</u>            |
| 4. Management Entity:    | <u>Christine Wynn</u>                                     | This is a Related Entity. | <u>TRUE</u>                      |
| Firm Name:               | <u>Petersburg Redevelopment and Housing Authority</u>     |                           |                                  |
| Address:                 | <u>128 S. Sycamore Street, Petersburg, Virginia 23803</u> |                           |                                  |
| Email:                   | <u>christine.wynn@petersburgrha.org</u>                   | Phone:                    | <u>(804) 733-2200</u>            |
| 5. Contractor:           | <u>Michael Dunn</u>                                       | This is a Related Entity. | <u>FALSE</u>                     |
| Firm Name:               | <u>Harlan Construction</u>                                |                           |                                  |
| Address:                 | <u>602 Elm Ct., Hopewell, Virginia</u>                    |                           |                                  |
| Email:                   | <u>mdunn@harlanconstruction.com</u>                       | Phone:                    | <u>(804) 458-6712</u>            |
| 6. Architect:            | <u>Wayne Stogner, AIA.LEED AP President</u>               | This is a Related Entity. | <u>FALSE</u>                     |
| Firm Name:               | <u>Stogner Architecture</u>                               |                           |                                  |
| Address:                 | <u>615 East Broad Avenue, Rockingham, NC 28379</u>        |                           |                                  |
| Email:                   | <u>wstogner@stognerarchitecture.com</u>                   | Phone:                    | <u>(919) 895-6874</u>            |
| 7. Real Estate Attorney: | <u>Delphine Carnes</u>                                    | This is a Related Entity. | <u>FALSE</u>                     |
| Firm Name:               | <u>Crenshaw, Ware &amp; Martin, P.L.C.</u>                |                           |                                  |
| Address:                 | <u>150 W. Main Street, Suite 1500, Norfolk, VA 23510</u>  |                           |                                  |
| Email:                   | <u>dcarnes@cwm-law.com</u>                                | Phone:                    | <u>(757) 623-3000</u>            |
| 8. Mortgage Banker:      | <u>Charles Wilson</u>                                     | This is a Related Entity. | <u>FALSE</u>                     |
| Firm Name:               | <u>Virginia Capital Advisors, Inc</u>                     |                           |                                  |
| Address:                 | <u>103 Archer Court, Williamsburg, Virginia</u>           |                           |                                  |
| Email:                   | <u>cwilson@viriniacapitaladvisors.com</u>                 | Phone:                    | <u>(757) 434-9002</u>            |
| 9. Other:                | <u>Audrey Kramer</u>                                      | This is a Related Entity. | <u>FALSE</u>                     |
| Firm Name:               | <u>Abkramer Group</u>                                     | Role:                     | <u>Tax Credit Compliance</u>     |
| Address:                 | <u>627 Clearview Circle, Rustburg, VA 24588</u>           |                           |                                  |
| Email:                   | <u>audrey@abkramergroup.com</u>                           | Phone:                    | <u>(888) 412-9031</u>            |

**REHAB INFORMATION**

**1. Acquisition Credit Information**

- a. Credits are being requested for existing buildings being acquired for development..... FALSE  
If no credits are being requested for existing buildings acquired for the development, skip this tab.
- b. This development has received a previous allocation of credits..... FALSE  
If so, in what year did this development receive credits? .....
- c. The development is listed on the RD 515 Rehabilitation Priority List?..... FALSE
- d. This development is an existing RD or HUD S8/236 development..... FALSE

**Action:** (If True, provide required form in **TAB Q**)

Note: If there is an identity of interest between the applicant and the seller in this proposal, and the applicant is seeking points in this category, then the applicant must either waive their rights to the developer's fee or other fees associated with acquisition, or obtain a waiver of this requirement from VHDA prior to application submission to receive these points.

- i. Applicant agrees to waive all rights to any developer's fee or other fees associated with acquisition..... FALSE
- ii. Applicant has obtained a waiver of this requirement from VHDA prior to the application submission deadline..... FALSE

**2. Ten-Year Rule For Acquisition Credits**

- a. All buildings satisfy the 10-year look-back rule of IRC Section 42 (d)(2)(B), including the 10% basis/ \$15,000 rehab costs (\$10,000 for Tax Exempt Bonds) per unit requirement..... FALSE
- b. All buildings qualify for an exception to the 10-year rule under IRC Section 42(d)(2)(D)(i),..... FALSE
  - i. Subsection (I)..... FALSE
  - ii. Subsection (II)..... FALSE
  - iii. Subsection (III)..... FALSE
  - iv. Subsection (IV)..... FALSE
  - v. Subsection (V)..... FALSE
- c. The 10-year rule in IRC Section 42 (d)(2)(B) for all buildings does not apply pursuant to IRC Section 42(d)(6)..... FALSE
- d. There are different circumstances for different buildings..... FALSE  
**Action:** (If True, provide an explanation for each building in Tab K)

**REHAB INFORMATION**

**3. Rehabilitation Credit Information**

- a. Credits are being requested for rehabilitation expenditures..... TRUE
  
- b. **Minimum Expenditure Requirements**
  - i. All buildings in the development satisfy the rehab costs per unit requirement of IRS Section 42(e)(3)(A)(ii)..... TRUE
  - ii. All buildings in the development qualify for the IRC Section 42(e)(3)(B) exception to the 10% basis requirement (4% credit only)..... FALSE
  - iii. All buildings in the development qualify for the IRC Section 42(f)(5)(B)(ii)(II) exception..... FALSE
  - iv. There are different circumstances for different buildings..... FALSE  
**Action:** (If True, provide an explanation for each building in Tab K)

**4. Request For Exception**

- a. The proposed new construction development (including adaptive reuse and rehabilitation that creates additional rental space) is subject to an assessment of up to minus 20 points for being located in a pool identified by the Authority as a pool with little or no increase in rent burdened population..... FALSE
  
- b. Applicant seeks an exception to this restriction in accordance with one of the following provisions under 13VAC10-180-60:
  - i. Proposed development is specialized housing designed to meet special needs that cannot readily be addressed utilizing existing residential structures..... FALSE
  - ii. Proposed development is designed to serve as a replacement for housing being demolished through redevelopment..... FALSE
  - iii. Proposed development is housing that is an integral part of a neighborhood revitalization project sponsored by a local housing authority..... FALSE

**Action:** If any of 4(b) responses are true, provide documentation at Tab U.

**G. NONPROFIT INVOLVEMENT**

**Applications for 9% Credits** - Section must be completed in order to compete in the Non Profit tax credit pool.

**All Applicants** - Section must be completed to obtain points for nonprofit involvement.

1. **Tax Credit Nonprofit Pool Applicants:** To qualify for the nonprofit pool, an organization (described in IRC Section 501(c)(3) or 501(c)(4) and exempt from taxation under IRC Section 501(a)) should answer the following questions as TRUE:

- FALSE a. Be authorized to do business in Virginia.
- FALSE b. Be substantially based or active in the community of the development.
- FALSE c. Materially participate in the development and operation of the development throughout the compliance period (i.e., regular, continuous and substantial involvement) in the operation of the development throughout the Compliance Period.
- FALSE d. Own, either directly or through a partnership or limited liability company, 100% of the general partnership or managing member interest.
- FALSE e. Not be affiliated with or controlled by a for-profit organization.
- FALSE f. Not have been formed for the principal purpose of competition in the Non Profit Pool.
- FALSE g. Not have any staff member, officer or member of the board of directors materially participate, directly or indirectly, in the proposed development as a for profit entity.

2. **All Applicants:** To qualify for points under the ranking system, the nonprofit's involvement need not necessarily satisfy all of the requirements for participation in the nonprofit tax credit pool.

A. Nonprofit Involvement (All Applicants)

There is nonprofit involvement in this development..... FALSE (If false, go on to part III.)

**Action:** If there is nonprofit involvement, provide completed Non Profit Questionnaire (**Mandatory TAB I**).

B. Type of involvement:

Nonprofit meets eligibility requirement for points only, not pool..... FALSE

or

Nonprofit meets eligibility requirements for nonprofit pool and points..... FALSE

C. Identity of Nonprofit (All nonprofit applicants):

The nonprofit organization involved in this development is: ▶ \_\_\_\_\_

Name: \_\_\_\_\_ (Please fit NP name within available space)

Contact Person: \_\_\_\_\_

Street Address: \_\_\_\_\_

City: \_\_\_\_\_ State: ▶ \_\_\_\_\_ Zip: \_\_\_\_\_

Phone: \_\_\_\_\_ Extension: \_\_\_\_\_ Contact Email: \_\_\_\_\_

**G. NONPROFIT INVOLVEMENT**

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D. Percentage of Nonprofit Ownership (All nonprofit applicants):

Specify the nonprofit entity's percentage ownership of the general partnership interest: 0.0%

**3. Nonprofit/Local Housing Authority Purchase Option/Right of First Refusal**

A. TRUE

After the mandatory 15-year compliance period, a qualified nonprofit or local housing authority will have the option to purchase or the right of first refusal to acquire the development for a price not to exceed the outstanding debt and exit taxes. Such debt must be limited to the original mortgage(s) unless any refinancing is approved by the nonprofit.

**Action:** Provide Option or Right of First Refusal in Recordable Form (TAB V)  
Provide Nonprofit Questionnaire (if applicable) (TAB I)

**Name of qualified nonprofit:** \_\_\_\_\_

or indicate true if Local Housing Authority TRUE  
**Name of Local Housing Authority** Petersburg Redevelopment and Housing Authority

FALSE

A qualified nonprofit or local housing authority submits a homeownership plan committing to sell the units in the development after the mandatory 15-year compliance period to tenants whose incomes shall not exceed the applicable income limit at the time of their initial occupancy.

**Action:** Provide Homeownership Plan (TAB N)

**H. STRUCTURE AND UNITS INFORMATION**

**General Information**

a. Total number of <b>all</b> units in development	100	bedrooms	52
Total number of <b>rental</b> units in development	100	bedrooms	52
Number of low-income rental units	100	bedrooms	52
Percentage of rental units designated low-income	100.00%		
b. Number of new units:.....	0	bedrooms	0
Number of adaptive reuse units: .....	0	bedrooms	0
Number of rehab units:.....	100	bedrooms	52
c. If any, indicate number of planned exempt units (included in total of all units in development).....			0
d. Total Floor Area For The Entire Development.....			71,483.15 <small>(Sq. ft.)</small>
e. Unheated Floor Area (i.e. Breezeways, Balconies, Storage).....			2,177.48 <small>(Sq. ft.)</small>
f. Nonresidential Commercial Floor Area (Not eligible for funding).....			441.63
g. Total Usable Residential Heated Area.....			68,864.04 <small>(Sq. ft.)</small>
h. Percentage of Net Rentable Square Feet Deemed To Be <b>New Rental Space</b> .....			0.06%
i. Exact area of site in acres .....	0.860		
j. Locality has approved a final site plan or plan of development.....			TRUE
If <b>True</b> , Provide required documentation ( <b>TAB O</b> ).			
k. Requirement as of 2016: Site must be properly zoned for proposed development. <b>ACTION:</b> Provide required zoning documentation ( <b>MANDATORY TAB G</b> )			
l. Development is eligible for Historic Rehab credits.....			FALSE

**Definition:**

The structure is historic, by virtue of being listed individually in the National Register of Historic Places, or due to its location in a registered historic district and certified by the Secretary of the Interior as being of historical significance to the district, and the rehabilitation will be completed in such a manner as to be eligible for historic rehabilitation tax credits.

**H. STRUCTURE AND UNITS INFORMATION**

**2. UNIT MIX**

a. Specify the average size and number per unit type (as indicated in the Architect's Certification):

Note: Average sq foot should include the prorata of common space.

Unit Type	Average Sq Foot		# of LIHTC Units	Total Rental Units
Supportive Housing	0.00	SF	0	0
1 Story Eff - Elderly	0.00	SF	0	0
1 Story 1BR - Elderly	0.00	SF	0	0
1 Story 2BR - Elderly	0.00	SF	0	0
Eff - Elderly	605.04	SF	56	56
1BR Elderly	759.25	SF	36	36
2BR Elderly	956.10	SF	8	8
Eff - Garden	0.00	SF	0	0
1BR Garden	0.00	SF	0	0
2BR Garden	0.00	SF	0	0
3BR Garden	0.00	SF	0	0
4BR Garden	0.00	SF	0	0
2+ Story 2BR Townhouse	0.00	SF	0	0
2+ Story 3BR Townhouse	0.00	SF	0	0
2+ Story 4BR Townhouse	0.00	SF	0	0
			100	100

Note: Please be sure to enter the values in the appropriate unit category. If not, errors will occur on the self scoresheet.

**3. Structures**

- a. Number of Buildings (containing rental units)..... 1
- b. Age of Structure:..... 46 years
- c. Number of stories:..... 10
- d. The development is a scattered site development..... FALSE
- e. Commercial Area Intended Use: Community and Media Room
- f. Project consists primarily of : (Only One Option Below Can Be True)
  - i. Low Rise Building(s) - (1-5 stories with any structural elements made of wood)..... FALSE
  - ii. Mid Rise Building(s) - (5-7 stories with no structural elements made of wood)..... FALSE
  - iii. High Rise Building(s) - (8 or more stories with no structural elements made of wood)..... TRUE

**H. STRUCTURE AND UNITS INFORMATION**

g. Indicate **True** for all development's structural features that apply:

i. Row House/Townhouse	<u>FALSE</u>	v. Detached Single-family	<u>FALSE</u>
ii. Garden Apartments	<u>TRUE</u>	vi. Detached Two-family	<u>FALSE</u>
iii. Slab on Grade	<u>TRUE</u>	vii. Basement	<u>FALSE</u>
iv. Crawl space	<u>FALSE</u>		

h. Development contains an elevator(s). TRUE  
 If true, # of Elevators. 2  
 Elevator Type (if known) None

i. Roof Type ▶ Flat  
 j. Construction Type ▶ Combination  
 k. Primary Exterior Finish ▶ Combination

**4. Site Amenities (indicate all proposed)**

a. Business Center.....	<u>TRUE</u>	f. Limited Access.....	<u>FALSE</u>
b. Covered Parking.....	<u>FALSE</u>	g. Playground.....	<u>FALSE</u>
c. Exercise Room.....	<u>FALSE</u>	h. Pool.....	<u>FALSE</u>
d. Gated access to Site.....	<u>FALSE</u>	i. Rental Office.....	<u>TRUE</u>
e. Laundry facilities.....	<u>TRUE</u>	j. Sports Activity Court..	<u>FALSE</u>
		k. Other:	<u></u>

l. Describe Community Facilities: Community Room and Media Room

m. Number of Proposed Parking Spaces..... 33  
 Parking is shared with another entity ..... FALSE

n. Development located within 1/2 mile of an existing commuter rail, light rail or subway station  
 or 1/4 mile from existing public bus stop. .... TRUE  
 If **True**, Provide required documentation (**TAB K3**).



**H. STRUCTURE AND UNITS INFORMATION**

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**Plans and Specifications**

- a. **Minimum submission requirements for all properties (new construction, rehabilitation and adaptive reuse):**
  - i. A location map with development clearly defined.
  - ii. Sketch plan of the site showing overall dimensions of all building(s), major site elements (e.g., parking lots and location of existing utilities, and water, sewer, electric, gas in the streets adjacent to the site). Contour lines and elevations are not required.
  - iii. Sketch plans of all building(s) reflecting overall dimensions of:
    - a. Typical floor plan(s) showing apartment types and placement
    - b. Ground floor plan(s) showing common areas
    - c. Sketch floor plan(s) of typical dwelling unit(s)
    - d. Typical wall section(s) showing footing, foundation, wall and floor structure  
Notes must indicate basic materials in structure, floor and exterior finish.
  
- b. The following are due at reservation for Tax Exempt 4% Applications and at allocation for 9% Applications.
  - i. Phase I environmental assessment.
  - ii. Physical needs assessment for any rehab only development.

**NOTE:** All developments must meet VHDA's **Minimum Design and Construction Requirements**. By signing and submitting the Application for Reservation of LIHTC, the applicant certifies that the proposed project budget, plans & specifications and work write-ups incorporate all necessary elements to fulfill these requirements.

**Market Study Data:**

Obtain the following information from the **Market Study** conducted in connection with this tax credit application:

Project Wide Capture Rate - LIHTC Units	<u>15.30%</u>
Project Wide Capture Rate - Market Units	<u>                    </u>
Project Wide Capture Rate - All Units	<u>15.30%</u>
Project Wide Absorption Period (Months)	<u>2 Months</u>

**J. ENHANCEMENTS**

Each development must meet the following baseline energy performance standard applicable to the development's construction category.

- a. **New Construction:** must meet all criteria for EPA EnergyStar certification.
- b. **Rehabilitation:** renovation must result in at least a 30% performance increase or score an 80 or lower on the HERS Index.
- c. **Adaptive Reuse:** must score a 95 or lower on the HERS Index.

Certification and HERS Index score must be verified by a third-party, independent, non-affiliated, certified RESNET home energy rater.

Indicate **True** for the following items that apply to the proposed development:

**ACTION:** Provide Architect Certification (**Mandatory**) and documents related to following items if applicable (**TAB F**)

**1. For any development, upon completion of construction/rehabilitation:**

- TRUE a. A community/meeting room with a minimum of 749 square feet is provided.
- 63.70% b. Percentage of brick or other similar low-maintenance material approved by the Authority covering the exterior walls. Community buildings are to be included in percentage calculations.
- FALSE c. Water expense is sub-metered (the tenant will pay monthly or bi-monthly bill).
- TRUE d. Each bathroom contains only of WaterSense labeled faucets, toilets and showerheads.
- FALSE e. Each unit is provided with the necessary infrastructure for high-speed internet/broadband service.
- FALSE f. Free WiFi access will be provided in community room for resident only usage.
- FALSE g. Each unit is provided free individual high speed internet access.
- or
- FALSE h. Each unit is provided free individual WiFi access.
- FALSE i. Full bath fans are wired to primary light with delayed timer or has continuous exhaust by ERV/DOAS.
- or
- FALSE j. Full bath fans are equipped with a humidistat.
- FALSE k. Cooking surfaces are equipped with fire prevention features
- or
- TRUE l. Cooking surfaces are equipped with fire suppression features.
- TRUE m. Rehab only: Each unit has dedicated space, drain and electrical hook-ups to accept a permanently installed dehumidification system.
- or
- FALSE n. All Construction types: each unit is equipped with a permanent dehumidification system.
- FALSE o. All interior doors within units are solid core.
- FALSE p. At minimum, one USB charging port in each kitchen, living room and all bedrooms.
- TRUE q. All kitchen light fixtures are LED and meet MDCR lighting guidelines.
- FALSE r. Each unit has a shelf or ledge outside the primary entry door located in an interior hallway.
- FALSE s. New construction only: Each unit to have balcony or patio with a minimum depth of 5 feet clear from face of building and a minimum size of 30 square feet.

**For all developments exclusively serving elderly tenants upon completion of construction/rehabilitation:**

J. ENHANCEMENTS

- TRUE a. All cooking ranges have front controls.
- FALSE b. Bathrooms have an independent or supplemental heat source.
- TRUE c. All entrance doors have two eye viewers, one at 42" inches and the other at standard height.

2. Green Certification

- a. Applicant agrees to meet the base line energy performance standard applicable to the development's construction category as listed above.

The applicant will also obtain one of the following:

- |   |   |
|---|---|
| <u>FALSE</u> Earthcraft Gold or higher certification        | <u>FALSE</u> National Green Building Standard (NGBS) certification of Silver or higher. |
| <u>FALSE</u> U.S. Green Building Council LEED certification | <u>FALSE</u> Enterprise Green Communities (EGC) Certification                           |

**Action:** If seeking any points associated Green certification, provide appropriate documentation at **TAB F**.

- b. Applicant will pursue one of the following certifications to be awarded points on a future development application. (Failure to reach this goal will not result in a penalty.)

- |  |                                      |
|--|--------------------------------------|
| <u>FALSE</u> Zero Energy Ready Home Requirements | <u>FALSE</u> Passive House Standards |
|--|--------------------------------------|

3. Universal Design - Units Meeting Universal Design Standards (units must be shown on Plans)

- FALSE a. Architect of record certifies that units will be constructed to meet VHDA's Universal Design standards.
- 0 b. Number of Rental Units constructed to meet VHDA's Universal Design standards:
- 0% % of Total Rental Units

- 4. FALSE Market-rate units' amenities are substantially equivalent to those of the low income units.

If not, please explain: There are no market rate units being developed or rehabbed

I. UTILITIES

1. Describe the Heating/AC System: Chiller

2. Services Included:

Utilities	Type of Utility (Gas, Electric, Oil, etc.)	Utilities Paid by:	Enter Allowances by Bedroom Size				
			0-bdr	1-bdr	2-bdr	3-bdr	4-br
Heating	Gas	Owner	32	33	35	0	0
Air Conditioning	Electric	Owner	8	10	12	0	0
Cooking	Gas	Owner	7	8	9	0	0
Lighting	Electric	Owner	29	31	35	0	0
Hot Water	Gas	Owner	10	13	17	0	0
Water		Owner	12	15	20	0	0
Sewer		Owner	23	28	39	0	0
Trash		Owner	20	20	20	0	0
Total utility allowance for costs paid by tenant			\$141	\$158	\$187	\$0	\$0

3. The following sources were used for Utility Allowance Calculation (Provide documentation **TAB R**).

- a. FALSE HUD
- b. FALSE Utility Company (Estimate)
- c. FALSE Utility Company (Actual Survey)
- d. FALSE Local PHA
- e. TRUE Other: NFC, Inc

**Warning:** The VHDA housing choice voucher program utility schedule shown on VHDA.com should not be used unless directed to do so by the local housing authority.

**K. SPECIAL HOUSING NEEDS**

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**NOTE:** Any Applicant commits to providing first preference to members of targeted populations having state rental assistance and will not impose any eligibility requirements or lease terms for such individuals that are more restrictive than its standard requirements and terms, the terms of the MOU establishing the target population, or the eligibility requirements for the state rental assistance.

1. **Accessibility:** Indicate **True** for the following point categories, as appropriate.

**Action:** Provide appropriate documentation (**Tab X**)

TRUE

a. Any development in which (i) the greater of 5 units or 10% of units will be assisted by HUD project-based vouchers (as evidenced by the submission of a letter satisfactory to the Authority from an authorized public housing authority (PHA) that the development meets all prerequisites for such assistance), or another form of documented and binding federal project-based rent subsidies in order to ensure occupancy by extremely low-income persons. Locality project based rental subsidy meets the definition of state project based rental subsidy;

(ii) will conform to HUD regulations interpreting the accessibility requirements of section 504 of the Rehabilitation Act; and be actively marketed to persons with disabilities as defined in the Fair Housing Act in accordance with a plan submitted as part of the application for credits.

(iii) above must include roll-in showers, roll under sinks and front control ranges, unless agreed to by the Authority prior to the applicant's submission of its application.

Documentation from source of assistance must be provided with the application.

**Note:** Subsidies may apply to any units, not only those built to satisfy Section 504.

(60 points)

FALSE

b. Any development in which the greater of 5 units or 10% of the units (i) have rents within HUD's Housing Choice Voucher ("HCV") payment standard; (ii) conform to HUD regulations interpreting the accessibility requirements of section 504 of the Rehabilitation Act; and (iii) are actively marketed to persons with disabilities as defined in the Fair Housing Act in accordance with a plan submitted as part of the application for credits (30 points)

FALSE

c. Any development in which 5% of the units (i) conform to HUD regulations interpreting the accessibility requirements of section 504 of the Rehabilitation Act and (ii) are actively marketed to persons with disabilities as defined in the Fair Housing Act in accordance with a plan submitted as part of this application for credits. (15 points)

**For items a,b or c, all common space must also conform to HUD regulations interpreting the accessibility Rehabilitation Act.**

K. SPECIAL HOUSING NEEDS

2. Special Housing Needs/Leasing Preference:

a. If not general population, select applicable special population:

- TRUE Elderly (as defined by the United States Fair Housing Act.)
  - FALSE Persons with Disabilities (must meet the requirements of the Federal Americans with Disabilities Act) - Accessible Supportive Housing Pool only
  - FALSE Supportive Housing (as described in the Tax Credit Manual)
- Action:** Provide Permanent Supportive Housing Certification (**Tab S**)

b. The development has existing tenants and a relocation plan has been developed..... TRUE  
 (If **True**, VHDA policy requires that the impact of economic and/or physical displacement on those tenants be minimized, in which Owners agree to abide by the Authority's Relocation Guidelines for LIHTC properties.)  
**Action:** Provide Relocation Plan (**Mandatory if tenants are displaced - Tab J**)

3. Leasing Preferences

a. Will leasing preference be given to applicants on a public housing waiting list and/or Section 8 waiting list? select: Yes

Organization which holds such waiting list: Petersburg Redevelopment and Housing Authority

Contact person: Yvette Bembry

Title: Housing Supervisor

Phone Number (804) 733-2200

**Action:** Provide required notification documentation (**TAB L**)

b. Leasing preference will be given to individuals and families with children..... FALSE  
 (Less than or equal to 20% of the units must have of 1 or less bedrooms).

c. Specify the number of low-income units that will serve individuals and families with children by providing three or more bedrooms: 0  
 % of total Low Income Units 0%

**NOTE:** Development must utilize a **VHDA Certified Management Agent**. Proof of management certification must be provided before 8609s are issued.

**K. SPECIAL HOUSING NEEDS**

**4. Rental Assistance**

a. Some of the low-income units do or will receive rental assistance..... TRUE

b. Indicate True if rental assistance will be available from the following

TRUE Rental Assistance Demonstration (RAD) or other PHA conversion to based rental assistance.

FALSE Section 8 New Construction Substantial Rehabilitation

FALSE Section 8 Moderate Rehabilitation

FALSE Section 8 Certificates

FALSE Section 8 Project Based Assistance

FALSE RD 515 Rental Assistance

FALSE Section 8 Vouchers

FALSE State Assistance

TRUE Other: RAD ProjectBased Operating Subsidies

c. The above subsidies are applicable to the 30% units this development is seeking points for within the Set Aside Election listed on Unit Details: TRUE

d. Number of units receiving assistance: 100  
 How many years in rental assistance contract? 20.00  
 Expiration date of contract: 12/1/2038  
 There is an Option to Renew..... TRUE

**Action:** Contract or other agreement provided (**TAB Q**).

**L. UNIT DETAILS**

**Set-Aside Election:**

**UNITS SELECTED IN INCOME AND RENT DETERMINE POINTS FOR THE BONUS POINT CATEGORY**

Note: In order to qualify for any tax credits, a development must meet one of two minimum threshold occupancy tests. Either (i) at least 20% of the units must be rent-restricted and occupied by persons whose incomes are 50% or less of the area median income adjusted for family size (this is called the 20/50 test) or (ii) at least 40% of the units must be rent-restricted and occupied by persons whose incomes are 60% or less of the area median income adjusted for family size (this is called the 40/60 test), all as described in Section 42 of the IRC. Rent-and income-restricted units are known as low-income units. If you have more low-income units than required, you qualify for more credits. If you serve lower incomes than required, you receive more points under the ranking system.

**a. Units Provided Per Household Type:**

Income Levels		
# of Units	% of Units	
0	0.00%	20% Area Median
0	0.00%	30% Area Median
0	0.00%	40% Area Median
0	0.00%	50% Area Median
100	100.00%	60% Area Median
0	0.00%	70% Area Median
0	0.00%	80% Area Median
0	0.00%	Market Units
100	100.00%	<b>Total</b>

Rent Levels		
# of Units	% of Units	
0	0.00%	20% Area Median
0	0.00%	30% Area Median
0	0.00%	40% Area Median
0	0.00%	50% Area Median
100	100.00%	60% Area Median
0	0.00%	70% Area Median
0	0.00%	80% Area Median
0	0.00%	Market Units
100	100.00%	<b>Total</b>

- b. The development plans to utilize income averaging..... FALSE  
 If above is true, should the points based on the units assigned to the levels above be waived and therefore not required for compliance?  
 20-30% Levels FALSE 40% Levels FALSE 50% levels FALSE

**2. Unit Detail**

**FOR YOUR CONVENIENCE, COPY AND PASTE IS ALLOWED WITHIN UNIT MIX GRID**

In the following grid, add a row for each unique unit type planned within the development. Enter the appropriate data for both tax credit and market rate units.

	Unit Type (Select One)	Rent Target (Select One)	Number of Units	Number of Units 504 compliant	Net Rentable Square Feet	Monthly Rent Per Unit	Total Monthly Rent
Mix 1	Efficiency	60% AMI	20		404.40	\$616.00	\$12,320
Mix 2	Efficiency	60% AMI	12		404.40	\$616.00	\$7,392
Mix 3	Efficiency	60% AMI	18		402.26	\$616.00	\$11,088
Mix 4	Efficiency	60% AMI	6	6	407.27	\$616.00	\$3,696
Mix 5	1 BR - 1 Bath	60% AMI	6		537.17	\$647.00	\$3,882
Mix 6	1 BR - 1 Bath	60% AMI	30		538.89	\$647.00	\$19,410
Mix 7	2 BR - 1 Bath	60% AMI	4	4	757.01	\$748.00	\$2,992
Mix 8	2 BR - 1 Bath	60% AMI	4		729.58	\$748.00	\$2,992
Mix 9							\$0
Mix 10							\$0
Mix 11							\$0
Mix 12							\$0
Mix 13							\$0
Mix 14							\$0
Mix 15							\$0
Mix 16							\$0
Mix 17							\$0
Mix 18							\$0
Mix 19							\$0
Mix 20							\$0
Mix 21							\$0
Mix 22							\$0
Mix 23							\$0



L. UNIT DETAILS

Mix 24							\$0
Mix 25							\$0
Mix 26							\$0
Mix 27							\$0
Mix 28							\$0
Mix 29							\$0
Mix 30							\$0
Mix 31							\$0
Mix 32							\$0
Mix 33							\$0
Mix 34							\$0
Mix 35							\$0
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Mix 81							\$0
Mix 82							\$0
Mix 83							\$0
Mix 84							\$0

**L. UNIT DETAILS**

Mix 85									\$0
Mix 86									\$0
Mix 87									\$0
Mix 88									\$0
Mix 89									\$0
Mix 90									\$0
Mix 91									\$0
Mix 92									\$0
Mix 93									\$0
Mix 94									\$0
Mix 95									\$0
Mix 96									\$0
Mix 97									\$0
Mix 98									\$0
Mix 99									\$0
Mix 100									\$0
<b>TOTALS</b>			100	10	4,180.98		\$5,254		\$63,772

<b>Total Units</b>	<b>100</b>	<b>Net Rentable SF:</b>	<b>TC Units</b>	<b>47,961.18</b>
			<b>MKT Units</b>	<b>0.00</b>
			<b>Total NR SF:</b>	<b>47,961.18</b>

<b>Floor Space Fraction (to 7 decimals)</b>	<b>100.00000%</b>
---	-------------------

**M. OPERATING EXPENSES**

**Administrative:**

Use Whole Numbers Only!

1. Advertising/Marketing		\$1,000
2. Office Salaries		\$18,750
3. Office Supplies		\$5,200
4. Office/Model Apartment	(type _____ )	\$0
5. Management Fee		\$50,420
	<u>7.03%</u> of EGI <u>\$504.20</u> Per Unit	
6. Manager Salaries		\$41,600
7. Staff Unit (s)	(type _____ )	\$0
8. Legal		\$300
9. Auditing		\$3,750
10. Bookkeeping/Accounting Fees		\$6,000
11. Telephone & Answering Service		\$8,500
12. Tax Credit Monitoring Fee		\$3,500
13. Miscellaneous Administrative		\$22,184
<b>Total Administrative</b>		<u>\$161,204</u>

**Utilities**

14. Fuel Oil		\$0
15. Electricity		\$69,900
16. Water		\$8,000
17. Gas		\$35,000
18. Sewer		\$16,500
<b>Total Utility</b>		<u>\$129,400</u>

**Operating:**

19. Janitor/Cleaning Payroll		\$0
20. Janitor/Cleaning Supplies		\$8,000
21. Janitor/Cleaning Contract		\$0
22. Exterminating		\$12,000
23. Trash Removal		\$3,000
24. Security Payroll/Contract		\$20,150
25. Grounds Payroll		\$0
26. Grounds Supplies		\$0
27. Grounds Contract		\$5,000
28. Maintenance/Repairs Payroll		\$52,000
29. Repairs/Material		\$9,500
30. Repairs Contract		\$14,560
31. Elevator Maintenance/Contract		\$8,100
32. Heating/Cooling Repairs & Maintenance		\$2,400
33. Pool Maintenance/Contract/Staff		\$0
34. Snow Removal		\$500
35. Decorating/Payroll/Contract		\$0
36. Decorating Supplies		\$0
37. Miscellaneous		\$11,890
<b>Totals Operating &amp; Maintenance</b>		<u>\$147,100</u>

**M. OPERATING EXPENSES**

<b>Taxes &amp; Insurance</b>	
38. Real Estate Taxes	\$21,000
39. Payroll Taxes	\$14,250
40. Miscellaneous Taxes/Licenses/Permits	\$0
41. Property & Liability Insurance	\$21,000
42. Fidelity Bond	\$0
43. Workman's Compensation	\$2,000
44. Health Insurance & Employee Benefits	\$23,750
45. Other Insurance	\$1,800
<b>Total Taxes &amp; Insurance</b>	<b>\$83,800</b>
 <b>Total Operating Expense</b>	 <b>\$521,504</b>

<b>Total Operating Expenses Per Unit</b>	\$5,215	<b>C. Total Operating Expenses as % of EGI</b>	72.71%
--	---------	--	--------

**Replacement Reserves (Total # Units X \$300 or \$250 New Const. Elderly Minimum)** \$30,000

<b>Total Expenses</b>	<b>\$551,504</b>
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**ACTION:** Provide Documentation of Operating Budget at Tab R if applicable.

**N. PROJECT SCHEDULE**

ACTIVITY	ACTUAL OR ANTICIPATED DATE	NAME OF RESPONSIBLE PERSON
<b>1. SITE</b>		
a. Option/Contract	9/24/2018	Delphine Carnes
b. Site Acquisition	11/27/2018	Nathaniel Pride
c. Zoning Approval	3/15/2018	Nathaniel Pride
d. Site Plan Approval	3/15/2018	Nathaniel Pride
<b>2. Financing</b>		
<b>a. Construction Loan</b>		
i. Loan Application	9/10/2018	Glenn Hudson
ii. Conditional Commitment	9/13/2018	Glenn Hudson
iii. Firm Commitment	11/29/2018	Glenn Hudson
<b>b. Permanent Loan - First Lien</b>		
i. Loan Application	8/24/2019	Glenn Hudson
ii. Conditional Commitment	11/1/2019	Glenn Hudson
iii. Firm Commitment	1/30/2019	Glenn Hudson
<b>c. Permanent Loan-Second Lien</b>		
i. Loan Application		
ii. Conditional Commitment		
iii. Firm Commitment		
<b>d. Other Loans &amp; Grants</b>		
i. Type & Source, List	VHDA SIP Grant	Glenn Hudson
ii. Application	8/24/2019	Glenn Hudson
iii. Award/Commitment	1/30/2019	Glenn Hudson
<b>2. Formation of Owner</b>		
<b>3. IRS Approval of Nonprofit Status</b>	Public Housing	
<b>4. Closing and Transfer of Property to Owner</b>	11/27/2018	Delphine Carnes
<b>5. Plans and Specifications, Working Drawings</b>	8/20/2018	Wayne/David aStogner
<b>6. Building Permit Issued by Local Government</b>		
<b>7. Start Construction</b>	5/15/2019	Nathaniel Pride
<b>8. Begin Lease-up</b>	8/15/2019	Nathaniel Pride
<b>9. Complete Construction</b>	8/30/2020	Nathaniel Pride
<b>10. Complete Lease-Up</b>	9/30/2020	Nathaniel Pride
<b>11. Credit Placed in Service Date</b>	9/30/2020	Nathaniel Pride

O. PROJECT BUDGET - HARD COSTS

Cost/Basis/Maximum Allowable Credit

Complete cost column and basis column(s) as appropriate

Note: Attorney must opine, among other things, as to correctness of the inclusion of each cost item in eligible basis, type of credit and numerical calculations included in Project Budget.

<b>Must Use Whole Numbers Only!</b>		Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s):		
Item	(A) Cost	"30% Present Value Credit"		(D)
		(B) Acquisition	(C) Rehab/ New Construction	"70 % Present Value Credit"
<b>1. Contractor Cost</b>				
a. Unit Structures (New)	0	0	0	0
b. Unit Structures (Rehab)	4,955,790	0	4,955,790	0
c. Non Residential Structures	0	0	0	0
d. Commercial Space Costs	0	0	0	0
e. Structured Parking Garage	0	0	0	0
<b>Total Structure</b>	4,955,790	0	4,955,790	0
f. Earthwork	0	0	0	0
g. Site Utilities	0	0	0	0
h. Roads & Walks	0	0	0	0
i. Site Improvements	0	0	0	0
j. Lawns & Planting	0	0	0	0
k. Engineering	0	0	0	0
l. Off-Site Improvements	0	0	0	0
m. Site Environmental Mitigation	0	0	0	0
n. Demolition	0	0	0	0
o. Site Work	0	0	0	0
p. Other Site work	0	0	0	0
<b>Total Land Improvements</b>	0	0	0	0
<b>Total Structure and Land</b>	4,955,790	0	4,955,790	0
q. General Requirements	297,347	0	297,347	0
r. Builder's Overhead ( 2.0% Contract)	99,116	0	99,116	0
s. Builder's Profit ( 6.0% Contract)	297,347	0	297,347	0
t. Bonds	54,562	0	54,562	0
u. Building Permits	0	0	0	0
v. Special Construction	0	0	0	0
w. Special Equipment	0	0	0	0
x. Other 1: Elevator	409,000	0	409,000	0
y. Other 2: _____	0	0	0	0
z. Other 3: _____	0	0	0	0
<b>Contractor Costs</b>	<b>\$6,113,162</b>	<b>\$0</b>	<b>\$6,113,162</b>	<b>\$0</b>

O. PROJECT BUDGET - OWNER COSTS

MUST USE WHOLE NUMBERS ONLY!

Item	(A) Cost	Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s):		
		"30% Present Value Credit"		(D)
		(B) Acquisition	(C) Rehab/ New Construction	"70 % Present Value Credit"
<b>2. Owner Costs</b>				
a. Building Permit	15,000	0	15,000	0
b. Architecture/Engineering Design Fee \$2,250 /Unit)	225,000	0	225,000	0
c. Architecture Supervision Fee \$300 /Unit)	30,000	0	30,000	0
d. Tap Fees	0	0	0	0
e. Environmental	12,500	0	12,500	0
f. Soil Borings	0	0	0	0
g. EarthCraft/LEED	0	0	0	0
h. Appraisal	4,500	0	4,500	0
i. Market Study	4,500	0	4,500	0
j. Site Engineering / Survey	13,000	0	13,000	0
k. Construction/Development Mgt	45,000	0	45,000	0
l. Structural/Mechanical Study	0	0	0	0
m. Construction Loan Origination Fee	0	0	0	0
n. Construction Interest ( 0.0% for 0 months)	135,000	0	135,000	0
o. Taxes During Construction	31,000	0	31,000	0
p. Insurance During Construction	25,000	0	25,000	0
q. Permanent Loan Fee ( 0.0% )	78,000	0	0	0
r. Other Permanent Loan Fees	26,000	0	0	0
s. Letter of Credit	0	0	0	0
t. Cost Certification Fee	10,000	0	0	0
u. Accounting	0	0	0	0
v. Title and Recording	60,000	0	60,000	0
w. Legal Fees for Closing	90,000	0	70,000	0
x. Mortgage Banker	65,000	0	65,000	0
y. Tax Credit Fee	26,083			
z. Tenant Relocation	170,000	0	0	0
aa. Fixtures, Furnitures and Equipment	0	0	0	0
ab. Organization Costs	21,273	0	0	0
ac. Operating Reserve	325,000	0	0	0
ad. Contingency	550,000	0	550,000	0
ae. Security	0	0	0	0
af. Utilities	0	0	0	0
(1) Other* specify: Bridge Loan Orig. Fee	18,750	0	18,750	0
(2) Other* specify: Bridge Loan Interest	39,250	0	39,250	0
(3) Other* specify: Consultant	90,000	0	90,000	0
(4) Other* specify: Lease-up Reserve	20,000	0	0	0
(5) Other * specify: Syndication Cost	45,000	0	0	0
(6) Other* specify: VHDA Unsecured Gap Loan	15,600	0	0	0

**O. PROJECT BUDGET - OWNER COSTS**

(7) Other* specify: _____	0	0	0	0
(8) Other* specify: _____	0	0	0	0
(9) Other* specify: _____	0	0	0	0
(10) Other* specify: _____	0	0	0	0
<b>Owner Costs Subtotal (Sum 2A..2(10))</b>	<b>\$2,190,456</b>	<b>\$0</b>	<b>\$1,433,500</b>	<b>\$0</b>
<b>Subtotal 1 + 2</b> (Owner + Contractor Costs)	<b>\$8,303,618</b>	<b>\$0</b>	<b>\$7,546,662</b>	<b>\$0</b>
<b>3. Developer's Fees</b>	<b>857,000</b>	<b>0</b>	<b>857,000</b>	<b>0</b>
<b>4. Owner's Acquisition Costs</b>				
Land	0			
Existing Improvements	1,674,310	0		
Subtotal 4:	\$1,674,310	\$0		
<b>5. Total Development Costs</b>				
Subtotal 1+2+3+4:	\$10,834,928	\$0	\$8,403,662	\$0

If this application seeks rehab credits only, in which there is no acquisition and no change in ownership, enter the greater of appraised value or tax assessment value here:

(Provide documentation at **Tab E**)

\$0	Land
\$0	Building

Maximum Developer Fee:

\$1,227,351

Proposed Development's Cost per Unit:  
per Sq Foot

\$108,349	Meets Limits
\$128	Meets Limits

Applicable Cost Limit per unit:

\$199,972



**P. ELIGIBLE BASIS CALCULATION**

Item	(A) Cost	Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s):		
		(B) Acquisition	(C) Rehab/ New Construction	(D) "70 % Present Value Credit"
<b>1. Total Development Costs</b>	10,834,928	0	8,403,662	0

**2. Reductions in Eligible Basis**

a. Amount of federal grant(s) used to finance qualifying development costs	0	0	0
b. Amount of nonqualified, nonrecourse financing	0	0	0
c. Costs of nonqualifying units of higher quality (or excess portion thereof)	0	0	0
d. Historic Tax Credit (residential portion)	0	0	0

**3. Total Eligible Basis (1 - 2 above)**

0	8,403,662	0
---	-----------	---

**4. Adjustment(s) to Eligible Basis (For non-acquisition costs in eligible basis)**

a. For QCT or DDA (Eligible Basis x 30%) <i>State Designated Basis Boosts:</i>	2,521,099	0
b. For Revitalization or Supportive Housing (Eligible Basis x 30%)	0	0
c. For Green Certification (Eligible Basis x 10%)		0

<b>Total Adjusted Eligible basis</b>	10,924,761	0
--------------------------------------	------------	---

**5. Applicable Fraction**

100.00000%	100.00000%	100.00000%
------------	------------	------------

**6. Total Qualified Basis (Eligible Basis x Applicable Fraction)**

0	10,924,761	0
---	------------	---

**7. Applicable Percentage**  
(Beginning with 2016 Allocations, use the standard 9% rate.)  
(For tax exempt bonds, use the most recently published rates.)

0.00%	3.28%	9.00%
-------	-------	-------

**8. Maximum Allowable Credit under IRC §42**  
(Qualified Basis x Applicable Percentage)  
(Must be same as BIN total and equal to or less than credit amount allowed)

\$0	\$358,332	\$0
-----	-----------	-----

\$358,332	Combined 30% & 70% P. V. Credit
-----------	---------------------------------

**Q. SOURCES OF FUNDS**

**Action:** Provide Documentation for all Funding Sources at **Tab T**

**1. Construction Financing:** List individually the sources of construction financing, including any such loans financed through grant sources:

Source of Funds	Date of Application	Date of Commitment	Amount of Funds	Name of Contact Person
1. VHDA	08/28/19		\$5,200,000	David White
2. Access National Bank	09/10/18	11/29/18	\$1,481,344	Mike Terkpak
3. VCDC Equity/SIPGrant/G.P Equity			\$2,893,819	
Total Construction Funding:			\$9,575,163	

**2. Permanent Financing:** List individually the sources of all permanent financing in order of lien position:

Source of Funds	Date of Application	Date of Commitment	<i>(Whole Numbers only)</i>		Interest Rate of Loan	Amortization Period IN YEARS	Term of Loan (years)
			Amount of Funds	Annual Debt Service Cost			
1. VHDA Bonds/SIP			\$4,000,000	\$143,611	0.50%	30.00	30.00
2. PRHA			\$409,000	\$0	0.00%	30.00	30.00
3. VHDA SIP			\$805,000	\$0		30.00	30.00
4. DHCD HOME			\$700,000	\$0		15.00	15.00
5.							
6.							
7.							
8.							
9.							
10.							
Total Permanent Funding:			\$5,914,000	\$143,611			

**3. Grants:** List all grants provided for the development:

Source of Funds	Date of Application	Date of Commitment	Amount of Funds	Name of Contact Person
1.				
2.				
3.				
4.				
5.				
6.				
Total Permanent Grants:			\$0	

**Q. SOURCES OF FUNDS**

**4. Subsidized Funding**

	Source of Funds	Date of Commitment	Amount of Funds
1.			
2.			
3.			\$0
4.			
5.			
Total Subsidized Funding			\$0

**5. Recap of Federal, State, and Local Funds**

Portions of the sources of funds described above for the development are financed directly or indirectly with Federal, State, or Local Government Funds..... TRUE

If above is True, then list the amount of money involved by all appropriate types.

Below-Market Loans

TE: See Below For 50% Test Status

a.	Tax Exempt Bonds	\$5,200,000
b.	RD 515	\$0
c.	Section 221(d)(3)	\$0
d.	Section 312	\$0
e.	Section 236	\$0
f.	VHDA SPARC/REACH	\$0
g.	HOME Funds	
h.	Other:	\$0
i.	Other:	\$0

Market-Rate Loans

a.	Taxable Bonds	\$0
b.	Section 220	\$0
c.	Section 221(d)(3)	\$0
d.	Section 221(d)(4)	\$0
e.	Section 236	\$0
f.	Section 223(f)	\$0
g.	Other:	\$0

Grants\*

a.	CDBG	\$0
b.	UDAG	\$0

Grants

c.	State	
d.	Local	
e.	Other:	

\*This means grants to the partnership. If you received a loan financed by a locality which received one of the listed grants, please list it in the appropriate loan column as "other" and describe the applicable grant program which funded it.

**Q. SOURCES OF FUNDS**

**6. For Transactions Using Tax-Exempt Bonds Seeking 4% Credits:**

For purposes of the 50% Test, and based only on the data entered to this application, the portion of the aggregate basis of buildings and land financed with tax-exempt funds is: **51.60%**

7. Some of the development's financing has credit enhancements..... FALSE  
If True, list which financing and describe the credit enhancement:

\_\_\_\_\_  
\_\_\_\_\_

**8. Other Subsidies**

**Action: Provide documentation (Tab Q)**

- a. TRUE Real Estate Tax Abatement on the increase in the value of the development.
- b. FALSE New project based subsidy from HUD or Rural Development for the greater of 5 or 10% of the units in the development.
- c. FALSE Other \_\_\_\_\_

9. A HUD approval for transfer of physical asset is required..... FALSE

**2019 Low-Income Housing Tax Credit Application For Reservation**

**R. EQUITY**

**Equity**

a. Portion of Syndication Proceeds Attributable to Historic Tax Credit			
Amount of Federal historic credits	\$0	x Equity \$	\$0.000 = <u>\$0</u>
Amount of Virginia historic credits	\$0	x Equity \$	\$0.000 = <u>\$0</u>
b. Equity that Sponsor will Fund:			
i. Cash Investment	\$0		
ii. Contributed Land/Building	<u>\$1,674,310</u>		
iii. Deferred Developer Fee	<u>\$93,298</u>	(Note: Deferred Developer Fee cannot be negative.)	
iv. Other: _____	<u>\$0</u>		
<b>Equity Total</b>	<u><b>\$1,767,608</b></u>		

**2. Equity Gap Calculation**

a. Total Development Cost	\$10,834,928
b. Total of Permanent Funding, Grants and Equity	- <u>\$7,681,608</u>
c. Equity Gap	<u>\$3,153,320</u>
d. Developer Equity	- <u>\$315</u>
e. Equity gap to be funded with low-income tax credit proceeds	<u>\$3,153,005</u>

**Syndication Information (If Applicable)**

a. Actual or Anticipated Name of Syndicator: Virginia Community Development Corporation  
 Contact Person: Jeff Meyer Phone: (804) 343-1200  
 Street Address: 1840 W. Broad Street #200  
 City: Richmond ▶ State: VA Zip: 23220

b. Syndication Equity	
i. Anticipated Annual Credits	<u>\$358,332.00</u>
ii. Equity Dollars Per Credit (e.g., \$0.85 per dollar of credit)	<u>\$0.880</u>
iii. Percent of ownership entity (e.g., 99% or 99.9%)	<u>99.99000%</u>
iv. Syndication costs not included in Total Development Costs (e.g., advisory fees)	<u>\$0</u>
v. Net credit amount anticipated by user of credits	<u>\$358,296</u>
vi. Total to be paid by anticipated users of credit (e.g., limited partners)	<u>\$3,153,005</u>

c. Syndication: Public  
 d. Investors: Corporate

**4. Net Syndication Amount** \$3,153,005  
 Which will be used to pay for Total Development Costs

**5. Net Equity Factor** 87.9999646147%  
 Must be equal to or greater than 85%

**S. DETERMINATION OF RESERVATION AMOUNT NEEDED**

The following calculation of the amount of credits needed is substantially the same as the calculation which will be made by VHDA to determine, as required by the IRC, the amount of credits which may be allocated for the development. However, VHDA at all times retains the right to substitute such information and assumptions as are determined by VHDA to be reasonable for the information and assumptions provided herein as to costs (including development fees, profits, etc.), sources for funding, expected equity, etc. Accordingly, if the development is selected by VHDA for a reservation of credits, the amount of such reservation may differ significantly from the amount you compute below.

1. Total Development Costs		<u>\$10,834,928</u>
2. Less Total of Permanent Funding, Grants and Equity	-	<u>\$7,681,608</u>
3. Equals Equity Gap		<u>\$3,153,320</u>
4. Divided by Net Equity Factor (Percent of 10-year credit expected to be raised as equity investment)		<u>87.9999646147%</u>
5. Equals Ten-Year Credit Amount Needed to Fund Gap		<u>\$3,583,320</u>
Divided by ten years		<u>10</u>
6. Equals Annual Tax Credit Required to Fund the Equity Gap		<u>\$358,332</u>
7. Maximum Allowable Credit Amount (from Eligible Basis Calculation)		<u>\$358,332</u>
8. Requested Credit Amount	For 30% PV Credit:	<u>\$358,332</u>
	For 70% PV Credit:	<u>\$0</u>
Credit per LI Units	<u>\$3,583.3200</u>	
Credit per LI Bedroom	<u>\$6,891.0000</u>	
	<b>Combined 30% &amp; 70% PV Credit Requested</b>	<b><u>\$358,332</u></b>

9. **Action:** Provide Attorney's Opinion (Mandatory Tab H)

**T. CASH FLOW**

**1. Revenue**

Indicate the estimated monthly income for the **Low-Income Units** (based on Unit Details tab):

Total Monthly Rental Income for LIHTC Units	\$63,772
Plus Other Income Source (list): <u>LAUNDRY</u>	<u>\$500</u>
Equals Total Monthly Income:	<u>\$64,272</u>
Twelve Months	x12
Equals Annual Gross Potential Income	<u>\$771,264</u>
Less Vacancy Allowance <u>7.0%</u>	<u>\$53,988</u>
<b>Equals Annual Effective Gross Income (EGI) - Low Income Units</b>	<b><u>\$717,276</u></b>

**2. Indicate the estimated monthly income for the Market Rate Units** (based on Unit Details tab):

Total Monthly Income for Market Rate Units:	\$0
Plus Other Income Source (list): _____	<u>\$0</u>
Equals Total Monthly Income:	<u>\$0</u>
Twelve Months	x12
Equals Annual Gross Potential Income	<u>\$0</u>
Less Vacancy Allowance <u>0.0%</u>	<u>\$0</u>
<b>Equals Annual Effective Gross Income (EGI) - Market Rate Units</b>	<b><u>\$0</u></b>

**Action:** Provide documentation in support of Operating Budget (TAB R)

**3. Cash Flow (First Year)**

a. Annual EGI Low-Income Units	<u>\$717,276</u>
b. Annual EGI Market Units	<u>\$0</u>
c. Total Effective Gross Income	<u>\$717,276</u>
d. Total Expenses	<u>\$551,504</u>
e. Net Operating Income	<u>\$165,772</u>
f. Total Annual Debt Service	<u>\$143,611</u>
g. Cash Flow Available for Distribution	<u>\$22,161</u>

T. CASH FLOW

4. Projections for Financial Feasibility - 15 Year Projections of Cash Flow

	Stabilized Year 1	Year 2	Year 3	Year 4	Year 5
Eff. Gross Income	717,276	731,621	746,253	761,179	776,402
Less Oper. Expenses	551,504	568,049	585,091	602,643	620,723
Net Income	165,772	163,572	161,163	158,535	155,679
Less Debt Service	143,611	143,611	143,611	143,611	143,611
Cash Flow	22,161	19,961	17,552	14,924	12,068
Debt Coverage Ratio	1.15	1.14	1.12	1.10	1.08

	Year 6	Year 7	Year 8	Year 9	Year 10
Eff. Gross Income	791,930	807,769	823,924	840,403	857,211
Less Oper. Expenses	639,344	658,525	678,280	698,629	719,588
Net Income	152,586	149,244	145,644	141,774	137,623
Less Debt Service	143,611	143,611	143,611	143,611	143,611
Cash Flow	8,975	5,633	2,033	-1,837	-5,988
Debt Coverage Ratio	1.06	1.04	1.01	0.99	0.96

	Year 11	Year 12	Year 13	Year 14	Year 15
Eff. Gross Income	874,355	891,842	909,679	927,872	946,430
Less Oper. Expenses	741,175	763,411	786,313	809,902	834,199
Net Income	133,180	128,431	123,366	117,970	112,231
Less Debt Service	143,611	143,611	143,611	143,611	143,611
Cash Flow	-10,431	-15,180	-20,245	-25,641	-31,380
Debt Coverage Ratio	0.93	0.89	0.86	0.82	0.78

Estimated Annual Percentage Increase in Revenue 2.00% (Must be  $\leq$  2%)  
 Estimated Annual Percentage Increase in Expenses 3.00% (Must be  $\geq$  3%)



2019 Low-Income Housing Tax Credit Application For Reservation

Must Complete

Number of BINS: 1

U. Building-by-Building Information

Qualified basis must be determined on a building-by building basis. Complete the section below. Building street addresses are required by the IRS (must have them by the time of allocation request).

FOR YOUR CONVENIENCE, COPY AND PASTE IS ALLOWED WITHIN BUILDING GRID

Bldg #	BIN if known	TAX CREDIT UNITS	MARKET RATE UNITS	30% Present Value Credit for Acquisition				30% Present Value Credit for Rehab / New Construction				70% Present Value Credit								
				Street Address 1	Street Address 2	City	State	Zip	Estimate Qualified Basis	Actual or Anticipated In-Service Date	Applicable Percentage	Credit Amount	Estimate Qualified Basis	Actual or Anticipated In-Service Date	Applicable Percentage	Credit Amount	Estimate Qualified Basis	Actual or Anticipated In-Service Date	Applicable Percentage	Credit Amount
1.		100	0	128 S. Sycamore Street		Petersburg	VA	23803	\$0	\$10,924,761	09/30/20	3.28%	\$358,332							\$0
2.									\$0											\$0
3.									\$0											\$0
4.									\$0											\$0
5.									\$0											\$0
6.									\$0											\$0
7.									\$0											\$0
8.									\$0											\$0
9.									\$0											\$0
10.									\$0											\$0
11.									\$0											\$0
12.									\$0											\$0
13.									\$0											\$0
14.									\$0											\$0
15.									\$0											\$0
16.									\$0											\$0
17.									\$0											\$0
18.									\$0											\$0
19.									\$0											\$0
20.									\$0											\$0
21.									\$0											\$0
22.									\$0											\$0
23.									\$0											\$0
24.									\$0											\$0
25.									\$0											\$0
26.									\$0											\$0
27.									\$0											\$0
28.									\$0											\$0
29.									\$0											\$0
30.									\$0											\$0
31.									\$0											\$0
32.									\$0											\$0
33.									\$0											\$0
34.									\$0											\$0
35.									\$0											\$0
		100	0						\$0	\$10,924,761			\$358,332							\$0

Totals from all buildings

\$0

\$10,924,761

\$0

\$0

Number of BINS: 1

\$358,332

\$0

**V. STATEMENT OF OWNER**

---

The undersigned hereby acknowledges the following:

1. that, to the best of its knowledge and belief, all factual information provided herein or in connection herewith is true and correct, and all estimates are reasonable.
2. that it will at all times indemnify and hold harmless VHDA and its assigns against all losses, costs, damages, VHDA's expenses, and liabilities of any nature directly or indirectly resulting from, arising out of, or relating to VHDA's acceptance, consideration, approval, or disapproval of this reservation request and the issuance or nonissuance of an allocation of credits, grants and/or loan funds in connection herewith.
3. that points will be assigned only for representations made herein for which satisfactory documentation is submitted herewith and that no revised representations may be made in connection with this application once the deadline for applications has passed.
4. that this application form, provided by VHDA to applicants for tax credits, including all sections herein relative to basis, credit calculations, and determination of the amount of the credit necessary to make the development financially feasible, is provided only for the convenience of VHDA in reviewing reservation requests; that completion hereof in no way guarantees eligibility for the credits or ensures that the amount of credits applied for has been computed in accordance with IRC requirements; and that any notations herein describing IRC requirements are offered only as general guides and not as legal authority.
5. that the undersigned is responsible for ensuring that the proposed development will be comprised of qualified low-income buildings and that it will in all respects satisfy all applicable requirements of federal tax law and any other requirements imposed upon it by VHDA prior to allocation, should one be issued.
6. that the undersigned commits to providing first preference to members of targeted populations having state rental assistance and will not impose any eligibility requirements or lease terms terms for such individuals that are more restrictive than its standard requirements and terms, the terms of the MOU establishing the target population, or the eligibility requirements for the state rental assistance.
7. that, for the purposes of reviewing this application, VHDA is entitled to rely upon representations of the undersigned as to the inclusion of costs in eligible basis and as to all of the figures and calculations relative to the determination of qualified basis for the development as a whole and/or each building therein individually as well as the amounts and types of credit applicable thereof, but that the issuance of a reservation based on such representation in no way warrants their correctness or compliance with IRC requirements.
8. that VHDA may request or require changes in the information submitted herewith, may substitute its own figures which it deems reasonable for any or all figures provided herein by the undersigned and may reserve credits, if any, in an amount significantly different from the amount requested.
9. that reservations of credits are not transferable without prior written approval by VHDA at its sole discretion.

V. STATEMENT OF OWNER

- 10. that the requirements for applying for the credits and the terms of any reservation or allocation thereof are subject to change at any time by federal or state law, federal, state or VHDA regulations, or other binding authority.
- 11. that reservations may be made subject to certain conditions to be satisfied prior to allocation and shall in all cases be contingent upon the receipt of a nonrefundable application fee of \$1000 and a nonrefundable reservation fee equal to 7% of the annual credit amount reserved.
- 12. that a true, exact, and complete copy of this application, including all the supporting documentation enclosed herewith, has been provided to the tax attorney who has provided the required attorney's opinion accompanying this submission.
- 13. that the undersigned has provided a complete list of all residential real estate developments in which the general partner(s) has (have) or had a controlling ownership interest and, in the case of those projects allocated credits under Section 42 of the IRC, complete information on the status of compliance with Section 42 and an explanation of any noncompliance. The undersigned hereby authorizes the Housing Credit Agencies of states in which these projects are located to share compliance information with the Authority.
- 14. that any principal of undersigned has not participated in a planned foreclosure or Qualified Contract request in Virginia after January 1, 2019.
- that undersigned waives the right to pursue a Qualified Contract on this development.
- 16. that the information in this application may be disseminated to others for purposes of verification or other purposes consistent with the Virginia Freedom of Information Act. However, all information will be maintained, used or disseminated in accordance with the Government Data Collection and Dissemination Practices Act. The undersigned may refuse to supply the information requested, however, such refusal will result in VHDA's inability to process the application. The original or copy of this application may be retained by VHDA, even if tax credits are not allocated to the undersigned.

In Witness Whereof, the undersigned, being authorized, has caused this document to be executed in its name on the date of this application set forth in DEV Info tab hereof.

Legal Name of Owner: Sycamore Towers Apartments, L.P.  
\_\_\_\_\_  
\_\_\_\_\_

By: *Anthony L. Lutz*  
Its: Executive Director PRHA - Sole Member Sycamore Towers Apartments  
(Title) G.P., LLC

W.

## LIHTC SELF SCORE SHEET

### Self Scoring Process

This Self Scoring Process is intended to provide you with an estimate of your application's score based on the information included within the reservation application. Other items, denoted below in the yellow shaded cells, are typically evaluated by VHDA's staff during the application review and feasibility process. For purposes of self scoring, we have made certain assumptions about your application. Edit the appropriate responses (Y or N) in the yellow shaded cells, if applicable. Item 5f requires a numeric value to be entered.

Please remember that this score is only an estimate. VHDA reserves the right to change application data and/or score sheet responses where appropriate, which may change the final score.

**MANDATORY ITEMS:**

	Included		Score
a. Signed, completed application with attached tabs in PDF format	Y	Y or N	0
b. Active Excel copy of application	Y	Y or N	0
c. Partnership agreement	Y	Y or N	0
d. SCC Certification	Y	Y or N	0
e. Previous participation form	Y	Y or N	0
f. Site control document	Y	Y or N	0
g. Architect's Certification	Y	Y or N	0
h. Attorney's opinion	Y	Y or N	0
i. Nonprofit questionnaire (if applicable)	Y	Y, N, N/A	0
j. Appraisal	Y	Y or N	0
k. Zoning document	Y	Y or N	0
l. Universal Design Plans	Y	Y or N	0
m. List of LIHTC Developments (Schedule A)	Y	Y or N	0
<b>Total:</b>			<u><u>0.00</u></u>

**1. READINESS:**

a. VHDA notification letter to CEO (via Locality Notification Information Application)	Y	0 or -50	0.00
b. Local CEO Opposition Letter	N	0 or -25	0.00
c. Plan of development	Y	0 or 40	40.00
d. Location in a revitalization area based on Qualified Census Tract	Y	0 or 10	10.00
e. Location in a revitalization area with resolution	N	0 or 15	0.00
f. Location in a Opportunity Zone	N	0 or 15	0.00
<b>Total:</b>			<u><u>50.00</u></u>

**2. HOUSING NEEDS CHARACTERISTICS:**

a. Sec 8 or PHA waiting list preference	Y	0 or up to 5	5.00
b. Existing RD, HUD Section 8 or 236 program	N	0 or 20	0.00
c. Subsidized funding commitments	0.00%	Up to 40	0.00
d. Tax abatement on increase of property's value	Y	0 or 5	5.00
e. New project based rental subsidy (HUD or RD)	N	0 or 10	0.00
f. Census tract with <12% poverty rate	0%	0, 20, 25 or 30	0.00
g. Development listed on the Rural Development Rehab Priority List	N	0 or 15	0.00
h. Dev. located in area with little or no increase in rent burdened population	N	Up to -20	0.00
i. Dev. located in area with increasing rent burdened population	Y	Up to 20	0.01
<b>Total:</b>			<u><u>10.01</u></u>

**2019 Low-Income Housing Tax Credit Application For Reservation**

**3. DEVELOPMENT CHARACTERISTICS:**

Amenities (See calculations below)			35.68
Project subsidies/HUD 504 accessibility for 5 or 10% of units	Y	O or 60	60.00
or c. HCV Payment Standard/HUD 504 accessibility for 5 or 10% of units	N	O or 30	0.00
or d. HUD 504 accessibility for 5% of units	N	O or 15	0.00
e. Proximity to public transportation (within Northern VA or Tidewater)	Y10	O, 10 or 20	10.00
f. Development will be Green Certified	N	O or 10	0.00
g. Units constructed to meet VHDA's Universal Design standards	0%	Up to 15	0.00
h. Developments with less than 100 units	N	up to 20	0.00
i. Historic Structure	N	O or 5	0.00
Total:			<u>105.68</u>

**4. TENANT POPULATION CHARACTERISTICS:**

Locality AMI	State AMI
\$83,200	\$55,900

a. Less than or equal to 20% of units having 1 or less bedrooms	N	O or 15	0.00
b. <plus> Percent of Low Income units with 3 or more bedrooms	0.00%	Up to 15	0.00
c. Units with rent at or below 30% of AMI and are not subsidized (up to 10% of LI units)	0.00%	Up to 10	0.00
d. Units with rents at or below 40% of AMI (up to 10% of LI units)	0.00%	Up to 10	0.00
e. Units with rent and income at or below 50% of AMI	0.00%	Up to 50	0.00
f. Units with rents at or below 50% rented to tenants at or below 60% of AMI	0.00%	Up to 25	0.00
or g. Units in LI Jurisdictions with rents <= 50% rented to tenants with <= 60% of AMI	0.00%	Up to 50	0.00
Total:			<u>0.00</u>

**5. SPONSOR CHARACTERISTICS:**

a. Developer experience - 3 developments with 3 x units or 6 developments with 1 x units	N	O or 50	0.00
or b. Developer experience - 3 developments and at least 500,000 in liquid assets	N	O or 50	0.00
c. Developer experience - 1 development with 1 x units	N	O or 10	0.00
d. Developer experience - life threatening hazard	N	O or -50	0.00
e. Developer experience - noncompliance	N	O or -15	0.00
f. Developer experience - did not build as represented	O	O or -2x	0.00
g. Developer experience - failure to provide minimum building requirements	N	O or -20	0.00
h. Developer experience - termination of credits by VHDA	N	O or -10	0.00
i. Developer experience - exceeds cost limits at certification	N	O or -50	0.00
j. Management company rated unsatisfactory	N	O or -25	0.00
Total:			<u>0.00</u>

**6. EFFICIENT USE OF RESOURCES:**

a. Credit per unit		Up to 200	138.40
b. Cost per unit		Up to 100	28.81
Total:			<u>167.21</u>

**7. BONUS POINTS:**

a. Extended compliance	0 Years	40 or 50	0.00
or b. Nonprofit or LHA purchase option	Y	O or 60	60.00
or c. Nonprofit or LHA Home Ownership option	N	O or 5	0.00
d. Combined 9% and 4% Tax Exempt Bond Site Plan	N	Up to 45	0.00
e. RAD or PHA Conversion participation and competing in Local Housing Authority pool	N	O or 10	0.00
Total:			<u>60.00</u>

425 Point Threshold - all 9% Tax Credits  
 325 Point Threshold - Tax Exempt Bonds

**TOTAL SCORE: 392.90**

**Amenities:**

All units have:

	Max Pts	Score
a. Community Room	5	5.00
b. Exterior walls constructed with brick and other low maintenance materials	25	19.68
c. Sub metered water expense	5	0.00
d. Watersense labeled faucets, toilets and showerheads	3	3.00
e. Infrastructure for high speed internet/broadband	1	0.00
f. Free WiFi Access in community room	4	0.00
g. Each unit provided free individual high speed internet access	6	0.00
h. Each unit provided free individual WiFi	8	0.00
i. Bath Fan - Delayed timer or continuous exhaust	3	0.00
j. Baths equipped with humidistat	3	0.00
k. Cooking Surfaces equipped with fire prevention features	4	0.00
l. Cooking surfaces equipped with fire suppression features	2	2.00
m. Rehab only: dedicated space to accept permanent dehumidification system	2	2.00
n. Provides Permanently installed dehumidification system	5	0.00
o. All interior doors within units are solid core	3	0.00
p. USB in kitchen, living room and all bedrooms	1	0.00
q. LED Kitchen Light Fixtures	2	2.00
r. Shelf or Ledge at entrance within interior hallway	2	0.00
s. New Construction: Balcony or patio	4	0.00
		<u>33.68</u>

All elderly units have:

t. Front-control ranges	1	1.00
u. Independent/suppl. heat source	1	0.00
v. Two eye viewers	1	1.00
		<u>2.00</u>

**Total amenities: 35.68**

X.

## Development Summary

Summary Information

2019 Low-Income Housing Tax Credit Application For Reservation

**Name:** Sycamore Towers Apartments

<b>Cycle Type:</b> 4% Tax Exempt Bonds Credits	<b>Requested Credit Amount:</b> \$358,332
<b>Allocation Type:</b> 0	<b>Jurisdiction:</b> Petersburg City
<b>Total Units:</b> 100	<b>Population Target:</b> Elderly
<b>Total LI Units:</b> 100	
<b>Project Gross Sq Ft:</b> 71,483.15	<b>Owner Contact:</b> Nathaniel Pride
<b>Green Certified?</b> FALSE	

**Total Score**  
**392.90**

Source of Funds	Amount	Per Unit	Per Sq Ft	Annual Debt Service
Permanent Financing	\$5,914,000	\$59,140	\$83	\$143,611

Uses of Funds - Actual Costs				
Type of Uses	Amount	Per Unit	Sq Ft	% of TDC
Improvements	\$4,955,790	\$49,558	\$69	45.74%
General Req/Overhead/Profit	\$693,810	\$6,938	\$10	6.40%
Other Contract Costs	\$463,562	\$4,636	\$6	4.28%
Owner Costs	\$2,190,456	\$21,905	\$31	20.22%
Acquisition	\$1,674,310	\$16,743	\$23	15.45%
Developer Fee	\$857,000	\$8,570	\$12	7.91%
<b>Total Uses</b>	<b>\$10,834,928</b>	<b>\$108,349</b>		

Total Development Costs	
Total Improvements	\$8,303,618
Land Acquisition	\$1,674,310
Developer Fee	\$857,000
<b>Total Development Costs</b>	<b>\$10,834,928</b>

Income	
Gross Potential Income - LI Units	\$771,264
Gross Potential Income - Mkt Units	\$0
Subtotal	\$771,264
Less Vacancy %	7.00%
<b>Effective Gross Income</b>	<b>\$717,276</b>

<b>Proposed Cost Limit/Unit:</b>	\$108,349
<b>Applicable Cost Limit/Unit:</b>	\$199,972
<b>Proposed Cost Limit/Sq Ft:</b>	\$128
<b>Applicable Cost Limit/Sq Ft:</b>	\$156

**Rental Assistance?** TRUE

Unit Breakdown	
Supp Hsg	0
# of Eff	56
# of 1BR	36
# of 2BR	8
# of 3BR	0
# of 4+ BR	0
<b>Total Units</b>	<b>100</b>

Expenses		
Category	Total	Per Unit
Administrative	\$161,204	\$1,612
Utilities	\$129,400	\$1,294
Operating & Maintenance	\$147,100	\$1,471
Taxes & Insurance	\$83,800	\$838
<b>Total Operating Expenses</b>	<b>\$521,504</b>	<b>\$5,215</b>
Replacement Reserves	\$30,000	\$300
<b>Total Expenses</b>	<b>\$551,504</b>	<b>\$5,515</b>

	Income Levels	Rent Levels
	# of Units	# of Units
<=30% AMI	0	0
40% AMI	0	0
50% AMI	0	0
60% AMI	100	100
>60% AMI	0	0
Market	0	0

Cash Flow	
EGI	\$717,276
Total Expenses	\$551,504
<b>Net Income</b>	<b>\$165,772</b>
Debt Service	\$143,611
<b>Debt Coverage Ratio (YR1):</b>	<b>1.15</b>

**Income Averaging?** FALSE

**Extended Use Restriction?** 30

2019 Low-Income Housing Tax Credit Application For Reservation

\$/SF = **\$152.62** Credits/SF = **5.20347** Const \$/unit = **\$61,131.6200**

TYPE OF PROJECT  
LOCATION  
DATE OF CONSTRUCTION

GENERAL = 11000; ELDERLY = 12000  
Inner-NVA=100; Outer-NV=200; NWNC=300; Rich=400; Tid=500; Balance=600  
N C=1; ADPT=2; REHAB(35,000+)=3; REHAB\*(15,000-35,000)=4

**12000**  
**400**  
**3**

\*REHABS LOCATED IN BELTWAY (\$15,000-\$50,000) See Below

	GENERAL		Elderly				
	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
AVG UNIT SIZE	0.00	605.04	759.25	956.10	0.00	0.00	0.00
NUMBER OF UNITS	0	56	36	8	0	0	0
PARAMETER-(COSTS>=35,000)	0	113,250	158,550	215,175	0	0	0
PARAMETER-(COSTS<35,000)	0	0	0	0	0	0	0
PARAMETER-(COSTS>=50,000)	0	113,250	158,550	215,175	0	0	0
PARAMETER-(COSTS<50,000)	0	0	0	0	0	0	0
COST PARAMETER	0	133,012	186,216	252,722	0	0	0
PROJECT COST PER UNIT	0	92,340	115,876	145,919	0	0	0
PARAMETER-(CREDITS>=35,000)	0	9,000	12,000	14,625	0	0	0
PARAMETER-(CREDITS<35,000)	0	0	0	0	0	0	0
PARAMETER-(CREDITS>=50,000)	0	9,000	12,000	14,625	0	0	0
PARAMETER-(CREDITS<50,000)	0	0	0	0	0	0	0
CREDIT PARAMETER	0	10,964	14,619	17,817	0	0	0
PROJECT CREDIT PER UNIT	0	3,148	3,951	4,975	0	0	0
COST PER UNIT POINTS	0.00	17.12	13.60	3.38	0.00	0.00	0.00
CREDIT PER UNIT POINTS	0.00	79.84	52.54	11.53	0.00	0.00	0.00

	GENERAL							
	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR
AVG UNIT SIZE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NUMBER OF UNITS	0	0	0	0	0	0	0	0
PARAMETER-(COSTS>=35,000)	0	0	0	0	0	0	0	0
PARAMETER-(COSTS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(COSTS>=50,000)	0	0	0	0	0	0	0	0
PARAMETER-(COSTS<50,000)	0	0	0	0	0	0	0	0
COST PARAMETER	0	0	0	0	0	0	0	0
PROJECT COST PER UNIT	0	0	0	0	0	0	0	0
PARAMETER-(CREDITS>=35,000)	0	0	0	0	0	0	0	0
PARAMETER-(CREDITS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(CREDITS>=50,000)	0	0	0	0	0	0	0	0
PARAMETER-(CREDITS<50,000)	0	0	0	0	0	0	0	0
CREDIT PARAMETER	0	0	0	0	0	0	0	0
PROJECT CREDIT PER UNIT	0	0	0	0	0	0	0	0
COST PER UNIT POINTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CREDIT PER UNIT POINTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

TOTAL COST PER UNIT POINTS **34.10**

TOTAL CREDIT PER UNIT POINTS **143.91**



Cost Parameters - Elderly						
Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
Standard Cost Parameter - low rise	0	113,250	158,550	215,175	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0
Parameter Adjustment - high rise	0	19,762	27,666	37,547	0	0
Adjusted Cost Parameter	0	133,012	186,216	252,722	0	0

Credit Parameters - Elderly						
Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
Standard Credit Parameter - low rise	0	9,000	12,000	14,625	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0
Parameter Adjustment - high rise	0	1,964	2,619	3,192	0	0
Adjusted Credit Parameter	0	10,964	14,619	17,817	0	0

Cost Parameters - General								
Supportive Hsg	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BF
Standard Parameter - low rise	0	0	0	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
Adjusted Cost Parameter	0	0	0	0	0	0	0	0

Credit Parameters - General								
Supportive Hsg	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BF
Standard Credit Parameter - low rise	0	0	0	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
Adjusted Credit Parameter	0	0	0	0	0	0	0	0

Northern Virginia Beltway (Rehab costs \$15,000-\$50,000)

Cost Parameters - Elderly						
Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
Standard Cost Parameter - low rise	0	113,250	158,550	215,175	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0
Parameter Adjustment - high rise	0	19,762	27,666	37,547	0	0
Adjusted Cost Parameter	0	133,012	186,216	252,722	0	0

Credit Parameters - Elderly						
Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
Standard Cost Parameter - low rise	0	9,000	12,000	14,625	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0
Parameter Adjustment - high rise	0	1,964	2,619	3,192	0	0
Adjusted Cost Parameter	0	10,964	14,619	17,817	0	0

Cost Parameters - General								
Supportive Hsg	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BF
Standard Cost Parameter - low rise	0	0	0	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
Adjusted Cost Parameter	0	0	0	0	0	0	0	0

Credit Parameters - General								
Supportive Hsg	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BF
Standard Cost Parameter - low rise	0	0	0	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
Adjusted Cost Parameter	0	0	0	0	0	0	0	0



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2019 Low-Income Housing Tax Credit Application For Reservation

\$/SF = **\$152.62** Credits/SF = **5.20347** Const \$/unit = **\$61,131.62**

TYPE OF PROJECT: GENERAL = 11000; ELDERLY = 12000  
 LOCATION: Inner-NVA=100; Outer-NV=200; NWNCA=300; Rich=400; Tid=500; Balance=600  
 TYPE OF CONSTRUCTION: N C=1; ADPT=2; REHAB(35,000+)=3; REHAB\*(10,000-35,000)=4  
 12000  
 400  
 3

\*REHABS LOCATED IN BELTWAY (\$10,000-\$50,000) See Below

	GENERAL			Elderly			
	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
AVG UNIT SIZE	0.00	605.04	759.25	956.10	0.00	0.00	0.00
NUMBER OF UNITS	0	56	36	8	0	0	0
PARAMETER-(COSTS=>35,000)	0	113,250	158,550	215,175	0	0	0
PARAMETER-(COSTS<35,000)	0	0	0	0	0	0	0
PARAMETER-(COSTS=>50,000)	0	113,250	158,550	215,175	0	0	0
PARAMETER-(COSTS<50,000)	0	0	0	0	0	0	0
COST PARAMETER	0	123,131	172,383	233,949	0	0	0
PROJECT COST PER UNIT	0	92,340	115,876	145,919	0	0	0
PARAMETER-(CREDITS=>35,000)	0	9,000	12,000	14,625	0	0	0
PARAMETER-(CREDITS<35,000)	0	0	0	0	0	0	0
PARAMETER-(CREDITS=>50,000)	0	9,000	12,000	14,625	0	0	0
PARAMETER-(CREDITS<50,000)	0	0	0	0	0	0	0
CREDIT PARAMETER	0	9,982	13,309	16,221	0	0	0
PROJECT CREDIT PER UNIT	0	3,148	3,951	4,975	0	0	0
COST PER UNIT POINTS	0.00	14.00	11.80	3.01	0.00	0.00	0.00
CREDIT PER UNIT POINTS	0.00	76.68	50.63	11.09	0.00	0.00	0.00

	GENERAL							
	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR
AVG UNIT SIZE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NUMBER OF UNITS	0	0	0	0	0	0	0	0
PARAMETER-(COSTS=>35,000)	0	0	0	0	0	0	0	0
PARAMETER-(COSTS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(COSTS=>50,000)	0	0	0	0	0	0	0	0
PARAMETER-(COSTS<50,000)	0	0	0	0	0	0	0	0
COST PARAMETER	0	0	0	0	0	0	0	0
PROJECT COST PER UNIT	0	0	0	0	0	0	0	0
PARAMETER-(CREDITS=>35,000)	0	0	0	0	0	0	0	0
PARAMETER-(CREDITS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(CREDITS=>50,000)	0	0	0	0	0	0	0	0
PARAMETER-(CREDITS<50,000)	0	0	0	0	0	0	0	0
CREDIT PARAMETER	0	0	0	0	0	0	0	0
PROJECT CREDIT PER UNIT	0	0	0	0	0	0	0	0
COST PER UNIT POINTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CREDIT PER UNIT POINTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

TOTAL COST PER UNIT POINTS **28.81**

TOTAL CREDIT PER UNIT POINTS **138.40**

Cost Parameters - Elderly

Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
0	113,250	158,550	215,175	0	0	0
0	0	0	0	0	0	0
0	9,881	13,833	18,774	0	0	0
0	123,131	172,383	233,949	0	0	0

Standard Cost Parameter - low rise  
 Parameter Adjustment - mid rise  
 Parameter Adjustment - high rise  
 Adjusted Cost Parameter

Credit Parameters - Elderly

Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
0	9,000	12,000	14,625	0	0	0
0	0	0	0	0	0	0
0	982	1,309	1,596	0	0	0
0	9,982	13,309	16,221	0	0	0

Standard Credit Parameter - low rise  
 Parameter Adjustment - mid rise  
 Parameter Adjustment - high rise  
 Adjusted Credit Parameter

Cost Parameters - General

EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BF
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0

Standard Parameter - low rise  
 Parameter Adjustment - mid rise  
 Parameter Adjustment - high rise  
 Adjusted Cost Parameter

Credit Parameters - General

EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BF
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0

Standard Credit Parameter - low rise  
 Parameter Adjustment - mid rise  
 Parameter Adjustment - high rise  
 Adjusted Credit Parameter

Northern Virginia Beltway (Rehab costs \$10,000-\$50,000)

Cost Parameters - Elderly

Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
0	113,250	158,550	215,175	0	0	0
0	0	0	0	0	0	0
0	9,881	13,833	18,774	0	0	0
0	123,131	172,383	233,949	0	0	0

Standard Cost Parameter - low rise  
 Parameter Adjustment - mid rise  
 Parameter Adjustment - high rise  
 Adjusted Cost Parameter

Credit Parameters - Elderly

Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
0	9,000	12,000	14,625	0	0	0
0	0	0	0	0	0	0
0	982	1,309	1,596	0	0	0
0	9,982	13,309	16,221	0	0	0

Standard Cost Parameter - low rise  
 Parameter Adjustment - mid rise  
 Parameter Adjustment - high rise  
 Adjusted Cost Parameter

Cost Parameters - General

EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BF
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0

Standard Cost Parameter - low rise  
 Parameter Adjustment - mid rise  
 Parameter Adjustment - high rise  
 Adjusted Cost Parameter

Credit Parameters - General

EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BF
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0

Standard Cost Parameter - low rise  
 Parameter Adjustment - mid rise  
 Parameter Adjustment - high rise  
 Adjusted Cost Parameter

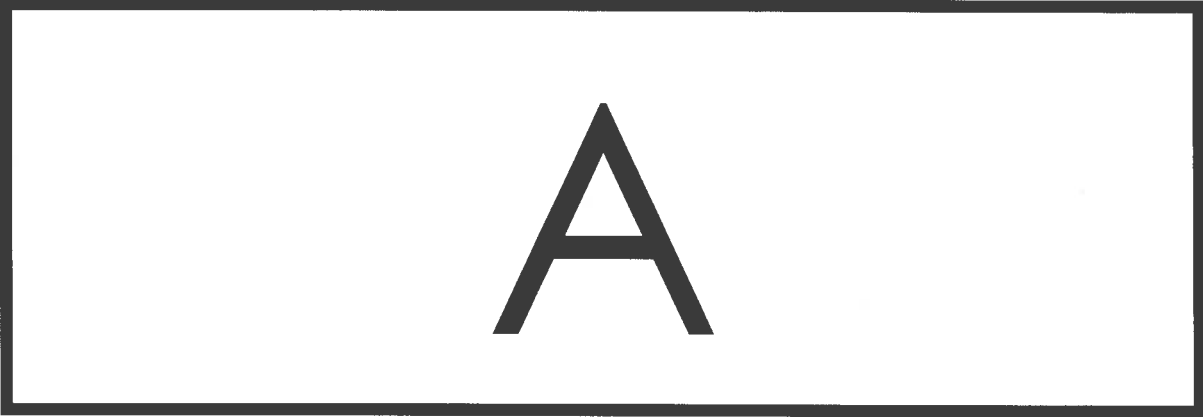


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# Partnership or Operating Agreement

Including chart of ownership structure with percentage of  
interests **(MANDATORY)**



**AGREEMENT OF LIMITED PARTNERSHIP OF  
SYCAMORE TOWERS APARTMENTS, L.P.**

**THIS AGREEMENT** is entered into as of the 19th day of February, 2015 by and between **SYCAMORE TOWERS APARTMENTS G.P., LLC**, a Virginia limited liability company (the "General Partner") and **PETERSBURG REDEVELOPMENT AND HOUSING AUTHORITY**, a political subdivision of the Commonwealth of Virginia (the "Initial Limited Partner"). The General Partner and the Initial Limited Partner are collectively referred to as the "Partners."

The Partners desire to form **SYCAMORE TOWERS APARTMENTS, L.P.** (the "Partnership") pursuant to the Virginia Revised Uniform Limited Partnership Act (the "Act") to acquire certain property located in the City of Petersburg, Virginia, more particularly described on Exhibit A attached hereto (the "Property"), and to acquire, own, construct, rehabilitate, operate, lease and manage thereon certain residential units and common areas collectively known as Sycamore Towers (the "Project"), such Project qualifying for federal income tax credits under Section 42 of the Internal Revenue Code of 1986, as amended (the "Code").

**NOW, THEREFORE**, in consideration of the capital contributions of the Partners hereinafter described, the parties hereby agree as follows:

1. **Formation.** The parties hereby form a limited partnership (the "Partnership") under the Act.
2. **Name.** The name of the Partnership is Sycamore Towers Apartments, L.P.
3. **Purposes.** The purposes of the Partnership are to acquire the Property, redevelop, construct, rehabilitate, finance the Project and own, mortgage, lease, exchange sell or otherwise transfer or dispose of the Project. The Partnership is empowered to do all things necessary to carry out the foregoing purposes and all business activities necessary or related thereto. The General Partner is directed and empowered to take such action on behalf of the Partnership as may be necessary or desirable to accomplish its purposes.

The Partnership is authorized to (a) engage in any activity, (b) enter into, perform and carry out contracts of any kind, and (c) do all things necessary and proper for the protection and benefit of the Partnership, including, without limiting the generality of the foregoing, borrowing whatever amounts may be required for the acquisition of the Property and the redevelopment, construction, rehabilitation and operation of the Project.

The Partnership, by its General Partner, is authorized to execute notes and mortgages to secure an acquisition and construction/rehabilitation loan and a permanent loan, to the extent such loans may be necessary or desirable, and to execute any and all documents, agreements, mortgages, security agreements and certificates required in

connection with such loans and the acquisition, construction, rehabilitation, development, improvement, maintenance and operation of the Project and all other property owned by the Partnership in connection with the Project.

4. **Principal Office.** The principal place of business and principal office of the Partnership are located at 128 S. Sycamore Street, Annex Building, Petersburg, Virginia 23803, or at such other place as the General Partner may from time to time determine.

5. **Registered Agent.** The name and post office address of the Partnership's registered agent, who is a resident of the Commonwealth of Virginia and a member of the Virginia State Bar, is:

Delphine G. Carnes, Esq.  
Crenshaw, Ware & Martin, P.L.C.  
150 West Main Street  
Suite 1500  
Norfolk, Virginia 23510

The registered office of the Partnership is physically located in the City of Norfolk, Virginia.

6. **Partners.** The names and business addresses of the General Partner and the Initial Limited Partner (collectively, the "Partners") are as follows:

**GENERAL PARTNER:**

Sycamore Towers Apartments G.P., LLC  
128 S. Sycamore Street, Annex Building  
Petersburg, Virginia 23803

**INITIAL LIMITED PARTNER:**

Petersburg Redevelopment and  
Housing Authority  
128 S. Sycamore Street, Annex Building  
Petersburg, Virginia 23803

7. **Term.** The term of the Partnership shall commence upon the filing of the Partnership's limited partnership certificate with the Virginia State Corporation Commission pursuant to the Act and shall continue until January 31, 2115.

8. **Capital Contributions.** The General Partner and the Initial Limited Partner have contributed \$1.00 and \$99.00 in cash, respectively, to the capital of the Partnership. The Initial Limited Partner has not agreed to make any additional contributions to the Partnership. No Partner shall be required to make any additional capital contribution, but any Partner, at any time with the consent of the General Partner, may make further and additional contributions; provided, however, that the division of profits and losses provided in Paragraph 10 hereof shall not be altered, nor shall a Partner's percentage interest be increased because of such additional capital contributions.

9. **Withdrawal of Initial Limited Partner.** The Initial Limited Partner shall withdraw and be returned his contribution to the capital of the Partnership upon the admission of additional limited partners to the Partnership.

10. **Profits, Losses, Cash Flow and Cash Proceeds.**

a. All profits, losses, tax credits, cash flow (as defined below) from operations or from a sale, refinancing or other disposition of the Project or any other transaction shall be allocated or distributed, as the case may be, among the Partners as follows:

<u>General Partner</u>	<u>Percentage</u>
Sycamore Towers Apartments G.P., LLC	0.01%
 <u>Initial Limited Partner</u>	
Petersburg Redevelopment and Housing Authority	99.99%

b. For purposes of this Agreement, "cash flow" is defined to mean "net profits" derived from all property owned by the Partnership as ascertained through the use of standard, generally accepted accounting practices, except that (a) depreciation of buildings, improvements, furniture, fixtures, furnishings and equipment shall not be taken into account, (b) mortgage amortization paid by the Partnership in the discretion of the General Partner for capital improvements shall be considered a deduction, and (c) if the General Partner shall so determine, a reasonable reserve shall be deducted to provide funds for improvements or for any other contingencies of the Partnership. The cash flow of the Partnership for each calendar year shall be distributed to the Partners within a reasonable time after the end of each year.

c. The Partnership shall maintain on its books and records a capital account for each Partner (a "Capital Account"), which shall be increased by the amount of all cash contributions and the adjusted basis of property (net of any liabilities assumed by the

Partnership and any liabilities to which such property is subject) contributed to the capital of the Partnership by, and the amount of any taxable income, exempt income and gains of the Partnership allocated after the date hereof to, such Partner and shall be decreased by the amount of all cash and the Partnership's adjusted basis for any distributed property (net of liabilities assumed by such Partner and liabilities to which such property is subject), such Partner's share of any Partnership expenditures which are not deductible in computing taxable income and not normally chargeable to the Capital Account, and the amount of any taxable loss allocated to such Partner. The Capital Account of a Partner shall not be decreased by the payment of any fee to, or the reimbursement of any expense incurred by, such Partner, nor shall the Capital Account be increased by the failure to pay any fee to, or failure to reimburse any expense incurred by, a Partner.

Except as otherwise specifically provided for herein, whenever it is necessary to determine the Capital Account of any Partner, the Capital Account of the Partner shall be determined after giving effect to all allocations of taxable income, gain and loss attributable to transactions effected prior to the time such determination is made and all distributions theretofore made for such year under this Paragraph 10. The Capital Account will be adjusted by any excess gain or loss incurred by reason of an election pursuant to Section 754 of the Code. Any transferee of an interest in the Partnership shall have a Capital Account which reflects the Capital Account of the transferor immediately preceding such transfer.

d. No Partner with a negative balance in its Capital Account shall be obligated to restore such negative balance or to make a contribution to the capital of the Partnership solely by reason thereof; provided, however, that any Partner with a negative balance in its Capital Account following (i) the expiration of the term or the dissolution of the Partnership, (ii) the completion of the adjustments to its Capital Account required to reflect the termination of the Partnership and the allocations and distributions to the Partners pursuant to this Paragraph 10 and (iii) the delivery to the Partner of a certificate from the Partnership's accountants, prepared in good faith and at the expense of the Partnership, setting forth the calculation of such Partner's negative Capital Account balance, shall be obligated to pay the Partnership, within ten (10) days after the receipt of such certificate, an amount equal to the negative balance in its Capital Account.

11. **Assignment of Initial Limited Partner's Interest.** The Initial Limited Partner may not substitute an assignee in his place without the consent of the General Partner, which may be withheld for any reason, and which shall be conditioned upon (a) the sale, assignment or transfer instrument being in form and substance satisfactory to the General Partner; (b) the execution and acknowledgment by the assignor, vendor or other transferee named therein of such instruments as the General Partner may deem necessary or desirable to effectuate such admission; (c) the assignee's, vendee's or other transferee's written acceptance and adoption of all terms, provisions and obligations under the documents governing the Partnership as the same may have been amended; and (d) the assignee, vendee or other transferee paying all reasonable expenses connected with such admission, including, but not limited to, the cost of preparing an amended agreement of limited partnership to effect such admission.

12. **Additional Limited Partners.** Additional limited partners may be admitted to the Partnership by the General Partner without the consent of the Initial Limited Partner.

13. **No Priority.** No limited partner shall have priority over any other limited partner with respect to contributions or as to compensation by way of income.

14. **Losses of Limited Partners.** Notwithstanding anything to the contrary contained herein, the liability of limited partners for payment of any losses of the Partnership shall in no event exceed their required contributions to the capital of the Partnership. For purposes of Partnership accounting, however, all Partnership losses shall be charged against the Capital Accounts of the Partners in the ratios set forth in Paragraph 10 hereof, and if a negative balance appears in the Capital Account for any Partner, such negative balance shall be offset by any future net profits of the Partnership allocable to said Partner.

15. **Continuation of Business.** Upon termination, bankruptcy or insolvency of the General Partner or the occurrence of any other event resulting in the dissolution of the Partnership, all the limited partners shall have the right, but not the obligation, to continue the business of the Partnership and, if necessary, designate one or more persons or entities to be substituted as general partner. In the event the limited partners elect so to continue the business, the former General Partner's interest shall become a limited partnership interest subject, however, to all of the priorities with respect to allocations and distributions as if the interest of the General Partner had not been so changed.

16. **Distributions.** No limited partner has the right to demand or receive property other than cash in return for his contribution.

17. **Management, Duties and Restrictions.**

a. The General Partner shall devote such time to the Partnership as reasonably required for its welfare and success.

b. No limited partner will participate in the management of the Partnership business unless such Partner is also the General Partner and then only in the Partner's capacity as a General Partner.

c. The Initial Limited Partner hereby consents to the employment, when and if required, of such brokers, consultants, managers and other agents, contractors, accountants and attorneys as the General partner may from time to time determine.

d. The General Partner and the Initial Limited Partner may engage in or possess an interest in other business ventures of any nature and description, independently or with others, including, but not limited to, the ownership, financing, leasing, operation, management or development of real estate, and neither the Partnership

nor any of the Partners thereof shall have any rights by virtue of this Agreement in or to such independent ventures or to the income or profits derived therefrom.

18. **Execution of Documents.** All documents of any nature required to be signed on behalf of the Partnership shall be signed by the General Partner. Without limiting the generality of the foregoing, the General Partner shall have full power to execute any document necessary or desirable to effect the purposes of the Partnership as set forth herein and to execute deeds, mortgages, notes and leases, to sell all or any part of the Project and all other Partnership property and, in particular, for purposes of executing any and all notes, mortgages, construction/rehabilitation loans or other agreements, and any and all documents required or deemed necessary for the purposes of the Partnership.

19. **Limit on General Partner Liability.** Notwithstanding anything in this Agreement to the contrary, no General Partner shall be liable for the return of the capital contributions of a limited partner or any portion thereof, it being expressly understood that any such return shall be made solely from Partnership assets.

20. **Termination Prior to End of Term.** The Partnership may be terminated prior to its term with the approval of the General Partner and of a majority in interest of the limited partners by providing at least thirty (30) days' prior written notice to the Partners.

21. **Distributions on Termination.** In the event of the dissolution and termination of the Partnership, the General Partner shall liquidate the Partnership and the proceeds of such liquidation shall be applied and distributed in the following order of priority:

a. To the payment of the debts and liabilities of the Partnership and the expenses of liquidation.

b. To the setting up of any reserves which the General Partner may deem reasonably necessary for any contingent or unforeseen liabilities or obligations of the Partnership or of the General Partner arising out of or in connection with the Partnership.

c. Any balance remaining shall be distributed among all the Partners in proportion to their respective interests.

22. **Indemnification.** Neither the Partnership nor any Partner shall have any claim against the General Partner, and the Partnership shall indemnify the General Partner against any liability incurred by the General Partner, provided that the act or omission giving rise to such claims or liabilities was performed by the General Partner for and on behalf of the Partnership and in furtherance of the Partnership's interests, and was performed in good faith in the belief that the General Partner was acting within the scope of the General Partner's authority under this Agreement. The foregoing shall not relieve the General Partner of liability for negligence or malfeasance.

23. **Amendment.** This Agreement may be modified or amended at any time by all the Partners.

24. **Applicable Law.** This Agreement and the rights of the parties hereunder shall be governed and construed in accordance with the laws of the Commonwealth of Virginia. Except as otherwise provided herein, the rights, duties and obligations of the Partners shall be as provided for in the Act.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the General Partner and the Initial Limited Partner have executed this Agreement of Limited Partnership as of the date first above written.

GENERAL PARTNER:

Sycamore Towers Apartments G.P., LLC,  
a Virginia limited liability company

By: Petersburg Redevelopment and Housing Authority,  
a political subdivision of the commonwealth of  
Virginia

Its: Member

By: Nathaniel Pride  
Name: Nathaniel T. Pride  
Title: Executive Director

INITIAL LIMITED PARTNER:

Petersburg Redevelopment and Housing Authority,  
a political subdivision of the Commonwealth of Virginia

By: Nathaniel Pride  
Name: Nathaniel T. Pride  
Title: Executive Director



## EXHIBIT A

### Legal Description

All those four (4) certain parcels of land with the improvements thereon and appurtenances thereto belonging, lying, being and situate in the City of Petersburg, State of Virginia, and being described by metes and bounds as follows, to-wit:

BEGINNING at a point on the western line of South Sycamore Street located at a point One Hundred Ninety-five and thirty-eight-hundredths (195.38) feet north of the intersection of College Alley; thence along a line N. 82° 00' 07" W. Two Hundred Seventeen and seventeen-hundredths (217.17) feet to an iron pin; thence along a line N 10° 03' 05" E. Fifty-five and ten-hundredths (55.10) feet to a point; thence along a line N. 82° 01' 30" W. Sixty-five and fifty-four-hundredths (65.54) feet to a point; thence along a line N. 6° 58' 42" E. One Hundred Seventy-three and eleven-hundredths (173.11) feet to a point; thence along a line S. 76° 44' 04" E. Sixty-five and thirty-five hundredths (65.35) feet to a point; thence along a line S. 7° 50' 05" W. Forty-two and twenty-five-hundredths (42.25) feet to a point; thence along a line S. 82° 08" E. Two Hundred Fifteen and forty-seven hundredths (215.47) feet to a point on the western line of South Sycamore Street; thence along the western line of South Sycamore Street S. 7° 00' W. One Hundred Eighty and thirty-eight-hundredths (180.38) feet to the point of beginning.

Reference to the following deeds is hereby made:

- (1) Maxine S. Barney, widow, dated February 16, 1971, recorded in the Clerk's Office of the Hustings Court of Petersburg, Virginia, in Deed Book 307 at page 39;
- (2) Thomas F. Cooper et al, dated February 16, 1971, recorded in the aforesaid Clerk's Office in Deed Book 307 at page 42;
- (3) Noldi W. Creasy, widow, dated February 16, 1971, recorded in the aforesaid Clerk's Office in Deed Book 307 at page 45; and
- (4) Baycon Corporation, a Virginia Corporation, dated April 20, 1971, recorded in the aforesaid Clerk's Office in Deed Book 307 at page 36;

A plat of the aforesaid properties, dated June 19, 1970, entitled, "Plat Showing Property to be Acq. By Baycon Corp.", made by R.A. Bristow, C.L.S., is of record in the aforesaid Clerk's Office in Deed Book 307 at page 57.

OPERATING AGREEMENT  
OF  
SYCAMORE TOWERS APARTMENTS G.P., LLC

OPERATING AGREEMENT  
of  
SYCAMORE TOWERS APARTMENTS G.P., LLC

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## OPERATING AGREEMENT

In consideration of the mutual promises of the parties hereto, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned hereby enter into this Operating Agreement (the "Agreement") for the governance of SYCAMORE TOWERS APARTMENTS G.P., LLC (the "Company") on the following terms and conditions:

### ARTICLE I ORGANIZATION

1.1 Name. The business of the Company shall be conducted under the name of Sycamore Towers Apartments G.P., LLC

1.2 Term. The duration of the Company shall be ninety-nine (99) years from the date a Certificate of Organization has been issued by the State Corporation Commission, unless sooner terminated as hereinafter provided.

1.3 Place of Business. The Company's principal place of business shall be located at 128 S. Sycamore Street, Annex Building, Petersburg, Virginia 23803, or at such other place as the Secretary may designate.

1.4 Purpose. The purpose of the Company is to engage in any and all business activities permitted under Virginia law, including ownership of real estate and personal property.

### ARTICLE II COMPANY CAPITAL AND CONTRIBUTIONS

2.1 Contributions. The Members shall make no initial contributions to the capital of the Company.

2.2 Additional Contributions. Except as set forth in this Agreement, no Member shall be required to make additional contributions to the Company.

2.3 Interest. No Member shall receive interest on his contribution to the capital of the Company. No Member shall have the right to receive property other than cash under any circumstance requiring a return of his contribution.

2.4 Advances. Any loan made by a Member to the Company shall be a term loan and shall bear interest at a rate equal to five percent.

ARTICLE III  
ALLOCATIONS AND DISTRIBUTIONS  
DURING OPERATIONS

3.1 Distributions. Cash available for distribution shall be distributed each year among the Members in proportion to the then effective percentage interests shown opposite their respective signatures hereto ("Percentage Interests"). For purposes of this Section, cash available for distribution shall include cash determined by the Members to be available, taking into consideration necessary or desired reserves, the tax and other requirements of the Company, and other relevant factors, from operations, a refinancing, or a capital transaction other than a sale of all of the Company's property upon termination of the Company, which shall be governed by Article IX. Cash available for distribution from normal business operations of the Company shall be distributed at least annually. Cash available for distribution as a result of a refinancing or a capital transaction shall be distributed to the Members within thirty days after receipt thereof by the Company.

3.2 Fiscal Year. The Company's fiscal year shall be the calendar year, January 1 through December 31, except as otherwise provided by the Members.

3.3 Liability to Creditors. Except as otherwise required by law or as set forth in this Agreement, no Member shall be liable for the obligations or losses of the Company.

ARTICLE IV  
MEMBERS

4.1 Management and Voting Entitlement. Unless and to the extent the Members elect a Secretary or other officers and delegate management to them, management shall be vested in the Members. Notwithstanding any provision contained elsewhere in this Agreement, no Member shall have the authority, without the consent of at least two-thirds of the Members (i) to transfer any real estate of the Company, (ii) to confess a judgment against the Company, (iii) to make an assignment for the benefit of the Company's creditors, (iv) to do any act that would make it impossible to carry on the ordinary business of the Company, or (v) to do any act in contravention of this Agreement. Each Member shall devote such time to the business of the Company as is required to conduct its business in an efficient and profitable manner. However, each Member shall have the right to engage in other businesses, including ones that compete with the business of the Company. Each Member is entitled to vote on each matter voted on at a Members' meeting in proportion to the Percentage Interest of such Member, with each whole percentage point being entitled to one vote. Each signatory hereto and each Substituted Member shall be treated as a Member for all other purposes of this Agreement.

4.2 Annual Meeting. Commencing with the year 2016, the annual meeting of the Members of the Company shall be held on the third Monday in January of each year (and if such date is a legal holiday, on the next business day), or on any other date as may be agreed to by the Members, for the purpose of electing a Secretary and transacting such other business as may

properly come before the meeting.

4.3 Special Meeting. Special meetings of the Members may be called by the holders of at least twenty percent of all votes entitled to be cast on any issue proposed to be considered at the meeting. Special Meetings may be called by signing, dating and delivering to the Secretary one or more written demands for such a meeting describing the purpose or purposes for which the meeting is to be held.

4.4 Action Without Meeting. Action required or permitted to be taken by the Members at a Members' meeting may be taken without a meeting and without action by the Secretary if the action is taken by all the Members entitled to vote on the action. The action shall be evidenced by one or more written consents describing the action taken, signed by all the Members entitled to vote on the action and delivered to the Secretary of the Company for inclusion in the minutes or filing with the Company records. Any action taken by unanimous written consent shall be effective according to its terms when all consents are in possession of the Company. A Member may withdraw his consent only by delivering a written notice of withdrawal to the Company prior to the time that all consents are in the possession of the Company. Action taken under this Section is effective as of the date specified in the consent provided the consent states the date of execution by each Member. A consent signed under this Section has the effect of a unanimous vote of voting Members and may be described as such in any documents.

4.5 Conference Call Meetings. The Members may participate in a Members' meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this section shall constitute presence in person at such meeting of the Members.

4.6 Notice of Meeting. The Company shall notify Members of the date, time and place of each annual and special Members' meeting. Such notice shall be given no less than ten nor more than sixty days before the meeting date except that notice of a Members' meeting to act on an amendment of the Articles of Organization, a plan of merger or share exchange, a proposed sale of all or substantially all of the assets of the Company, otherwise than in the usual and regular course of business, or the dissolution of the Company shall be given not less than twenty-five nor more than sixty days before the meeting date, which notice shall be accompanied by a copy of the proposed amendment, plan of merger, share exchange or dissolution or agreement pursuant to which the proposed sale will be effected. Unless the applicable law or the Articles of Organization require otherwise, the Company is required to give notice only to Members entitled to vote at the meeting and notice of an annual meeting need not state the purpose or purposes for which the meeting is called. Notice of a special meeting, however, shall state the purpose or purposes for which the meeting is called.

4.7 Waiver of Notice. A Member may waive any notice required by law, the Articles of Organization or hereunder before or after the date and time of the meeting that is the subject of such notice. The waiver shall be in writing, be signed by the Member entitled to the notice and be delivered to the Secretary of the Company for inclusion in the minutes or filing with the Company records. A Member's attendance at a meeting (1) waives objection to lack of notice or defective

notice of the meeting, unless the Member at the beginning of the meeting objects to holding the meeting or transacting business at the meeting and (2) waives objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the Member objects to considering the matter when it is presented.

4.8 Determination of Members of Record. The Secretary may fix in advance the record date in order to make a determination of Members entitled to notice of, or to vote at, any meeting of the Members or any adjournment thereof, to receive payment of any dividend or distribution, to demand a special meeting, to take action without a meeting or to make a determination of Members for any other proper purpose. A record date fixed under this Section may not be more than seventy days before the meeting or action requiring a determination of Members. If not otherwise fixed by the Secretary, the record date for determining Members entitled to (i) notice of and to vote at a Members' meeting is the close of business on the day before the effective date of the notice to Members, (ii) receive payment of any dividend or distribution, other than a distribution involving a repurchase or acquisition of members by the Company, is the date the Secretary authorizes the dividend or distribution, (iii) demand a special meeting is the date the first Member signs the demand and (iv) take action without a meeting is the date the first Member signs the consent.

4.9 Place of Meeting. Meetings of the Members shall be held at the principal office of the Company or at such other place, within or without the Commonwealth of Virginia as may be designated by the Secretary and set forth in the notice of the meeting.

4.10 Proxies. A Member may vote in person or by proxy. A Member may appoint a proxy to vote or otherwise act for him by signing an appointment form, either personally or by his attorney-in-fact. An appointment of a proxy is effective when received by the Secretary or agent authorized to tabulate votes. An appointment is valid for eleven months unless a longer period is expressly provided in the appointment form. An appointment of a proxy is revocable by the Member unless the appointment form conspicuously states that it is irrevocable and the appointment is coupled with an interest. An appointment made irrevocable by being coupled with an interest is revoked when such interest is extinguished. The death or incapacity of the Member appointing a proxy does not affect the right of the Company to accept the proxy's authority unless notice of the death or incapacity is received by the Secretary or agent authorized to tabulate votes before the proxy exercises his authority under the appointment.

4.11 Quorum and Voting Requirements for Voting Groups. Members entitled to vote as a separate voting group, in the case of multiple voting groups, may take action on a matter at a meeting only if a quorum of those members exists with respect to that matter. Unless the Articles of Organization or the relevant law provides otherwise, a majority of the membership interests entitled to be cast on the matter by the voting group constitutes a quorum for action on that matter. Once a member is represented for any purpose at a meeting, that member's membership interest is deemed present for quorum purposes for the remainder of the meeting and for any adjournment of that meeting unless a new record date is or shall be set for that adjourned meeting. If a quorum exists, action on a matter is approved if the votes cast favoring the action exceed the votes cast opposing the action, unless the Articles of Organization, relevant law, or this Agreement requires a greater number of affirmative votes.



ARTICLE V  
OFFICERS

5.1 Officers. The Members may elect such officers and assistant officers and fill any vacancy at any regular or special meeting of the Members. A duly appointed officer may appoint one or more officers or assistant officers as may be authorized herein or by the Members. The same individual may simultaneously hold more than one office. Each officer shall be appointed to hold office until the next succeeding regular meeting of the Members or for such longer or shorter terms as may be specified, and until his successor shall have been elected or such earlier time as he shall resign, die or be removed. Each officer shall have the authority and perform the duties set forth herein or, to the extent consistent herewith, the duties prescribed by the Members or by direction of an officer authorized by the Members to prescribe the duties of other officers.

5.2 Officers' Authority. The officers (if any) shall have such authority as may be given at the time of their election, provided, however, the Company shall have a Secretary who or which shall have the authority to perform ministerial acts in carrying out the material management and business decisions approved by the Members. By way of illustration of such ministerial acts, the Secretary may enter into and execute deeds, contracts, leases, subleases, or modifications thereof, in connection with the Company's business; may preside at meetings of the Members; may call special meetings of the Members for any purpose; may hire, appoint and discharge, subject to the approval of the Members, employees and agents of the Company; may give, or cause to be given, notices of all meetings of Members, and all other notices required herein or by law; may record the proceedings of the meetings of the Members in a book kept for that purpose; may authenticate records of the Company; may keep or cause to be kept full and accurate books of account; may render a financial statement showing all transactions and the financial condition of the Company as may be required by the Members; and may perform such other duties as may be assigned from time to time by the Members. In all events, the Secretary's authority shall be limited to ministerial acts performed as an agent of the Members, within the meaning of Treasury Regulation §301.6404-2(b)(2). Until a successor is duly elected, the Member listed first on the signature page hereto shall be the Secretary of the Company.

5.3 Resignation and Removal. An officer may resign at any time by delivering notice to the Company. A resignation is effective when the notice is delivered unless the notice specifies a future effective date. If a resignation is made effective at a future date and the Company accepts such future effective date, it may fill the pending vacancy before such date but the successor shall not take office until such date. The Members may remove any officer at any time with or without cause and any officer or assistant officer, if appointed by another officer, may likewise be removed by such officer.

5.4 Salaries. The Company may pay all of its officers reasonable compensation for their services and shall reimburse their out-of-pocket expenses incurred on behalf of the Company.

ARTICLE VI  
TRANSFER OF INTERESTS

6.1 Right of First Refusal. No Member may transfer all or part of his interest in the Company without first offering such interest in writing to the other Members at a price equal to the amount offered for such interest by a third party and on the same terms and conditions. If the other Members do not accept the offer within thirty days, the selling Member will be free for a period of sixty days thereafter to transfer such interest but only in strict compliance with the terms of the third party offer. A transfer of interest to any person on account of the death of a Member or by a Member to a Member's spouse or lineal descendants or to a trust for the benefit of a Member, his spouse or his lineal descendants shall not be subject to the transfer restriction of this Section. The transferor and not the transferee shall be treated as the Member for all purposes of this Agreement in the event of an attempted transfer not in compliance with this Section. In the event of a transfer in compliance with this Section, the transferee shall be entitled to receive the share of profits and distributions of the transferor Member but may not participate in the management or affairs of the Company or have any vote on any matter unless and until admitted as a Substituted Member.

6.2 Admission of Transferee. As conditions to admission as a Substituted Member, (a) the other Members shall unanimously consent to the substitution; (b) the transferee shall execute and acknowledge such instruments in form and substance as counsel to the Company deems necessary to effect such admission and to confirm the agreement of the person being admitted as a Substituted Member to be bound by all of the terms and provisions of this Agreement, as it may have been amended; and (c) the transferee shall pay all reasonable expenses in connection with his admission as a Substituted Member. A Substituted Member shall have all of the rights and privileges of the transferor and shall be substituted for the transferor in all respects, including receiving by transfer the Capital Account of the Transferor.

6.3 Pledge. A Member may assign his right to receive distributions hereunder, but not his entire interest, to secure a bona fide obligation, provided that a written security agreement evidencing such assignment is filed with the Company.

ARTICLE VII  
RESIGNATION OF MEMBERS

No Member may voluntarily resign from the Company.

ARTICLE VIII  
FINANCIAL RECORDS

8.1 Company Books. The Company shall maintain accurate books of the affairs of the Company at its principal office using such methods as may be approved from time to time by the Members. Each Member shall have the right to inspect and examine such books at reasonable times. The Company or the accountant regularly servicing the Company and appointed by the

Members shall close and balance or review such books at the end of each fiscal year of the Company and shall have delivered to each Member, within ninety days after the expiration of each fiscal year of the Company, a copy of the balance sheet, and related statements of income and expense, and sources and uses of funds, together with a statement showing the income or loss and Capital Account of each Member, the distributions to each Member and all information necessary for a Member to prepare his federal and state tax returns.

8.2 Banking. The Company shall maintain a bank account in which all funds of the Company shall be deposited. This account may be co-mingled with other accounts, if appropriate accountings are made. The Company's funds shall be used solely for the business of the Company, and all withdrawals therefrom shall be made upon checks signed by one or more Members.

#### ARTICLE IX DISSOLUTION AND TERMINATION

9.1 Dissolution. The Company shall be dissolved upon the earlier of the following: (i) the consent of at least two-thirds of the Members; (ii) the entry of a decree of judicial dissolution; (iii) the transfer of all of the property owned by the Company; (iv) the expiration of the stated term; or (v) the death, expulsion, bankruptcy, or dissolution of a Member or any other event that terminates the continued membership of a Member unless the business of the Company is continued by the unanimous consent of the remaining Members. Upon dissolution, absent the unanimous consent of the Members to continue the Company, the Members shall wind up the affairs of the Company, and distribute its assets or proceeds thereof. A reasonable time as determined by the Members, but not to exceed eighteen months, shall be allowed for the orderly liquidation and distribution of the assets of the Company.

9.2 Distributions. Upon liquidation and after the payment of all the debts and liabilities of the Company, the Company's remaining assets, whether in cash or in kind, shall be distributed to the Members in the ratio of their respective percentage interest.

#### ARTICLE X GENERAL PROVISIONS

10.1 Additional Members. No person shall be added as a Member of the Company without the written consent of all Members.

10.2 Notices. All notices contemplated by this Agreement shall be in writing addressed to the parties at the addresses set forth opposite their signatures to this Agreement or at such other addresses of which the Company shall have been notified in writing by the Member, and to the Company at its principal office, by certified mail, return receipt requested.

10.3 Elections and Other Tax Matters. The Company intends to make an election under Section 168(h) of the Code in the time and manner specified in the Code and regulations in order to be treated as a corporation for tax purposes. The Member listed first on the signature page hereto shall be the "tax matters partner" within the meaning of Section 6231 of the Code until a successor

is chosen by the Members.

10.3.1. Tax Matters Member. Petersburg Redevelopment and Housing Authority shall also be the Tax Matters Member and, as such, shall be solely responsible for representing the Company in all dealings with the Internal Revenue Service and any state, local, and foreign tax authorities, but the Tax Matters Member shall keep the other Members reasonably informed of any Company dealings with any tax agency.

10.3.1.1. The Tax Matters Member shall have the right to resign by giving thirty (30) days written notice to each Member. Upon the resignation, death, legal incompetency, or bankruptcy of the person serving as the Tax Matters Member, a successor to serve in such capacity shall be designated by affirmative vote of the Members holding a majority of the membership interests.

10.3.1.2. The Tax Matters Member shall employ experienced tax counsel to represent the Company in connection with any audit or investigation of the Company by the Internal Revenue Service, and in connection with all subsequent administrative and judicial proceedings arising out of such audit. The fees and expenses of such counsel shall be a Company expense and shall be paid by the Company. Such counsel shall be solely responsible for representing the Company; it shall be the responsibility of the Tax Matters Member and all other Members, at their own expense, to employ tax counsel to represent their respective separate interests.

10.3.1.3. The Tax Matters Member shall keep the Members informed of all administrative and judicial proceedings as required by IRC Code Section 6223(g) and shall furnish to each Member a copy of each notice or other communication received by the Tax Matters Member from the IRS, except such notice or communication sent directly to the Members by the IRS. All expenses incurred by the Tax Matters Member and serving in such capacity shall be Company expenses and shall be paid by the Company.

10.3.1.4. The Tax Matters Member shall not do any of the following unless such action has been approved by the affirmative vote of the Members holding a majority of the membership interests;

10.3.1.4.1. Enter into a settlement agreement with the IRS which purports to bind the Members, other than the Tax Matters Member;

10.3.1.4.2. File a petition as contemplated in IRC Code Sections 6226(a) or 6228;

10.3.1.4.3. Intervene in any action as contemplated in IRC Code Section 6226(b);

10.3.1.4.4. File any requests contemplated in IRC Code Section 6227(b); or

10.3.1.4.5. Enter into any agreement extending the period of limitations as provided in IRC Code Section 6229(b)(1)(B).

10.3.1.5. The relationship of the Tax Matters Member to the Members is that of a fiduciary, and the Tax Matters Member has a fiduciary obligation to perform the duties of Tax Matters Member in such manner as will serve the best interests of the Company and the Members.

10.3.1.6. The Company shall indemnify the Tax Matters Member (including the Officers and Directors of a Corporate Tax Matters Member) against judgments, fines, amounts paid in settlement, and expenses (including attorney's fees) reasonably incurred in a civil, or investigative proceeding in which it is involved or threatened to be involved by reason of being the Tax Matters Member, provided that the Tax Matters Member acted in good faith, within what is reasonably believed to be the scope of his authority and for a purpose which it reasonably believed to be in the best interests of the Company or the Members. The Tax Matters Member shall not be indemnified under this provision against any liability to the Company or the Members to which it otherwise would be subject by reason of willful misfeasance, bad faith, gross negligence, or reckless disregard of the duties involved in the conduct of its office. The indemnification provided hereunder shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any applicable statute, agreement, vote of the Members, or otherwise.

10.4 Governing Law. All questions regarding the construction of this Agreement and the rights and liabilities of the parties shall be determined in accordance with the laws of the Commonwealth of Virginia without regard to the conflict of laws provisions thereof.

10.5 Binding Effect. This Agreement shall be binding upon and, provided the conditions of Section 6.2 hereof have been satisfied, shall inure to the benefit of all of the Members and their respective successors in interest, personal representatives, estates, distributees, legatees, and permitted assigns.

10.6 Interpretation. When the context in which words are used in this Agreement so indicates, words in the singular number shall include the plural, and vice versa, and words in the masculine gender shall include the feminine and neuter genders, and vice versa. The term "person" and pronouns shall include an individual, corporation, partnership, limited liability company or other entity. Reference to a statute shall also be deemed to refer to successor provisions thereof.

10.7 Validity. If a provision of this Agreement is declared invalid, such invalidity shall not invalidate the remainder of this Agreement.

10.8 Entire Agreement; Amendments. This Agreement contains the entire understanding among the Members and supersedes all prior written and oral agreements among them regarding the subject matter of this Agreement. No representation, agreement, arrangement or understanding, oral or written, exists among the Members relating to the subject matter of this Agreement that is not fully expressed herein. All amendments to this Agreement must be made in writing and approved by at least a majority of the votes entitled to be cast by the Members. If the Agreement is amended in accordance with this Section, each of the Members shall sign all documents that may be necessary or desirable, in the discretion of the Secretary, including, without limitation, an amended Operating Agreement and amended Articles of Organization.

10.9 Agreement in Counterparts. This Agreement may be executed in several counterparts and all counterparts so executed shall constitute one agreement, binding on all the parties hereto, notwithstanding that all of the parties are not signatory to the original or the same counterpart.

10.10 Captions. Any section or paragraph title or caption contained in this Agreement is for convenience of reference only, and shall not be deemed a part of or construed to affect the meaning of this Agreement.

10.11 Registered Office and Agent. The Company shall at all times have a registered office and a registered agent. The Registered Agent shall give notice, when necessary, to each Member.

[Remainder of Page Intentionally Left Blank. Signatures on Next Page]

IN WITNESS WHEREOF, the Member has signed this Agreement as of the 19th day of February, 2015.

Name &  
Signature

EIN  
& Address

Percentage  
Interest

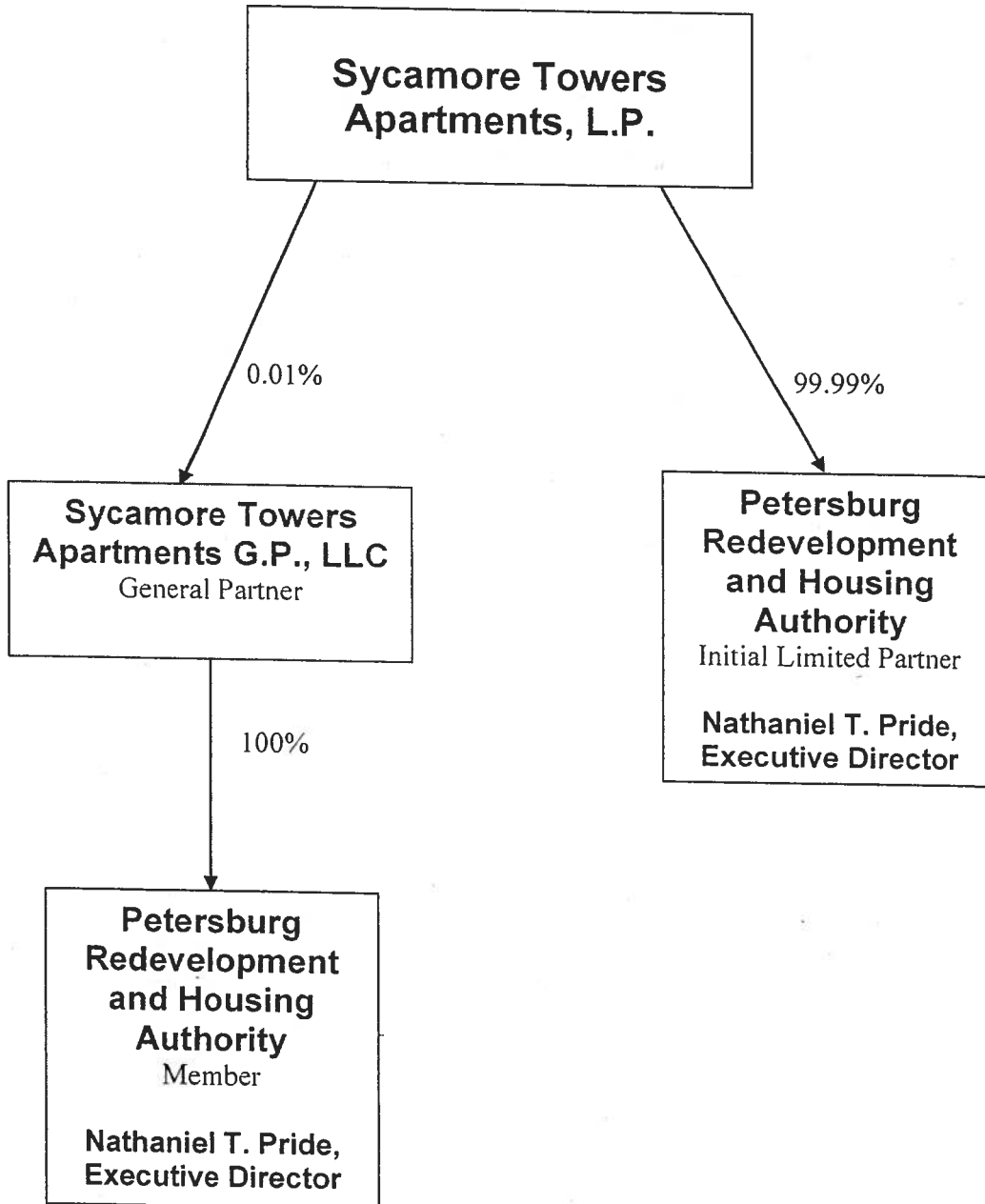
**Petersburg Redevelopment and  
Housing Authority**

EIN: 54-0837330  
128 S. Sycamore Street  
Annex Building  
Petersburg, VA 23803

100%

By: *Nathaniel T. Pride*  
Name: Nathaniel T. Pride  
Title: Executive Director

Ownership Chart for Sycamore Towers Apartments





FIRST AMENDMENT TO  
AGREEMENT OF LIMITED PARTNERSHIP OF  
SYCAMORE TOWERS APARTMENTS, L.P.,  
A VIRGINIA LIMITED PARTNERSHIP

**THIS FIRST AMENDMENT TO AGREEMENT OF LIMITED PARTNERSHIP OF SYCAMORE TOWERS APARTMENTS, L.P.**, a Virginia limited partnership (this "Amendment") is made as of November 26, 2018 by and between **SYCAMORE TOWERS APARTMENTS G.P., LLC**, a Virginia limited liability company (the "General Partner") and **PETERSBURG REDEVELOPMENT AND HOUSING AUTHORITY**, a political subdivision of the Commonwealth of Virginia (the "Initial Limited Partner" or "PRHA"). The General Partner and the Initial Limited Partner are collectively referred to as the "Partners."

A. The General Partner and the Initial Limited Partner are all of the Partners in Sycamore Towers Apartments L.P., a Virginia limited partnership (the "Partnership").

B. The Partnership was formed pursuant to the Revised Uniform Limited Partnership Act as enacted by the Commonwealth of Virginia by a Certificate of Limited Partnership filed with the Virginia State Corporation Commission (the "Filing Office") on February 19, 2015.

C. The Partnership is governed by that certain Agreement of Limited Partnership of the Partnership dated as of February 19, 2015 (the "Partnership Agreement"). Capitalized terms not otherwise defined herein shall have the meanings given them in the Partnership Agreement.

D. The parties hereto desire to amend the Partnership Agreement as set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree to amend the Partnership Agreement as follows:

1. RAD Provisions. Article 25 entitled "Provisions Relating to RAD Conversion" is hereby added to the Partnership Agreement:

Notwithstanding any other clause or provision in the Partnership Agreement or the Certificate of Limited Partnership and so long as the Rental Assistance Demonstration Use Agreement to be executed on behalf of the Partnership, as amended from time to time ("Use Agreement") is in effect, the following provisions shall apply:

(a) If any of the provisions of this Partnership Agreement conflict with the terms of the Use Agreement, the provisions of the Use Agreement shall control.

(b) The provisions in this Article 25 are required to be inserted into the Partnership Agreement by the Department of Housing and Urban Development ("HUD") and may not be amended without HUD's prior written approval. If there is a conflict between any of these HUD-required provisions and any other provision of this Agreement, the terms of these

HUD-required provisions will govern. If there is a conflict between any of the provisions in the Certificate of Limited Partnership and these HUD-required provisions of this Agreement, these HUD-required provisions will govern. If there is a conflict between the Use Agreement or these HUD-required provisions relating to the Rental Assistance Demonstration ("RAD") and any HUD-required provisions relating to mortgage insurance provided in connection with the National Housing Act, the more restrictive provisions shall control.

(c) The Partners acknowledge that provision of rental assistance to Sycamore Towers depends on Sycamore Towers Apartments G.P., LLC to be a Partner in Sycamore Towers Apartments, L.P. and to be controlled by PRHA. The General Partner may not transfer all or part of its interest in the Partnership without prior written consent of HUD. Failure of the General Partner to be controlled by PRHA, except as provided herein, shall be a violation of this Agreement and may cause termination of such rental assistance.

(d) Neither the Sycamore Towers Apartments, L.P. nor any Partner shall have any authority to:

(i) Take any action in violation of the Use Agreement; or

(ii) Fail to renew the HAP Contract upon such terms and conditions applicable at the time of renewal when offered for renewal by PRHA or HUD.

(e) Without the Consent of the General Partner, neither the Partnership nor any Partner shall have any authority to:

(i) Except to the extent permitted by the HAP Contract or Use Agreement, transfer, convey, assign, mortgage, pledge, sell, lease, sublease or otherwise dispose of, at any time, the Sycamore Towers project or any part thereof; or

(ii) Amend, renew or terminate the Management Agreement or enter into a new property management agreement.

2. No Other Modifications or Waivers. The Partnership Agreement, as amended hereby, remains in full force and effect. Except as otherwise provided herein, no Partner waives, releases or terminates any of its rights or remedies against the other Partner or agrees to forbear in the exercise of any such rights or remedies.

3. Counterparts. This Amendment may be executed in any number of counterparts, and each such counterpart shall be deemed for all purposes to be an original, and all such counterparts shall together constitute but one and the same Amendment.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties have affixed their signatures to this First Amendment to Agreement of Limited Partnership of Sycamore Towers Apartments, L.P., as of the date first written above.

GENERAL PARTNER:

Sycamore Towers Apartments G.P., LLC,  
a Virginia limited liability company

By: Petersburg Redevelopment and Housing  
Authority, a political subdivision of the  
Commonwealth of Virginia

Its: Member

By: *Nathaniel T. Pride*

Name: Nathaniel T. Pride

Title: Executive Director

INITIAL LIMITED PARTNER:

Petersburg Redevelopment and Housing Authority,  
a political subdivision of the Commonwealth of  
Virginia

By: *Nathaniel T. Pride*

Name: Nathaniel T. Pride

Title: Executive Director

B

Virginia State Corporation  
Commission Certification  
(MANDATORY)

# Commonwealth of Virginia



## STATE CORPORATION COMMISSION

Richmond, February 19, 2015

*This is to certify that the certificate of organization of*

**Sycamore Towers Apartments G.P., LLC**

*was this day issued and admitted to record in this office and that the said limited liability company is authorized to transact its business subject to all Virginia laws applicable to the company and its business. Effective date: February 19, 2015*



State Corporation Commission

Attest:

*Joel H. Park*  
Clerk of the Commission

# Commonwealth of Virginia



## State Corporation Commission

### CERTIFICATE OF FACT

*I Certify the Following from the Records of the Commission:*

That Sycamore Towers Apartments G.P., LLC is duly organized as a limited liability company under the law of the Commonwealth of Virginia;

That the date of its organization is February 19, 2015; and

That the limited liability company is in existence in the Commonwealth of Virginia as of the date set forth below.

Nothing more is hereby certified.



*Signed and Sealed at Richmond on this Date:  
February 21, 2018*

*Joel H. Peck*  
Joel H. Peck, Clerk of the Commission

# Commonwealth of Virginia



## STATE CORPORATION COMMISSION

*Richmond, February 19, 2015*

*This is to certify that the certificate of limited partnership of*

**Sycamore Towers Apartments, L.P.**

*was this day admitted to record in this office and that the said limited partnership is authorized to transact its business subject to all Virginia laws applicable to the limited partnership and its business.*



*State Corporation Commission*

*Attest:*

*Joel H. Beck*  
Clerk of the Commission

# Commonwealth of Virginia



## State Corporation Commission

### CERTIFICATE OF FACT

*I Certify the Following from the Records of the Commission:*

That a certificate of limited partnership was filed with the Commission on behalf of Sycamore Towers Apartments, L.P., a limited partnership formed under the law of VIRGINIA, effective as of February 19, 2015.

That as of February 23, 2018, a certificate of cancellation canceling the existence of Sycamore Towers Apartments, L.P., a Virginia limited partnership, has not been filed in the Clerk's Office of the Commission.

Nothing more is hereby certified.



*Signed and Sealed at Richmond on this Date:  
February 23, 2018*

*Joel H. Peck*  
Joel H. Peck, Clerk of the Commission



C

Principal's Previous  
Participation Certification  
(MANDATORY)



## Previous Participation Certification

Development Name: Sycamore Towers Apartments  
Name of Applicant (entity): Sycamore Towers Apartments, L.P.  
Sycamore Towers Apartments G.P., LLC

I hereby certify that:

1. All the statements made by me are true, complete and correct to the best of my knowledge and belief and are made in good faith, including the data contained in Schedule A and any statements attached to this certification.
2. During any time that any of the participants were principals in any multifamily rental property, no property has been foreclosed upon, in default or assigned to the mortgage insurer (governmental or private); nor has mortgage relief by the mortgagee been given;
3. During any time that any of the participants were principals in any multifamily rental property, there has not been any breach by the owner of any agreements relating to the construction or rehabilitation, use, operation, management or disposition of the property, including removal from a partnership;
4. That at no time have any principals listed in this certification been required to turn in a property to the investor or have been removed from a multifamily rental property ownership structure;
5. That to the best of my knowledge, there are no unresolved findings raised as a result of state or federal audits, management reviews or other governmental investigations concerning any multifamily rental property in which any of the participants were principals;
6. During any time that any of the participants were principals in any multifamily rental property, there has not been a suspension or termination of payments under any state or federal assistance contract for the property;
7. None of the participants has been convicted of a felony and is not presently, to my knowledge, the subject of a complaint or indictment charging a felony. A felony is defined as any offense punishable by imprisonment for a term exceeding one year, but does not include any offense classified as a misdemeanor under the laws of a state and punishable by imprisonment of two years or less;
8. None of the participants has been suspended, debarred or otherwise restricted by any federal or state governmental entity from doing business with such governmental entity; and

**Previous Participation Certification, cont'd**

9. None of the participants has defaulted on an obligation covered by a surety or performance bond and has not been the subject of a claim under an employee fidelity bond.
10. None of the participants is a Virginia Housing Development Authority (VHDA) employee or a member of the immediate household of any of its employees.
11. None of the participants is participating in the ownership of a multifamily rental housing property as of this date on which construction has stopped for a period in excess of 20 days or, in the case of a multifamily rental housing property assisted by any federal or state governmental entity, which has been substantially completed for more than 90 days but for which requisite documents for closing, such as the final cost certification, have not been filed with such governmental entity.
12. None of the participants has been found by any federal or state governmental entity or court to be in noncompliance with any applicable civil rights, equal employment opportunity or fair housing laws or regulations.
13. None of the participants was a principal in any multifamily rental property which has been found by any federal or state governmental entity or court to have failed to comply with Section 42 of the Internal Revenue Code of 1986, as amended, during the period of time in which the participant was a principal in such property. This does not refer to corrected 8823's.
14. None of the participants is currently named as a defendant in a civil lawsuit arising out of their ownership or other participation in a multi-family housing development where the amount of damages sought by plaintiffs (i.e., the ad damnum clause) exceeds One Million Dollars (\$1,000,000).
15. None of the participants has pursued a Qualified Contract or planned foreclosure in Virginia after January 1, 2019.

Statements above (if any) to which I cannot certify have been deleted by striking through the words. In the case of any such deletion, I have attached a true and accurate statement to explain the relevant facts and circumstances.

Failure to disclose information about properties which have been found to be out of compliance or any material misrepresentations are grounds for rejection of an application and prohibition against future applications.

  
\_\_\_\_\_  
Signature

**Nathaniel T. Pride**

\_\_\_\_\_  
Printed Name

  
\_\_\_\_\_  
Date (no more than 30 days prior to submission of the Application)

# List of LIHTC Developments (Schedule A)



Development Name: Sycamore Towers Apartments  
 Name of Applicant: Sycamore Towers Apartments, L.P.

**INSTRUCTIONS:**

- 1 A Schedule A is required for every individual that makes up the GP or Managing Member - does not apply to principals of publicly traded corporations.
- 2 A resume is required for each principal of the General Partnership or Limited Liability Company (LLC).
- 3 For each property for which an uncorrected 8823 has been issued, provide a detailed explanation of the nature of the non-compliance, as well as a status statement.
- 4 List only tax credit development experience since 2002 (i.e. for the past 15 years)
- 5 Use separate pages as needed, for each principal.

Principal's Name: \_\_\_\_\_ Controlling GP (CGP) or 'Named' Managing Member of Proposed property? Y Y or N

	Development Name/Location	Name of Ownership Entity and Phone Number	CGP or 'Named' Managing Member at the time of dev.? (Y/N)*	Total Dev. Units	Total Low Income Units	Placed in Service Date	8609(s) Issue Date	Uncorrected 8823's? (Y/N) Explain "Y"
1	Washington Columns, Petersburg, VA	Washington Columns L.P. (804) 733-2200	Y	26	26	12/1/2002	5/19/2003	N
2	Wythe Row, Petersburg, Va	Wythe Row L.P. (804) 733-2200	Y	12	12	12/1/1999	8/1/2000	N
3	Pecan Acres Estates Petersburg, VA	Pecan Acres Estates, L.P. (804) 733-2200	Y	50	50	Pending	Pending	N
4	Pin Oaks Estates, Petersburg VA	Pin Oaks Estates, L.P. (804) 733-2200	Y	98	98	Pending	Pending	N
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\* Must have the ability to bind the LIHTC entity; document with partnership/operating agreements and one 8609 (per entity/development) for a total of 6.

# Nathaniel Pride

## Education

- Virginia State College
- John Tyler Community College

## Work Experience

### **Petersburg Redevelopment and Housing Authority, Petersburg, VA Executive Director**

July 1, 2009 - Present

- Responsible for administering, managing, maintaining, planning and directing the agencies Programs.
- Oversees 410 Public Housing and market rate units and 737 Housing Choice Vouchers.
- Handles all development activity to include rehabilitation, new construction and required financing.

### **Petersburg Redevelopment and Housing Authority, Petersburg, VA Director of Development**

2003-2009

- Direct all community development activities for the Authority to include program creation, adoption, funding and implementation.
- Oversee all program funding comprised of CDBG, NSP, and various grants. Manage community development staff.
- Develop mixed-income multifamily housing projects including commercial and residential property acquisition, issuing Requests for Proposals, managing Architectural and Engineering contracts and securing funding using Public Housing Funds, Replacement Housing Funds, Below-Market Rate Loans, Low Income Housing Tax Credits and other sources.
- Serve as Vice President of VAHCDO
- Oversee the management of all market rate and subsidized rental property including those funded with tax credits, Project-Based Section 8, VHDA loans and other non-Public Housing sources.
- Responsible for Asset Management regarding Public Housing Property Management of 472 units and monitored the Authority's transition to Asset-Based Management and compliance with federal Stop-Loss requirements.
- Represent the Authority through written and oral presentations to community associations, Planning Commission, Board of Zoning Appeals, PRHA Board of Commissioners and City Coordinate the Authority's strategic planning efforts.

### **Petersburg Redevelopment and Housing Authority, Petersburg, VA Development Coordinator / Development Manager**

1998 - 2003

- Obtained funding and created community reinvestment programs to strengthen neighborhoods and increase homeownership through new construction of affordable housing and renovation of owner-occupied homes.
- Leveraged grant funding through in-kind donations and partnerships.
- Developed and coordinated the Architectural Design Review for Authority new construction and renovation homes.
- Negotiated Authority responsibilities for city-funded programs to encourage and promote resident investment in historical Petersburg neighborhoods.
- Worked with nonprofits, local colleges and Community Housing Development Organizations (CHDOs) to increase their capacity to create quality, well designed and environmentally friendly, affordable housing.

### **Director of Housing Operation, Petersburg Redevelopment and Housing Authority,**

1988-1998

- Directly responsible for the daily operations and administration of the Low-Income Public Housing Programs and activities.
- Duties included general supervision of the Authority properties, maintenance personnel and family services.

### **Maintenance and Facility Manager, Petersburg Redevelopment and Housing Authority**

1974 - 1988

## **Memberships and Affiliations**

- National Association of Housing and Redevelopment Officials (NAHRO) – Member
- Virginia Association of Housing and Community Development
- Virginia Home Builders Association

## **Training and Certifications**

- National Association of Housing and Redevelopment Officials (NAHROJ)- Certified Management Executive
- National Center for Housing Management – Certified Facility Manager, Finance of Maintenance Management
- Ethics for Operations Management - Procurement and Contract Management
- Neighbor work America -Homeownership Education Instructor

## **Professional References**

- William Johnson – City Manager – City of Petersburg – 804 733-2301
- Steve Hicks – Public Works Director – City of Petersburg
- Steve Benham - Executive Director – Hopewell Redevelopment and Housing Authority – 804 458-5160

D

# List of LIHTC Developments

(Schedule A)  
**(MANDATORY)**

# List of LIHTC Developments (Schedule A)



Development Name: Sycamore Towers Apartments  
 Name of Applicant: Sycamore Towers Apartments, L.P.

**INSTRUCTIONS:**

- 1 A Schedule A is required for every individual that makes up the GP or Managing Member - does not apply to principals of publicly traded corporations.
- 2 A resume is required for each principal of the General Partnership or Limited Liability Company (LLC).
- 3 For each property for which an uncorrected 8823 has been issued, provide a detailed explanation of the nature of the non-compliance, as well as a status statement.
- 4 List only tax credit development experience since 2002 (i.e. for the past 15 years)
- 5 Use separate pages as needed, for each principal.

Principal's Name: \_\_\_\_\_ Controlling GP (CGP) or 'Named' Managing Member of Proposed property? Y Y or N

	Development Name/Location	Name of Ownership Entity and Phone Number	CGP or 'Named' Managing Member at the time of dev.? (Y/N)*	Total Dev. Units	Total Low Income Units	Placed in Service Date	8609(s) Issue Date	Uncorrected 8823's? (Y/N) Explain "Y"
1	Washington Columns, Petersburg, VA	Washington Columns L.P. (804) 733-2200	Y	26	26	12/1/2002	5/19/2003	N
2	Wythe Row, Petersburg, Va	Wythe Row L.P. (804) 733-2200	Y	12	12	12/1/1999	8/1/2000	N
3	Pecan Acres Estates Petersburg, VA	Pecan Acres Estates, L.P. (804) 733-2200	Y	50	50	Pending	Pending	N
4	Pin Oaks Estates, Petersburg VA	Pin Oaks Estates, L.P. (804) 733-2200	Y	98	98	Pending	Pending	N
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\* Must have the ability to bind the LIHTC entity; document with partnership/operating agreements and one 8609 (per entity/development) for a total of 6.



E

Site Control  
Documentation & Most  
Recent Real Estate Tax  
Assessment  
(MANDATORY)

**GROUND LEASE**  
**between**  
**PETERSBURG REDEVELOPMENT AND HOUSING AUTHORITY, Landlord**  
**and**  
**SYCAMORE TOWERS APARTMENTS, L.P., Tenant**

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## GROUND LEASE

This GROUND LEASE (this "Lease"), is made this 26th day of November, 2018, by and between PETERSBURG REDEVELOPMENT AND HOUSING AUTHORITY, a political subdivision of the Commonwealth of Virginia ("Landlord" or "PRHA") and SYCAMORE TOWERS APARTMENTS, L.P., a Virginia limited partnership ("Tenant").

### Preamble

Landlord is the owner of certain real property located in the City of Petersburg, which property is known as 128 S. Sycamore Street, as is more particularly identified on Exhibit A attached hereto (the "Premises"). Tenant will renovate one hundred (100) apartment units (the "Units") on the Premises.

Pursuant to this Lease, Landlord is leasing to the Tenant the Premises.

Pursuant to this Lease, Tenant will cause to be renovated on the Premises the Units and related facilities, which shall be known as "Sycamore Towers Apartments". All of the Units in Sycamore Towers Apartments shall be subject to project-based Section 8 assistance requirements.

NOW, THEREFORE, the parties hereto agree as follows:

### Article I REFERENCE DATA

1.1 **Definitions.** The following terms shall have the following definitions in this Lease:

"Additional Rent" is defined in Section 3.2 of this Lease.

"Applicable Project Based Voucher Requirements" means all requirements applicable to project based voucher housing, including, but not limited to, the Act, HUD regulations thereunder (and, to the extent applicable, any HUD-approved waivers of regulatory requirements), HUD notices, PRHA's admissions and occupancy policies applicable to the Project, and all applicable Federal statutory, regulatory and executive order requirements, as those requirements may be amended from time to time.

"Base Interest Rate" means the "prime" interest rate announced from time to time in the Wall Street Journal, plus two percent (2%) per annum, but in no event greater than the legal rate of interest.

"Base Rent" is defined in Section 3.1 of this Lease.

“Development” means the Premises and the Improvements, which shall be known as the Sycamore Towers Apartments.

“Development Agreement” means that certain Development Agreement for the Sycamore Towers Apartments Project, Petersburg, Virginia, by and between the Tenant and PRHA as developer.

“Effective Date” means the date hereof.

“Governing Documents” means, this Lease, the HAP Contract, the Rental Assistance Demonstration (RAD) Use Agreement by and between the Tenant, Landlord and HUD.

“HAP Contract” means the Housing Assistance Payments Contract to be entered into by PRHA and the Tenant.

“HUD” shall mean the United States Department of Housing and Urban Development.

“Improvements” means all repairs, betterments, buildings and improvements now or hereafter existing at the Premises, including without limitation the affordable housing development to be developed at the Premises, including any additional parking areas, walkways, landscaping, fencing or other amenities at the Premises.

“Institutional Lender” shall be a savings bank, commercial bank, trust company, savings and loan association, insurance company, real estate investment trust, pension trust or fund established for a corporation listed on the New York or American Stock Exchange, for state or municipal employees or for a national trade union, an agency or authority of any federal, state, or local government, any quasi-public entity, and any private or nonprofit entity which provides financing for affordable housing.

“Lease” shall mean this Ground Lease as the same shall be amended from time to time.

“Lease Year” shall be, in the case of the first lease year, the period from the Effective Date through November 25, 2019 and thereafter, each successive twelve-calendar month period following the expiration of the first lease year of the Term; except that in the event of the termination of this Lease on any day other than the last day of a Lease Year then the last Lease Year of the Term shall be the period from the end of the preceding Lease Year to such date of termination.

“Limited Partners” means, collectively, PRHA, its successors and assigns.

“LPA” means that certain Agreement of Limited Partnership, dated February 19, 2015 by and among PRHA as the initial limited partner, and Sycamore Towers G.P., LLC, a Virginia limited liability company as the general partner, as amended.”

"PRHA" shall mean the Petersburg Redevelopment and Housing Authority, its successors and/or assigns.

"Rent" means Base Rent plus Additional Rent.

"Taking" shall mean any taking of the title to, access to, or use of the Premises or any portion thereof by any governmental authority or any conveyance under the threat thereof, for any public or quasi-public use or purpose. Takings may be total or partial, permanent or temporary.

"Tenant's Personal Property" shall mean any personal property of Tenant located upon or used by Tenant in connection with the Premises or the Development, including without limitation:

- (1) All tangible personal property located at or on or intended to be used in connection with the Premises or the Development; all articles of personal property now or hereafter attached to or intended to be used in or about or in connection with the Premises or the Development and all renewals or replacements thereof or articles in substitution therefor, whether or not the same are or shall be attached to the Premises or the Development;
- (2) All contracts, contract rights, accounts, warranties, and agreements, including rights to return of deposits, prepaid premiums or other payments; receivables, rents, chattel paper and instruments, development rights, trade names, plans and specifications, permits, approvals and general intangibles and all other choses in action now or hereafter existing with respect to the Premises or the Development, and all proceeds from the foregoing;
- (3) All books and records relating to the operation of the Premises and the Development.

1.2 **Exhibit.** Exhibit A attached at the end of this Agreement is incorporated in this Lease by this reference and is to be construed as a part of this Lease.

## Article II **PREMISES AND TERM**

2.1 **Premises.** Landlord hereby leases and demises to Tenant and Tenant hereby leases from Landlord, subject to and with the benefit of the terms, covenants, conditions and provisions of this Lease, the Premises.

2.2 **Term.** The Premises are hereby leased unto Tenant and its successors and assigns for the term commencing on the date hereof and ending on November 25, 2117 (the "Term") unless sooner terminated in accordance with Article VIII below. Prior to November 25, 2117, this lease shall not be terminated except in accordance with Article VIII.

**Article III**  
**RENT**

**3.1 Base Rent.** Base Rent for the Premises, for the entire Term of this Lease, shall be paid in a one-time payment in the amount of One and no/100 Dollar (\$1.00) which shall be paid by Tenant to Landlord on the date hereof.

**3.2 Additional Rent.** In order that the Base Rent shall be absolutely net to Landlord, Tenant covenants and agrees to pay, as Additional Rent, without notice or demand and without set-off, abatement, suspension or deduction, all taxes, payment in lieu of taxes, betterment assessments, water and sewer rents and charges, liens, insurance, maintenance, repairs, utilities charges and all other operating expenses. Tenant further covenants and agrees to pay, as Additional Rent, without notice or demand and without set-off, abatement, suspension or deduction, all other costs, general and special, ordinary and extraordinary, foreseen and unforeseen, which are due and payable during the Term hereof at any time imposed or levied against the Premises.

Tenant will furnish to Landlord, once per year concurrently with Landlord's annual review of Tenant's financial statements, proof of payment of all items referred to in Section 3.2 which are payable by Tenant; provided, that Tenant will in addition furnish to Landlord proof of payment of any taxes or payments in lieu thereof and proof of payment of insurance premiums promptly after reasonable demand therefor.

Additional Rent includes:

**3.2.1 Real Estate Impositions.** Tenant shall pay, directly to the authority charged with the collection thereof, all taxes, or payments in lieu thereof in accordance with the provisions of law, and each installment of all public, special or betterment assessments levied or assessed by or becoming payable to the City of Petersburg or any governmental authority having jurisdiction over the Development, for or in respect of the Premises and all Improvements constructed thereon (such taxes and installments of assessments being hereinafter together referred to as "Real Estate Impositions") for each tax or installment period wholly included in the Term, all such payments to be made not less than 5 days prior to the last date on which the same may be paid without interest or penalty; and for any fraction of a tax or installment period included in the Term at the beginning or end thereof, Tenant shall pay to Landlord, within 2 days after receipt of invoice therefor, the fraction of such taxes or installment which is allocable to such included period; provided in the case of any special or betterment assessment that Landlord shall have elected to pay such assessment in installments, over the longest period permitted by law.

If Tenant shall deem itself aggrieved by any Real Estate Imposition and shall elect to contest the payment thereof, Tenant may make such payment under protest or, if postponement of such payment will not jeopardize Landlord's title to the Premises, or subject Landlord to the risk of any criminal liability or civil liability or penalty, Tenant may postpone the same provided that it shall secure such payment and the interest and penalties thereon and the costs of the



contest on the determination or the proceedings or suit in which such contest may be had, by causing to be delivered to Landlord cash or other security satisfactory to Landlord, or a bond of indemnity of a good and solvent surety company, in form and amount satisfactory to Landlord, which amount shall not be greater than one hundred and ten percent (110%) of the contested Real Estate Imposition. Either party paying any Real Estate Imposition shall be entitled to recover, receive and retain for its own benefit all abatements and refunds of such Real Estate Imposition, unless it has previously been reimbursed by the other party. Tenant agrees to save Landlord harmless from all costs and expenses incurred on account of Tenant's participation in such proceedings or as a result of Tenant's failure to pay real estate taxes and other related charges with respect to the Development. Landlord, without obligating itself to incur any costs or expenses in connection with such proceedings, shall cooperate with Tenant with respect to such proceedings so far as reasonably necessary. Neither party shall discontinue any abatement proceedings begun by it without first giving the other party written notice of its intent so to do and reasonable opportunity to be substituted in such proceedings. Landlord shall promptly furnish to Tenant a copy of any notice of any Real Estate Imposition received by Landlord.

In the event Tenant fails to make any payment referred to in this Section 3.2.1 when due, the Landlord shall have the right after 5 days notice to Tenant to make any such payment on behalf of Tenant and charge Tenant therefor, together with interest thereon from the date of payment at the Base Interest Rate.

Nothing contained in this Lease shall, however, require Tenant to pay any franchise, corporate, estate, inheritance, succession, capital levy or transfer tax of Landlord, or any income, profits or revenue tax or charge upon the rent payable by Tenant under this Lease.

**3.2.2 Utilities.** Tenant shall pay or cause to be paid all charges for water, stormwater, gas, sewer, electricity, light, heat or power, telephone, trash collection, or other service used, rendered or supplied to Tenant in connection with the Development and shall not contract for the same in Landlord's name.

**3.2.3 Other.** Tenant covenants to pay and discharge, when the same shall become due, as Additional Rent, all other amounts, liabilities, and obligations which the Tenant assumes or agrees to pay or discharge pursuant to this Lease, together with every fine, penalty, interest and cost which may be added for nonpayment or late payment thereof (provided that Tenant shall not be liable for any payment or portion thereof which Landlord is obligated to pay and which payment Landlord has failed to make when due); and, in the event of any failure by Tenant to pay or discharge the foregoing, Landlord shall have all the rights, powers and remedies provided herein, by law or otherwise in the case of nonpayment of Rent.

#### **Article IV** **INDEMNITY, LIENS AND INSURANCE**

**4.1 Indemnification.** Unless due to the gross negligence or substantial misconduct of Landlord, in its capacity as landlord hereunder, its agents, contractors, servants or employees, Tenant agrees to pay and to defend, indemnify and hold harmless Landlord from and against any and all liabilities, losses, damages, causes of action, suits, claims, demands, judgments, costs and expenses of any kind or any nature whatsoever (including, without limitation, remediation costs,

environmental assessment costs, governmental compliance costs, and reasonable expert's and attorney's fees and expenses), known or unknown, foreseen or unforeseen, which may at any time be imposed upon, incurred by, or asserted or awarded against Landlord, its employees, agents, officers, shareholders, directors or other persons serving in an advisory capacity to any of them (such as monitoring committee members) or against the Improvements or the Premises or any portion thereof, arising from:

- (i) any injury to or death of or claim of injury to or death of any person or any damage to or loss of or claim of damage to or loss of property at the Improvements or the Premises or on adjoining sidewalks, streets or ways, in each case growing out of or connected with the use, non-use, possession, ownership, condition, construction, maintenance, or occupation of the Premises, the Improvements or any part thereof from and after the date hereof until the expiration of the Term;
- (ii) violation of any agreement or condition of this Lease by Tenant;
- (iii) violation by Tenant, its employees, agents, or tenants, or invitees of any of them, of any restriction, statute, law, ordinance or regulation, including without limitation restrictions, statutes, laws, ordinances or regulations relating to the presence, release or threat of release of oil or hazardous substances in each case affecting the Premises or the Improvements or any part thereof or the ownership, occupancy or use thereof from and after the date hereof; provided, that Tenant shall not have any liability to Landlord for any loss or damage arising out of any release of hazardous materials for which Landlord is responsible under Section 7.4 hereof.

Landlord shall give Tenant prompt and timely notice of any claim made or suit instituted against it or any other party of which it has knowledge, relating to any matter which in any way may result in indemnification pursuant to this Section 4.1. The obligations of Tenant under this Section 4.1 shall survive the expiration or any earlier termination of the term of this Lease.

**4.2 Liens.** Tenant shall make, or cause to be made, prompt payment of all monies due and legally owing to all persons, firms, and corporations doing any work, furnishing any materials or supplies or renting any equipment to Tenant or any of its contractors or subcontractors in connection with the construction, reconstruction, furnishing, repair, maintenance or operation of the Development, and in all events will bond or cause to be bonded, with surety companies reasonably satisfactory to Landlord, or pay or cause to be paid in full forthwith, any mechanic's, materialmen's or other lien or encumbrance that arises, whether due to the actions of Tenant or any person other than Landlord, against the Development or the Premises hereof.

Tenant shall have the right to contest any such lien or encumbrance by appropriate proceedings which shall prevent the collection of or other realization upon such lien or encumbrance so contested, and the sale, forfeiture or loss of the Development or the Premises to satisfy the same, provided that such contest shall not subject Landlord to the risk of any criminal liability or civil penalty, and provided further that Tenant shall give such reasonable security as may be requested by Landlord to insure payment of such lien or encumbrance and to prevent

any sale or forfeiture of the Premises by reason of such nonpayment, and Tenant hereby indemnifies Landlord for any such liability or penalty.

Upon the termination after final appeal of any proceeding relating to any amount contested by Tenant pursuant to this Section 4.2, Tenant shall immediately pay any amount determined in such proceeding to be due, and in the event Tenant fails to make such payment, Landlord shall have the right after 5 days notice to Tenant to make any such payment on behalf of Tenant and charge Tenant therefor, together with interest thereon from the date of payment at the Base Interest Rate.

Notice is hereby given that Landlord will not be liable for any labor, services, or materials furnished or to be furnished to Tenant, or to anyone holding the Development or any part thereof through or under Tenant, and that no mechanic's or other liens for any such labor, services or materials shall attach to or affect the interest of Landlord in and to the Premises.

**4.3 Insurance Requirements.** Beginning on the date of this Lease and continuing until the expiration or earlier termination of the Term, Tenant shall at all times carry such liability, worker's compensation, property and other insurance coverage with respect to the Premises and the Improvements thereof, and any other insurable property and equipment therein or thereon (all of the above known as "Insurable Property") in at least the following amounts and extents of coverage (and in all events in amounts sufficient to meet the requirements of the LPA):

(i) Builder's Risk "All Risk" for Buildings under Construction/Renovation

Through the Completion Date, or such later date as may be required by any Agency or any Lender, the Tenant shall cause the General Contractor to maintain "all risk" builder's risk insurance in favor of the Tenant and the General Contractor in an amount not less than the greater of (i) the full replacement value of the Apartment Complex and coverage for new construction or (ii) such other amount as shall be required by any Agency or Lender. For those properties under renovation, the limit of insurance must be equal to the value of the building(s) after the demolition portion is completed, plus full construction/rehabilitation value including cost of labor with soft cost contingency. This coverage shall include flood (if applicable); earthquake (if applicable); hail, wind and hurricane (if applicable); and boiler and machinery coverage for all properties that have a central boiler or heating system, sprinklers, central air conditioning, generators, other machinery and equipment and/or elevators.

(ii) Comprehensive General Liability (Commercial General Liability) for Buildings under Construction/Renovation

The Tenant shall cause to be maintained commercial general liability insurance in favor of the Tenant and the General Contractor, during the construction period, in an amount not less than \$2,000,000 in the general aggregate (per project) , \$1,000,000 products and completed operations aggregate, \$1,000,000 each

occurrence (combined single limit), \$50,000 fire damage and \$5,000 medical expenses.

Coverage for hostile fire must be included/endorsed onto policy with no points of exclusion.

(iii) Worker's Compensation and Employer's Liability

The Tenant shall cause to be maintained worker's compensation and employer's liability insurance in favor of the General Contractor, during the construction period, in an amount required by the Commonwealth's laws governing such insurance.

(iv) Comprehensive Automobile Liability for Buildings under Construction/Renovation

The Tenant shall cause to be maintained comprehensive automobile coverage, including any automobile liability, in favor of the Tenant and the General Contractor in an amount not less than \$1,000,000 (combined single limit).

(v) Excess or Umbrella Liability for Buildings under Construction/Renovation

The Tenant shall cause to be maintained excess or umbrella liability insurance in favor of the Tenant and the General Contractor in an amount not less than \$4,000,000 per occurrence and \$4,000,000 in the aggregate. Blanket policies will be evaluated on a case-by-case basis.

(vi) Architect's Errors and Omissions

The Architect shall maintain non-project-specific errors and omissions insurance under commercial general liability coverage in an amount equal to the greater of \$250,000 or 10% of the construction contract amount.

(vii) Comprehensive Casualty (All Risk Property Coverage) for Completed/Operational Buildings:

The Tenant shall cause to be maintained comprehensive casualty insurance including, but not limited to; 100% Replacement Cost coverage with an Agreed Amount Endorsement and a deductible no more than \$10,000 for properties of 100 units or less and \$25,000 for properties of more than 100 units (a blanket policy is acceptable as long as the policy includes a Stated Value and Agreed Amount Endorsement); Loss of Rents coverage in an amount equal to the actual loss sustained on rents and extra expense; loss caused by fire; earthquake (if applicable); hail, wind and hurricane; flood (if applicable); coverage for loss or damage attributable to mold, fungus, moisture, microbial contamination or pathogenic organisms in connection with another covered peril (e.g. mold in connection with water damage caused by storm or fire); and boiler and machinery coverage for all

properties that have a central boiler or heating system, sprinklers, central air conditioning, generators, other machinery and equipment and/or elevators.

(viii) Comprehensive General Liability (Commercial General Liability) for Completed/Operational Buildings:

The Tenant shall cause to be maintained commercial general liability insurance in favor of the Tenant, in an amount not less than \$2,000,000 in the general aggregate (per project), \$1,000,000 products and completed operations aggregate, \$1,000,000 each occurrence (combined single limit), \$50,000 fire damage and \$5,000 medical expenses.

Coverage for hostile fire must be included/endorsed onto policy with no points of exclusion.

(ix) Comprehensive Automobile Liability for Completed/Operational Buildings:

The Tenant shall cause to be maintained comprehensive automobile coverage, including all owned autos, hired autos and non-owned autos in favor of the Tenant in an amount not less than \$1,000,000 (combined single limit).

(x) Excess or Umbrella Liability for Completed/Operational Buildings:

The Tenant shall cause to be maintained excess or umbrella liability insurance in favor of the Tenant in an amount not less than \$4,000,000 per occurrence and \$4,000,000 in the aggregate. Blanket policies will be evaluated on a case-by-case basis.

(xi) Management Agent

The Management Agent shall maintain for the term of the Management Agreement, worker's compensation insurance in accordance with the Commonwealth's laws governing such insurance and a fidelity bond in the amount of not less than six (6) months of the Apartment Complex's projected gross rent.

(xii) General Requirements

All the policies required above must be issued by insurance carriers that are currently rated by Best as A-7 or better.

**4.4 Insurance Provisions.** Insurance maintained by Tenant pursuant to the requirements of Section 4.3 shall:

- (i) be by standard policies, obtained from financially sound and responsible insurance companies authorized to do business in the Commonwealth of Virginia;

- (ii) have attached thereto a clause making the loss payable to the Tenant and Landlord, if any, as their respective interests may appear;
- (iii) be written to become effective at the time Tenant becomes subject to the risk or hazard covered thereby, and shall be continued in full force and effect for such period as Tenant is subject to such risk or hazard;

**4.5 [Intentionally Deleted.]**

**4.6 Waivers of Insured Claims.** Each of Landlord and Tenant hereby waives all rights of recovery against the other for loss or injury against which the waiving party is protected by insurance, but only to the extent of insurance proceeds received in connection with such loss or injury.

**4.7 Additional Provisions.** The following provisions shall apply to required insurance coverages described above:

(A) For all liability insurance coverage, Landlord, its officials, officers, directors, shareholders, employees and volunteers are to be covered as additional insureds as respects liability arising out of premises occupied, used or owned, in whole or in part, by Tenant.

(B) All policies required hereunder shall be endorsed to provide for a minimum 30-day notice of cancellation, non-renewal or material modification to Tenant and, Landlord, if any.

(C) Upon request, Tenant shall deliver annually certificates of insurance evidencing the existence of all required coverages, where applicable.

(D) In addition to notifying its insurer(s) in accordance with each policy, Tenant shall provide prompt written notice to Landlord as soon as reasonably possible of any accident or loss relating to the premises described herein likely to exceed \$50,000.

**Article V  
USE**

**5.1 Use and Assignment.** Tenant covenants, promises and agrees that during the Term of this Lease it shall devote the Premises, the Improvements and any part thereof only to providing low-income housing and related facilities, consistent with the requirements of the Governing Documents and Applicable Project Based Voucher Requirements, and shall comply at all times with the Governing Documents and Applicable Project Based Voucher Requirements. In connection with such uses, Tenant shall construct the Improvements and make other repairs, renovations and betterments to the Premises, all at its sole cost and expense, in accordance with the Governing Documents and Applicable Project Based Voucher Requirements, in a good and workmanlike manner, with new first-class materials and equipment, and in conformity with all applicable federal, state, and local laws, ordinances and regulations. Tenant shall be permitted to

enter into residential leases in a form approved by Landlord and HUD in the ordinary course of business.

**5.2 [Intentionally Deleted.]**

**5.3 Compliance with Law.** Tenant shall, at its expense, perform all its activities on the Premises in compliance, and shall cause all occupants of any portion thereof to comply, with all applicable laws, ordinances, codes and regulations affecting the Premises or its uses, as the same may be administered by authorized governmental officials. Landlord shall, without expense to Landlord absent consent therefor, cooperate with Tenant and assist Tenant in obtaining all required licenses, permits and the like, and shall sign all papers and documents at any time needed in connection therewith, including without limitation, such instruments as may be required for the laying out, maintaining, repairing, replacing and using of water, gas, electric, telephone, drain or other utilities.

**5.4 Mechanics' Liens.** Tenant shall, throughout the Term hereof, prevent any mechanic's liens or other liens for work, labor, services or materials provided to or on behalf of Tenant from being filed or recorded against the Premises or any portion thereof; in the event that any such lien shall be filed, Tenant shall procure the release or discharge thereof within thirty (30) days after receipt of notice thereof either by payment or in such other manner as may be prescribed by law, and shall hold Landlord harmless from and indemnified against any loss or damage related thereto, including attorneys' fees.

**5.5 Ownership of Improvements/Surrender of Premises.** The Improvements, including fixtures, shall be or become part of the Premises upon Substantial Completion of rehabilitation, but such Improvements shall be owned by Tenant until the expiration or earlier termination of the Term of this Lease, and during the Term Tenant alone shall be entitled to the tax attributes thereof, including, but not limited to, depreciation deductions thereon for income taxes purposes. At the expiration or earlier termination of the Term of this Lease or any portion thereof, Tenant shall peaceably leave, quit and surrender the Premises and the Improvements thereon (or the portion thereof so terminated), subject to the rights of tenants in possession of residential units under leases with Tenant provided that such tenants are not in default thereunder and attorn to Landlord as their lessor.

**5.6 Easements; Annexation.** Landlord agrees that Landlord shall not unreasonably withhold, delay or condition its consent, and shall join with Tenant from time to time during the Term in the following: (a) the granting of easements affecting the Premises which are for the purpose of providing utility services for the Development; and (b) the dedication or conveyance, as required, of portions of the Premises for road, highway and other public purposes to provide access for the Development or to permit widening of existing roads or highways. If any monetary consideration is received by Tenant as a result of the granting of any such easement or the dedication or conveyance of any portion of the Premises as hereinabove provided, such consideration shall be paid to Landlord. As a condition precedent to the exercise by Tenant of any of the powers granted to Tenant in this Section, Tenant shall give notice to Landlord of the action to be taken, shall certify to Landlord, that in Tenant's opinion such action will not adversely affect either the market value of the Premises or the use of the Premises for the Development, and shall deliver all instruments required of Tenant by any mortgagee of the Premises.

5.7 **Assignment.** No transfer, conveyance or assignment shall be made, without any notice required under the HAP Contract.

**Article VI**  
**CASUALTY AND TAKING**

6.1 **Casualty.** If any Improvements from time to time constructed on the Premises are damaged or destroyed by fire or other casualty this Lease shall continue and Tenant shall proceed promptly to establish and collect all valid claims which may have arisen against insurers or others based upon any such damage or destruction, subject to the requirements of the Governing Documents. Unless otherwise determined in accordance with Section 6.3, Tenant shall repair, restore or reconstruct any Improvements so damaged or destroyed to their condition at the time of such damage or destruction and the insurance proceeds and any other funds so collected shall be used and expended by Tenant for such purposes.

6.2 **Commencement and Completion of Restoration.** When reconstruction or repair of the Improvements or any portion thereof, which have been destroyed or damaged, is required by the provisions of this Article, such reconstruction or repair shall be commenced within a period not to exceed ninety (90) days after the insurance proceeds have been received by the Tenant (or, if the conditions then prevailing require a longer period, such longer period as shall reasonably be required by Tenant proceeding with due diligence), and the Tenant shall diligently prosecute such reconstruction or repair to completion, such reconstruction or repair to be completed within two (2) years after the commencement thereof.

6.3 **Determination of Whether or Not to Restore.** In the event of substantial damage or destruction by a casualty insured against (i) for which damage, Tenant in its sole discretion and in good faith determines reconstruction is not practicable, either because (a) the insurance proceeds, together with such funds of Tenant as are demonstrably available for the purpose of paying for repair and restoration, are not sufficient to repair such loss or damage (provided that in all events Tenant shall have been in full compliance with the insurance requirements of this Lease), or (b) such repair or restoration cannot be carried out in accordance with applicable law, such as then-current building or zoning law, or (c) the party with the right to control the disbursement of such proceeds has refused to release such proceeds to Tenant for restoration or repair, or (ii) which damage occurs during the last five (5) years of the Term, then Tenant, shall have the right to terminate this Lease upon 30 days notice to Landlord in which event the Insurance Proceeds shall be payable as set forth in Section 6.4. No total or partial damage to or destruction, of any or all of the Property shall entitle Tenant to surrender or terminate this Lease, or shall relieve Tenant from its liability hereunder to pay in full the Annual Rent, any Additional Rent and all other sums and charges which are otherwise payable by Tenant hereunder, or from any of its other obligations hereunder, and Tenant hereby waives any right now or hereafter conferred upon it by statute or otherwise, on account of any such damage or destruction, to surrender this Lease, to quit or surrender any or all of the Property, or to have any suspension, diminution, abatement or reduction of the Annual Rent or any Additional Rent or other sum payable by Tenant hereunder (except that, if and to the extent that Landlord has, on account of any such Rent or other sum, received for its own account the proceeds of any rent insurance pursuant to the provisions of this Lease, Tenant shall be entitled to a credit therefor against its



obligations hereunder to pay such Rent and other sums, by applying such credit toward the unpaid installments of Annual Rent in the order in which they fall due hereunder).

**6.4 Allocation of Proceeds.** If such casualty occurs, the net insurance proceeds shall be allocated in the following order of priority: First, to the Tenant for repair and restoration of the Property; Second, the balance of the proceeds, if any, shall be distributed to in accordance with the LPA.

**6.5 Tenant's Responsibilities on Termination.** If Tenant terminates this Lease following a casualty in accordance with Section 6.3, Tenant, at its sole expense, shall deliver to Landlord any plans or other technical materials related to the Premises, prepared by or for Tenant or in Tenant's possession. Tenant shall surrender the Premises to Landlord in accordance with Section 5.5 of this Lease and, upon the payment of the Insurance Proceeds to Landlord, this Lease shall be terminated without liability or further recourse to the parties hereto, provided that any Rent payable hereunder or obligations under Article III or Section 4.1 hereof owed by Tenant to Landlord as of the date of said termination shall be paid or otherwise carried out in full.

**6.6 Notice of Taking.** Forthwith upon receipt by either Landlord or Tenant of notice of the institution of any proceedings for the Taking, the party receiving such notice shall promptly give notice thereof to the other and as required under the HAP Contract, as applicable, and such other party may also appear in such proceeding and be represented by counsel, who may be counsel for the party receiving such notice.

**6.7 Special Account.** The full amount of any award whether pro tanto or final for any Taking (the "Award"), shall, notwithstanding any allocation made by the awarding authority, be paid, and allocated as set forth below provided that there shall first be deducted from the Award in the order stated (i) all reasonable fees and expenses of collection, including but not limited to, reasonable attorneys' fees and experts' fees, which shall be paid to the party which has incurred such fees and expenses, (ii) any Base Rent or Additional Rent under Article 3 outstanding prior to the Taking, which shall be paid to Landlord. The portion of the Award so allocated to Landlord shall be known herein as the "Landlord's Award" and the portion so allocated to Tenant shall be known herein as the "Tenant's Award."

**6.8 Total Taking.** In the event of a permanent Taking or condemnation of the fee title to or of control of the Premises or of the entire leasehold estate hereunder (a "Total Taking"), this Lease shall thereupon terminate as of the effective date of such Total Taking, without liability or further recourse to the parties, provided that any Base Rent or Additional Rent hereunder payable or obligations owed by Tenant to Landlord as of the date of said Total Taking shall be paid or otherwise carried out in full; and the Award shall be allocated in accordance with Section 6.7.

**6.9 Partial Taking: Procedures and Criteria for Course of Action.** In the event of a permanent Taking of less than all of the Premises (a "Partial Taking"),

- (i) if Tenant determines that the continued use and occupancy of the remainder of the Premises by Tenant is or can reasonably be made to be economically viable,

structurally sound, consistent with the Governing Documents, and otherwise feasible based upon the amount of the award and any available other funds of Tenant as, at Tenant's option, are demonstrably available for the purpose of paying for such restoration (the "Restoration Criteria"), then the Premises and the Improvements shall be restored pursuant to Section 6.10 hereof;

- (ii) if Tenant determines that the continued use and occupancy of the remainder of the Premises and/or the Improvements by Tenant is not or cannot reasonably be made to be economically viable, structurally sound, consistent with the Governing Documents, and otherwise feasible, then this Lease shall be terminated pursuant to Section 6.11 hereof and the Award shall be applied in accordance with Section 6.7 hereof.

**6.10 Restoration.** If a decision is made pursuant to Section 6.9 to restore the remainder of the Premises, and/or Improvements, as applicable, Tenant and Landlord, shall reasonably agree upon and approve plans and specifications to modify the remaining Premises, and/or Improvements, as applicable. Upon approval of said plans, Tenant shall promptly proceed, at its expense, to commence and complete the restoration pursuant to the provisions of Section 6.2 hereof. Tenant shall use the entire Tenant's Award for such restoration; provided, however, any portion of Tenant's Award remaining after the completion of the restoration shall be applied in accordance with Section 6.7 hereof, subject to the rights of the Landlord to require that any such excess be applied first to the extent necessary to pay any outstanding Rent owed by Tenant to Landlord pursuant to this Lease. If Tenant has decided pursuant to Section 6.9 to restore the remainder of the Premises, and/or Improvements, as applicable, and if the cost of the restoration shall exceed the amount of Tenant's Award, the deficiency shall be paid by Tenant. Tenant's obligation hereunder shall not be affected by the unavailability or insufficiency of Tenant's Award, except to the extent that Tenant's Award is unavailable by virtue of the failure or refusal of Landlord, as the case may be, to release it to Tenant to pay for restoration.

**6.11 Termination upon Non-Restoration.** Following a Partial Taking, if a decision is made pursuant to Section 6.9 hereof that the remaining portion of the Premises is not to be restored, Tenant shall surrender the entire Premises and all Improvements thereon to the Landlord and this Lease shall thereupon be terminated without liability or further recourse to the parties hereto, provided that any Rent (including Base Rent and Additional Rent) and other amounts payable or obligations owed by Tenant to Landlord under Article III or Section 4.1 hereof as of the date of the Taking shall be paid in full; and Award shall be allocated in accordance with Section 6.7

**6.12 Conflict HAP.** Notwithstanding any provision hereof to the contrary, in the event of a conflict between provisions of the HAP Contract and this Article VI, the provisions of the HAP Contract, as the case may be, shall apply.

## **Article VII** **CONDITION OF PREMISES**

### **7.1 Condition of the Premises**

**7.1.1 [Intentionally Deleted.]**

**7.1.2 Title.** The Premises are demised and let in an as is condition as of the date hereof. The Premises are demised and let to Tenant subject to:

(a) zoning regulations, restrictions, rules, laws and ordinances now in effect or hereafter adopted by any governmental authority;

(b) unpaid real estate taxes for the current fiscal tax year which are not yet due and payable, Landlord hereby agreeing to defend, indemnify, and hold Tenant harmless from any claim for payments in lieu of taxes, water and sewer charges and any other municipal liens made by the City of Petersburg for periods prior to the date hereof; and

(c) the Governing Documents; and

(d) all matters of record.

**7.2 No Encumbrances.** Landlord covenants that Landlord has full right and lawful authority to enter into this Lease in accordance with the terms hereof and to grant the estate demised hereby. Landlord covenants that it will not encumber or lien the title of the Premises or cause or permit said title to be encumbered or liened in any manner whatsoever except as may be permitted by the Governing Documents and Tenant may reduce or discharge any such encumbrance or lien by payment or otherwise at any time after giving thirty (30) days' written notice thereof to Landlord and recover or recoup all costs and expenses thereof from Landlord together with interest at the Base Interest Rate. Such recovery or recoupment may, in addition to all other remedies, be made by setting off against the amount of rent payable by Tenant hereunder. Landlord and Tenant agree to work cooperatively together to create such easements and rights of way as may be necessary or appropriate for the Development.

**7.3 Quiet Enjoyment.** Landlord covenants and agrees with Tenant that so long as Tenant is not in default beyond any applicable notice, cure or grace period, Tenant shall and may, at all times during the term and all extended terms, if any, peaceably and quietly have, hold and enjoy the Premises and all rights, appurtenances and privileges belonging or in any way appertaining thereto for the uses permitted in Section 5.1 hereof without hindrance or molestation; provided, that the Landlord, HUD and their respective agents may enter upon and examine the Premises as provided herein.

**7.4 Environmental Indemnity.** Landlord covenants and agrees to indemnify, protect and save Tenant, its employees, agents, officers, directors, shareholders and partners, and any successor thereof (collectively, "Indemnitees"), harmless against and from any and all damages and liabilities of any kind or of any nature whatsoever (including, without limitation, remediation costs, environmental assessment costs, governmental compliance costs, and reasonable attorneys' and experts' fees and disbursements), known or unknown, foreseen or unforeseen, which may at any time be imposed upon, incurred by or asserted or awarded against the Indemnitees or the Premises or any portion thereof and arising from or out of any hazardous substances on, in, under or affecting all or any portion of the Premises, which exist as of the date of this Lease or which migrate onto the Premises hereafter from any other property owned by Landlord. The foregoing

indemnity excludes any releases or threat of releases of hazardous substances occurring from and after the date of this Lease and not caused by Landlord or its agents, as to which releases or threat of releases Tenant shall be responsible.

**Article VIII**  
**DEFAULTS**

**8.1 Default.** The occurrence of any of the following events shall constitute an event of default ("Event of Default") hereunder:

- (i) if Tenant fails to pay when due any Rent or Additional Rent due hereunder pursuant to Section 3 of this Lease (except where such failure is addressed by another event described in this Section 8.1 as to which lesser notice and grace periods are provided), and any such default shall continue for thirty (30) days after the receipt of written notice thereof by Tenant; or
- (ii) if Tenant fails to observe or perform any covenant, condition, agreement or obligation hereunder not addressed by any other event described in this Section 8.1, and shall fail to substantially cure, correct or remedy such failure within thirty (30) days after the receipt of written notice thereof by Tenant, unless such failure cannot be cured by the payment of money and cannot with due diligence be cured within a period of thirty (30) days, in which case such failure shall not be deemed to continue if Tenant proceeds promptly and with due diligence to cure the failure and diligently completes the curing thereof within a reasonable period of time, not to exceed ninety (90) days; or
- (iii) if Tenant abandons the Premises or any substantial portion thereof and such abandonment is not cured within thirty (30) days following notice from Landlord; or
- (iv) if any representation or warranty of Tenant set forth in this Lease, the Governing Documents, in any certificate delivered pursuant thereto, or in any notice, certificate, demand, submittal or request delivered to the Landlord by Tenant pursuant thereto shall prove to be incorrect in any material respect as of the time when the same shall have been made and the same shall not have been remedied to the reasonable satisfaction of Landlord within thirty (30) days after notice from Landlord, provided that such inaccuracy shall have resulted in a material adverse effect on the Landlord or the Premises; or
- (v) if Tenant shall be adjudicated bankrupt or be declared insolvent under the Federal Bankruptcy Code or any other federal or state law (as now or hereafter in effect) relating to bankruptcy, insolvency, reorganization, winding-up or adjustment of debts (hereinafter collectively called "Bankruptcy Laws"), or if Tenant shall (a) apply for or consent to the appointment of, or the taking of possession by, any receiver, custodian, trustee, United States Trustee or Tenant or liquidator (or other similar official) of Tenant or of any substantial portion of Tenant's property; of any substantial portion of Tenant (b) generally not pay debts as they become due or

admit in writing its inability to pay its debts generally as they become due; (c) make a general assignment for the benefit of its creditors; (d) file a petition commencing a voluntary case under or seeking to take advantage of a bankruptcy law; or (e) fail to controvert in a timely and appropriate manner, or in writing acquiesce to, any petition commencing an involuntary case against Tenant pursuant to any bankruptcy law; or

- (vi) if an order for relief against Tenant shall be entered in any involuntary case under the Federal Bankruptcy Code or any similar order against Tenant shall be entered pursuant to any other bankruptcy law, or if a petition commencing an involuntary case against Tenant or proposing the reorganization of Tenant under the Federal Bankruptcy Code shall be filed in and approved by any court of competent jurisdiction and not be discharged or denied within one hundred twenty (120) days after such filing, or if a proceeding or case shall be commenced in any Court of competent jurisdiction seeking (a) the liquidation, reorganization, dissolution, winding-up or adjustment of debts of Tenant, (b) the appointment of a receiver, custodian, trustee, United States Trustee or liquidator (or other similar official of Tenant) of any substantial portion of Tenant's property, or (c) any similar relief as to Tenant pursuant to bankruptcy law, and any such proceeding or case shall continue undismissed, or any order, judgment or decree approving or ordering any of the foregoing shall be entered and continued unstayed and in effect for one hundred twenty (120) days; or
- (vii) If Tenant shall not have obtained any required approval from Lender to secure financing for the construction of the Improvements or shall fail to enter into the HAP Contract.

Notwithstanding anything to the contrary in this Lease, so long as the Landlord or an affiliate thereof is a member of the general partner of the Tenant (the "General Partner"), the Landlord shall have no right to declare an Event of Default under this Lease and/or to terminate this Lease.

**8.2 Remedies for Default.** If there shall occur an Event of Default on the part of Tenant, the Landlord may terminate this Lease upon not less than thirty (30) additional days' written notice to Tenant, setting forth Tenant's uncured, continuing default and the default alleged by Landlord has not been cured before such termination date. Except that in the event of such default, Landlord's written notice of same shall be effective to terminate this Lease as of the date of such notice or any later date set forth therein. The provisions of the foregoing Sections 8.1 and 8.2 shall be subject in all respects to the provisions of Article IX.

**8.3 Rights and Obligations upon Termination.** Upon such termination, Tenant's interest in the Premises and the Improvements shall automatically revert to Landlord, Tenant shall promptly quit and surrender the Premises and the Improvements to Landlord, without cost to Landlord, and Landlord may, without demand and further notice, reenter and take possession of the Premises and the Improvements, or any part thereof, and repossess the same as Landlord's former estate by summary proceedings, ejectment or otherwise without being deemed guilty of

any manner of trespass and without prejudice to any remedies which Landlord might otherwise have for arrearage of Rent or Additional Rent hereunder or for a prior breach of the provisions of this Lease. The obligations of Tenant under this Lease which arose prior to termination shall survive such termination.

**8.4 Rights Upon Termination.** Upon termination of this Lease pursuant to Section 8.3, Landlord may:

- (i) retain, at the time of such termination, any Rent or Additional Rent paid hereunder, without any deduction, offset or recoupment whatsoever; and
- (ii) enforce its rights under any bond outstanding at the time of such termination; and
- (iii) require Tenant to deliver to Landlord, or otherwise effectively transfer to the Landlord any and all governmental approvals and permits, and any and all rights of possession, ownership or control Tenant may have in and to, any and all financing arrangements, plans, specifications, and other technical documents or materials related to the Development.

In addition to the above remedies of Landlord, Tenant agrees to reimburse Landlord for any and all actual expenditures incurred and for any and all actual damages suffered by Landlord by reason of such Event of Default or such termination, however caused, including all costs, claims, losses, liabilities, damages and expenses (including without limitation, reasonable attorneys' fees and costs) incurred by Landlord as a result thereof.

**8.5 Performance by the Landlord.** If Tenant shall fail to make any payment or perform any act required under this Lease, Landlord may (but need not) after giving not less than thirty (30) (except in case of emergencies and except where a shorter time period is specified elsewhere in this Lease) additional days' notice to Tenant and without waiving any default or releasing Tenant from any obligations, cure such default for the account of the Tenant. Tenant shall promptly pay Landlord the amount of such charges, costs and expenses as Landlord shall have incurred in curing such default, together with interest at the Base Interest Rate.

**8.6 Legal Costs.** Tenant shall be liable for the reasonable and actual legal expenses of the Landlord in connection with any collection of Rent or Additional Rent owed under this Lease, the remedying of any default under this Lease or any termination of this Lease where such collection, remedying or termination results from an Event of Default.

**8.7 Remedies Cumulative.** Unless otherwise specifically provided in this Lease, no remedy herein shall be exclusive of any other remedy or remedies, and each such remedy shall be cumulative and in addition to every other remedy; and every power and remedy given by this Lease may be exercised from time to time and as often as may deemed expedient by either party. No delay or omission by Landlord to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein. The absence in this Lease of any enumeration of events of default by Landlord or remedies of either party with respect to money damages or

specific performance shall not constitute a waiver by either party of its right to assert any claim or remedy available to it under law or in equity.

## **Article IX HUD REQUIREMENTS**

In addition to entering into this Lease, Landlord and Tenant also contemplate the provision of rental assistance to the Premises pursuant to a Housing Assistance Payment Contract ("HAP Contract"). If a HAP Contract is entered into pursuant to the Rental Assistance Demonstration ("RAD"), the U.S. Department of Housing and Urban Development ("HUD") will require Landlord and Tenant to enter into a RAD Use Agreement ("Use Agreement") in connection with the provision of rental assistance to the Premises. Notwithstanding any other clause or provision in this Lease, upon execution of the Use Agreement and for so long as the Use Agreement is in effect, the following provisions shall apply:

**9.1.** This Lease shall in all respects be subordinate to the Use Agreement. Subordination continues in effect with respect to any future amendment, extension, renewal, or any other modification of the Use Agreement or the Lease.

**9.2.** If any of the provisions of this Lease conflict with the terms of the Use Agreement, the provisions of the Use Agreement shall control.

**9.3.** The provisions in this Article IX are required to be inserted into this Lease by HUD and may not be amended without HUD's prior written approval.

**9.4.** Violation of the Use Agreement constitutes a default of this Lease.

**9.5.** Notwithstanding any other contract, document or other arrangement, upon termination of this ground lease, title to the real property leased herein shall remain vested in Petersburg Redevelopment and Housing Authority and title to the buildings, fixtures, improvements, trade fixtures and equipment that belong to Tenant shall vest in Sycamore Towers Apartments, L.P.

**9.6.** Neither the Tenant nor any of its general partners shall have any authority to:

a. Take any action in violation of the Use Agreement; or

b. Fail to renew the HAP Contract upon such terms and conditions applicable at the time of renewal when offered for renewal by PRHA or HUD.

c. Except to the extent permitted by the HAP Contract or Use Agreement and the normal operation of the Premises, neither the Tenant nor any general partners shall have any authority without the consent of PRHA to sell, transfer, convey, assign, mortgage, pledge, sublease or otherwise dispose of, at any time, the Premises or any part thereof.

**Article X**  
**MISCELLANEOUS**

**10.1 Construction.** Landlord and Tenant agree that all the provisions hereof are to be construed as covenants and agreements as though the words importing such covenants and agreements were used in each separate section thereof.

**10.2 Performance Under Protest.** In the event of a dispute or difference between Landlord and Tenant as to any obligation which either may assert the other is obligated to perform or do, then the party against whom such obligation is asserted shall have the right and privilege to carry out and perform the obligation so asserted against it without being considered a volunteer or deemed to have admitted the correctness of the claim, and shall have the right to bring an appropriate action at law, equity or otherwise against the other for the recovery of any sums expended in the performance thereof and in any such action, the successful party shall be entitled to recover in addition to all other recoveries such reasonable attorneys' fees as may be awarded by the court.

**10.3 No Waiver.** Failure of either party to complain of any act or omission on the part of the other party, no matter how long the same may continue, shall not be deemed to be a waiver by said party of any of its rights hereunder. No waiver by either party at any time, express or implied, of any breach of any other provision of this Lease shall be deemed a waiver of a breach of any other provision of this Lease or a consent to any subsequent breach of the same or any other provision. If any action by either party shall require the consent or approval of the other party, the other party's consent to or approval of such action on any one occasion shall not be deemed a consent to or approval of said action on any subsequent occasion or a consent to or approval of any other action on the cause of any subsequent occasion. Any and all rights and remedies which either party may have under this Lease or by operation of law, either at law or in equity, upon any breach, shall be distinct, separate and cumulative and shall not be deemed inconsistent with each other; and no one of them whether exercised by said party or not, shall be deemed to be in exclusion of any other; and two or more or all of such rights and remedies may be exercised at the same time.

**10.4 Headings.** The headings used for the various articles and sections of this Lease are used only as a matter of convenience for reference, and are not to be construed as part of this Lease or to be used in determining the intent of the parties of this Lease.

**10.5 [Intentionally Deleted.]**

**10.6 Partial Invalidity.** If any terms, covenant, provision or condition of this Lease or the application thereof to any person or circumstances shall be declared invalid or unenforceable by the final ruling of a court of competent jurisdiction having final review, the remaining terms, covenants, provisions and conditions of this Lease and their application to persons or circumstances shall not be affected thereby and shall continue to be enforced and recognized as valid agreements of the parties, and in the place of such invalid or unenforceable provision there shall be substituted a like, but valid and enforceable, provision which comports to the findings of the aforesaid court and most nearly accomplishes the original intention of the parties.



**10.7 Bind and Inure.** Unless repugnant to the context, the words "Landlord" and "Tenant" shall be construed to mean the original parties, their respective successors and assigns and those claiming through or under them respectively. Subject to the provisions of the next sentence of this Section 10.7, the agreements and conditions in this Lease contained on the part of Tenant to be performed and observed shall be binding upon Tenant and its successors and assigns and shall inure to the benefit of Landlord and its successors and assigns, and the agreements and conditions in this Lease contained on the part of the Landlord to be performed and observed shall be binding upon Landlord and its successors and assigns and shall inure to the benefit of Tenant and its successors and assigns. Landlord agrees that Tenant and its successors and assigns shall be liable only for obligations accruing while it holds the leasehold estate created hereunder, and that no individual limited partner of Tenant, or stockholder or affiliate thereof, nor any stockholder or affiliate of any general partner of Tenant, shall be personally liable under this Lease, and Landlord agrees to look solely to Tenant for performance of the obligations, conditions and covenants of this Lease.

**10.8 Estoppel Certificate.** Each party agrees from time to time, upon no less than fifteen (15) days' prior notice from the other, to execute, acknowledge and deliver to the other a statement certifying that (i) this Lease is unmodified and in full force and effect (or, if there have been any modifications, that the same is in full force and effect as modified and stating the modifications), (ii) the dates to which the rent has been paid, and that no additional rent or other payments are due under this Lease (or if additional rent or other payments are due, the nature and amount of the same), and (iii) whether there exists any uncured default by the other party, or any defense, offset, or counterclaim against the other party, and, if so, the nature of such default, defense, offset or counterclaim. Any such statement delivered pursuant to this Section 10.8 may be relied upon by any prospective purchaser or holder of a mortgage of the leasehold interest hereunder or any prospective holder of a sublease from Tenant or any prospective assignee of any such holder of a mortgage or sublease.

**10.9 Recordable Form of Lease.** On or about the date of delivery of this Lease the parties have delivered a Memorandum of Lease which Tenant shall record in the public office in which required to put third parties on notice. If this Lease is terminated before the Term expires, the parties shall execute, deliver and record an instrument acknowledging such fact and the date of termination of this Lease.

**10.10 Notice.** Any notice or other communication given or made pursuant to this Agreement shall be in writing and shall be deemed given if (i) delivered personally or by courier, (ii) sent by overnight express delivery, or (iii) mailed by registered or certified mail (return receipt requested), postage prepaid, to a party at its respective address set forth below (or at such other address as shall be specified by the party by like notice given to the other party)

If to Tenant:                   Sycamore Towers Apartments, L.P.  
  c/o Sycamore Towers Apartments G.P., LLC  
  128 S. Sycamore Street Petersburg, VA 23803 Fax: (804) 733-2229

with a copies to:               Delphine G. Carnes, Esq.  
  Crenshaw, Ware & Martin, P.L.C.  
  150 W. Main Street, Suite 1500

Norfolk, Virginia 23510  
Fax: (757)623-5735

If to Landlord: Petersburg Redevelopment and Housing Authority  
128 S. Sycamore Street, Petersburg, VA 23803  
Attn.: Nathaniel T. Pride  
Fax: (804) 733-2229

with a copy to: Delphine G. Carnes, Esq.  
Crenshaw, Ware & Martin, P.L.C.  
150 W. Main Street, Suite 1500  
Norfolk, Virginia 23510  
Fax: (757)623-5735

with a copy to:

All such notices and other communications shall be deemed given on the date of personal or local courier delivery, delivery to overnight courier or express delivery service, or deposit in the United States Mail, and shall be deemed to have been received (i) in the case of personal or local courier delivery, on the date of such delivery, (ii) in the case of delivery by overnight courier or express delivery service, on the date following dispatch, and (iii) in the case of mailing, on the date specified in the return receipt therefor. For the sake of convenience and rapidity of transmission, copies of notices may be sent by telecopy transmission, but such transmission alone shall not be deemed to satisfy the notice requirements of this Agreement absent actual receipt or the giving of notice by one of the other means stated above.

**10.11** Entire Agreement. This instrument contains all the agreements made between the parties hereto with respect to the subject matter hereof and may not be modified in any other manner than by an instrument in writing executed by the parties or their respective successors in interest and approved by HUD.

PAGE ENDS HERE. SIGNATURES ON FOLLOWING PAGE.

EXECUTED as a sealed instrument on the day and year first above written:

Landlord:

PETERSBURG REDEVELOPMENT AND  
HOUSING AUTHORITY,  
a political subdivision of the Commonwealth of  
Virginia

By: *Nathaniel T. Pride* Name:  
Nathaniel T. Pride  
Title: Executive Director

Tenant:

SYCAMORE TOWERS APARTMENTS, L.P.,  
A Virginia limited partnership

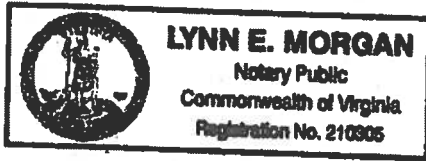
By: SYCAMORE TOWERS APARTMENTS  
G.P., LLC, a Virginia limited liability company,  
its general partner

By: PETERSBURG REDEVELOPMENT  
AND HOUSING AUTHORITY,  
a political subdivision of the  
Commonwealth of Virginia,  
its Member

By: *Nathaniel T. Pride*  
Name: Nathaniel T. Pride  
Title: Executive Director

Commonwealth of Virginia  
City of Petersburg

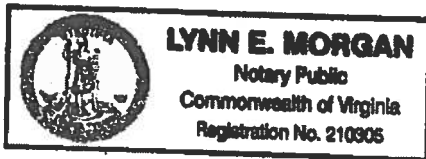
The foregoing Ground Lease was acknowledged before me on this 26<sup>th</sup> day of November, 2018 by Nathaniel T. Pride, Executive Director of Petersburg Redevelopment and Housing Authority, Member of Sycamore Towers Apartments G.P., LLC, a Virginia limited liability company which is the general partner of Sycamore Towers Apartments, L.P., a Virginia limited partnership, on behalf of such limited partnership.



Lynn E. Morgan  
Notary Public  
My commission expires: 10-31-20

Commonwealth of Virginia  
City of Petersburg

The foregoing Ground Lease was acknowledged before me on this 26<sup>th</sup> day of November, 2018 by Nathaniel T. Pride, Executive Director of the Petersburg Redevelopment and Housing Authority, a body corporate and politic of the Commonwealth of Virginia, on behalf of the Petersburg Redevelopment and Housing Authority.



Lynn E. Morgan  
Notary Public  
My commission expires: 10-31-20

EXHIBIT A

TO

GROUND LEASE

SYCAMORE TOWERS (VA020000102)

All those four (4) certain parcels of land with the improvements thereon and appurtenances thereto belonging, lying, being and situate in the City of Petersburg, State of Virginia, and being described by metes and bounds as follows, to-wit:

BEGINNING at a point on the western line of South Sycamore Street located at a point One Hundred Ninety-five and thirty-eight-hundredths (195.38) feet north of the intersection of College Alley; thence along a line N. 82° 00' 07" W. Two Hundred Seventeen and seventeen-hundredths (217.17) feet to an iron pin; thence along a line N 10° 03' 05" E. Fifty-five and ten-hundredths (55.10) feet to a point; thence along a line N. 82° 01' 30" W. Sixty-five and fifty-four-hundredths (65.54) feet to a point; thence along a line N. 6° 58' 42" E. One Hundred Seventy-three and eleven-hundredths (173.11) feet to a point; thence along a line S. 76° 44' 04" E. Sixty-five and thirty-five hundredths (65.35) feet to a point; thence along a line S. 7° 50' 05" W. Forty-two and twenty-five-hundredths (42.25) feet to a point; thence along a line S. 82° 08" E. Two Hundred Fifteen and forty-seven hundredths (215.47) feet to a point on the western line of South Sycamore Street; thence along the western line of South Sycamore Street S. 7° 00' W. One Hundred Eighty and thirty-eight-hundredths (180.38) feet to the point of beginning.

Reference to the following deeds is hereby made:

- (1) Maxine S. Barney, widow, dated February 16, 1971, recorded in the Clerk's Office of the Hustings Court of Petersburg, Virginia, in Deed Book 307 at page 39;
- (2) Thomas F. Cooper et al, dated February 16, 1971, recorded in the aforesaid Clerk's Office in Deed Book 307 at page 42;
- (3) Noldi W. Creasy, widow, dated February 16, 1971, recorded in the aforesaid Clerk's Office in Deed Book 307 at page 45; and
- (4) Baycon Corporation, a Virginia Corporation, dated April 20, 1971, recorded in the aforesaid Clerk's Office in Deed Book 307 at page 36;

A plat of the aforesaid properties, dated June 19, 1970, entitled, "Plat Showing Property to be Acq. By Baycon Corp.", made by R.A. Bristow, C.L.S., is of record in the aforesaid Clerk's Office in Deed Book 307 at page 57.

## LEASE OPTION AGREEMENT

**THIS LEASE OPTION AGREEMENT** ("Option"), made this 24th day of September, 2018, between **PETERSBURG REDEVELOPMENT AND HOUSING AUTHORITY**, a political subdivision of the Commonwealth of Virginia, hereinafter called "Lessor," and **SYCAMORE TOWERS APARTMENTS, L.P.**, a Virginia limited partnership, hereinafter called "Lessee,"

### WITNESSETH THAT:

**WHEREAS**, Lessor holds fee simple title to certain real estate located in the City of Petersburg, Virginia, more particularly described on Exhibit A attached hereto and made a part hereof (the "Property"); and

**WHEREAS**, Lessee desires an option to ground lease from Lessor the Property and Lessor is willing to grant the option for the price and on the terms hereafter set forth; and

**WHEREAS**, Lessor and Lessee enter into this Option to provide the Lessee with the right to ground lease the Property.

**NOW, THEREFORE**, for and in consideration of the sum of One Hundred Dollars (\$100.00), and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor hereby grants to Lessee the exclusive option and right to ground lease the Property, upon the following terms:

1. **Duration of Option**: This Option creates a binding contract requiring Lessor to ground lease the Property to Lessee in the event Lessee exercises the option during the period commencing on the date hereof and ending on June 30, 2019 (the "Option Period"). In the event the Lessee shall not have exercised the Option by June 30, 2019, this Option shall on that date then terminate.
2. **Exercise of Option**: This Option may be exercised by Lessee's delivering to Lessor a written notice expressly exercising the Option before the expiration of the Option Period. Upon receipt of such notice, Lessor will prepare and present to Lessee a ground lease (the "Ground Lease"), so as to have such contract fully executed by both parties. The Ground Lease will have a term of at least fifty (50) years. The Option is irrevocable for the duration of the Option Period. The Option will expire if the notice of exercise is not delivered to Lessor before the end of the Option Period. If the option is exercised, the consideration for the lease of the Property shall be the payment of rent under a ground lease to be agreed upon by Lessee and Lessor, as applicable.
3. **Option Payment**: Lessee has paid Lessor the sum of \$1.00 as the price of this Option. Upon execution of a Ground Lease, the \$1.00 option money will be credited against the Lessee's earnest money obligation at the time of contract signing. The option money shall be returned to Lessee if the failure to enter into a Ground Lease is not the choice or fault of the Lessee.

4. **Lessor's right during Option Period.** Anything herein to the contrary notwithstanding, during the Option Period the Lessor shall have the right to use the Property, or permit any other person or entity to use the Property, for any purpose. Lessor covenants and agrees that, until the expiration of the Option Period, Lessor will not lease, sell or convey the Property or any part thereof to any other party, unless expressly subject and subordinate to this Option, it being understood that Lessee shall have the exclusive rights to lease the Property from Lessor until the expiration of the Option Period or the Lessee's exercise of this Option.

5. **Restrictive Covenants:** It is hereby specified that, as a part of the consideration for the Ground Lease of the subject property, the land will be ground leased expressly subject to certain covenants, restrictions, limitations and conditions, which will at the time of Ground Lease be imposed as covenants running with and binding upon the land, and which will provide generally as follows:

- a. The Property shall not be used for commercial or industrial purposes but shall be used for residential purposes only.
- b. There shall not be effected or executed any agreement, lease, covenant, conveyance or other instrument whereby the sale, lease or occupancy of the Property is restricted upon the basis of race, creed, color, religion, sex, national origin, disability or familial status.
- c. The Lessee will comply with all State and local laws, in effect from time to time, prohibiting discrimination or segregation by reason of race, creed, color, religion, sex, national origin, disability or familial status in the sale, lease, or occupancy of the Property.
- d. The Lessee agrees on behalf of itself, its successors and assigns, not to discriminate upon the basis of race, creed, color, religion, sex, national origin, disability or familial status in the sale, lease, rental, use or occupancy of the Property or any improvements thereon. This covenant being given for the benefit of the public, the United States is expressly recognized as a beneficiary thereof and is entitled to enforce it for its own benefit or that of the public.
- e. Unless prevented by Act of God or war, or some other unforeseen cause wholly beyond control, within thirty (30) days after settlement there shall be begun, and within twenty-four (24) months after settlement there shall be completed on said Property, certain improvements, with appropriate landscaping.
- f. No sign or fence shall be permitted on or within the perimeter of the Property without first obtaining the written permission of the Lessor.

- g. Coal shall not be used for heating or developing fuel or for any other operation on the Property.
- h. The land area not occupied by structures, hard-surfacing or vehicular driveways, shall be kept planted with grass, trees and plants or shrubbery and maintained in a healthy condition and neat appearance. Upon default in such planting or in its maintenance, Lessee, and its successors and assigns, agrees that the necessary planting and work may be done by Lessor at the expense of Lessee, or his successors and assigns, from time to time and in keeping with this covenant.
- i. Parking areas, driveways and other vehicular accessways will be hard-surfaced with material of concrete, bituminous or similar composition.
- j. The Lessee agrees, on behalf of itself, its successors and assigns, that all buildings located on the Property and their appurtenant premises will be maintained in a sound condition and neat appearance. Necessary repairs, maintenance and upkeep will be performed so as to preserve the attractive appearance, the physical integrity and the sanitary and safe condition of the buildings. Upon default in such repairs, maintenance or upkeep, Lessee, and its successors and assigns, agree that the necessary repairs, maintenance and upkeep may be done by Lessor at the expense of Lessee, or its successors and assigns, from time to time and in keeping with this covenant.
- k. Gas, electric and other utility services shall be underground to the buildings from the main distribution. No utility line or connection to any utility line at or above ground level shall be permitted.
- l. Any service area, facility or equipment located on that side of a building or building site which is adjacent to a public right-of-way is to be enclosed or otherwise screened from view.
- m. Provision for off-street parking space for motor vehicles shall be in accordance with the zoning ordinances of the City of Petersburg.
- n. All exterior walls shall be constructed of permanent materials impervious to deterioration in appearance, such as stone, exposed aggregates, brick or glass. All roof structures and appurtenances in excess of six (6) inches in diameter and twelve (12) inches in height shall be shielded or screened from observation from the same



elevation. Such shielding or screening shall be with materials compatible and in harmony with the roof and/or side walls.

- o. No landscaping, improvements or structures, whether temporary or permanent in nature, shall be constructed, commenced or erected on the Property unless and until the plans, working drawings, specifications and materials therefor have been approved in writing by the Lessor.
- p. Covenants a, e, f, g, h, i, j, k, l, m, n and o above shall expire forty (40) years after the date of the Ground Lease.

6. **Notices:** Any notice, demand or request by either party hereto to the other shall be deemed to be given if and when posted in the U.S. Mails by registered mail, postage prepaid, addressed as follows:

**If to Lessor:**

Petersburg Redevelopment and Housing Authority  
128 S. Sycamore Street, Annex Building  
Petersburg, Virginia 23803  
Attn: Nathaniel T. Pride, Executive Director

**If to Lessee:**

Sycamore Towers Apartments, L.P.  
c/o Sycamore Towers Apartments G.P., LLC  
128 S. Sycamore Street, Annex Building  
Petersburg, Virginia 23803  
Attn: Nathaniel T. Pride

7. **Assignment of Option:** This Option is not freely assignable. Lessee may assign the Option only to a subsidiary or affiliate of Lessee, and then only a) upon giving written notice to the Lessor, b) upon obtaining Lessor's written consent to the assignment, and c) provided that Assignee shall retain underlying responsibility for performing the obligations of the Lessee.

8. **Recordation of Option:** This Option may be recorded by the Lessor or the Lessee in the land records of the City of Petersburg.

9. **Applicable Law:** The interpretation and enforcement of this Option and any similar contracts entered into between Lessee and Lessor shall be governed by the laws of the Commonwealth of Virginia.

WITNESS the following signatures and seals on the day and year first above written.

**LESSOR:**

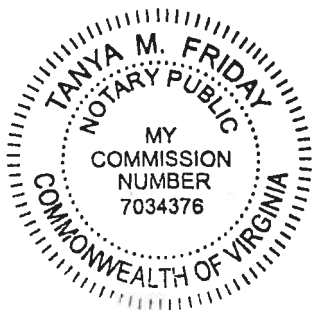
**PETERSBURG REDEVELOPMENT AND HOUSING AUTHORITY,**  
a political subdivision of the Commonwealth of Virginia

By *Nathaniel Pride*  
Name: Nathaniel T. Pride  
Title: Executive Director

**COMMONWEALTH OF VIRGINIA**  
**CITY OF PETERSBURG, to-wit:**

I, *Tanya M. Friday*, a Notary Public in and for the City aforesaid, in the Commonwealth of Virginia, whose commission expires on the *30<sup>th</sup>* day of *June*, *2022*, do hereby certify that Nathaniel T. Pride, Executive Director of Petersburg Redevelopment and Housing Authority, whose name is signed as such to the foregoing writing bearing date of the 24th day of September, 2018, has acknowledged the same before me in my City and State.

Given under my hand this *24<sup>th</sup>* day of September, 2018.



*Tanya M. Friday*  
Notary Public

Notary ID: *7034376*

**LESSEE:**

**SYCAMORE TOWERS APARTMENTS, L.P.,**  
a Virginia limited partnership

By: Sycamore Towers Apartments G.P., LLC,  
a Virginia limited liability company  
its General Partner

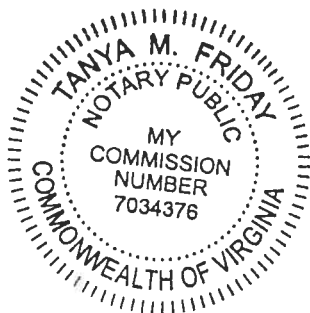
By: Petersburg Redevelopment and Housing  
Authority, a political subdivision of the  
Commonwealth of Virginia, Member

By *Nathaniel Pride*  
Name: Nathaniel T. Pride  
Title: Executive Director

**COMMONWEALTH OF VIRGINIA**  
**CITY OF PETERSBURG, to-wit:**

I, *Tanya M. Friday*, a Notary Public in and for the City aforesaid, in the Commonwealth of Virginia, whose commission expires on the *30<sup>th</sup>* day of *June*, *2022*, do hereby certify that Nathaniel T. Pride, Executive Director of Petersburg Redevelopment and Housing Authority, which is a member of Sycamore Towers Apartments G.P., LLC, the General Partner of Sycamore Towers Apartments, L.P., whose name is signed as such to the foregoing writing bearing date of the 24<sup>th</sup> day of September, 2018, has acknowledged the same before me in my City and State.

Given under my hand this *24<sup>th</sup>* day of September, 2018.



*Tanya M. Friday*  
Notary Public

Notary ID: *7034376*

## EXHIBIT A

### Legal Description

All those four (4) certain parcels of land with the improvements thereon and appurtenances thereto belonging, lying, being and situate in the City of Petersburg, State of Virginia, and being described by metes and bounds as follows, to-wit:

BEGINNING at a point on the western line of South Sycamore Street located at a point One Hundred Ninety-five and thirty-eight-hundredths (195.38) feet north of the intersection of College Alley; thence along a line N. 82° 00' 07" W. Two Hundred Seventeen and seventeen-hundredths (217.17) feet to an iron pin; thence along a line N 10° 03' 05" E. Fifty-five and ten-hundredths (55.10) feet to a point; thence along a line N. 82° 01' 30" W. Sixty-five and fifty-four-hundredths (65.54) feet to a point; thence along a line N. 6° 58' 42" E. One Hundred Seventy-three and eleven-hundredths (173.11) feet to a point; thence along a line S. 76° 44' 04" E. Sixty-five and thirty-five hundredths (65.35) feet to a point; thence along a line S. 7° 50' 05" W. Forty-two and twenty-five-hundredths (42.25) feet to a point; thence along a line S. 82° 08" E. Two Hundred Fifteen and forty-seven hundredths (215.47) feet to a point on the western line of South Sycamore Street; thence along the western line of South Sycamore Street S. 7° 00' W. One Hundred Eighty and thirty-eight-hundredths (180.38) feet to the point of beginning.

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## Property Record Card - Petersburg, VA

### General Property Data

Parcel ID 022-150004	Account Number
Prior Parcel ID --	
Property Owner PETG REDEV & HSING AUTHORITY	Property Location 128 SYCAMORE ST S
	Property Use Local Imp
Mailing Address PO BOX 311	Most Recent Sale Date 10/20/1972
	Legal Reference 316-440
City PETERSBURG	Grantor
Mailing State VA Zip 23804	Sale Price 2,110,020
Parcel Zoning R-6	Land Area acres

CITY ASSESSORS OFFICE  
 PETERSBURG, VA 23804  
 (804) 793-2233

2017-19

### Current Property Assessment

Card 1 Value	Building Value	3,687,200	Xtra Features Value	0	Land Value	343,800	Total Value	4,031,000
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### Building Description

Building Style 4/MORE	Foundation Type	Flooring Type CARPET
# of Living Units 0	Frame Type	Basement Floor N/A
Year Built 1971	Roof Structure	Heating Type NONE
Building Grade	Roof Cover BUILTUP	Heating Fuel N/A
Building Condition N/A	Siding SOLIDBRIC	Air Conditioning
Finished Area (SF)	Interior Walls N/A	# of Bsmt Garages 0
Number Rooms 0	# of Bedrooms 0	# of Full Baths
# of 3/4 Baths	# of 1/2 Baths	# of Other Fixtures

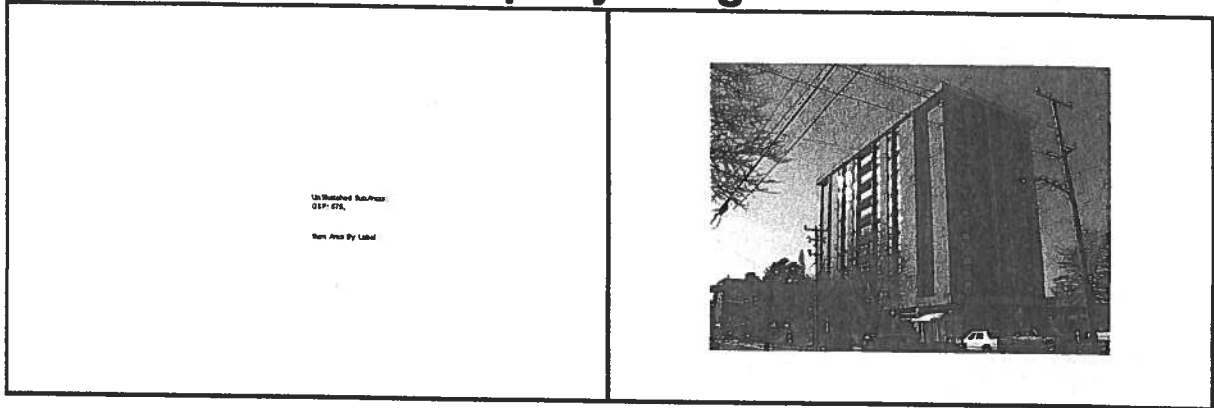
### Legal Description

180.4X215.5-217.2 REAR 173 X 65

### Narrative Description of Property

This property contains acres of land mainly classified as Local Imp with a(n) 4/MORE style building, built about 1971, having SOLIDBRIC exterior and BUILTUP roof cover, with 0 unit(s), 0 room(s), 0 bedroom(s), bath(s), half bath(s).

### Property Images



Disclaimer: This information is believed to be correct but is subject to change and is not warranted.

**INTERIOR INFORMATION**  
 Avg Ht/Ft: S  
 Prim Int Wal %  
 Sec Int Wall:  
 Partition:  
 Prim Floors: CARPET  
 Sec Floors:  
 Bsmnt Flr:  
 Bsmnt Gar:  
 Electric:  
 Insulation:  
 Int vs Ext:  
 Heat Fuel:  
 Heat Type: NONE  
 # Heat Sys: % AC: 100  
 % Heated: Central Vac: NO  
 Solar HW: NO  
 % Com Wal % Sprinkled

**EXTERIOR INFORMATION**  
 Type: 4/MORE  
 Sty Ht: 4S - 4 STORY  
 (Liv) Units: Total: 0  
 Foundation:  
 Frame:  
 Prime Wall: SOLIDBRIC  
 Sec Wall:  
 Roof Struct:  
 Roof Cover: BUILTUP  
 Color:  
 View /Desir:

**GENERAL INFORMATION**  
 Grade:  
 Year Blt: 1971 Eff Yr Blt: 1994  
 Alt LUC: Alt %:  
 Jurisdic: Fact:  
 Const Mod:  
 Lump Sum Adj:

**PROPERTY FACTORS**  
 Item Code Description % Item Code Description  
 Z R-6 R-6 100 water  
 o Sewe  
 n Electri

**ACTIVITY INFORMATION**  
 Date Result By Name

**DEPRECIATION**  
 Phys Cond:  
 Functional:  
 Economic:  
 Special:  
 Override:

**BATH FEATURES**  
 Full Bath 0 Rating:  
 A Bath: Rating:  
 3/4 Bath: Rating:  
 A 3QBth Rating:  
 1/2 Bath: 0 Rating:  
 A HBth: Rating:  
 OthrFix: Rating:

**OTHER FEATURES**  
 Kils: Rating:  
 A Kils: Rating:  
 Frpl: 0 Rating:  
 WSFlue: Rating:

**REMODELING**  
 Exterior:  
 Interior:  
 Additions:  
 Kitchen:  
 Baths:  
 Plumbing:  
 Electric:  
 Heating:  
 General:

**PRINT DATE/TIME**  
 03/09/18 15:35:22

**SALES INFORMATION**  
 Grantor Legal Ref Type Date Nat Desc Sale Price V Tst Verif Assoc PCL Value  
 316-440 10/20/1972 QUALIFIED 2,110,020 No No

**IN PROCESS APPRAISAL SUMMARY**

Use Code	Land Size	Building Value	Yard Items	Total Value
701	0.893	3,687,200		4,031,000
<b>Total Card</b>	0.000	3,687,200		4,031,000
<b>Total Parcel</b>	0.000	3,687,200		4,031,000

**SALES INFORMATION**

Source	Override	Total Assmnt per SQ unit /Card	N/A	/Parcel	N/A
03/09/18	15:35:22				

**PREVIOUS ASSESSMENT**

Tax Yr	Use	Building Value	Land Size	Land Value	Total Value
2014	701	3,687,200	1.893	3,433,800	4,031,000
2013	701	3,687,200	.893	3,708,000	3,708,000

**BUILDING PERMITS CARD 1 of 1** TOTAL ASSESSED: 4,031,000

Date	Number	Descrpt	Amount	C/O	Last Visit	Fed Code	F. Descrpt	Comment
3/9/2017	2199		179,774					
4/18/2016	5000		5,000					

**SUB AREA**

Code	Description	Area - SQ	Rate - AV	Undepr Value
OSP	Covered Porc	575	15.160	8,719

**CALC SUMMARY**

Basic \$ / SQ:	76.00
Size Adj.:	1.00000000
Const Adj.:	0.97200000
Adj \$ / SQ:	75.816
Grade Factor:	
Other Features:	0
Neighborhood Inf:	1.00000000
LUC Factor:	1.00
Adj Total:	8719
Depreciation:	1133
Depreciated Total:	7585
Jurts. Factor	
Special Features:	0
Final Total:	7600

**RES BREAKDOWN SUB AREA DETAIL**

No Unit	RMS	BRS	FL	Sub	%	Descrpt	%	Qu	Ten
0	0	0	0	0	0				

**Net Sketched Area:** 575 Total: 8,719  
**Gross Area:** 575 **FinArea:** 0

**SPEC FEATURES/YARD ITEMS**

Code	Description	A	YS	Qty	Size/Dim	Qual	Con	Year	Unit Price	D/S	Dep	LUC	Fact	NB Fa	Appr Value	JCod	JFact	Ass'd Value
701	Local Imp			38900	SQUARE FESITE				0	2.25	1.00	16			87,525			87,500

**LEGAL DESCRIPTION**  
 180.4X215.5-217.2 REAR 173 X 65  
 7/1/14 CORRECTION / RENOVATION - EFFECTIVE 7/01/14 Memo#14-221.

**COMMENTS**  
 7/1/14 CORRECTION / RENOVATION - EFFECTIVE 7/01/14 Memo#14-221.

**LAND SECTION**

Code	Description	Fact	Units	Depth/PrUni	Unit Type	Land Type	Factor	Base	Price	Adj	NBC	N,INF	N,Mod	Inf 1	%	Inf 2	%	Inf 3	%	Appraised	Alt Clas	%	Spec	J	Fact	Use Value	Notes
701	Local Imp		38900		SQUARE FESITE			0	2.25	1.00	16			0	0					87,525						87,500	

**More: N** Total Yard Items: Total Special Features:

**Total AC/Ha:** 0.00002 **Total SF/SM:** 1 **Parcel LUC:** 701 **Local Imp** **Prime NB Desc:** 16Heights **Total:** 87,525 **Spl/Credit** **Total:** 87,500 **More:** Y

**Database:** AssessPro-Petersburg **cgreen** **2017 CA**

Disclaimer: This Information is believed to be correct but is subject to change and is not warranted.

Code of Virginia

Title 58.1. Taxation

Chapter 36. Tax Exempt Property

## § 58.1-3606. Property exempt from taxation by classification.

A. Pursuant to the authority granted in Article X, Section 6 (a)(6) of the Constitution of Virginia to exempt property from taxation by classification, the following classes of real and personal property shall be exempt from taxation:

1. Property owned directly or indirectly by the Commonwealth, or any political subdivision thereof.
2. Real property and personal property owned by churches or religious bodies, including (i) an incorporated church or religious body and (ii) a corporation mentioned in § 57-16.1, and exclusively occupied or used for religious worship or for the residence of the minister of any church or religious body, and such additional adjacent land reasonably necessary for the convenient use of any such property. Real property exclusively used for religious worship shall also include the following: (a) property used for outdoor worship activities; (b) property used for ancillary and accessory purposes as allowed under the local zoning ordinance, the dominant purpose of which is to support or augment the principal religious worship use; and (c) property used as required by federal, state, or local law.
3. Nonprofit private or public burying grounds or cemeteries.
4. Property owned by public libraries, law libraries of local bar associations when the same are used or available for use by a state court or courts or the judge or judges thereof, medical libraries of local medical associations when the same are used or available for use by state health officials, incorporated colleges or other institutions of learning not conducted for profit. This paragraph shall apply only to property primarily used for literary, scientific or educational purposes or purposes incidental thereto and shall not apply to industrial schools which sell their products to other than their own employees or students.
5. Property belonging to and actually and exclusively occupied and used by the Young Men's Christian Associations and similar religious associations, including religious mission boards and associations, orphan or other asylums, reformatories, hospitals and nunneries, conducted not for profit but exclusively as charities (which shall include hospitals operated by nonstock corporations not organized or conducted for profit but which may charge persons able to pay in whole or in part for their care and treatment).
6. Parks or playgrounds held by trustees for the perpetual use of the general public.
7. Buildings with the land they actually occupy, and the furniture and furnishings therein belonging to any benevolent or charitable organization and used by it exclusively for lodge purposes or meeting rooms, together with such additional adjacent land as may be necessary for the convenient use of the buildings for such purposes.
8. Property of any nonprofit corporation organized to establish and maintain a museum.

B. Property, belonging in one of the classes listed in subsection A of this section, which was exempt from taxation on July 1, 1971, shall continue to be exempt from taxation under the rules of statutory construction applicable to exempt property prior to such date.

Code 1950, § 58-12; 1950, p. 61; 1952, c. 50; 1954, c. 65; 1956, c. 478; 1956, Ex. Sess., c. 16; 1958, c. 361; 1960, c. 396; 1962, c. 129; 1964, c. 198; 1966, c. 582; 1968, cc. 37, 807; 1969, Ex. Sess., c. 9; 1970, cc. 83, 562; 1972, c. 667; 1973, c. 438; 1974, c. 469; 1984, c. 675; 1985, c. 495; 2004, c. 492; 2005, c. 928; 2014, cc.



Code of Virginia

Title 36. Housing

Chapter 1. Housing Authorities Law

### § 36-4. Creation of redevelopment and housing authorities.

In each locality there is hereby created a political subdivision of the Commonwealth, with such public and corporate powers as are set forth in this chapter, to be known respectively as the "....."  
 (insert name of locality) Redevelopment and Housing Authority" (hereinafter referred to as "authority"); provided, however, that any authority not now activated shall not transact any business or exercise any powers authorized under this chapter until or unless the qualified voters of such locality shall by a majority vote of such qualified voters voting in a referendum held as provided in § 36-4.1, have indicated a need for an authority to function in such locality. The referendum to determine whether or not there is a need for an authority to function (i) may be called by the governing body by resolution or (ii) shall be called by the governing body upon the filing of a petition signed by at least two percent of the qualified voters registered in the jurisdiction, asserting that there is need for an authority to function in such locality and requesting the governing body to call such referendum.

The governing body may by resolution call for a referendum to determine whether there is need for an authority in the locality if the governing body believes it is appropriate for one of the reasons set out in § 36-2. In the case of a town located within the county, the town council shall first obtain the concurrence of the governing body of the county and the county redevelopment and housing authority prior to scheduling a referendum.

In any suit, action or proceeding involving the validity or enforcement of or relating to any contract of the authority, the authority shall be conclusively deemed to have become established and authorized to transact business and exercise its powers hereunder if the voters of the locality have so indicated in a referendum held pursuant to § 36-4.1, that there is need for the authority.

1938, p. 448; Michie Code 1942, § 3145(4); 1946, p. 276; 1947, p. 138; 1952, c. 427; 1958, c. 533; 2006, c. 784; 2009, c. 78.

## DIVISION 5. - PAYMENTS IN LIEU OF REAL PROPERTY TAXATION

## Sec. 106-151. - Service charge on certain real property.

Notwithstanding the provisions of Code of Virginia, § 58.1-3600 et seq., relating to the exemption of property from taxation, there is hereby levied and imposed a service charge upon the owners of all real estate situated within the city that is exempted from property taxation under Code of Virginia, § 58.1-3606(A)(1), except property owned by the commonwealth, and Code of Virginia, §§ 58.1-3606(A)(3), (A)(4) and (A)(7), 58.1-3607(A)(2)—(A)(7), and all sections in Code of Virginia, §§ 58.1-3609 et seq. and 58.1-3650 et seq.

(Code 1981, § 34-82)

## Sec. 106-152. - Valuation of property; establishment of the rate of service charge.

The service charge authorized in section 106-151 shall be 20 percent of the real estate tax rate of the city applied against the assessed value of the tax exempt real estate. However, in no event shall the service charge exceed the amount authorized in Code of Virginia, § 58.1-3401.

(Code 1981, § 34-83)

## Sec. 106-153. - Exemptions from service charge.

(a) Buildings with land they actually occupy, together with additional adjacent land reasonably necessary for the convenient use of any such building, located within the city shall be exempt from such service charge if the buildings are: (i) lawfully owned and held by churches or religious bodies and wholly and exclusively used for religious worship or for the residence of the minister of any church or religious body or for use as a religious convent, nunnery, monastery, cloister or abbey or (ii) used or operated exclusively for nonprofit private educational or charitable purposes, other than faculty or staff housing of any such educational institution.

(b) The service charge shall also not be applicable to public roadways or property held for future construction of such roadways.

(Code 1981, § 34-84)

Secs. 106-154—106-170. - Reserved.



F

Architect's Certification  
and Third-Party RESNET  
Rater Certification  
(MANDATORY)



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## INSTRUCTIONS FOR THE COMPLETION OF APPENDIX F ARCHITECT'S CERTIFICATION

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(This form must be included in the Application – Tab F)

**NOTE:** If the development includes any combination of New Construction, Rehabilitation or Adaptive Reuse, then separate Architect Certifications must be provided for each construction type.

The proper completion of this certification is critical to calculate the average unit square feet and net rentable square feet of each unit type, to document amenity items for which will be awarded, and to calculate certain elements of the efficient use of resources points.

If this certification is not completed correctly there may be loss of points or disqualification of the application to compete for tax credits. If this development receives an allocation of tax credits and items are not provided as indicated on this certification then VHDA may, at its sole option, require the payment by the Owner of an amount up to 10% of the Total Development Cost (as set forth in the Application) of the development as liquidated damages for such violation or the total loss of credits may result. Therefore, it is imperative that this certification reflect the true and accurate intent of what will be provided in return for an allocation of tax credits.

Each section of this certification contains instructions on how the information should be provided. For Unit Size Calculations, the Average Unit Square Feet and Net Rentable Square Feet should be listed to two (2) decimal places. The number of units indicated should be only the units for which rent will be collected. For Average Unit Square Feet calculations, the Total Square Feet should equal the Average Unit Square Feet multiplied by the Number of Units/Type. The total at the bottom of the Total Square Feet column should equal item (D) on the same page of the certification, or be within 1 digit due to rounding.

Accessibility certifications on page 6 are for tax credit point categories only and are not to be confused with minimum code requirements.



# Architect's Certification

Name of Development: Sycamore Tower

Address of Development: 128 S. Sycamore Street, Petersburg, Virginia 23803

Name of Owner: Petersburg Redevelopment and Housing Authority

The architect signing this document is certifying that all unit and site amenities indicated in this certification are incorporated into the development plans and specifications, and that all products necessary to fulfill these representations are available for these purposes. The architect signing this document also certifies their understanding that both the excel application and the information in the architect certification must be the same and discrepancies between the excel application and architect's certification can result in penalties or even disqualification.

The individual who certifies this information must initial the pages where indicated, provide the personal information requested and sign on the last page. This certification should not be mailed separately to VHDA but returned to the developer for inclusion in the tax credit application.

**(Acknowledge and include this instruction sheet as part of the certification)**

Acknowledged:

Printed Name:

Arthur Wayne Stogner

All developments seeking Virginia Low Income Housing Tax Credits are required to meet one of the following as certified by a RESNET Rater:

New Construction - EnergyStar Certification

The development's design meets the criteria for the EnergyStar certification.

Rehabilitation -30% performance increase over existing, based on HERS Index

Or Must evidence a HERS Index of 80 or better

Adaptive Reuse - Must evidence a HERS Index of 95 or better.

Plans and Specifications: Required documentation for all properties (new construction, rehabilitation and adaptive reuse)

- 1 A location map with property(ies) clearly defined.
- 2 A site plan showing overall dimensions of main building(s), major site elements (e.g., parking lots and location of existing utilities, and water, sewer, electric, gas in the streets adjacent to the site). Contour lines and elevations are not required. For combination 4% and 9% properties, site plan must show all elements of both properties labeled so that the elements are distinguishable as to 4% and 9%.
- 3 Sketch plans of main building(s) reflecting overall dimensions of:
  - a. Typical floor plan(s) showing apartment types and placement
  - b. Ground floor plan(s) showing common areas;
  - c. Sketch floor plan(s) of typical dwelling unit(s);

A Unit by Unit write up is required for all Rehabilitation properties

INITIALS

**This certification includes two (2) separate calculations of square footage:**

1. **Average Gross Unit Square Feet:** Measurements Include A Prorata Share of Heated Residential Common Area
2. **Net Rentable Square Feet:** Measurements Do Not Include A Prorata Share of Any Common Area and Reflect All Floor Plans of Each Unit Type (1-BR, 2-BR, etc.) measured from the interior face of the unit perimeter walls

**1. Average Gross Unit Square Feet:**

(These measurements impact the scoring of tax credit applications)

For purposes of determining the total residential heated square feet (D), the building(s) were measured from the outside face of exterior walls and the centerline of any party walls. All unheated spaces (B) and nonresidential, (income producing commercial spaces) (C) were subtracted from this measurement. Community rooms, laundry rooms, property management offices and apartments, heated maintenance facilities, and other common space designed to serve residential tenants were not deducted. Based on this procedure, I certify the following calculations in determining the usable heated square feet for the above referenced development:

71,483.15		(A) Total gross floor area in (sq. ft.) for the entire development
2,177.48	-	(B) Unheated floor area (breezeways, balconies, storage)
441.63	-	(C) Nonresidential, (commercial income producing) area
68,864.04	=	(D) Total residential heated area (sq. ft.) for the development

**INSTRUCTIONS FOR AVERAGE UNIT SQUARE FEET CALCULATIONS:**

Provide the average unit size for each bedroom type, (1 bedroom elderly, 2 bedroom garden, 3 bedroom townhouse, etc.) by adding the total square feet of all the same bedroom types (2 bedroom garden with 1 bath and 2 bedroom garden with 2 baths) and adding the prorated share of heated common residential space and divide by the total number of the same bedroom types (2 bedroom garden). Do not alter any items below.

Unit Types	Average Unit Sq. Ft.*	x	Number of Units/Type	=	Total Square Feet
Supportive Housing	0.00		0		0.00
1 Story/EFF-Elderly	0.00		0		0.00
1 Story/1 BR-Elderly	0.00		0		0.00
1 Story/2 BR-Elderly	0.00		0		0.00
Efficiency Elderly	605.04		56		33,882.24
1 Bedroom Elderly	759.25		36		27,333.00
2 Bedrooms Elderly	956.10		8		7,648.80
Efficiency Garden	0.00		0		0.00
1 Bedroom Garden	0.00		0		0.00
2 Bedrooms Garden	0.00		0		0.00
3 Bedrooms Garden	0.00		0		0.00
4 Bedrooms Garden	0.00		0		0.00
2+ Story 2 BR Townhouse	0.00		0		0.00
2+ Story 3 BR Townhouse	0.00		0		0.00
2+ Story 4 BR Townhouse	0.00		0		0.00
<b>Total</b>			<b>100</b>	<b>Total</b>	<b>68,864.04</b> **

\* Including pro rata share of heated, residential common area. This information should match Structure tab of the excel application

**2. Net Rentable Square Feet \***

For purposes of calculating Net Rentable Square Feet, the units were measured from the face of each unit perimeter wall. The values below therefore indicate the actual square footage of each unit floor plan. (For example, there may be 2 distinct 1-bedroom floor plans, 3 distinct 2-bedroom floor plans, etc. The purpose of this section of the Architect Certification is to document and certify the floor space attributable to residential rental units in the development.)

**Percentage of Net Rentable Square Feet Deemed To Be New Rental Space**

0.06%

	<u>Unit Type</u>	<u>Floor Plan Square Feet</u>	<u>Number of Units This Floor Plan</u>	<u>Total</u>
Mix 1	Efficiency	404.4	20	8088
Mix 2	Efficiency	404.4	12	4852.8
Mix 3	Efficiency	402.26	18	7240.68
Mix 4	Efficiency	407.27	6	2443.62
Mix 5	1 BR - 1 Bath	537.17	6	3223.02
Mix 6	1 BR - 1 Bath	538.89	30	16166.7
Mix 7	2 BR - 1 Bath	757.01	4	3028.04
Mix 8	2 BR - 1 Bath	729.58	4	2918.32
Mix 9				0
Mix 10				0
Mix 11				0
Mix 12				0
Mix 13				0
Mix 14				0
Mix 15				0
Mix 16				0
Mix 17				0
Mix 18				0
Mix 19				0
Mix 20				0
Mix 21				0
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Mix 35				0
Mix 36				0
Mix 37				0
Mix 38				0
Mix 39				0
Mix 40				0
Mix 41				0
Mix 42				0
Mix 43				0
Mix 44				0
Mix 45				0
Mix 46				0
Mix 47				0
Mix 48				0
Mix 49				0
Mix 50				0
<b>Totals</b>			<b>100</b>	<b>47961.18</b>

\*This information should match Unit Details page of the excel application

DEV Name: Sycamore Tower

**Development Amenities:**

Certify that the development's plans and specifications and proposed budget incorporate all items from VHDA's most current Minimum Design and Construction Requirements and the Unit by Unit write up. In the event the plans and specifications do not include VHDA Minimum Design and Construction Requirements and any immediate needs and recommendations from the Physical Needs Assessment, then those requirements still must be met, even though the application is accepted for credits. Please note that this may cause the Application to be ineligible for credits. The Requirements apply to any new, adaptive reuse or rehabilitated development (including those serving elderly and/or physically disabled households).

The Minimum Design & Construction Requirements may be found on VHDA's website at.....

[www.VHDA.com](http://www.VHDA.com)

For any development upon completion of construction/rehabilitation: (non-mandatory amenities)  
(Enter TRUE in each box where appropriate)

- TRUE a. The development will have a community/meeting room with a minimum of 749 square feet.
- 63.70 b.i,ii Percentage of brick or other similar low-maintenance material approved by the Authority covering the exterior walls (excluding triangular gable end area, doors, windows, kneewalls, columns, retaining walls, stairwells and any features that are not a part of the façade)  
Community buildings are to be included in percentage calculations.
- FALSE c. Water expense will be sub-metered (tenant will pay monthly or bi-monthly bill)
- TRUE d. Each bathroom consists only of Water Sense labeled toilets, faucets and showerheads
- FALSE e. Provide necessary infrastructure in all units for high-speed internet/broadband service.
- FALSE f. Free Wi-Fi access will be provided for community room for resident only usage.
- FALSE g. Each Unit is provided free individual high-speed Internet access
- OR
- FALSE h. Each Unit is provided free individual Wi-Fi access
- FALSE i. Bath fan wired to primary light with delayed timer, or, continuous exhaust by ERV/DOAS OR Bath Fan with humidistat
- TRUE j. Fire Suppression - Cooking surfaces are equipped with fire suppression features
- OR
- FALSE k. Fire Prevention - all Ranges equipped with temperature limiting controls
- TRUE l. Rehab only- Each apartment has dedicated space, drain and electrical hookups to accept a permanently installed dehumidification system OR
- FALSE m. All development types- Each Unit is equipped with a permanent dehumidification system
- FALSE n. All interior doors within units are solid core
- FALSE o. At minimum one USB charging port in each Kitchen, Living room and all bedrooms
- TRUE p. All Kitchen light fixtures are LED and meet MDCR lighting guidelines
- FALSE q. Shelf or ledge outside each primary apartment entry door located in an interior hallway
- FALSE r. New Construction only- Each unit to have balcony or patios minimum depth 5' clear from face of building. Minimum 30 square feet.

DEV Name: Sycamore Tower





For all developments exclusively serving elderly tenants upon completion of construction/rehabilitation:  
(optional point items)

- TRUE** a. All cooking ranges will have front controls
- FALSE** b. All full bathrooms will have an independent or supplemental heat source
- TRUE** c. All entrance doors have two eye viewers, one at 42" and the other at standard height

For all rehabilitation and adaptive reuse developments, upon completion of construction/rehabilitation:  
(optional point items)

- FALSE** The structure is listed individually in the National Register of Historic Places or is located in a registered historic district and certified by the Secretary of the Interior as being of historical significance to the district, and the rehabilitation will be completed in such a manner as to be eligible for historic rehabilitation tax credits.

**Building Structure:**

Number of Stories

- Low-Rise** (1-5 stories with any structural elements being wood frame construction)
- Mid-Rise** (5-7 stories with no structural elements being wood frame construction)
- High-Rise** (8 or more stories with no structural elements being wood frame construction)

**Accessibility:**

I certify that the development plans and specifications meet all requirements of the federal Americans with Disabilities Act and Fair Housing Act (if applicable).

I certify that the development plans and specifications meet all requirements of HUD regulations interpreting the accessibility requirements of section 504 of the Rehabilitation Act. Complying units must be "permanently accessible," rather than to "adaptable" standards. Please reference Uniform Federal Accessibility Standards(UFAS) for more particular information.

Check one or none of the following point categories, as appropriate:

- X** Any development in which (i) the greater of 5 units or 10% of the total # of units will be assisted by HUD project-based vouchers or another form of documented and binding federal, state or locality project-based rent subsidies in order to ensure occupancy by extremely low-income persons; and (ii) the greater of 5 or 10% of the units will conform to HUD regulations interpreting accessibility requirements of Section 504 of the Rehabilitation Act.  
(All of the units described in (ii) above must include roll-in showers (must contain permanent grab bars and fixed seats), roll under sinks and front controls for ranges unless agreed to by the Authority prior to the applicant's submission of its application.)  
**60 pts.**
- Any development in which the greater of 5 units or 10% of the total # of units (i) have rents within HUD's Housing Choice Voucher payment standard; (ii) conform to HUD regulations interpreting accessibility requirements of Section 504 of the Rehabilitation Act  
**30 pts.**
- Any development in which **five percent (5%)** of the total # of units (i) conform to HUD regulations interpreting accessibility requirements of Section 504 of the Rehabilitation Act  
**15 pts.**

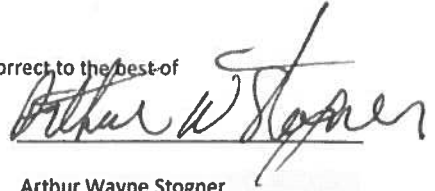
For any accessibility option elected above, all common space must also conform to accessibility requirements of HUD Section 504 regulations.

DEV Name: Sycamore Tower

INITIALS



As architect of record for the above referenced development, the above certifications are correct to the best of my knowledge.

Signed:   
Printed Name: Arthur Wayne Stogner  
Title: President  
Virginia Registration #: 0401008330  
Phone: 910-895-6874  
Date: 2/6/2019

**NOTE TO ARCHITECT: If representations in plans and specifications and/or any information certified in this certification is misrepresented then the architect may be penalized. Any change in this form may result in disqualification or a reduction of points under the scoring system. If you have any questions, please call JD Bondurant at VHDA (804) 343-5725.**

**Return this certification to the developer for inclusion in the tax credit application package.**

DEV Name: Sycamore Tower



**Appendix F**  
**VHDA's Universal Design Certification**

**FALSE** Units in the development will meet VHDA's **Universal Design Guidelines**.

Before issuance of IRS Form 8609, applicant will provide documentation to VHDA as evidence that such units meet VHDA's Universal Design guidelines.

The number of rental units that will meet these standards: 0

The total number of rental units in this development: 100

**NOTE:** For Elderly Developments, 100% of the units in the development must meet the Universal Design standards in order to qualify for points.

For Family Developments, points are awarded based on a percentage of the number of units meeting the Universal Design standards.

For the tax credit applicant to qualify for points associated with Universal Design, the architect of record must be on VHDA's list of Universal Design certified architects. VHDA Universal Design Certifications are only valid for 2019 applications if certification date is after January 1, 2014

All tax credit applications which include amenity points for providing VHDA Universally Designed dwelling units must include plans that clearly identify the following items in the format found on vhd.com or no points will be awarded:

- Overall building plans identifying the location of Universal Design dwelling units, and the means of vertical transportation (if applicable), along the accessible route (Minimum scale 1/8"=1'-0"). Include a legend and Universal Design General Notes section. Anything other than a fully handicap accessible elevator must have been presented to and approved by VHDA for this project at least two weeks prior to submission of reservation application.
- Site plan and building plans identifying accessible pedestrian routes from all Universal Design units to accessible parking, leasing office, community room, laundry facility, mailboxes, garbage collection areas and public transportation pick up areas. Architect must identify running slope and cross slope of route, and consider any obstructions. Include required number of accessible parking spaces, a legend for the accessible route, and a Universal Design general notes section.
- Enlarged Universal Design unit plans (Minimum scale 1/4"=1'-0") identifying clearances and all Essential Elements

Signed: *Arthur Wayne Stogner*

Printed Name: Arthur Wayne Stogner  
Architect of Record  
(same individual as on page 7)

Date: 2/6/19

DEV Name: Sycamore Tower

INITIALS *AS*

A large, bold, black letter 'G' is centered within a black rectangular border. The letter is a simple, sans-serif font.

Zoning Certification Letter  
(MANDATORY)



**I AM  
PETERSBURG  
VIRGINIA**

Department of Planning and Community Development  
135 North Union Street, Room 304  
Petersburg, Virginia 23803

(804) 733-2308  
(804) 733-2312  
(804) 863-2772

**Zoning Certification**

**DATE:** March 9, 2018

**TO:** Virginia Housing Development Authority  
601 South Belvidere Street  
Richmond, Virginia 23220  
Attention: JD Bondurant

**RE:** ZONING CERTIFICATION

Name of Development: Sycamore Towers Apartments

Name of Owner/Applicant: Sycamore Towers Apartments L.P.

Name of Seller/Current Owner: Petersburg Redevelopment and Housing Authority

The above-referenced Owner/Applicant has asked this office to complete this form letter regarding the zoning of the proposed Development (more fully described below). This certification is rendered solely for the purpose of confirming proper zoning for the site of the Development. It is understood that this letter will be used by the Virginia Housing Development Authority solely for the purpose of determining whether the Development qualifies for points available under VHDA's Qualified Allocation Plan for housing tax credits.

**DEVELOPMENT DESCRIPTION:**

Development Address:  
128 S. Sycamore Street, Petersburg Virginia 23803

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Legal Description:  
See Attached

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**Proposed Improvements:**

<input type="checkbox"/> New Construction:	_____	# Units	_____	# Buildings	_____	Total Floor Area Sq. Ft.
<input type="checkbox"/> Adaptive Reuse:	_____	# Units	_____	# Buildings	_____	Total Floor Area Sq. Ft.
<input checked="" type="checkbox"/> Rehabilitation:	<u>100</u>	# Units	<u>1</u>	# Buildings	<u>71,483.15</u>	Total Floor Area Sq. Ft.

**Zoning Certification, cont'd**

Current Zoning: R-6 (High Rise District) allowing a density of N/A units per acre, and the following other applicable conditions: Non-Conforming Use

Other Descriptive Information:  
Sycamore Towers Apartments project consist of the rehabilitation of One Hundred (100) elderly existing public housing units. The property consist of fifty-six (56) efficiency units, thirty-six (36) one bedroom units and eight (8) two bedroom units.

**LOCAL CERTIFICATION:**

Check one of the following as appropriate:

- The zoning for the proposed development described above is proper for the proposed residential development. To the best of my knowledge, there are presently no zoning violations outstanding on this property. No further zoning approvals and/or special use permits are required.
- The development described above is an approved non-conforming use. To the best of my knowledge, there are presently no zoning violations outstanding on this property. No further zoning approvals and/or special use permits are required.

Michelle B. Peters  
Signature

Michelle B. Peters  
Printed Name

Director of Planning and Community Development  
Title of Local Official or Civil Engineer

(804) 733-2312  
Phone:

3/9/18  
Date:

**NOTES TO LOCALITY:**

1. Return this certification to the developer for inclusion in the tax credit application package.
2. Any change in this form may result in disqualification of the application.
3. If you have any questions, please call JD Bondurant at VHDA (804) 343-5725.

## EXHIBIT A

### Legal Description

All those four (4) certain parcels of land with the improvements thereon and appurtenances thereto belonging, lying, being and situate in the City of Petersburg, State of Virginia, and being described by metes and bounds as follows, to-wit:

BEGINNING at a point on the western line of South Sycamore Street located at a point One Hundred Ninety-five and thirty-eight-hundredths (195.38) feet north of the intersection of College Alley; thence along a line N. 82° 00' 07" W. Two Hundred Seventeen and seventeen-hundredths (217.17) feet to an iron pin; thence along a line N 10° 03' 05" E. Fifty-five and ten-hundredths (55.10) feet to a point; thence along a line N. 82° 01' 30" W. Sixty-five and fifty-four-hundredths (65.54) feet to a point; thence along a line N. 6 ° 58' 42" E. One Hundred Seventy-three and eleven-hundredths (173.11) feet to a point; thence along a line S. 76° 44' 04" E. Sixty-five and thirty-five hundredths (65.35) feet to a point; thence along a line S. 7° 50' 05" W. Forty-two and twenty-five-hundredths (42.25) feet to a point; thence along a line S. 82° 08" E. Two Hundred Fifteen and forty-seven hundredths (215.47) feet to a point on the western line of South Sycamore Street; thence along the western line of South Sycamore Street S. 7° 00' W. One Hundred Eighty and thirty-eight-hundredths (180.38) feet to the point of beginning.

Reference to the following deeds is hereby made:

- (1) Maxine S. Barney, widow, dated February 16, 1971, recorded in the Clerk's Office of the Hustings Court of Petersburg, Virginia, in Deed Book 307 at page 39;
- (2) Thomas F. Cooper et al, dated February 16, 1971, recorded in the aforesaid Clerk's Office in Deed Book 307 at page 42;
- (3) Noldi W. Creasy, widow, dated February 16, 1971, recorded in the aforesaid Clerk's Office in Deed Book 307 at page 45; and
- (4) Baycon Corporation, a Virginia Corporation, dated April 20, 1971, recorded in the aforesaid Clerk's Office in Deed Book 307 at page 36;

A plat of the aforesaid properties, dated June 19, 1970, entitled, "Plat Showing Property to be Acq. By Baycon Corp.", made by R.A. Bristow, C.L.S., is of record in the aforesaid Clerk's Office in Deed Book 307 at page 57.

H

Attorney's Opinion  
(MANDATORY)



LAW OFFICES  
**CRENSHAW, WARE & MARTIN, P.L.C.**  
150 WEST MAIN STREET, SUITE 1500  
NORFOLK, VIRGINIA 23510

TELEPHONE (757) 623-3000

FACSIMILE (757) 623-5735

February 6, 2019

Virginia Housing Development Authority  
601 South Belvidere Street  
Richmond, Virginia 23220-6500

RE: 20198 Tax Credit Reservation Request  
Name of Development: Sycamore Towers Apartments  
Name of Owner: Sycamore Towers Apartments, L.P.

Gentlemen:

The undersigned firm represents the above-referenced Owner as its counsel. It has received a copy of and has reviewed the completed application package dated February 6, 2019 (of which this opinion is part) (the "Application") submitted to you for the purpose of requesting, in connection with the captioned Development, a reservation of low income housing tax credits ("Credits") available under Section 42 of the Internal Revenue Code of 1986, as amended (the "Code"). It has also reviewed Section 42 of the Code, the regulations issued pursuant thereto and such other binding authority as it believes to be applicable to the issuance hereof (the regulations and binding authority hereinafter collectively referred to as the "Regulations").

Based upon the foregoing reviews and upon due investigation of such matters as it deems necessary in order to render this opinion, but without expressing any opinion as to either the reasonableness of the estimated or projected figures or the veracity or accuracy of the factual representations set forth in the Application, the undersigned is of the opinion that:

1. It is more likely than not that the inclusion in eligible basis of the Development of such cost items or portions thereof, as set forth in the Hard Costs and Owners Costs section of the Application form, complies with all applicable requirements of the Code and Regulations.
2. The calculations (a) of the Maximum Allowable Credit available under the Code with respect to the Development and (b) of the Estimated Qualified Basis of each building in the Development comply with all applicable requirements of the Code and regulations, including the selection of credit type implicit in such calculations.
3. The information set forth in the Unit Details section of the Application form as to proposed rents satisfies all applicable requirements of the Code and Regulations.

4. The site of the captioned Development is controlled by the Owner, as identified in the Site Control section of the Application.
5. It is more likely than not that the representations made in the Rehab Information section of the Application form as to the Development's compliance with or exception to the Code's minimum expenditure requirements for rehabilitation projects are correct.

Finally, the undersigned is of the opinion that, if all information and representations contained in the Application and all current law were to remain unchanged, upon compliance by the Owner with the requirements of Code Section 42(h)(1)(E), the Owner would be eligible under the applicable provisions of the Code and the Regulations to an allocation of Credits in the amount(s) requested in the Application.

This opinion is rendered solely for the purpose of inducing the Virginia Housing Development Authority ("VHDA") to issue a reservation of Credits to the Owner. Accordingly, it may be relied upon only by VHDA and may not be relied upon by any other party for any other purpose.

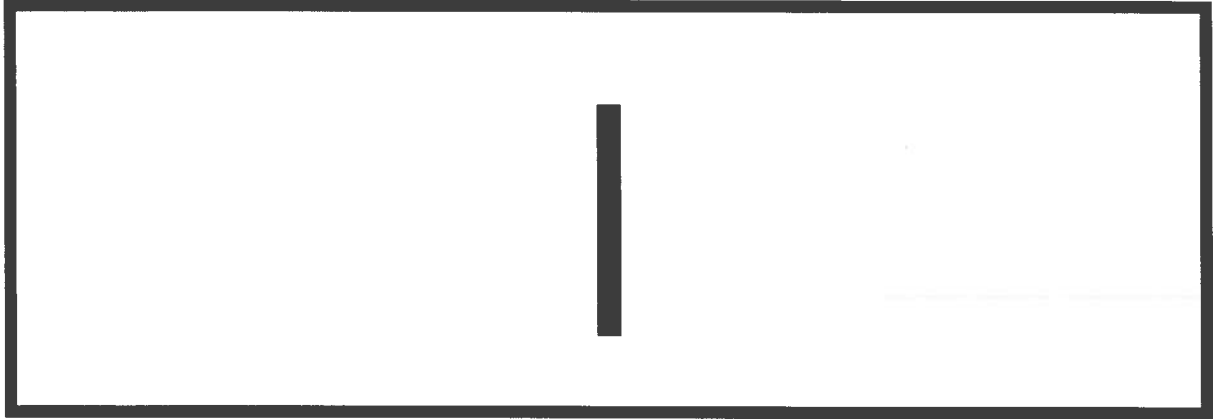
This opinion was not prepared in accordance with the requirements of Treasury Department Circular No. 230. Accordingly, it may not be relied upon for the purpose of avoiding U.S. Federal tax penalties or to support the promotion or marketing of the transaction or matters addressed herein.

CRENSHAW, WARE & MARTIN, P.L.C.

By: Delphine G. Carnes

Name: Delphine G. Carnes

Title: Member



# Nonprofit Questionnaire

(MANDATORY for points or pool)

N/A

**THIS DEAL IS NOT SEEKING  
CREDITS IN THE NON-PROFIT  
POOL OR HAS A NON-PROFIT  
ENTITY INVOLVED, THEREFORE  
NO INFORMATION IS REQUIRED  
IN THIS TAB**

J

# Relocation Plan

(MANDATORY, if tenants are displaced)

## SYCAMORE TOWERS APARTMENTS

### TEMPORARY RELOCATION PLAN

#### PLANS TO ACCOMMODATE TENANTS TEMPORARILY DURING RENOVATIONS

**The Sycamore Towers project will result in the temporary displacement of tenants during the period of renovation; however, this displacement will be mitigated through relocation assistance as summarized in this plan.**

The owner, Sycamore Towers Apartments, L.P., will comply with the Relocation Assistance Guidelines established by HUD and Virginia Housing Development Authority (VHDA state Housing Finance Agency). These include:

1. Relocation Payment
2. Relocation Assistance
3. 120 day Vacate Notice
4. Full Communication of Plans
5. Documentation of Compliance
6. Advisory Services (as indicated in the VHDA Relocation Assistance Guidelines)

The owner intends to carry-out the rehabilitation of this housing using temporary relocation of the residents of the property. All temporary relocation cost of the resident will be paid by the owner including packing, moving, utility connections and disconnections (if applicable). All residents will be given the opportunity to return to their original unit or relocate to a similar or larger sized unit.

Construction work is scheduled to begin in May 2019 and be completed by August 2020. Stogner Architects and Dominion Due Diligence (D3G) will work closely with the contractor and PRHA staff to coordinate relocation and construction efforts to ensure that the residents are not significantly inconvenienced while construction work is being done.

Relocation cost is covered in the project budget and totals \$170,000.

#### **Renovation Plan:**

The planned renovations for Sycamore Towers Apartments will require that no more than three floors (thirty-three units) in the ten story building will be renovated at a time. The contractor will shield the residents on the lower floor by having a vacant buffer floor as it constructs the above three floors. This will require temporary relocation for forty-four residents (44) (three floors plus the buffer floor). The Petersburg Redevelopment and Housing Authority (PRHA) will move the tenants temporarily into vacant units at Sycamore Towers, in other developments owned by

PRHA or at a nearby property under a master lease arrangement with PRHA. At the point that units are completed PRHA will move tenants from lower floors into the completed floors and repeat this process until the building is complete and the tenants who were temporarily relocated will return to the units completed last. It is anticipated that it will take 8 - 10 weeks to complete 33 units. It is anticipated that construction will be completed within twelve (12) months, therefore, all of the residents who have been temporarily relocated will be back in permanent housing within twelve (12) months.

**Relocation Services:**

Petersburg Redevelopment and Housing Authority has included in our project budget a relocation expense line item of \$170,000. This will be used to cover temporary moving expenses, storage expenses (if necessary) and hotel expenses (providing that tenants are not transferred to other vacant public housing units owned by PRHA or transferred off site under a master lease arrangement with a nearby property ). In addition, PRHA will work with property owners in the area who have vacancies as well to ensure that there is no additional rent burden to any tenants at anytime during the renovation and relocation process.

**Rents/Rental Policies:**

The Property will have new Project Based Voucher Subsidies (PBV) for all of the units under HUD's Rental Assistance Demonstration (RAD) program. Therefore, the tenant paid portion of the rents will not change. Tenants will have to meet LIHTC requirements. A review of the tenants file indicates that all of the tenants should meet these requirements. No existing tenant will be forced to be relocated permanently as a result of the proposed renovation and financing plan.

**Resident Notice:**

Residents will receive advance notice of renovation plans and Petersburg Redevelopment and Housing Authority will conduct three resident council meetings (**as required for RAD conversion**). These meetings will allow residents to ask questions and receive feedback from PRHA staff.

**Owner/Developer Contact:**

**Petersburg Redevelopment and Housing Authority**

**128 S. Sycamore Street**

**Petersburg, Virginia 23803**

**Contact: Nathaniel Pride**

**Management Contact:**

**Petersburg Redevelopment and Housing Authority**

128 S. Sycamore Street

Petersburg, Virginia 23803

Contact: Yvette Bembry

(804) 733-2200, Ext. 127

**At all times the owner will comply with HUD relocation requirements, the Uniform Relocation Act and State Housing Finance Agency Relocation Assistance Guidelines.**

**Construction Estimated Start Date:** 5/15/2019

**Construction Estimated Completion Date:** 8/31/2020

**Planned measures to minimize construction impact on occupied units:**

The planned renovations for Sycamore Towers Apartments will require that no more than three floors (thirty-three units) in the ten story building will be renovated at a time. The contractor will shield the residents on the lower floor by having a vacant buffer floor as it constructs the above three floors. This will require temporary relocation for forty-four residents (44) (three floors plus the buffer floor). The Petersburg Redevelopment and Housing Authority (PRHA) will move the tenants temporarily into vacant units at Sycamore Towers, in other developments owned by PRHA or at a nearby property under a master lease arrangement with PRHA.

**Projected Rents and Rent Policies After Rehab:** PRHA will follow all HUD RAD, VHDA LIHTC and HCV Administrative Plan policies specifically those relative to PBV.

**Advisory services to be offered will include:**

- Providing referrals for tenants to replacement properties, and contacting said properties to arrange housing under a master lease with PRHA.
- Provide tenants with written information and/or translation services in their native language if necessary.
- Provide appropriate counseling for tenants who are unable to read and understand notices.
- Provide contact information for questions and access to phone or computer if needed to make contact.
- Provide transportation for tenants needing to look at other housing, especially those who are elderly or disabled.
- Understand and anticipate the needs of families and the elderly and able to meet the special advisory services they may need.



- Allow and make tenants aware that appointments can be scheduled outside of normal business hours if needed.

**Estimate determination as to Moving Cost Reimbursement: \$1,700 per tenant**

## **P. Relocation Plan Guidelines**

### **Relocation Plan Requirements**

Said plan must be kept in plain sight and available for tenants to review and should be property specific, including at a minimum:

1. The name, address and contact person for the owner and management company
2. Scope of the work to be completed, including estimated start and completion dates
3. Planned measures to minimize construction impact on occupied units
4. Projected rents and rental policies after rehab
5. Advisory services to be offered
6. Estimated determination as to Moving Cost Reimbursement

No later than 30 days after the last tenant is relocated (based on timeline provided to VHDA), the owner must provide to VHDA a written certification by the owner that it has met VHDA Relocation Assistance Guidelines.

Owners must document compliance by including in each tenant's file all documentation related to relocation, including all notices and agreements referenced herein, as well as bill receipts and canceled checks. Be prepared to present this information to VHDA upon request.



## Relocation Assistance Guidelines

Effective immediately, these guidelines are amended to recognize changes to the Code of Virginia effective July 1, 2015 (§§ 55-222, 55-226.2, 55-248.4, 55-248.7:1, 55-248.7:2, 55-248.9:1, 55-248.15:1, 55-248.18 and 55-248.24).

In general, owners of projects which funding includes federal monies should adhere to regulations set forth under the Uniform Relocation Assistance Act of 1970 (URA), including RAD projects.

VHDA guidelines focus on residents/tenants who are permanently or temporarily relocated as a direct result of the rehabilitation, demolition and/or construction of Low Income Housing Tax Credit (LIHTC) projects.

VHDA guidelines must be followed to qualify for Low Income Housing Tax Credits and will be incorporated by reference in and enforced by the Contract to Enforce Representations. Furthermore, violation of these guidelines will result in a penalty against future Reservation Applications.

### Owner's Responsibility to Tenants

Open communication with tenants is helpful for both the owner and tenants as it helps to minimize rumors, misunderstandings and alleviate the stress of moving.

**Permanent Relocation:** A tenant is permanently relocated if his/her tenancy is terminated due to the rehabilitation of the unit or due to change in use. If a tenant is permanently relocated, a 120-day Notice must be delivered to the tenant, unless the lease is month-to-month and the tenant has agreed in writing to a lesser time period, in which case a 30 day notice must be issued.

#### 120-day Notice

- Issued no less than 120 days prior to the day that the tenant must move;
- Addressed to the tenant at his/her current address;
- Informs the tenant that due to renovation they are required to move from the development, why they are required to move and states the move date.
- States the contact person for advisory services, types of services that are offered and hours as well as giving the option to make a scheduled appointment outside of normal hours if needed.
- Generally describes the relocation payment(s) for which the tenant may be eligible, the basic conditions of eligibility and the procedures for obtaining the payment (see Moving Cost Reimbursement below). Eligibility for relocation assistance shall begin on the date that acquisition negotiations are initiated or actual acquisition, whichever occurs first.
- States the contact information of management company if tenant has any questions or would like to discuss the assistance determination

## **Tenant Advisory Services**

Advisory Services may be provided by the property management company or outside vendor. The following services must be included but is not limited to only these items.

- Provides referrals for tenants to replacement properties, and contacts said properties to request priority for persons being displaced.
- Provides tenants with written information and/or translation services in their native languages if necessary
- Provides appropriate counseling for tenants who are unable to read and understand notices
- Provides contact information for questions and access to phone or computer if needed to make contact.
- Provides transportation for tenants needing to look at other housing, especially those who are elderly or disabled
- Understand and anticipate the needs of families and the elderly and able to meet the special advisory services they may need
- Allow and make tenants aware that appointments can be scheduled outside of normal business hours if needed.

**Temporary Relocation (not to exceed 30 Days):** The tenant will return to the original unit or be permanently relocated to a comparable unit at the same property in 30 days or less of the initial move date.

1. The owner must pay the tenant's moving and associated costs (including utility connection costs).
2. The owner provides amenities (to include day room, refreshments, meals, T.V., etc.) to any tenant that is displaced for a partial day, during daytime hours, up to five days.
3. The owner must provide advisory services

Under this section while the tenant should receive a 30-day Notice, the tenant can agree in writing to move in less than 30 days.

## **30-day Notice**

- Issued no less than 30 days prior to the day that the tenant has to move, unless there is a health/safety concern;
- Addressed to the tenant at his/her current address;
- States the specific date by which the tenant is required to move and the time moving services will arrive at unit
- States the responsibilities of the tenant pertaining to the move and contact information in order to request assistance with said responsibilities;
- States the address to which the tenant will be relocated;
- State, if applicable, the date on which the move-in inspection will be completed

**Temporary Relocation Due to Health & Safety Concerns (not to exceed 30 Days):** Where a mold condition in the dwelling unit materially affects the health or safety of any tenant or authorized occupant, the owner may require the tenant to temporarily vacate the dwelling unit in order to perform remediation, in accordance with professional standards as defined in § 55-248.4 for a period not to exceed 30 days. The landlord shall provide the tenant with either (i) a comparable dwelling unit, as selected by the landlord, at no expense or cost to

the tenant, or (ii) a hotel room, at no expense or cost to the tenant. See Code Section 55-248.12:2. Notice to the tenant can be immediate.

**Temporary relocation longer than 30 Days:** The owner must contact any tenant who has been or will be temporarily relocated for longer than 30 days. Owner will provide to the tenant Advisory Services and Moving Cost Reimbursement. This assistance will be in addition to assistance the tenant has already received for temporary relocation and may not be reduced by the amount of temporary relocation assistance already received.

### **Moving Cost Reimbursement**

Owner's moving cost reimbursement to the tenant is limited to \$100.00 if either of the following applies:

- a. A tenant has minimal possessions and occupies a dormitory style room, or
- b. A tenant's move is performed by an agency at no cost to the tenant

If neither 'a' nor 'b' above applies, and the tenant opts to move his/her belongings, the reimbursement to the tenant may be based on one or a combination of the following:

1. Based on the Federal Highway Administration's Fixed Residential Moving Cost Schedule (see Virginia) and on the number of rooms of furniture, not the number of bedrooms per unit.
2. Based on the *Tenant's Actual Reasonable Moving and Related Expenses* (including utility connection fees), which are defined as:
  - A. The lower of two bids or estimates prepared by a commercial mover; or
  - B. Receipted bills for labor and equipment

Hourly labor rates should not exceed the rates paid by a commercial mover to employees performing the same activity and equipment rental fees should be based on the actual rental cost of the equipment not to exceed the cost paid by a commercial mover.

### **Processing Tenant Moving Cost Reimbursement Claims**

To support claims for relocation, the tenant must be informed they are required to provide documentation, including bills, certified prices, appraisals and other evidence of expenses. Owners must:

- Provide reasonable assistance necessary to complete and file tenants' claims for payment
- Reimburse moving costs upon receipt of billing documentation from the tenant
- Provide expedited return of security deposits or allow tenants to apply security deposits to the last month's rent
- Make advanced payments, if a tenant demonstrates the need, in order to avoid or reduce a hardship (often tenants will need these payments for security deposits)
- Promptly notify the tenant in writing of its determination, the basis for its determination and the procedures for appealing that determination, if it disapproves all or part of a payment claimed or refuses to consider the claim on its merits because of untimely filing or other grounds

- Not propose or request that a displaced tenant waive his or her rights or entitlements to relocation assistance and benefits

## Owner's Responsibility to VHDA

Owners are required to submit a *Relocation Plan* (the Plan) to VHDA's Tax Credit Allocation Department with the Reservation Application. The Plan must be kept in plain sight and available for tenants to review and should be property specific, including at a minimum:

1. The name, address and contact person for the owner and management company
2. Scope of the work to be completed, including estimated start and completion dates
3. Planned measures to minimize construction impact on occupied units
4. Projected rents and rental policies after rehab
5. Advisory services to be offered
6. Estimated determination as to Moving Cost Reimbursement

No later than 30 days after the last tenant is relocated (based on timeline provided to VHDA), the owner must provide to VHDA a written certification by the owner that it has met VHDA Relocation Assistance Guidelines.

**Owners must document compliance** by including in each tenant's file all documentation related to relocation, including all notices and agreements referenced herein, as well as bill receipts and canceled checks. Be prepared to present this information to VHDA upon request.

K

Documentation of  
Development Location:



K.1

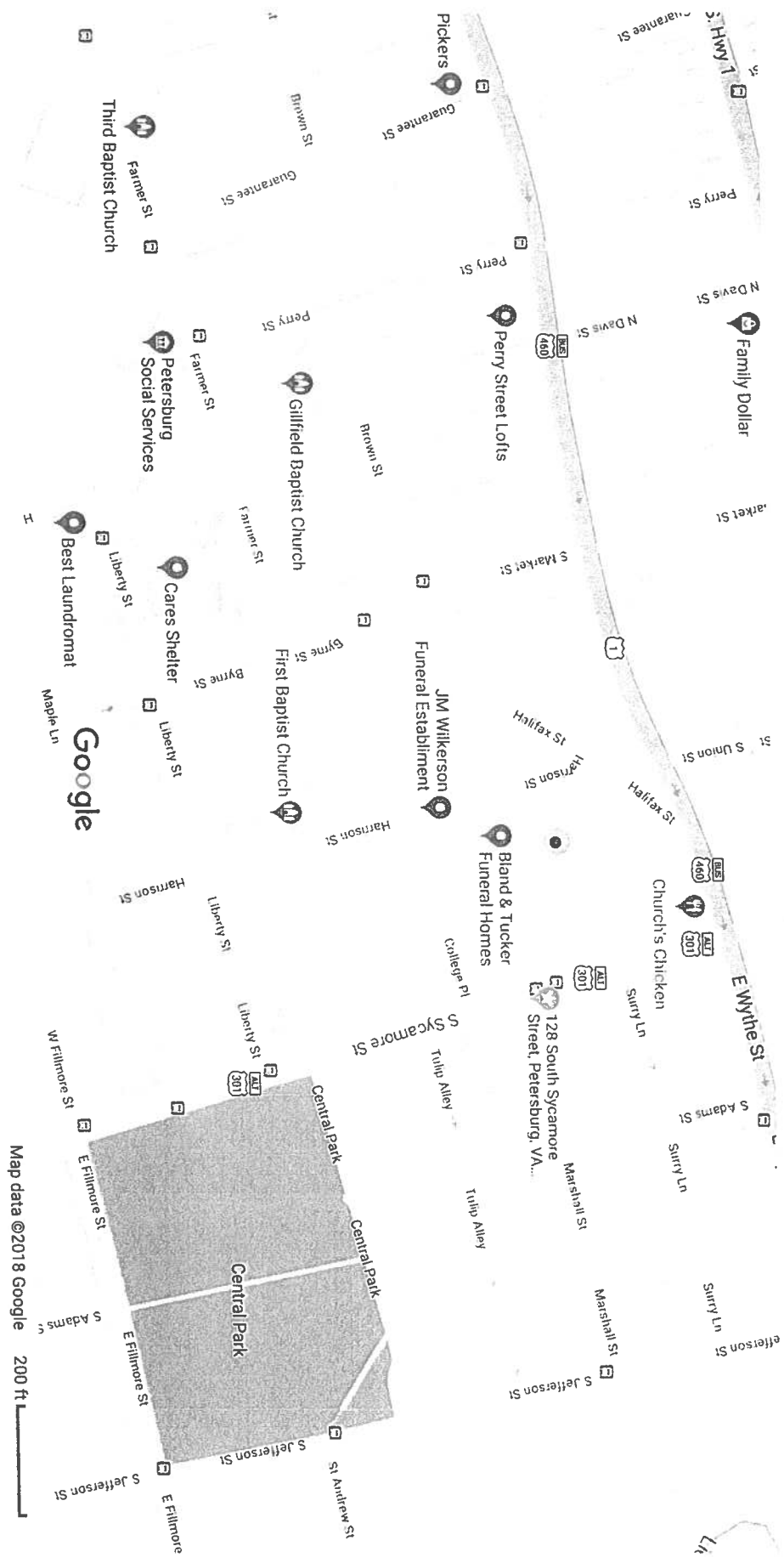
Revitalization Area  
Certification

N/A

**THE SYCAMORE TOWERS  
DEVELOPMENT IS IN A QUALIFIED  
CENSUS TRACT, THEREFORE A  
REVITALIZATION LETTER IS NOT  
REQUIRED.**

K.2

Location Map



Map data ©2018 Google

200 ft





© 2015 Google

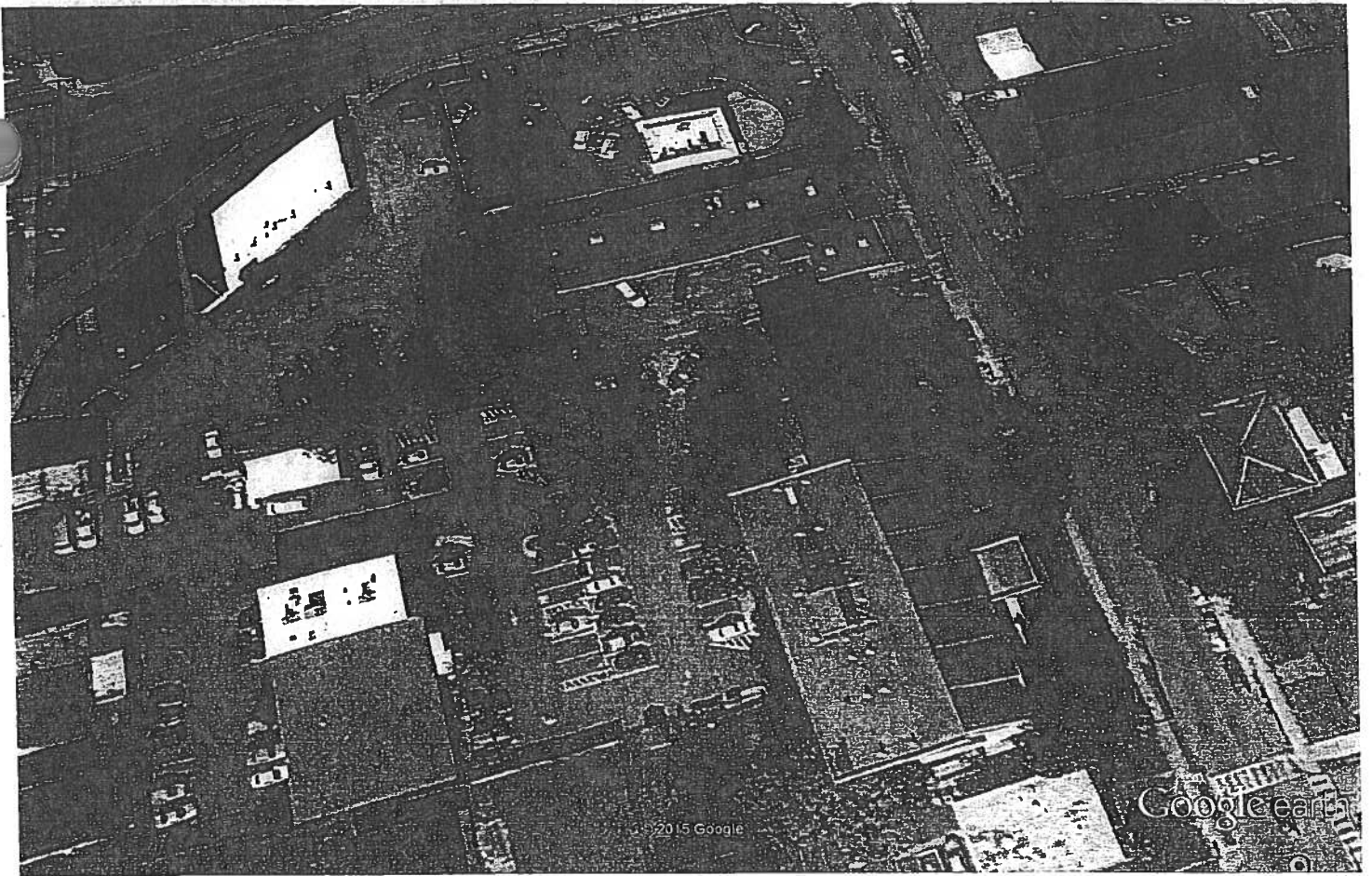
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© 2015 Google

Google earth

Google earth

feet  
meters



K.3

Surveyor's Certification of  
Proximity to Public  
Transportation

STEVEN B. KENT & ASSOCIATES, P.C.  
LAND SURVEYORS  
1521 Brook Road • Richmond, VA 23220  
Office: 804-643-6113 • Fax (804) 643-6038

**Surveyor's Certification of Proximity to Transportation**

DATE: March 1, 2018

TO: Virginia Housing Development Authority  
601 South Belvidere Street  
Richmond, VA 23220-6500

RE: 2018 Tax Credit Reservation Request

Name of Development: Sycamore Towers - 128 S. Sycamore Street  
Name of Owner: Petersburg Redevelopment Housing Authority  
128 S. Sycamore Street Petersburg, VA. 23803


Gentlemen:

This letter is submitted to you in support of the Owner's Application for Reservation of Low Income Housing Tax Credits under Section 42 of the Internal Revenue Code of 1986, as amended.

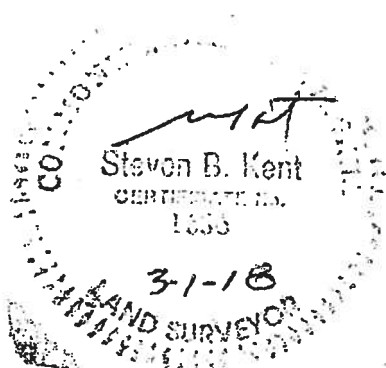
Based upon due investigation of the site and any other matters as it deemed necessary this firm certifies that: the main street boundary entrance to the property is within:

- 2,640 feet or ½ mile of the nearest access point to an existing commuter rail, light rail or subway station; or
- 1,320 feet or ¼ mile of the nearest access point to an existing public bus stop.

Steven B. Kent & Associates, PC  
Firm Name

By:   
Steven B. Kent

Its: President  
Title







L

PHA/Section 8 Notification  
Letter

## **Tab L. PHA/Section 8 Notification Letter**



## PHA or Section 8 Notification Letter

Development Name: Sycamore Towers Apartments

Tracking #: 2019-TEB-112

If you have any questions, please call the Tax Credit Department at (804) 343-5518.

### **General Instructions**

1. Because of conflicting program requirements regarding waiting list procedures, this letter is not applicable to those developments that have project based Section 8 or project based vouchers.
2. This PHA or Section 8 Notification letter must be included with the application.
3. 'Development Address' should correspond to I.A.2 on page 1 of the Application.
4. 'Proposed Improvements' should correspond with I.B & D and III.A of the Application.
5. 'Proposed Rents' should correspond with VII.C of the Application.
6. 'Other Descriptive Information' should correspond with information in the application.

NOTE: Any change to this form letter may result in a reduction of points under the scoring system.

# PHA or Section 8 Notification Letter

**DATE:** February 6, 2019

**TO:** Local Housing Authority or Administer  
128 S. Sycamore St. Petersburg, VA 2:

**ATT:** Section 8 or PHA Waiting List

**RE:** PROPOSED AFFORDABLE HOUSING DEVELOPMENT

Name of Development: Sycamore Towers Apartments

Name of Owner: Sycamore Towers Apartments, L.P.

I would like to take this opportunity to notify you of a proposed affordable housing development to be completed in your jurisdiction. We are in the process of applying for federal low-income housing tax credits from the Virginia Housing Development Authority (VHDA). We expect to make a representation in that application that we will give leasing preference to households on the local PHA or Section 8 waiting list. Units are expected to be completed and available for occupancy beginning on September 30, 2020 (date).

The following is a brief description of the proposed development:

Development Address:  
128 S. Sycamore Street, Petersburg, VA 23803

Proposed Improvements:

<input type="checkbox"/> New Constr.:	_____	# units	_____	# Bldgs
<input type="checkbox"/> Adaptive Reuse:	_____	# units	_____	# Bldgs
<input checked="" type="checkbox"/> Rehabilitation:	100	# units	1	# Bldgs

Proposed Rents:

<input checked="" type="checkbox"/> Efficiencies:	\$ 616	/ month
<input checked="" type="checkbox"/> 1 Bedroom Units:	\$ 647	/ month
<input checked="" type="checkbox"/> 2 Bedroom Units:	\$ 748	/ month
<input type="checkbox"/> 3 Bedroom Units:	\$ _____	/ month
<input type="checkbox"/> 4 Bedroom Units:	\$ _____	/ month

Other Descriptive Information:

The Sycamore Towers Apartments project consist of the rehabilitation of one hundred (100) existing public housing units. The project will consist of fifty-six (56) efficiency units, thirty-six (36) one bedroom units and eight (8) two bedroom units. The project has an existing community room and media room.

# PHA or Section 8 Notification Letter

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We appreciate your assistance with identifying qualified tenants.

If you have any questions about the proposed development, please call me at (804)733-2200.

Please acknowledge receipt of this letter by signing below and returning it to me.

Sincerely yours,



Name

Executive Director

Title

**To be completed by the Local Housing Authority or Sec 8 Administrator:**

Seen and Acknowledged By: 

Printed Name: Latysha Carpenter

Title: Director of Finance

Phone: (804) 733-2200

Date: February 6, 2019



M

Locality CEO Response  
Letter



# City of Petersburg

Office of the City Manager  
135 North Union Street  
Petersburg, Virginia 23803

(804) 733-2301

## Locality CEO Letter

**DATE:** March 1, 2018

**TO:** Virginia Housing Development Authority  
601 South Belvidere Street  
Richmond, Virginia 23220  
Attention: JD Bondurant

VHDA Tracking Number:	<u>2018-C-07</u>
Name of Development:	<u>Sycamore Towers Apartments</u>
Name of Owner/Applicant:	<u>Sycamore Towers Apartments, L.P.</u>

The construction or rehabilitation of the above named development and the allocation of federal housing tax credits available under IRC Section 42 for said development will help meet the housing needs and priorities of the City of Petersburg. Accordingly, the City of Petersburg supports the allocation of federal housing tax credits requested by Sycamore Towers Apartments, L.P. for that development.

Yours truly,

A handwritten signature in cursive script that reads "Aretha R. Ferrell-Benavides".

Aretha R. Ferrell-Benavides  
City Manager

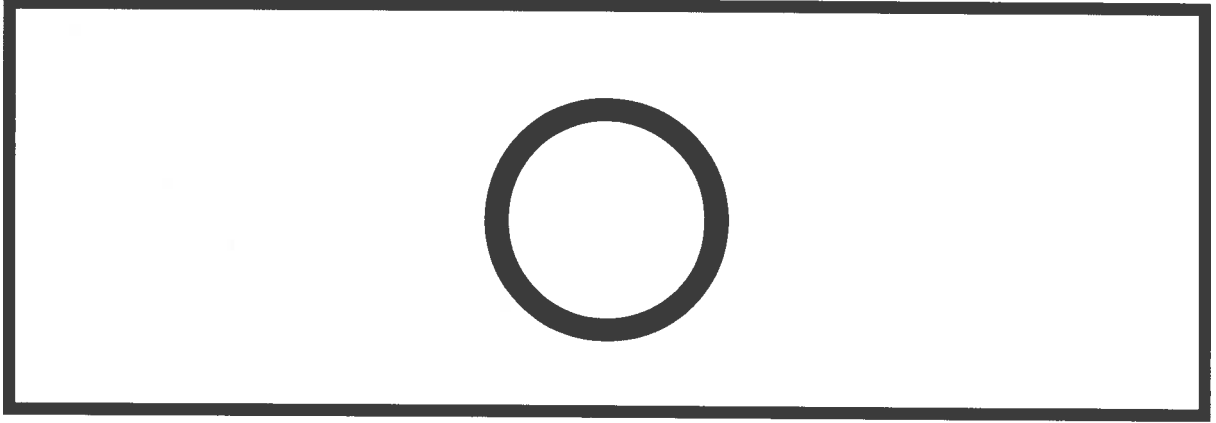


N

Homeownership Plan



N/A



Plan of Development  
Certification Letter



**I AM**  
PETERSBURG  
**VIRGINIA**

Department of Planning and Community Development  
135 North Union Street, Room 304  
Petersburg, Virginia 23803

(804) 733-2308

(804) 733-2312

(804) 863-2772

**Plan of Development Certification**

**DATE:**           **March 9, 2018**

**TO:**           Virginia Housing Development Authority  
601 South Belvidere Street  
Richmond, Virginia 23220  
Attention: JD Bondurant

**RE:**           PLAN OF DEVELOPMENT CERTIFICATION

Name of Development:	<u>Sycamore Towers Apartments</u>
Name of Owner/Applicant:	<u>Sycamore Towers Apartments, L.P.</u>
Name of Seller/Current Owner:	<u>Petersburg Redevelopment and Housing Authority</u>

The above-referenced Owner/Applicant has asked this office to complete this form letter regarding the site plan of the proposed Development (more fully described below). This certification is rendered solely for the purpose of confirming the status of plan of development or site plan approval of the Development. It is understood that this letter will be used by the Virginia Housing Development Authority solely for the purpose of determining whether the Development qualifies for points available under VHDA's Qualified Allocation Plan for housing tax credits.

**DEVELOPMENT DESCRIPTION:**

Development Address:  
128 S. Sycamore Street, Petersburg, Virginia 23803  
\_\_\_\_\_

Legal Description:  
See Attached  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Plan of Development Number:   N/A

Proposed Improvements:

<input type="checkbox"/> New Construction:	_____	# Units	_____	# Buildings	_____	Total Floor Area
<input type="checkbox"/> Adaptive Reuse:	_____	# Units	_____	# Buildings	_____	Total Floor Area
<input checked="" type="checkbox"/> Rehabilitation:	100	# Units	1	# Buildings	71,483.15	Total Floor Area

Other Descriptive Information:

Sycamore Towers Apartments project consist of the rehabilitation of One Hundred (100) elderly public housing units. The property consists of fifty-six (56) efficiency units, thirty-six (36) one bedroom units and eight (8) two bedroom units.

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**LOCAL CERTIFICATION:**

Check one of the following as appropriate:

- The proposed development described above has an approved final plan of development or site plan (as applicable to the site). No further plan of development or site plan approval is required before issuance of a building permit.
- The proposed development is an existing development with proposed renovations and no additional plan of development approval is needed.

The above plan of development approval is in effect until: N/A

Michelle B. Peters

Signed

Michelle B. Peters

Printed Name

Director, Planning and Community Development

Title

(804) 733-2312

Phone

March 9, 2018

Date

## EXHIBIT A

### Legal Description

All those four (4) certain parcels of land with the improvements thereon and appurtenances thereto belonging, lying, being and situate in the City of Petersburg, State of Virginia, and being described by metes and bounds as follows, to-wit:

BEGINNING at a point on the western line of South Sycamore Street located at a point One Hundred Ninety-five and thirty-eight-hundredths (195.38) feet north of the intersection of College Alley; thence along a line N. 82° 00' 07" W. Two Hundred Seventeen and seventeen-hundredths (217.17) feet to an iron pin; thence along a line N 10° 03' 05" E. Fifty-five and ten-hundredths (55.10) feet to a point; thence along a line N. 82° 01' 30" W. Sixty-five and fifty-four-hundredths (65.54) feet to a point; thence along a line N. 6° 58' 42" E. One Hundred Seventy-three and eleven-hundredths (173.11) feet to a point; thence along a line S. 76° 44' 04" E. Sixty-five and thirty-five hundredths (65.35) feet to a point; thence along a line S. 7° 50' 05" W. Forty-two and twenty-five-hundredths (42.25) feet to a point; thence along a line S. 82° 08" E. Two Hundred Fifteen and forty-seven hundredths (215.47) feet to a point on the western line of South Sycamore Street; thence along the western line of South Sycamore Street S. 7° 00' W. One Hundred Eighty and thirty-eight-hundredths (180.38) feet to the point of beginning.

Reference to the following deeds is hereby made:

- (1) Maxine S. Barney, widow, dated February 16, 1971, recorded in the Clerk's Office of the Hustings Court of Petersburg, Virginia, in Deed Book 307 at page 39;
- (2) Thomas F. Cooper et al, dated February 16, 1971, recorded in the aforesaid Clerk's Office in Deed Book 307 at page 42;
- (3) Noldi W. Creasy, widow, dated February 16, 1971, recorded in the aforesaid Clerk's Office in Deed Book 307 at page 45; and
- (4) Baycon Corporation, a Virginia Corporation, dated April 20, 1971, recorded in the aforesaid Clerk's Office in Deed Book 307 at page 36;

A plat of the aforesaid properties, dated June 19, 1970, entitled, "Plat Showing Property to be Acq. By Baycon Corp.", made by R.A. Bristow, C.L.S., is of record in the aforesaid Clerk's Office in Deed Book 307 at page 57.

P

Copies of 8609s to  
Certify Developer  
Experience and  
Partnership agreements

NOT SEEKING  
DEVELOPER  
EXPERIENCE  
POINTS

# Low-Income Housing Credit Allocation Certification

OMB No. 1545-0988

Department of the Treasury  
Internal Revenue Service

Do not file separately. The building owner must attach Form 8586,  
Form 8609, and Schedule A (Form 8609) to its Federal income tax return.

Attachment  
Sequence No. 36

## Part I Allocation of Credit - Completed by Housing Credit Agency Only

Check if:  Addition to Qualified Basis  Amended Form

<b>A</b> Address of building (do not use P. O. box) (see instructions) 614 West Washington Street Petersburg, VA 23803	<b>B</b> Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220-6504
<b>C</b> Name, address, and TIN of building owner receiving allocation Washington Columns Limited Partnership P.O. Box 3111 Petersburg, VA 23804-0311  TIN 54-1977643	<b>D</b> Employer identification number of agency 54-0921892
	<b>E</b> Building identification number (BIN) VA0004101

<b>1a</b> Date of allocation 12/21/00	<b>b</b> Maximum housing credit dollar amount allowable.	<b>1b</b>	\$ 37,697
<b>2</b> Maximum applicable credit percentage allowable		<b>2</b>	8.53%
<b>3a</b> Maximum qualified basis		<b>3a</b>	\$441,934
<b>b</b> Check here <input checked="" type="checkbox"/> if the eligible basis used in the computation of line 3a was increased under the high-cost area provisions of section 42(d)(5)(C). Enter the percentage to which the eligible basis was increased (see instructions)		<b>3b</b>	130%
<b>4</b> Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)		<b>4</b>	-0-
<b>5</b> Date building placed in service 12/1/02			
<b>6</b> Check the box that describes the allocation for the building (check one only):			
<b>a</b> <input type="checkbox"/> Newly constructed and federally subsidized		<b>b</b> <input type="checkbox"/> Newly constructed and not federally subsidized	
<b>d</b> <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized		<b>e</b> <input checked="" type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized	
<b>c</b> <input type="checkbox"/> Existing building			

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined Part I of this form and to the best of my knowledge and belief, the information is true, correct and complete.

JAMES M. CHANDLER  
AUTHORIZED OFFICER
5-19-03  
Date

Signature of authorized official Name (please type or print)

## Part II First-Year Certification - Completed by Building Owner for First Year of Credit Period Only

<b>7a</b> Date building placed in service 12/1/02	<b>b</b> Eligible basis of building (see instructions)	<b>7b</b>	441,934
<b>8a</b> Original qualified basis of the building at close of first year of credit period		<b>8a</b>	441,934
<b>b</b> Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?		<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<b>9 a</b> If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(f)(2)(B)?		<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>b</b> Do you elect to reduce eligible basis by disproportionate costs of non-low-income units (section 42(d)(3))?		<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>10</b> Check the appropriate box for each election:			
<b>a</b> Elect to begin credit period the first year after the building is placed in service (section 42(f)(1))		<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<b>b</b> Elect not to treat large partnership as taxpayer (section 42(j)(5))		<input type="checkbox"/> Yes	
<b>c</b> Elect minimum set-aside requirement (section 42(g)) (see instructions)	<input type="checkbox"/> 20-50	<input checked="" type="checkbox"/> 40-60	<input type="checkbox"/> 25-60 (N.Y.C. only)
<b>d</b> Elect deep-rent-skewed project (section 142(d)(4)(B)) (see instructions)		<input type="checkbox"/> 15-40	

**Note:** A separate Schedule A (Form 8609), Annual Statement, for each building must be attached to the corresponding Form 8609 for each year of the 15-year compliance period.

**Caution:** Read the instructions under Signature (page 4) before signing this part.  
 Under penalties of perjury, I declare that the above building continues to qualify as a part of a qualified low-income housing project and meets the requirements of Internal Revenue Code section 42 and that the qualified basis of the building has  has not  decreased for this tax year. I have examined this form and attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

54-1977643
5/5/2011  
Date

Signature Taxpayer identification number

Name (please type or print)



**SCHEDULE A**  
**(Form 8609)**

(Rev. January 2000)  
Department of the Treasury  
Internal Revenue Service

**Annual Statement**

▶ Attach to Form 8609 and file with owner's Federal income tax return.  
▶ For Paperwork Reduction Act Notice, see instructions for Form 8609.

OMB No. 1545-0988

**36a**

A Building owner's name  
Washington Columns, L.P.

B. Identifying number ▶ 54-1977643

C Building identification number ▶ VA0004101  
647 West Washington Street

1	Eligible basis of building .....	1	196,014.
2	Low-income portion (smaller of unit percentage or floor-space percentage) (if first year of the credit period, see instructions) .....	2	0.9028
3	Qualified basis of low-income building. Multiply line 1 by line 2 (see instructions for exceptions) .....	3	176,961.
4	Part-year adjustment for disposition or acquisition during the tax year .....	4	
5	Credit percentage .....	5	0.0853
6	Multiply line 3 or line 4 by the percentage on line 5 .....	6	15,095.
7	Additions to qualified basis, if any .....	7	
8	Part-year adjustment for disposition or acquisition during the tax year .....	8	
9	Credit percentage. Enter one-third of the percentage on line 5 .....	9	
10	Multiply line 7 or line 8 by the percentage on line 9 .....	10	
11	Section 42(f)(3)(B) modification .....	11	
12	Add lines 10 and 11 .....	12	
13	Credit for building before line 14 reduction. Subtract line 12 from line 6 .....	13	15,095.
14	Disallowed credit due to Federal grants (see instructions) .....	14	
15	Credit allowed for building for tax year. Subtract line 14 from line 13, but do not enter more than the amount shown on Form 8609, Part I, line 1b. ....	15	15,095.
16	Taxpayer's proportionate share of credit for the year (see instructions) .....	16	15,095.
17	Adjustments for deferred first-year credit and prior election to accelerate credit (see instructions) .....	17	
18	Taxpayer's credit. Combine lines 16 and 17. Enter here and in Part I of Form 8586 (see instructions) .....	18	15,095.

BAA

Schedule A (Form 8609) (Rev. 1-2000)

**SCHEDULE A**

(Form 8609)

(Rev. January 2000)  
Department of the Treasury  
Internal Revenue Service

**Annual Statement**

▶ Attach to Form 8609 and file with owner's Federal income tax return.  
▶ For Paperwork Reduction Act Notice, see instructions for Form 8609.

OMB No. 1545-0988

**36a**

A Building owner's name		B Identifying number ▶	54-1977643
Washington Columns, L.P.		C Building identification number ▶	VA0004101
		647 West Washington Street	
1	Eligible basis of building .....	1	441,934.
2	Low-income portion (smaller of unit percentage or floor-space percentage) (if first year of the credit period, see instructions) .....	2	0.9028
3	Qualified basis of low-income building. Multiply line 1 by line 2 (see instructions for exceptions) .....	3	398,978.
4	Part-year adjustment for disposition or acquisition during the tax year .....	4	
5	Credit percentage .....	5	0.0853
6	Multiply line 3 or line 4 by the percentage on line 5 .....	6	34,033.
7	Additions to qualified basis, if any .....	7	
8	Part-year adjustment for disposition or acquisition during the tax year .....	8	
9	Credit percentage. Enter one-third of the percentage on line 5 .....	9	
10	Multiply line 7 or line 8 by the percentage on line 9 .....	10	
11	Section 42(f)(3)(B) modification .....	11	
12	Add lines 10 and 11 .....	12	
13	Credit for building before line 14 reduction. Subtract line 12 from line 6 .....	13	34,033.
14	Disallowed credit due to Federal grants (see instructions) .....	14	
15	Credit allowed for building for tax year. Subtract line 14 from line 13, but do not enter more than the amount shown on Form 8609, Part I, line 1b. ....	15	34,033.
16	Taxpayer's proportionate share of credit for the year (see instructions) .....	16	34,033.
17	Adjustments for deferred first-year credit and prior election to accelerate credit (see instructions) .....	17	
18	Taxpayer's credit. Combine lines 16 and 17. Enter here and in Part I of Form 8586 (see instructions) .....	18	34,033.

BAA

Schedule A (Form 8609) (Rev 1-2000)

**SCHEDULE A**

(Form 8609)

(Rev January 2000)

Department of the Treasury  
Internal Revenue Service

**Annual Statement**

▶ Attach to Form 8609 and file with owner's Federal income tax return.

▶ For Paperwork Reduction Act Notice, see Instructions for Form 8609.

OMB No.1545-0988

36a

A Building owner's name

Washington Columns, L.P.

B Identifying number ▶

54-1977643

C Building identification number ▶ VA0004102

633 West Washington Street

1 Eligible basis of building .....	1	157,178.
2 Low-income portion (smaller of unit percentage or floor-space percentage) (if first year of the credit period, see instructions) .....	2	1.0000
3 Qualified basis of low-income building. Multiply line 1 by line 2 (see instructions for exceptions) .....	3	157,178.
4 Part-year adjustment for disposition or acquisition during the tax year .....	4	
5 Credit percentage .....	5	0.0365
6 Multiply line 3 or line 4 by the percentage on line 5 .....	6	5,737.
7 Additions to qualified basis, if any .....	7	
8 Part-year adjustment for disposition or acquisition during the tax year .....	8	
9 Credit percentage. Enter one-third of the percentage on line 5 .....	9	
10 Multiply line 7 or line 8 by the percentage on line 9 .....	10	
11 Section 42(f)(3)(B) modification .....	11	
12 Add lines 10 and 11 .....	12	
13 Credit for building before line 14 reduction. Subtract line 12 from line 6 .....	13	5,737.
14 Disallowed credit due to Federal grants (see instructions) .....	14	
15 Credit allowed for building for tax year. Subtract line 14 from line 13, but do not enter more than the amount shown on Form 8609, Part I, line 1b .....	15	5,737.
16 Taxpayer's proportionate share of credit for the year (see instructions) .....	16	5,737.
17 Adjustments for deferred first-year credit and prior election to accelerate credit (see instructions) .....	17	
18 Taxpayer's credit. Combine lines 16 and 17. Enter here and in Part I of Form 8586 (see instructions) .....	18	5,737.

BAA

Schedule A (Form 8609) (Rev 1-2000)

**SCHEDULE A**  
**(Form 8609)**  
 (Rev. January 2000)  
 Department of the Treasury  
 Internal Revenue Service

**Annual Statement**

▶ Attach to Form 8609 and file with owner's Federal income tax return.  
 ▶ For Paperwork Reduction Act Notice, see instructions for Form 8609.

OMB No. 1545-0988

**36a**

A Building owner's name Washington Columns, L.P.		B Identifying number ▶ 54-1977643
		C Building identification number ▶ VA0004102 633 West Washington Street
1 Eligible basis of building .....	1	2,493,587.
2 Low-income portion (smaller of unit percentage or floor-space percentage) (if first year of the credit period, see instructions) .....	2	1.0000
3 Qualified basis of low-income building. Multiply line 1 by line 2 (see instructions for exceptions) .....	3	2,493,587.
4 Part-year adjustment for disposition or acquisition during the tax year .....	4	
5 Credit percentage .....	5	0.0853
6 Multiply line 3 or line 4 by the percentage on line 5 .....	6	212,703.
7 Additions to qualified basis, if any .....	7	
8 Part-year adjustment for disposition or acquisition during the tax year .....	8	
9 Credit percentage. Enter one-third of the percentage on line 5 .....	9	
10 Multiply line 7 or line 8 by the percentage on line 9 .....	10	
11 Section 42(f)(3)(B) modification .....	11	
12 Add lines 10 and 11 .....	12	
13 Credit for building before line 14 reduction. Subtract line 12 from line 6 .....	13	212,703.
14 Disallowed credit due to Federal grants (see instructions) .....	14	
15 Credit allowed for building for tax year. Subtract line 14 from line 13, but do not enter more than the amount shown on Form 8609, Part I, line 1b. ....	15	212,703.
16 Taxpayer's proportionate share of credit for the year (see instructions) .....	16	212,703.
17 Adjustments for deferred first-year credit and prior election to accelerate credit (see instructions) .....	17	
18 Taxpayer's credit. Combine lines 16 and 17. Enter here and in Part I of Form 8586 (see instructions) .....	18	212,703.

BAA

Schedule A (Form 8609) (Rev 1-2000)

**SCHEDULE A**  
 (Form 8609)  
 (Rev. January 2000)  
 Department of the Treasury  
 Internal Revenue Service

**Annual Statement**

▶ Attach to Form 8609 and file with owner's Federal income tax return.  
 ▶ For Paperwork Reduction Act Notice, see instructions for Form 8609.

OMB No. 1545-0988

**36a**

<b>A</b> Building owner's name Washington Columns, L.P.	<b>B</b> Identifying number ▶ 54-1977643
<b>C</b> Building identification number ▶ 633 West Washington Street	

1 Eligible basis of building .....	1	1,105,979.
2 Low-income portion (smaller of unit percentage or floor-space percentage) (if first year of the credit period, see instructions) .....	2	1.0000
3 Qualified basis of low-income building. Multiply line 1 by line 2 (see instructions for exceptions) .....	3	1,105,979.
4 Part-year adjustment for disposition or acquisition during the tax year .....	4	
5 Credit percentage .....	5	0.0853
6 Multiply line 3 or line 4 by the percentage on line 5 .....	6	94,340.
7 Additions to qualified basis, if any .....	7	
8 Part-year adjustment for disposition or acquisition during the tax year .....	8	
9 Credit percentage. Enter one-third of the percentage on line 5 .....	9	
10 Multiply line 7 or line 8 by the percentage on line 9 .....	10	
11 Section 42(f)(3)(B) modification .....	11	
12 Add lines 10 and 11 .....	12	
13 Credit for building before line 14 reduction. Subtract line 12 from line 6 .....	13	94,340.
14 Disallowed credit due to Federal grants (see instructions) .....	14	
15 Credit allowed for building for tax year. Subtract line 14 from line 13, but do not enter more than the amount shown on Form 8609, Part I, line 1b. ....	15	94,340.
16 Taxpayer's proportionate share of credit for the year (see instructions) .....	16	94,340.
17 Adjustments for deferred first-year credit and prior election to accelerate credit (see instructions) .....	17	
18 Taxpayer's credit. Combine lines 16 and 17. Enter here and in Part I of Form 8586 (see instructions) .....	18	94,340.

BAA

Schedule A (Form 8609) (Rev 1-2000)

# Low-Income Housing Credit Allocation Certification

Do not file separately. The building owner must attach Form 8586, Form 8609, and Schedule A (Form 8609) to its Federal income tax return.

## Part I Allocation of Credit - Completed by Housing Credit Agency Only

Check if:  Addition to Qualified Basis  Amended Form

**A** Address of building (do not use P. O. box) (see instructions)  
212-222 E. Wythe Street  
Petersburg, VA 23803

**B** Name and address of housing credit agency  
Virginia Housing Development Authority  
601 S. Belvidere Street  
Richmond, VA 23220-6504

**C** Name, address, and TIN of building owner receiving allocation  
Wythe Row Limited Partnership  
P. O. Box 311  
Petersburg, VA 23804  
TIN ▶ 54-1885082

**D** Employer identification number of agency  
54-0921892

**E** Building identification number (BIN)  
VA9805401

<b>1a</b> Date of allocation ▶ 12/18/98	<b>b</b> Maximum housing credit dollar amount allowable	<b>1b</b>	\$ 60,852
<b>2</b> Maximum applicable credit percentage allowable		<b>2</b>	8.35%
<b>3a</b> Maximum qualified basis		<b>3a</b>	\$728,766
<b>b</b> Check here <input checked="" type="checkbox"/> if the eligible basis used in the computation of line 3a was increased under the high-cost area provisions of section 42(d)(5)(C). Enter the percentage to which the eligible basis was increased (see instructions)		<b>3b</b>	130%
<b>4</b> Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)		<b>4</b>	-0-
<b>5</b> Date building placed in service ▶ 12/1/99			
<b>6</b> Check the box that describes the allocation for the building (check one only):			
<b>a</b> <input type="checkbox"/> Newly constructed and federally subsidized	<b>b</b> <input type="checkbox"/> Newly constructed and not federally subsidized	<b>c</b> <input type="checkbox"/> Existing building	
<b>d</b> <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized	<b>e</b> <input checked="" type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized		

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined Part I of this form and to the best of my knowledge and belief, the information is true, correct and complete.

*[Signature]*  
Signature of authorized official

JAMES M. CHANDLER  
AUTHORIZED OFFICER  
Name (please type or print)

8-1-00  
Date

## Part II First-Year Certification - Completed by Building Owner for First Year of Credit Period Only

<b>7a</b> Date building placed in service ▶ 12/1/99	<b>b</b> Eligible basis of building (see instructions)	<b>7b</b>	728,766
<b>8a</b> Original qualified basis of the building at close of first year of credit period		<b>8a</b>	728,766
<b>b</b> Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?		<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<b>9 a</b> If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?		<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>b</b> Do you elect to reduce eligible basis by disproportionate costs of non-low-income units (section 42(d)(3))?		<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>10</b> Check the appropriate box for each election:			
<b>a</b> Elect to begin credit period the first year after the building is placed in service (section 42(f)(1))		<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<b>b</b> Elect not to treat large partnership as taxpayer (section 42(j)(5))		<input type="checkbox"/> Yes	
<b>c</b> Elect minimum set-aside requirement (section 42(g)) (see instructions)	<input type="checkbox"/> 20-50	<input checked="" type="checkbox"/> 40-60	<input type="checkbox"/> 25-60 (N.Y.C. only)
<b>d</b> Elect deep-rent-skewed project (section 142(d)(4)(B)) (see instructions)		<input type="checkbox"/> 15-40	

Note: A separate Schedule A (Form 8609), Annual Statement, for each building must be attached to the corresponding Form 8609 for each year of the 15-year compliance period.

Caution: Read the instructions under Signature (page 4) before signing this part.

Under penalties of perjury, I declare that the above building continues to qualify as a part of a qualified low-income housing project and meets the requirements of Internal Revenue Code section 42 and that the qualified basis of the building has  has not  decreased for this tax year. I have examined this form and attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

*[Signature]*  
Signature

54-1885082  
Taxpayer identification number

3/4/2015  
Date

*[Signature]*  
Name (please type or print)

**Schedule A  
(Form 8609)**

(Rev. January 2000)  
Department of the Treasury  
Internal Revenue Service

**Annual Statement**

▶ Attach to Form 8609 and file with owner's federal income tax return.  
▶ For Paperwork Reduction Act Notice, see instructions for Form 8609.

OMB No. 1545-0088

36a

<b>A Building Owner's Name</b> Wythe Row Limited Partnership		<b>B Identifying Number</b> ▶ 54-1885082
		<b>C Building Identification Number</b> ▶ VA9805401
212-222 E Wythe Street		
1 Eligible basis of building .....	1	718,766.
2 Low-income portion (smaller of unit percentage or floor-space percentage) (if first year of the credit period, see instructions) .....	2	0.9444
3 Qualified basis of low-income building. Multiply line 1 by line 2 (see instructions for exceptions) .....	3	678,803.
4 Part-year adjustment for disposition or acquisition during the tax year .....	4	
5 Credit percentage .....	5	0.0835
6 Multiply line 3 or line 4 by the percentage on line 5 .....	6	56,680.
7 Additions to qualified basis, if any .....	7	
8 Part-year adjustment for disposition or acquisition during the tax year .....	8	
9 Credit percentage. Enter one-third of the percentage on line 5 .....	9	
10 Multiply line 7 or line 8 by the percentage on line 9 .....	10	
11 Section 42(f)(3)(B) modification .....	11	
12 Add lines 10 and 11 .....	12	
13 Credit for building before line 14 reduction. Subtract line 12 from line 6 .....	13	56,680.
14 Disallowed credit due to Federal grants (see instructions) .....	14	
15 Credit allowed for building for tax year. Subtract line 14 from line 13, but do not enter more than the amount shown on Form 8609, Part I, line 1b .....	15	56,680.
16 Taxpayer's proportionate share of credit for the year (see instructions) .....	16	56,680.
17 Adjustments for deferred first-year credit and prior election to accelerate credit (see instructions) .....	17	
18 Taxpayer's credit. Combine lines 16 and 17. Enter here and in Part I of Form 8586 (see instructions) .....	18	56,680.

BAA

Schedule A (Form 8609) (Rev 1-2000)

**Schedule A**  
**(Form 8609)**

(Rev. January 2000)  
Department of the Treasury  
Internal Revenue Service

**Annual Statement**

▶ Attach to Form 8609 and file with owner's federal income tax return.  
▶ For Paperwork Reduction Act Notice, see Instructions for Form 8609.

OMB No. 1545-0988

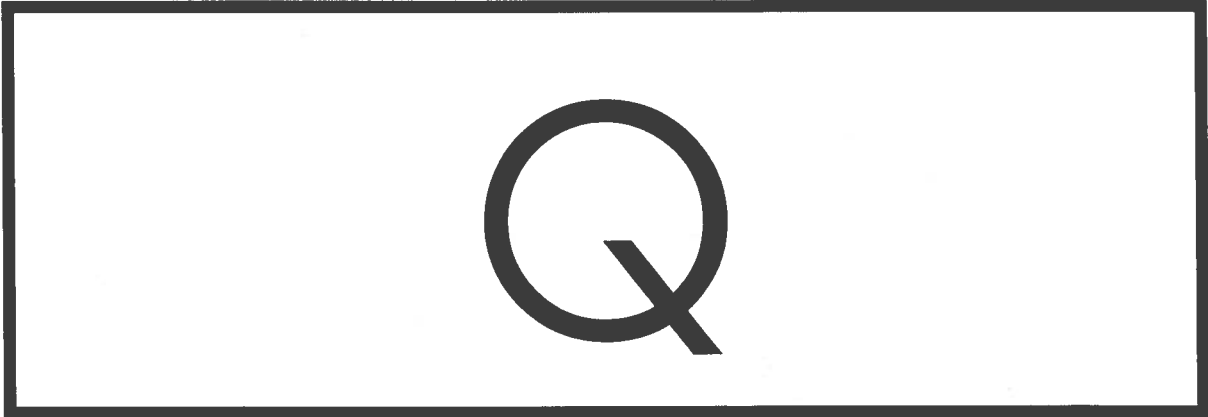
35a

<b>A</b> Building Owner's Name Wythe Row Limited Partnership		<b>B</b> Identifying Number ▶ 54-1885082
		<b>C</b> Building Identification Number ▶ VA9805402
302-312 E. Wythe Street		
1	Eligible basis of building .....	718,754.
2	Low-income portion (smaller of unit percentage or floor-space percentage) (if first year of the credit period, see instructions) .....	0.9722
3	Qualified basis of low-income building. Multiply line 1 by line 2 (see instructions for exceptions) .....	698,773.
4	Part-year adjustment for disposition or acquisition during the tax year .....	
5	Credit percentage .....	0.0835
6	Multiply line 3 or line 4 by the percentage on line 5 .....	58,348.
7	Additions to qualified basis, if any .....	
8	Part-year adjustment for disposition or acquisition during the tax year .....	
9	Credit percentage. Enter one-third of the percentage on line 5 .....	
10	Multiply line 7 or line 8 by the percentage on line 9 .....	
11	Section 42(f)(3)(B) modification .....	
12	Add lines 10 and 11 .....	
13	Credit for building before line 14 reduction. Subtract line 12 from line 6 .....	58,348.
14	Disallowed credit due to Federal grants (see instructions) .....	
15	Credit allowed for building for tax year. Subtract line 14 from line 13, but do not enter more than the amount shown on Form 8609, Part I, line 1b .....	58,348.
16	Taxpayer's proportionate share of credit for the year (see instructions) .....	58,348.
17	Adjustments for deferred first-year credit and prior election to accelerate credit (see instructions) .....	
18	Taxpayer's credit. Combine lines 16 and 17. Enter here and in Part I of Form 8586 (see instructions) .....	58,348.

BAA

Schedule A (Form 8609) (Rev 1-2000)





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Documentation of Rental  
Assistance



# PRHA

## Petersburg Redevelopment & Housing Authority

February 6, 2019

Sycamore Towers Apartments, L.P.  
128 S. Sycamore Street  
Petersburg, Virginia 23803

SUBJECT: Annual Contribution Contract Operating Subsidies  
2019 LIHTC Program  
Sycamore Towers Apartments

Dear Sir or Madam:

This letter is in reference to your 2019 Low-Income Housing Tax Credit (LIHTC) application for the Sycamore Towers Apartments project located in Petersburg, Virginia.

The Petersburg Redevelopment and Housing Authority is committed to providing Sycamore Towers Apartments with rental operating subsidies in the form of either ACC subsidies or Project Based Voucher (PBV) subsidies (anticipated through Rental Assistance Demonstration Program Conversion) for a period of twenty (20) years. If awarded tax credits, all one hundred units will receive operating subsidies or Project Based Vouchers. The PBV subsidy is contingent on the project receiving a 2019 Reservation award of Low-Income Housing Tax Credits from Virginia Housing Development Authority (VHDA).

If you have any questions or need additional information, Please contact Yvette Bembry, HCVP Supervisor at (804) 733-2200 ext. 127.

Sincerely,

Nathaniel Pride  
Executive Director, PRHA  
nathaniel.pride@petersburgrha.org

**U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing**

**Rental Assistance Demonstration (RAD)  
for the Conversion of Public Housing to the  
Section 8 Project-Based Voucher (PBV) Program<sup>1</sup>**

**PART 1 OF HAP CONTRACT**

**1. CONTRACT INFORMATION**

**a. Parties**

This housing assistance payments (HAP) Contract is entered into between:

Petersburg Redevelopment and Housing Authority (Contract  
Administrator) (CA)<sup>2</sup> and

Sycamore Towers Apartments, L.P. (owner).

**b. Contents of contract**

The HAP Contract consists of Part 1, Part 2, and the Contract exhibits listed in paragraph c.

**c. Contract exhibits**

The HAP Contract includes the following exhibits:

**EXHIBIT A: TOTAL NUMBER OF UNITS IN PROJECT COVERED BY THIS  
HAP CONTRACT; INITIAL RENT TO OWNER; AND THE  
NUMBER AND DESCRIPTION OF THE CONTRACT UNITS.  
(See 24 CFR 983.203 for required items.)**

**EXHIBIT B: SERVICES, MAINTENANCE AND EQUIPMENT TO BE**

<sup>1</sup> This form merges HUD 52530A and HUD 52621

<sup>2</sup> In Public Housing to PBV conversions, the Contract Administrator will be the Public Housing Agency that executes the HAP Contract with the Owner and administers the voucher funding under the Consolidated Annual Contributions Contract with HUD.

PROVIDED BY THE OWNER WITHOUT CHARGES IN ADDITION  
TO RENT TO OWNER

EXHIBIT C: UTILITIES AVAILABLE IN THE CONTRACT UNITS, INCLUDING A  
LISTING OF UTILITY SERVICES TO BE PAID BY THE OWNER  
(WITHOUT CHARGES IN ADDITION TO RENT TO OWNER) AND  
UTILITIES TO BE PAID BY THE TENANTS

EXHIBIT D: FEATURES PROVIDED TO COMPLY WITH PROGRAM  
ACCESSIBILITY FEATURES OF SECTION 504 OF THE  
REHABILITATION ACT OF 1973

EXHIBIT E: ADDENDUM TO THE HAP CONTRACT – LABOR STANDARDS

ADDITIONAL EXHIBITS

**d. Term of the HAP Contract**

**1. Beginning of Term**

The Contract begins on January 1, 2019.

**2. Length of initial term**

- a. Subject to paragraph 2.b, the initial term of the HAP Contract for any contract unit is 20 years.
- b. The initial term of the HAP Contract for any unit may not be less than 15 years, and may be for a term of up to 20 years upon the request of the Owner and with the approval of the CA.

**3. Contract Administrator's Obligation to Offer to Renew and Owner  
Obligation to Accept Offers to Renew**

The CA and the Owner acknowledge and agree upon expiration of the initial term of the HAP Contract, and upon each renewal term of the HAP Contract, the CA shall offer to renew the HAP Contract and the Owner shall accept each offer to renew the HAP Contract, subject to the terms and conditions applicable at the time of each offer, and further subject to the availability of appropriations for each year of each such renewal.

**4. Funding of PBV HAP Contract**

- a. **Funding for the Year of Conversion.** In the Year of Conversion, the HAP Contract shall be funded only from public housing amounts obligated prior to the

effective date of the HAP Contract, and from any additional public housing amounts that HUD obligates in full or in part, subject to the availability of sufficient appropriated funding, for the remainder of the calendar year in which the HAP Contract becomes effective. Owner acknowledges that this amount for the first year may be less than the contract rent for subsequent years.<sup>3</sup>

- b. **Funding for remainder of the initial term and any renewal term.** Starting in the First Full Year and in each subsequent year in which the HAP Contract is effective, for the remainder of the initial term and any renewal term, subject to the availability of sufficient appropriated funding (budget authority), as provided in appropriations acts and in the CA's Consolidated Annual Contributions Contract with HUD, the CA will make full payments of housing assistance payments due to an Owner for any contract year in accordance with the HAP Contract. The availability of sufficient funding must be determined by HUD or the CA in accordance with HUD requirements. If it is determined that there may not be sufficient funding to continue housing assistance payments for all contract units and for the full term of the HAP Contract, the CA has the right to terminate the HAP Contract by notice to the Owner for all or any of the Contract units. Such action by the CA shall be implemented in accordance with HUD requirements.

- e. **Occupancy and payment**

- 1. **Payment for occupied unit**

During the term of the HAP Contract, the CA shall make housing assistance payments to the Owner for the months during which a contract unit is leased to and occupied by an eligible family. If an assisted family moves out of a Contract unit, the Owner may keep the housing assistance payment for the calendar month when the family moves out ("move-out month"). However, the Owner may not keep the payment if the CA determines that the vacancy is the Owner's fault.

- 2. **Vacancy payment**

THE PHA HAS DISCRETION WHETHER TO INCLUDE THE VACANCY PAYMENT PROVISION (PARAGRAPH f.2), OR TO STRIKE THIS PROVISION FROM THE HAP CONTRACT FORM.



- a. If an assisted family moves out of a Contract unit, the CA may provide vacancy payments to the Owner for a CA-determined vacancy period extending from the beginning of the first calendar month after the move-out month for a period not exceeding two full months following the move-out month.

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<sup>3</sup> Note that new definitions of First Full Year, HUD requirements and Year of Conversion are added to Section 2 of Part 2 of the HAP Contract.

- b. The vacancy payment to the Owner for each month of the maximum two-month period will be determined by the CA, and cannot exceed the monthly rent to Owner under the assisted lease, minus any portion of the rental payment received by the Owner (including amounts available from the tenant's security deposit). Any vacancy payment may only cover the period the unit remains vacant.
  - c. The CA may only make vacancy payments to the Owner if:
    - 1. The Owner gives the CA prompt, written notice certifying that the family has vacated the unit and the date when the family moved out (to the best of the Owner's knowledge and belief);
    - 2. The Owner certifies that the vacancy is not the fault of the Owner and that the unit was vacant during the period for which payment is claimed;
    - 3. The Owner certifies that it has taken every reasonable action to minimize the likelihood and length of vacancy; and
    - 4. The Owner provides any additional information required and requested by the CA to verify that the Owner is entitled to the vacancy payment.
  - d. The CA must take every reasonable action to minimize the likelihood and length of vacancy.
  - e. The Owner may refer families to the CA, and recommend selection of such families from the CA waiting list for occupancy of vacant units.
  - f. The Owner must submit a request for vacancy payments in the form and manner required by the CA and must provide any information or substantiation required by the CA to determine the amount of any vacancy payments.
- 3. PHA is not responsible for family damage or debt to Owner**
- Except as provided in this paragraph e (Occupancy and Payment), the CA will not make any other payment to the Owner under the HAP Contract. The CA will not make any payment to Owner for any damages to the unit, or for any other amounts owed by a family under the family's lease.
- f. **Non-Applicability of Income Mixing Requirement.**
- There is no cap on the number of units that may receive PBV assistance in a project.

**EXECUTION OF HAP CONTRACT**

<b>CONTRACT ADMINISTRATOR (CA)</b> <i>Name of CA (Print)</i>	
Petersburg Redevelopment and Housing Authority	
By:	
<i>Signature of Authorized Representative</i>	
X	
<i>Name and official title (Print)</i> Nathaniel T. Pride, Executive Director	
Date November <u>26</u> 2018	
<b>OWNER</b> <i>Name of Owner (Print)</i>	
SYCAMORE TOWERS APARTMENTS, L.P.	
By: Sycamore Towers Apartments G.P. , LLC, a Virginia limited liability company,	
<i>Signature of Authorized Representative</i>	
X	
<i>Name and official title (Print)</i> Nathaniel T. Pride, Executive Director of Petersburg Redevelopment and Housing Authority, a political subdivision of the Commonwealth of Virginia, Member	
Date November <u>26</u> 2018	

**U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing**

**Rental Assistance Demonstration (RAD)  
for the Conversion of Public Housing to the  
Section 8 Project-Based Voucher (PBV) Program**

**PART 2 OF HAP CONTRACT**

**2. DEFINITIONS**

**Contract Administrator (CA).** The Public Housing Agency that executes the HAP Contract with the Owner and administers the voucher funding under the Consolidated Annual Contributions Contract with HUD.

**Contract units.** The housing units covered by this HAP Contract. The contract units are described in Exhibit A.

**Family.** The persons approved by the CA to reside in a contract unit with assistance under the program.

**First Full Year.** The first full calendar year of the HAP Contract beginning the year after the calendar year of the effective date. To clarify, in cases in which a project converts in December and the effective date of the HAP Contract is January 1, the Year of Conversion is the calendar year starting on the effective date and the First Full Year begins the year following.

**HAP Contract.** This housing assistance payments contract between the CA and the owner. The contract consists of Part 1, Part 2, and the contract exhibits (listed in section 1.c of the HAP Contract).

**Housing assistance payment.** The monthly assistance payment by the CA for a contract unit, which includes: (1) a payment to the Owner for rent to the Owner under the family's lease minus the tenant rent; and (2) an additional payment to or on behalf of the family if the utility allowance exceeds total tenant payment.

**Household.** The family and any CA-approved live-in aide.

**Housing quality standards (HQS).** The HUD minimum quality standards for dwelling units occupied by families receiving project-based voucher program assistance.



**HUD.** U.S. Department of Housing and Urban Development.

**HUD requirements.** HUD requirements which apply to the project-based voucher program. HUD requirements are issued by HUD headquarters, as regulations, Federal Register notices or other binding program directives. HUD requirements include Notice PIH 2012-32 (HA), "Rental Assistance Demonstration—Final Implementation, Revision 2," as revised or amended from time to time (or any successor document) (RAD Notice). Any references in this HAP Contract to specific sections of the RAD Notice include any successor provisions whether explicitly stated or not.

**Owner.** Any person or entity who has the legal right to lease or sublease a unit to a participant.

**Premises.** The building or complex in which a contract unit is located, including common areas or grounds.

**Principal or interested party.** This term includes a management agent and other persons or entities participating in project management, and the officers and principal members, shareholders, investors, and other parties having a substantial interest in the HAP Contract, or in any proceeds or benefits arising from the HAP Contract.

**Program.** The project-based voucher program (see authorization for project-based assistance at 42 U.S.C. 1437f(o)(13)).

**PHA.** Public Housing Agency. A public housing agency as defined in the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(6)).

**Rent to Owner.** The total monthly rent payable to the Owner under the lease for a contract unit. Rent to Owner includes payment for any housing services, maintenance and utilities to be provided by the Owner in accordance with the lease. **Tenant.** The person or persons (other than a live-in aide) who executes the lease as a lessee of the dwelling unit.

**Tenant rent.** The portion of the rent to Owner payable by the family, as determined by the CA in accordance with HUD requirements. The CA is not responsible for paying any part of the tenant rent.

**Year of Conversion.** The time from the effective date of the HAP Contract through the end of that calendar year.

### **3. PURPOSE**

- a. This is a HAP Contract between the CA and the Owner.
- b. The purpose of the HAP Contract is to provide housing assistance payments for eligible families who lease contract units that comply with the HUD HQS from the Owner.

- c. The CA must make housing assistance payments to the Owner in accordance with the HAP Contract for contract units leased and occupied by eligible families during the HAP Contract term. HUD provides funds to the CA to make housing assistance payments to Owners for eligible families.

#### **4. RENT TO OWNER; HOUSING ASSISTANCE PAYMENTS**

##### **a. Amount of initial rent to Owner**

The initial rent to Owner for each contract unit is stated in Exhibit A, which is attached to and made a part of the HAP Contract. At the beginning of the HAP contract term, and until rent to Owner is adjusted in accordance with section 5 of the HAP Contract, the rent to Owner for each bedroom size (number of bedrooms) shall be the initial rent to Owner amount listed in Exhibit A.

##### **b. HUD rent requirements**

Notwithstanding any other provision of the HAP Contract, the rent to Owner may in no event exceed the amount authorized in accordance with HUD requirements. The CA has the right to reduce the rent to Owner, at any time, to correct any errors in establishing or adjusting the rent to Owner in accordance with HUD requirements. The CA may recover any overpayment from the Owner.

##### **c. CA payment to Owner**

1. Each month the CA must make a housing assistance payment to the Owner for a unit under lease to and occupied by an eligible family in accordance with the HAP Contract.
2. The monthly housing assistance payment to the Owner for a contract unit is equal to the amount by which the rent to Owner exceeds the tenant rent.
3. Payment of the tenant rent is the responsibility of the family. The CA is not responsible for paying any part of the tenant rent, or for paying any other claim by the Owner against a family. The CA is only responsible for making housing assistance payments to the Owner on behalf of a family in accordance with the HAP Contract.
4. The Owner will be paid the housing assistance payment under the HAP Contract on or about the first day of the month for which payment is due, unless the Owner and the CA agree on a later date.
5. To receive housing assistance payments in accordance with the HAP contract, the Owner must comply with all the provisions of the HAP contract. Unless the Owner complies with all the provisions of the HAP

Contract, the Owner does not have a right to receive housing assistance payments.

6. If the CA determines that the Owner is not entitled to the payment or any part of it, the CA, in addition to other remedies, may deduct the amount of the overpayment from any amounts due the Owner, including amounts due under any other housing assistance payments contract.
7. The Owner will notify the CA promptly of any change of circumstances that would affect the amount of the monthly housing assistance payment, and will return any payment that does not conform to the changed circumstances.
8. Notwithstanding anything else in this HAP Contract, in the Year of Conversion, any housing assistance payments shall equal amounts funded in accordance with Part 1, Section 1.d.4.a (Funding for the Year of Conversion) of this HAP Contract.

**d. Termination of assistance for family**

The CA may terminate housing assistance for a family under the HAP Contract in accordance with HUD requirements. The CA must notify the Owner in writing of its decision to terminate housing assistance for the family in such case.

**5. ADJUSTMENT OF RENT TO OWNER**

**a. PHA determination of adjusted rent**

1. Subject to section 5.b. of the HAP Contract, at each anniversary date during the term of the HAP Contract, the CA will adjust the rent to Owner by applying HUD's operating cost adjustment factor (OCAF), subject to the availability of appropriations for each year of the HAP Contract term.
2. The adjustment of rent to Owner shall always be determined in accordance with all HUD requirements. The amount of the rent to Owner may be adjusted up or down, in the amount defined by the CA in accordance with HUD requirements.

**b. Reasonable rent**

The rent to Owner for each contract unit may at no time exceed the reasonable rent charged for comparable units in the private unassisted market, as determined by the CA in accordance with 24 C.F.R. § 983.303. However, the rent to Owner shall not be reduced below the initial rent to Owner for dwelling units under the HAP Contract except in the following cases: (1) to correct errors in calculations in accordance with HUD requirements; (2) if additional housing assistance has been combined with PBV assistance after the execution of the HAP Contract and a rent

decrease is required pursuant to 24 C.F.R. § 983.55; or (3) if a decrease in rent to Owner is required based on changes in the allocation of responsibility for utilities between the Owner and the tenant..

**c. No special adjustments**

The CA will not make any special adjustments of the rent to Owner.

**d. Owner compliance with HAP contract**

The CA shall not approve, and the Owner shall not receive, any increase of rent to Owner unless all contract units are in accordance with the HQS, and the Owner has complied with the terms of the assisted leases and the HAP Contract.

**e. Notice of rent adjustment**

Rent to Owner shall be adjusted by written notice by the CA to the Owner in accordance with this section. Such notice constitutes an amendment of the rents specified in Exhibit A.

**6. OWNER RESPONSIBILITY**

The Owner is responsible for:

- a. Performing all management and rental functions for the contract units.
- b. Maintaining the units in accordance with HQS.
- c. Complying with equal opportunity requirements.
- d. Enforcing tenant obligations under the lease.
- e. Paying for utilities and housing services (unless paid by the family under the lease).
- f. Collecting from the tenant:
  1. Any security deposit;
  2. The tenant rent; and
  3. Any charge for unit damage by the family.

**7. OWNER CERTIFICATION**

The owner certifies that during the term of the HAP Contract:

- a. All contract units meet HQS, or successor standard, or will meet HQS no later than the date of completion of the "Work" (including any environmental mitigation

measures) as indicated in the RAD Conversion Commitment (RCC) which will be no later than January 31, 2020.

- b. The Owner is providing all the services, maintenance and utilities as agreed to under the HAP Contract and the leases with assisted families.
- c. Each contract unit for which the Owner is receiving housing assistance payments is leased to an eligible family referred by the CA, and the lease is in accordance with the HAP Contract and HUD requirements.
- d. To the best of the Owner's knowledge, the members of the family reside in each contract unit for which the Owner is receiving housing assistance payments, and the unit is the family's only residence.
- e. The Owner (including a principal or other interested party) is not the parent, child, grandparent, grandchild, sister, or brother of any member of a family residing in a contract unit.
- f. The amount of the housing assistance payment is the correct amount due under the HAP Contract.
- g. The rent to Owner for each contract unit does not exceed rents charged by the Owner for other comparable unassisted units.
- h. Except for the housing assistance payment and the tenant rent as provided under the HAP Contract, the Owner has not received and will not receive any payments or other consideration (from the family, the CA, HUD, or any other public or private source) for rental of the contract unit.
- i. The family does not own, or have any interest in the contract unit. If the Owner is a cooperative, the family may be a member of the cooperative.

## **8. CONDITION OF UNITS**

### **a. Owner maintenance and operation**

The Owner must maintain and operate the contract units and premises to provide decent, safe and sanitary housing in accordance with the HQS, including performance of ordinary and extraordinary maintenance. The Owner must provide all the services, maintenance and utilities set forth in Exhibits B and C, and in the lease with each assisted family.

### **b. PHA inspections**

- 1. The CA must inspect each Contract unit after rehabilitation is completed in accordance with the RCC.

2. Before providing assistance to a new family in a contract unit, the CA must inspect the unit. The CA may not provide assistance on behalf of the family until the unit fully complies with the HQS.
3. At least annually during the term of the HAP Contract, the CA must inspect a random sample, consisting of at least 20 percent of the contract units in each building, to determine if the contract units and the premises are maintained in accordance with the HQS. Turnover inspections pursuant to paragraph 2 of this section are not counted towards meeting this annual inspection requirement.
4. If more than 20 percent of the annual sample of inspected contract units in a building fail the initial inspection, the CA must reinspect 100 percent of the contract units in the building.
5. The CA must inspect contract units whenever needed to determine that the contract units comply with the HQS and that the Owner is providing

maintenance, utilities, and other services in accordance with the HAP Contract. The CA must take into account complaints and any other information that comes to its attention in scheduling inspections.

**c. Violation of the housing quality standards**

1. If the CA determines a contract unit is not in accordance with the HQS, the CA may exercise any of its remedies under the HAP Contract for all or any contract units. Such remedies include termination, suspension or reduction of housing assistance payments, and termination of the HAP Contract.
2. The CA may exercise any such contractual remedy respecting a contract unit even if the family continues to occupy the unit.
3. The CA shall not make any housing assistance for a dwelling unit that fails to meet the HQS, unless the Owner corrects the defect within the period specified by the CA and the CA verifies the correction. If a defect is life threatening, the Owner must correct the defect within no more than 24 hours. For other defects, the owner must correct the defect within no more than 30 calendar days (or any CA-approved extension).

**d. Maintenance and replacement—owner's standard practice**

Maintenance and replacement (including redecoration) must be in accordance with the standard practice for the building concerned as established by the Owner.

**9. LEASING CONTRACT UNITS**

**a. Selection of tenants**

1. During the term of the HAP Contract, the Owner must lease all Contract units to eligible families selected and referred by the CA from the CA's waiting list. The waiting list shall be established and maintained in accordance with HUD requirements, including the special PBV waiting list provisions in the RAD Notice (including Section 1.6.D.4 or successor provision).
2. The Owner is responsible for adopting written tenant selection procedures that are consistent with the purpose of improving housing opportunities for very low-income families and reasonably related to program eligibility and an applicant's ability to perform the lease obligations.
3. Consistent with HUD requirements, the Owner may apply its own admission procedures in determining whether to admit a family referred by the CA for occupancy of a contract unit. The Owner may refer families to the CA, and recommend selection of such families from the CA waiting list for occupancy of vacant units.
4. The Owner must promptly notify in writing any rejected applicant of the grounds for rejection.
5. The CA must determine family eligibility in accordance with HUD requirements.
4. The contract unit leased to each family must be appropriate for the size of the family under the CA's subsidy standards.
5. If a contract unit was occupied by an eligible family at the time the unit was selected by the CA, or is so occupied on the effective date of the HAP Contract, the Owner must offer the family the opportunity to lease the same or another appropriately-sized contract unit with assistance under the HAP Contract.
6. The Owner is responsible for screening and selecting tenants from the families referred by the CA from its waiting list.

**b. Vacancies**

1. The Owner must promptly notify the CA of any vacancy in a contract unit. After receiving the Owner notice, the CA shall make every reasonable effort to refer a sufficient number of families for Owner to fill the vacancy.
2. The Owner must rent vacant contract units to eligible families on the CA waiting list referred by the CA.

3. The CA and the Owner must make reasonable good faith efforts to minimize the likelihood and length of any vacancy.
4. If any contract units have been vacant for a period of 120 or more days since Owner notice of vacancy (and notwithstanding the reasonable good faith efforts of the CA to fill such vacancies), the CA may give notice to the Owner amending the HAP Contract to reduce the number of contract units by subtracting the number of contract units (by number of bedrooms) that have been vacant for such period.

## **10. TENANCY**

### **a. Lease**

The lease between the Owner and each assisted family must be in accordance with HUD requirements. In all cases, the lease must include the HUD-required tenancy addendum. The tenancy addendum must include, word-for-word, all provisions required by HUD.

### **b. Termination of tenancy**

1. The Owner may only terminate a tenancy in accordance with the lease and HUD requirements.
2. The Owner must give the CA a copy of any Owner eviction notice to the tenant at the same time that the Owner gives notice to the tenant. Owner eviction notice means a notice to vacate, or a complaint or other initial pleading used to commence an eviction action under State or local law.
3. The Owner shall provide adequate written notice of termination of the lease, which shall be (A) a reasonable period of time, but not to exceed 30 days if the health or safety of other tenants, Owner employees, or persons residing in the immediate vicinity of the premises is threatened; or in the event of any drug-related or violent criminal activity or any felony conviction; (B) Not less than 14 days in the case of nonpayment of rent; and (C) Not less than 30 days in any other case, except that if a State or local law provides for a shorter period of time, such shorter period shall apply.
4. The Owner must renew all tenant leases upon expiration, unless good cause under 24 C.F.R. § 983.257(a) exists for non-renewal of a lease.

### **c. Family payment**

1. The portion of the monthly rent to Owner payable by the family ("tenant rent") will be determined by the CA in accordance with HUD



requirements. The amount of the tenant rent is subject to change during the term of the HAP Contract. Any changes in the amount of the tenant rent will be effective on the date stated in a notice by the CA to the family and the Owner.

2. The amount of the tenant rent as determined by the CA is the maximum amount the Owner may charge the family for rent of a contract unit, including all housing services, maintenance and utilities to be provided by the Owner in accordance with the HAP Contract and the lease.
3. The Owner may not demand or accept any rent payment from the tenant in excess of the tenant rent as determined by the CA. The Owner must immediately return any excess rent payment to the tenant.
4. The family is not responsible for payment of the portion of the contract rent covered by the housing assistance payment under the HAP Contract. The Owner may not terminate the tenancy of an assisted family for nonpayment of the CA housing assistance payment.
5. The CA is only responsible for making the housing assistance payments to the Owner on behalf of the family in accordance with the HAP Contract. The CA is not responsible for paying the tenant rent, or any other claim by the Owner.

**d. Other Owner charges**

1. Except as provided in paragraph 2, the Owner may not require the tenant or family members to pay charges for meals or supportive services. Nonpayment of such charges is not grounds for termination of tenancy.
2. In assisted living developments receiving project-based voucher assistance, Owners may charge tenants, family members, or both for meals or supportive services. These charges may not be included in the rent to Owner, nor may the value of meals and supportive services be included in the calculation of reasonable rent. Non-payment of such charges is grounds for termination of the lease by the Owner in an assisted living development.
3. The Owner may not charge the tenant or family members extra amounts for items customarily included in rent in the locality or provided at no additional cost to the unsubsidized tenant in the premises.

**e. Security deposit**

1. The Owner may collect a security deposit from the family.

2. The Owner must comply with HUD and CA requirements, which may change from time to time, regarding security deposits from a tenant.
3. The CA may prohibit security deposits in excess of private market practice, or in excess of amounts charged by the Owner to unassisted families.
4. When the family moves out of the contract unit, the Owner, subject to State and local law, may use the security deposit, including any interest on the deposit, in accordance with the lease, as reimbursement for any unpaid tenant rent, damages to the unit or other amounts which the family owes under the lease. The Owner must give the family a written list of all items charged against the security deposit and the amount of each item. After deducting the amount used as reimbursement to the Owner, the Owner must promptly refund the full amount of the balance to the family.
5. If the security deposit is not sufficient to cover amounts the family owes under the lease, the Owner may seek to collect the balance from the family. However, the CA has no liability or responsibility for payment of any amount owed by the family to the Owner.

**11. FAMILY RIGHT TO MOVE**

- a. The family may terminate its lease at any time after the first year of occupancy. The family must give the Owner advance written notice of intent to vacate (with a copy to the CA) in accordance with the lease. If the family has elected to terminate the lease in this manner, the CA must offer the family the opportunity for tenant-based rental assistance in accordance with HUD requirements.
- b. Before providing notice to terminate the lease under paragraph a, the family must first contact the CA to request tenant-based rental assistance if the family wishes to move with continued assistance. If tenant-based rental assistance is not immediately available upon lease termination, the CA shall give the family priority to receive the next available opportunity for tenant-based rental assistance.

**12. OVERCROWDED, UNDER-OCCUPIED, AND ACCESSIBLE UNITS**

The CA subsidy standards determine the appropriate unit size for the family size and composition. The CA and Owner must comply with the requirements in 24 CFR 983.259.

**13. PROHIBITION OF DISCRIMINATION**

- a. The Owner may not refuse to lease contract units to, or otherwise discriminate against any person or family in leasing of a contract unit, because of race, color, religion, sex, national origin, disability, age or familial status.

- b. The Owner must comply with the following requirements: The Fair Housing Act (42 U.S.C. 3601–19) and implementing regulations at 24 CFR part 100 *et seq.*; Executive Order 11063, as amended by Executive Order 12259 (3 CFR, 1959– 1963 Comp., p. 652 and 3 CFR, 1980 Comp., p. 307) (Equal Opportunity in Housing Programs) and implementing regulations at 24 CFR part 107; title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d-4) (Nondiscrimination in Federally Assisted Programs) and implementing regulations at 24 CFR part 1; the Age Discrimination Act of 1975 (42 U.S.C. 6101–6107) and implementing regulations at 24 CFR part 146; section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at part 8 of this title; title II of the Americans with Disabilities Act, 42 U.S.C. 12101 *et seq.*; 24 CFR part 8; section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and implementing regulations at 24 CFR part 135; Executive Order 11246, as amended by Executive Orders 11375, 11478, 12086, and 12107 (3 CFR, 1964– 1965 Comp., p. 339; 3 CFR, 1966–1970 Comp., p. 684; 3 CFR, 1966–1970 Comp., p. 803; 3 CFR, 1978 Comp., p. 230; and 3 CFR, 1978 Comp., p. 264, respectively) (Equal Employment Opportunity Programs) and implementing regulations at 41 CFR chapter 60; Executive Order 11625, as amended by Executive Order 12007 (3 CFR, 1971– 1975 Comp., p. 616 and 3 CFR, 1977 Comp., p. 139) (Minority Business Enterprises); Executive Order 12432 (3 CFR, 1983 Comp., p. 198) (Minority Business Enterprise Development); and Executive Order 12138, as amended by Executive Order 12608 (3 CFR, 1977 Comp., p. 393 and 3 CFR, 1987 Comp., p. 245) (Women's Business Enterprise).
- c. The CA and the Owner must cooperate with HUD in the conducting of compliance reviews and complaint investigations pursuant to all applicable civil rights statutes, Executive Orders, and all related rules and regulations.

#### 14. PHA DEFAULT AND HUD REMEDIES

If HUD determines that the CA has failed to comply with the HAP Contract, or has failed to take appropriate action to HUD's satisfaction or as directed by HUD, for enforcement of the CA's rights under the HAP Contract, HUD may assume the CA's rights and obligations under the HAP Contract, and may perform the obligations and enforce the rights of the CA under the HAP Contract.

#### 15. OWNER DEFAULT AND PHA REMEDIES

##### a. Owner default

Any of the following is a default by the Owner under the HAP Contract:

1. The Owner has failed to comply with any obligation under the HAP Contract, including the Owner's obligations to maintain all contract units in accordance with the housing quality standards.
2. The Owner has violated any obligation under any other housing assistance payments contract under Section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f).

3. The Owner has committed any fraud or made any false statement to the CA or HUD in connection with the HAP Contract.

- 
4. The Owner has committed fraud, bribery or any other corrupt or criminal act in connection with any Federal housing assistance program.

5. If the property where the contract units are located is subject to a lien or security interest securing a HUD loan or a mortgage insured by HUD and:

- A. The Owner has failed to comply with the regulations for the applicable mortgage insurance or loan program, with the mortgage or mortgage note, or with the regulatory agreement; or

- B. The Owner has committed fraud, bribery or any other corrupt or criminal act in connection with the HUD loan or HUD-insured mortgage.

6. The Owner has engaged in any drug-related criminal activity or any violent criminal activity.

**b. CA remedies**

1. If the CA determines that a breach has occurred, the CA may exercise any of its rights or remedies under the HAP Contract.

2. The CA must notify the Owner in writing of such determination. The notice by the CA to the Owner may require the Owner to take corrective action (as verified by the CA) by a time prescribed in the notice.

3. The CA's rights and remedies under the HAP Contract include recovery of overpayments, termination or reduction of housing assistance payments, and termination of the HAP Contract.

**c. CA remedy is not waived**

The CA's exercise or non-exercise of any remedy for Owner breach of the HAP Contract is not a waiver of the right to exercise that remedy or any other right or remedy at any time.

**16. OWNER DUTY TO PROVIDE INFORMATION AND ACCESS REQUIRED BY HUD OR PHA**

**a. Required information**

The Owner must prepare and furnish any information pertinent to the HAP Contract as may reasonably be required from time to time by the CA or HUD. The Owner shall furnish such information in the form and manner required by the CA or HUD.

**b. PHA and HUD access to premises**

The Owner must permit the PHA or HUD or any of their authorized representatives to have access to the premises during normal business hours and, for the purpose of audit and examination, to have access to any books, documents, papers and records of the Owner to the extent necessary to determine compliance with the HAP Contract, including the verification of information pertinent to the housing assistance payments or the HAP Contract.

**17. CA AND OWNER RELATION TO THIRD PARTIES**

**a. Injury because of Owner action or failure to act**

The CA has no responsibility for or liability to any person injured as a result of the Owner's action or failure to act in connection with the implementation of the HAP Contract, or as a result of any other action or failure to act by the Owner.

**b. Legal relationship**

The Owner is not the agent of the CA. The HAP Contract does not create or affect any relationship between the CA and any lender to the Owner or any suppliers, employees, contractors or subcontractors used by the Owner in connection with the implementation of the HAP Contract.

**c. Exclusion of third party claims**

Nothing in the HAP Contract shall be construed as creating any right of a family or other third party (other than HUD) to enforce any provision of the HAP Contract, or to assert any claim against HUD, the CA or the Owner under the HAP Contract.

**d. Exclusion of Owner claims against HUD**

Nothing in the HAP Contract shall be construed as creating any right of the Owner to assert any claim against HUD.

**18. PHA-OWNED UNITS**

Notwithstanding Section 17 of the HAP Contract, a CA may own units assisted under the PBV program, subject to the special requirements in 24 CFR 983.59 regarding PHA-owned units and all other HUD requirements governing PHA ownership of PBV units.

**19. CONFLICT OF INTEREST**

**a. Interest of members, officers, or employees of CA, members of local governing body, or other public officials**

1. No present or former member or officer of the CA (except tenant-commissioners), no employee of the CA who formulates policy or influences decisions with respect to the housing choice voucher program or project-based voucher program, and no public official or member of a governing body or State or local legislator who exercises functions or responsibilities with respect to these programs, shall have any direct or indirect interest, during his or her tenure or for one year thereafter, or in the HAP Contract.
2. HUD may waive this provision for good cause.

**b. Disclosure**

The Owner has disclosed to the CA any interest that would be a violation of the HAP Contract. The Owner must fully and promptly update such disclosures.

**c. Interest of member of or delegate to Congress**

No member of or delegate to the Congress of the United States of America or resident-commissioner shall be admitted to any share or part of this HAP Contract or to any benefits arising from the contract.

**20. EXCLUSION FROM FEDERAL PROGRAMS**

**a. Federal requirements**

The Owner must comply with and is subject to requirements of 2 CFR part 2424.

**b. Disclosure**

The Owner certifies that:

1. The Owner has disclosed to the CA the identity of the Owner and any principal or interested party.
2. Neither the Owner nor any principal or interested party is listed on the U.S. General Services Administration list of parties excluded from Federal procurement and nonprocurement programs; and none of such parties are debarred, suspended, subject to a limited denial of participation or otherwise excluded under 2 CFR part 2424.

**21. TRANSFER OF THE CONTRACT OR PROPERTY**

**a. When consent is required**

1. The Owner and the CA agree that neither the HAP Contract nor the premises may be transferred without the written consent of CA and HUD.

2. "Transfer" includes:
    - A. Any sale or assignment or other transfer of ownership, in any form, of the HAP Contract or the property;
    - B. The transfer of any right to receive housing assistance payments that may be payable pursuant to the HAP Contract;
    - C. The creation of a security interest in the HAP Contract or the property;
    - D. Foreclosure or other execution on a security interest;
    - E. A creditor's lien, or transfer in bankruptcy; or
    - F. Any refinancing or restructuring of permanent debt imposing liens on the property by the Owner of the project, except to such extent permitted pursuant to that certain Rental Assistance Demonstration Use Agreement entered into in connection with the premises.
  3. Owner, CA and HUD hereby agree that:
    - A. CA and HUD hereby consent to any transfer of a passive or non-controlling interest in the Owner entity, including (by way of illustration and not of limitation, such transfers include transfers of the interests of limited partners in a limited partnership, transfers of the interests of members other than managing members or managers in a limited liability company, and transfers of interests in a corporation that cumulatively represent less than half the beneficial interest in the HAP Contract or the premises).
    - B. The Owner must obtain advance consent of CA and HUD for transfer of any interest of a general partner of a limited partnership or for the transfer, elimination or addition of a manager or managing member of a limited liability company. If such assignment is made in connection with any HUD-approved financing for the premises, including without limitation low-income housing tax credits, subject to the provisions of Section 37 of this HAP Contract, HUD and CA hereby consent to: an assignment by a general partner of a limited partnership Owner to a limited partner; and an assignment by the managing member of a limited liability company Owner to another member of Owner.
    - C. Limited CA and HUD consent to collateral assignments of the HAP Contract to lenders is provided in Section 36 of this HAP Contract.
- b. Transferee assumption of HAP Contract**

No transferee (including the holder of a security interest, the security holder's transferee or successor in interest, or the transferee upon exercise of a security interest) shall have any right to receive any payment of housing assistance

payments pursuant to the HAP Contract, or to exercise any rights or remedies under the HAP Contract, unless the CA and HUD has consented in advance, in writing to such transfer, and the transferee has agreed in writing, in a form acceptable to the CA and HUD in accordance with HUD requirements, to assume the obligations of the Owner under the HAP Contract, and to comply with all the terms of the HAP Contract.

**c. Effect of consent to transfer**

1. The creation or transfer of any security interest in the HAP Contract is limited to amounts payable under the HAP Contract in accordance with the terms of the HAP Contract.
2. The CA and HUD's consent to transfer of the HAP Contract or the property does not to change the terms of the HAP Contract in any way, and does not change the rights or obligations of the PHA or the Owner under the HAP Contract.
3. The CA and HUD's consent to transfer of the HAP Contract or the property to any transferee does not constitute consent to any further transfers of the HAP Contract or the property, including further transfers to any successors or assigns of an approved transferee.

**d. When transfer is prohibited**

The CA and HUD will not consent to the transfer if any transferee, or any principal or interested party is debarred, suspended subject to a limited denial of participation, or otherwise excluded under 2 CFR part 2424, or is listed on the U.S. General Services Administration list of parties excluded from Federal procurement or nonprocurement programs.

**22. SUBSIDY LAYERING**

**a. Owner disclosure**

The Owner must disclose to the PHA, in accordance with HUD requirements, information regarding any related assistance from the Federal Government, a State, or a unit of general local government, or any agency or instrumentality thereof, that is made available or is expected to be made available with respect to the contract units. Such related assistance includes, but is not limited to, any loan, grant, guarantee, insurance, payment, rebate, subsidy, credit, tax benefit, or any other form of direct or indirect assistance.

**b. Limit of payments**

Housing assistance payments under the HAP Contract must not be more than is necessary, as determined in accordance with HUD requirements, to provide



affordable housing after taking account of such related assistance. The CA will adjust in accordance with HUD requirements the amount of the housing assistance payments to the Owner to compensate in whole or in part for such related assistance.

**23. OWNER LOBBYING CERTIFICATIONS**

- a. The Owner certifies, to the best of Owner's knowledge and belief, that:
1. No Federally appropriated funds have been paid or will be paid, by or on behalf of the Owner, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of the HAP Contract, or the extension, continuation, renewal, amendment, or modification of the HAP Contract.
  2. If any funds other than Federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the HAP Contract, the Owner must complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- b. This certification by the Owner is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. 1352.

**24.**

**Intentionally Omitted.**

**25. TERMINATION OF HAP CONTRACT FOR WRONGFUL SELECTION OF CONTRACT UNITS**

The HAP Contract may be terminated upon at least 30 days' notice to the Owner by the CA or HUD if the CA or HUD determines that the contract units were not eligible for selection in conformity with HUD requirements.

**26. NOTICES AND OWNER CERTIFICATIONS**

- a. Where the Owner is required to give any notice to the CA pursuant to the HAP Contract or any other provision of law, such notice must be in writing and must be given in the form and manner required by the CA.
- b. Any certification or warranty by the Owner pursuant to the HAP Contract shall be deemed a material representation of fact upon which reliance was placed when this transaction was made or entered into.

**27. ENTIRE AGREEMENT; INTERPRETATION**

- a. The HAP Contract, including the exhibits, is the entire agreement between the CA and the Owner
- b. The HAP Contract must be interpreted and implemented in accordance with all statutory requirements, and with all HUD requirements, including amendments or changes in HUD requirements during the term of the HAP Contract. The Owner agrees to comply with all such laws and HUD requirements.

**28. RAD REHAB ASSISTANCE PAYMENTS**

For any unit (1) that is vacant during the period of Work pursuant to the RCC; and (2) for which the Owner is not otherwise receiving housing assistance payments in accordance with section 4(c) of this HAP Contract; the Owner is entitled to receive a monthly RAD Rehab Assistance Payment calculated in accordance with the provision of the RAD Notice governing RAD Rehab Assistance Payments (i.e., Notice PIH 2012-32 (HA), REV-2, section 1.7.A.9. or successor provision), in the amount of \$ 0 per unit, as determined by HUD; shall apply to no more than 0 units in any given month; and shall commence upon the effective date of this HAP Contract, so long as the Owner is in compliance with the approved repair schedule as provided in the RCC. All RAD Rehab Assistance Payments shall end, and the Owner will cease to be entitled to any such payments, (1) on Jan. 31, 2020, ; or (2) upon actual completion of the Work, if sooner. Provided, however, during the Year of Conversion (as defined in Section 2), any RAD Rehab Assistance Payments shall not exceed amounts funded pursuant to Section 1.e.4(a).

**29. CA BOARD APPROVAL**

The CA's Board must approve the operating budget for the covered project annually in accordance with HUD requirements.

**30. PROPERTY AND LIABILITY INSURANCE**

The Owner agrees that the project shall be covered at all times by commercially available property and liability insurance to protect the project from financial loss. To the extent insurance proceeds permit, or as determined feasible by the first mortgage lender, the Owner agrees to promptly restore, reconstruct, and/or repair any damaged or destroyed property of a project, except with the written approval of HUD to the contrary.

**31. RESIDENT PROCEDURAL RIGHTS' GRIEVANCE PROCESS**

The Owner and the CA must comply with the grievance process requirements in the RAD Notice (including section 1.6.C.7.ii. or successor provision) for projects converting to PBV assistance.

**32. RESIDENT PARTICIPATION AND FUNDING**

In accordance with Attachment 1B.2.B. of the RAD Notice, captioned "PBV Resident Participation and Funding," families in projects that convert to PBV assistance have the right to establish and operate resident organizations for the purpose of addressing issues related to their living environment. The Attachment details all of the requirements governing Resident Participation and Funding, with which the Owner must comply.

**33. FLOOD INSURANCE**

If the project is located in an area that has been identified by the Federal Emergency Management Agency as an area having special flood hazards and if the sale of flood insurance has been made available under the National Flood Insurance Program, the Owner agrees that: (1) the project will be covered, during the life of the property, by flood insurance in an amount at least equal to its development or project cost (less estimated land cost) or to the limit of coverage made available with respect to the particular type of property under the National Flood Insurance Act of 1968, whichever is less; and (2) that it will advise any prospective purchaser or transferee of the property in writing of the continuing requirement to maintain such flood insurance during the life of the property.

**34. REPLACEMENT RESERVE REQUIREMENT**

The Owner shall establish and maintain a replacement reserve in accordance with the RCC.

**35. LABOR STANDARDS**

By execution of this HAP Contract, the Owner warrants that construction or repair Work on the project that is initiated within eighteen (18) months of the effective date of the HAP Contract shall be in compliance with applicable labor standards, including Davis-Bacon wage requirements, as stated in the "Addendum to the HAP Contract—Labor Standards." The "Addendum to the HAP Contract—Labor Standards" shall be included as an "Additional Exhibit" under Part 1, Section 1.c. of the HAP Contract.

**36. LENDER PROVISIONS**

Notwithstanding anything else in this HAP Contract:

- a. The holder of any HUD-approved mortgage against the project may take action against the Owner and the project that results in the holder of the mortgage or its designee (either referred to herein as "Lender Temporary Custodian") coming into ownership of the project or assuming the role of "Owner" under this HAP Contract. Transfer of the project or the HAP Contract from the Owner is grounds for termination of the HAP Contract assistance unless otherwise approved by HUD.

HUD and CA hereby consent to a collateral assignment of this contract to any Lender Temporary Custodian and pre-approve any Lender Temporary Custodian as a temporary custodian of the project and as a new "Owner" pursuant to this HAP Contract, and continued assistance to the project pursuant to this HAP Contract, subject to the following conditions:

1. HUD and CA must receive thirty (30) days prior written notice of the transfer of the project to the Lender Temporary Custodian and the form of the documents necessary to effect such transfer.
2. In connection with the transfer, Lender Temporary Custodian must execute and deliver to HUD and CA an assumption on the HAP Contract, in such form as acceptable to HUD.
3. Such approval and consent to continue assistance pursuant to this HAP Contract is expressly limited to a period of only 90 days that commences the date of such transfer of the project, provided that HUD in its sole discretion may extend such 90-day period by an additional 30 days, or for so long as HUD deems reasonably necessary for Lender to find a permanent replacement Owner. Consistent with Public Law 112-55, in the event that the Lender Temporary Custodian comes into ownership of the project, the Lender Temporary Custodian shall use such interim period to identify a proposed permanent Owner determined by HUD to be capable of abiding by the HAP Contract, Use Agreement, and any and all applicable RAD program requirements. The provision of housing assistance payments to any proposed permanent replacement Owner is subject to HUD's consent.
4. Prior to a transfer of the project to a Lender Temporary Custodian, HUD may at any time by written notice to a Lender Temporary Custodian revoke the approvals given herein if HUD becomes aware of any conditions or circumstances (by way of illustration and not limitation, such conditions or circumstances may include debarment, suspension or limited denial of participation) that would disqualify or compromise the ability of Lender Temporary Custodian from acting as an interim custodian of the project pursuant to the HAP Contract.

### **37. LOW-INCOME HOUSING TAX CREDIT PROVISIONS**

Notwithstanding anything else in this HAP Contract:

- a. **Notice.** As long as the equity investor identified below ("Equity Investor") is a partner or member of Owner, HUD shall endeavor as a courtesy to Equity Investor to deliver to Equity Investor a copy of any notice of default that is delivered to Owner under the terms of the HAP Contract. Use Agreement or RAD Conversion Commitment (RCC). Equity Investor's Address for such purposes is:

N/A

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- b. **Right to Cure.** Any cure of any default by Owner under the HAP Contract, Use Agreement or RCC offered by Equity Investor shall be treated the same as if offered by Owner.
- c. **Transfer of Investor Members/Partners.** Equity Investor, and each successor member or partner in Owner, may transfer its interest in the Owner without prior written consent of HUD if:
1. HUD receives prior written notice of such transfer; and
  2. HUD receives executed copies of any and all documents necessary to effect such transfer, including any and all amendments to Owner's organizational documents.
- d. **Removal of General Partner/Managing Member**
1. HUD and CA have pre-approved the replacement of the Owner's general partner or managing member with an affiliate of Equity Investor, or any successor equity investor ("Interim Replacement GP/MM") as a temporary replacement general partner/managing member of the Owner, in the event Owner's general partner or managing member is removed for cause in accordance with Owner's organizational documents.
  2. Interim Replacement GP/MM may remove Owner's general partner or managing member in accordance with the Owner's organizational documents without further written consent from HUD or CA and HUD and CA shall continue assistance to the project in accordance with the HAP Contract, provided that Interim Replacement GP/MM provide HUD and CA with prior written notice of such replacement and HUD and CA receive executed copies of any and all documents necessary to effect such replacement.
  3. Such approval of such Interim Replacement GP/MM is expressly limited to a period of only 90 days that commences the date of such removal, provided that HUD in its sole discretion may extend such 90-day period by an additional 30 days, or for so long as HUD deems reasonably necessary to provide for a permanent replacement of the general partner or managing member. After such interim period, any proposed permanent replacement for the Owner's general partner or managing member is subject to HUD's consent.

4. HUD may at any time by written notice to Equity Investor or any successor revoke the approvals given herein if HUD becomes aware of any conditions or circumstances that would disqualify or compromise the ability of Interim Replacement GP/MM from acting as an interim general partner/managing member pursuant to this HAP Contract.

**38. CONTINUATION OF HAP CONTRACT**

Except where otherwise approved by HUD, this HAP Contract shall continue in effect and housing assistance payments will continue in accordance with the terms of the HAP Contract in the event: (1) Of assignment, sale, or other disposition of this HAP Contract; (2) Of foreclosure, including foreclosure by HUD; (3) Of assignment of the mortgage or deed in lieu of foreclosure; (4) HUD or the CA takes over possession, operation or ownership; or (5) The Owner prepays the mortgage.

**39. ALTERNATIVE REQUIREMENTS**

- a. Owner Proposal Selection Procedures. Projects will be selected for assistance in accordance with the provisions in the RAD Notice. Therefore, 24 C.F.R. § 983.51 does not apply.
- b. Percentage Limitation. Section 8(o)(13)(B) of the 1937 Act and 24 C.F.R. § 983.6 do not apply to assistance provided under RAD.
- c. Consistency with PHA Plan and Other Goals. Section 8(o)(13)(ii) of the 1937 Act and 24 C.F.R. §§ 983.57(b)(1) and (c) do not apply.

Signatures:  
Contract Administrator

Petersburg Redevelopment  
and Housing Authority  
Print or Type Name of Contract Administrator

Nathaniel T. Pride  
Signature

Nathaniel T. Pride, Exec. Director  
Print or Type Name and Title of Signatory

11/26/19  
Date (mm/dd/yyyy)

Owner

Sycamore Towers  
Apartments, L.P.  
Print or Type Name of Owner

Nathaniel T. Pride  
Signature

Nathaniel T. Pride, Executive Director of  
PRHA, General Partner  
Print or Type Name and Title of Signatory

11/26/19  
Date (mm/dd/yyyy)

**EXHIBIT A**

**Sycamore Towers PBV HAP Contract**

- A. **Number of Units Covered by HAP Contract:** 100 units
- B. **Bedroom Size:** Efficiency, one and two bedrooms
- C. **Project Name:** Sycamore Towers Apartments
- D. **Street Address:** 128 S. Sycamore St., Petersburg, VA 23803
- E. **Contract Units:** 100 units
- F. **Contract Unit Description and Identification:**
1. **Total Area:** 71,483 gross sq. ft.
  2. **Bedrooms:** 64 efficiency, 32 one (1) BR and 4 two (2) BR
  3. **Bathrooms:** 1 bathroom
  4. **Contract terms:** 20 years
- G. **Units Exceeding:** All 100 units will receive supportive services and are considered excepted units with regards to the 25% units per building cap (reference 983-56 (b)(2)(B)).
- H. **Initial Rent to Owner (no utility allowances as utilities are paid by owner):**
- |   |       |
|---|-------|
| Efficiency Gross and Contract Rent -    | \$616 |
| One (1) Bedroom Gross and Contract Rent | \$647 |
| Two (2) Bedroom Gross and Contract Rent | \$748 |

## **EXHIBIT B**

### **Sycamore Towers PBV HAP Contract**

#### **Services, Maintenance, Equipment**

**10 story building, 100 apartments**

- A. (64) – efficiency units with 1 bath. Unit size 404 - 408 square feet**
- B. (32) –1 bedroom units with 1 bath. Unit size 529 square feet**
- C. (4) –2 bedroom units with 1 bath. Unit size 705 square feet**
- D. Apartments come with a refrigerator and a range. Washer and dryers are not included but a central laundry room is located on the fourth and the ninth floors. Apartments are cable ready but cable service must be ordered individually by the resident.**
- E. There are trash chutes located in the building with access on each floor and a dumpster out back. There are twenty-five (25) parking spaces.**
- F. Fourteen (14) units have balconies.**



**EXHIBIT C**

**Sycamore Towers PBV HAP Contract**

**Utilities:** Electric, gas, water, sewer and trash utilities are paid by the owner.

## **EXHIBIT D**

### **Sycamore Towers PBV HAP Contract**

- A. All apartments have basic handicap accessibility features, which include:**
- **Stoves with front controls**
  - **Emergency call system and pull cords**
- B. Five Accessible units have the following in addition to the list above:**
- **Grab bars in bathroom**
  - **Wheelchair accessible kitchen sink and counter tops accommodating for wheelchairs**
  - **Large wheelchair accessible bathrooms**

## Addendum to the HAP Contract—Labor Standards

This addendum is used for both the Project-Based Voucher HAP Contract and the Project-Based Rental Assistance (“PBRA”) HAP Contract under the Rental Assistance Demonstration and is applicable for all construction or repair work on projects that are initiated within eighteen (18) months after the effective date of the HAP contract. For PBRA HAP Contracts, it is “Exhibit 4” to the HAP Contract.

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### 1. HUD-FEDERAL LABOR STANDARDS PROVISIONS

The owner is responsible for inserting the entire text of section 1 of this Addendum in all construction contracts for construction or repair work on the project that is initiated within eighteen (18) months of the effective date of the HAP contract and, if the owner performs any rehabilitation work on the project, the owner must comply with all provisions of section 1. (Note: Sections 1(b) and (c) apply only when the amount of the prime contract exceeds \$ 100,000.)

(a)(1)(i) Minimum Wages. All laborers and mechanics employed or working upon the site of the work (or under the United States Housing Act of 1937 or under the Housing Act of 1949 in the construction or development of the project) will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made part hereof regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics. Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of 29 CFR 5.5(a)(1)(iv); also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs, which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 CFR 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, That the employer’s [12514] payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under 29 CFR 5.5(a)(1)(ii) and the Davis-Bacon poster (WH-1321)) shall be posted at all times by the contractor and its

subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

(ii)(A) Any class of laborers or mechanics which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. HUD shall approve an additional classification and wage rate and fringe benefits therefor only when the following criteria have been met: (1) The work to be performed by the classification requested is not performed by a classification in the wage determination; (2) The classification is utilized in the area by the construction industry; and (3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(B) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and HUD or its designee agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by HUD or its designee to the Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, Washington, DC 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary.

(C) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and HUD or its designee do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), HUD or its designee shall refer the questions, including the views of all interested parties and the recommendation of HUD or its designee, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary.

(D) The wage rate (including fringe benefits where appropriate) determined pursuant to subparagraphs (a)(1)(ii)(B) or (C) of this paragraph, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determinations or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably

anticipated in providing bona fide fringe benefits under a plan or program: Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.

(2) Withholding. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld from the

contractors under this contract or any other Federal contract with the same prime contractor, or any other Federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee or helper, employed or working on the site of the work (or under the United States Housing Act of 1937 or under the Housing Act of 1949 in the construction or development of the project), all or part of the wages required by the contract, HUD or its designee may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased. HUD or its designee may, after written notice to the contractor, disburse such amounts withheld for and on account of the contractor or subcontractor to the respective employees to whom they are due.

(3)(i) Payrolls and Basic Records. Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work (or under the United States Housing Act of 1937, or under the Housing Act of 1949, in the construction or development of the project). Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5 (a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the

registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

(ii)(A) The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to HUD or its designee if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant, sponsor, or owner, as the case may be, for transmission to HUD or its designee. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i), except that full social security numbers and home addresses shall not

be included on weekly transmittals. Instead the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Web site at <http://www.dol.gov/esa/whd/forms/wh347instr.htm> or its successor site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to HUD or its designee if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit them to the applicant, sponsor, or owner, as the case may be, for transmission to HUD or its designee, the contractor, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this section for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to the sponsoring government agency (or the applicant, sponsor, or owner).

(B) Each payroll submitted shall be accompanied by a "Statement of compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following: (1) That the payroll for the payroll period contains the information required to be provided under 29 CFR 5.5(a)(3)(ii), the appropriate information is being maintained under 29 CFR 5.5 (a)(3)(i), and that such information is correct and complete; (2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the [12515] payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in 29 CFR part 3; (3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(C) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph (a)(3)(ii)(B) of this section.

(D) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under section 1001 of Title 18 and section 3801 et seq. of Title 31 of the United States Code.

(iii) The contractor or subcontractor shall make the records required under paragraph (a)(3)(i) of this section available for inspection, copying, or transcription by authorized representatives of HUD or its designee or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, HUD or its designee may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

(4)(i) Apprentices and Trainees. Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions

of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and

individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal Employment Opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR part 30.

(5) Compliance with Copeland Act Requirements. The contractor shall comply with the requirements of 29 CFR part 3 which are incorporated by reference in this Addendum.



(6) **Subcontracts.** The contractor or subcontractor will insert in any subcontracts the clauses contained in section 1(a)(1) through (11) and such other clauses as HUD or its designee may by appropriate instructions require, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in this section 1(a).

(7) **Contract Terminations; Debarment.** A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

(8) **Compliance with Davis-Bacon and Related Act Requirements.** All rulings and interpretations of the Davis-Bacon and related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract.

(9) **Disputes Concerning Labor Standards.** Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and HUD or its designee, the U.S. Department of Labor, or the employees or their representatives.

(10)(i) **Certification of Eligibility.** By entering into this Addendum, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR part 24.

(ii) No part of this Contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR part 24. [12516]

(iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

11. **Complaints, Proceedings, or Testimony by Employees.** No laborer or mechanic to whom the wage, salary, or other labor standards provisions of this Addendum are applicable shall be discharged or in any other manner discriminated against by the Contractor or any subcontractor because such employee has filed any complaint or instituted or caused to be instituted any proceeding or has testified or is about to testify in any proceeding under or relating to the labor standards applicable under this Addendum to his employer.

(b) **Contract Work Hours and Safety Standards Act.** The provisions of this paragraph (b) are applicable only where the amount of the prime contract exceeds \$ 100,000. As used in this paragraph, the terms "laborers" and "mechanics" include watchmen and guards.

(1) **Overtime Requirements.** No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

(2) **Violation; Liability for Unpaid Wages; Liquidated Damages.** In the event of any violation of the clause set forth in subparagraph (1) of this paragraph, the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages.

Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in subparagraph (1) of this paragraph, in the sum of \$ 10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in subparagraph (1) of this paragraph.

(3) **Withholding for Unpaid Wages and Liquidated Damages.** HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any monies payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other Federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (2) of this paragraph.

(4) **Subcontracts.** The contractor or subcontractor shall insert in any subcontracts the clauses set forth in subparagraphs (1) through (4) of this paragraph and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in subparagraphs (1) through (4) of this paragraph.

(c) **Health and Safety.** The provisions of this paragraph (c) are applicable only where the amount of the prime contract exceeds \$ 100,000.

(1) No laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous to his or her health and safety as determined under construction safety and health standards promulgated by the Secretary of Labor by regulation.

(2) The contractor shall comply with all regulations issued by the Secretary of Labor pursuant to 29 CFR part 1926, and failure to comply may result in imposition of sanctions pursuant to the Contract Work Hours and Safety Standards Act, 40 U.S.C. 3701 et seq.

(3) The contractor shall include the provisions of this paragraph in every subcontract so that such provisions will be binding on each subcontractor. The contractor shall take such action with respect to any subcontract as the Secretary of Housing and Urban Development or the Secretary of Labor shall direct as a means of enforcing such provisions.

## **2. WAGE AND CLAIMS ADJUSTMENTS**

The owner shall be responsible for the correction of all violations under section 1 of this Addendum, including violations committed by other contractors. In cases where there is evidence of underpayment of salaries or wages to any laborers or mechanics (including apprentices and trainees) by the owner or other contractor or a failure by the owner or other contractor to submit payrolls and related reports, the owner shall be required to place an amount in escrow, as determined by HUD sufficient to pay persons employed on the work covered by the Addendum the difference between the salaries or wages actually paid such employees for the total number of hours worked and the full amount of wages required under this Addendum, as well as an amount determined by HUD to be sufficient to satisfy any liability of the owner or other contractor for liquidated damages pursuant to section 1 of this Addendum. The amounts withheld may be disbursed by HUD for and on account of the owner or other contractor to the respective employees to whom they are due, and to the Federal Government in satisfaction of liquidated damages under section 1.

## **3. EVIDENCE OF UNIT(S) COMPLETION; ESCROW**

(a) The owner shall evidence the completion of the unit(s) by furnishing the Contract Administrator a certification of compliance with the provisions of sections 1 and 2 of this Addendum, and that to the best of the owner's knowledge and belief there are no claims of underpayment to laborers or mechanics in alleged violation of these provisions of the Addendum. In the event there are any such pending claims to the knowledge of the owner, the Contract Administrator, or HUD, the owner will place a sufficient amount in escrow, as directed by the Contract Administrator or HUD, to assure such payments.

(b) The escrows required under this section and section 2 of this Addendum shall be paid to HUD, as escrowee, or to an escrowee designated by HUD, and the conditions and manner of releasing and approving such escrows shall be approved by HUD.

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This Document to be recorded in the  
Clerk's Office of the Circuit Court of the City of Petersburg  
After recordation, return to:

Crenshaw, Ware & Martin, P.L.C.  
150 W. Main Street  
Suite 1500  
Norfolk, VA 23510  
**Attn: Delphine G. Carnes, Esq.**

**Tax ID/GPIN: 022-150004**

FULL RELEASE OF DECLARATIONS OF TRUST

This Full Release of Declarations of Trust ("Release") is executed on November 20<sup>th</sup>, 2018, by the United States of America, acting by and through the Secretary of Housing and Urban Development ("HUD") (**Grantor and Grantee for indexing purposes**), for the purpose of releasing the property described on the attached Exhibit A from the effects and operation of the following Declarations of Trust (the "Existing Instruments") given by Petersburg Redevelopment and Housing Authority, a political subdivision of the Commonwealth of Virginia ("NRHA") (**Grantor and Grantee for indexing purposes**).

Declaration of Trust dated April 19, 1974 and recorded on April 23, 1974 in the Clerk's Office of the Circuit Court of the City of Petersburg, Virginia ("Clerk's Office") in Deed Book 328 at Page 299. This Declaration of Trust was executed and recorded with respect to Project Number VA 020000102 during the development or modernization of said project.

Declaration of Trust dated April 8, 2014 and recorded on April 10, 2014 in the Clerk's Office as Instrument Number 140000774. This Declaration of Trust was executed and recorded with respect to Project Number VA 020000102 during the development or modernization of said project.

Pursuant to that certain Rental Assistance Demonstration ("RAD") Conversion Commitment ("RCC"), dated August 7, 2018, as amended, HUD has authorized the conversion (the "RAD conversion") of the Project described on the attached Exhibit A (the "RAD Property") from public housing to Section 8 assistance under the RAD program and the execution and recordation of a RAD Use Agreement. To accomplish the RAD conversion, HUD has authorized the release of certain land, as described on Exhibit A attached hereto and buildings erected thereon from the Existing Instruments of certain land and buildings located thereon which comprise all of current PIC Development Number on the attached Exhibit A.

The aforementioned Existing Instruments are hereby deleted and the real property listed and described on Exhibit A attached hereto is released from those Existing Instruments.

SECRETARY OF HOUSING AND  
URBAN DEVELOPMENT

By: *Danielle L. Bastarache*  
Danielle L. Bastarache

Its: Deputy Assistant Secretary for Public Housing  
and Voucher Programs

WASHINGTON )  
DISTRICT OF COLUMBIA )

On this the 20<sup>th</sup> day of November, 2018, before me, the undersigned officer, personally appeared Danielle L. Bastarache, Deputy Assistant Secretary for Public Housing and Voucher Programs, who acknowledged herself to be the Authorized Agent for the Secretary of the United States Department of Housing and Urban Development, and that such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained as her free act and deed and the free act and deed of the Secretary of the United States Department of Housing and Urban Development, by signing the name of the said Deputy Assistant Secretary for Public Housing and Voucher Programs by herself as such officer.

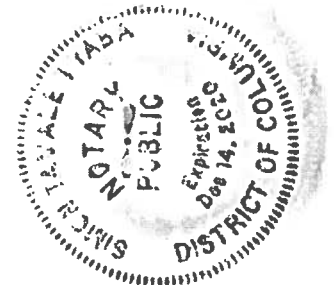
IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my seal on the date and year first above written, *Simon Famale Tyaba*

Notary Printed Name: SIMON FAMALE TYABA

My Commission Expires: 12/14/2020

[SEAL]

DISTRICT OF COLUMBIA: SS  
SUBSCRIBED AND SWORN TO BEFORE ME  
THIS 20<sup>th</sup> DAY OF NOVEMBER 2018  
SIMON FAMALE TYABA  
NOTARY PUBLIC  
My Commission Expires 12/14/2020



## EXHIBIT A

### SYCAMORE TOWERS (VA020000102)

All those four (4) certain parcels of land with the improvements thereon and appurtenances thereto belonging, lying, being and situate in the City of Petersburg, State of Virginia, and being described by metes and bounds as follows, to-wit:

BEGINNING at a point on the western line of South Sycamore Street located at a point One Hundred Ninety-five and thirty-eight-hundredths (195.38) feet north of the intersection of College Alley; thence along a line N. 82° 00' 07" W. Two Hundred Seventeen and seventeen-hundredths (217.17) feet to an iron pin; thence along a line N 10° 03' 05" E. Fifty-five and ten-hundredths (55.10) feet to a point; thence along a line N. 82° 01' 30" W. Sixty-five and fifty-four-hundredths (65.54) feet to a point; thence along a line N. 6° 58' 42" E. One Hundred Seventy-three and eleven-hundredths (173.11) feet to a point; thence along a line S. 76° 44' 04" E. Sixty-five and thirty-five hundredths (65.35) feet to a point; thence along a line S. 7° 50' 05" W. Forty-two and twenty-five-hundredths (42.25) feet to a point; thence along a line S. 82° 08" E. Two Hundred Fifteen and forty-seven hundredths (215.47) feet to a point on the western line of South Sycamore Street; thence along the western line of South Sycamore Street S. 7° 00' W. One Hundred Eighty and thirty-eight-hundredths (180.38) feet to the point of beginning.

Reference to the following deeds is hereby made:

- (1) Maxine S. Barney, widow, dated February 16, 1971, recorded in the Clerk's Office of the Hustings Court of Petersburg, Virginia, in Deed Book 307 at page 39;
- (2) Thomas F. Cooper et al, dated February 16, 1971, recorded in the aforesaid Clerk's Office in Deed Book 307 at page 42;
- (3) Noldi W. Creasy, widow, dated February 16, 1971, recorded in the aforesaid Clerk's Office in Deed Book 307 at page 45; and
- (4) Baycon Corporation, a Virginia Corporation, dated April 20, 1971, recorded in the aforesaid Clerk's Office in Deed Book 307 at page 36;

A plat of the aforesaid properties, dated June 19, 1970, entitled, "Plat Showing Property to be Acq. By Baycon Corp.", made by R.A. Bristow, C.L.S., is of record in the aforesaid Clerk's Office in Deed Book 307 at page 57.

<b>Rental Assistance Demonstration Use Agreement</b>	<b>U.S. Department of Housing and Urban Development</b> Office of Housing Office of Public and Indian Housing	<b>OMB Approval No. 2502-0612 (Exp. 04/30/2020)</b>
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**Public reporting burden** for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Reports Management Officer, Paperwork Reduction Project (2577-0276), Office of Information Technology, U.S. Department of Housing and Urban Development, Washington, D.C. 20410-3600. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

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**Prepared by:**

Delphine G. Carnes, Esquire  
Crenshaw, Ware & Martin, PLC  
150 W. Main Street  
Norfolk, VA 23510

**After recording return to:**

Delphine G. Carnes, Esquire  
Crenshaw, Ware & Martin, PLC  
150 W. Main Street  
Norfolk, VA 23510

Tax ID/GPIN: 022-150004

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**This Rental Assistance Demonstration Use Agreement** (hereinafter called the "Agreement") is made as of November 26, 2018, for the benefit of and agreed to by the United States Department of Housing and Urban Development, acting by and through the Secretary, his or her successors, assigns or designates (hereinafter called "HUD") by SYCAMORE TOWERS APARTMENTS, L.P., ("Project Owner") and PETERSBURG REDEVELOPMENT AND HOUSING AUTHORITY ("PHA").

**Whereas**, Rental Assistance Demonstration (hereinafter called "RAD") provides the opportunity to test the conversion of public housing and other HUD-assisted properties to long-term, project-based Section 8 rental assistance to achieve certain goals, including the preservation and improvement of these properties through access to private debt and equity to address immediate and long-term capital needs.



**Whereas**, the PHA is the fee owner of the real property described on Exhibit A (the "Property"), upon which is or will be located improvements owned or to be owned by Project Owner receiving assistance converted pursuant to RAD, which project will commonly be known as Sycamore Towers (the "Project"). The Project will contain 100 dwelling units, of which 100 ("Assisted Units") are subject to a RAD Housing Assistance Payment contract, as the same may be renewed, amended or replaced from time to time ("RAD HAP contract").

**Whereas**, pursuant to the Consolidated and Further Continuing Appropriations Act of 2012 (Public Law 112-55, approved November 18, 2011, as amended from time to time, the "RAD Statute"); and the corresponding PIH Notice 2012-32, rev-2, as amended from time to time, and any successor document and/or regulations (hereinafter called the "RAD Notice"), which this Agreement incorporates by this reference, the PHA and/or the Project Owner, as applicable, has agreed to encumber the Property and the Project Owner has agreed to operate the Project in accordance with this Agreement in exchange for HUD's agreement to execute or permit the execution of the RAD HAP contract and the assistance provided thereby;

**Whereas**, in accordance with the RAD Statute and RAD Notice, except as otherwise agreed in writing by HUD, this Agreement is to be recorded superior to other liens on the Property, run until the conclusion of the initial term of the RAD HAP contract, automatically renew upon each extension or renewal of the RAD HAP contract for a term that runs with each renewal term of the RAD HAP contract, and remain in effect even in the case of abatement or termination of the RAD HAP contract for the term the RAD HAP contract would have run, absent the abatement or termination.

**Now Therefore**, in consideration of the foregoing, conversion of assistance pursuant to RAD, provision of rental assistance pursuant to the RAD HAP contract and other valuable consideration, the parties hereby agree as follows:

**1. Definitions.** All terms used in this Agreement and not otherwise defined have the same meaning as set forth in the RAD Notice.

**2. Term.** The initial term of this Agreement commences upon the date this Agreement is entered into and shall run until the conclusion of the initial term of the RAD HAP contract. The RAD HAP contract is effective for 20 years. Unless otherwise approved by HUD, this Agreement shall remain in effect through the initial term of the RAD HAP contract and for additional periods to coincide with any renewal term of the RAD HAP contract or any replacement HAP contract. It is the intention of the parties that the RAD HAP and this Agreement shall each renew upon the completion of its initial term. Therefore, this Agreement shall remain in effect until a release is recorded as contemplated by Section 8. Such release shall be the evidence of the non-renewal of the HAP Contract, of the determination not to execute a replacement HAP contract and of the termination of this Agreement. This Agreement will survive abatement of assistance or termination of the RAD HAP contract unless otherwise approved by HUD.

**3. Use Restriction and Tenant Incomes.** The Assisted Units shall be leased in accordance with the RAD HAP contract, including any applicable eligibility and/or income-targeting requirements. In the case that the RAD HAP contract is terminated prior to the completion of the term or renewal term, if applicable, of this Agreement (by way of illustration and not limitation, for breach or non-

compliance), for the remainder of the term of this Agreement new tenants leasing the Assisted Units (except if any of the Assisted Units is a HUD-approved manager unit) must have incomes at or below 80 percent of the Area Median Income (AMI) at the time of admission ("Eligible Tenants"). Additionally, rents for such Assisted Units must not exceed 30% of 80% of the AMI for households of the size occupying an appropriately sized unit. Notwithstanding the foregoing, in the event the Project Owner so requests and is able to demonstrate to HUD's satisfaction that despite the Project Owner's good faith and diligent efforts to do so, the Project Owner is unable either (1) to rent a sufficient percentage of Assisted Units to Eligible Tenants in order to satisfy the restrictions in this paragraph, or (2) to otherwise provide for the financial viability of the Project, HUD may, in its sole discretion, agree to reduce the percentage of units subject to the restriction under this paragraph or otherwise modify this restriction in a manner acceptable to the Project Owner and HUD. Any such modification of the restrictions listed in this paragraph shall be evidenced by a written amendment to this Agreement executed by each of the parties hereto.

**4. Survival.** This Agreement will survive foreclosure and bankruptcy.

**5. Fair Housing and Civil Rights Requirements.** The Project Owner and its agents, where applicable, shall ensure that the Project complies with applicable federal fair housing and civil rights laws, regulations, and other legal authorities, including those identified at 24 C.F.R. § 5.105.

**6. Accessibility Requirements.** The Project Owner and its agents, where applicable, shall ensure that the Project complies with all applicable federal accessibility requirements under the Fair Housing Act and implementing regulations at 24 CFR Part 100, Section 504 of the Rehabilitation Act of 1973 and implementing regulations at 24 CFR Part 8, and Titles II and III of the Americans with Disabilities Act and implementing regulations at 28 CFR Parts 35 and 36, respectively.

**7. Restrictions on Transfer.** HUD has been granted and is possessed of an interest in the above described Project. Except as authorized below, the Project Owner and, if a party hereto, the PHA, shall not transfer, convey, encumber or permit or suffer any transfer, conveyance, assignment, lease, mortgage, pledge or other encumbrance of said Project and/or Property or any part thereof without prior written consent of HUD. Notwithstanding the foregoing, HUD hereby authorizes (a) leases in the normal operation of the Project, (b) subordinate liens contemplated by a RAD Conversion Commitment executed in connection with the Project, whether such liens are recorded concurrent with the recordation of this Use Agreement or recorded subsequent hereto (such as permanent financing to replace construction-period financing), and (c) conveyance or dedication of land for use as streets, alleys, or other public rights-of-way and grants and easements for the establishment, operation and maintenance of public utilities. Except as otherwise approved in writing by HUD, any lien on the Project and/or Property shall be subject and subordinate to this Agreement. Unless this Agreement is released by HUD, any transferee of the Project and/or Property shall take title subject to this Agreement. In the event of a default under the RAD HAP contract including, without limitation, upon any transfer of the Property or Project without HUD consent, upon expiration of any applicable notice and/or cure periods, HUD may transfer the RAD HAP contract and the rental assistance contemplated therein to another entity and/or Property and/or Project. The Project Owner has constituted HUD as its attorney-in-fact to effect any such transfer.

**8. Amendment or Release.** This Agreement may not be amended without HUD consent. This Agreement shall remain as an encumbrance against the Property unless and until HUD executes a release for recording. This Agreement may only be released by HUD in its sole discretion. In the event that the RAD HAP is, in accordance with all applicable laws and RAD program requirements, not renewed or replaced, HUD shall not unreasonably fail to provide such a release upon the completion of the applicable term of this Agreement.

**9. Enforcement.** In the event of a breach or threatened breach of any of the provisions of this Agreement, any eligible tenant or applicant for occupancy within the Project, or the Secretary or his or her successors or delegates, may institute proper legal action to enforce performance of such provisions, to enjoin any acts in violation of such provisions, to recover whatever damages can be proven, and/or to obtain whatever other relief may be appropriate.

**10. Severability.** The invalidity, in whole or in part, of any of the provisions set forth in this Agreement shall not affect or invalidate any remaining provisions.

**11. Conflicts.** Any conflicts between this Agreement and the RAD HAP contract or any other applicable HUD program requirements shall be conclusively resolved by the Secretary.

**12. Execution of Other Agreements.** The Project Owner and, if a party hereto, the PHA, agrees that it has not and will not execute any other agreement with provisions contradictory to, or in opposition to, the provisions of this Agreement, and that in any event, the provisions of this Agreement are paramount and controlling as to the rights and obligations set forth and supersede any other conflicting requirements.

**13. Subsequent Statutory Amendments.** If revisions to the provisions of this Agreement are necessitated by subsequent statutory amendments, the Project Owner and, if a party hereto, the PHA, agrees to execute modifications to this Agreement that are needed to conform to the statutory amendments. At HUD's option, HUD may implement any such statutory amendment through rulemaking.

**14. Lender Provisions.**

- A. Nothing in this Agreement prohibits any holder of a mortgage or other lien against the Property or Project from foreclosing its lien or accepting a deed in lieu of foreclosure. Any lien holder shall give HUD, as a courtesy, written notice prior to declaring an event of default. Any lien holder shall provide HUD concurrent notice with any written filing of foreclosure filed in accordance with state law provided that the foreclosure sale shall not occur sooner than sixty days (60) days after such notice to HUD. The Notice to HUD may be personally delivered or sent by U.S. certified or registered mail, return receipt requested, first class postage prepaid, addressed as follows:

If for PBRA transactions:  
U.S. Department of Housing and Urban Development  
451 7<sup>th</sup> Street SW, Room 9100  
Washington, DC 20410  
Attention: Office of the Assistant Secretary for Housing - Rental Assistance  
Demonstration

If for PBV transactions:  
U.S. Department of Housing and Urban Development  
451 7th Street SW, Room 4100  
Washington, DC 20410  
Attention: Office of the Assistant Secretary for Public and Indian Housing -  
Rental Assistance Demonstration

B. Notwithstanding any lien holder's foreclosure rights, this Agreement survives foreclosure and any new owners of the Property or the Project take ownership subject to this Agreement.

C. Transfer of title to the Property or the Project may be grounds for termination of assistance under the RAD HAP contract. However, HUD may permit, through prior written consent by HUD, the new owner of the Property or the Project to assume the RAD HAP contract, subject to the terms included therein, or enter into a new HAP contract. Any HUD consent to continued HAP assistance is subject to the RAD Statute and other RAD program requirements.

D. Each entity interested in purchasing the Property in a foreclosure sale administered under state foreclosure law may submit a written request to HUD to continue RAD HAP contract assistance in the event of such entity's successful acquisition at the foreclosure sale. Such request shall be submitted by the latter of ten business days after first publication of the foreclosure sale or 60 days prior to such foreclosure sale.

**15. Successors and Assigns.** This Agreement shall be binding upon the Project Owner and, if a party hereto, the PHA, and all future successors and assigns of either with respect to any portion of the Property or the Project.

In Witness Whereof, these declarations are made as of the first date written above.

WITNESS THE EXECUTION HEREOF, this the 20<sup>th</sup> day of November, 2018.

UNITED STATES OF AMERICA  
SECRETARY OF HOUSING AND  
URBAN DEVELOPMENT

By: Thomas R. Davis

Its: 11-20-18

WASHINGTON )  
DISTRICT OF COLUMBIA )

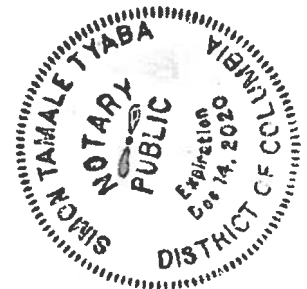
On this the 20<sup>th</sup> day of November, 2018, before me, the undersigned officer, personally appeared \_\_\_\_\_, THOMAS R. DAVIS, who acknowledged herself to be the Authorized Agent for the Secretary of the United States Department of Housing and Urban Development, and that such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained as her free act and deed and the free act and deed of the Secretary of the United States Department of Housing and Urban Development, by signing the name of the said General Deputy Assistant Secretary for Public and Indian Housing by herself as such officer.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my seal on the date and year first above written, Simon Tamale Tyaba

Notary Printed Name: Simon Tamale Tyaba  
My Commission Expires: 12/14/2020

[SEAL]

DISTRICT OF COLUMBIA: SS  
SUBSCRIBED AND SWORN TO BEFORE ME  
THIS 20<sup>th</sup> DAY OF November, 2018  
Simon Tamale Tyaba  
NOTARY PUBLIC  
Commission Expires 12/14/2020



**Project Owner:**

**SYCAMORE TOWERS APARTMENTS, L.P.,**  
a Virginia limited partnership

By: Sycamore Towers Apartments G.P., LLC,  
a Virginia limited liability company  
its General Partner

By: Petersburg Redevelopment and  
Housing Authority, a political  
subdivision of the Commonwealth of  
Virginia, Member

By: *Nathaniel T. Pride*  
Name: Nathaniel T. Pride  
Title: Executive Director

**COMMONWEALTH OF VIRGINIA**  
**CITY OF PETERSBURG, to-wit:**

I, Lynn E. Morgan, a Notary Public in and for the City aforesaid, in the Commonwealth of Virginia, whose commission expires on the 31<sup>st</sup> day of ~~November, 2018~~ <sup>October, 2018</sup>, do hereby certify that Nathaniel T. Pride, Executive Director of Petersburg Redevelopment and Housing Authority, which is a member of Sycamore Towers Apartments G.P., LLC, the General Partner of Sycamore Towers Apartments, L.P., whose name is signed as such to the foregoing writing bearing date of the 26<sup>th</sup> day of November, 2018, has acknowledged the same before me in my City and State.

Given under my hand this 26<sup>th</sup> day of November, 2018.



*Lynn E. Morgan*  
Notary Public

Notary ID: 210305

[PHA]:

**PETERSBURG REDEVELOPMENT AND  
HOUSING AUTHORITY,**  
a political subdivision of the Commonwealth of  
Virginia

By *Nathaniel T. Pride*  
Name: Nathaniel T. Pride  
Title: Executive Director

**COMMONWEALTH OF VIRGINIA  
CITY OF PETERSBURG, to-wit:**

I, *Lynn E. Morgan*, a Notary Public in and for the City aforesaid, in the Commonwealth of Virginia, whose commission expires on the *31<sup>st</sup>* day of *October*, *2020*, do hereby certify that Nathaniel T. Pride, Executive Director of Petersburg Redevelopment and Housing Authority, whose name is signed as such to the foregoing writing bearing date of the *26<sup>th</sup>* day of November, 2018, has acknowledged the same before me in my City and State.

Given under my hand this *26<sup>th</sup>* day of November, 2018.

*Lynn E. Morgan*  
Notary Public

Notary ID: *210305*



**EXHIBIT A – Property Subject to this RAD Use Agreement**

**SYCAMORE TOWERS (VA020000102)**

All those four (4) certain parcels of land with the improvements thereon and appurtenances thereto belonging, lying, being and situate in the City of Petersburg, State of Virginia, and being described by metes and bounds as follows, to-wit:

BEGINNING at a point on the western line of South Sycamore Street located at a point One Hundred Ninety-five and thirty-eight-hundredths (195.38) feet north of the intersection of College Alley; thence along a line N. 82° 00' 07" W. Two Hundred Seventeen and seventeen-hundredths (217.17) feet to an iron pin; thence along a line N 10° 03' 05" E. Fifty-five and ten-hundredths (55.10) feet to a point; thence along a line N. 82° 01' 30" W. Sixty-five and fifty-four-hundredths (65.54) feet to a point; thence along a line N. 6° 58' 42" E. One Hundred Seventy-three and eleven-hundredths (173.11) feet to a point; thence along a line S. 76° 44' 04" E. Sixty-five and thirty-five hundredths (65.35) feet to a point; thence along a line S. 7° 50' 05" W. Forty-two and twenty-five-hundredths (42.25) feet to a point; thence along a line S. 82° 08" E. Two Hundred Fifteen and forty-seven hundredths (215.47) feet to a point on the western line of South Sycamore Street; thence along the western line of South Sycamore Street S. 7° 00' W. One Hundred Eighty and thirty-eight-hundredths (180.38) feet to the point of beginning.

Reference to the following deeds is hereby made:

- (1) Maxine S. Barney, widow, dated February 16, 1971, recorded in the Clerk's Office of the Hustings Court of Petersburg, Virginia, in Deed Book 307 at page 39;
- (2) Thomas F. Cooper et al, dated February 16, 1971, recorded in the aforesaid Clerk's Office in Deed Book 307 at page 42;
- (3) Noldi W. Creasy, widow, dated February 16, 1971, recorded in the aforesaid Clerk's Office in Deed Book 307 at page 45; and
- (4) Baycon Corporation, a Virginia Corporation, dated April 20, 1971, recorded in the aforesaid Clerk's Office in Deed Book 307 at page 36;

A plat of the aforesaid properties, dated June 19, 1970, entitled, "Plat Showing Property to be Acq. By Baycon Corp.", made by R.A. Bristow, C.L.S., is of record in the aforesaid Clerk's Office in Deed Book 307 at page 57.





# City of Petersburg

Office of the City Manager  
135 North Union Street  
Petersburg, Virginia 23803

(804) 733-2301  
Fax 732-9212  
TDD 733-8003

February 1, 2016

Nathaniel Pride  
Executive Director  
Petersburg Redevelopment and Housing Authority  
P.O. Box 311  
Petersburg, VA 23803

**Re: Confirmation of Payments in Lieu of Taxes for Low-Income Housing Tax Credit (LIHTC) Units at Sycamore Towers**

Dear Mr. Pride:

In accordance with the terms and conditions of the Cooperation Agreement entered into between the City of Petersburg and the Petersburg Redevelopment and Housing Authority, dated March 17, 1978, this correspondence confirms that the referenced existing public housing units to be renovated at Sycamore Towers Apartments will be exempt from all real and personal property taxes and special assessments levied by the City of Petersburg.

PRHA will be entering into a Purchase Option Agreement with Sycamore Towers Apartments, L.P. to support the development of the property in a structure aimed at securing Low Income Housing Tax Credits (LIHTC) from the Virginia Housing Development Authority. All units developed by the limited partnership will be used for "low rent housing purposes." As required by the aforementioned Cooperation Agreement, the Authority will make certain payments in lieu of taxes (PILOT) to the City of Petersburg for the LIHTC units at Sycamore Towers.

The City of Petersburg appreciates the efforts of the Authority to provide housing assistance to disadvantaged families in Petersburg. We look forward to our continued partnership to improve the quality of housing for all Petersburg citizens.

Sincerely,

A handwritten signature in black ink, appearing to read "William E. Johnson III", written over a circular stamp.

William E. Johnson III  
City Manager

Attachment: Property Legal Description

EXHIBIT A  
SYCAMORE TOWERS (VA020000102)

All those four (4) certain parcels of land with the improvements thereon and appurtenances thereto belonging, lying, being and situate in the City of Petersburg, State of Virginia, and being described by metes and bounds as follows, to-wit:

BEGINNING at a point on the western line of South Sycamore Street located at a point One Hundred Ninety-five and thirty-eight-hundredths (195.38) feet north of the intersection of College Alley; thence along a line N.  $82^{\circ} 00' 07''$  W. Two Hundred Seventeen and seventeen-hundredths (217.17) feet to an iron pin; thence along a line N  $10^{\circ} 03' 05''$  E. Fifty-five and ten-hundredths (55.10) feet to a point; thence along a line N.  $82^{\circ} 01' 30''$  W. Sixty-five and fifty-four-hundredths (65.54) feet to a point; thence along a line N.  $6^{\circ} 58' 42''$  E. One Hundred Seventy-three and eleven-hundredths (173.11) feet to a point; thence along a line S.  $76^{\circ} 44' 04''$  E. Sixty-five and thirty-five hundredths (65.35) feet to a point; thence along a line S.  $7^{\circ} 50' 05''$  W. Forty-two and twenty-five-hundredths (42.25) feet to a point; thence along a line S.  $82^{\circ} 08''$  E. Two Hundred Fifteen and forty-seven hundredths (215.47) feet to a point on the western line of South Sycamore Street; thence along the western line of South Sycamore Street S.  $7^{\circ} 00' W$ . One Hundred Eighty and thirty-eight-hundredths (180.38) feet to the point of beginning.

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Code of Virginia

Title 58.1. Taxation

Chapter 36. Tax Exempt Property

## § 58.1-3606. Property exempt from taxation by classification.

A. Pursuant to the authority granted in Article X, Section 6 (a)(6) of the Constitution of Virginia to exempt property from taxation by classification, the following classes of real and personal property shall be exempt from taxation:

1. Property owned directly or indirectly by the Commonwealth, or any political subdivision thereof.
2. Real property and personal property owned by churches or religious bodies, including (i) an incorporated church or religious body and (ii) a corporation mentioned in § 57-16.1, and exclusively occupied or used for religious worship or for the residence of the minister of any church or religious body, and such additional adjacent land reasonably necessary for the convenient use of any such property. Real property exclusively used for religious worship shall also include the following: (a) property used for outdoor worship activities; (b) property used for ancillary and accessory purposes as allowed under the local zoning ordinance, the dominant purpose of which is to support or augment the principal religious worship use; and (c) property used as required by federal, state, or local law.
3. Nonprofit private or public burying grounds or cemeteries.
4. Property owned by public libraries, law libraries of local bar associations when the same are used or available for use by a state court or courts or the judge or judges thereof, medical libraries of local medical associations when the same are used or available for use by state health officials, incorporated colleges or other institutions of learning not conducted for profit. This paragraph shall apply only to property primarily used for literary, scientific or educational purposes or purposes incidental thereto and shall not apply to industrial schools which sell their products to other than their own employees or students.
5. Property belonging to and actually and exclusively occupied and used by the Young Men's Christian Associations and similar religious associations, including religious mission boards and associations, orphan or other asylums, reformatories, hospitals and nunneries, conducted not for profit but exclusively as charities (which shall include hospitals operated by nonstock corporations not organized or conducted for profit but which may charge persons able to pay in whole or in part for their care and treatment).
6. Parks or playgrounds held by trustees for the perpetual use of the general public.
7. Buildings with the land they actually occupy, and the furniture and furnishings therein belonging to any benevolent or charitable organization and used by it exclusively for lodge purposes or meeting rooms, together with such additional adjacent land as may be necessary for the convenient use of the buildings for such purposes.
8. Property of any nonprofit corporation organized to establish and maintain a museum.

B. Property, belonging in one of the classes listed in subsection A of this section, which was exempt from taxation on July 1, 1971, shall continue to be exempt from taxation under the rules of statutory construction applicable to exempt property prior to such date.

Code 1950, § 58-12; 1950, p. 61; 1952, c. 50; 1954, c. 65; 1956, c. 478; 1956, Ex. Sess., c. 16; 1958, c. 361; 1960, c. 396; 1962, c. 129; 1964, c. 198; 1966, c. 582; 1968, cc. 37, 807; 1969, Ex. Sess., c. 9; 1970, cc. 83, 562; 1972, c. 667; 1973, c. 438; 1974, c. 469; 1984, c. 675; 1985, c. 495; 2004, c. 492; 2005, c. 928; 2014, cc.

Code of Virginia

Title 36. Housing

Chapter 1. Housing Authorities Law

### § 36-4. Creation of redevelopment and housing authorities.

In each locality there is hereby created a political subdivision of the Commonwealth, with such public and corporate powers as are set forth in this chapter, to be known respectively as the "....."

(insert name of locality) Redevelopment and Housing Authority" (hereinafter referred to as "authority"); provided, however, that any authority not now activated shall not transact any business or exercise any powers authorized under this chapter until or unless the qualified voters of such locality shall by a majority vote of such qualified voters voting in a referendum held as provided in § 36-4.1, have indicated a need for an authority to function in such locality. The referendum to determine whether or not there is a need for an authority to function (i) may be called by the governing body by resolution or (ii) shall be called by the governing body upon the filing of a petition signed by at least two percent of the qualified voters registered in the jurisdiction, asserting that there is need for an authority to function in such locality and requesting the governing body to call such referendum.

The governing body may by resolution call for a referendum to determine whether there is need for an authority in the locality if the governing body believes it is appropriate for one of the reasons set out in § 36-2. In the case of a town located within the county, the town council shall first obtain the concurrence of the governing body of the county and the county redevelopment and housing authority prior to scheduling a referendum.

In any suit, action or proceeding involving the validity or enforcement of or relating to any contract of the authority, the authority shall be conclusively deemed to have become established and authorized to transact business and exercise its powers hereunder if the voters of the locality have so indicated in a referendum held pursuant to § 36-4.1, that there is need for the authority.

1938, p. 448; Michie Code 1942, § 3145(4); 1946, p. 276; 1947, p. 138; 1952, c. 427; 1958, c. 533; 2006, c. 784; 2009, c. 78.

**SECTION 5. - PAYMENTS IN LIEU OF REAL PROPERTY TAXATION**

**Section 106-151. - Service charge on certain real property.**

Notwithstanding the provisions of Code of Virginia, § 58.1-3600 et seq., relating to the exemption of property from taxation, there is hereby levied and imposed a service charge upon the owners of all real estate situated within the city that is exempted from property taxation under Code of Virginia, § 58.1-3606(A)(1), except property owned by the commonwealth, and Code of Virginia, §§ 58.1-3606(A)(3), (A)(4) and (A)(7), 58.1-3607(A)(2)—(A)(7), and all sections in Code of Virginia, §§ 58.1-3609 et seq. and 58.1-3650 et seq.

(Code 1981, § 34-82)

**Sec. 106-152. - Valuation of property; establishment of the rate of service charge.**

The service charge authorized in section 106-151 shall be 20 percent of the real estate tax rate of the city applied against the assessed value of the tax exempt real estate. However, in no event shall the service charge exceed the amount authorized in Code of Virginia, § 58.1-3401.

(Code 1981, § 34-83)

**Sec. 106-153. - Exemptions from service charge.**

- (a) Buildings with land they actually occupy, together with additional adjacent land reasonably necessary for the convenient use of any such building, located within the city shall be exempt from such service charge if the buildings are: (i) lawfully owned and held by churches or religious bodies and wholly and exclusively used for religious worship or for the residence of the minister of any church or religious body or for use as a religious convent, nunnery, monastery, cloister or abbey or (ii) used or operated exclusively for nonprofit private educational or charitable purposes, other than faculty or staff housing of any such educational institution.
- (b) The service charge shall also not be applicable to public roadways or property held for future construction of such roadways.

(Code 1981, § 34-84)

Secs. 106-154—106-170. - Reserved.





R

Documentation of  
Operating Budget

2019 Low-Income Housing Tax Credit Application For Reservation

M. OPERATING EXPENSES

Administrative:

Use Whole Numbers Only!

1. Advertising/Marketing		\$1,000
2. Office Salaries		\$18,750
3. Office Supplies		\$5,200
4. Office/Model Apartment	(type _____ )	\$0
5. Management Fee		\$50,420
<u>7.03%</u> of EGI	<u>\$504.20</u> Per Unit	
6. Manager Salaries		\$41,600
7. Staff Unit (s)	(type _____ )	\$0
8. Legal		\$300
9. Auditing		\$3,750
10. Bookkeeping/Accounting Fees		\$6,000
11. Telephone & Answering Service		\$8,500
12. Tax Credit Monitoring Fee		\$3,500
13. Miscellaneous Administrative		\$22,184
<b>Total Administrative</b>		<u>\$161,204</u>

Utilities

14. Fuel Oil		\$0
15. Electricity		\$69,900
16. Water		\$8,000
17. Gas		\$35,000
18. Sewer		\$16,500
<b>Total Utility</b>		<u>\$129,400</u>

Operating:

19. Janitor/Cleaning Payroll		\$0
20. Janitor/Cleaning Supplies		\$8,000
21. Janitor/Cleaning Contract		\$0
22. Exterminating		\$12,000
23. Trash Removal		\$3,000
24. Security Payroll/Contract		\$20,150
25. Grounds Payroll		\$0
26. Grounds Supplies		\$0
27. Grounds Contract		\$5,000
28. Maintenance/Repairs Payroll		\$52,000
29. Repairs/Material		\$9,500
30. Repairs Contract		\$14,560
31. Elevator Maintenance/Contract		\$8,100
32. Heating/Cooling Repairs & Maintenance		\$2,400
33. Pool Maintenance/Contract/Staff		\$0
34. Snow Removal		\$500
35. Decorating/Payroll/Contract		\$0
36. Decorating Supplies		\$0
37. Miscellaneous		\$11,890
<b>Totals Operating &amp; Maintenance</b>		<u>\$147,100</u>

**2019 Low-Income Housing Tax Credit Application For Reservation**

**M. OPERATING EXPENSES**

**Taxes & Insurance**

38. Real Estate Taxes	\$21,000
39. Payroll Taxes	\$14,250
40. Miscellaneous Taxes/Licenses/Permits	\$0
41. Property & Liability Insurance	\$21,000
42. Fidelity Bond	\$0
43. Workman's Compensation	\$2,000
44. Health Insurance & Employee Benefits	\$23,750
45. Other Insurance	\$1,800
<b>Total Taxes &amp; Insurance</b>	<b>\$83,800</b>

**Total Operating Expense** \$521,504

<b>Total Operating Expenses Per Unit</b>	\$5,215	<b>C. Total Operating Expenses as % of EGI</b>	72.71%
--	---------	--	--------

**Replacement Reserves (Total # Units X \$300 or \$250 New Const. Elderly Minimum)** \$30,000

<b>Total Expenses</b>	<b>\$551,504</b>
-----------------------	------------------

**ACTION:** Provide Documentation of Operating Budget at **Tab R** if applicable.

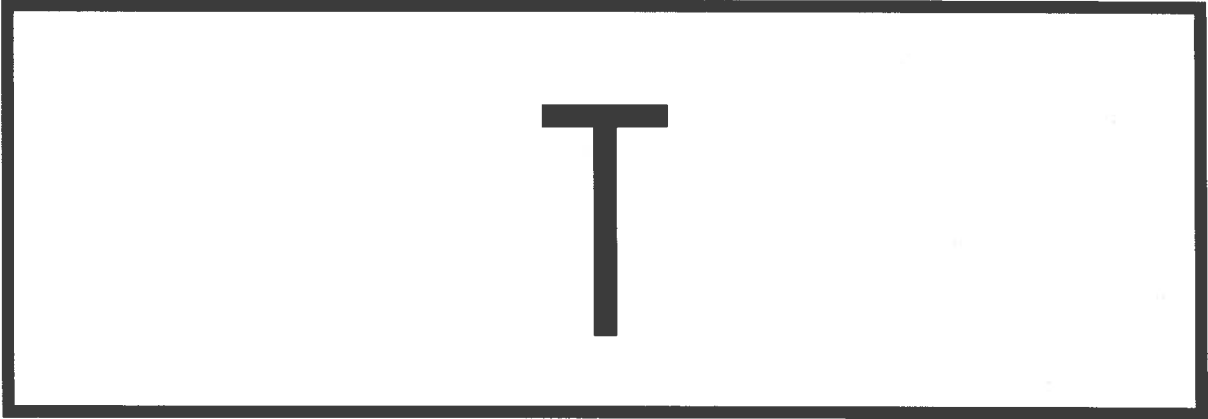




S

Supportive Housing  
Certification

N/A



T

Funding Documentation



Terence R. McAuliffe  
Governor

Todd P. Haymore  
Secretary of  
Commerce and Trade

# COMMONWEALTH of VIRGINIA

William C. Shelton  
Director

## DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

December 7, 2017

Nathaniel Pride  
Executive Director  
Petersburg Redevelopment and Housing  
Authority 128 S. Sycamore St.  
Petersburg, VA 23803-4258

Dear Mr. Pride:

This letter is intended as a follow-up to facilitate further underwriting related to the Department's funding offer of an additional \$200,000 (\$700,000 total) in HOME funds in support of the Sycamore Towers Apartments project made as a result of the application submitted under the Affordable and Special Needs Housing Competitive Loan Pool.

Please note that the requirements to enter into a HOME Program Funding Agreement must be fully achieved no later than September 30, 2018 in order for this funding offer to result in a full reservation and commitment of HOME funds. No work activities on the proposed project should be initiated prior to fully executing the program funding agreement with DHCD. Any adjustments to the capital budget, operating expense budget, pro forma numbers and other project parameters must be approved by DHCD before the program funding agreement will be executed. Execution of the program funding agreement is necessary in order to finalize a formal funding reservation and loan commitment.

Please contact Julienne Joseph at (804) 371-7112 or by email at [julienne.joseph@dhcd.virginia.gov](mailto:julienne.joseph@dhcd.virginia.gov) if you have questions about the process to finalize and execute the program funding agreement. We are very pleased to have an opportunity to work with you on this exciting affordable housing project.

Sincerely,

Pamela G. Kestner  
Deputy Director, Housing Division

cc: Latysha Carpenter, Controller





**ACCESS NATIONAL BANK**  
The Difference is Access.

September 25, 2018

REVISION 2

Petersburg Redevelopment and Housing Authority  
Nathaniel Pride, Executive Director

Re: Construction Financing for the Sycamore Towers Apartments- 128 S. Sycamore Street, Annex Building, Petersburg, VA 23803 ("Property")

Dear Mr. Pride,

Thank you for the opportunity to provide this letter setting forth the proposed terms for providing the financing you have requested.

Please note that this letter does not represent a commitment to lend and that all terms and conditions provided hereby are non-binding and are provided for discussion purposes only. Therefore, Access National Bank ("the Bank") is willing to consider your request for financing as follows:

Borrower: Sycamore Towers Apartments, L.P.

Guarantor: Petersburg Redevelopment and Housing Authority ("PRHA") and Sycamore Towers Apartments, G.P., LLC.

Amount: 3,000,000.00 ("Loan" or "Line") subject to a Bank ordered appraisal of the property and of tax credit equity, acceptable to the Bank and its counsel.

Purpose: Revolving Line of Credit to complete construction/renovation of the subject Property. Borrower may pay down and then re-borrow with the understanding that at no time shall total Loan principal advances exceed the total take out commitments and collateral assignment of those commitments described below.

Take Out Commitment: Any Loan commitment would be contingent on an acceptable review by the Bank and its counsel of firm take out commitments sufficient to repay the Loan. Such commitments may include equity from LIHTCs, DHCD Home funds, grant funds, and permanent financing.

Collateral: 2nd UCC Lien on all Assets of the Borrower;

A collateral assignment of the General Partner Interests in the project, developer fee, and any other take outs sufficient to repay the Line including any draws on the Line after pay downs of the principal balance as a result of the receipt of tax credit equity installments during the course of construction.

A recorded 2<sup>nd</sup> Leasehold Deed of Trust and Assignment of Leases and Rents, drawings, plans, specifications, studies, reports, licenses, permits and bonds for the Property known as the Sycamore Towers Apartments- 128 S. Sycamore Street, Annex Building, Petersburg, VA 23803. Lease must be satisfactory to the Bank in its sole discretion.

PRHA will limit its draws on the Developer Fee to \$250,000 with the remainder held until the subject Loan is repaid in full.

**voice 703-871-1831 fax 703-766-3386**  
**1800 Robert Fulton Drive, Suite 310, Reston, Virginia 20191**

**Terms:** Provided the proposed Loan closes on or before December 31, 2018, the interest rate will be fixed for the term of the Loan at 5.50% per annum with interest payments due monthly on the outstanding Loan balance. Principal and remaining unpaid interest will be due 24 months from closing. At the Borrower's request, the Bank will extend the maturity (not the draw period) of the Loan one time for 6 months for a fee of \$6,500.00 provided there is no event of default at the time of the extension.

Should the project close after December 31, 2018, the Bank may adjust the rate by 50.0% of the percentage increase(s) to the Wall Street Journal Prime Rate which occurred between the date of this proposal and the actual closing date.

All payments are to be auto-debited from Borrower's account at the Bank.

**Loan Fee:** \$18,750 (0.625% of the Loan amount) is due at the time the Bank issues a Loan Commitment accepted by the Borrower. The fee is typically collected at closing.

**Advances:** Advances will be made in accordance with Bank approved Contractor's budgets and draw schedules and will be subject to the Bank's construction lending and advance procedures, including progress inspections and title bring downs paid by the Borrower and a small administrative fee. Borrower will also pay the cost of the inspector's initial review of plans specs and draw schedule. The Bank is to be provided with complete copies of the contractor's performance and payment bonds, construction contracts and permits prior to the first advance.

**Reporting:** Borrower and Guarantors agree to provide audited financial statements annually.

**Accounts:** Borrower agrees to maintain primary accounts for the project exclusively with the Bank during the Term of the Loan.

**Environmental  
Appraisal**

**And Survey:** A Bank ordered appraisal and Borrower provided Phase I Environmental Report and Survey acceptable to the Bank and its counsel will be required prior to closing along with any other documents required by Bank's counsel.

**Title**

**Insurance:** A commitment for an appropriate American Land and Title Association ("ALTA") Mortgagees Title Insurance Policy (most recent edition) with affirmative mechanic's lien coverage for the collateral Properties in the amount of the Loan issued by a company approved in writing by the Bank and its counsel (providing for such reinsurance provisions as the Bank may require). Flood insurance will be required if the property is in a flood zone.

**Insurance:** The Borrower will provide adequate hazard, business interruption, and liability insurance on all collateral with standard mortgagee endorsement in favor of the Bank.

Contractor will provide evidence of insurance for liability, workmen's compensation and builder's risk.

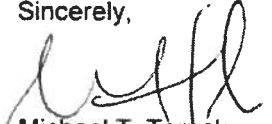
**Expenses:** The Loan will be closed at no cost to the Bank with Borrower assuming all costs including Bank counsel, appraisal, title insurance, etc.

The proposed terms of this offer are based upon representations by the Borrower and Guarantors of a specified risk profile (i.e. credit, debt service coverage, financial condition, business outlook, etc.) that has not been completely underwritten and verified by Access National Bank. In the event further due diligence reveals a higher risk profile than currently assumed and a commitment is issued, the terms and conditions are subject to change to appropriately compensate and protect Access National Bank for the higher level of risk than previously anticipated.

If the above terms are acceptable to you, please acknowledge your acceptance of this proposal letter by signing below. A Proposal Fee of \$15,000 is due with the execution of this proposal letter, the check should be made payable to Access National Bank. This Proposal Fee will be credited towards any fees and settlement costs. If Access National Bank does not provide a commitment letter to you, the Proposal Fee will be returned to you less any 3<sup>rd</sup> party expenses incurred by Access National Bank. The Bank will endeavor to keep costs to a minimum. The terms of this proposal letter will expire in 15 business days.

If you have any questions please call me at 703-801-5914. I look forward to working with you.

Sincerely,

  
Michael T. Terpak  
Senior Vice President

**ACKNOWLEDGED AND ACCEPTED:**

**Borrower:** Sycamore Towers Apartments, L.P.

By: Nathaniel Pride Title E.S. Date: 9/25/2018

Nathaniel Pride  
Name Printed

**Guarantor:** Sycamore Towers Apartments, G.P., LLC:

By: Nathaniel Pride Title ES Date: 9/25/2018

Nathaniel Pride  
Name Printed

**Guarantor:** Petersburg Redevelopment and Housing Authority:

By: Nathaniel Pride Title ES Date: 9/25/2018

Nathaniel Pride  
Name Printed



U

Documentation to  
Request Exception to  
Restriction-Pools with  
Little/No Increase in Rent  
Burdened Population



N/A



V

Nonprofit or LHA Purchase  
Option or Right of First  
Refusal

**Exemption from Recording Taxes:  
Section 58.1-811(E) of the 1950 Code of Virginia, as amended**

Prepared by and return to:  
Delphine G. Carnes, Esq.  
Crenshaw, Ware & Martin, PLC  
150 West Main Street  
Suite 1500  
Norfolk, Virginia 23510

**OPTION AND RIGHT OF FIRST REFUSAL AGREEMENT**

**THIS OPTION AND RIGHT OF FIRST REFUSAL AGREEMENT** (this "Agreement"), dated and effective as of the 4th day of March, 2016, is made by and between **SYCAMORE TOWERS APARTMENTS, L.P.**, a limited partnership formed under the laws of the Commonwealth of Virginia with an address at c/o Sycamore Towers Apartments G.P., LLC, 128 S. Sycamore Street, Annex Building, Petersburg, Virginia 23803 (the "Partnership"), as **GRANTOR**, and **PETERSBURG REDEVELOPMENT AND HOUSING AUTHORITY**, a political subdivision of the Commonwealth of Virginia with an address at 128 S. Sycamore Street, Annex Building, Petersburg, Virginia 23803 (the "Purchaser"), as **GRANTEE**.

**RECITALS**

**WHEREAS**, the Partnership was formed for the purpose of acquiring, owning, developing, constructing, leasing, managing, operating, and, if appropriate or desirable, selling or otherwise disposing of certain residential units and associated common areas located in the City of Petersburg, Virginia, collectively known as Sycamore Towers Apartments, more particularly described on Exhibit A attached hereto and made a part hereof (the "Property"); and

**WHEREAS**, the Partnership desires to give, grant, bargain, sell and convey to Purchaser an option and right of first refusal with respect to the Property on the terms and subject to the conditions set forth herein.

**NOW, THEREFORE**, in consideration of the payment of ten dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Partnership and the Purchaser agree as follows:

1. **Grant of Option**. The Partnership hereby grants to the Purchaser an option (the "Option") to purchase the Property. The Purchaser may exercise this Option for a period of twelve (12) months (the "Option Period") following the close of the Compliance Period as determined under Section 42(i)(1) of the Code on the terms and conditions set forth in this Agreement.

2. **Grant of Right of First Refusal.** In the event the Partnership decides to sell the Property (other than under the circumstances described in Paragraph 1 above), the Purchaser shall have a right of first refusal to purchase the Property (the "Refusal Right") for a period of twenty-four (24) months (the "Refusal Right Period") following the close of the Compliance Period, on the terms and conditions set forth in this Agreement. Prior to accepting a bona fide offer to purchase the Property, the Partnership shall notify the Purchaser and each Partner of such offer and deliver to each of them a copy thereof. The Partnership shall not accept any such offer unless and until the Refusal Right has expired without exercise by the Purchaser in accordance with Paragraph 4 hereof.

3. **Purchase Price under Option and Refusal Right.** The purchase price for the Property pursuant to the Refusal Right shall be equal to the sum of (i) the principal amount of all outstanding indebtedness secured by the Property and any accrued interest on any such indebtedness (other than the principal amount of indebtedness incurred within the 5-year period ending on the date of the sale) and (ii) all federal, State, and local taxes attributable to such sale, including those incurred or to be incurred by the partners of the Limited Partner. The purchase price for the Option shall be equal to the greater of (i) the fair market value of the Property or (ii) the price determined under the previous sentence.

4. **Exercise of Option or Refusal Right.** The Option and the Refusal Right each may be exercised under the terms of Paragraph 1 and Paragraph 2 hereof by the Purchaser by giving prior written notice of its intent to exercise the Option or the Refusal Right (an "Exercise Notice") to the Partnership and each of its Partners. Any such Exercise Notice with respect to the Option shall be given prior to the expiration of the Option Period. Any such Exercise Notice with respect to the Refusal Right shall be given within ninety (90) days after the Purchaser has received the Partnership's notice of a bona fide offer pursuant to Paragraph 2 hereof. In either case, the Exercise Notice shall specify a closing date within one hundred eighty (180) days immediately following the date of exercise. If the foregoing requirements are not satisfied as and when provided herein, the Option or the Refusal Right, or both, as applicable, shall expire and be of no further force or effect.

5. **Notices.** All notices, demands or other communications hereunder shall be in writing and deemed to have been given when the same are (i) deposited in the United States mail and sent by certified or registered mail, postage prepaid, (ii) deposited with Federal Express or another nationally recognized overnight delivery service, or (iii) delivered personally, in each case to the parties at the addresses set forth below or at such other addresses as such parties may designate by notice to the Partnership:

If to the Partnership:

Sycamore Towers Apartments, L.P.  
c/o Sycamore Towers Apartments G.P., LLC  
128 S. Sycamore Street, Annex Building

Petersburg, Virginia 23803  
Attn: Nathaniel T. Pride.

If to the Purchaser:

Petersburg Redevelopment and Housing Authority  
128 S. Sycamore Street, Annex Building  
Petersburg, Virginia 23803  
Attn: Executive Director

6. **Severability of Provisions.** Each provision of this Agreement shall be considered severable, and if for any reason any provision that is not essential to the effectuation of the basic purposes of this Agreement is determined to be invalid or contrary to any existing or future law, such invalidity shall not impair the operation of or affect those provisions of this Agreement that are valid.

7. **No Continuing Waiver.** None of the parties hereto shall be deemed to have waived any rights hereunder unless such waiver shall be in writing and signed by such party. The waiver by any party of any breach of this Agreement shall not operate or be construed to be a waiver of any subsequent breach.

8. **Defined Terms.** Except as expressly provided herein, terms used in this Agreement with initial capital letters shall have the meanings set forth in the Agreement of Limited Partnership.

9. **Governing Law.** This Agreement shall be construed and enforced in accordance with the laws of the Commonwealth of Virginia, without regard to principles of conflicts of laws.

10. **Binding Agreement.** This Agreement shall be binding upon, and inure to the benefit of, the parties hereto, and their heirs, executors, personal representatives, successors and assigns.

11. **Headings.** All headings in this Agreement are for convenience of reference only and are not intended to qualify the meaning of any provision of this Agreement.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have executed this Option and Right of First Refusal Agreement as of the day and year first above written.

**PARTNERSHIP:**

**SYCAMORE TOWERS APARTMENTS, L.P.**  
a Virginia limited partnership

By: Sycamore Towers Apartments G.P., LLC,  
a Virginia limited liability company,  
its General Partner

By: Petersburg Redevelopment and Housing  
Authority, a political subdivision of the  
Commonwealth of Virginia,  
Member

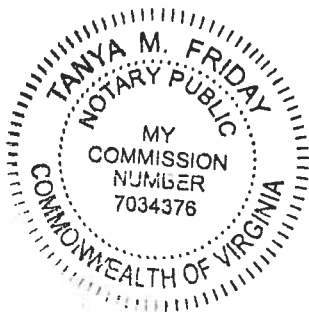
By: Nathaniel Pride  
Name: Nathaniel T. Pride  
Title: Executive Director

**COMMONWEALTH OF VIRGINIA**

**CITY OF PETERSBURG, to-wit:**

I, Tanya M. Friday, a Notary Public in and for the City aforesaid, in the Commonwealth of Virginia, whose commission expires on the 30<sup>th</sup> day of June, 2018, do hereby certify that Nathaniel T. Pride, Executive Director of Petersburg Redevelopment and Housing Authority, which is a member of Sycamore Towers Apartments G.P., LLC, the General Partner of Sycamore Towers Apartments, L.P., whose name is signed as such to the foregoing writing bearing date of the 4th day of March, 2016, has acknowledged the same before me in my City and State.

Given under my hand this 4th day of March, 2016.



Tanya M. Friday  
Notary Public

**PURCHASER:**

**PETERSBURG REDEVELOPMENT AND HOUSING AUTHORITY,**  
a political subdivision of the Commonwealth of Virginia

By *Nathaniel T. Pride*  
Name: Nathaniel T. Pride  
Title: Executive Director

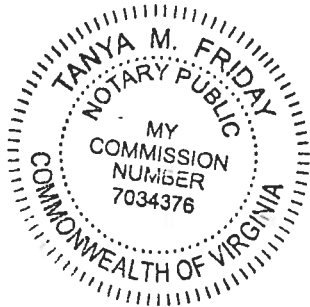
**COMMONWEALTH OF VIRGINIA**

**CITY OF PETERSBURG, to-wit:**

I, *Tanya M. Friday*, a Notary Public in and for the City aforesaid, in the Commonwealth of Virginia, whose commission expires on the *30<sup>th</sup>* day of *June*, *2018*, do hereby certify that Nathaniel T. Pride., Executive Director of Petersburg Redevelopment and Housing Authority, whose name is signed as such to the foregoing writing bearing date of the 4th day of March, 2016, has acknowledged the same before me in my City and State.

Given under my hand this 4th day of March, 2016.

*Tanya M. Friday*  
Notary Public



## EXHIBIT A

All those four (4) certain parcels of land with the improvements thereon and appurtenances thereto belonging, lying, being and situate in the City of Petersburg, State of Virginia, and being described by metes and bounds as follows, to-wit:

BEGINNING at a point on the western line of South Sycamore Street located at a point One Hundred Ninety-five and thirty-eight-hundredths (195.38) feet north of the intersection of College Alley; thence along a line N.  $82^{\circ} 00' 07''$  W. Two Hundred Seventeen and seventeen-hundredths (217.17) feet to an iron pin; thence along a line N  $10^{\circ} 03' 05''$  E. Fifty-five and ten-hundredths (55.10) feet to a point; thence along a line N.  $82^{\circ} 01' 30''$  W. Sixty-five and fifty-four-hundredths (65.54) feet to a point; thence along a line N.  $6^{\circ} 58' 42''$  E. One Hundred Seventy-three and eleven-hundredths (173.11) feet to a point; thence along a line S.  $76^{\circ} 44' 04''$  E. Sixty-five and thirty-five hundredths (65.35) feet to a point; thence along a line S.  $7^{\circ} 50' 05''$  W. Forty-two and twenty-five-hundredths (42.25) feet to a point; thence along a line S.  $82^{\circ} 08''$  E. Two Hundred Fifteen and forty-seven hundredths (215.47) feet to a point on the western line of South Sycamore Street; thence along the western line of South Sycamore Street S.  $7^{\circ} 00' W$ . One Hundred Eighty and thirty-eight-hundredths (180.38) feet to the point of beginning.

Reference to the following deeds is hereby made:

- (1) Maxine S. Barney, widow, dated February 16, 1971, recorded in the Clerk's Office of the Hustings Court of Petersburg, Virginia, in Deed Book 307 at page 39;
- (2) Thomas F. Cooper et al, dated February 16, 1971, recorded in the aforesaid Clerk's Office in Deed Book 307 at page 42;
- (3) Noldi W. Creasy, widow, dated February 16, 1971, recorded in the aforesaid Clerk's Office in Deed Book 307 at page 45; and
- (4) Baycon Corporation, a Virginia Corporation, dated April 20, 1971, recorded in the aforesaid Clerk's Office in Deed Book 307 at page 36;

A plat of the aforesaid properties, dated June 19, 1970, entitled, "Plat Showing Property to be Acq. By Baycon Corp.", made by R.A. Bristow, C.L.S., is of record in the aforesaid Clerk's Office in Deed Book 307 at page 57.





W

(Reserved)



X

# Marketing Plan

For units meeting accessibility requirements of HUD section  
504



# PRHA

## Petersburg Redevelopment & Housing Authority

### MARKETING PLAN FOR ACCESSIBLE HOUSING

#### SYCAMORE TOWERS APARTMENTS

All of the units in Sycamore Towers will be provided with either operating subsidies (ACC) or Project Based Voucher (PBV) subsidies by the Petersburg Redevelopment and Housing Authority (PRHA). This ensures that these units (i) will receive federal project based rent subsidies making them available to extremely low-income persons; (ii) conform to HUD regulations interpreting the accessibility requirements of section 504 of the Rehabilitation Act; and (iii) are actively marketed to people with special needs. The units included in the LIHTC application that are designated for those with mobility impairments will include roll-in showers, roll under sinks and front control ranges.

The policies for admission to and occupancy of PBV subsidized apartments are spelled out in the policies in accordance with Federal and State laws and HUD policies and regulations.

PRHA will ensure that the property manager adopts suitable means to assure that information regarding the availability of accessible units reaches eligible individuals with disabilities, and take reasonable nondiscriminatory steps to maximize the utilization of such units by eligible individuals whose disability requires the accessibility features of a particular unit.

When an accessible unit becomes vacant, the property manager will offer such units:

- First, to a current resident of another unit of the same development who has a disability that requires the special feature of the vacant unit and is occupying a unit not having such features, or if no such occupant exists, then
- Second, to an eligible qualified applicant on the waiting list having a disability that requires the special features of the vacant unit.

PRHA will ensure that contacts are made with centers for independent living ([www.accessva.org](http://www.accessva.org)) to inform them as housing designed for those with special needs becomes available. In particular, direct contact will be made with the two centers in the Richmond area:

- Crater District Satellite Center for Independent Living (CIL) (Parent CIL:RIL), 1845 A Fort Mahone Rd., Petersburg, VA 23805, (804) 862-9338
- Resources for Independent Living, Inc., 4009 Fitzhugh Ave., Richmond, VA 23230, (804) 353-6503

In addition to the above plans, PRHA has a long successful history and commitment to making reasonable accommodations to both units designed for those with mobility challenges and other units in order to meet specific requirements of applicants and occupants of Low income apartments. The needs of all household members may change over time and PRHA is obligated to assist as needed. PRHA's policies spell out its broader requirement to follow all of the Federal and State requirements regarding fair housing. For example, these policies in part state:

Federal laws require PHAs to treat all applicants and tenant families equally, providing the same quality of service, regardless of family characteristics and background. Federal law prohibits discrimination in housing on the basis of race, color, religion, sex, national origin, age, familial status, and disability. PRHA will comply fully with all federal, state and local nondiscrimination laws, and rules and regulations governing fair housing and equal opportunity in housing and employment including:

- Title VI of the Civil Rights Act of 1964
- Title VIII of the Civil Rights Act of 1968
- Executive Order 11063
- Section 504 of the Rehabilitation Act of 1975
- The Age Discrimination Act of 1975
- Title II of the Americans with Disabilities Act
- Violence Against Women Reauthorization Act of 2005
- Any applicable state laws or local ordinances and any legislation protecting individual rights of tenants, applicants, or staff that may subsequently be enacted.

In accordance with the above, the PRHA has developed a specific accessibility marketing plan for Sycamore Towers Apartments. This plan is outlined below:

Accessibility Marketing Action Steps:

1. 90 days prior to occupancy
  - a. The property manager will check the Sycamore Towers Apartments waiting list to determine persons who are in need of accessible apartments.
  - b. The property manager will meet with and inform the Crater District Satellite Center for Independent Living and Resources for Independent Living, Inc., of potential units that may be available.
  - c. The property manager will post information on the coming accessible units' availability on the website.
  - d. The property manager will post listing of accessible units on [www.accessiblespace.org](http://www.accessiblespace.org).
  - e. The property manager will advise social service agencies, faith based organizations, as well as, intermediate and long-term care facilities of potential availability.
2. 75 days prior to initial occupancy
  - a. The property manager will contact persons currently on the suburban waiting list who are in need of accessible housing to determine their interest.
3. 60 days prior to initial occupancy
  - a. The property manager will contact again eligible applicants on the waiting list who are in need of the accessible housing to determine their interest.
  - b. The property manager will again inform the Crater District Satellite Center for Independent Living and Resources for Independent Living, Inc., of the potential units that may become available.
  - c. The property manager will post listing of accessible units on [www.accessiblespace.org](http://www.accessiblespace.org).
  - d. The property manager will work with local schools and faith based institutions, as well as Section 8 landlords to inform and solicit their assistance in informing families in need of an accessible housing unit to contact the property manager.
4. 30 days prior to initial occupancy
  - a. If eligible applicants who desire to move into the accessible apartments have not been identified 30 days prior to occupancy availability:
    - Assigned staff will reach out to the Crater District Satellite Center for Independent Living and Resources for Independent Living, Inc., seeking guidance and assistance with reaching out to organizations and individuals who would be aware of persons needing accessible housing.

# SYCAMORE TOWERS APARTMENTS

## TARGETED MARKETING PLAN

The Targeted Marketing Plan has been provided by Petersburg Redevelopment and Housing Authority. This Resident Selection Criteria & Marketing Plan addresses issues for a Sycamore Towers Apartments project whose funding includes Low Income Housing Tax Credits and Project-Based Voucher subsidies. This Plan includes descriptions of approaches to handling the following housing management issues:

**Sycamore Towers Apartments  
128 S. Sycamore Street, Petersburg, VA 23803**

**MANAGED BY PETERSBURG REDEVELOPMENT AND HOUSING AUTHORITY**

**RESIDENT SELECTION CRITERIA & MARKETING PLAN**

*Please read this document carefully. These are the standards by which your application for housing will be reviewed.*

The purpose of the Resident Selection Criteria & Marketing Plan is to establish fair and equitable guidelines for selecting applicants to occupy housing units at Sycamore Towers Apartments, located at 128 S. Sycamore Street, Petersburg, VA 23803, in accordance with the requirements of various Funders' and their Regulatory Agreements applicable to the project. Sycamore Towers Apartments is owned by Petersburg Redevelopment and Housing Authority and managed by Petersburg Redevelopment and Housing Authority.

Questions or requests for assistance regarding any aspect of the application process may be directed to Yvette Bemby at (804) 733-2200.

### **A. AFFIRMATIVE MARKETING AND COMMUNITY OUTREACH PROGRAM**

Petersburg Redevelopment and Housing Authority, the Housing Sponsor, promotes equal opportunities for safe and affordable housing to all persons, regardless of race, color, sex, sexual orientation, religion, ancestry, national origin, marital status, age, disability, HIV/AIDS status or place of residence.

#### **Advertisement**

Advertising/Announcement content will indicate **where** and **when** people can pick up applications for the waiting list and will provide as much information as feasible regarding the documents necessary to submit an application.

Notices will be sent to non-profit organizations and other agencies serving low-income individuals, disabled adults, and others. Announcements will be posted at PRHA management

office. During the initial lease up, ads will also appear in flyers and newspapers. Because of cost factors ads will not appear in local newspapers after initial marketing efforts.

### ***Marketing Records***

PRHA's Property Manager shall keep records of its activities in implementing the affirmative marketing plan, including records of advertisement and other community outreach efforts. Racial and ethnic characteristics of tenants will be maintained at the lease-up office and will be updated annually for VHDA.

PRHA will apply the same screening criteria to all applicants. However, PRHA is obligated to offer qualified applicants with disabilities additional consideration in the application of rules and practices, or services and structural alterations, if it will enable an otherwise eligible applicant or tenant with a disability an equal opportunity to access and enjoy the housing program. PRHA is not, however, required to make a reasonable accommodation or physical modification if the accommodation or modification will cause a financial burden to the building or if it requires the management entity to alter or change a basic component of the housing program.

### **Marketing Strategy:**

To ensure immediate lease-up and maintenance of full occupancy, PRHA will do the following:

Property will be listed on [virginiahousingsearch.com](http://virginiahousingsearch.com) at the start of lease-up. Project will also be listed on the following other websites:

[www.petersburgrha.org](http://www.petersburgrha.org)

[www.hud.org](http://www.hud.org)

[www.virginiahousingsearch.com](http://www.virginiahousingsearch.com)

All advertising material related to the project, will contain the Equal Housing Opportunity logo type, slogan or statement in compliance with the Fair Housing Act.

Contact local agencies & organizations that provide services to those persons with impairments, notifying them of units available. Organizations will include but limited to:

Crater District Satellite Center for Independent Living (CIL) (Parent CIL: RIL)

Resources for Independent Living, Inc.

Questions or requests for assistance regarding any aspect of the application process may be directed to Yvette Bembry or other members of the lease-up staff at (804) 733-2200.





### **Accessible Units**

Sycamore Towers Apartments has (10) accessible units. In the event that an accessible unit designed to meet the special needs of persons with mobility impairments becomes available, preference will be given to a current tenant in the building who requires and has requested an accessible unit.

### **Intellectual Disability Preference:**

Petersburg Redevelopment and Housing Authority will give leasing preferences to individuals with intellectual disabilities and will work closely with the Virginia Department of Medical Assistance Services (DMAS) or the Virginia Department of Behavioral Health and Developmental Services (DBHDS) who will provide referrals to Sycamore Towers Apartments.

**B. INCOME AND OTHER ELIGIBILITY REQUIREMENTS** In order to be eligible for a unit at Sycamore Towers Apartments, the applicant's gross annual income cannot exceed 50% AMI for the Richmond MSA.





U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-5000

PRINCIPAL DEPUTY ASSISTANT SECRETARY  
FOR PUBLIC AND INDIAN HOUSING

JUN 16 2015

Mr. Nathaniel Pride  
Executive Director  
Petersburg Redevelopment and Housing Authority  
128 S. Sycamore Street  
Petersburg, VA 23804

Dear Mr. Pride:

SUBJECT: Waiver of 24 CFR § 982.207(b)(3) and § 960.206(b)(3); *Olmstead*

This is in response to your request to waive the Section 8 Housing Choice Voucher (HCV) program regulation, 24 CFR § 982.207(b)(3), and the Public Housing (PH) program regulation, 24 CFR § 960.206(b)(3) so that the Petersburg Redevelopment and Housing Authority (PRHA-VA020) may create a tenant selection preference for admission for persons with specific disabilities under the HCV and PH programs. These regulations allow a public housing authority (PHA) to adopt a preference for admission of families that include a person with disabilities. However, a PHA may not adopt a preference for the admission of persons with a specific disability.

In December 2014, Maurice Jones, Secretary of Commerce and Trade for the Commonwealth of Virginia, sent a letter to all localities in Virginia that administer an HCV program to request assistance in meeting housing obligations pursuant to the State of Virginia's Settlement Agreement with the Department of Justice stemming from the *Olmstead v. L.C.* litigation under Title II of the Americans with Disabilities Act (ADA). The PRHA is requesting to waive the HCV program regulation, 24 CFR § 982.207(b)(3) so that it may establish the tenant selection preference for persons with specific disabilities to comply with the requirements set forth in the State of Virginia's *Olmstead* Settlement Agreement. The tenant selection preference in its HCV and PH programs would allow those who meet the criteria set forth in the State of Virginia's *Olmstead* Settlement Agreement priority placement on PRHA's waiting lists. On April 9, 2015, HUD's Office of General Counsel for Fair Housing and Equal Opportunity (OGC-FHEO) approved PRHA's request to establish this preference under the HCV program.

PRHA submitted a separate request to waive 24 CFR § 960.206(b)(3) to the Office of Public Housing. It was not clear if the April 9, 2015 approval from OGC-FHEO extended to the Public Housing program. The letter only addressed the HCV program. Therefore, as part of approving this waiver request, the Office of Public Housing and Voucher Programs contacted the Associate General Counsel for Fair Housing to determine if the approval extended to the PH program or if PRHA had to submit a separate request to OGC-FHEO to implement the tenant selection preference in its Public Housing program. The Associate General Counsel for Fair Housing confirmed that as long as the proposed tenant selection preference serves the same population as outlined in its April 9, 2015 approval letter, PRHA would not need to submit a

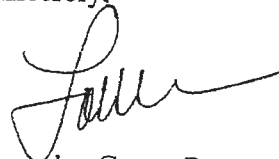


separate request to OGC-FHEO. The preference serves as a remedial purpose under both programs. In implementing this preference in the PH program, the preference must be utilized to offer housing that is in the most integrated setting appropriate to the needs of qualified individuals with disabilities and qualifies as an appropriate housing option within the terms of Virginia's *Olmstead* Settlement Agreement. The preference must also be utilized in a way that recognizes individuals' right to exercise informed choice to select where they would like to reside.

Without the waiver allowing PRHA to establish this preference in its HCV and PH programs, PRHA risks failing to comply with the remedial requirements stated in the State of Virginia's *Olmstead* Settlement Agreement. The preference makes rental assistance readily accessible to the target population set forth in the agreement and provides them the opportunity to live in integrated community-based settings. Therefore, I have determined that there is good cause to waive, and I hereby waive, 24 CFR § 982.207(b)(3) and 24 CFR § 960.206(b)(3) to allow PRHA to implement a tenant selection preference for persons with specific disabilities under the HCV and PH programs pursuant to the provisions stated in OGC-FHEO's approval letter dated April 9, 2015. This waiver is effective as of the date signed and may remain in effect consistent with the timeframe established under the State of Virginia's *Olmstead* Settlement Agreement (State fiscal year 2021). Please note that approval of this waiver is case-specific and does not permit PRHA to apply the preference outside the scope of the State of Virginia's *Olmstead* Settlement Agreement and as described in its HCV Administrative Plan and its Admissions and Continued Occupancy Plan for Public Housing.

Please contact Trenea Sidney, Housing Program Specialist, Housing Voucher Management and Operations Division at (202) 402-4303, or Virginia Flores, Public Housing Management and Occupancy Division at (202) 402-6270, if you have any questions.

Sincerely,



Lourdes Castro Ramirez  
Principal Deputy Assistant Secretary

CC: Catherine D. Lamberg, Director, Office of Public Housing, Richmond Program Center, 3FPH