
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

This 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

Name	Email	Phone Number
JD Bondurant	johndavid.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

TABLE OF CONTENTS

Click on any tab label to be directed to that tab within the application.

TAB	DESCRIPTION
1. Submission Checklist	Mandatory Items, Tabs and Descriptions
2. Development Information	Development Name and Locality Information
3. Request Info	Credit Request Type
4. Owner Information	Owner Information and Developer Experience
5. Site and Seller Information	Site Control, Identity of Interest and Seller info
6. Team Information	Development Team Contact information
7. Rehabilitation Information	Acquisition Credits and 10-Year Look Back Info
8. Non Profit	Non Profit Involvement, Right of First Refusal
9. Structure	Building Structure and Units Description
10. Utilities	Utility Allowance
	Building Amenities above Minimum Design Requirements
11. Enhancements	
12. Special Housing Needs	504 Units, Sect. 8 Waiting List, Rental Subsidy
13. Unit Details	Set Aside Selection and Breakdown
14. Budget	Operating Expenses
15. Project Schedule	Actual or Anticipated Development Schedule
16. Hard Costs	Development Budget: Contractor Costs
	Development Budget: Owner's Costs, Developer Fee, Cost Limits
17. Owner's Costs	
18. Eligible Basis	Eligible Basis Calculation
	Construction, Permanent, Grants and Subsidized Funding Sources
19. Sources of Funds	
20. Equity	Equity and Syndication Information
	Credit Reservation Amount Needed
21. Gap Calculation	
21. Cash Flow	Cash Flow Calculation
22. BINs	BIN by BIN Eligible Basis
24. Owner Statement	Owner Certifications
25. Scoresheet	Self Scoresheet Calculation
26. Development Summary	Summary of Key Application Points
27. Efficient Use of Resources	Calculation of Score
28. Efficient Use of Resources - TE Bonds	Calculation of Score

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: 3/14/2019

1. Development Name: Cool Lane Apartments
2. Address (line 1): 1900 Cool Lane
 Address (line 2):
 City: Richmond State: VA Zip: 23223
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 ▶ Henrico County
5. The site overlaps one or more jurisdictional boundaries..... TRUE
 If true, what other City/County is the site located in besides response to #4?..... ▶ Richmond City
6. Development is located in the census tract of: 2010.03
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	TRUE

Enter only Numeric Values below:

13. Congressional District: 4
- Planning District: 15
- State Senate District: 9
- State House District: 70

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

Cool Lane Apartments is the adaptive re-use of an existing assisted-living facility in Henrico County. The building will consist of eighty (80) one-bedroom apartments and six (6) studios with supportive services for homeless and low-income adults from Henrico County and the Richmond region and 1 night monitor unit. Thirteen (13) units will be fully accessible for individuals with disabilities and two (2) units will be for individuals with sensory impairment. The building will have staff offices, a front desk, community room, computer room, and fitness room. The development will meet EarthCraft Gold certification. VSH also plans to include some commercial space for VSH administrative offices and resource space for the community.

A. GENERAL INFORMATION ABOUT PROPOSED DEVELOPMENT

Application Date: 3/14/2019

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: John Vithoukias
 Chief Executive Officer's Title: County Manager Phone: (804) 501-4206
 Street Address: P.O. Box 90775
 City: Henrico State: VA Zip: 23273-0775

Name and title of local official you have discussed this project with who could answer questions for the local CEO: Eric Leabough, Housing Specialist

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

Chief Executive Officer's Name: Levar M. Stoney
 Chief Executive Officer's Title: Mayor Phone: (804) 646-7970
 Street Address: 900 E. Broad Street, Ste 201
 City: Richmond State: VA Zip: 23219

Name and title of local official you have discussed this project with who could answer questions for the local CEO: Selena Cuffee-Glenn, Chief Administrative Officer

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:

Accessible Supportive Housing Pool

or

b. If requesting Tax Exempt Bonds, select development type:

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

Carryforward Allocation

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:**

Adaptive Reuse

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?

FALSE

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? 0

Total Units within 4% Tax Exempt allocation Request? 0

Total Units: 0

% 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: Cool Lane Apartments, LLC

Developer Name: Virginia Supportive Housing

Contact: M/M ▶ Mrs. First: Allison MI: M Last: Bogdanovic

Address: P.O. Box 8585

City: Richmond St. ▶ VA Zip: 23226

Phone: (804) 836-1052 Ext. 252 Fax: (804) 788-6827

Email address: abogdanovic@virginiassupportivehousing.org

Federal I.D. No. 83-3720958 (If not available, obtain prior to Carryover Allocation.)

Select type of entity: ▶ Limited Liability Company Formation State: ▶ VA

Additional Contact: Please Provide Name, Email and Phone number.
Julie Anderson, janderson@virginiassupportivehousing.org, (804) 836-1062

- 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>Cool Lane Apartments Development Corporation, Inc</u>	<u>(804) 788-6825</u>	<u>Managing Member</u>	<u>0.010%</u>	
<u>Virginia Supportive Housing</u>	<u>(804) 788-6825</u>	<u>Sole Shareholder of</u>	<u>0.000%</u>	<i>needs</i>
<u>Allison Bogdanovic</u>	<u>(804) 836-1052</u>	<u>Executive Director</u>	<u>0.000%</u>	<i>needs</i>
<u>Virginia Supportive Housing</u>	<u>(804) 788-6825</u>	<u>Investor Member</u>	<u>99.990%</u>	
<u>Allison Bogdanovic</u>	<u>(804) 836-1052</u>	<u>Executive Director</u>	<u>0.000%</u>	<i>needs</i>
			<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

- 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. **TRUE**

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: Purchase Contract

Expiration Date: 12/31/2019

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

b. TRUE 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..... 12/31/2019 .

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

3. Seller Information:

Name: City of Richmond

Address: 900 E. Broad Street

City: Richmond St.: VA Zip: 23219

Contact Person: Selena Cuffee-Glenn Phone: (804) 646-7978

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

If above statement is **TRUE**, complete the following:

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

Names	Phone	Type Ownership	% Ownership
			0.00%
			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>Lauren Nowlin</u> | This is a Related Entity. | <u>FALSE</u> |
| Firm Name: | <u>Williams Mullen</u> | | |
| Address: | <u>200 South 10th Street, Suite 1600</u> | | |
| Email: | <u>Inowlin@williamsmullen.com</u> | Phone: <u>(804) 420-6585</u> | |
| 2. Tax Accountant: | <u>Michael Vicars, C.P.A</u> | This is a Related Entity. | <u>FALSE</u> |
| Firm Name: | <u>Dooley & Vicars Certified Public Accountants, L.L.P.</u> | | |
| Address: | <u>21 S. Sheppard Street, Richmond, Virginia 23221</u> | | |
| Email: | <u>Mike@dvcpas.com</u> | Phone: <u>(804) 355-2808</u> | |
| 3. Consultant: | <u></u> | This is a Related Entity. | <u>FALSE</u> |
| Firm Name: | <u></u> | Role: <u></u> | |
| Address: | <u></u> | | |
| Email: | <u></u> | Phone: <u></u> | |
| 4. Management Entity: | <u>Sheila Parker, Director of Property Management</u> | This is a Related Entity. | <u>TRUE</u> |
| Firm Name: | <u>Virginia Supportive Housing</u> | | |
| Address: | <u>8002 Discovery Drive, Suite 201, Richmond, VA 23229</u> | | |
| Email: | <u>Sparker@virginiassupportivehousing.org</u> | Phone: <u>(804) 836-1064</u> | |
| 5. Contractor: | <u>To Be Determined</u> | This is a Related Entity. | <u>FALSE</u> |
| Firm Name: | <u></u> | | |
| Address: | <u></u> | | |
| Email: | <u>To Be Determined</u> | Phone: <u></u> | |
| 6. Architect: | <u>Colin Arnold</u> | This is a Related Entity. | <u>FALSE</u> |
| Firm Name: | <u>Arnold Design Studio</u> | | |
| Address: | <u>930 Cambria Street, NE</u> | | |
| Email: | <u>carnold@arnolddesignstudio.com</u> | Phone: <u>(540) 239-2671</u> | |
| 7. Real Estate Attorney: | <u>Lauren Nowlin</u> | This is a Related Entity. | <u>FALSE</u> |
| Firm Name: | <u>Williams Mullen</u> | | |
| Address: | <u>200 South 10th Street, Suite 1600</u> | | |
| Email: | <u>Inowlin@williamsmullen.com</u> | Phone: <u>(804) 420-6585</u> | |
| 8. Mortgage Banker: | <u></u> | This is a Related Entity. | <u>FALSE</u> |
| Firm Name: | <u></u> | | |
| Address: | <u></u> | | |
| Email: | <u></u> | Phone: <u></u> | |
| 9. Other: | <u>Jennifer Tiller, Director of Client Programs</u> | This is a Related Entity. | <u>TRUE</u> |
| Firm Name: | <u>Virginia Supportive Housing</u> | Role: <u></u> | |
| Address: | <u>8002 Discovery Drive, Suite 201, Richmond, VA 23229</u> | | |
| Email: | <u>Jtiller@virginiassupportivehousing.org</u> | Phone: <u>(804) 836-1058</u> | |

F. 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)

F. REHAB INFORMATION

3. Rehabilitation Credit Information

- a. Credits are being requested for rehabilitation expenditures..... FALSE
If no credits are being requested for rehabilitation expenditures, go on to Part 4
- 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)..... FALSE
 - 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:

- TRUE a. Be authorized to do business in Virginia.
TRUE b. Be substantially based or active in the community of the development.
TRUE c. Materially participate in the development and operation of the development throughout the compliance period...
TRUE d. Own, either directly or through a partnership or limited liability company, 100% of the general partnership or managing member interest.
TRUE e. Not be affiliated with or controlled by a for-profit organization.
TRUE f. Not have been formed for the principal purpose of competition in the Non Profit Pool.
TRUE 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..... TRUE (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..... TRUE

C. Identity of Nonprofit (All nonprofit applicants):

The nonprofit organization involved in this development is: Applicant

Name: Virginia Supportive Housing (Please fit NP name within available space)

Contact Person: Allison Bogdanovic

Street Address: 8002 Discovery Drive, Suite 201

City: Richmond State: VA Zip: 23229-8601

Phone: (804) 836-1052 Extension: Contact Email: abogdanovic@virginiasup

G. NONPROFIT INVOLVEMENT

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

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

100.0%

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:

Virginia Supportive Housing

or indicate true if Local Housing Authority

FALSE

Name of Local Housing Authority

2. 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

1. General Information

a. Total number of all units in development	87	bedrooms	87
Total number of rental units in development	86	bedrooms	86
Number of low-income rental units	86	bedrooms	86
Percentage of rental units designated low-income	100.00%		
b. Number of new units:.....	0	bedrooms	0
Number of adaptive reuse units:	86	bedrooms	86
Number of rehab units:.....	0	bedrooms	0
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.....		90,347.23	(Sq. ft.)
e. Unheated Floor Area (i.e. Breezeways, Balconies, Storage).....		303.25	(Sq. ft.)
f. Nonresidential Commercial Floor Area (Not eligible for funding).....		4,690.83	
g. Total Usable Residential Heated Area.....		85,353.15	(Sq. ft.)
h. Percentage of Net Rentable Square Feet Deemed To Be New Rental Space		100.00%	
i. Exact area of site in acres	5.720		
j. Locality has approved a final site plan or plan of development..... If True , Provide required documentation (TAB O).		FALSE	
k. Requirement as of 2016: Site must be properly zoned for proposed development. ACTION: Provide required zoning documentation (MANDATORY TAB G)			
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	992.48	SF	86	86
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	0.00	SF	0	0
1BR Elderly	0.00	SF	0	0
2BR Elderly	0.00	SF	0	0
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
			86	86

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:..... 42 years
- c. Number of stories:..... 3

d. The development is a scattered site development..... FALSE

e. Commercial Area Intended Use: VSH Administrative Offices

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)..... TRUE
- 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)..... FALSE

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>FALSE</u>	vi. Detached Two-family	<u>FALSE</u>
iii. Slab on Grade	<u>FALSE</u>	vii. Basement	<u>TRUE</u>
iv. Crawl space	<u>TRUE</u>		

h. Development contains an elevator(s).	<u>TRUE</u>
If true, # of Elevators.	<u>3</u>
Elevator Type (if known)	<u>Machine room-less AC gearless traction</u>

i. Roof Type	▶	<u>Flat</u>
j. Construction Type	▶	<u>Frame</u>
k. Primary Exterior Finish	▶	<u>Brick</u>

4. Site Amenities (indicate all proposed)

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

l. Describe Community Facilities:	<u>Community room, patio, computer room, supportive services</u>
-----------------------------------	--

m. Number of Proposed Parking Spaces.....	<u>180</u>
Parking is shared with another entity	<u>FALSE</u>

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.	<u>TRUE</u>
	If True, Provide required documentation (TAB K3).

H. STRUCTURE AND UNITS INFORMATION

5. 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.

6. 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	3.30%
Project Wide Capture Rate - Market Units	N/A
Project Wide Capture Rate - All Units	1.60%
Project Wide Absorption Period (Months)	5

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.
- 74.00% 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).
- FALSE d. Each bathroom contains only of WaterSense labeled faucets, toilets and showerheads.
- TRUE e. Each unit is provided with the necessary infrastructure for high-speed internet/broadband service.
- TRUE 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
- TRUE h. Each unit is provided free individual WiFi access.
- TRUE 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.
- TRUE k. Cooking surfaces are equipped with fire prevention features
- or
- FALSE l. Cooking surfaces are equipped with fire suppression features.
- FALSE m. Rehab only: Each unit has dedicated space, drain and electrical hook-ups to accept a permanently installed dehumidification system.
- or
- TRUE n. All Construction types: each unit is equipped with a permanent dehumidification system.
- TRUE o. All interior doors within units are solid core.
- TRUE 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.
- TRUE 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:

- FALSE a. All cooking ranges have front controls.

J. ENHANCEMENTS

FALSE b. Bathrooms have an independent or supplemental heat source.

FALSE 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:

TRUE Earthcraft Gold or higher certification

FALSE

National Green Building Standard (NGBS) certification of Silver or higher.

FALSE U.S. Green Building Council LEED certification

FALSE

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.)

FALSE Zero Energy Ready Home Requirements

FALSE

Passive House Standards

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

TRUE a. Architect of record certifies that units will be constructed to meet VHDA's Universal Design standards.

86 b. Number of Rental Units constructed to meet VHDA's Universal Design standards:

100% % of Total Rental Units

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

If not, please explain:

N/A

2019 Low-Income Housing Tax Credit Application For Reservation

I. UTILITIES

1. Describe the Heating/AC System: Ducted mini-split system

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	Electric	Owner	0	0	0	0	0
Air Conditioning	Electric	Owner	0	0	0	0	0
Cooking	Electric	Owner	0	0	0	0	0
Lighting	Electric	Owner	0	0	0	0	0
Hot Water	Electric	Owner	0	0	0	0	0
Water	Water	Owner	0	0	0	0	0
Sewer	Sewer	Owner	0	0	0	0	0
Trash	Trash	Owner	0	0	0	0	0
Total utility allowance for costs paid by tenant			\$0	\$0	\$0	\$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. FALSE Other: _____

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

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:

- FALSE 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
- TRUE 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..... FALSE

(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: Richmond Redevelopment and Housing Authority

Contact person: Orlando Artze

Title: Interim CEO

Phone Number (804) 780-3491

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

FALSE 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

TRUE Section 8 Project Based Assistance

FALSE RD 515 Rental Assistance

FALSE Section 8 Vouchers

FALSE State Assistance

FALSE Other: _____

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: FALSE

d. Number of units receiving assistance:	16
How many years in rental assistance contract?	15.00
Expiration date of contract:	3/1/2034
There is an Option to Renew.....	TRUE

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

L. UNIT DETAILS

1. 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:

Warning: Greater than 50% of units does not increase bonus points.

Income Levels		
# of Units	% of Units	
0	0.00%	20% Area Median
0	0.00%	30% Area Median
13	15.12%	40% Area Median
73	84.88%	50% Area Median
0	0.00%	60% Area Median
0	0.00%	70% Area Median
0	0.00%	80% Area Median
0	0.00%	Market Units
86	100.00%	Total

Rent Levels		
# of Units	% of Units	
0	0.00%	20% Area Median
0	0.00%	30% Area Median
13	15.12%	40% Area Median
73	84.88%	50% Area Median
0	0.00%	60% Area Median
0	0.00%	70% Area Median
0	0.00%	80% Area Median
0	0.00%	Market Units
86	100.00%	Total

- b. The development plans to utilize income averaging..... TRUE
 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	50% AMI	2	1	504.72	\$650.00	\$1,300
Mix 2	Efficiency	40% AMI	2	1	504.72	\$889.00	\$1,778
Mix 3	Efficiency	50% AMI	1	0	504.72	\$650.00	\$650
Mix 4	Efficiency	40% AMI	1	0	504.72	\$889.00	\$889
Mix 5	1 BR - 1 Bath	50% AMI	7	3	508.61	\$932.00	\$6,524
Mix 6	1 BR - 1 Bath	50% AMI	40	7	508.61	\$725.00	\$29,000
Mix 7	1 BR - 1 Bath	40% AMI	2	0	522.74	\$932.00	\$1,864
Mix 8	1 BR - 1 Bath	50% AMI	19	0	500.09	\$932.00	\$17,708
Mix 9	1 BR - 1 Bath	50% AMI	3	0	589.95	\$932.00	\$2,796
Mix 10	1 BR - 1 Bath	50% AMI	1	0	672.36	\$932.00	\$932
Mix 11	1 BR - 1 Bath	40% AMI	2	0	537.39	\$932.00	\$1,864
Mix 12	1 BR - 1 Bath	40% AMI	2	1	612.77	\$932.00	\$1,864
Mix 13	1 BR - 1 Bath	40% AMI	2	0	786.06	\$932.00	\$1,864
Mix 14	1 BR - 1 Bath	40% AMI	2	0	643.04	\$932.00	\$1,864
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
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
Mix 51						\$0
Mix 52						\$0
Mix 53						\$0
Mix 54						\$0
Mix 55						\$0
Mix 56						\$0
Mix 57						\$0
Mix 58						\$0
Mix 59						\$0
Mix 60						\$0
Mix 61						\$0
Mix 62						\$0
Mix 63						\$0
Mix 64						\$0
Mix 65						\$0
Mix 66						\$0
Mix 67						\$0
Mix 68						\$0
Mix 69						\$0
Mix 70						\$0
Mix 71						\$0
Mix 72						\$0
Mix 73						\$0
Mix 74						\$0
Mix 75						\$0
Mix 76						\$0
Mix 77						\$0
Mix 78						\$0
Mix 79						\$0
Mix 80						\$0
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
TOTALS			86	13	7,900.50	\$12,191	\$70,897

Total Units	86	Net Rentable SF:	TC Units	45,080.91
			MKT Units	0.00
			Total NR SF:	45,080.91

Floor Space Fraction (to 7 decimals)	100.00000%
---	-------------------

M. OPERATING EXPENSES

Administrative:

Use Whole Numbers Only!

1. Advertising/Marketing			\$2,500
2. Office Salaries			\$75,000
3. Office Supplies			\$1,900
4. Office/Model Apartment	(type _____)		\$0
5. Management Fee			\$71,300
<u>8.00%</u> of EGI	<u>\$829.07</u>	Per Unit	
6. Manager Salaries			\$63,000
7. Staff Unit (s)	(type _____)		\$0
8. Legal			\$800
9. Auditing			\$175
10. Bookkeeping/Accounting Fees			\$3,360
11. Telephone & Answering Service			\$7,560
12. Tax Credit Monitoring Fee			\$3,675
13. Miscellaneous Administrative			\$38,238
Total Administrative			\$267,508

Utilities

14. Fuel Oil			\$0
15. Electricity			\$60,000
16. Water			\$23,000
17. Gas			\$5,000
18. Sewer			\$12,000
Total Utility			\$100,000

Operating:

19. Janitor/Cleaning Payroll			\$12,000
20. Janitor/Cleaning Supplies			\$1,570
21. Janitor/Cleaning Contract			\$0
22. Exterminating			\$8,500
23. Trash Removal			\$5,500
24. Security Payroll/Contract			\$6,500
25. Grounds Payroll			\$0
26. Grounds Supplies			\$150
27. Grounds Contract			\$1,750
28. Maintenance/Repairs Payroll			\$60,000
29. Repairs/Material			\$4,500
30. Repairs Contract			\$5,000
31. Elevator Maintenance/Contract			\$12,000
32. Heating/Cooling Repairs & Maintenance			\$12,000
33. Pool Maintenance/Contract/Staff			\$0
34. Snow Removal			\$500
35. Decorating/Payroll/Contract			\$0
36. Decorating Supplies			\$550
37. Miscellaneous			\$8,400
Totals Operating & Maintenance			\$138,920

M. OPERATING EXPENSES

Taxes & Insurance

38. Real Estate Taxes	\$0
39. Payroll Taxes	\$14,000
40. Miscellaneous Taxes/Licenses/Permits	\$1,820
41. Property & Liability Insurance	\$35,000
42. Fidelity Bond	\$0
43. Workman's Compensation	\$1,200
44. Health Insurance & Employee Benefits	\$22,000
45. Other Insurance	\$0
Total Taxes & Insurance	\$74,020

Total Operating Expense	\$580,448
--------------------------------	------------------

Total Operating Expenses Per Unit	\$6,749	C. Total Operating Expenses as % of EGI	65.10%
--	----------------	--	---------------

Replacement Reserves (Total # Units X \$300 or \$250 New Const. Elderly Minimum)	\$25,800
---	-----------------

Total Expenses	\$606,248
-----------------------	------------------

ACTION: Provide Documentation of Operating Budget at **Tab R** if applicable.

2019 Low-Income Housing Tax Credit Application For Reservation

N. PROJECT SCHEDULE

ACTIVITY	ACTUAL OR ANTICIPATED DATE	NAME OF RESPONSIBLE PERSON
1. SITE		
a. Option/Contract	3/13/2019	Julie Anderson
b. Site Acquisition	12/31/2019	Julie Anderson
c. Zoning Approval	3/12/2019	Julie Anderson
d. Site Plan Approval	1/1/2021	Elizabeth Nice
2. Financing		
a. Construction Loan		
i. Loan Application	3/1/2020	Elizabeth Nice
ii. Conditional Commitment	5/1/2020	Elizabeth Nice
iii. Firm Commitment	6/1/2020	Elizabeth Nice
b. Permanent Loan - First Lien		
i. Loan Application	6/1/2020	Elizabeth Nice
ii. Conditional Commitment	9/1/2020	Elizabeth Nice
iii. Firm Commitment	1/1/2021	Elizabeth Nice
c. Permanent Loan-Second Lien		
i. Loan Application	10/31/2020	Elizabeth Nice
ii. Conditional Commitment	12/31/2020	Elizabeth Nice
iii. Firm Commitment	1/30/2021	Elizabeth Nice
d. Other Loans & Grants		
i. Type & Source, List	Foundations, Local HOME and CDBG	Elizabeth Nice
ii. Application	6/1/2020	Elizabeth Nice
iii. Award/Commitment	1/1/2021	Elizabeth Nice
2. Formation of Owner	2/26/2019	Elizabeth Nice
3. IRS Approval of Nonprofit Status	7/1/1988	Elizabeth Nice
4. Closing and Transfer of Property to Owner	8/1/2021	Julie Anderson
5. Plans and Specifications, Working Drawings	9/1/2021	Elizabeth Nice
6. Building Permit Issued by Local Government	8/1/2021	Elizabeth Nice
7. Start Construction	9/1/2021	Elizabeth Nice
8. Begin Lease-up	10/10/2022	Sheila Parker
9. Complete Construction	10/1/2022	Elizabeth Nice
10. Complete Lease-Up	4/1/2023	Sheila Parker
11. Credit Placed in Service Date	10/1/2022	Julie Anderson

2019 Low-Income Housing Tax Credit Application For Reservation

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.

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"
1. Contractor Cost				
a. Unit Structures (New)	0	0	0	0
b. Unit Structures (Rehab)	8,030,000	0	0	7,628,500
c. Non Residential Structures	0	0	0	0
d. Commercial Space Costs	625,000	0	0	0
e. Structured Parking Garage	0	0	0	0
Total Structure	8,655,000	0	0	7,628,500
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	125,000	0	0	118,750
n. Demolition	425,000	0	0	403,750
o. Site Work	750,000	0	0	350,000
p. Other Site work	0	0	0	0
Total Land Improvements	1,300,000	0	0	872,500
Total Structure and Land	9,955,000	0	0	8,501,000
q. General Requirements	398,200	0	0	378,290
r. Builder's Overhead (4.0% Contract)	398,200	0	0	378,290
s. Builder's Profit (6.0% Contract)	597,300	0	0	567,435
t. Bonds	125,000	0	0	118,750
u. Building Permits	80,000	0	0	76,000
v. Special Construction	0	0	0	0
w. Special Equipment	0	0	0	0
x. Other 1: Wood Destroying Report	2,500	0	0	2,500
y. Other 2:		0	0	0
z. Other 3:	0	0	0	0
Contractor Costs	\$11,556,200	\$0	\$0	\$10,022,265

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"
2. Owner Costs				
a. Building Permit	0	0	0	0
b. Architecture/Engineering Design Fee \$5,233 /Unit)	450,000	0	0	427,500
c. Architecture Supervision Fee \$1,744 /Unit)	150,000	0	0	142,500
d. Tap Fees	0	0	0	0
e. Environmental	25,000	0	0	23,750
f. Soil Borings	0	0	0	0
g. EarthCraft/LEED	25,800	0	0	25,800
h. Appraisal	10,000	0	0	10,000
i. Market Study	5,000	0	0	5,000
j. Site Engineering / Survey	15,000	0	0	5,000
k. Construction/Development Mgt	85,000	0	0	0
l. Structural/Mechanical Study	15,000	0	0	14,250
m. Construction Loan Origination Fee	150,000	0	0	150,000
n. Construction Interest (4.5% for 18 months)	650,000	0	0	200,000
o. Taxes During Construction	24,000	0	0	22,800
p. Insurance During Construction	78,750	0	0	74,813
q. Permanent Loan Fee (0.5%)	25,000	0	0	0
r. Other Permanent Loan Fees	50,000	0	0	0
s. Letter of Credit	0	0	0	0
t. Cost Certification Fee	12,000	0	0	0
u. Accounting	0	0	0	0
v. Title and Recording	50,000	0	0	15,000
w. Legal Fees for Closing	32,000	0	0	32,000
x. Mortgage Banker	0	0	0	0
y. Tax Credit Fee	67,500			
z. Tenant Relocation	0	0	0	0
aa. Fixtures, Furnitures and Equipment	350,000	0	0	0
ab. Organization Costs	0	0	0	0
ac. Operating Reserve	500,000	0	0	0
ad. Contingency	1,147,370	0	0	1,000,000
ae. Security	0	0	0	0
af. Utilities	35,000	0	0	33,250
(1) Other* specify: Solar	200,000	0	0	190,000
(2) Other* specify: Soft Cost Contingency	141,077	0	0	0
(3) Other* specify: Construction Inspections	90,000	0	0	5,000
(4) Other* specify: Lease-up reserve	50,000	0	0	0
(5) Other* specify: Misc-printing and design	15,000	0	0	0
(6) Other* specify: Marketing and Pre-leasing	50,000	0	0	0
(7) Other* specify: Predev Loan Interest/ Fees	65,000	0	0	0

O. PROJECT BUDGET - OWNER COSTS

(8) Other* specify: Legal	200,000	0	0	0
(9) Other* specify: Replacement reserve	25,800	0		0
(10) Other* specify:		0	0	0
Owner Costs Subtotal (Sum 2A..2(10))	\$4,789,297	\$0	\$0	\$2,376,663
Subtotal 1 + 2 (Owner + Contractor Costs)	\$16,345,497	\$0	\$0	\$12,398,928
3. Developer's Fees	1,737,640	0	0	1,737,640
4. Owner's Acquisition Costs				
Land	0			
Existing Improvements	0	0		
Subtotal 4:	\$0	\$0		
5. Total Development Costs				
Subtotal 1+2+3+4:	\$18,083,137	\$0	\$0	\$14,136,568

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:

\$1,737,640

Proposed Development's Cost per Unit:
per Sq Foot
Applicable Cost Limit per unit:

\$210,269 **Meets Limits**
\$200 **Meets Limits**
\$259,224

2019 Low-Income Housing Tax Credit Application For Reservation

P. ELIGIBLE BASIS CALCULATION

Item	(A) Cost	Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s):		
		"30 % Present Value Credit"		(D) "70 % Present Value Credit"
		(B) Acquisition	(C) Rehab/ New Construction	
1. Total Development Costs	18,083,137	0	0	14,136,568
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	0	14,136,568
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>			0	4,240,970
b. For Revitalization or Supportive Housing (Eligible Basis x 30%)			0	0
c. For Green Certification (Eligible Basis x 10%)				0
Total Adjusted Eligible basis			0	18,377,538
5. Applicable Fraction		100.00000%	100.00000%	100.00000%
6. Total Qualified Basis (Eligible Basis x Applicable Fraction)		0	0	18,377,538
7. Applicable Percentage <i>(Beginning with 2016 Allocations, use the standard 9% rate.)</i> <i>(For tax exempt bonds, use the most recently published rates.)</i>		9.00%	0.00%	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	\$0	\$1,653,978
		\$1,653,978 Combined 30% & 70% P. V. Credit		

2019 Low-Income Housing Tax Credit Application For Reservation

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. TBD	03/01/20	06/01/20	\$9,000,000	TBD
2.				
3.				
Total Construction Funding:			\$9,000,000	

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	Amount of Funds	Annual Debt Service Cost	Interest Rate of Loan	Amortization Period IN YEARS	Term of Loan (years)
1. VHDA REACH Loan/MUMI	6/1/2020	1/1/2021	\$3,675,000	\$161,902	1.95%	30.00	30.00
2. DHCD NHTF	10/30/2019	12/1/2019	\$800,000	\$8,000	1.00%	30.00	30.00
3. DHCD HOME	10/30/2019	12/1/2019	\$800,000	\$8,000	1.00%	20.00	20.00
4. DHCD VHTF	10/30/2019	12/1/2019	\$750,000	\$7,500	1.00%	20.00	20.00
5. Henrico CDBG/ HOME	3/4/2019	6/1/2019	\$1,000,000	\$0	1.00%	1000.00	1000.00
6. Richmond CDBG/ HOME/	3/1/2020	6/1/2020	\$600,000	\$0	1.00%	1000.00	1000.00
7. Chesterfield CDBG/ HOME	3/1/2020	6/1/2020	\$250,000	\$0	1.00%	1000.00	1000.00
8. FHLB of Atlanta	6/1/2019	10/1/2019	\$500,000	\$0	4.00%	1000.00	1000.00
9. Bon Secours/ VCU Health	2/28/2019	3/12/2019	\$300,000	\$0	4.00%	1000.00	1000.00
10. MUMI	6/1/2020	1/1/2021	\$625,000	\$31,418	2.95%	30.00	30.00
Total Permanent Funding:			\$9,300,000	\$216,820			

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.	Donated Land/ Building	2/25/2019	\$2,710,255
2.	Bon Secours	3/12/2019	\$150,000
3.	VCU Health Systems	3/7/2019	\$150,000
4.			
5.			
Total Subsidized Funding			\$3,010,255

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

a.	Tax Exempt Bonds		\$0
b.	RD 515		\$0
c.	Section 221(d)(3)		\$0
d.	Section 312		\$0
e.	Section 236		\$0
f.	VHDA SPARC/REACH		\$4,300,000
g.	HOME Funds		\$1,300,000
h.	Other:	State and local	\$2,900,000
i.	Other:	Foundations	\$800,000

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: N/A

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. FALSE Real Estate Tax Abatement on the increase in the value of the development.

b. TRUE **New** project based subsidy from HUD or Rural Development for the greater of 5 or 10% of the units in the development.

c. TRUE Other Donated Land

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

2019 Low-Income Housing Tax Credit Application For Reservation

R. EQUITY

1. Equity

a. Portion of Syndication Proceeds Attributable to Historic Tax Credit				
Amount of Federal historic credits	\$0	x Equity \$	\$0.000	= \$0
Amount of Virginia historic credits	\$0	x Equity \$	\$0.000	= \$0
b. Equity that Sponsor will Fund:				
i. Cash Investment	\$100			
ii. Contributed Land/Building	\$0			
iii. Deferred Developer Fee	\$179,038			(Note: Deferred Developer Fee cannot be negative.)
iv. Other: <u>Solar Equity</u>	\$54,000			
Equity Total	\$233,138			

2. Equity Gap Calculation

a. Total Development Cost	\$18,083,137		
b. Total of Permanent Funding, Grants and Equity	-	\$9,533,138	
c. Equity Gap		\$8,549,999	
d. Developer Equity	-	\$854	
e. Equity gap to be funded with low-income tax credit proceeds		\$8,549,145	

3. Syndication Information (If Applicable)

a. Actual or Anticipated Name of Syndicator:	Virginia Community Development Corporation		
Contact Person:	Steven Bleile	Phone:	(804) 842-6231
Street Address:	1840 W. Broad Street, Ste 200		
City:	Richmond	State:	VA
		Zip:	23220
b. Syndication Equity			
i. Anticipated Annual Credits		\$950,000.00	
ii. Equity Dollars Per Credit (e.g., \$0.85 per dollar of credit)		\$0.900	
iii. Percent of ownership entity (e.g., 99% or 99.9%)		99.99000%	
iv. Syndication costs not included in Total Development Costs (e.g., advisory fees)		\$0	
v. Net credit amount anticipated by user of credits		\$949,905	
vi. Total to be paid by anticipated users of credit (e.g., limited partners)		\$8,549,145	
c. Syndication:	Private		
d. Investors:	Corporate		

4. Net Syndication Amount

Which will be used to pay for Total Development Costs \$8,549,145

5. Net Equity Factor

Must be equal to or greater than 85% 90.0000000000%

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		\$18,083,137
2. Less Total of Permanent Funding, Grants and Equity	-	\$9,533,138
3. Equals Equity Gap		\$8,549,999
4. Divided by Net Equity Factor (Percent of 10-year credit expected to be raised as equity investment)		90.0000000000%
5. Equals Ten-Year Credit Amount Needed to Fund Gap		\$9,499,999
Divided by ten years		10
6. Equals Annual Tax Credit Required to Fund the Equity Gap		\$950,000
7. Maximum Allowable Credit Amount (from Eligible Basis Calculation)		\$1,653,978
8. Requested Credit Amount	For 30% PV Credit:	\$0
	For 70% PV Credit:	\$950,000
Credit per LI Units	\$11,046.5116	
Credit per LI Bedroom	\$11,046.5116	
	Combined 30% & 70% PV Credit Requested	\$950,000

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	\$70,897
Plus Other Income Source (list): <u>Commercial space rent, laundry</u>	<u>\$9,000</u>
Equals Total Monthly Income:	<u>\$79,897</u>
Twelve Months	x12
Equals Annual Gross Potential Income	\$958,764
Less Vacancy Allowance <u>7.0%</u>	<u>\$67,113</u>
Equals Annual Effective Gross Income (EGI) - Low Income Units	<u>\$891,651</u>

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

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

3. Cash Flow (First Year)

a. Annual EGI Low-Income Units	\$891,651
b. Annual EGI Market Units	\$0
c. Total Effective Gross Income	\$891,651
d. Total Expenses	\$606,248
e. Net Operating Income	\$285,403
f. Total Annual Debt Service	\$216,820
g. Cash Flow Available for Distribution	\$68,583

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	891,651	909,484	927,673	946,227	965,151
Less Oper. Expenses	606,248	624,435	643,169	662,464	682,337
Net Income	285,403	285,048	284,505	283,763	282,814
Less Debt Service	216,820	216,820	216,820	216,820	216,820
Cash Flow	68,583	68,228	67,685	66,943	65,994
Debt Coverage Ratio	1.32	1.31	1.31	1.31	1.30

	Year 6	Year 7	Year 8	Year 9	Year 10
Eff. Gross Income	984,454	1,004,143	1,024,226	1,044,711	1,065,605
Less Oper. Expenses	702,808	723,892	745,609	767,977	791,016
Net Income	281,647	280,251	278,618	276,734	274,589
Less Debt Service	216,820	216,820	216,820	216,820	216,820
Cash Flow	64,827	63,431	61,798	59,914	57,769
Debt Coverage Ratio	1.30	1.29	1.29	1.28	1.27

	Year 11	Year 12	Year 13	Year 14	Year 15
Eff. Gross Income	1,086,917	1,108,655	1,130,828	1,153,445	1,176,514
Less Oper. Expenses	814,747	839,189	864,365	890,296	917,004
Net Income	272,170	269,466	266,464	263,149	259,509
Less Debt Service	216,820	216,820	216,820	216,820	216,820
Cash Flow	55,350	52,646	49,644	46,329	42,689
Debt Coverage Ratio	1.26	1.24	1.23	1.21	1.20

Estimated Annual Percentage Increase in Revenue 2.00% (Must be < 2%)
 Estimated Annual Percentage Increase in Expenses 3.00% (Must be > 3%)

U. Building-by-Building Information

Must Complete

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).

Number of BINS: 1

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

Bldg #	BIN if known	NUMBER OF		Street Address 1	Street Address 2	City	State	Zip	30% Present Value Credit for Acquisition				30% Present Value Credit for Rehab / New Construction				70% Present Value Credit			
		TAX CREDIT UNITS	MARKET RATE UNITS						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.	86			1900 Cool Lane		Richmond	VA	23223				\$0				\$0	\$18,377,538	10/01/22	9.00%	\$1,653,978
2.												\$0				\$0				\$0
3.												\$0				\$0				\$0
4.												\$0				\$0				\$0
5.												\$0				\$0				\$0
6.												\$0				\$0				\$0
7.												\$0				\$0				\$0
8.												\$0				\$0				\$0
9.												\$0				\$0				\$0
10.												\$0				\$0				\$0
11.												\$0				\$0				\$0
12.												\$0				\$0				\$0
13.												\$0				\$0				\$0
14.												\$0				\$0				\$0
15.												\$0				\$0				\$0
16.												\$0				\$0				\$0
17.												\$0				\$0				\$0
18.												\$0				\$0				\$0
19.												\$0				\$0				\$0
20.												\$0				\$0				\$0
21.												\$0				\$0				\$0
22.												\$0				\$0				\$0
23.												\$0				\$0				\$0
24.												\$0				\$0				\$0
25.												\$0				\$0				\$0
26.												\$0				\$0				\$0
27.												\$0				\$0				\$0
28.												\$0				\$0				\$0
29.												\$0				\$0				\$0
30.												\$0				\$0				\$0
31.												\$0				\$0				\$0
32.												\$0				\$0				\$0
33.												\$0				\$0				\$0
34.												\$0				\$0				\$0
35.												\$0				\$0				\$0
		86	0	Totals from all buildings						\$0	\$0	\$0	\$0	\$18,377,538				\$1,653,978		

Number of BINS: 1

V. STATEMENT OF OWNER

The undersigned hereby acknowledges the following:

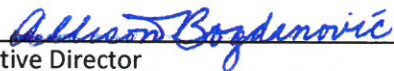
1. that, to the best of its knowledge and belief, all factual information provided herein or in connection herewith is true and correct, and all estimates are reasonable.
2. that it will at all times indemnify and hold harmless VHDA and its assigns against all losses, costs, damages, VHDA's expenses, 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.
15. 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: Cool Lane Apartments, LLC
By: Cool Lane Apartments Development Corporation,
Inc., its Managing Member

By: 
Its: Executive Director
(Title)

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:

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

Included		Score
Y	Y or N	0
Y	Y or N	0
Y	Y or N	0
Y	Y or N	0
Y	Y or N	0
Y	Y or N	0
Y	Y or N	0
Y	Y or N	0
Y	Y, N, N/A	0
Y	Y or N	0
Y	Y or N	0
Y	Y or N	0
Y	Y or N	0
Y	Y or N	0
Y	Y or N	0
Total:		<u>0.00</u>

1. READINESS:

- a. VHDA notification letter to CEO (via Locality Notification Information Application)
- b. Local CEO Opposition Letter
- c. Plan of development
- d. Location in a revitalization area based on Qualified Census Tract
- e. Location in a revitalization area with resolution
- f. Location in a Opportunity Zone

Y	0 or -50	0.00
N	0 or -25	0.00
N	0 or 40	0.00
Y	0 or 10	10.00
N	0 or 15	0.00
N	0 or 15	0.00
Total:		<u>10.00</u>

2. HOUSING NEEDS CHARACTERISTICS:

- a. Sec 8 or PHA waiting list preference
- b. Existing RD, HUD Section 8 or 236 program
- c. Subsidized funding commitments
- d. Tax abatement on increase of property's value
- e. New project based rental subsidy (HUD or RD)
- f. Census tract with <12% poverty rate
- g. Development listed on the Rural Development Rehab Priority List
- h. Dev. located in area with little or no increase in rent burdened population
- i. Dev. located in area with increasing rent burdened population

Y	0 or up to 5	4.07
N	0 or 20	0.00
16.65%	Up to 40	33.29
N	0 or 5	0.00
Y	0 or 10	10.00
12%	0, 20, 25 or 30	20.00
N	0 or 15	0.00
N	Up to -20	0.00
Y	Up to 20	20.00
Total:		<u>87.36</u>

2019 Low-Income Housing Tax Credit Application For Reservation

3. DEVELOPMENT CHARACTERISTICS:

a. Amenities (See calculations below)			60.25
b. Project subsidies/HUD 504 accessibility for 5 or 10% of units	Y	0 or 60	60.00
or c. HCV Payment Standard/HUD 504 accessibility for 5 or 10% of units	N	0 or 30	0.00
or d. HUD 504 accessibility for 5% of units	N	0 or 15	0.00
e. Proximity to public transportation (within Northern VA or Tidewater)	Y10	0, 10 or 20	10.00
f. Development will be Green Certified	Y	0 or 10	10.00
g. Units constructed to meet VHDA's Universal Design standards	100%	Up to 15	15.00
h. Developments with less than 100 units	Y	up to 20	5.60
i. Historic Structure	N	0 or 5	0.00
Total:			<u>160.85</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	0 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)	15.12%	Up to 10	10.00
e. Units with rent and income at or below 50% of AMI	100.00%	Up to 50	50.00
f. Units with rents at or below 50% rented to tenants at or below 60% of AMI	100.00%	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>60.00</u>

5. SPONSOR CHARACTERISTICS:

a. Developer experience - 3 developments with 3 x units or 6 developments with 1 x units	Y	0 or 50	50.00
or b. Developer experience - 3 developments and at least 500,000 in liquid assets	N	0 or 50	0.00
or c. Developer experience - 1 development with 1 x units	N	0 or 10	0.00
d. Developer experience - life threatening hazard	N	0 or -50	0.00
e. Developer experience - noncompliance	N	0 or -15	0.00
f. Developer experience - did not build as represented	0	0 or -2x	0.00
g. Developer experience - failure to provide minimum building requirements	N	0 or -20	0.00
h. Developer experience - termination of credits by VHDA	N	0 or -10	0.00
i. Developer experience - exceeds cost limits at certification	N	0 or -50	0.00
j. Management company rated unsatisfactory	N	0 or -25	0.00
Total:			<u>50.00</u>

6. EFFICIENT USE OF RESOURCES:

a. Credit per unit		Up to 200	89.71
b. Cost per unit		Up to 100	16.49
Total:			<u>106.20</u>

7. BONUS POINTS:

a. Extended compliance	0 Years	40 or 50	0.00
or b. Nonprofit or LHA purchase option	Y	0 or 60	60.00
or c. Nonprofit or LHA Home Ownership option	N	0 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	0 or 10	0.00
Total:			<u>60.00</u>

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

TOTAL SCORE: 534.41

2019 Low-Income Housing Tax Credit Application For Reservation

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	22.25
c. Sub metered water expense	5	0.00
d. Watersense labeled faucets, toilets and showerheads	3	0.00
e. Infrastructure for high speed internet/broadband	1	1.00
f. Free WiFi Access in community room	4	4.00
g. Each unit provided free individual high speed internet access	6	0.00
h. Each unit provided free individual WiFi	8	8.00
i. Bath Fan - Delayed timer or continuous exhaust	3	3.00
j. Baths equipped with humidistat	3	0.00
k. Cooking Surfaces equipped with fire prevention features	4	4.00
l. Cooking surfaces equipped with fire suppression features	2	0.00
m. Rehab only: dedicated space to accept permanent dehumidification system	2	0.00
n. Provides Permanently installed dehumidification system	5	5.00
o. All interior doors within units are solid core	3	3.00
p. USB in kitchen, living room and all bedrooms	1	1.00
q. LED Kitchen Light Fixtures	2	2.00
r. Shelf or Ledge at entrance within interior hallway	2	2.00
s. New Construction: Balcony or patio	4	0.00
		<u>60.25</u>
 All elderly units have:		
t. Front-control ranges	1	0.00
u. Independent/suppl. heat source	1	0.00
v. Two eye viewers	1	0.00
		<u>0.00</u>
Total amenities:		<u><u>60.25</u></u>

X. Development Summary

Summary Information

2019 Low-Income Housing Tax Credit Application For Reservation

Deal Name: Cool Lane Apartments

Cycle Type: 9% Tax Credits
Allocation Type: Adaptive Reuse
Total Units: 86
Total LI Units: 86
Project Gross Sq Ft: 90,347.23
Green Certified?: TRUE

Requested Credit Amount: \$950,000
Jurisdiction: Henrico County
Population Target: General
Owner Contact: Allison Bogdanovic

Total Score 534.41

Source of Funds	Amount	Per Unit	Per Sq Ft	Annual Debt Service
Permanent Financing	\$9,300,000	\$108,140	\$103	\$216,820

Uses of Funds - Actual Costs				
Type of Uses	Amount	Per Unit	Sq Ft	% of TDC
Improvements	\$9,955,000	\$115,756	\$110	55.05%
General Req/Overhead/Profit	\$1,393,700	\$16,206	\$15	7.71%
Other Contract Costs	\$207,500	\$2,413	\$2	1.15%
Owner Costs	\$4,789,297	\$55,690	\$53	26.48%
Acquisition	\$0	\$0	\$0	0.00%
Developer Fee	\$1,737,640	\$20,205	\$19	9.61%
Total Uses	\$18,083,137		\$210,269	

Total Development Costs	
Total Improvements	\$16,345,497
Land Acquisition	\$0
Developer Fee	\$1,737,640
Total Development Costs	\$18,083,137

Income	
Gross Potential Income - LI Units	\$958,764
Gross Potential Income - Mkt Units	\$0
Subtotal	\$958,764
Less Vacancy %	7.00%
Effective Gross Income	\$891,651

Rental Assistance? TRUE

Expenses		
Category	Total	Per Unit
Administrative	\$267,508	\$3,111
Utilities	\$100,000	\$1,163
Operating & Maintenance	\$138,920	\$1,615
Taxes & Insurance	\$74,020	\$861
Total Operating Expenses	\$580,448	\$6,749
Replacement Reserves	\$25,800	\$300
Total Expenses	\$606,248	\$7,049

Cash Flow	
EGI	\$891,651
Total Expenses	\$606,248
Net Income	\$285,403
Debt Service	\$216,820
Debt Coverage Ratio (YR1):	1.32

Proposed Cost Limit/Unit: \$210,269
Applicable Cost Limit/Unit: \$259,224
Proposed Cost Limit/Sq Ft: \$200
Applicable Cost Limit/Sq Ft: \$281

Unit Breakdown	
Supp Hsg	86
# of Eff	0
# of 1BR	0
# of 2BR	0
# of 3BR	0
# of 4+ BR	0
Total Units	0

	Income Levels	Rent Levels
	# of Units	# of Units
<=30% AMI	0	0
40% AMI	13	13
50% AMI	73	73
60% AMI	0	0
>60% AMI	0	0
Market	0	0

Income Averaging? TRUE

Extended Use Restriction? 30

2019 Low-Income Housing Tax Credit Application For Reservation

\$/SF = **\$198.68** Credits/SF = **11.13021** Const \$/unit = **\$134,374.4186**

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

11000
400
2

*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	992.48	0.00	0.00	0.00	0.00	0.00	0.00
NUMBER OF UNITS	86	0	0	0	0	0	0
PARAMETER-(COSTS=>35,000)	236,131	0	0	0	0	0	0
PARAMETER-(COSTS<35,000)	0	0	0	0	0	0	0
PARAMETER-(COSTS=>50,000)	236,131	0	0	0	0	0	0
PARAMETER-(COSTS<50,000)	0	0	0	0	0	0	0
COST PARAMETER	236,131	0	0	0	0	0	0
PROJECT COST PER UNIT	197,188	0	0	0	0	0	0
PARAMETER-(CREDITS=>35,000)	20,032	0	0	0	0	0	0
PARAMETER-(CREDITS<35,000)	0	0	0	0	0	0	0
PARAMETER-(CREDITS=>50,000)	20,032	0	0	0	0	0	0
PARAMETER-(CREDITS<50,000)	0	0	0	0	0	0	0
CREDIT PARAMETER	20,032	0	0	0	0	0	0
PROJECT CREDIT PER UNIT	11,047	0	0	0	0	0	0
COST PER UNIT POINTS	16.49	0.00	0.00	0.00	0.00	0.00	0.00
CREDIT PER UNIT POINTS	89.71	0.00	0.00	0.00	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-TH
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 **16.49**

TOTAL CREDIT PER UNIT POINTS **89.71**

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	236,131	0	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
Adjusted Cost Parameter	236,131	0	0	0	0	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	20,032	0	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
Adjusted Credit Parameter	20,032	0	0	0	0	0	0

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
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

	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	236,131	0	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
Adjusted Cost Parameter	236,131	0	0	0	0	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	20,032	0	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
Adjusted Cost Parameter	20,032	0	0	0	0	0	0

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
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

	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

400
2

i-TH
00
|
|
|
|
|
|
|
|
)
)
|
|
|
|
|
)
)
00
00

t-TH
)
)
)
)
)
)
)

t-TH
)
)
)
)
)
)
)

t-TH
)
)
)
)
)
)
)

t-TH
)
)
)
)
)
)
)

2019 Low-Income Housing Tax Credit Application For Reservation

\$/SF = **\$198.68** Credits/SF = **11.13021** Const \$/unit = **\$134,374.42**

TYPE OF PROJECT GENERAL = 11000; ELDERLY = 12000
 LOCATION Inner-NVA=100; Outer-NV=200; NWNCR=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

11000
400
2

*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	992.48	0.00	0.00	0.00	0.00	0.00	0.00
NUMBER OF UNITS	86	0	0	0	0	0	0
PARAMETER-(COSTS=>35,000)	236,131	0	0	0	0	0	0
PARAMETER-(COSTS<35,000)	0	0	0	0	0	0	0
PARAMETER-(COSTS=>50,000)	236,131	0	0	0	0	0	0
PARAMETER-(COSTS<50,000)	0	0	0	0	0	0	0
COST PARAMETER	236,131	0	0	0	0	0	0
PROJECT COST PER UNIT	197,188	0	0	0	0	0	0
PARAMETER-(CREDITS=>35,000)	20,032	0	0	0	0	0	0
PARAMETER-(CREDITS<35,000)	0	0	0	0	0	0	0
PARAMETER-(CREDITS=>50,000)	20,032	0	0	0	0	0	0
PARAMETER-(CREDITS<50,000)	0	0	0	0	0	0	0
CREDIT PARAMETER	20,032	0	0	0	0	0	0
PROJECT CREDIT PER UNIT	11,047	0	0	0	0	0	0
COST PER UNIT POINTS	16.49	0.00	0.00	0.00	0.00	0.00	0.00
CREDIT PER UNIT POINTS	89.71	0.00	0.00	0.00	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-TH
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 **16.49**

TOTAL CREDIT PER UNIT POINTS **89.71**

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	236,131	0	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
Adjusted Cost Parameter	236,131	0	0	0	0	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	20,032	0	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
Adjusted Credit Parameter	20,032	0	0	0	0	0	0

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
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

	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 \$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
Standard Cost Parameter - low rise	236,131	0	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
Adjusted Cost Parameter	236,131	0	0	0	0	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	20,032	0	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
Adjusted Cost Parameter	20,032	0	0	0	0	0	0

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
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

	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

400
2

4-TH
00
)
)
)
)
00
00

t-TH
)
)
)
)
)
)
)

t-TH
)
)
)
)
)
)
)

t-TH
)
)
)
)
)
)
)

t-TH
)
)
)
)
)
)
)

A

Partnership or Operating Agreement

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

**OPERATING AGREEMENT
OF
COOL LANE APARTMENTS, LLC**

This Operating Agreement (“Agreement”) of **COOL LANE APARTMENTS, LLC**, a Virginia limited liability company (the “Company”), is made and entered into as of February 5, 2019, by and between Cool Lane Apartments Development Corporation, Inc., a Virginia corporation, as the Managing Member, and Virginia Supportive Housing, a Virginia nonstock corporation, as the Investor Member (collectively, the “Initial Members”).

**Article I.
Operating Agreement and Purpose**

A. *Formation.* The Members acknowledge and affirm the formation of this limited liability company on February 1, 2019 and execute and adopt this Agreement pursuant to the Virginia Limited Liability Company Act, Section 13.1-1000 *et seq.*, as amended and in force from time to time (the “Act”).

B. *Name.* The name of the limited liability company is **Cool Lane Apartments, LLC** (the “Company”).

C. *Purpose.* The primary purpose of the Company is to acquire, finance, develop, own, maintain, improve, operate, lease and, if appropriate or desirable, sell or otherwise dispose of certain interests in real and personal property. The Company may engage in any and all other lawful activities as may be necessary, incidental or convenient to carrying out the business of the Company as contemplated by this Agreement. The Company may also pursue any other lawful activity that is approved by the Members.

D. *Office.* The principal office of the Company shall be located at 8002 Discovery Drive, Suite 201, Richmond, VA 23229, or at such other place as the Manager may from time to time designate. The Company may have other offices at any place of places as may be determined by the Manager.

E. *Term.* The term of the Company commenced on the date of Certification of the Articles of Organization by the Virginia State Corporation Commission, and shall continue for so long as is provided for in the Articles of Organization, unless sooner dissolved and terminated as provided in this Agreement.

F. *Tax Matters Member/Partner.* To the extent that such a designation is required pursuant to the Code or the Regulations, the parties hereto agree to the designation of James Mellendick as the Tax Matters Member of the Company who shall fulfill the role of a “tax matters partner” pursuant to Section 6231 of the Internal Revenue Code of 1986, as amended, (the “Code”), with full power and authority to act on behalf of the Company and the Members in such capacity.

G. *Registered Office and Registered Agent.* The Company’s initial registered agent for service of process on the Company shall be T. Preston Lloyd, who is a resident of Virginia and a

member of the Virginia State Bar, or any successor as appointed by the Members, and the address of such agent shall be Williams Mullen Center, 200 South 10th Street, Richmond, Virginia 23219, or any other address designated from time to time by the Members. The registered office and the registered agent may be changed from time to time by filing the address of the new registered office and/or the name of the new registered agent with the State Corporation Commission of Virginia pursuant to the Act.

Article II. Capital Contributions

A. *Capital Contributions.* The initial capital contributions to the Company by the Initial Members are set forth on Schedule A attached hereto, which is incorporated in this Agreement by this reference. Additional capital contributions shall only be made as agreed upon by all the Members at that time. The initial capital contributions and the additional capital contributions shall be collectively referred to as the “Capital Contributions.”

B. *Membership Interests.* The percentage interest of each Member in the Company (“Membership Interest” or “Interest”) is as set forth on Schedule A attached hereto, which is incorporated in this Agreement by this reference.

C. *Member.* The term “Member” or “Members” shall include the Initial Members and any other contributor of capital for a Membership Interest and any assignee, transferee, successor, legatee or dispose of all or any part of a Membership Interest who is admitted to the Company as a Member pursuant to Article VII. The terms “Member” or “Members” shall also include any transferee of a Membership Interest who is not admitted as a Member, but such transferee’s rights and obligations hereunder shall only be as set forth in Article VII.A.

D. *Capital Accounts.* Capital Accounts will be maintained in accordance with Section 704 of the Code and the Treasury Regulations promulgated thereunder. It is the intent of the Members to comply with the purposes of these laws and this Agreement should be construed accordingly. Property contributions will be reflected in these accounts on the basis of fair market value at the time of contribution, even though the tax basis to the Company may be different.

E. *Interest and Return of Capital Contributions.* No Member shall be entitled to interest on its Capital Contribution. No Member shall be entitled to withdraw any part of its Capital Contribution or its Capital Account or to receive any distribution from the Company, and there shall be no obligation to return to any Member or withdrawn Member any part of such Member’s Capital Contributions for so long as the Company continues in existence, except as specifically provided in this Agreement.

F. *Loans.* Loans or advances by any Member to the Company shall not be considered Capital Contributions and shall not increase the Capital Account balance of the lending or advancing Member. No Member shall be required under any circumstances to contribute or lend any money or property to the Company.

Article III.
Allocation of Profits and Losses

A. *Profits and Losses.* “Profits” and “Losses” shall mean the taxable income or loss, as the case may be, for a period (or from a transaction) as determined in accordance with Section 703(a) of the Code (for this purpose, all items of income, gain, loss or deduction required to be separately stated pursuant to Section 703(a)(1) of the Code shall be included in taxable income or loss), but computed with the following adjustments:

1. Any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Profits and Losses shall be added to such taxable income or loss;

2. Any expenditures of the Company as described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Treasury Regulation Section 1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Profits or Losses shall be subtracted from such taxable income or loss;

3. In the event of any adjustment to the book value of any Company asset as permitted by the Treasury Regulations under Section 704(b) of the Code, the amount of such adjustments shall be taken into account as gain or loss from the disposition of such asset;

4. In the event the book value of any asset has been adjusted, gain or loss resulting from the disposition of such asset shall thereafter be computed by reference to its adjusted book value, which shall reflect depreciation deductions which take into account the adjustments made to the book value thereof, notwithstanding the fact that the adjusted tax basis of such asset may be different; and

5. Notwithstanding any other provisions of this definition, any items which are specially allocated pursuant to Article III.C. shall not be taken into account in computing Profits or Losses.

B. *Allocation of Profits and Losses.* After giving effect to the special allocations provided in Article III.C, including any curative allocations as provided therein, the Profits and Losses of the Company for any fiscal year shall be allocated to the Members in proportion to their respective Membership Interests.

C. *Special and Curative Allocations.*

1. The provisions of the final and temporary Treasury Regulations promulgated under Internal Revenue Code Section 704(b) relating to the qualified income offset, minimum gain chargeback, minimum gain chargeback with respect to partner nonrecourse debt, the allocation of nonrecourse deductions and the allocation of items of deduction, loss or expenditure relating to partner nonrecourse debt are hereby incorporated in this Agreement by this reference and shall be applied to the allocation of Company items of income, gain, loss or deduction in the manner provided in such Treasury Regulations. However, the Members do not intend that the “deficit

restoration obligation” described in Section 1.704-1(b)(2)(ii)(b) or (c) of the Treasury Regulations or any successor provision thereto be incorporated into this Agreement.

2. The foregoing regulatory allocations are intended to comply with certain requirements of the Treasury Regulations. However, it is the intent of the Members that, to the extent possible, all of the regulatory allocations shall be offset either with other regulatory allocations or with special allocations of other items of Company income, gain, loss or deduction. Therefore, notwithstanding any other provision of this Article III (other than the regulatory allocations), the Members shall make such offsetting allocations of Company income, gain, loss or deduction in whatever manner the Member’s determine appropriate so that, after such offsetting allocations are made, each Member’s Capital Account balance is, to the extent possible, equal to the Capital Account balance such Member would have had if the regulatory allocations were not a part of this Agreement and all Company items were allocated pursuant to Article III.B. The Members may take into account future regulatory allocations which, although not yet made, are likely to offset other regulatory allocations made under this Article III.C.

D. *Other Allocation Rules.*

1. For purposes of determining the profits, losses, or any other items allocable to any period, profits, losses, and any such other items shall be determined on a daily, monthly, or other basis, as determined by the Members using any permissible method under Code Section 706 and the Treasury Regulations thereunder.

2. Except as otherwise provided in this Agreement, all items of the Company’s income, gain, loss, deduction, and any other allocations not otherwise provided for shall be divided among the Members in the same proportions as they share Profits or Losses, as the case may be, for the year.

3. Except as otherwise provided in this Agreement, all items of income, gain, loss or deduction for federal income tax purposes shall be allocated to the Members in the same manner as the corresponding book allocations of such items as provided in this Article III.

4. Notwithstanding anything herein to the contrary, in the event that the principles of Section 704(c) of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder, require allocations of taxable income or loss of the Company in a manner different than that set forth above, including any instances in which the book value of Company’s assets has been adjusted as permitted under the Treasury Regulations, the provisions of Section 704(c) and the regulations thereunder shall control such allocations among the Members.

E. *Distributions.*

1. Except as otherwise provided in Article III.E.2 hereof, all distributions to the Members of cash or other property, except distributions upon the Company’s dissolution (which shall be governed by Article X) shall be made solely upon the affirmative vote of Members holding a majority of the Membership Interests. Notwithstanding the foregoing, in the event any distribution is made it shall be in accordance with the Members’ respective Membership Interests in

the Company. All amounts withheld pursuant to the Code or pursuant to any provisions of federal, state or local tax law with respect to any payment or distribution to the Members from the Company shall be treated as amounts distributed to the relevant Member or Members pursuant to this Article III.E.1. All distributions shall be subject to the terms of the Act and such other governmental restrictions as are now and may hereafter become effective.

2. Notwithstanding anything herein to the contrary, the Company shall make distributions to the Members during, or within ninety (90) days after the close of, each tax year of the Company which, when aggregated with all other distributions paid by the Company during the applicable tax year, are at least equal to the sum necessary to enable the Members to pay their federal and state income tax liabilities attributable to the taxable income allocated to them by the Company for such tax year of the Company. Such amount shall be determined using the maximum income tax rate of any Member.

F. *Tax Year and Accounting Methods.* It is the intent of the Members that this Company be treated as a partnership solely for federal and state tax purposes. The taxable year of the Company shall be the calendar year. The Company books and records shall be maintained on such basis of accounting as may be determined as proper by the certified public accountant regularly employed by the Company at that time (the "Company's Accountant"). The Company's Accountant is authorized to use good judgment in making determinations with respect to the treatment of particular items which are not clearly covered here or which would result in a violation of federal or state income tax laws as they exist from time to time.

Article IV. Management and Rights of Members

A. *Managers.* The Company shall be managed under the direction of a Manager. The Manager shall be elected and removed by the Members as provided in Section IV.D. The initial Manager of the Company shall be Cool Lane Apartments Development Corporation, Inc.

B. *General Powers of the Manager.*

1. Except as otherwise limited in this Operating Agreement, the Manager shall have the exclusive right to manage the Company and to make all decisions regarding the business of the Company. The Manager shall carry out the policies, directions, orders and resolutions of the Members in the manner described in this Operating Agreement and as authorized and directed by the Members from time to time. To the extent not inconsistent with the Act, the Articles or the express provisions of this Operating Agreement, the Managers shall have the same rights, powers and authority with respect to the Company. The Manager may delegate prescribed functions to any employee, agent or consultant.

2. The Manager is granted the right, power and authority to do in the name of, and on behalf of, the Company all things that, in his sole judgment, are necessary, proper or desirable to carry out the purposes of the Company, including, but not limited to, the right, power and authority to:

a. Enter into, make and perform contracts, agreements and other undertakings binding the Company that may be necessary, appropriate or advisable in furtherance of the purposes of the Company.

b. Open and maintain bank accounts, investment accounts and other arrangements, draw checks and other orders for the payment of money, and designate individuals with authority to sign or give instructions with respect to those accounts and arrangements; provided, that Company funds shall not be commingled with funds from other sources and shall be used solely for the benefit of the Company.

c. Collect funds due to the Company.

d. Acquire, utilize for the Company's purposes, maintain and dispose of any assets of the Company.

e. Pay debts and obligations of the Company, to the extent that funds of the Company are available therefor.

f. Borrow money or otherwise commit the credit of the Company for Company activities, and voluntarily prepay or extend any such borrowings.

g. Employ from time to time persons, firms or corporations for the operation and management of the Company, including, without limitation, managing agents, contractors, subcontractors, architects, engineers, laborers, suppliers, accountants and attorneys, on such terms and for such compensation as the Manager shall determine, notwithstanding the fact that the Manager or any Member may have a financial interest in such firms or corporations.

h. Make elections available to the Company under the Code.

i. Register the Company as a tax shelter with the Internal Revenue Service and furnish to the Internal Revenue Service lists of investors in the Company, if required, pursuant to applicable provisions of the Code.

j. Obtain general liability, property and other insurance for the Company, as the Managers deems proper.

k. Take such actions as may be directed by the Members in furtherance of their approval of any matter set forth in Article IV hereof.

l. Do and perform all such things and execute, acknowledge and deliver any and all such instruments as may be in furtherance of the Company's purposes and necessary and appropriate to the conduct of its business.

m. To own, acquire by lease or purchase, develop, maintain, and provide, grant options with respect to, sell, convey, finance, assign, mortgage, or lease real estate and/or personal property and to cause to have constructed improvements upon any real estate

necessary, convenient or incidental to the accomplishment of the purposes of Company.

3. All actions taken by the Manager on behalf of the Company from the date of its organization to the execution of this Agreement are ratified and confirmed.

C. *Tenure.* The Manager shall hold office until his death, resignation, disqualification or removal.

D. *Removal; Vacancy.* A Manager may be removed only for cause, which for these purposes shall mean a Manager's material default in the performance of its duties hereunder and failure to cure such material default within sixty (60) days. Such removal shall be without prejudice to the contractual rights, if any, of the person so removed. Any vacancy created or caused by removal, death, resignation or disqualification shall be filled by the affirmative vote of the Members holding a majority of the Membership Interests entitled to vote.

E. *Compensation.* The compensation, if any, of the Manager shall be fixed from time to time by the Members. The Managers shall be entitled to reimbursement for expenses incurred by them in performing their duties, according to the policies set by the Members from time to time. Any amount paid as compensation to a Manager who is also a Member shall be treated as a guaranteed payment in accordance with Code Section 707(c).

F. *Power of Attorney.*

1. Each Member does hereby irrevocably constitute and appoint the Manager serving in office from time to time, and each of them, as the Company's true and lawful attorney-in-fact, with full power and authority in their or its name, place and stead, to make, execute, consent to, swear to, acknowledge, record and file from time to time any and all of the following:

a. Any certificate or other instrument that may be required to be filed by the Company or the Members under the laws of the Commonwealth of Virginia or under the applicable laws of any other jurisdiction to the extent the Manager deems any such filing to be necessary or desirable;

b. Any instrument or document which may be required to effect the continuation of the Company, the admission of an additional or substitute Member, or the dissolution and termination of the Company pursuant to the provisions of this Operating Agreement; and

c. Any agreement, instrument, lease, deed, deed of trust, promissory note, certificate or other document in the name or on behalf of the Company which is necessary or appropriate to implement, effectuate or otherwise carry out any transaction to which the Company is a party or to which the Company or any of its assets is or may be subject, provided such transaction has been approved by the Manager or the Members, as the case may be, in accordance with the provisions of this Operating Agreement.

2. The appointment by each Member of the Manager of the Company as his attorney-in-fact is irrevocable and shall be deemed to be a power coupled with an interest and shall survive the disability, incompetence, bankruptcy, death or dissolution of any person given such power, except, that in the event of an assignment by a Member of all or any part of his membership interest, this power of attorney shall survive such assignment only until such time, if any, as the successor in interest shall have been admitted to the Company as a substitute member and all required documents and instruments shall have been duly executed, filed and recorded to effect such substitution.

G. *Managers Have No Exclusive Duty to Company.* Unless otherwise expressly provided hereunder or under any other agreement entered into between the Company and such Manager, a Manager shall not be required to manage the Company as his sole and exclusive function, and he may have other business interests and may engage in other activities in addition to those relating to the Company, and neither the Company nor any Member shall have any right, by virtue of this Agreement, to share or participate in such other investments or activities of such Manager or to the income or proceeds derived therefrom.

H. *Transactions with Managers.* The Managers (a) may appoint, employ, contract or otherwise deal with any person, including the Manager or an affiliate thereof, and with persons that have a financial interest in the Manager or in which the Manager has a financial interest, for transacting the Company's business, including the performance of any and all services or purchases of goods or other property which may at any time be necessary, proper, convenient or advisable in carrying on the business and affairs of the Company or in disposing of some or all of its assets; and (b) may otherwise enter into business transactions (including but not limited to the sale, merger, or other disposition of the Company or all or substantially all of its assets) with any such persons.

I. *Special Meetings.* A meeting of the Members, for any purpose or purposes, unless otherwise prescribed by statute, may be called by any Member or group of Members holding at least thirty percent (30.0%) of the Membership Interests entitled to vote. The Members will meet for the transaction of Company business at such places and times as are mutually convenient to them. Nothing in this Agreement will be construed as limiting the ability of the Members to transact Company business by unanimous written consent without a formal meeting.

J. *Notice of Meetings.* Written notice stating the place, day and hour of the meeting and the purpose or purposes for which the meeting is called shall be delivered not less than 10 nor more than 60 days before the date of the meeting, either personally or by mail, by or at the direction of the person or persons calling the meeting, to each Member entitled to vote at such meeting.

K. *Meeting of all Members.* If all of the Members meet at any time and place, either within or outside of the Commonwealth of Virginia, and consent to the holding of a meeting at such time and place, such meeting shall be valid without call or notice, and at such meeting lawful action may be taken.

L. *Quorum.* Members holding at least a majority of the Membership Interests entitled to vote at a meeting of the Members, represented in person or by proxy, shall constitute a quorum at any meeting of Members.

M. *Proxies.* At all meetings of Members, a Member may vote in person or by proxy executed in writing by the Member or by a duly authorized attorney-in-fact. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy.

N. *Action by Members Without a Meeting.* Any action required or permitted to be taken at a meeting of Members may be taken without a meeting if one or more written consents to such action are signed by each Member entitled to vote and such consent or consents are filed with the minutes of the proceedings of the Members. Action taken under this paragraph is effective when all Members entitled to vote have signed the consent or consents, unless the consent or consents specifies a different effective date. The record date for determining Members entitled to take action without a meeting shall be the date the first Member signs a written consent.

O. *Waiver of Notice.* When any notice is required to be given to any Member, a waiver thereof in writing signed by the Member entitled to such notice, whether before, at, or after the time stated therein, shall be equivalent to the giving of such notice.

P. *Majority Vote.* Except as otherwise provided in this Agreement, all decisions made by the Members will be made by an affirmative vote of the Members holding a majority of the Membership Interests entitled to vote. Recipients of a Membership Interest who have not been admitted as a Member shall have no voting rights except as required by law.

Q. *Other Ventures.* The Members may be involved in other business ventures, independently or with others, and neither the Company nor any of the Members shall have any rights by virtue of this Agreement in the independent ventures or the income or profits derived from them.

Article V. Indemnification

A. *Indemnification of Members and Managers.* The Members acknowledge, agree and desire that the liability of any Member or Manager to the Company or to any of the other Members shall be eliminated, to the maximum extent possible, pursuant to Virginia Code Section 13.1-1025, as amended. The provisions of this Article are in addition to, and not in substitution for, any other right to indemnity to which any person who is or may be indemnified by or pursuant to this Article may otherwise be entitled, and to the powers otherwise accorded by law to the Company to indemnify any such person and to purchase and maintain insurance on behalf of any such person against any liability asserted against or incurred by him in any capacity referred to in this Article or arising from his status as serving or having served in any such capacity (whether or not the Company would have the power to indemnify against such liability).

B. *Effect of Invalid Provisions.* If any provision of this Article shall be adjudicated invalid or unenforceable, such adjudication shall not be deemed to invalidate or otherwise affect any other provision hereof or any power of indemnity which the Company may have under the laws of the Commonwealth of Virginia.

C. *Survival of Indemnification Provisions.* No amendment or repeal of this Section shall limit or eliminate the right to indemnification provided hereunder with respect to acts or omissions occurring prior to such amendment or repeal.

D. *No Personal Liability to Members.* Notwithstanding the above, the indemnification provided in this Article or otherwise shall in no event cause the Members to incur any liability beyond their total Capital Contributions plus their share of any undistributed profits of the Company, nor shall it result in any liability of the Members to any third party.

Article VI. Transfer of Membership Interest

A. *No Right to Withdraw.* No Member shall have any right to voluntarily resign or otherwise withdraw from the Company during its term as provided for in the Articles of Organization without the prior written consent of all remaining Members of the Company. Any attempted resignation or withdrawal without the requisite consent shall be null and void and have no legal effect.

B. *Transfer of Interest.* No Member shall, directly or indirectly, transfer, sell, give, encumber, assign, pledge, or otherwise deal with or dispose of all or any part of his Membership Interest now owned or subsequently acquired by him, other than as provided for in this Agreement. Any transfer in violation of and without full compliance with this Agreement shall be void and without legal effect.

C. *Permitted Transfers.*

1. Notwithstanding the above, any Member (the “Transferring Member”) may transfer all or any portion of the Member’s Interest at any time to any of the following, hereinafter referred to as “Permitted Transferees”:

- a. Other Members;
- b. The children or other descendants of any Member; or
- c. A trustee who holds such Membership Interest in trust for the exclusive benefit of any one or more of such persons listed in paragraphs C.1.a. and C.1.b. of this Article IV, except that the spouse of a lineal descendant of the Transferring Member may hold an income interest in such a trust and/or a limited power to appoint the income and/or principal of such trust to a lineal descendant (or a trust for the benefit of a lineal descendant) of the Transferring Member.

2. Notwithstanding the restrictions set forth in paragraphs A. and B. above, any Membership Interest that is held by a custodian for a minor under the laws of the Commonwealth of Virginia or any other state shall be fully transferable and assignable to the minor when the minor reaches the age of termination of such custodianship under applicable law.

D. *Option Events in the Event of Death or Bankruptcy.*

1. A Member (the “Transferring Member”) shall be deemed to have offered to sell all of such Member’s Interest in the Company to the Company and the other Members (referred to as “Remaining Members”), as provided below, on the date of the occurrence of any of the following events (an “Option Event”):

a. The death of the Member, unless the deceased Member’s interest is transferred by will, intestate succession or otherwise to a Permitted Transferee as provided for in Article VI.C.1.

b. The bankruptcy (voluntary or involuntary) as adjudicated by a court, appointment of a receiver, or assignment for the benefit of the creditors of the Member.

The Transferring Member shall deliver written notice of any such event to the Company and each of the Remaining Members within ninety (90) days after the Option Event. If notice is not given within such ninety (90) day period, the Company and Remaining Members may, but shall not be required to, treat such notice as having been given on the 90th day and proceed with their rights to purchase as provided below. Failure to exercise such right shall not be deemed a waiver of such right until actual notice is delivered and the respective option periods have expired. No interest shall accrue on the purchase price for such Interest until the actual Closing Date.

2. *Remaining Member’s Right of Refusal.* Within sixty (60) days after receipt of the notice provided for in Article VI.D.1., the Remaining Members shall have the right to purchase all or any part of the Transferring Member’s Interest in proportion to their Membership Interest in the Company (excluding the Transferring Member’s Interest), or in such proportions as they may otherwise unanimously agree, at the price and upon the terms specified in Articles VIII and IX of this Agreement, respectively. Written notice of acceptance must be mailed or delivered to the Transferring Member within such sixty (60) day period.

3. *Company’s Right of Refusal.* If the Remaining Members fail to exercise their options with respect to the Interest of the Transferring Member, the Company, by a majority vote of the Interests of the Remaining Members, shall have the right, for a period of fifteen (15) days after the expiration of the Remaining Members’ sixty (60) day option period, to purchase all or any part of the remaining Interest of the Transferring Member at the price and upon the terms specified in Articles VIII and IX of this Agreement, respectively. Written notice of the Company’s acceptance must be mailed or delivered to the Transferring Member within such fifteen (15) day period.

4. *Failure to Exercise Options.* If the Company and the Remaining Members fail to acquire all of the Transferring Member’s Interest upon such offering, then the Transferring Member may transfer his remaining and unpurchased Interest to whomever he so designates. However, the transferee shall not become a Member unless admitted as such as provided in Article VII of this agreement.

E. *Non-Member's Interest.* For purposes of determining the Remaining Members' proportionate Interest in the Company as provided for in this Article, the Interest of Members who have not been admitted as such shall be ignored.

Article VII. Admission of a New Member

A. *Rights of Transferee.* Except as provided below for Permitted Transferees, any transfer of a Membership Interest as set forth in Article VI shall be effective only to give the transferee the right to receive the share of tax allocations and distributions to which the Transferring Member would otherwise be entitled. A Permitted Transferee, unless the Transferring Member expressly provides otherwise, shall have the right to become a substitute Member, if such Permitted Transferee agrees to be bound by all the terms and conditions of the Agreement as then in effect. No other transferee shall have the right to become a substitute Member unless all of the other Members, in the exercise of their sole and absolute discretion, expressly consent thereto in writing and the transferee agrees to be bound by all the terms and conditions of this Agreement as then in effect. Unless and until a transferee is admitted as a substitute Member, and except as provided above with respect to allocations and distributions, the transferee shall have no right to exercise any of the powers, rights, and privileges of a Member hereunder.

B. *Admission of New Member.* Additional Membership Interests may be issued by the Company and additional Members may be admitted to the Company only by unanimous agreement of the Members. The terms applicable to the admission of new Members will be as agreed by all the Members at that time.

C. *Rights of Transferring Member.* A Member who has assigned his Membership Interest shall cease to be a Member upon assignment of the Member's entire Membership Interest and thereafter shall have no further powers, rights, and privileges as a Member hereunder, but shall, unless otherwise relieved of such obligations by agreement of all of the other Members or by operation of law, remain liable for all obligations arising while he was a Member.

Article VIII. Purchase Price

A. *Value of Interest Being Transferred.* Unless the Company and the Members (Transferring and Remaining) unanimously agree in writing to a different price for the Interest being transferred hereunder, the purchase price for the Transferring Members' Interest offered for sale hereunder shall be determined as of the Valuation Date by an independent appraiser selected by the Company and the Transferring Member. If the Company and the Transferring Member cannot agree upon the selection of an independent appraiser, the Company and the Transferring Member shall each select one independent appraiser, and the two selected independent appraisers shall select a mutually acceptable third independent appraiser. The third independent appraiser shall independently determine the fair market value of the Transferring Member's Interest. The purchase price of the Transferring Member's Interest shall be the average of the three independent appraisers' determination of the fair market value of the Transferring Member's Interest. Any independent appraiser may employ other independent professionals to assist them in such valuation. The

determination of value by the independent appraiser shall be final and binding on all parties if made in good faith.

B. *Valuation Date.* The Valuation Date shall be the day on which an Option Event occurs.

C. *Allocation of Costs of Withdrawal.* If withdrawal is other than by reason of death, then \$5,000.00 of the costs of withdrawal incurred, in total, by the Company or any Member (other than the Transferring Member) including legal and accounting fees, will be charged to the Transferring Member and deducted from the value of the Transferring Member's Interest to the extent the Transferring Member does not pay the amounts before settlement. All additional costs and expenses above this amount shall be borne by the party that incurs the costs; provided however, all fees relating to the appraisal shall be borne one-half by the seller and one-half by the buyers (after taking into account the Transferring Member's obligation to paying the first \$5,000.00 of costs as provided, above).

Article IX. Settlement

A. *Settlement of Purchase.* The settlement of any purchase of an Interest under this Agreement shall be made on the Closing Date at the principal office of the Company, or if agreed to by the parties, the offices of the Company's legal counsel. The Closing Date shall be the date that is one hundred twenty (120) days after the date of receipt of the Transferring Member's written notice as required under Article VI, or such other date as agreed upon by the Transferring Member and those of the Company and Remaining Members who are purchasing any Interest.

1. *Payment.* Each purchaser of any Interest of a Transferring Member shall have the option of making payment of their portion of the respective purchase price (i) in cash or by certified check, (ii) by a promissory note, or (iii) partly in cash and partly by a promissory note.

2. *Interest Rate and Term.* The promissory note shall be executed by the appropriate purchaser or purchasers payable to the order of the Transferring Member, bearing simple interest on the unpaid principal balance at an annual rate equal to the applicable federal rate under Section 1274 of the Internal Revenue Code, as amended, determined as of the Closing Date, compounded monthly. The note shall provide for payment of both principal and accrued interest, in sixty (60) equal monthly installments. The first installment shall be payable on the date that is one (1) month after the Closing Date. The remaining installments shall be payable thereafter on the same day of each successive month until paid in full, provided, however, the entire indebtedness shall be paid in full on the date that is five (5) years from the date of the Closing Date.

3. *Option to Prepay.* The purchaser or purchasers shall have the unrestricted right to prepay the note in whole or in part, at any time and from time to time without penalty or premium; provided, however, that any such partial prepayment shall be in an amount of not less than \$5,000.00.

4. *Acceleration.* The note shall provide for optional acceleration of maturity in

the event of a default in payment of principal or interest, or upon the insolvency of, or the assertion of insolvency by or against any maker, endorser or guarantor of the note. In addition, the note will become due and payable in full if the Company sells substantially all of its assets and business, or enters into any legal arrangement which has substantially the same effect. The note shall provide for the reimbursement of reasonable attorney fees in the collection of all or any part of the note upon default. The note may be secured, at the option of the Transferring Member, by a pledge of the Member's Interest purchased, but not a specific pledge of the assets of the Company.

Article X. Dissolution

A. *Events Resulting in Dissolution.* The Company will be dissolved upon the occurrence of any of the following:

1. The unanimous written consent of all the Members;
 2. The adjudication of the Company as insolvent within the meaning of insolvency in either bankruptcy or equity proceedings, or the filing of an involuntary petition in bankruptcy against the Company (which is not dismissed within ninety (90) days), or the filing against the Company of a petition for reorganization under the Federal Bankruptcy Code or any state statute (which is not dismissed within ninety (90) days), or a general assignment by the Company for the benefit of creditors, or the voluntary claim (by the Company) that it is insolvent under any provisions of the Bankruptcy Code (or any state insolvency statutes), or the appointment for the Company of a temporary or permanent receiver, trustee, custodian, sequestrator, and such receiver, trustee, custodian, or sequestrator is not dismissed within ninety (90) days;
 3. At any time there are no members; however, the Company is not dissolved and is not required to be wound up if, within six months after the occurrence of the event that caused the dissociation of the last remaining Member, the personal representative of the last remaining Member agrees in writing to continue the Company until the admission of the personal representative of such Member or its nominee or designee to the Company as a Member, effective as of the occurrence of the event that caused the dissociation of the last remaining Member;
 4. The entry of a decree of judicial dissolution of the Company under the Act;
- or
5. When so determined in accordance with other specific provisions of this Agreement.

B. *Conclusion of Affairs.* In the event of the dissolution of the Company for any reason, the Members shall proceed promptly to wind up the affairs of and liquidate the Company. Except as otherwise provided in this Agreement, the Members shall continue to share distributions and tax allocations during the period of liquidation in the same manner as before the dissolution.

C. *Liquidating Distributions.* After providing for the payment of all debts and liabilities of the Company and all expenses of liquidation, and subject to the right of the Members

to set up such reserves as it may deem reasonably necessary for any contingencies or unforeseen liabilities or obligations of the Company, the proceeds of the liquidation and any other assets of the Company shall be distributed to or for the benefit of the Members in accordance with this Agreement. Unless the Members entitled to vote (by a majority vote) agree to some other form of distribution, the distributions to the Members upon liquidation shall be made in kind based on the fair market value of the Company's assets at that time. If such distribution is in kind, each Member shall take a fractional interest in each and every asset of the Company unless the Members agree to some other method of division.

D. *Priority in Liquidation.* If the Company is terminated, the Members will proceed with the liquidation of the Company as provided in the previous section and the proceeds from the liquidation will be applied as follows:

1. First, to the payment of debts and liabilities of the Company, other than loans and advances that may have been made by the Members to the Company, and the expenses of liquidation;

2. Next, the proceeds will be applied to the payment of any loans or advances that may have been made by any Member to the Company, but if the amount available for repayment is insufficient, then on a pro rata basis;

3. Next, the Company's assets will be distributed to the Members, pro rata in accordance with their respective positive Capital Account balances, after giving effect to all contributions, distributions and allocations for all periods; and

4. Any balance remaining shall be distributed to the Members in accordance with their Membership Interests.

E. *Termination.* Within a reasonable time following the completion of the liquidation of the Company, the Members shall be supplied a statement which shall set forth the assets and the liabilities of the Company as of the date of complete liquidation and each Member's portion of the distributions pursuant to this Agreement. Upon completion of the liquidation of the Company and the distribution of all the Company's assets, the Company shall terminate, and the Members shall execute and record a Certificate of Cancellation of the Company as well as any and all other documents required to effectuate the dissolution and termination of the Company.

F. *No Deficit Restoration.* A negative or deficit balance in any Member's Capital Account shall not be deemed to be an asset of the Company, and no Member with a negative or deficit Capital Account balance shall have any obligation to the Company, to any other Member or to any third party or creditor to restore such negative or deficit balance. No Member shall be personally liable for the return of all or any part of the Capital Contributions of any other Member. Any such return of Capital shall be made solely from Company assets; provided, however, nothing contained herein shall be deemed to limit the right of the Company to recover from a Member for acts or omissions constituting breach of fiduciary duty, fraud, misconduct, bad faith or gross negligence.

Article XI.
Miscellaneous

A. *Books and Records.* At all times during the term of the Company, the Members shall keep, or cause to be kept, full and faithful books of account, records and supporting documents, which shall reflect, completely, accurately and in reasonable detail, each transaction of the Company (including, without limitation, transactions with the Members). The books of account, records, and all documents and other writings of the Company shall be kept and maintained at the principal office of the Company. Each Member or his designated representative shall, upon reasonable notice to the Members, have access to such financial books, records, and documents during reasonable business hours and may inspect and make copies of any of them at his own expense. The Members shall cause the Company to keep at its principal office the following:

1. Current list of the full name and last known business address of each Member, in alphabetical order;
2. A copy of the Articles of Organization and the Certificate of Organization, and all Articles of Amendment and Certificates of Amendment thereto;
3. Copies of the Company's federal, state, and local income tax returns and reports, if any, for the seven most recent years; and
4. Copies of the Operating Agreement, as amended, and of any financial statements of the Company for the seven most recent years.

B. *Amendment.* This Agreement may only be modified or amended by a written instrument. Except as otherwise required by law, such amendment may only be made in accordance with the unanimous written consent of all the Members entitled to vote. The parties further agree to execute any amendment to this Agreement as may be considered necessary by legal counsel to the Company in order for it to be treated as a partnership for federal and state income tax purposes.

C. *Notices.* For purposes of this Agreement, notices, offers and acceptances must be in writing and will be deemed to be served and received at the time mailed by United States registered or certified mail to the last known address of the party involved or when delivered in person.

D. *Enforceability.* The waiver by any party to this Agreement of a breach of any provision of this Agreement will not operate or be construed as a waiver of any subsequent breach by any party. The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions, and this Agreement shall be construed in all respects as if such invalid and unenforceable provision were omitted.

E. *Binding Effect.* This Agreement will inure to the benefit of and be binding upon the parties to this Agreement, their successors, heirs, personal representatives and assigns.

F. *Interpretation.* Whenever the context may require, any noun or pronoun used herein

shall include the corresponding masculine, feminine or neuter forms. The singular form of nouns, pronouns and verbs shall include the plural and vice versa.

G. *Further Assurances.* Each Member hereby agrees that it shall hereafter execute and deliver such further instruments, provide all information and take or forbear such further acts and things as may be reasonably required or useful to carry out the intent and purpose of this Agreement and as are not inconsistent with the terms hereof.

H. *Confidentiality.* No Member may, without the approval of all remaining Members entitled to vote, divulge to others any information not already known to the public pertinent to the services, clients, customers or operations of the Company, whether before or after the Company's dissolution.

I. *Counterparts.* This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which together will constitute one instrument, binding upon all parties hereto, notwithstanding that all of such parties may not have executed the same counterpart.

J. *Good Faith.* The Members agree to exercise good faith and reasonableness in the interpretation and implementation of the provisions of this Agreement.

K. *Governing Law.* This Agreement shall be construed and enforced in accordance with the laws of the Commonwealth of Virginia, without reference to its conflicts of laws rules.

L. *Headings.* The headings, subheadings and other captions in this Agreement are for convenience and reference only and shall not be used in interpreting, construing or enforcing any of the provisions of this Agreement.

M. *Entire Agreement.* This Agreement contains the entire understanding between the Members and supersedes any prior written or oral agreements between them respecting the subject matter within. There are no representations, agreements, arrangements or understandings, oral or written, between and among the Members relating to the subject matter of this Agreement, which are not fully expressed herein.

[SIGNATURE PAGE TO FOLLOW]

The undersigned, being the Initial Members of the Company, hereby agree, acknowledge and certify that the foregoing Operating Agreement, including the attached Schedule, constitutes the sole and entire Operating Agreement of the Company, adopted as of the date first above written.

MEMBERS:

COOL LANE APARTMENTS DEVELOPMENT CORPORATION, INC, a Virginia corporation

Date: February 5, 2019

By: Allison Bogdanovic
Name: Allison Bogdanovic
Title: Executive Director

VIRGINIA SUPPORTIVE HOUSING, a Virginia nonprofit corporation

Date: February 5, 2019

By: Allison Bogdanovic
Name: Allison Bogdanovic
Title: Executive Director

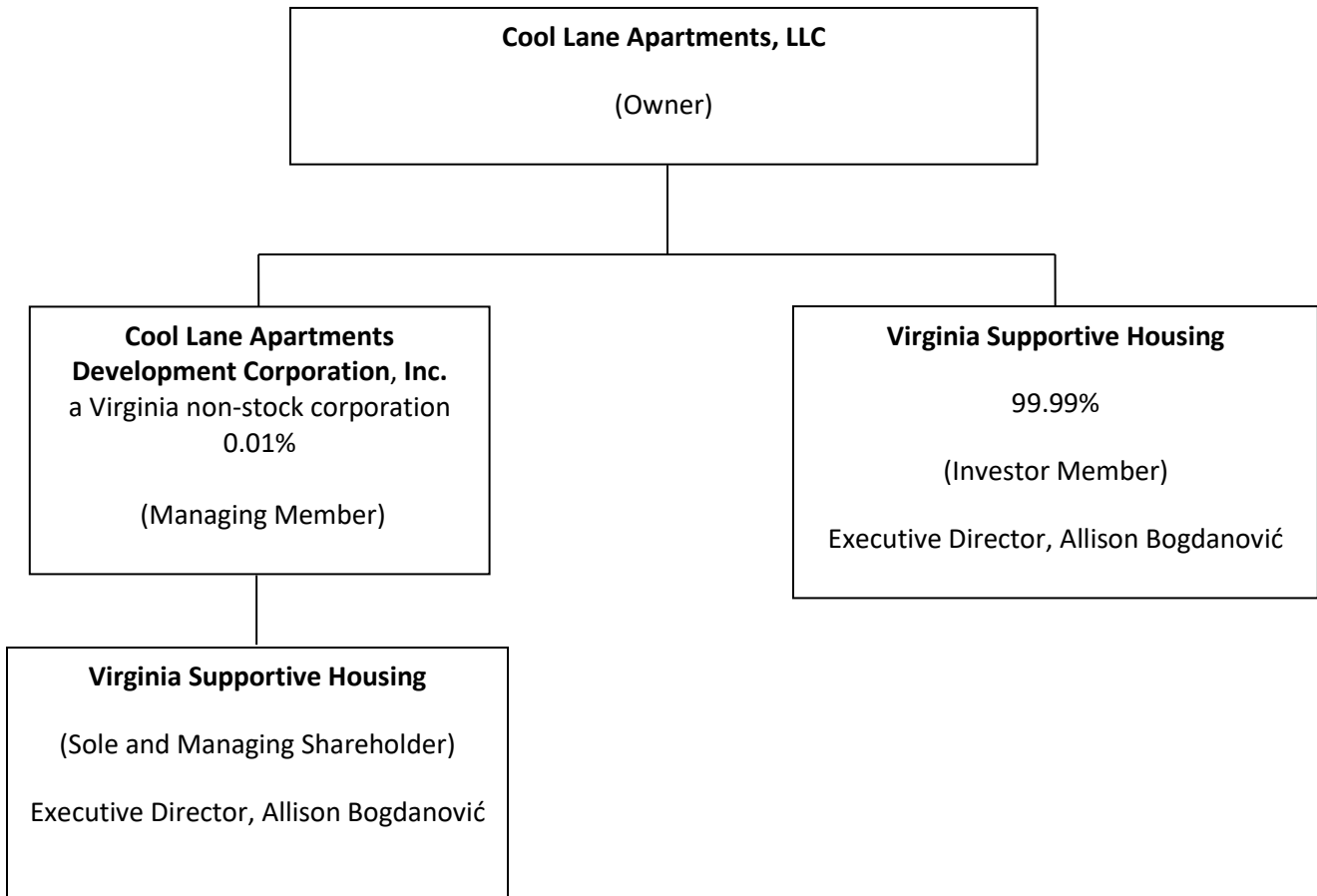
Schedule A

Capital Contributions and Membership Interests

Name and Address	Capital Contribution	Membership Interest
Cool Lane Apartments Development Corporation, Inc. 8002 Discovery Drive, Suite 201 Richmond, VA 23229	\$10.00	0.01%
Virginia Supportive Housing 8002 Discover Drive, Suite 201 Richmond, VA 23229	\$100.00	99.99%

Cool Lane Apartments

Cool Lane Apartments, LLC (Owner) is comprised of Cool Lane Apartments Development Corporation, Inc. and Virginia Supportive Housing. Cool Lane Apartments Development Corporation, Inc. is the Managing Member and is responsible for the day-to-day management of the company. Virginia Supportive Housing (VSH) owns 100% of the outstanding stock of Cool Lane Apartments Development Corporation, Inc. and thus is responsible for the day-to-day management of the company. VSH is also the Property Management and Supportive Service provider. Virginia Supportive Housing is the investor member.



DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (this "Agreement") made as of _____ between Virginia Supportive Housing, a Virginia nonprofit corporation (the "Developer") and Cool Lane Apartments, LLC, a Virginia limited liability company (the "Company").

WITNESSETH:

WHEREAS, the Company has been formed to develop, construct, own, maintain and operate certain property as low-income residential rental housing, to be known as Cool Lane Apartments, to be located at 1900 Cool Lane, Richmond, Virginia (the "Project"); and

WHEREAS, the Project, following the completion of construction, is expected to constitute a "qualified low-income housing project" (as defined in Section 42(g)(1) of the Code).

WHEREAS, the Developer has provided and will continue to provide certain services with respect to the Project during the acquisition, development, rehabilitation and initial operating phases thereof.

WHEREAS, in consideration for such services, the Company has agreed to pay to the Developer certain fees computed in the manner stated herein.

NOW, THEREFORE, in consideration of the recitals, covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the parties agree as follows:

Section 1. Development Services.

(a) The Developer has performed certain services relating to the development of the Project and shall oversee the development and construction of the Project, and shall perform the services and carry out the responsibilities with respect to the Project as are set forth herein, and such additional duties and responsibilities as are reasonably within the general scope of such services and responsibilities and are designated from time to time by the Company.

(b) The Developer's services shall be performed in the name and on behalf of the Company and shall consist of the duties set forth in subparagraphs (i)-(xiii) below of this Section 1(b) and as provided elsewhere in this Agreement; provided, however, that if the performance of any duty of the Developer set forth in this Agreement is beyond the reasonable control of the Developer, the Developer shall nonetheless be obligated to (i)

use its best efforts to perform such duty and (ii) promptly notify the Company that the performance of such duty is beyond its reasonable control. The Developer has performed or shall perform the following:

(i) Negotiate and cause to be executed in the name and on behalf of the Company any agreements for architectural, engineering, testing or consulting services for the Project, and any agreements for the construction of any improvements or tenant improvements to be constructed or installed by the Company or the furnishing of any supplies, materials, machinery or equipment therefor, or any amendments thereof, provided that no agreement shall be executed nor binding commitment made until the terms and conditions thereof and the party with whom the agreement is made have been approved by the managing member of the Company (“Managing Member”) unless the terms, conditions, and parties comply with guidelines issued by the Managing Member concerning such agreements;

(ii) Assist the Company in identifying sources of construction financing for the Project and negotiate the terms of such financing with lenders;

(iii) Establish and implement appropriate administrative and financial controls for the design and construction of the Project, including but not limited to:

(A) coordination and administration of the Project architect, the general contractor, and other contractors, professionals and consultants employed in connection with the design or rehabilitation of the Project;

(B) administration of any construction contracts on behalf of the Company;

(C) participation in conferences and the rendering of such advice and assistance as will aid in developing economical, efficient and desirable design and construction procedures;

(D) the rendering of advice and recommendations as to the selection of subcontractors and suppliers;

(E) the review and submission to the Company for approval of all requests for payments under any architectural agreement, general contractor's agreement, or any construction loan agreements with any lending

institutions providing funds for the benefit of the Company for the design or construction of any improvements;

(F) the submission of any suggestions or requests for changes which could in any reasonable manner improve the design, efficiency or cost of the Project;

(G) applying for the maintaining in full force and effect any and all governmental permits and approvals required for the lawful construction of the Project;

(H) compliance with all terms and conditions applicable to the Company or the Project contained in any governmental permit or approval required or obtained for the lawful construction of the Project, or in any insurance policy affecting or covering the Project, or in any surety bond obtained in connection with the Project;

(I) furnishing such consultation and advice relating to the construction of the Project as may be reasonably requested from time to time by the Company;

(J) keeping the Company fully informed on a regular basis of the progress of the design and construction of the Project, including the preparation of such reports as are provided for herein or as may reasonably be requested by the Company and which are of a nature generally requested or expected of construction managers or similar owner's representatives on similar projects;

(K) giving or making the Company's instructions, requirements, approvals and payments provided for in the agreements with the Project architect, general contractor, and other contractors, professionals and consultants retained for the Project; and

(L) at the Company's expense, filing on behalf of and as the attorney-in-fact for the Company any notices of completion required or permitted to be filed upon the completion of any improvement(s) and taking such actions as may be required to obtain any certificates of occupancy or equivalent documents required to permit the occupancy of the Project.

(iv) Inspect the progress of the course of construction of the Project, including verification of the materials and labor being furnished to

and on such construction so as to be fully competent to approve or disapprove requests for payment made by the Project architect and the general contractor, or by any other parties with respect to the design or construction of the Project, and in addition to verify that the construction is being carried out substantially in accordance with the plans and specifications approved by the Company or, in the event construction is not being so carried out, to promptly notify the Company;

(v) If requested to do so by the Company, perform on behalf of the Company all obligations of the Company with respect to the design or construction of the Project contained in any loan agreement or security agreement in connection with the Project, or in any lease or rental agreement relating to space in the Project, or in any agreement entered into with any governmental body or agency relating to the terms and conditions of such construction, provided that copies of such agreements have been provided by the Company to the Developer or the Company has otherwise notified the Developer in writing of such obligations;

(vi) To the extent requested to do so by the Company, prepare and distribute to the Company a critical path schedule, and periodic updates thereto as necessary to reflect any material changes, but in any event not less frequently than quarterly, other design or construction cost estimates as required by the Company, and financial accounting reports, including monthly progress reports on the quality, progress and cost of construction and recommendations as to the drawing of funds from any loans arranged by the Company to cover the cost of design and construction of the Project, or as to the providing of additional capital contributions should such loan funds for any reason be unavailable or inadequate;

(vii) At the Company's expense, obtain and maintain insurance coverage for the Project, the Company, the management agent of the Project ("Management Agent"), and the Developer and its employees, at all times until final completion of construction of the Project, in accordance with an insurance schedule approved by the Company, which insurance shall include general public liability insurance covering claims for personal injury, including but not limited to bodily injury, or property damage, occurring in or upon the Property or the streets, passageways, curbs and vaults adjoining the Property. Such insurance shall be in a liability amount approved by the Company;

(viii) To the extent applicable to the construction of the Project, comply with all present and future laws, ordinances, orders, rules, regulations and requirements (hereinafter in this subparagraph (ix) called "laws") of all federal, state and municipal governments, courts, departments, commissions, boards and offices having jurisdiction over the

Project. Any such compliance undertaken by the Developer on behalf of and in the name of the Company, in accordance with the provisions of this Agreement, shall be at the Company's expense. The Developer shall likewise ensure that all agreements between the Company and independent contractors performing work in connection with the construction of the Project shall include the agreement of said independent contractors to comply with all such applicable laws;

(ix) Assemble and retain all contracts, agreements and other records and data as may be necessary to carry out the Developer's functions hereunder. Without limiting the foregoing, the Developer will prepare, accumulate and furnish to the Company and the appropriate governmental authorities, as necessary, data and information sufficient to identify the market value of improvements in place as of each real property tax lien date, and will take application for appropriate exclusions from the capital costs of the Project for purposes of real property ad valorem taxes;

(x) Coordinate and administer the design and construction of all interior tenant improvements to the extent required under any leases or other occupancy agreements to be constructed or furnished by the Company with respect to the initial leasing of space in the Project, whether involving building standard or non-building standard work;

(xi) Use its best efforts to accomplish the timely completion of the Project in accordance with the approved plans and specifications and the time schedules for such completion approved by the Company;

(xii) At the direction of the Company, implement any decisions of the Company made in connection with the design, development and construction of the Project or any policies and procedures relating thereto, exclusive of leasing activities; and

(xiii) Perform and administer any and all other services and responsibilities of the Developer which are set forth in any other provisions of this Agreement, or which are requested to be performed by the Company and are within the general scope of the services described herein.

Section 2. Limitations and Restrictions. Notwithstanding any provisions of this Agreement, the Developer shall not take any action, expend any sum, make any decision, give any consent, approval or authorization, or incur any obligation with respect to any of the following matters unless and until the same has been approved by the Company:

(a) Approval of all construction and architectural contracts and all architectural plans, specifications and drawings prior to the construction and/or alteration of any improvements contemplated thereby, except for such matters as may be expressly delegated in writing to the Developer by the Company;

(b) Any proposed change in the work of the construction of the Project, or in the plans and specifications therefor as previously approved by the Company, or in the cost thereof, or any other change which would affect the design, cost, value or quality of the Project, except for such matters as may be expressly delegated in writing to the Developer by the Company;

(c) Making any expenditure or incurring any obligation by or on behalf of the Company or the Project involving a sum in excess of \$25,000 or involving a sum of less than \$25,000 where the same relates to a component part of any work, the combined cost of which exceeds \$25,000, except for expenditures made and obligations incurred pursuant to and specifically set forth in a construction budget approved by the Company (the "Construction Budget") or for such matters as may be otherwise expressly delegated to the Developer by the Company;

(d) Making any expenditure or incurring any obligation which, when added to any other expenditure, exceeds the Construction Budget or any line item specified in the Construction Budget, except for such matters as may be otherwise expressly delegated in writing to the Developer by the Company; or

(e) Expending more than what the Developer in good faith believes to be the fair and reasonable market value at the time and place of contracting for any goods purchased or leased or services engaged on behalf of the Company or otherwise in connection with the Project.

Section 3. Accounts and Records.

(a) The Developer on behalf of the Company, shall keep such books of account and other records as may be required and approved by the Company, including, but not limited to, records relating to the costs of construction advances. The Developer shall keep vouchers, statements, receipted bills and invoices and all other records, in the form approved by the Company, covering all collections, if any, disbursements and other data in connection with the Project prior to final completion of construction. All accounts and records relating to the Project, including all correspondence, shall be surrendered to the Company, upon demand without charge therefor.

(b) The Developer shall cooperate with the Management Agent to facilitate the timely preparation by the Management Agent of such reports and financial statements as the Management Agent is required to furnish pursuant to the management agreement between the Company and the Management Agent (“Management Agreement”).

(c) All books and records prepared or maintained by the Developer shall be kept and maintained at all times at the place or places approved by the Company, and shall be available for and subject to audit, inspection and copying by the Management Agent, the Company or any representative or auditor thereof or supervisory or regulatory authority, at the times and in the manner set forth in the Company Agreement.

Section 4. Obligation To Complete Construction.

The Developer shall complete the construction of the Project or cause the same to be completed in a good and workmanlike manner, free and clear of all mechanic’s, materialmen’s or similar liens, and shall equip the Project or cause the same to be equipped with all necessary and appropriate fixtures, equipment and articles of personal property, including refrigerators and ranges, provided for in the loan and other documents governing the development and operation of the Project and in the plans and specifications for the Project.

Section 5. Development Amount.

As a fee for its services in connection with the development of the Project and the supervision of the construction/rehabilitation of the Project as set forth in Section 1 and elsewhere in this Agreement, the Developer shall be paid an amount (the “Development Amount”) equal to One Million Seven Hundred and Thirty-Seven Thousand and Six Hundred and Forty Dollars (\$1,737,640). The Development Amount shall be deemed to have been earned as follows:

- (i) Twenty percent (20%) as of the date of this Agreement;
- (ii) Eighty percent (80%) upon substantial completion of the Project;

The Development Amount shall be paid from and only to the extent of the Company's available cash, in installments as follows:

- (i) _____ percent (___%) on initial equity funding of the Project;
- (ii) _____ percent (___%) upon substantial completion of the Project; and
- (iii) _____ percent (___%) upon achievement of 95% occupancy for the Project.

Any installment of the Development Amount not paid when otherwise due hereunder shall be deferred without interest and shall be paid from next available cash, provided, however, that any unpaid balance of the Development Amount shall be due and payable in all events at the earlier of (i) the thirteenth anniversary of the date of this Agreement, or (ii) if the Project qualifies for Tax Credits under Code Section 42, then the end of the Project's compliance period.

Section 6. Applicable Law.

This Agreement, and the application or interpretation hereof, shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia.

Section 7. Binding Agreement.

This Agreement shall be binding on the parties hereto, their heirs, executors, personal representatives, successors and assigns. As long as the Developer is not in default under this Agreement, the obligation of the Company to pay the Development Amount shall not be affected by any change in the identity of the Managing Member of the Company.

Section 8. Headings.

All section headings in this Agreement are for convenience of reference only and are not intended to qualify the meaning of any section.

Section 9. Terminology.

All personal pronouns used in this Agreement, whether used in the masculine, feminine or neuter gender, shall include all other genders, the singular shall include the plural, and vice versa as the context may require.

Section 10. Benefit of Agreement.

The obligations and undertakings of the Developer set forth in this Agreement are made for the benefit of the Company and its Partners and shall not inure to the benefit of any creditor of the Company other than a Partner, notwithstanding any pledge or assignment by the Company of this Agreement of any rights hereunder.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the date first written above.

COMPANY:

Cool Lane Apartments, LLC, a Virginia limited liability company

By: Cool Lane Apartments Development Corporation, Inc. a Virginia corporation, Managing Member

By: Virginia Supportive Housing, a Virginia nonprofit corporation, its sole member and sole shareholder

By: _____
Name: Allison Bogdanovic
Title: Executive Director

DEVELOPER:

Virginia Supportive Housing, a Virginia nonprofit corporation

By: _____
Name: Allison Bogdanovic
Title: Executive Director

B

Virginia State Corporation
Commission Certification
(MANDATORY)

Commonwealth of Virginia



STATE CORPORATION COMMISSION

Richmond, February 1, 2019

This is to certify that the certificate of organization of

Cool Lane Apartments, 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 1, 2019



State Corporation Commission

Attest:

Joel H. Peck
Clerk of the Commission

C

Principal's Previous
Participation Certification
(MANDATORY)



Previous Participation Certification

Development Name: _____

Name of Applicant (entity): _____

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.

Allison Bogdanovic
Signature

Allison Bogdanovic

Printed Name

3/7/19
Date (no more than 30 days prior to submission of the Application)

D

List of LIHTC Developments

(Schedule A)
(MANDATORY)

List of LIHTC Developments (Schedule A)



Development Name: Cool Lane Apartments
 Name of Applicant: Cool Lane Apartments, LLC

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:	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 New Clay House/1125 West Clay Street, Richmond, VA	New Clay House Limited Partnership (804)788-6825	Y	47	47	9/18/1992 *Older than 15 years but shown for developer experience	3/9/1993	N
	2 South Richmond SRO/5409 Hull Street Road, Richmond, VA	South Richmond SRO Limited Partnership (804)788-6825	Y	39	39	8/1/1996 *Older than 15 years but shown for developer experience	3/20/1997	N
	3 Gosnold Apartments/2425 Gosnold Avenue, Norfolk, VA	Gosnold Apartments, LLC (804)788-6825	Y	60	60	12/27/2006	7/10/2007	N
	4 Cloverleaf Apartments/ 964 South Military Highway, Virginia Beach, VA	Cloverleaf Apartments, LLC (804)788-6825	Y	60	60	10/9/2008	10/20/2008	N
	5 South Bay Apartments/ 1600 South Street, Portsmouth, VA	South Bay Apartments, LLC (804)788-6825	Y	60	60	11/23/2010	9/6/2011	N
	6 Studios at South Richmond/ 5409 Hull Street Road, Richmond, VA	Studios at South Richmond, LLC (804)788-6825	Y	21	21	9/1/2011	5/1/2012	N
	7 The Crossings at Fourth and Preston/ 401 Fourth Street NW, Charlottesville, VA	The Crossings at Fourth and Preston, LLC (804)788-6825	Y	60	60	3/1/2012	12/12/2012	N
	8 Heron's Landing/2133 South Military Highway, Chesapeake, VA	Heron's Landing, LLC (804)788-6825	Y	60	60	12/5/2012	11/8/2013	N
	9 Crescent Square/1333 Diamond Springs Road, Virginia Beach, VA	Crescent Square, LLC (804)788-6825	Y	80	80	12/1/2015	11/8/2016	N
	10 Studios II/5409 Hull Street Road, Richmond, VA	Studios II, LLC (804)788-6825	Y	39	39	2/28/2016	7/19/2016	N
	11 Church Street Station Studios/2016 Church Street, Norfolk, VA	Church Street Station Studios, LLC (804)788-6825	Y	80	80	11/1/2017	11/27/2018	N
	12 New Clay House II/707 N Harrison Street, Richmond, VA	New Clay House II, LLC (804)788-6825	Y	80	80	2/26/2019	Not Yet Issued	N
13								
14								
15								
16								
17								
18								
19								
20								
21								
22								
23								
24								
25								
26								
27								
28								
29								
30								
31								
32								
33								
34								
35								
36								
37								
38								
39								
40								

* 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.

1st PAGE
TOTAL: 686 686 **LIHTC as % of**
 100% **Total Units**

**Virginia Supportive Housing
8002 Discovery Drive, Suite 201
Richmond, Virginia 23229
P.O. Box 8585
Richmond, Virginia 23226
(804) 788-6825; (804) 788-6827 [Fax]
www.virginiassupportivehousing.org**

Virginia Supportive Housing (VSH) is a private, non-profit 501(c)3 community development corporation that was incorporated in January 1988. Its mission is to end homelessness by providing permanent housing and supportive services. VSH is managed by a Board of Directors.

For over thirty years, VSH has been providing a proven, permanent solution to homelessness for homeless single adults. Studio apartments with supportive services are a successful, cost effective solution to ending homelessness because they link affordable housing with mental health counseling, substance abuse recovery, employment, and other support services. People who are persistently homeless face many complex challenges besides their homelessness, including very low incomes and other issues such as substance abuse, mental illness, and HIV/AIDS. Providing services along with affordable housing helps keep residents in their homes and communities and reduces the need for expensive emergency shelters.

Supportive Studio Apartments for Homeless and Low-Income Single Adults

New Clay House – 707 N Harrison Street, Richmond
Gosnold Apartments - 2425 Gosnold Avenue, Norfolk
Cloverleaf Apartments - 964 South Military Highway, Virginia Beach
South Bay Apartments - 1600 South Street, Portsmouth
Studios at South Richmond - 5409 Hull Street Road, Richmond
The Crossings at Fourth and Preston - 401 Fourth Street NW, Charlottesville
Heron's Landing - 2133 South Military Highway, Chesapeake
Crescent Square - 1333 Diamond Springs Road, Virginia Beach
Church Street Station Studios - 2016 Church Street, Norfolk

VSH operates two supportive studio apartment buildings in Richmond - New Clay House and Studios at South Richmond. Since opening in 1992 with forty-seven units, New Clay House, the first SRO in Virginia, has provided permanent housing and support services for homeless adults. New Clay House was originally developed through the adaptive reuse of an old brewery at a total cost of \$1,900,000. VSH was awarded a Governor's Housing Achievement Award for New Clay House in 1993. In 2019 New Clay House was renovated and expanded to a total of eighty studio apartments for homeless and low-income adults. The historic renovation and expansion also

created additional offices for onsite support and property staff as well as expanded resident community space. The development costs were approximately \$19,000,000. VSH opened South Richmond SRO in 1996 with thirty-nine units. South Richmond SRO provides permanent housing and support services for homeless adults. VSH developed South Richmond SRO by converting a Budget Motel. Total development costs were \$2,200,000. In 2011, a twenty-one unit addition to the building was completed for a total of \$3,500,000. Rehabilitation on the initial thirty-nine units was completed in early 2016 and included expanding the square footage of each unit. Total development costs were approximately \$5,900,000 and the building name was changed to Studios at South Richmond.

Gosnold Apartments in Norfolk opened in December 2006 and has sixty supportive studio apartments for homeless adults from the cities of Norfolk, Virginia Beach, and Portsmouth. The project is part of a regional effort to end homelessness in South Hampton Roads and has been recognized by HUD as the first regional studio apartments for homeless single adults in the nation. Gosnold Apartments involved the adaptive reuse of an RC Cola bottling warehouse at a total cost of \$5,600,000. Gosnold Apartments received the Governor's Housing Achievement Award in November 2007. Gosnold Apartments is a model permanent supportive housing development because it leveraged funding from three localities with federal and state funds to provide a regional solution to homelessness.

VSH opened Cloverleaf Apartments in Virginia Beach in October 2008. Cloverleaf Apartments involved the adaptive reuse of an old skating rink into sixty supportive studio apartments for homeless single adults from the cities of Virginia Beach, Norfolk, Portsmouth, and Chesapeake. Each City provided public support and funding for Cloverleaf Apartments. VSH obtained EarthCraft Virginia certification for green building and energy resource efficiency. The total development cost for Cloverleaf Apartments was approximately \$6,900,000.

In November 2010, VSH opened South Bay Apartments in Portsmouth. South Bay Apartments involved the new construction of sixty supportive studio apartments that are EarthCraft Virginia certified for green building and energy resource efficiency. This was the third regional collaboration to end homelessness in the Hampton Roads area and includes housing units for homeless individuals from Portsmouth, Norfolk, Virginia Beach, and Chesapeake; each city provided public support and funding for the development of South Bay Apartments. Total development costs were approximately \$6,900,000. South Bay Apartments was the highest ranking application in the 2009 non-profit pool for tax credit applications. EarthCraft Virginia recognized South Bay Apartments with the 2011 Multi-Family Development of the Year award for energy and resource efficiency.

The Crossings at Fourth and Preston, sixty supportive studio apartments for homeless and low-income adults from the Charlottesville area, opened in March 2012. The Crossings at Fourth and Preston was the first VSH property to utilize an integrated model with thirty units for otherwise

homeless individuals and thirty units for individuals making 50% or less of the Area Median Income. The building is EarthCraft Virginia certified for green building and energy resource efficiency and is the first VSH property to incorporate a solar thermal hot water system. EarthCraft Virginia awarded The Crossings at Fourth and Preston with the 2012 Multi-Family Development of the Year award. This was the first regional collaboration in the Charlottesville region and includes housing units for homeless single adults from the City of Charlottesville and Albemarle County; each locality provided public support and Project-Based Vouchers for The Crossings at Fourth and Preston. Total development costs were approximately \$6,700,000.

Heron's Landing in Chesapeake was completed in December 2012. The development has sixty supportive studio apartments for homeless individuals from the cities of Chesapeake, Norfolk, Portsmouth, Suffolk, and Virginia Beach; each city provided public support and funding. Heron's Landing is EarthCraft Virginia-certified for green building and energy resource efficiency. In 2013, Heron's Landing won the Hampton Roads Housing Consortium's Housing Partner Special Projects Award. This was the fourth regional collaboration to end homelessness in South Hampton Roads. Total development costs were approximately \$9,900,000.

Crescent Square, VSH's second permanent supportive housing development in Virginia Beach and the fifth regional collaboration in South Hampton Roads, opened in early 2016. Crescent Square involved the new construction of eighty supportive studio apartments for homeless and low-income individuals from the Hampton Roads region. Funding was provided by the cities of Virginia Beach and Norfolk. The building is EarthCraft Virginia certified for energy and resource efficiency. In 2016, Crescent Square was awarded the Urban Land Institute Virginia's Vision Award for Innovative Deal of the Year. Total development costs were approximately \$12,400,000.

Church Street Station Studios opened in November 2017 and was VSH's sixth regional collaboration in South Hampton Roads. Church Street was the new construction of eighty supportive studio units in Norfolk for homeless and low-income adults from Norfolk and Virginia Beach. The building is EarthCraft Virginia certified for energy and resource efficiency. Total development costs were approximately \$13,900,000. Church Street Station Studios was the highest scoring application in the 2016 non-profit pool for tax credit applications.

New Clay House, Gosnold Apartments, Cloverleaf Apartments, South Bay Apartments, Studios at South Richmond, The Crossings at Fourth and Preston, Heron's Landing, Crescent Square, and Church Street Station Studios utilized Low-Income Housing Tax Credit funding combined with state, local, and private funds. In addition to supportive studios for homeless single adults, VSH operates three community houses and two apartments for persons with disabilities, four apartment buildings for formerly homeless families, and housing access programs.

Community Houses for Individuals with Disabilities

Stratford House - 2925 Cherokee Road, Richmond

Bliley Manor - 6119 Bliley Road, Richmond

Independence House - 1725 National Street, Richmond

Stratford House and Bliley Manor were developed and operated by Richmond Aids Ministry (RAM) but were closed by RAM in 1997 because they were unable to continue management. VSH underwent a HUD Transfer of Physical Assets in 1998 and now owns and manages both community houses. Currently, VSH operates Stratford House as a community house for eight persons with HIV/AIDS. Residents are low-income, have HIV/AIDS, and are recovering from substance abuse. In 2008, HUD approved VSH's request to change the use of Bliley Manor to a community house for individuals with traumatic brain injury (TBI). VSH manages the houses and provides support services.

Independence House, which opened in 2005, is also a community house for persons with TBI. It serves six individuals who have been referred from service agencies serving the TBI population in Richmond. VSH provides support services to the residents with a case manager. A resident manager lives at the community house.

Stratford House, Independence House, and Bliley Manor received funding from the HUD Section 811 program in addition to state, local, and private sources.

Apartments for Individuals with Disabilities

James River Apartments - 1517 Jefferson Davis Highway, Richmond and
1301 Blakemore Road, Richmond

Veterans Apartments - 4909 Chamberlayne Avenue, Richmond

HUD awarded VSH a Section 811 grant worth \$1.2 million to build James River Apartments, fourteen affordable, accessible apartments with support services for persons with disabilities. James River Apartments includes six apartments on Blakemore Road and eight on Jefferson Davis Highway in Richmond. Construction on James River Apartments began in March 2007 and was completed in April 2008. VSH provides case management services to the residents of James River Apartments as appropriate and as needed.

Veterans Apartments on Chamberlayne Avenue in Richmond houses four formerly homeless veterans with disabilities. Renovations for Veterans Apartments were completed in the spring of 2008. Total project funding was \$867,000. Funding came from the McKinney Supportive Housing Program with matching funds from the State's HOME program, the City of Richmond HOME

program, and private foundations. VSH provides case management services in collaboration with the Veterans Administration.

FIND, INC.

Apartments for Homeless Families and Families with Disabilities

FIND 2 Third Avenue Apartments - 2203-2205 Third Avenue, Richmond

FIND 3 Chestnut Hill Apartments - 2504-2506 Third Avenue, Richmond

dFIND Cary Street Apartments - 2023 & 2123 West Cary Street, Richmond

In the spring of 2000, VSH began the Families in Neighborhoods Developing (FIND) program to address the needs of families who are prepared to move out of shelters and transitional housing into apartments in the community. The apartments are all affordable with rents well below market rates to serve the very low, low and moderate income persons. VSH provides case management services to help the families maintain their housing.

Third Avenue Apartments opened in 2002 and Chestnut Hill Apartments opened in 2004. Each property has four, two or three bedroom apartments. Chestnut Hill Apartments was partially funded by state and federal historic tax credits. Total development costs were \$408,000 (3rd Avenue) and \$430,000 (Chestnut Hill Apartments). VSH has received a Governor's Housing Achievement Award for its supportive apartments for previously homeless families.

Cary Street Apartments opened in December 2004 along West Cary Street in Richmond. Four, three-bedroom apartments have been historically renovated for families with a disabled family member. Cary Street Apartments received state and federal historic tax credits, a HUD McKinney Supportive Housing Program grant, matching state HOME funds, and grants from private foundations.

Experienced Rental Management Partner

VSH has been actively managing supportive housing properties since the opening of New Clay House in 1992 and became a VHDA Certified Management Agent without qualification in 2010. VSH currently manages 652 housing units. The portfolio includes small multifamily buildings, community houses, and larger supportive studio apartment buildings. VSH property management staff members are experienced with property standards and reporting requirements for various HUD, DHCD, VHDA, and local funding programs, such as Low-Income Housing Tax Credits, Historic Tax Credits, HOME and CDBG programs, HUD Section 811, and HUD Supportive Housing. All of the housing units managed by VSH have passed federal, state, and

local reviews and inspections, demonstrating the application of consistent property management standards at all VSH properties.

Proven, Permanent Solution to Homelessness

VSH has a proven track record to ending homelessness – more than 98% of VSH residents do not return to a state of homelessness. VSH tracks outcome measures related to the housing stability, income, and health of each client.

Supportive services provide case management, counseling and skills training, and community-building. VSH staff assist tenants with accessing mainstream community services and resources, monitors the quality and effectiveness of those services, and ensures coordination of care to promote achievement of each individual's personal goals including maintaining housing, securing work or entitlement income, and improving health and mental health conditions. Support services staff also work closely with VSH property management staff to address issues such as income instability or problem behaviors which might jeopardize housing stability in more conventional housing settings.

Support service staff provide counseling to help individuals resolve life issues, promote recovery and community integration, and manage mental health symptoms. Skills training is provided to improve individuals' ability to budget and manage finances, manage medication, secure and maintain employment, and develop positive social supports. Crisis prevention and intervention is provided to individuals experiencing acute distress. Additionally, VSH is licensed by the Virginia Department of Behavioral Health and Developmental Services to provide Mental Health Support Services - intensive support to individuals with serious mental illness to assist them with managing symptoms, improving community living skills, taking medication as prescribed, managing finances, and addressing co-occurring physical health and substance abuse disorders.

Support service staff work with tenants to ensure a strong sense of connectedness in the apartment community as well as with the larger community in which they are located. For example, individuals participate in community meetings, attend civic association meetings and community events, and plan and participate in recreational activities.

Housing Access Programs

In 2006, VSH took over management of the Shelter Plus Care Program (S+C) from the Richmond Behavioral Health Authority (RBHA) and the Stable Housing Access Program from HOME. The City of Richmond, Department of Social Services, is the grantee of the HUD funded S+C program and VSH serves as the project sponsor. Utilizing scattered site rental housing, S+C currently provides housing and support services to more than 100 households in the Greater Richmond region. In 2007, VSH in partnership with the Regional Community Services Boards and the Daily

Planet, began providing services through the A Place to Start (APTS) program. This program was the first evidence-based housing first program in the state for homeless persons with a severe and persistent mental illness and has proven to be a successful collaboration between the nonprofit and government sector. In July of 2009, VSH assumed full responsibility for the clinical and housing aspects of this program and is currently providing permanent housing and intensive support services to 60 individuals in the community.

In 2010, VSH took over management of the Norfolk Housing First program. The program provides intensive clinical and housing services to chronically homeless individuals who are also living with a severe and persistent mental illness. Clients are housed in local rental properties not owned by VSH, and receive housing stabilization case management from VSH staff. Clinical case management continues to be provided by the Norfolk CSB, though clients choose whether to have mental health support services from the CSB or VSH.

Managing Developments with Multiple, Complex Financing Sources

VSH has demonstrated an ability to develop projects with multiple layers of complex financing, often leveraging federal, state, and local public and private funds. VSH's ten supportive studio apartment buildings for homeless and low-income single adults have involved financing from a large variety of sources including, but not limited to: the syndication of Low-Income Housing Tax Credits, Energy Tax Credits, and Federal and State Historic Tax Credits; National foundation and Local community foundation grants; State and Local HOME, CDBG and general funds; Federal Home Loan Bank AHP Funds; National, State, and Local Housing Trust Fund funds; and loans from the Virginia Department of Housing and Community Development (DHCD) and the Virginia Housing Development Authority (VHDA). VSH's Low-Income Housing Tax Credit application for South Bay Apartments was the highest ranked application in the 2009 nonprofit pool and Church Street Station Studios was the highest scoring application in the 2016 nonprofit application pool.

All of the small multifamily apartment properties VSH has developed have required multiple funding sources. Targeted to homeless families with incomes at or below 30% area median income and with no housing authority rental subsidies, VSH has pursued financing structures that limit debt service. VSH has also developed housing for persons with disabilities through the HUD Section 811 program, which provides a capital advance for 60-65% of the construction costs and rental subsidies. VSH has worked with DHCD, localities, and private foundations to secure the remaining funds needed for construction. The HUD Section 811 program requires that all additional funding be grant funds (loans are not permitted). With innovative financing strategies, VSH had worked with the HUD Section 811 program to build both a community house and accessible apartments.

Ownership Entity Sustainable for Affordability Period

VSH currently owns and manages 652 housing units. Since VSH opened its first property (New Clay House) in 1992, the agency has successfully operated each building. No VSH properties have been closed or unable to continue operation. VSH has remained the owner and property manager throughout the affordability period for each property it has developed.

A volunteer Board of Directors working through committees assists VSH staff in the development and operational oversight of the agency. The Board hires the executive director and is responsible for establishing policies regarding programs, fiscal matters, immediate and long-range planning, insurance reporting, and fundraising. Board committees include Site Development and Asset Management, Governance, Program and Evaluation, Mission Advancement, and Executive. The VSH Board includes professionals with experience in housing development, property management, law, and social services. The Richmond firm of Dooley and Vicars performs annual independent audits. Agency property management policies, procedures, and property financials are reviewed by the Site Development and Asset Management Committee of the Board of Directors.

E

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

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (this “Agreement”) dated as of the 13th day of March, 2019 (the “Effective Date”), is made by and between the **CITY OF RICHMOND**, a municipal corporation of the Commonwealth of Virginia, having an address of 900 East Broad Street, Richmond, Virginia 23219 (“Seller”), and **VIRGINIA SUPPORTIVE HOUSING**, a Virginia nonstock corporation, having an office at 8002 Discovery Drive, Suite 201, Richmond, Virginia 23229, and its successors and assigns (“Purchaser”).

RECITALS:

A. Seller desires to convey to Purchaser and Purchaser agrees to accept certain real property, a portion of which is located in the City of Richmond, Virginia and a portion of which is located in the County of Henrico, Virginia, with certain related personal and intangible property, all as more particularly described in Section 1.1 below;

B. Seller and Purchaser, intending to be bound by this Agreement, desire to set forth herein the terms, conditions and agreements under and by which Seller shall convey to Purchaser and Purchaser shall accept the foregoing real, personal and intangible property.

AGREEMENT:

NOW, THEREFORE, in consideration of the sum of Ten Dollars (\$10.00), the mutual covenants hereinafter set forth, the parties hereto agree as follows:

1. THE PROPERTY.

1.1 Description. Subject to the terms and conditions of this Agreement, and for the consideration set forth herein, Seller hereby agrees to sell, assign and convey to Purchaser, and Purchaser hereby agrees to accept from Seller, all of Seller’s right, title and interest in and to the following (collectively, the “Property”):

1.1.1 That certain parcel or those certain parcels of land, a portion of which is located in the City of Richmond, Virginia, known as 2011 Mechanicsville Turnpike and identified as City of Richmond, Virginia Tax Parcel Number E0120146002, and a portion of which is located in the County of Henrico, Virginia, known as 1900 Cool Lane and identified as County of Henrico, Virginia Tax Parcel Identification Number 799-726-0294 both parcels collectively consisting of approximately 5.72 acres, all as more specifically described on Exhibit A attached hereto (collectively, the “Land”);

1.1.2 All buildings, improvements, fixtures, structures, parking facilities, electrical systems, plumbing systems, heating systems, and air conditioning systems located on the Land, or any portion thereof (collectively, the “Improvements”);

1.1.3 All easements, hereditaments and appurtenances, if any, pertaining or affecting the Land (collectively, the “Easements”);

1.2 Agreement to Convey. Seller agrees to convey, and Purchaser agrees to accept, on the Date of Closing (as defined in Section 2.3 below): (a) good and marketable title to the Land and the Improvements by way of the Deed (as defined in Section 8.1 below); and (b) any consents, authorizations, zoning entitlements, certificates of occupancy, permits and approvals from any applicable governmental or quasi-governmental agency, department, board or other entity with respect to or attributable to the Property, which are assignable and remain valid or in effect as of Closing (the “Approvals”), by way of the Assignment (as defined in Section 8.1 below), to be executed and delivered in respect to the Approvals.

2. PURCHASE PRICE AND CLOSING.

2.1 Purchase Price. The purchase price to be paid by the Purchaser for the Property at Closing (the "Purchase Price") shall be ZERO DOLLARS (\$0.00), subject to adjustments contained herein.

2.2 Payment. Purchaser shall pay to Seller the Purchase Price, subject to adjustment for prorations and credits as provided in Section 7 below, on or before 5:00 p.m. Eastern Time, on the Date of Closing, by Purchaser causing the Title Company to deliver a wire of immediately available funds to such bank account(s) as Seller may designate.

2.3 Closing. Unless this Agreement is sooner terminated as provided in this Agreement, delivery of the Deed and the closing hereunder (the "Closing") shall take place pursuant to an escrow closing on a date requested by Purchaser in a written notice to Seller (the "Closing Notice"), which date shall be at least fifteen (15) business days from the date of the Closing Notice (the "Date of Closing"). Purchaser and Seller agree that Closing pursuant to this Agreement will occur concurrently with the closing of a construction loan for the Construction and Rehabilitation (as hereinafter defined). The Closing shall occur on the Date of Closing and shall be conducted by mail or overnight courier by the Title Company (as hereinafter defined), or at such other time and place as may be agreed to in writing by Seller and Purchaser. Notwithstanding the foregoing, Purchaser and Seller shall endeavor to conduct Closing by depositing (by overnight or local courier) into escrow with the Title Company all closing documents and other items in connection therewith no later than the first business day immediately prior to the Date of Closing. Purchaser and Seller agree that Closing shall not take place prior to July 15, 2019 or later than December 31, 2019 (the "Closing Period"), as such Closing Period may be extended by the parties in a written amendment to this Agreement. Notwithstanding the foregoing, the Closing may take place within a reasonable time after the Closing Period in the event Seller requires additional time to complete its deliveries as described in Section 8 of this Agreement. In the event that any of the conditions set forth in Section 6 of this Agreement have not been satisfied or performed (or waived with respect to condition (i) of Section 6) on or as of December 31, 2019, Seller shall not be obligated to take part in the Closing, and this Agreement will terminate upon notice duly given by Seller to Purchaser.

3. INSPECTIONS AND APPROVALS.

3.1 Due Diligence Period; Due Diligence Approval Date. Purchaser shall have a period of time (the "Due Diligence Period"), commencing on the Effective Date, and expiring at 5:00 p.m., EST, on the date ninety (90) days after the Effective Date (the "Due Diligence Approval Date"), in which to conduct the inspections and studies described in this Section 3.

3.2 Access to the Property and Indemnification by Purchaser. During the Due Diligence Period (and thereafter until the Date of Closing to the extent this Agreement has not been terminated and continues to remain in effect), Seller shall permit Purchaser and Purchaser's agents and representatives access to the Property between 8:00 a.m., EST and 5:00 p.m., EST during Seller's work days for purposes of conducting, at Purchaser's sole cost and expense, such physical and environmental inspections of the Property as Purchaser shall deem necessary or appropriate. Purchaser shall notify Seller at the address set forth in Section 11 of this Agreement at least forty-eight (48) hours in advance of its or its agents' or representatives' entry onto the Property, which notification shall indicate all activities to be performed and which Purchaser may give by email. In the event this Agreement is terminated pursuant to Section 3.5 below, Purchaser agrees, at its own expense, to promptly restore the Property to substantially the same condition it was in prior to such tests or inspections, reasonable wear and tear excepted, to the extent that any inspection or test performed by Purchaser requires or results in any damage to or alteration of the condition of the Property. Purchaser shall indemnify and hold Seller harmless from any loss, injury, liability, damage or expense, including reasonable attorneys' fees and costs, incurred by reason of Purchaser's (or its agents' and/or representatives') entering upon the Property for the aforesaid purposes, provided, however, that Purchaser shall not be required to indemnify Seller if, and to the extent that, any such loss, injury, liability, damage or expense was caused by the gross negligence or misconduct of Seller, its employees or agents. The indemnity obligation described in this paragraph will survive termination of this Agreement. Nothing in this paragraph 3.2 may be construed as a waiver of the sovereign immunity granted to Seller by the Commonwealth of Virginia Constitution, statutes, and applicable case law.

3.3 Purchaser's Insurance. As a condition precedent to Purchaser's and its third-party agents' and representatives' access to the Property during the Due Diligence Period or at any time prior to Closing, Purchaser shall carry and maintain, and shall cause its third-party agents and representatives to carry and maintain, the following insurance from the Effective Date until either Closing or termination of this Agreement, which insurance shall be primary to any insurance coverage Seller may possess:

- (i) To the extent required by the Code of Virginia and other applicable Virginia laws and regulations, Workers' Compensation and Employers' Liability Insurance in amounts not less than One Hundred Thousand Dollars (\$100,000) or, if greater, in amounts not less than the minimum required by the Virginia Code and other applicable law, rules, and regulations;
- (ii) Commercial General Liability occurrence-based and in an amount not less than One Million Dollars (\$1,000,000) per occurrence and in the aggregate.
- (iii) Business Automobile Liability insurance, to include Auto Physical Damage coverage, in the amount of One Million Dollars (\$1,000,000) combined single limit covering all owned, non-owned borrowed, leased or rented motor vehicles operated by Purchaser or its third-party agents or representatives. In addition, all motorized equipment, both licensed and not licensed for road use, operated or used by Purchaser or its third-party agents or representatives within the Property shall be insured under either a standard Automobile Liability policy or a Comprehensive General Liability policy.
- (iv) Umbrella Liability Insurance maintained above the primary Commercial General Liability, Business Automobile Liability, and Employers' Liability policies required herein. The limit of such Umbrella Liability Insurance shall not be less than two million dollars (\$2,000,000) each occurrence and aggregate.

All such insurance shall be in a form reasonably acceptable to Seller, and Purchaser shall cause its third-party agents and representatives to name Purchaser and Seller an additional insured in the Commercial General Liability and Business Automobile Liability policies, which shall be reflected on any certificates of insurance therefor. The following terms shall be applicable to all policies of insurance noted above:

- (i) The insurance shall be issued by companies admitted within the Commonwealth of Virginia, with Best's Key Rating of at least A: VI.
- (ii) Upon request, Purchaser shall provide Seller one or more certificates of liability insurance demonstrating that Purchaser and its third-party agents and representatives are maintaining the insurance requirements of this paragraph 3.3.

3.4 Inspection of Documents. Within fifteen (15) business days after request from Purchaser, Seller shall deliver or cause to be delivered to Purchaser, to the extent Seller has in its possession or can obtain without expense, and to the extent such may exist, copies of existing title policies, surveys, studies, environmental reports and inventories, easement documents, plans, proffers, permits, governmental reports, warranties and guaranties concerning the Property. Purchaser shall keep all information and documents received under this Section 3.3 confidential (except for lenders, investors, professional advisors, and other similar parties with a need to know, or as required by law), and shall use and inspect the same only for its good faith, due diligence review of the Property.

3.5 Title and Survey. Title to the Property shall be good and marketable and shall be conveyed in fee simple, free and clear of all liens and encumbrances except for those matters approved by Purchaser ("Permitted Exceptions"). The Property's title shall be insurable by a nationally recognized ALTA title insurance company of Purchaser's choice, which is licensed in the Commonwealth of Virginia (the "Title Company"). Purchaser shall obtain a standard form commitment for title insurance ("Title Commitment") for the Property, together with copies of all recorded instruments identified as exceptions therein (together with the Title Commitment, referred to herein as the "Title Documents"). Purchaser shall be responsible for all costs related to the Title Policy, including, without

limitation, costs related to the title search and any updates, preparation of the Title Commitment and all premiums for the Title Policy including endorsements thereto. Purchaser may, at its option, obtain a survey of the Property (the "Survey"). Notwithstanding anything contained herein to the contrary, in all events Seller shall be obligated to discharge at Closing, the lien and effect of any deed of trust, mortgage or other monetary lien then encumbering or affecting the Property, except as otherwise agreed by Purchaser. Furthermore, if the legal description by which the Seller took title to the Property (the "Record Legal Description") is different than the legal description of the Property shown on the Survey (the "Survey Legal Description"), and Seller so requests, the description of the Property in the Deed by which Seller conveys the Property with special warranty shall be the Record Legal Description and Seller shall also quitclaim to Purchaser the Survey Legal Description.

3.6 Purchaser's Rights to Terminate. Notwithstanding anything contained herein to the contrary, Purchaser shall have the absolute right to terminate this Agreement on or before 5:00 p.m., EST, on the Due Diligence Approval Date, for any or no reason whatsoever, by providing written notice to Seller of Purchaser's intent to terminate.

4. SELLER'S OBLIGATIONS PRIOR TO CLOSING. Until Closing, Seller and/or Seller's agents or representatives shall:

4.1 Notices. Provide to Purchaser, within a reasonable time upon the receipt thereof, any and all notices in any manner relating to the Property received by Seller from any insurance company or any governmental or quasi-governmental instrumentality having jurisdiction over the Property.

4.2 Construction Activities. Other than in the ordinary course of maintenance of the Improvements, if any, or in response to Seller's reasonable exercise of its police power or Seller's efforts to comply with applicable laws, orders, rules and regulations, not engage in or authorize any grading, excavation or construction upon the Property or cause any material addition, alteration or removal of any improvements, fixtures or equipment forming a part of the Property (collectively, "Construction"), except as approved by Purchaser. The costs of the same, if any, shall be paid in full by Sellers at the Closing.

4.3 Liens and Encumbrances. Not impose any restrictive covenants, liens or encumbrances on the Property or execute or file any subdivision plat affecting the Property nor permit such imposition, execution or filings by any other party, except as requested by or approved by Purchaser.

4.4 Marketing of the Property. Not, without the prior written consent of Purchaser, solicit, negotiate, or accept offers for the purchase of the Property, or any part thereof, from any other party.

5. BROKERS. Seller and Purchaser each represents to the other that it has had no dealings, negotiations, or consultations with any broker, representative, employee, agent or other intermediary in connection with the sale of the Property.

6. PURCHASER'S CONDITIONS PRECEDENT TO CLOSING. Purchaser's obligation to consummate the purchase of the Property on the Date of Closing shall be subject to the satisfaction or performance of the following terms and conditions: (i) Seller shall have materially complied with all covenants and provisions required by this Agreement to be complied with by Seller before, on, or as of the Date of Closing (which condition may be waived by Purchaser, in whole or in part, unless otherwise stated herein); (ii) Purchaser shall not have terminated this Agreement pursuant to an express right to terminate set forth in this Agreement; (iii) Purchaser or the Affiliate (as hereinafter defined) shall have received a reservation and an allocation of competitive nine percent (9%) Low Income Housing Tax Credits (the "Tax Credits") for construction on and rehabilitation of the Property during the 2019 tax credit allocation cycle administered by Virginia Housing Development Authority ("VHDA"), in an amount deemed sufficient by Purchaser to provide funding for the completion of a development to include those elements described on page 3 (the "Construction and Rehabilitation") of the unsolicited offer letter submitted to Seller by Purchaser on October 16, 2018, a copy of which is attached hereto as Exhibit C (the "Offer Letter"), and (iv) Purchaser or the Affiliate shall have received a firm commitment(s) of funds for construction and permanent financing for the Construction and Rehabilitation in an amount deemed sufficient by Purchaser to complete the Construction and Rehabilitation. Subject to the terms of paragraph 2.3 above, if any of the conditions set forth in this Section 6 have

not been satisfied or performed (or waived with respect to condition (i) of this Section 6) on or as of December 31, 2019, Purchaser shall have the right to terminate this Agreement by giving written notice to Seller on or before the Date of Closing, in which event all rights and obligations of the parties under this Agreement shall expire.

7. CLOSING COSTS AND PRORATIONS.

7.1 Closing Costs. Seller shall pay its attorneys' fees in reference to this transaction and any Grantor's tax in connection with the recordation of the Deed, except to the extent exempt by law. Purchaser shall pay all other closing costs associated with the transaction, all other recordation costs associated with the Deed, all costs related to any loan obtained by Purchaser for this transaction, all costs associated with the title search and any updates, preparation of the Title Commitment, and all premiums for the Title Policy, including extended coverage and any endorsements thereto, all costs of the Survey and any investigations and inspections incurred or performed by or on behalf of Purchaser, the reasonable settlement fees and charges of the Title Company due in connection with the closing of this transaction and Purchaser's own attorneys' fees. Notwithstanding anything in this Section 7.1 to the contrary, Seller shall be solely responsible for paying all accounts payable and other expenses of Seller or the Property accruing prior to the Date of Closing.

7.2 Prorations. Any normally prorated revenues and expenses for the Property billed or paid as of the Date of Closing shall be prorated as of 12:01 a.m., EST, on the Date of Closing, and shall be adjusted against all amounts due at Closing, provided that within thirty (30) days after Closing, Purchaser and Seller will make a further adjustment for such revenues, expenses, taxes or charges which may have accrued or been incurred prior to the Date of Closing, but not received or paid at that date.

7.3 Purpose and Intent. Except as expressly provided herein, the purpose and intent as to the provisions of prorations and apportionments set forth in this Section 7 and elsewhere in this Agreement is that Seller shall bear all expenses of ownership and operation of the Property and shall receive all income therefrom accruing through midnight of the day preceding the Closing and Purchaser shall bear all such expenses and receive all such income accruing thereafter.

The provisions of this Section 7 shall survive Closing and recordation of the Deed.

8. CLOSING AND ESCROW.

8.1 Seller's Deliveries. Seller shall deliver possession of the Property to Purchaser at the time of Closing. On or before the Date of Closing, Seller shall deliver to the Title Company, as escrow agent, or Purchaser, as appropriate, any amounts set forth on the Settlement Statement (as hereinafter defined), as required by this Agreement, if any, and each of the following items, executed as appropriate by Seller, to be held in escrow pending Closing:

(a) a Special Warranty Deed, in a form insurable by the Title Company, duly executed by Seller and conveying to Purchaser fee simple title to the Property, subject to (i) the Permitted Exceptions and (ii) a reversionary interest of Seller in the Property, expressed by a reverter clause in the Deed, by which the Property shall revert to Seller in the event the Construction and Rehabilitation have not been completed within two (2) years following the Date of Closing, provided that the CAO, as hereinafter defined, shall record a certificate in the land records affirming the termination of such reversionary interest upon a finding, within two (2) years following the Date of Closing, of substantial completion of the Construction and Rehabilitation by the VHDA (the "Deed");

(b) an Owner's Affidavit as to Mechanic's Liens and Possession as reasonably required by the Title Company;

(c) a settlement statement setting forth in reasonable detail the financial transaction contemplated by this Agreement (the "Settlement Statement");

(d) reasonable documentation evidencing the authority of the person executing any documents at Closing on behalf of Seller, to enter into the transactions contemplated by this Agreement, as may be reasonably required by the Title Company in order for Title Company to issue to Purchaser the Title Policy;

(e) if applicable, a bill of sale and/or assignment agreement, in a form reasonably acceptable to both parties, conveying to Purchaser the Improvements and Approvals (the "Assignment");

(f) such other documents as may be reasonably required by the Title Company to consummate the sale of the Property, in forms reasonably acceptable to both parties.

8.2 Purchaser's Deliveries. On or before the Date of Closing, Purchaser shall deliver to the Title Company, as escrow agent, any amounts set forth on the Settlement Statement, as required by this Agreement, and each of the following items, executed as appropriate by Purchaser, to be held in escrow pending written confirmation by Purchaser that all conditions to the obligation of Purchaser to close on the conveyance of the Property have been satisfied:

(a) reasonable documentation evidencing Purchaser's authority, and the authority of the person executing any documents at Closing on behalf of Purchaser, to enter into the transactions contemplated by this Agreement, as may be reasonably required by the Title Company; and

(b) the Settlement Statement.

8.3 Possession. Purchaser shall be entitled to possession of the Property at the conclusion of the Closing.

9. DAMAGE, DESTRUCTION AND CONDEMNATION.

9.1 Casualty. Except as provided herein, Seller assumes all risk of loss or damage to the Property by fire or other casualty until the Date of Closing. If such loss or damage materially and adversely affects Purchaser's intended use and enjoyment of the Property as of the Date of Closing, Purchaser shall have the option, in its sole discretion, either to (i) terminate this Agreement by giving Seller written notice in which event the parties hereto shall have no further obligations or liabilities to one another hereunder except as expressly provided for hereunder; or (ii) proceed to Closing and accept from Seller an assignment of all insurance payable as a result of such damage or casualty. If at any time on or prior to the Date of Closing any portion of the Property is destroyed or damaged as a result of fire or any other cause whatsoever, Seller shall promptly give written notice thereof to Purchaser.

9.2 Condemnation. In the event, at any time on or prior to the Date of Closing, any action or proceeding is filed, under which the Property, or any portion thereof, may be taken pursuant to any law, ordinance or regulation or by condemnation or the right of eminent domain, Seller shall promptly give written notice thereof (which notice shall describe the type of action being taken against the Property, and which portions of the Property will be affected thereby) to Purchaser. Purchaser shall have the right to terminate this Agreement by written notice to Seller within twenty (20) days following the date upon which Purchaser receives Seller's written notice of such action or proceeding. If Purchaser does not elect to so terminate this Agreement within said twenty (20) day period, this Agreement shall remain in full force and effect and the parties shall proceed to Closing and all condemnation proceeds will be assigned to Purchaser.

10. DEFAULT AND REMEDIES.

10.1 Purchaser Default. If, after the Due Diligence Approval Date, Purchaser shall fail or refuse to purchase the Property in violation of Purchaser's obligations hereunder for any reason other than a default by Seller under this Agreement or a failure of condition precedent to Closing pursuant to Section 6 above, and provided that Seller is then ready, willing and able to proceed to Closing, has performed all of its obligations hereunder and all conditions precedent to Closing hereunder have been satisfied, Seller shall have the right to (i) terminate this Agreement or (ii) institute any action available to Seller at law or in equity to recover damages incurred by Seller as a result of such breach or misrepresentation by Purchaser. Notwithstanding the foregoing, nothing in this Section 10.1 shall be

deemed to limit Seller's remedies for any other violation of Purchaser's obligations hereunder, including without limitation Purchaser's obligation to indemnify Seller under Section 3.2 above, or to return certain documentation to Seller under Section 3.3 above.

10.2 Seller Default. In the event Seller shall: (a) fail to sell, transfer and assign the Property to Purchaser for any reason other than a default by Purchaser under this Agreement, and/or (b) fail to perform any other obligation of Seller hereunder other than a default by Purchaser under this Agreement, Purchaser shall be entitled to: (i) seek specific performance of the Seller's obligations under this Agreement, (ii) terminate this Agreement, or (iii) institute any action available to Purchaser at law or in equity to recover damages, including reasonable attorneys' fees, incurred by Purchaser as a result of such breach or misrepresentation by Seller. In all events, however, Purchaser's rights and remedies against Seller are subject to the provisions of Section 10.3 below.

10.3 Limitation of Remedy. NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, NEITHER PARTY SHALL BE LIABLE FOR ANY SPECIAL, INDIRECT, OR CONSEQUENTIAL DAMAGES ON ACCOUNT OF ANY MATTER RELATING TO OR ARISING OUT OF THIS AGREEMENT, OR ANY ACTION OR INACTION, EVEN IF THE OTHER PARTY, TO THE EXTENT APPLICABLE, IS ADVISED OF THOSE DAMAGES OR THE POSSIBILITY OF THOSE DAMAGES. THIS LIMITATION APPLIES WHETHER THE DAMAGES ARE SAID TO BE BASED UPON NEGLIGENCE, BREACH OF CONTRACT, BREACH OF WARRANTY OR STRICT OR ANY OTHER KIND OF LIABILITY. DAMAGES WAIVED AND EXCLUDED BY THIS SECTION INCLUDE WITHOUT LIMITATION DAMAGES FOR LOSS OF PROFIT AND LOSS OF GOODWILL. NOTWITHSTANDING THE FOREGOING, THE LIMITATION CONTAINED IN THIS SECTION 10.3 SHALL NOT APPLY IF DAMAGES ARE BASED ON THE WILLFUL MISCONDUCT OF A PARTY TO THIS AGREEMENT.

11. NOTICES. Any notice required or permitted to be given hereunder must be in writing and shall be deemed to be given when (a) hand delivered, or (b) one (1) business day after pickup by an overnight delivery service, or (c) received by electronic mail (provided that an original is delivered under one of the two methods set forth in subsections (a) or (b) above on the next business day), in any case addressed to the parties at their respective addresses set forth below:

If to Seller: City of Richmond
Department of Economic and Community Development
1500 East Main Street, Suite 400
Richmond, Virginia 23219
Attention: Paul A. McClellan
Phone: (804) 646-3061
Email: paul.mcclellan@richmondgov.com

with a copy to: Neil Gibson, Esq.
Office of the City Attorney
900 East Broad Street, Suite 400
Richmond, Virginia 23219
Phone: (804) 646-1234
Email: neil.gibson@richmondgov.com

If to Purchaser: Virginia Supportive Housing
8002 Discovery Drive, Suite 201
Richmond, Virginia 23229
Phone: (804) 332-0500
Attention: Allison Bogdanovic
Email: abogdanovic@virginiassupportivehousing.org

with a copy to: Lauren Nowlin, Esq.

Williams Mullen
200 S. 10th Street, Suite 1600
P.O. Box 1320 (23218-1320)
Richmond, Virginia 23219
Phone: (804) 420-6585
Email: lnowlin@williamsmullen.com

or in each case to such other address as either party may from time to time designate by giving notice in writing pursuant to this Section 11 to the other party. Telephone numbers are for informational purposes only. Notices shall be deemed effective if given by counsel, acting in the capacity as counsel, to any party hereto, acting on behalf of such party. Effective notice will be deemed given only as provided above, except as otherwise expressly provided in this Agreement.

12. MISCELLANEOUS.

12.1 Entire Agreement. This Agreement, together with the Exhibits attached hereto, all of which are incorporated by reference, is the entire agreement between the parties with respect to the subject matter hereof, and no alteration, modification or interpretation hereof shall be binding unless in writing and signed by both parties.

12.2 Severability. If any provision of this Agreement or its application to any party or circumstances shall be determined by any court of competent jurisdiction to be invalid and unenforceable to any extent, the remainder of this Agreement or the application of such provision to such person or circumstances, other than those as to which it is so determined invalid or unenforceable, shall not be affected thereby, and each provision hereof shall be valid and shall be enforced to the fullest extent permitted by law.

12.3 Applicable Law. This Agreement shall be construed and enforced in accordance with the laws of the Commonwealth of Virginia.

12.4 Assignability. Neither Purchaser nor the Affiliate shall assign or transfer this Agreement or any of Purchaser's or the Affiliate's rights, obligations and interests under this Agreement without the prior written consent of Seller; provided, however, Purchaser may assign this Agreement to Cool Lane Apartments, LLC, a Virginia limited liability company, an affiliate of Purchaser (the "Affiliate"), pursuant to that certain Assignment Purchase and Sale Agreement dated as of the date hereof and executed by Purchaser, Seller and Affiliate, the form of which is attached hereto as Exhibit B.

12.5 Successors Bound. This Agreement shall be binding upon and inure to the benefit of Purchaser and Seller and their respective successors and permitted assigns.

12.6 No Public Disclosure. Prior to Closing, all press releases or other dissemination of information to the media or responses to requests from the media for information relating to the transaction contemplated herein shall be subject to the prior written consent of Purchaser and Seller, except to the extent required by the Virginia Freedom of Information Act as other applicable law.

12.7 Captions; Interpretation. The captions in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Agreement or the scope or content of any of its provisions. Whenever the context may require, words used in this Agreement shall include the corresponding feminine, masculine, or neuter forms, and the singular shall include the plural and vice versa. Unless the context expressly indicates otherwise, all references to "Section" are to sections of this Agreement.

12.8 No Partnership. Nothing contained in this Agreement shall be construed to create a partnership or joint venture between the parties or their successors in interest or permitted assigns.

12.9 Counterparts. This Agreement may be executed and delivered in any number of counterparts, each of which so executed and delivered shall be deemed to be an original and all of which shall constitute one and the same instrument, and electronic signatures shall be deemed to be original signatures and of the same force and effect.

12.10 Recordation. Purchaser and Seller agree not to record this Agreement or any memorandum hereof.

12.11 Proper Execution. The submission by Purchaser to Seller of this Agreement in an unsigned form shall be deemed to be a submission solely for Seller's consideration and not for acceptance and execution. Such submission shall have no binding force and effect, shall not constitute an option or an offer, and shall not confer any rights upon Seller or impose any obligations upon Purchaser irrespective of any reliance thereon, change of position or partial performance. The submission by Purchaser to Seller of this Agreement for execution by Seller and the actual execution thereof by Seller and delivery to Purchaser by Seller shall similarly have no binding force and effect on Purchaser unless and until Purchaser shall have executed this Agreement and a counterpart hereof executed by Purchaser and Seller shall have been delivered to Seller.

12.12 Waiver. No waiver of any breach of any agreement or provision contained herein shall be deemed a waiver of any preceding or succeeding breach of any other agreement or provision herein contained. No extension of time for the performance of any obligation or act shall be deemed an extension of time for the performance of any other obligation or act.

12.13 Business Days. If any date herein set forth for the performance of any obligations by Seller or Purchaser or for the delivery of any instrument or notice as herein provided should fall on a Saturday, Sunday or Legal Holiday (as hereinafter defined), the compliance with such obligations or delivery shall be deemed acceptable on the next business day following such Saturday, Sunday or Legal Holiday. As used herein, the term "Legal Holiday" shall mean any local or federal holiday on which post offices are closed in the City of Richmond, Virginia.

12.14 Survival. Notwithstanding any termination, cancellation or expiration of this Agreement or the Closing, provisions which are by their terms intended to survive and continue shall so survive and continue.

12.15 Subject to Appropriation. All payments and other performance by Seller under this Agreement are subject to annual appropriations by the City Council for the City of Richmond; consequently, this Agreement shall bind Seller only to the extent that the City Council appropriates sufficient funds for Seller to perform its obligations hereunder. 12.16 Signature Authority. Seller's Chief Administrative Officer (the "CAO") shall have the authority to execute this Agreement on behalf of Seller, and, except as otherwise provided herein, the CAO or her designee shall have the authority to provide any notices or authorizations contemplated under this Agreement on behalf of Seller.

12.17 Termination. In the event of termination of this Agreement, all rights and obligations of the parties under this Agreement shall expire, and neither party shall thereafter have any further rights, obligations or liability hereunder, except as provided in Section 12.14 above, and except that Purchaser shall return to Seller, within five (5) business days after such termination, all documents and information provided under Section 3.43 above.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Purchaser and Seller have executed this Purchase and Sale Agreement on the dates set forth below, effective as of the date first set forth above.

SELLER:

CITY OF RICHMOND,
a municipal corporation of the Commonwealth of Virginia

By: _____ (SEAL)
Name: _____
Title: _____

PURCHASER:

VIRGINIA SUPPORTIVE HOUSING,
a Virginia nonstock corporation

By: Allison Bogdanovic _____ (SEAL)
Name: Allison Bogdanovic
Title: CEO

38305153_3

IN WITNESS WHEREOF, Purchaser and Seller have executed this Purchase and Sale Agreement on the dates set forth below, effective as of the date first set forth above.


SELLER:

CITY OF RICHMOND,
a municipal corporation of the Commonwealth of Virginia

APPROVED AS TO FORM



Assistant City Attorney

By:  (SEAL)
Name: Selena Curfio Glenn
Title: CAO

PURCHASER:

VIRGINIA SUPPORTIVE HOUSING,
a Virginia nonstock corporation

By: _____ (SEAL)
Name: Allison Bogdanovic
Title: CEO

Exhibit A

LEGAL DESCRIPTION

ALL that certain piece or parcel of land, with the improvements thereon, lying and being partly in the City of Richmond, and partly in the County of Henrico, Virginia, containing 5.72 acres, described as follows:

COMMENCING at a stone on the North line of Cool Lane, 134 feet, more or less, East of its intersection with Mechanicsville Turnpike (U.S. Route 360), which point of beginning is located on the 1942 City of Richmond Corporation Line dividing the City of Richmond and the County of Henrico; thence from said point of beginning extending N. 26° 39' E. 150 feet to a point; thence extending N. 73° 26' W. 133.90 feet to a point on the East line of Mechanicsville Turnpike; thence extending N. 32° 12' 40" E. 56.60 feet along the East line of Mechanicsville Turnpike to a stone; thence continuing along the East line of said Mechanicsville Turnpike N. 30' 10" E. 72.18 feet to a stone; thence leaving Mechanicsville Turnpike and extending Eastwardly along the South Line of Ramp "C", Interstate Rt. No. 64, along the following courses and distances: S. 84° 38' 30" E. 131.45 feet to a stone; S. 60° 23' 30" E. 180.77 feet to a stone; S. 73° 17' 30" E. 128.45 feet to a stone; N. 77° 26' 30" E. 188.88 feet to a stone; N. 56° 52' 30" E. 241.72 feet to a stone; and N. 85' 34' 30" E. 98.75 feet to a rod; thence extending S. 26° 21' 30" W. 576.80 feet along the West line of Cool Lane Court Subdivision to a rod; thence extending N. 73° 26' W. 673.56 feet along the North line of Cool Lane to the point of beginning.

Further as shown on a plat of survey made by Chas. H. Fleet & Assocs., dated December 31, 1971 entitled 'PLAT OF PROPERTY SITUATED BETWEEN COOL LANE AND ROUTE NO. 64 AND EAST OF MECHANICSVILLE TURNPIKE RICHMOND & HENRICO CO., VA.', which plat is recorded in the Clerk's Office, Circuit Court, City of Richmond, Virginia in Deed Book 675-B, Page 321.

BEING the same real estate conveyed to the City of Richmond, Virginia, a municipal corporation of the Commonwealth of Virginia, by deed from Hospital Authority of Richmond, dated August 7, 2009, recorded September 25, 2009 in the Clerk's Office, Circuit Court, City of Richmond, Virginia as Instrument No. 090020776 and in the Clerk's Office, Circuit Court, Henrico County, Virginia in Deed Book 4692, Page 1736.

Exhibit B

FORM OF ASSIGNMENT

ASSIGNMENT OF PURCHASE AND SALE AGREEMENT

THIS ASSIGNMENT OF PURCHASE AND SALE AGREEMENT (this “Assignment”) is made and entered into as of this 13th day of March, 2019, by and between **VIRGINIA SUPPORTIVE HOUSING**, a Virginia nonstock corporation (“Assignor”), **COOL LANE APARTMENTS, LLC**, a Virginia limited liability company (“Assignee”) and the **CITY OF RICHMOND**, a municipal corporation of the Commonwealth of Virginia (the “Seller”).

RECITALS

A. Assignor, as purchaser, and Seller, as seller (the “Seller”), have entered into that certain Purchase and Sale Agreement dated as of March 13, 2019 (the “Agreement”), which provides for the sale and conveyance to Assignor of certain real property and improvements thereon located in in the City of Richmond and the County of Henrico, Virginia (the “Property”), as more particularly described therein.

B. Pursuant to Section 12.4 of the Agreement, Assignor may assign or transfer the Agreement and all of Assignor’s rights, obligations and interests under the Agreement, with Seller’s written consent.

C. Assignor desires to assign to Assignee all of its right, title and interest in and to the Agreement and the Property, and Assignee desires to accept such assignment and to assume all of Assignor’s obligations as to the purchase of the Property under the Agreement, upon the terms and conditions hereinafter set forth.

D. Seller has agreed to consent to the assignment of the Agreement from Assignor to Assignee under the terms hereof.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein set forth, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged by each party hereto, the parties hereto hereby agree as follows:

1. Assignor hereby assigns, transfers and conveys to Assignee, and Assignee hereby accepts from Assignor, all of Assignor’s right, title, interest, duties, and obligations in, to and under the Agreement and all claims and rights that Assignor may have or to which Assignor may be entitled under or by virtue of the Agreement. It is the intention of the parties hereto that Assignee shall have and be vested with all of the same rights, benefits and obligations conferred upon and undertaken by Assignor in the Agreement as though, and to the same extent as if, Assignee had been named the purchaser of the Property in the Agreement.

2. Assignee hereby assumes and agrees to perform and observe all agreements, covenants and obligations to be performed and observed by Assignor under the Agreement. Assignee hereby agrees to hold

Assignor free and harmless from any and all losses, liabilities, obligations, debts and expenses arising under the Agreement and the transactions contemplated therein.

3. Seller hereby consents to the assignment of Assignor's right, title, interest duties and obligations in, to and under the Agreement as set forth in this Assignment.

4. Assignee's address for notices for purposes of Section 11 of the Agreement is set forth below:

If to Purchaser: Virginia Supportive Housing
8002 Discovery Drive, Suite 201
Richmond, Virginia 23229
Phone: (804) 332-0500
Attention: Allison Bogdanovic
Email: abogdanovic@virginiassupportivehousing.org

with a copy to: Lauren Nowlin, Esq.
Williams Mullen
200 S. 10th Street, Suite 1600
P.O. Box 1320 (23218-1320)
Richmond, Virginia 23219
Phone: (804) 420-6585
Email: lnowlin@williamsmullen.com

5. This Assignment represents the complete understanding between the parties hereto as to the subject matter hereof, and supersedes all prior negotiations, representations, promises, statements or agreements, either written or oral, between the parties hereto as to the same.

6. This Assignment shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns hereunder.

7. This Assignment may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument, and electronic and facsimile signatures shall be deemed to be original signatures and of the same force and effect.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, each party hereto has executed this Assignment or caused it to be executed on its behalf by its duly authorized representatives, the day and year first above written.

ASSIGNOR:

VIRGINIA SUPPORTIVE HOUSING,
a Virginia nonstock corporation

By: Allison Bogdanovic (SEAL)
Name: Allison Bogdanovic
Title: Executive Director

ASSIGNEE:

COOL LANE APARTMENTS, LLC,
a Virginia limited liability company

By: Cool Lane Apartments Development Corporation, Inc.,
a Virginia corporation,
its managing member

By: Allison Bogdanovic (SEAL)
Name: Allison Bogdanovic
Title: Executive Director

SELLER:

CITY OF RICHMOND,
a municipal corporation of the Commonwealth of Virginia

By: _____ (SEAL)
Name: _____
Title: _____

IN WITNESS WHEREOF, each party hereto has executed this Assignment or caused it to be executed on its behalf by its duly authorized representatives, the day and year first above written.

ASSIGNOR:

VIRGINIA SUPPORTIVE HOUSING,
a Virginia nonstock corporation

By: _____(SEAL)
Name: Allison Bogdanovic
Title: Executive Director

ASSIGNEE:


COOL LANE APARTMENTS, LLC,
a Virginia limited liability company

By: Cool Lane Apartments Development Corporation, Inc.,
a Virginia corporation,
its managing member

By: _____(SEAL)
Name: Allison Bogdanovic
Title: Executive Director

SELLER:

CITY OF RICHMOND,
a municipal corporation of the Commonwealth of Virginia

APPROVED AS TO FORM


Assistant City Attorney


By:  (SEAL)
Name: Selena Wofford-Colson
Title: CAO

Exhibit C

OFFER LETTER

[See attached]



PO Box 8585
Richmond, Virginia 23226
804 788 6825
804 788 6827 fax
www.virginiassupportivehousing.org

October 16, 2018

BOARD OF DIRECTORS

- Pamela Goggins
President
- Sharon Nusbaum
Vice President
- John S. Finn Jr.
Secretary
- Nathalia D. Artus
- James F. Banta
- Kelth L. Conley
- F. Andrew Heatwole
- Anne T. Hines
- John D. (Jack) Horn
- James Mellendick
- Sharon L. Payne
- Jason Snook

Allison Bogdanović
Executive Director

COUNCIL OF ADVOCATES

- Betsy Bighnazi
- Karl Bren
- Imad Damaj
- Jane Henderson
- W. Barry Hethelmer
- Kelly King Horne
- Laura Lafayette
- Penny Johnson McPetersen
- Gilbert M. Rosenthal
- Robert C. Sledd
- T. K. Somanath
- Wallace Stettinius
- Nancy B. Stuts
- James Ukrop

Ms. Selena Cuffee-Glenn
Chief Administrative Officer, City of Richmond
900 East Broad Street, Suite 201
Richmond, Virginia 23219

Re. **Unsolicited Offer for City-Owned Real Estate**
Seven Hills Health Care Center | 1900 Cool Lane

Dear Ms. Cuffee-Glenn:

On behalf of Virginia Supportive Housing (VSH), please receive this unsolicited offer made pursuant to Sec. 8-58 of the Code of the City concerning vacant property owned by the City of Richmond formerly known as the Seven Hills Health Care Center and located at 1900 Cool Lane in Henrico County (the "Property").

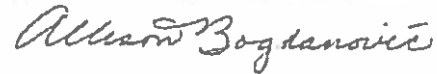
VSH desires to acquire and redevelop the Property into beautiful, high-quality, and much-needed affordable housing and permanent supportive housing for formerly homeless adults, as further described in the enclosed project summary. In connection with this proposal, we request that the City initiate (or permit VSH to initiate on the City's behalf) an application to the Board of Supervisors of Henrico County to amend the zoning district classification of the Property from A-1 agricultural to R-6 general residence. If approved, the rezoning would permit VSH's proposed use of the Property, which includes up to 105 multifamily dwelling units comprised of zero-, one- and two-bedrooms and VSH offices. This residential community will be specifically designed to provide affordable housing and permanent supportive housing for formerly homeless adults.

As you know, VSH has three decades of experience and success with the adaptive reuse and construction of high quality affordable housing with permanent supportive services for formerly homeless adults. We have developed, own, and currently operate 17 properties across the Commonwealth. This track record speaks to VSH's commitment to working with stakeholders in this community to ensure that this neighborhood's existing residents and our entire region will benefit from the proposed reinvestment. With the City's assistance in meeting the critical timeline detailed in the enclosed project summary, those benefits could become visible as soon as late 2020.

The proposed project has the strong support and endorsement of Henrico County's Manager, John Vithoukas, subject to approval of the necessary rezoning by the Henrico County Board of Supervisors. This regional partnership between the City, Henrico County, and VSH, as a non-profit leader in the development of high-quality, sustainable affordable housing will demonstrate the wisdom of this approximately \$30 million investment in a community where affordable housing, churches and schools, coffee shops and market-priced condominiums can co-exist and thrive.

We hope that the enclosed proposal describes a vision that the City will embrace and help us achieve. Should you have any questions or require any further information in connection with this request, please contact me via phone (804-332-0500) or email (abogdanovic@virginiassupportivehousing.org). We look forward to your response.

Sincerely,



Allison Bogdanovic
Executive Director, Virginia Supportive Housing

cc: Honorable Members, Richmond City Council (via email)
T. Preston Lloyd, Jr., Esq., Williams Mullen (via email)

COOL LANE APARTMENTS

Collaborating to create homes for our community's most vulnerable

CONTENTS

- Summary
- Proposed Use of the Property
- Financial Ability of VSH to Provide for Proposed Use
- Community Impact of Project
- Purchase Price Offered
- Photos of Similar Projects

SUMMARY

Virginia Supportive Housing (VSH) requests that the City of Richmond authorize the transfer of title to the Property, which has been vacant for ten years, to Virginia Supportive Housing for the purpose of redevelopment into approximately 105 high-quality zero-, one- and two-bedroom units as further outlined in this proposal. The City presently owns the land and improvements located on the Property, which is in Henrico County. The City's approval will enable VSH to redevelop the property into a new residential community that will provide much-needed affordable housing and permanent supportive housing for formerly homeless adults.

PROPOSED USE OF THE PROPERTY

Description – The proposed development will renovate a vacated assisted living facility on Cool Lane in Henrico, Virginia into approximately 105 zero-, one- and two-bedroom units. Upon its completion, the adaptive reuse of this facility will be a mixed-income community with units available for both formerly homeless and low-income individuals earning 50% or less of the area median income. The property will incorporate best practices that reflect VSH's 30 years of experience developing affordable housing, such as the following:

- The units will range in size from approximately 500 to 950 square feet and will include a private full bathroom and kitchen with full-size appliances.
- The building will contain a large community room with a kitchen, a resident computer lab, a phone room for resident use, a fitness room, laundry facilities, a front desk, staff offices for on-site support services and property management staff, and off-street parking.
- The building will have an extensive security system, and the front desk will be staffed sixteen hours a day with a night monitor on call during the evening hours.
- Residents will sign a lease and pay 30% of their income for rent. In Richmond, the average annual income of our most vulnerable clients is \$7,579.

The entire development will meet the Virginia Housing and Development Authority's (VHDA) Universal Design guidelines and be certified for green building and resource and energy efficiency.

ABILITY OF VSH TO PROVIDE FOR PROPOSED USE

Costs and funding sources - The projected total cost for the development is \$30,000,000. VSH has a proven track record of successfully obtaining diverse funding sources for its supportive housing redevelopments, which include the following:

- Low Income Housing Tax Credits
- National Housing Trust Fund
- DHCD: Virginia Housing Trust Fund, HOME, Permanent Supportive Housing
- Local CDBG and HOME
- City of Richmond Affordable Housing Trust Funds
- Federal Home Loan Bank of Atlanta AHP
- The Home Depot Foundation
- Private Foundations
- VHDA REACH Loan

Timeline – The following provides a high-level view of the timeline, including actions taken to-date and activities based on our experience completing 17 similar projects across three regions of Virginia.

2010	City of Richmond asks VSH to consider acquiring the vacant property at 1900 Cool Lane and converting it into permanent supportive housing. VSH expresses interest, but Henrico County is unable to move forward at that time.
July 2018	Henrico County confirms with VSH Executive Director Allison Bogdanovic that they are prepared to consider a permanent supportive housing community within Henrico County. County Manager John Vithoukas proposes the Cool Lane location as a viable option.
September 6, 2018	Initial meeting between VSH team and City Administration to discuss prospective proposal and confirm process.
September and October 2018	VSH begins informational meetings with project stakeholders and potential partners.
October 12, 2018	VSH presents the City with unsolicited offer for the site.
November 8, 2018	Filing deadline for submission of Application to County
Nov. 2018 – February 2019	Complete rezoning process
March 2019	VSH submits LIHTC application to VHDA
April 2019 – December 2020	Acquire funding, complete HUD review, construction drawings
January 2021	Begin construction
December 2021	Complete construction
June 2022	Complete lease-up

Rezoning Request - As a component of the proposal, we request the City's approval of the filing of a rezoning application with the County by November 8, 2018. The form of application will be submitted to the City for review and comment on or prior to the deadline. This will enable VSH to obtain the rezoning prior to the March 2019 deadline to apply for Low-Income Housing Tax Credits (LIHTC) from Virginia Housing Development Authority (VHDA). We request assistance from all necessary City stakeholders (e.g. Mayor's Office, Administration and City Council) in navigating this accelerated timeline so that more than 100 people in need will have a home in 2021.

Track record - VSH currently owns and operates 17 apartment communities. Of those, five are new construction featuring 60-80 units, and 12 are renovations or adaptive reuse of existing buildings, including New Clay House, our flagship property in Richmond. In 1992, VSH's founders purchased and renovated the historic building in Richmond's Carver neighborhood and opened Virginia's first supportive housing community. Since that time, VSH has opened 16 other properties in Virginia and honed its supportive housing development expertise considerably. In 2017, with critical support from the City, we began renovating and expanding New Clay House from 47 units to 80, bringing it up to the agency's current standards to foster independence and build community among residents. The renovated community will feature 67 units for formerly homeless individuals and 13 units for individuals earning 50% or less of AMI. A detailed summary of VSH's supportive projects is included as Exhibit A to this Proposal.

Today, emerging best practices promote an even more diverse mixed-income model. Our leadership team is analyzing how to modify our model to better align with those practices. As with the proposed community at Cool Lane, we are evolving our model of affordable housing to serve formerly homeless and extremely low-income individuals. Such properties help build stronger, more diverse neighborhoods.

Mission and history - VSH's mission is to end homelessness in Virginia by providing permanent housing and supportive services. Our approach works. Of those we serve, 97% remain permanently housed.

The organization was founded in 1988 by a small group of volunteers who shared the goal of helping homeless individuals in Richmond. In 1992, with the opening of New Clay House in Richmond's Carver neighborhood, VSH became the first agency to develop and manage supportive housing in Virginia. Today, VSH provides permanent supportive housing to more than 900 individuals living in Richmond, Hampton Roads, and Charlottesville. We accomplish our mission by:

- Creating affordable supportive housing opportunities by constructing new or rehabilitating old properties into apartments that VSH owns and operates and by partnering with private landlords to lease apartments to our clients.
- Offering comprehensive supportive services to help clients achieve housing, health, and economic stability.
- Serving as a leading provider of rapid rehousing and supportive services to veterans. VSH has played a significant role in Virginia's efforts to end veteran homelessness.

COMPATIBILITY OF PROPOSAL WITH CITY'S MASTER PLAN

The proposed use of the Property furthers the goals of, and is compatible with, the City's master plan. The redevelopment will more evenly distribute the region's burden to provide housing for its most vulnerable residents and will help the City to foster a more equitable distribution of low cost and assisted housing throughout Metro Richmond. Reducing the City's disproportionate share of responsibility for subsidized housing falls squarely within the objectives of the Master Plan. [MP pp 103].

The proposed adaptive reuse benefits a challenged area of the City where vacant and abandoned structures are a source of blight. [MP pp 121]. This redevelopment will not only resurrect a vacant building, it will also improve the appearance of the Mechanicsville Turnpike Corridor and Fairfield Gateway. This is a step toward the master plan goal of maintaining a high quality visual environment along the gateways into the City. [MP pp 29]. By finding a new residential use for an otherwise obsolete and currently vacant building, VSH can achieve Richmond's master plan goal of eliminating the negative appearance of abandoned property while it simultaneously achieves our shared goal to serve the formerly homeless and the vulnerable. This win-win not only benefits both VSH and the City, it further advances the City's cooperative goal of supporting initiatives that engage the surrounding counties to solve low- and moderate-income housing problems. [MP pp 100].

The proposed use provides housing to residents who might otherwise require services from RRHA's public housing, and further, it gives residents the support they need to remain independent. This achieves a targeted strategy laid out in Richmond's master plan to address the public housing problem by replacing public housing units with a tenant-based system. [MP pp 106].

Finally, this project represents a partnership the City can support that fits within one of the master plan's Basic Premises as to housing, namely, that maintaining decent, affordable housing requires investment and reinvestment from the private sector. [MP pp 102]. VSH has a proven track record of achieving funding from both private and public sector sources to maintain our 17 communities across the Commonwealth.

COMMUNITY IMPACT OF PROJECT

Need – The renovated property will serve formerly homeless adults and adults earning 50% or less of AMI (area median income). For these individuals, affordable rental housing is the primary tool that decreases their chances of experiencing homelessness.

The need to serve these vulnerable populations is critical. Homeward's January 2018 Point In Time (PIT) count, completed January 24, 2018, identified 535 adults experiencing homelessness in the Richmond region. The City of Richmond Affordable Housing Strategy Final Report prepared by David Paul Rosen & Associates for the City in November 2014 cites, "There are nearly 8,400 renter households, representing one in five households in Richmond, that earn less than 30% of AMI (\$21,900 per year for a family of four in 2014) and pay more than 50% of their limited gross income on housing (rent plus utilities). These households represent the most severe housing need for the City." [Rosen pp 2].

Benefits - VSH has always targeted individuals with the highest levels of need and the longest histories of street homelessness, including those who are chronically homeless, medically vulnerable or severely mentally ill. We follow the "Housing First" model, which calls for housing individuals first, then providing supportive services to help them maintain housing stability. We customize those services according to each person's needs. The outcomes we achieve are proof our organization is successfully working to enable low-income individuals and our communities to grow and prosper.

Of the clients we served in Richmond in 2017, 97% remain permanently housed. The benefits extend from the individual to the community. It costs a community approximately \$31,000 per year for a chronically homeless person to be homeless. Conversely, it costs an average of only \$10,000 per year to provide this same individual with permanent supportive housing. (Shinn, G. 2014).

Community engagement – VSH believes that collaboration is the key to providing quality, cost-effective services and programs tailored to the needs of the community. Our partnerships with local governments, public housing authorities and community development financial entities have pioneered an extraordinary example of regional cooperation for the public good.

In Richmond, Homeward coordinates the region's planning efforts. VSH is an active participant in the process, attends meetings, shares data, and identifies services gaps. The Richmond Behavioral Health Authority, The Daily Planet, Bon Secours, VCU Health Systems, the Department of Veterans Affairs, the Department of Social Services, CARITAS and other homeless service providers are partners in providing essential services to VSH clients.

For a project of this scale, our collaboration begins well before we break ground. We have spoken with the Cool Lane Civic Association and the Central Gardens Civic Association in addition to the pastor of Faith Community Baptist Church, and we will continue our dialogue with the community.

PROPOSED PRICE OFFERED

The current proposal requests that the City contribute the property at no cost to VSH, which will leverage the diverse sources of funds described above to achieve this transformative redevelopment.

EXHIBIT A

Virginia Supportive Housing Supportive Studio Apartments for Homeless and Low-Income Single Adults

- **New Clay House— 1125 West Clay Street, Richmond**
 - Developed in 1992
 - 47 studio units with supportive services for homeless adults
 - First SRO in Virginia
 - Total cost of \$1,900,000
 - Sources of funds included: low-income housing tax credits, state, and private foundation funds
 - Currently under construction to renovate and expand to 80 supportive studio units
 - Total cost of \$19,000,000
 - Sources of funds included: low-income housing tax credits, historic tax credits, state HOME and Housing Trust Funds, National Housing Trust Funds, Richmond and Henrico CDBG funds, Richmond Affordable Housing Trust Funds, Federal Home Loan Bank of Atlanta AHP funds, a VHDA REACH Loan, and private foundation funds

- **South Richmond SRO— 5409 Hull Street Road, Richmond**
 - Developed in 1996, expanded in 2011, and renovated in 2016
 - 60 studio units with supportive services for homeless adults
 - Total cost of \$9,500,000 (expansion \$3,500,000 and renovation \$6,000,000)
 - Sources of funds included: low-income housing tax credits, state HOME and Housing Trust Funds, Richmond CDBG, Henrico CDBG, Chesterfield CDBG, Richmond Affordable Housing Trust Funds, Federal Home Loan Bank of Atlanta AHP funds, a VHDA REACH Loan, and private foundation funds

- **Gosnold Apartments— 2425 Gosnold Avenue, Norfolk**
 - Developed in 2006
 - 60 studio units with supportive services
 - Total cost of \$5,600,000
 - Sources of funds included: low-income housing tax credits, state HOME, local CDBG and HOME, and private foundation funds

- **Cloverleaf Apartments— 964 South Military Highway, Virginia Beach**
 - Developed in 2008
 - 60 studio units with supportive services
 - Total cost of \$6,900,000
 - Sources of funds included: low-income housing tax credits, state HOME, local CDBG and HOME, and private foundation funds

- **South Bay Apartments—1600 South Street, Portsmouth**
 - Developed in 2010
 - 60 studio units with supportive services
 - Total cost of \$6,900,000
 - Sources of funds included: low-income housing tax credits, state HOME, local CDBG and HOME, and private foundation funds

- **The Crossings at Fourth and Preston— 401 Fourth Street NW, Charlottesville**
 - Developed in 2012
 - 60 studio units with supportive services
 - Total cost of \$6,700,000
 - Sources of funds included: low-income housing tax credits, state HOME, local CDBG and HOME, a VHDA REACH loan, Federal Home Loan Bank of Atlanta AHP, and private foundation funds

- **Heron’s Landing—2133 South Military Highway, Chesapeake**
 - Developed in 2012
 - 60 studio units with supportive services
 - Total cost of \$9,900,000
 - Sources of funds included: low-income housing tax credits, state HOME, local CDBG and HOME, Federal Home Loan Bank of Atlanta AHP, and private foundation funds

- **Crescent Square—1333 Diamond Springs Road, Virginia Beach**
 - Developed in 2016
 - 80 studio units with supportive services
 - Total cost of \$12,400,000
 - Sources of funds included: low-income housing tax credits, state HOME and Housing Trust Funds, local CDBG and HOME, Federal Home Loan Bank of Atlanta AHP, a VHDA REACH loan, and private foundation funds

- **Church Street Station Studios—2016 Church Street, Norfolk**
 - Developed in 2017
 - 80 studio units with supportive services
 - Total cost of \$13,900,000
 - Sources of funds included: low-income housing tax credits, state HOME, local CDBG and HOME, Federal Home Loan Bank of Atlanta AHP, a VHDA REACH loan, and private foundation funds


**COUNTY OF HENRICO - FINANCE DEPARTMENT
REAL ESTATE ASSESSMENT DIVISION**
Address: 4301 E. Parham Rd.
Henrico, VA 23273-2745
Phone: 804-501-4300
Fax: 804-501-5420

Print Friendly

(County Home)

[Back](#)**Base Information**

Parcel ID	799-726-0294	Parcel Address	1900 COOL LN
Vision PID #	79797	Appraiser	O
State Code	Exempt Local	Neighborhood	09940 - Elderly Housing
Use Code	331 Hospitals/Health Care	Acreage	5.34
Tax Type	Exempt	Owner (Jan 1)	CITY OF RICHMOND
Zoning	A-1	Owner (Cur)	CITY OF RICHMOND
Tax Dist	Regular	Mailing Address	
Magisterial	Fairfield		900 E BROAD ST ROOM 300
Subdivision	Acreage		RICHMOND VA
Section		Zip	23219-1907
Block		Old Map #	01390A0000 0003
Lot	5.34 acres	Pre 1992 Map #	1 A2 8
		Map Page #	221

Commercial Information

Building Name	Bldg #	Type	Section	Year Built	Stories	Height	Occupancy	Sqft
VACANT BUILDING	1	Occ 1	1	1977	2	12	313 - Convalescent Hospital	90,407
VACANT BUILDING	1	Occ 1	2 - Basement	1977	1	10	331 - Hospital	15,195
Report Total:								105,602
								1-2

Last 5 Transfers

Sale Date	Sale Price	Deed Book	Page	Owner	Sale Comment
09/16/2009	\$0	4692	1736	CITY OF RICHMOND	Non-Qualified
07/01/1993	\$0	2440	1809	HOSPITAL AUTHORITY OF RIC	Non-Qualified
12/01/1976	\$3,157,000			CITY OF RICHMOND	

Last 5 Assessments

Year	Date	Land	Land Use	Improvements	Total
2019	01/29/2019	\$756,000		\$2,096,900	\$2,852,900
2018	01/30/2018	\$756,000		\$1,998,500	\$2,754,500
2017	01/31/2017	\$756,000		\$2,020,300	\$2,776,300
2016	01/29/2016	\$756,000		\$1,988,400	\$2,744,400
2015	02/02/2015	\$756,000		\$1,972,000	\$2,728,000

Extras, Features and Outbuildings

Type	Description	Units/Area
Extra	240 SF STORAGE	
Extra	Site Imp (5.34 Ac)	
Feature	Malls-Covered	724
		1 - 3

Land Information

Type	# Units	Unit Type	Sqft	Zoning
S5	232610	SQUARE FOOTAGE	232,610	A-1

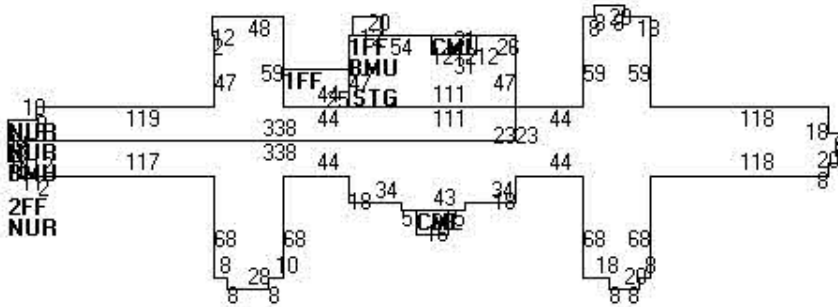
Notes

1) City of Richmond Nursing Home aka Seven Hills Health Care Center (licensed for 169 beds) 2) 9/25/01 POD 88-76 admin approved to construct a sunroom and patio addition 3) 1/27/03 Building Permit 2001-00808: 1,100sf dining room addition. 4) Nursing home closed after losing Medicaid and Medicare eligibility due to management issues. Last residents were to be relocated by 1/14/08.

Image



Last Photo Update 04/03/2017



Sketch Details

Code	Desc	Gross
1FF	1st FI Finished	5,945
2FF	2nd FI Finished	29,181
BMU	Basement Unfinished	15,195
CML	Covered Mall	724
NUR	Nursing Home	49,881
STG	Storage (comm)	240

Legal Disclaimer: Non-confidential real estate assessment records are public information under Virginia law, and Internet display of non-confidential property information is specifically authorized by Virginia Code 58.1-3122.2. While the Real Estate Division has worked to ensure that the assessment data contained herein is

accurate, Henrico County assumes no liability for any errors, omissions, or inaccuracies in the information provided or for any reliance on any maps or data provided herein. Please consult County records in the Real Estate Division for official information.

F

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

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

(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: Cool Lane Apartments

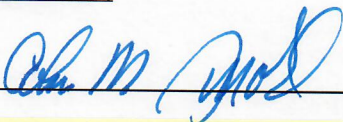
Address of Development: 1900 Cool Lane, Richmond, VA 23223

Name of Owner: Cool Lane Apartments, LLC

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: Colin M. Arnold

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

Arnold Design Studio

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:

90,347.23	(A) Total gross floor area in (sq. ft.) for the entire development
303.25	- (B) Unheated floor area (breezeways, balconies, storage)
4,690.83	- (C) Nonresidential, (commercial income producing) area
85,353.15	= (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	992.48		86		85,353.15
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	0.00		0		0.00
1 Bedroom Elderly	0.00		0		0.00
2 Bedrooms Elderly	0.00		0		0.00
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
Total			86	Total	85,353.15 **

* Including pro rata share of heated, residential common area. This information should match Structure tab of the excel application

Arnold Design Studio

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**

100.00%

Unit Type	Floor Plan Square Feet	Number of Units This Floor Plan	Total
Mix 1	Efficiency	6	3028.32
Mix 2	1 BR - 1 Bath	47	23904.67
Mix 3	1 BR - 1 Bath	2	1045.48
Mix 4	1 BR - 1 Bath	19	9501.71
Mix 5	1 BR - 1 Bath	3	1769.85
Mix 6	1 BR - 1 Bath	1	672.36
Mix 7	1 BR - 1 Bath	2	1074.78
Mix 8	1 BR - 1 Bath	2	1225.54
Mix 9	1 BR - 1 Bath	2	1572.12
Mix 10	1 BR - 1 Bath	2	1286.08
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
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
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
Totals		86	45080.91

*This information should match Unit Details page of the excel application

DEV Name: Cool Lane Apartments

Arnold Design Studio

Development Amenities:

I 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

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.
- 74% 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)
- FALSE d. Each bathroom consists only of Water Sense labeled toilets, faucets and showerheads
- TRUE e. Provide necessary infrastructure in all units for high-speed internet/broadband service.
- TRUE 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
- TRUE h. Each Unit is provided free individual Wi-Fi access
- TRUE i.,j. Bath fan wired to primary light with delayed timer, or, continuous exhaust by ERV/DOAS OR
Bath Fan with humidistat
- TRUE k. Fire Prevention - all Ranges equipped with temperature limiting controls
OR
- FALSE l. Fire Suppression - Cooking surfaces are equipped with fire suppression features
- FALSE m. Rehab only- Each apartment has dedicated space, drain and electrical hookups to accept a permanently installed dehumidification system OR
- TRUE n. All development types- Each Unit is equipped with a permanent dehumidification system
- TRUE o. All interior doors within units are solid core
- TRUE 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
- TRUE r. Shelf or ledge outside each primary apartment entry door located in an interior hallway
- FALSE s. New Construction only- Each unit to have balcony or patios minimum depth 5' clear from face of building.
Minimum 30 square feet.

DEV Name: Cool Lane Apartments

Arnold Design Studio

For all developments exclusively serving elderly tenants upon completion of construction/rehabilitation:
(optional point items)

- FALSE a. All cooking ranges will have front controls
- FALSE b. All full bathrooms will have an independent or supplemental heat source
- FALSE 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:

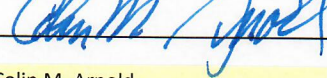
- Any development in which (i) the greater of 5 units or 10% of the total # of units will be assisted by HUD project-based vouchers or another form of documented and binding federal, state or locality project-based rent subsidies in order to ensure occupancy by extremely low-income persons; and (ii) 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: Cool Lane Apartments

Arnold Design Studio

As architect of record for the above referenced development, the above certifications are correct to the best of my knowledge.

Signed:	
Printed Name:	<u>Colin M. Arnold</u>
Title:	<u>Principal</u>
Virginia Registration #:	<u>11337</u>
Phone:	<u>540-239-2671</u>
Date:	<u>March 14, 2019</u>

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: Cool Lane Apartments



Arnold Design Studio

Appendix F VHDA's Universal Design Certification

TRUE 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: 86

The total number of rental units in this development: 86

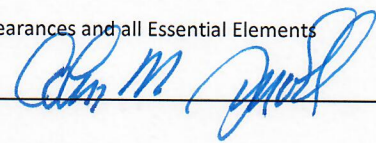
NOTE: For Elderly Developments, 100% of the units in the development must meet the Universal Design standards in order to qualify for points.

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 vhma.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: 

Printed Name: Colin M. Arnold
Architect of Record
(same individual as on page 7)

Date: 3/14/19

DEV Name: Cool Lane Apartments



Appendix F
RESNET Rater Certification of Development Plans

I certify that the development's plans and specifications incorporate all items for the required baseline energy performance as indicated in Virginia's Qualified Allocation Plan (QAP). In the event the plans and specifications do not include requirements to meet the QAP baseline energy performance, 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).

In addition provide HERS rating documentation as specified in the manual

New Construction - EnergyStar Certification
The development's design meets the criteria for the EnergyStar certification.
Rater understands that before issuance of IRS Form 8609, applicant will obtain and provide EnergyStar Certification to VHDA.

Rehabilitation -30% performance increase over existing, based on HERS Index
Or Must evidence a HERS Index of 80 or better
Rater understands that before issuance of IRS Form 8609, rater must provide Certification to VHDA of energy performance.

X Adaptive Reuse - Must evidence a HERS Index of 95 or better.
Rater understands that before issuance of IRS Form 8609, rater must provide Certification to VHDA of energy performance.

Additional Optional Certifications

I certify that the development's plans and specifications incorporate all items for the certification as indicated below, and I am a certified verifier of said certification. In the event the plans and specifications do not include requirements to obtain the certification, then those requirements still must be met, even though the application is accepted for credits. Rater understands that before issuance of IRS Form 8609, applicant will obtain and provide Certification to VHDA.

TRUE Earthcraft Certification - The development's design meets the criteria to obtain Viridiant's EarthCraft Multifamily program Gold certification or higher

FALSE LEED Certification - The development's design meets the criteria for the U.S. Green Building Council LEED green building certification.

FALSE National Green Building Standard (NGBS) - The development's design meets the criteria for meeting the NGBS Silver or higher standards to obtain certification

FALSE Enterprise Green Communities - The development's design meets the criteria for meeting meeting the requirements as stated in the Enterprise Green Communities Criteria for this developments construction type to obtain certification.

***Please Note Raters must have completed 500+ ratings in order to certify this form

Signed: Austin Walther

Date: 3/13/19

Printed Name: Austin Walther

RESNET Rater

Resnet Provider Agency
Viridiant

Signature

Provider Contact and Phone/Email Sean Evensen-Shanley, sean.evensen-shanley@viridiant.org

Home Energy Rating Certificate

Projected Report

Rating Date: 2019-03-13
 Registry ID: Unregistered
 Ekotrope ID: Kvp70Qyd

HERS® Index Score:

60

Your home's HERS score is a relative performance score. The lower the number, the more energy efficient the home. To learn more, visit www.hersindex.com

Annual Savings

\$651

*Relative to an average U.S. home

Home:

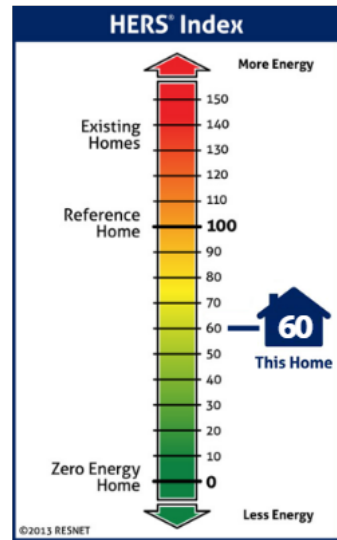
1900 Cool Lane
 Richmond, VA 23223

Builder:

Your Home's Estimated Energy Use:

	Use [MBtu]
Heating	6.8
Cooling	1.2
Hot Water	1.3
Lights/Appliances	11.6
Service Charges	
Generation (e.g. Solar)	0.0
Total:	21.0

This home meets or exceeds the criteria of the following:



Home Feature Summary:

Home Type:	Apartment, end unit
Model:	1BR Bottom fl AR
Community:	Cool Lane
Conditioned Floor Area:	797 sq. ft.
Number of Bedrooms:	1
Primary Heating System:	Air Source Heat Pump • Electric • 11.5 HSPF
Primary Cooling System:	Air Source Heat Pump • Electric • 20 SEER
Primary Water Heating:	Water Heater • Electric • 3.5 Energy Factor
House Tightness:	7 ACH50
Ventilation:	40.0 CFM • 39.2 Watts
Duct Leakage to Outside:	39.85 CFM25 (5 / 100 s.f.)
Above Grade Walls:	R-10
Ceiling:	Adiabatic, R-0
Window Type:	U-Value: 0.32, SHGC: 0.27
Foundation Walls:	R-10

Rating Completed by:

Energy Rater: Austin Walther
 RESNET ID: 1092776

Rating Company: Viridiant
 1431 W. Main Street, Richmond, VA 23220

Rating Provider: Viridiant
 1431 W. Main Street, Richmond, VA 23220



Austin Walther, Certified Energy Rater
 Digitally signed: 3/13/19 at 9:43 AM

Resident Wi-Fi Information

Internet Education Information,
Acknowledgement Form, and Internet Security
Plan

Cool Lane Apartments
1900 Cool Lane
Richmond, VA 23223

RE: Resident Internet Information

Dear Resident,

As a resident of Cool Lane Apartments you will be provided with free individual Wi-Fi access within your unit. Please know that while the Wi-Fi provided by Cool Lane Apartments will be closely monitored and secured by critical IT solutions there is still a level of risk associated with using Wi-Fi. These risks include, but are not limited to, personal information and data theft, monetary scams, and system security breaches.

Again, while we will work to minimize these risks to the greatest extent feasible there is always a risk to utilizing the internet and we ask residents to exercise caution when visiting websites, downloading materials, or providing their personal information.

Sincerely,

Cool Lane Apartments, LLC

Cool Lane Apartments: Internet Acknowledgement Form

I, _____, hereby acknowledge that I have received a copy of the Cool Lane Apartments "Resident Internet Information" letter and have been informed of any/all internet security policies. I further attest to comply with the internet policies and will follow up with staff if I have any questions regarding the provided materials.

Resident Signature

Unit Number

Date

Cool Lane Apartments: Internet Security Plan

In order to provide a secure IT environment for residents and staff, Cool Lane Apartments will be outfitted with several key IT solutions. These solutions will be continuously monitored and updated by a computer networking company.

The solutions that will be implemented at Cool Lane Apartments include:

- Patch Management automation for operating systems and software applications;
- Endpoint Security to identify and prevent known viruses from infecting systems;
- Advanced Email Security beyond spam filtering that specifically targets spear phishing and spoofing;
- DNS Based Secure Internet Gateway for web content analysis, protection, and malware security;
- Cloud Managed Wireless Access Points to allow for identity-based group security policies and network-wide visibility and control; and
- Next Generation Firewalls to provide intrusion prevention and application layer content filtering services that allows traffic shaping and web access to specific devices between employee and resident wireless networks.

G

Zoning Certification Letter
(MANDATORY)



COMMONWEALTH OF VIRGINIA
COUNTY OF HENRICO

R.J. Emerson, Jr., AICP
Director of Planning
(804) 501-4602

Zoning Certification

DATE: March 12, 2019

TO: Mr. J. D. Bondurant
Virginia Housing Development Authority
601 South Belvidere Street
Richmond, VA 23220

RE: ZONING CERTIFICATION

Name of the Development: Cool Lane Apartments
Name of the Owner/Applicant: Cool Lane Apartments, LLC
Name of Seller/Current Owner: City of Richmond

Dear Mr. Bondurant:

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: 1900 Cool Lane, Richmond, VA 23223

Legal Description: All that certain piece or parcel of land, with the improvements thereon, lying and being partly in the City of Richmond, Virginia and partly in the County of Henrico, Virginia, containing 5.72 acres, described as follows: See the attached-Exhibit "A".

Proposed Improvements:

	# Units	# Buildings	Total Floor Area Sq. Ft.
<input type="checkbox"/> New Construction:			
<input checked="" type="checkbox"/> Adaptive Reuse:	87	1	90,347.23
<input type="checkbox"/> Rehabilitation:			

Zoning Certification Cont'd.

Name of Development: Cool Lane Apartments

Current Zoning: R-6C General Residence District allowing a density of 105/5.24 acres units per acre, and the following other applicable conditions: Subject to additional restrictions outlined by companion case PUP2019-00001.

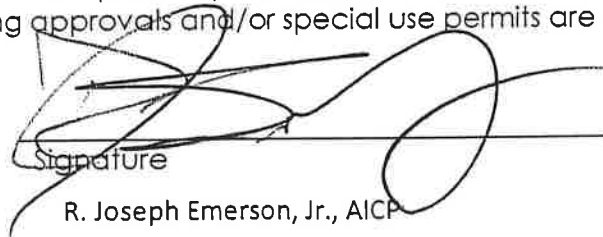
Other Descriptive Information:

Cool Lane Apartments will be the adaptive re-use of a vacant nursing home facility into 80 one-bedroom and 6 studio apartments for homeless and low-income individuals in the Richmond region, plus one (1) night monitor unit.

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.


Signature

R. Joseph Emerson, Jr., AICP

Printed Name

Director of Planning

Title of Local Official or Civil Engineer

(804) 501-4605

Phone:

March 12, 2019

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 the Tax Credit Allocation Department at (804) 343-5518.

EXHIBIT "A"

ALL that certain piece or parcel of land, with the improvements thereon, lying and being partly in the City of Richmond, Virginia, and partly in the County of Henrico, Virginia, containing 5.72 acres, described as follows:

COMMENCING at a stone on the North line of Cool Lane, 134 feet, more or less, East of its intersection with Mechanicsville Turnpike (U.S. Route 60), which point of beginning is located on the 1942 City of Richmond Corporation Line dividing the City of Richmond and the County of Henrico; thence from said point of beginning extending N. 26° 39' E. 150 feet to a point; thence extending N. 73° 26' W. 133.90 feet to a point on the East line of Mechanicsville Turnpike; thence extending N. 32° 12' 40" E. 56.60 feet along the East line of Mechanicsville Turnpike to a stone; thence continuing along the East line of said Mechanicsville Turnpike N. 30° 10' E. 72.18 feet to a stone; thence leaving said Mechanicsville Turnpike and extending Eastwardly along the South line of Ramp "C", Interstate Rt. No. 64, along the following courses and distances; S. 84° 38' 30" E. 131.45 feet to a stone; S. 60° 23' 30" E. 180.77 feet to a stone; S. 73° 17' 30" E. 128.45 feet to a stone; N. 77° 26' 30" E. 188.88 feet to a stone; N. 56° 52' 30" E. 241.72 feet to a stone; and N. 85° 34' 30" E. 98.75 feet to a rod; thence extending S. 26° 21' 30" W. 576.80 feet along the West line of Cool Lane Court Subdivision to a rod; thence extending N. 73° 26' W. 673.56 feet along the North line of Cool Lane to the point of beginning.



CITY OF RICHMOND

DEPARTMENT OF
PLANNING AND DEVELOPMENT REVIEW
ZONING ADMINISTRATION

To: Virginia Housing Development Authority
601 South Belvidere Street
Richmond, Virginia 23220
Attention: JD Bondurant

RE: Zoning Jurisdiction Confirmation
Name of Development: Cool Lane Apartments
Name of Owner/Applicant: Cool Lane Apartments, LLC

The City of Richmond confirms that the County of Henrico has the jurisdiction to complete a Zoning Certification letter on behalf of the Owner/Applicant for Cool Lane Apartments, which overlaps the boundary between the City of Richmond and the County of Henrico.

Signature:

A handwritten signature in black ink, appearing to read "William C. Davidson". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Printed Name: William C. Davidson

Title: Zoning Administrator

Phone: (804)-646-6353

Date: March 13, 2019

H

Attorney's Opinion
(MANDATORY)

WILLIAMS MULLEN

Direct Dial: 804.420.6585
Inowlin@williamsmullen.com

March 14, 2019

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

RE: 2019 Tax Credit Reservation Request

Name of Development: Cool Lane Apartments
Name of Owner: Cool Lane Apartments, LLC

Gentlemen:

This undersigned firm represents the above-referenced Owner as its counsel. It has received a copy of and has reviewed the completed application package dated March 14, 2019 (of which this opinion is a 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 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 appropriate type(s) of allocation(s) have been requested in the Reservation Request Information section in the Application form.
4. 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.

WILLIAMS MULLEN

Virginia Housing Development Authority
March 14, 2019
Page 2

5. The site of the captioned Development is controlled by the Owner, as identified in the Site Control section of the Application, for a period of not less than four (4) months beyond the application deadline.
6. The type of the nonprofit organization involved in the Development is an organization described in Code Section 501(c)(3) or 501(c)(4) and exempt from taxation under Code Section 501(a), whose purposes include the fostering of low-income housing.
7. The nonprofit organization's ownership interest in the development is as described in the Nonprofit Involvement section of the Application form.

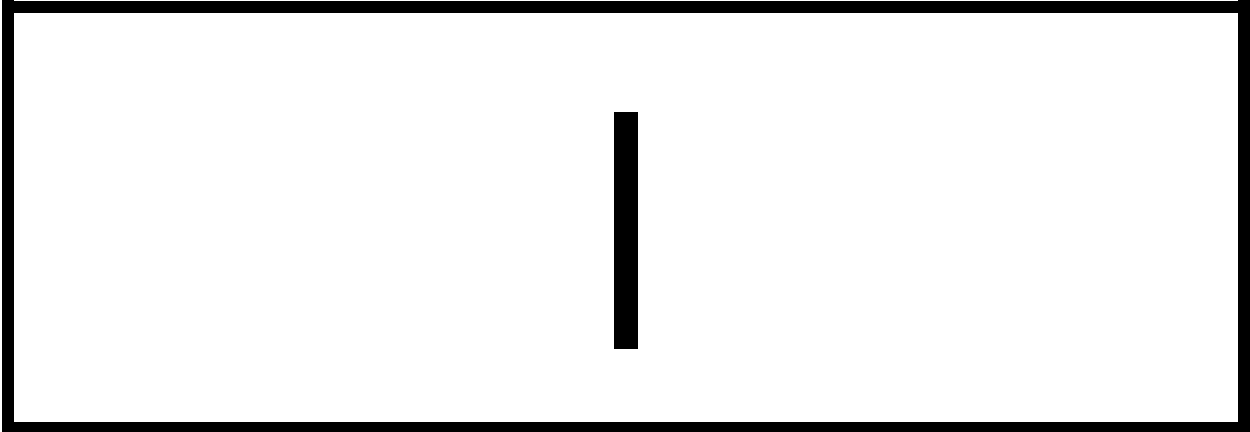
Finally, the undersigned is of the opinion that, if all information and representations contained in the Application and all current law were to remain unchanged, upon compliance by the Owner with the requirements of Code Section 42(h)(1)(E), the Owner would be eligible under the applicable provisions 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.

WILLIAMS MULLEN, A Professional Corporation

By: 
Lauren D. Nowlin, Partner



Nonprofit Questionnaire

(MANDATORY for points or pool)



Non-profit Questionnaire

Part II, 13VAC10-180-60, of the Qualified Allocation Plan (the "Plan") of the Virginia Housing Development Authority (the "Authority") for the allocation of federal low income housing tax credits ("Credits") available under §42 of the Internal Revenue Code, as amended (the "Code") establishes certain requirements for receiving credits from the non-profit pool established under the Plan and assigning points for participation of a non-profit organization in the development of qualified low-income housing.

Answers to the following questions will be used by the Authority in its evaluation of whether or not an applicant meets such requirements. [Attach additional sheets as necessary to complete each question.](#)

1. General Information

- a. Name of development: _____
- b. Name of owner/applicant: _____
- c. Name of non-profit entity: _____
- d. Address of principal place of business of non-profit entity:

Indicate funding sources and amount used to pay for office space:

- e. Tax exempt status: 501(c)(3) 501(c)(4) 501(a)
- f. Date of legal formation of non-profit (must be prior to application deadline); _____
evidenced by the following documentation:

- g. Date of IRS 501(c)(3) or 501(c)(4) determination letter (must be prior to application deadline and copy must be attached):

- h. Describe exempt purposes (must include the fostering of low-income housing in its articles of incorporation):

- i. Expected life (in years) of non-profit:

Non-profit Questionnaire, cont'd

- j. Explain the anticipated future activities of the non-profit over the next five years:
-
-
-
- k. How many full time, paid staff members does the non-profit and, if applicable, any other non-profit organization(s) ("related non-profit(s)") of which the non-profit is a subsidiary or to which the non-profit is otherwise related have (i.e. by shared directors, staff, etc.)?
_____ How many part time, paid staff members? _____
- Describe the duties of all staff members:
-
-
-
-
- l. Does the non-profit share staff with any other entity besides a related non-profit described above?
- Yes No If yes, explain in detail: _____
-
-
- m. How many volunteers does the non-profit and, if applicable, any related non-profit have?
-
-
- n. What are the sources and manner of funding of the non-profit? (You must disclose all financial and/ or the arrangements with any individual(s) or for profit entity, including anyone or any entity related, directly, indirectly, to the Owner of the Development
-
-
-
- o. List all directors of the non-profit, their occupations, their length of service on the board, and their residential addresses:
-
-
-

2. Non-profit Formation

- a. Explain in detail the genesis of the formation of the non-profit:
-
-
-

Non-profit Questionnaire, cont'd

- b. Is the non-profit, or has it ever been, affiliated with or controlled by a for-profit entity or local housing authority?

Yes No If yes, explain in detail:

- c. Has any for profit organization or local housing authority (including the Owner of the Development, joint venture partner, or any individual or entity directly or indirectly related to such Owner) appointed any directors to the governing board of the non-profit?

Yes No If yes, explain:

- d. Does any for-profit organization or local housing authority have the right to make such appointments?

Yes No If yes, explain:

- e. Does any for profit organization or local housing authority have any other affiliation with the non-profit or have any other relationship with the non-profit in which it exercises or has the right to exercise any other type of control?

Yes No, If yes, explain:

- f. Was the non-profit formed by any individual(s) or for profit entity for the principal purpose of being included in the non-profit Pool or receiving points for non-profit participation under the Plan?

Yes No

- g. Explain in detail the past experience of the non-profit including, if applicable, the past experience of any other related non-profit of which the non-profit is a subsidiary or to which the non-profit is otherwise related (by shared directors, staff, etc.):

- h. If you included in your answer to the previous question information concerning any related non-profit, describe the date of legal formation thereof, the date of IRS 501 (c)(3) or 501 (c)(4) status, its expected life, its charitable purposes and its relationship to the non-profit.

3. Non-profit Involvement

Non-profit Questionnaire, cont'd

- a. Is the non-profit assured of owning an interest in the Development (either directly or through a wholly owned subsidiary) throughout the Compliance Period (as defined in §42(i)(1) of the Code)?

Yes No

- (i) Will the non-profit own at least 10% of the general partnership/owning entity?

Yes No

- (ii) Will the non-profit own 100% of the general partnership interest/owning entity?

Yes No

If no to either 3a.i or 3a.ii above, specifically describe the non-profit's ownership interest:

- b. (i) Will the non-profit be the managing member or managing general partner?
 Yes No If yes, where in the partnership/operating agreement is this provision specifically referenced?

- (ii) Will the non-profit be the managing member or own more than 50% of the general partnership interest? Yes No

- c. Will the non-profit have the option or right of first refusal to purchase the proposed development at the end of the compliance period for a price not to exceed the outstanding debt and exit taxes of the for-profit entity?

Yes No If yes, where in the partnership/operating agreement is this provision specifically referenced?

Recordable agreement attached to the Tax Credit Application as TAB V

If no at the end of the compliance period explain how the disposition of the assets will be structured:

- d. Is the non-profit materially participating (regular, continuous, and substantial participation) in the construction or rehabilitation and operation or management of the proposed Development?

Yes No If yes,

- (i) Describe the nature and extent of the non-profit's proposed involvement in the construction or rehabilitation of the Development:

- (ii) Describe the nature and extent of the non-profit's involvement in the operation or

Non-profit Questionnaire, cont'd

management of the Development throughout the Extended Use Period (the entire time period of occupancy restrictions of the low-income units in the Development):

- (iii) Will the non-profit invest in its overall interaction with the development more than 500 hours annually to this venture? Yes No If yes, subdivide the annual hours by activity and staff responsible and explain in detail:

- e. Explain how the idea for the proposed development was conceived. For example, was it in response to a need identified by a local neighborhood group? Local government? Board member? Housing needs study? Third party consultant? Other?

- f. List all general partners/managing members of the Owner of the Development (one must be the non-profit) and the relative percentages of their interests:

- g. If this is a joint venture, (i.e. the non-profit is not the sole general partner/managing member), explain the nature and extent of the joint venture partner's involvement in the construction or rehabilitation and operation or management of the proposed development.

- h. Is a for profit entity providing development services (excluding architectural, engineering, legal, and accounting services) to the proposed development? Yes No If yes, (i) explain the nature and extent of the consultant's involvement in the construction or rehabilitation and operation or management of the proposed development.

- (ii) Explain how this relationship was established. For example, did the non-profit solicit proposals from several for-profits? Did the for-profit contact the non-profit and offer the services?

- i. Will the non-profit or the Owner (as identified in the application) pay a joint venture partner

Non-profit Questionnaire, cont'd

or consultant fee for providing development services? Yes No If yes, explain the amount and source of the funds for such payments.

- j. Will any portion of the developer's fee which the non-profit expects to collect from its participation in the development be used to pay any consultant fee or any other fee to a third party entity or joint venture partner? Yes No If yes, explain in detail the amount and timing of such payments.

- k. Will the joint venture partner or for-profit consultant be compensated (receive income) in any other manner, such as builder's profit, architectural and engineering fees, or cash flow? Yes No If yes, explain:

- l. Will any member of the board of directors, officer, or staff member of the non-profit participate in the development and/or operation of the proposed development in any for-profit capacity? Yes No If yes, explain:

- m. Disclose any business or personal (including family) relationships that any of the staff members, directors or other principals involved in the formation or operation of the non-profit have, either directly or indirectly, with any persons or entities involved or to be involved in the Development on a for-profit basis including, but not limited to the Owner of the Development, any of its for-profit general partners, employees, limited partners or any other parties directly or indirectly related to such Owner:

- n. Is the non-profit involving any local, community based non-profit organizations in the development, role and operation, or provision of services for the development? Yes No If yes, explain in detail, including the compensation for the other non-profits:

Non-profit Questionnaire, cont'd

4. Virginia and Community Activity

a. Has the Virginia State Corporation Commission authorized the non-profit to do business in Virginia? Yes No

b. Define the non-profit's geographic target area or population to be served:

c. Does the non-profit or, if applicable, related non-profit have experience serving the community where the proposed development is located (including advocacy, organizing, development, management, or facilitation, but not limited to housing initiatives)? Yes No If yes, or no, explain nature, extent and duration of any service:

d. Does the non-profit's by laws or board resolutions provide a formal process for low income, program beneficiaries to advise the non-profit on design, location of sites, development and management of affordable housing? Yes No If yes, explain:

e. Has the Virginia Department of Agriculture and Consumer Services (Division of Consumer Affairs) authorized the non-profit to solicit contributions/donations in the target community?

Yes No

f. Does the non-profit have demonstrated support (preferably financial) from established organizations, institutions, businesses and individuals in the target community?

Yes No If yes, explain:

g. Has the non-profit conducted any meetings with neighborhood, civic, or community groups and/or tenant associations to discuss the proposed development and solicit input? Yes No If yes, describe the meeting dates, meeting locations, number of attendees and general discussion points:

h. Are at least 33% of the members of the board of directors representatives of the community being served? Yes No If yes,

(i) low-income residents of the community? Yes No

Non-profit Questionnaire, cont'd

- (ii) elected representatives of low-income neighborhood organizations? Yes No
- i. Are no more than 33% of the members of the board of directors representatives of the public sector (i.e. public officials or employees or those appointed to the board by public officials)? Yes No
- j. Does the board of directors hold regular meetings which are well attended and accessible to the target community? Yes No If yes, explain the meeting schedule:

- k. Has the non-profit received a Community Housing Development Organization (CHDO) designation, as defined by the U. S. Department of Housing and Urban Development's HOME regulations, from the state or a local participating jurisdiction? Yes No
- l. Has the non-profit been awarded state or local funds for the purpose of supporting overhead and operating expenses? Yes No If yes, explain in detail:

- m. Has the non-profit been formally designated by the local government as the principal community-based non-profit housing development organization for the selected target area? Yes No If yes, explain:

- n. Has the non-profit ever applied for Low Income Housing Tax Credits for a development in which it acted as a joint venture partner with a for-profit entity? Yes No If yes, note each such application including: the development name and location, the date of application, the non-profit's role and ownership status in the development, the name and principals of the joint venture partners, the name and principals of the general contractor, the name and principals of the management entity, the result of the application, and the current status of the development(s).

- o. Has the non-profit ever applied for Low Income Housing Tax Credits for a development in which it acted as the sole general partner/managing member? Yes No If yes, note each such development including the name and location, the date of the application, the result of the application, and the current status of the development(s).

- p. To the best of your knowledge, has this development, or a similar development on the same site, ever received tax credits before? Yes No If yes, explain:

Non-profit Questionnaire, cont'd

q. Has the non-profit been an owner or applicant for a development that has received a reservation in a previous application round from the Virginia Housing Partnership or the VHDA Housing Funds? Yes No If yes, explain:

Please see attached.

r. Has the non-profit completed a community needs assessment that is no more than three years old and that, at a minimum identifies all of the defined target area's housing needs and resources? Yes No If yes, explain the need identified:

s. Has the non-profit completed a community plan that (1) outlines a comprehensive strategy for addressing identified community housing needs, (2) offers a detailed work plan and timeline for implementing the strategy, and (3) documents that the needs assessment and comprehensive strategy were developed with the maximum possible input from the target community? Yes No If yes, explain the plan:

5. Attachments

Documentation of any of the above need not be submitted unless requested by VHDA

The undersigned Owner and non-profit hereby each certify that, to the best of its knowledge, all of the foregoing information is complete and accurate. Furthermore, each certifies that no attempt has been or will be made to circumvent the requirements for non-profit participation contained in the Plan or Section 42 of the Internal Revenue Code.

3/7/19
Date

Cool Lane Apartments, LLC
Owner/Applicant

By: Allison Bogdanovic

Its: Executive Director
Title

3/7/19
Date

Virginia Supportive Housing
Non-profit

By: Pamela M. Guggins
Board Chairman

Non-profit Questionnaire, cont'd

By: Allison Bogdanovic
Executive Director

Cool Lane Apartments
Non-Profit Questionnaire: Additional Information

1. General information

1. o. List all directors of the non-profit, their occupations, their length of service on the board, and their residential addresses:

Pamela Goggins, President
Microsoft
Board Term: 2015-2020
213 Walsing Drive Richmond, VA 23229

Sharon Nusbaum, Vice President
Community Volunteer
Board Term: 2015-2020
540 New Hampshire Avenue Norfolk, VA 23508

Jason Snook, PhD, Secretary
CapTech Ventures, Inc.
Board Term: 2017-2022
1003 Catherine Street Richmond, VA 23220

Jim Mellendick, Treasurer
Wells Fargo Advisors
Board Term: 2018-2023
14806 Bridge Creek Drive Midlothian, VA 23113

Nathalia D. Artus
Union Bank & Trust
Board Term: 2018-2023
3503 Edgewood Ave. Richmond, VA 23222

Curtis Carter
Thalhimer
Board Term: 2019-2024
7712 Dartmoor Road Richmond, VA 23229

Keith Conley
Veteran, U.S. Navy
Board Term: 2013-2019
411 Walnut Street Green Cove Springs, Florida 32043

Andrew Heatwole
Ripley Heatwole Company, Inc.
Board Term: 2018-2023
4305 Alfriends Trail Virginia Beach, VA 23455

Anne Thomas Hines
Thomas-Hines Interiors
Board Term: 2014-2019
201 Virginia Avenue Richmond, VA 23226

Jack Horn
Martin Horn, Inc.
Board Term: 2013-2019
4041 Red Hill Road Charlottesville, VA 22903

Sharon Payne
Virginia Wesleyan University
Board Term: 2018-2023
1722 Honorary Court Virginia Beach, VA 23454

Andrew Sherrod
Hirschler
Board Term: 2019-2024
311 Lexington Road Richmond, VA 23226

2. Non-profit Formation

2. a. Explain in detail the genesis of the formation of the non-profit:

Virginia Supportive Housing, formerly SRO Housing of Richmond, was founded in 1988 by a group of individuals in the City of Richmond concerned with the growing problem of homelessness and the lack of available, effective solutions. Members of this small but determined group researched permanent supportive housing and found it to be the most effective method of reducing the number of chronically homeless individuals.

As part of their research, members from the group visited New York, New York and Chicago, Illinois. In 1992, Virginia Supportive Housing opened Virginia's first SRO (Single Room Occupancy), New Clay House, which was modeled after Lakefront SRO in Chicago. New Clay House is 80 efficiency units (renovated and expanded from the original 47 units in 2019) of permanent supportive housing for homeless and low-income single adults that operates under the concept of blended management in which residential services and property management staff work closely together to help residents meet their goals.

2. h. If you included in your answer to the previous question information concerning any related non-profit, describe the date of legal formation thereof, the date of IRS 501(c)(3) or 501(c)(4) status, its expected life, its charitable purposes and its relationship to the nonprofit.

James River Apartments- March 9, 2004- perpetual- To provide elderly and/or persons with disabilities with housing facilities and services.

FIND, Inc.- July 29, 1999- perpetual- This corporation was organized exclusively for the charitable purpose of developing, managing and/or owning decent housing that it affordable to low and moderate income persons including persons who are homeless. In furtherance of this purpose, the Corporation is organized as a Community Housing Development Organization (CHDO) and a Community-Based Development Organization (CBDO).

Bliley Manor- April 14, 1998- perpetual- To provide elderly persons and/or persons with disabilities with housing facilities and services.

Cherokee Hill of Richmond, Inc.- April 14, 1998- perpetual- To provide elderly persons and/or persons with disabilities with housing facilities and services.

Independence House- January 15, 2003- perpetual- To provide elderly persons and/ persons with disabilities with housing and facilities and services.

(Dates indicated are for legal formation and start of IRS 501 (c) 3 status.)

3. Non-profit Involvement

3. e. Explain how the idea for the proposed development was conceived. For example, was it in response to a need identified by a local neighborhood group? Local government? Board member? Housing needs study? Third party consultant? Other?

Virginia Supportive Housing (VSH) was founded in the City of Richmond in 1988 and has been successfully serving homeless and low-income persons from the Greater Richmond Region for over thirty (30) years. VSH has been working closely with Henrico County for the past few years to identify a site for a new permanent supportive housing development to serve Henrico County and City of Richmond residents. In March 2018 Henrico County approached Virginia Supportive Housing about the property located at 1900 Cool Lane. The property would be VSH's third (3) large multi-family property and eleventh (11) community serving individuals from the Greater Richmond Region.

4. Virginia and Community Activity

4. c. Does the non-profit or, if applicable, related non-profit have experience serving the community where the proposed development is located (including advocacy, organizing, development, management, or facilitation, but not limited to housing initiatives)?

For over 30 years, Virginia Supportive Housing (VSH) has been developing housing and providing property management and comprehensive supportive services for persons who are homeless and persons with disabilities throughout the Commonwealth of Virginia. Virginia Supportive Housing opened New Clay House, its first permanent supportive housing development in 1992 in the City of Richmond. New Clay House was followed by South Richmond SRO in 1996 and Studios at South Richmond in 2011. The two properties house a total of one hundred forty (140) individuals. VSH also operates smaller housing developments for low income families, Veterans, individuals with disabilities, individuals with traumatic brain injury, and individuals with HIV/AIDS. Together these smaller developments hold fifty-two (52) units.

4. g. Has the non-profit conducted any meetings with neighborhood, civic, or community groups and/or tenant associations to discuss the proposed development and solicit input?

Virginia Supportive Housing has been working closely with Faith Community Baptist Church and Pastor Patricia A. Gould-Champ for several months around community outreach regarding the development of Cool Lane Apartments.

Faith Community Baptist Church, located across the street from 1900 Cool Lane, hosted a community meeting led by Virginia Supportive Housing on December 17, 2018 where about 10 neighbors and community members were able to learn about the project and ask questions. Additionally, members of

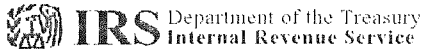
the community participated in a tour of New Clay House, a VSH permanent supportive housing project located in the City of Richmond, on February 26, 2019. This allowed community members and neighbors the opportunity to see the quality and pride VSH takes in designing and constructing their housing.

Furthermore, VSH has reached out to several local civic leagues to request to speak at one of their meetings about the project. Virginia Supportive Housing will continue to work with community members and groups to provide information and collect input throughout the planning and development process.

4. q. Has the non-profit been an owner or applicant for a development that has received a reservation in a previous application round from the Virginia Housing Partnership or the VHDA Housing Funds?

Projects Involving Virginia Housing Partnership (VHP) or VHDA Housing Funds or DHCD AHPP-HOME Funds:

<u>Name</u>	<u>Location</u>	<u>Units</u>	<u>Property</u>	<u>Type of VHDA Funds</u>
New Clay House	Richmond	47	SRO	VHP and VHDA Funds
South Richmond SRO	Richmond	39	SRO	VHP Funds
Gosnold Apartments	Norfolk	60	SRO	AHPP-HOME Funds
Cloverleaf Apartments	Virginia Beach	60	SRO	AHPP-HOME and SPARC Funds
South Bay Apartments	Portsmouth	60	SRO	AHPP-HOME Funds
Studios at South Richmond	Richmond	21	SRO	AHPP-HOME Funds
The Crossings at Fourth and Preston	Charlottesville	60	SRO	AHPP-HOME and SPARC Funds
Heron's Landing	Chesapeake	60	SRO	AHPP-HOME Funds
Crescent Square	Virginia Beach	80	SRO	AHPP-HOME and SPARC Funds
Studios II	Richmond	39	SRO	AHPP-HOME and SPARC Funds
Church Street Station Studios	Norfolk	80	SRO	AHPP-HOME and SPARC Funds
New Clay House II	Richmond	80	SRO	AHPP-HOME and REACH Funds
Independence House	Richmond	6	Group Home	AHPP-HOME Funds
James River Apartments	Richmond	6	Accessible	AHPP-HOME Funds
James River Apartments	Richmond	8	Accessible	AHPP-HOME Funds
Veterans Apartments	Richmond	4	Veterans	SHP Matching and CPH Funds
Minor St. Apartments	Richmond	4	Family Apts.	VHP Funds
3 rd Avenue Apartments	Richmond	4	Family Apts.	VHP Funds
Chestnut Hill Apartments	Richmond	4	Family Apts.	AHPP-HOME Funds
Cary Street Apartments	Richmond	4	Family Apts.	SHP Matching



Department of the Treasury
Internal Revenue Service

P.O. Box 2508
Cincinnati OH 45201

In reply refer to: 0248464840
Dec. 03, 2009 LTR 4168C E0
54-1444564 000000 00
00017800
BODC: TE

VIRGINIA SUPPORTIVE HOUSING
1010 N THOMPSON
RICHMOND VA 23230

15000

Employer Identification Number: 54-1444564
Person to Contact: Mrs. Dudley
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your Nov. 23, 2009, request for information regarding your tax-exempt status.

Our records indicate that your organization was recognized as exempt under section 501(c)(03) of the Internal Revenue Code in a determination letter issued in JULY 1988.

Our records also indicate that you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section(s) 509(a)(1) and 170(b)(1)(A)(vi).

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Beginning with the organization's sixth taxable year and all succeeding years, it must meet one of the public support tests under section 170(b)(1)(A)(vi) or section 509(a)(2) as reported on Schedule A of the Form 990. If your organization does not meet the public support test for two consecutive years, it is required to file Form 990-PF, Return of Private Foundation, for the second tax year that the organization failed to meet the support test and will be reclassified as a private foundation.

If you have any questions, please call us at the telephone number shown in the heading of this letter.



IRS Department of the Treasury
Internal Revenue Service

P.O. Box 2508
Cincinnati OH 45201

015000.631534.0081.002 1 AB 0.360 532



VIRGINIA SUPPORTIVE HOUSING
1010 N THOMPSON
RICHMOND VA 23230

15000

CUT OUT AND RETURN THE VOUCHER AT THE BOTTOM OF THIS PAGE IF YOU ARE MAKING A PAYMENT,
EVEN IF YOU ALSO HAVE AN INQUIRY.

The IRS address must appear in the window.

Use for payments

BODCD-TE

0248464840

Letter Number: LTR4168C
Letter Date : 2009-12-03
Tax Period : 000000

INTERNAL REVENUE SERVICE
P.O. Box 2508
Cincinnati OH 45201



541444564

VIRGINIA SUPPORTIVE HOUSING
1010 N THOMPSON
RICHMOND VA 23230

541444564 UP VIRG 00 2 000000 670 000000000000

J

Relocation Plan

(MANDATORY, if tenants are displaced)

K

Documentation of
Development Location:

K.1

Revitalization Area
Certification



Revitalization Area

General Instructions

Revitalization areas are defined in Virginia Code §36-55.30:2.A.

Designation

To qualify for revitalization area points, select one of the following (and provide adequate documentation):

Please see supporting documentation.

1. The development is located in a Qualified Census Tract, as defined by HUD.
2. The development is located in a census tract wherein 70% or more of the families have incomes which are \leq 80% statewide median income. **NOTE:** these census tracts are included in the definition of targeted area for single-family lending purpose, but do not include ACEDS.
3. The development is located in an already established redevelopment area, conservation area or rehabilitation district created by a city or county, pursuant to §36-1 et seq. Documentation must show area boundaries and support that the development lies within those boundaries.
4. The development is located in a Housing Rehabilitation Zone established through an ordinance created by a city, county or town pursuant to §36-55.64. Documentation must include a copy of the ordinance with support that the development lies within the Rehabilitation Zone.
5. The development is located in a defined revitalization area. Documentation must include a resolution from the locality supporting the development's location within the revitalization area. See language below.

*The above-referenced development is located in a Revitalization Area in the Town/City/County of _____, Virginia. The revitalization area is (i) **either** (1) blighted, deteriorated, deteriorating or, if not rehabilitated, likely to deteriorate by reason that the buildings, improvements or other facilities in such area are subject to one or more of the following conditions- dilapidation, obsolescence, overcrowding, inadequate ventilation, light or sanitation, excessive land coverage, deleterious land use, or faulty or otherwise inadequate design, quality or condition, **or** (2) the industrial, commercial or other economic development of such area will benefit the city or county but such area lacks the housing needed to induce manufacturing, industrial, commercial, governmental, educational, entertainment, community development, healthcare or nonprofit enterprises or undertakings to locate or remain in such area; **and** (ii) private enterprise and investment are not reasonably expected, without assistance, to produce the construction or rehabilitation of decent, safe and sanitary housing and supporting facilities that will meet the needs of low and moderate income persons and families in such area and will induce other persons and families to live within such area and thereby create a desirable economic mix of residents in such area.*

Delete the language that does not apply, (i)(1) or (i)(2) above.

**Revitalization Area Certification:
Documentation of Location within a QCT**

Cool Lane Apartments
1900 Cool Lane
Richmond, VA 23223

2019 Virginia LIHTC Reference Map

Existing LIHTC properties

Percent of Households Below Poverty

Poverty_Pe

- > 12%
- 10.01% - 12%
- 3.01% - 10%
- 0% - 3%

Metropolitan DDAs

Census Tract Information

The address entered is situated in Census Tract **2010.03** in **Henrico County**.

Is this address eligible for (only one may apply):
Points associated with being in a tract with less than 12% poverty? **Yes**
Points associated with being in a tract with less than 10% poverty? **No**
Points associated with being in a tract with less than 3% poverty? **No**

This location falls within **Richmond MSA** geographic pool. It is also subject to current square footage cost limits of **218.00** for new construction or adaptive reuse and **156.00** for acquisition/rehabilitation developments. For 2019 only, developments within this pool may select to adhere to a per unit cost limit of **259,224.00** for new construction or adaptive reuse and **199,972.00** for acquisition/rehabilitation.

Additional information regarding this site:
Is it located within the New Construction pool? **No**
Is it located within a non-metropolitan Difficult to Develop Area (DDA)? **No**
It is located in Congressional District: **4**
It is located in Planning District: **15**
It is located in State Senate District: **9**
It is located in State House District: **70**

Revitalization Reference
Is it located within a Qualified Census Tract (QCT)? **Yes**
Is it located within a tract where 70% or more of families have incomes which are 80% or less of statewide median income? **No**

(see expanded text below)

Census Tract Information

The address entered is situated in Census Tract **2010.03** in **Henrico County**.

Is this address eligible for (only one may apply):

Points associated with being in a tract with less than 12% poverty? **Yes**

Points associated with being in a tract with less than 10% poverty? **No**

Points associated with being in a tract with less than 3% poverty? **No**

This location falls within **Richmond MSA** geographic pool. It is also subject to current square footage cost limits of **218.00** for new construction or adaptive reuse and **156.00** for acquisition/rehabilitation developments. For 2019 only, developments within this pool may select to adhere to a per unit cost limit of **259,224.00** for new construction or adaptive reuse and **199,972.00** for acquisition/rehabilitation.

Additional information regarding this site:

Is it located within the New Construction pool? **No**

Is it located within a non-metropolitan Difficult to Develop Area (DDA)? **No**

It is located in Congressional District: **4**

It is located in Planning District: **15**

It is located in State Senate District: **9**

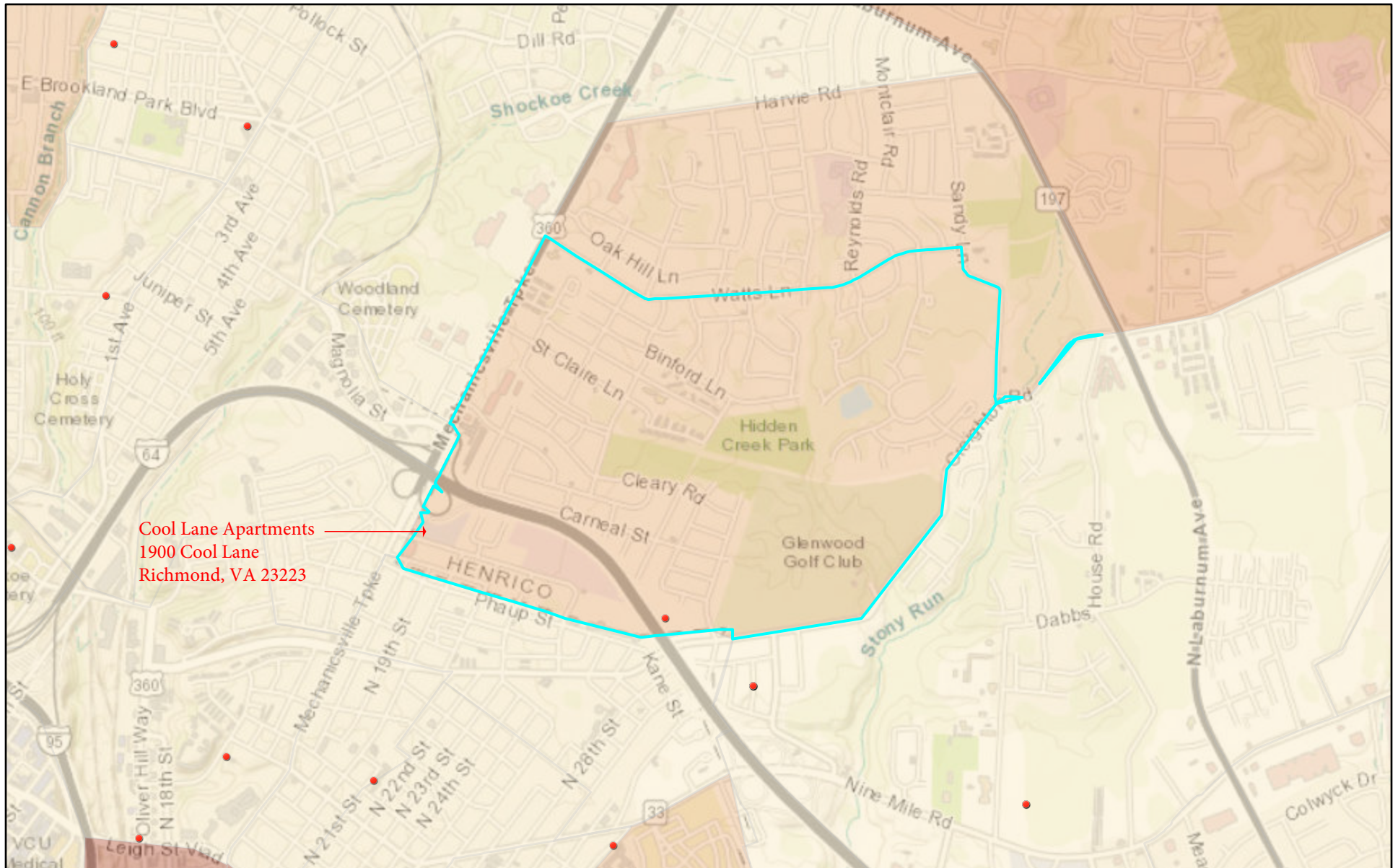
It is located in State House District: **70**

Revitalization Reference

Is it located within a Qualified Census Tract (QCT)? **Yes**

Is it located within a tract where 70% or more of families have incomes which are 80% or less of statewide median income? **No**

2019 Virginia LIHTC Reference Map



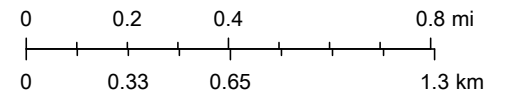
Cool Lane Apartments
 1900 Cool Lane
 Richmond, VA 23223

February 21, 2019

Percent of Households Below Poverty

	Override 1		Override 3
	Override 2		Override 4

1:30,319



Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS,

stephanie.flanders_VHDA

2019 IRS SECTION 42(d)(5)(B) QUALIFIED CENSUS TRACTS

(2010 Census Data; 2010-2014, 2011-2015, 2012-2016 American Community Survey (ACS) Data); OMB Metropolitan Area Definitions, July 15, 2015

** Effective Date January 1, 2019*

STATE: Virginia	TRACT	TRACT	TRACT	TRACT	TRACT	TRACT	TRACT	TRACT	TRACT	TRACT	TRACT	TRACT
COUNTY OR COUNTY EQUIVALENT												
Albemarle County	109.01	109.02	109.03	113.02								
Alleghany County	701.00											
Arlington County	1020.03	1022.00	1027.01									
Brunswick County	9302.03											
Buchanan County	101.00	102.00	104.00									
Chesterfield County	1001.07	1003.00	1004.04	1004.05	1004.06	1008.06						
Dickenson County	404.00											
Dinwiddie County	8404.00											
Fairfax County	4214.00	4215.00	4216.00	4217.01	4507.02	4514.00	4516.01	4522.00	4525.02	4619.02		
Franklin County	202.00											
Grayson County	601.01	602.01										
Halifax County	9306.00	9308.00										
Henrico County	2004.10	2004.12	2007.00	2008.04	2008.05	2010.02	2010.03	2011.01	2014.01			
Henry County	108.00	110.00	112.00									
Lee County	9501.00	9503.00	9504.00	9506.00								
Loudoun County	6105.05	6106.03										
Montgomery County	202.01	202.02	204.00	207.00								
Northampton County	9303.00											
Nottoway County	3.00											
Orange County	1102.00											
Prince Edward County	9301.00	9302.03										
Prince William County	9002.03	9004.07	9009.01	9011.00	9014.08	9019.00						
Rockingham County	105.00											
Russell County	301.00											
Smyth County	306.00											
Spotsylvania County	201.08	201.09	204.04									
Stafford County	102.01											
Sussex County	8701.00	8703.00	8704.00									
Tazewell County	203.00	205.00										
Washington County	105.02											
Wise County	9311.00	9312.00	9315.00	9316.00								
Alexandria city	2001.03	2001.05	2005.00	2012.03								
Bristol city	202.00	203.00										
Buena Vista city	9306.00											
Charlottesville city	2.01	2.02	4.01	5.01	6.00							
Chesapeake city	201.00	202.00	203.00	207.00								
Covington city	601.00											

Danville city	4.00	5.00	6.00	10.00	11.00	12.00						
Emporia city	8901.00	8902.00										
Franklin city	902.00											
Fredericksburg city	2.00	4.00										
Galax city	701.01											
Hampton city	104.00	105.01	105.02	106.01	106.02	107.01	109.00	113.00	114.00	118.00	119.00	
Harrisonburg city	2.04	2.05	2.07	3.02								
Hopewell city	8201.00	8203.00	8206.00	8207.00								
Lynchburg city	4.00	5.00	6.00	7.00	8.01	9.00	11.00	16.00	19.00			
Martinsville city	2.00	3.00	4.00									
Newport News city	301.00	303.00	304.00	305.00	306.00	308.00	309.00	312.00	320.06	321.26	322.12	322.25
	322.26											
Norfolk city	11.00	13.00	14.00	25.00	26.00	27.00	29.00	31.00	34.00	35.01	41.00	42.00
	43.00	46.00	48.00	50.00	51.00	55.00	57.01	58.00	59.01	65.01		
Petersburg city	8101.00	8103.00	8104.00	8105.00	8106.00	8107.00	8112.00	8113.00				
Portsmouth city	2105.00	2111.00	2114.00	2115.00	2117.00	2118.00	2119.00	2120.00	2121.00	2123.00	2124.00	2128.01
Radford city	101.01	101.02										
Richmond city	103.00	107.00	108.00	109.00	110.00	111.00	201.00	202.00	203.00	204.00	207.00	209.00
	210.00	211.00	212.00	301.00	302.00	305.00	402.00	403.00	404.00	411.00	412.00	413.00
	602.00	604.00	607.00	608.00	609.00	610.00	706.01	706.02	707.00	708.01	709.00	710.01
	710.02											
Roanoke city	9.00	10.00	12.00	23.00	24.00	25.00	26.00	27.00				
Staunton city	2.00											
Suffolk city	651.00	653.00	654.00	655.00	755.01	756.01						
Virginia Beach city	406.00	442.00	448.06	458.10								
Waynesboro city	31.00	32.00										
Winchester city	1.00											

Click on a tract number to see a map of the tract in another browser window.

Users trying to determine the HUB Zone status of a census tract should use the [SBA's HUB Zone Mapping Site](#).

To determine the 2010 census tract number for a particular address, visit the [HUD User GIS Service -- Low-Income Housing Tax Credit Qualified Census Tract \(QCT\) Locator](#).

The following are 2019 Nonmetropolitan Difficult Development Areas in **Virginia**. Any LIHTC project located in these areas is eligible for additional tax credits.

Nonmetropolitan Counties or County Equivalents

Accomack County

Brunswick County

Cumberland County

Essex County

Greensville County
Lunenburg County
Nottoway County
Southampton County

King and Queen County
Madison County
Prince Edward County

Lancaster County
Middlesex County
Rockbridge County

Louisa County
Northampton County
Shenandoah County

See the latest [Designation Notice](#) for information on effective date and when changes to designations may be made.

Set printer to landscape mode to ensure that you print the entire table.

| [HUD Home Page](#) | [HUD User Home](#) | [Data Sets](#) | [Qualified Census Tracts and Difficult Development Areas](#) |

Problems or questions? Contact Michael.K.Hollar@hud.gov.

Close Window

K.2

Location Map

Location Map:

Cool Lane Apartments
1900 Cool Lane
Richmond, VA 23223



Location Map:

Cool Lane Apartments
1900 Cool Lane
Richmond, VA 23223

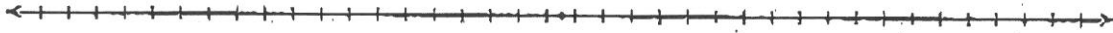


K.3

Surveyor's Certification of
Proximity to Public
Transportation



201 Twinridge Lane
North Chesterfield, Virginia 23235
804-320-2646 Office



Surveyor's Certification of Proximity to Transportation

DATE: 02/04/2019

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

RE: 2019 Tax Credit Reservation Request

Name of Development: Cool Lane Apartments

Name of Owner: Cool Lane Apartments, LLC

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 1/2 mile of the nearest access point to an existing commuter rail, light rail or subway station; or
- 1,320 feet or 1/4 mile of the nearest access point to an existing public bus stop.

McKnight & Associates P.C. Professional Land Surveyors

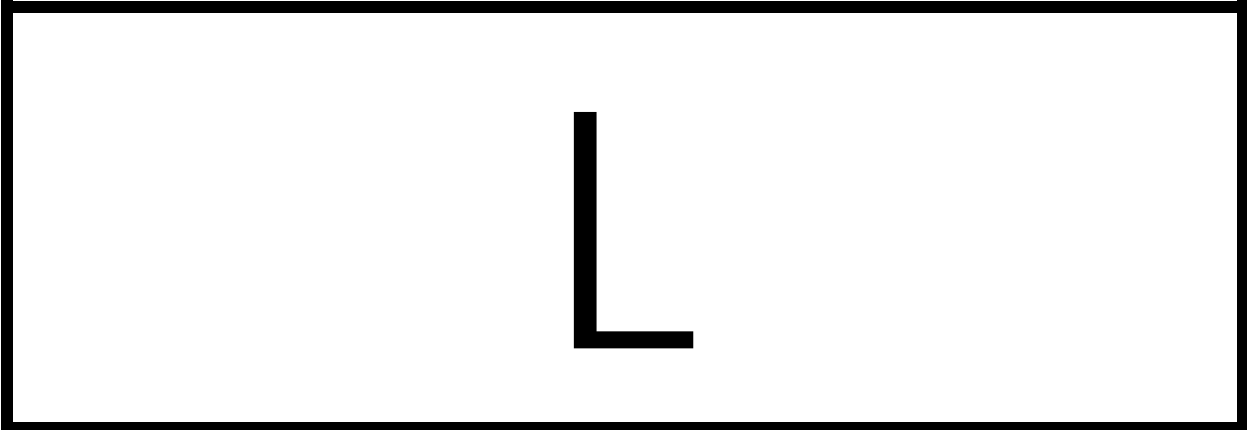
Firm Name

By:

[Handwritten Signature] LS. 1986

Its: President

Title



L

PHA/Section 8 Notification
Letter



PHA or Section 8 Notification Letter

Development Name: Cool Lane Apartments

Tracking #: 2020-ASH-03

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: March 7, 2019

TO: Orlando Artze, Interim CEO
Richmond Redevelopment and Housing Authority
901 Chamberlayne Ave, Richmond, VA

RE: PROPOSED AFFORDABLE HOUSING DEVELOPMENT

Name of Development: Cool Lane Apartments
Name of Owner: Cool Lane Apartments, LLC

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 October 1, 2022 (date).

The following is a brief description of the proposed development:

Development Address:
1900 Cool Lane, Richmond, VA 23223

Proposed Improvements:

<input type="checkbox"/> New Constr.:	_____	# units	_____	# Bldgs
<input checked="" type="checkbox"/> Adaptive Reuse:	86	# units	1	# Bldgs
<input type="checkbox"/> Rehabilitation:	_____	# units	_____	# Bldgs

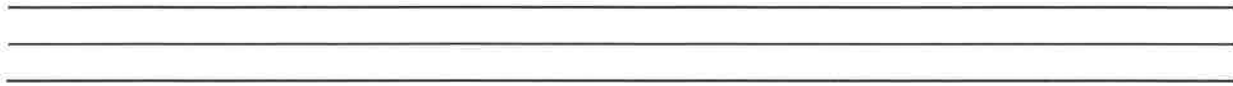
Proposed Rents:

<input type="checkbox"/> Efficiencies:	\$ _____	/ month
<input checked="" type="checkbox"/> 1 Bedroom Units:	\$ 725	/ month
<input type="checkbox"/> 2 Bedroom Units:	\$ _____	/ month
<input type="checkbox"/> 3 Bedroom Units:	\$ _____	/ month
<input type="checkbox"/> 4 Bedroom Units:	\$ _____	/ month

Other Descriptive Information:

Cool Lane Apartments is the adaptive re-use of an existing assisted-living facility located at 1900 Cool Lane in Henrico County.
Cool Lane Apartments will be a mixed-income community with units for homeless and low-income individuals in the Richmond Region.

PHA or Section 8 Notification Letter



We appreciate your assistance with identifying qualified tenants.

If you have any questions about the proposed development, please call me at (804)836-1063.

Please acknowledge receipt of this letter by signing below and returning it to me.

Sincerely yours,

Elizabeth Nice

Name

Housing Development Officer

Title

To be completed by the Local Housing Authority or Sec 8 Administrator:

Seen and Acknowledged By:

Printed Name: Orlando Artze

Title: Interim CEO

Phone: 804-780-3491

Date: 3/11/14

M

Locality CEO Response
Letter



COMMONWEALTH OF VIRGINIA
COUNTY OF HENRICO

John A. Vithoukas
County Manager

February 1, 2019

Mr. J. D. Bondurant
Virginia Housing Development Authority
601 South Belvidere Street
Richmond, VA 23220

VHDA Tracking Number: 2020-ASH-03
Development Name: Cool Lane Apartments
Name of the Owner/Applicant: Cool Lane Apartments, LLC

Dear Mr. Bondurant:

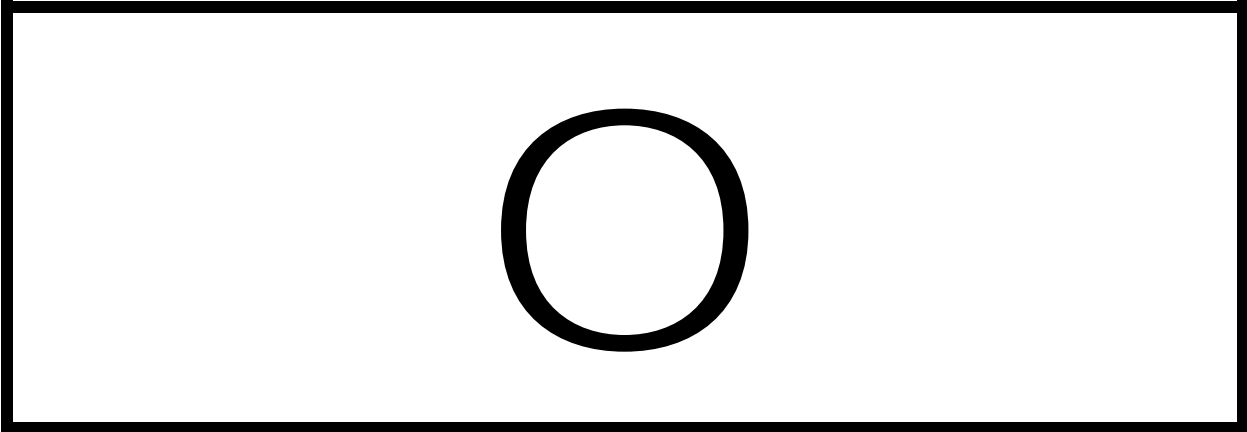
The construction or rehabilitation of the above-named development and the allocation of federal housing tax credits available under IRC Section 42 for said development will help to meet the housing needs and priorities of Henrico County and the Richmond region. Accordingly, Henrico County supports the allocation of federal housing tax credits requested by Cool Lane Apartments, LLC for this development.

Sincerely,

John A. Vithoukas
County Manager

N

Homeownership Plan



O

Plan of Development
Certification Letter

P

Copies of 8609s to
Certify Developer
Experience and
Partnership agreements

VHDA Experienced LIHTC Developers

Notes:

Updated:

3/11/2019

I Listed if 'named' Controlling General Partner or Managing Member (as confirmed by supporting documentation)

I Listed if documentation supported at least 6 LIHTC developments

I Listed if a principal who has developed at least 3 LIHTC deals and has at least \$500,000 in liquid assets

See LIHTC Manual for instructions on being added to this list

INDIVIDUALS

1 Alexander, Randall P.	28 Franklin, Wendell C.	55 Nelson, IV, John M.
2 Arista, Roberto	29 Friedman, Mitchell M.	56 Orth, Kevin
3 Barnhart, Richard K.	30 Gardner, Mark E.	57 Page, David
4 Baron, Richard	31 Gunderman, Timothy L.	58 Parent, Brian
5 Bennett, Vincent R.	32 Haskins, Robert G.	59 Park, Richard A.
6 Burns, Laura P.	33 Heatwole, F. Andrew	60 Park, William N.
7 Chapman, Tim	34 Honeycutt, Thomas W.	61 Pasquesi, R.J.
8 Cohen, Howard Earl	35 Hunt, Michael C.	62 Pedigo, Gerald K.
9 Connelly, T. Kevin	36 Iglesias, Adrian	63 Poulin, Brian M.
10 Connors, Cathy	37 Jester, M. David	64 Queener, Brad
11 Copeland, M. Scott	38 Johnston, Thomas M.	65 Ripley, F. Scott
12 Copeland, Robert O.	39 Jones Kirkland, Janice	66 Ripley, Ronald C.
13 Copeland, Todd A.	40 Kirkland, Milton L.	67 Ross, Stephen M.
14 Cordingley, Bruce A.	41 Kittle, Jeffery L.	68 Salazar, Tony
15 Counselman, Richard	42 Koogler, David M.	69 Sari, Lisa A.
16 Crosland, Jr., John	43 Koogler, David Mark	70 Sinito, Frank T.
17 Curtis, Lawrence H.	44 Lancaster, Dale	71 Stockmaster, Adam J.
18 Daigle, Marc	45 Lawson, Phillip O.	72 Stoffregen, Phillip J.
19 Dambly, Mark H.	46 Lawson, Steve	73 Surber, Jen
20 Deutch, David O.	47 Leon, Miles B.	74 Valey, Ernst
21 Dischinger, Chris	48 Lewis, David R.	75 Uram, David
22 Douglas, David D.	49 Margolis, Robert B.	76 Woda, Jeffrey J.
23 Edmondson, Jim	50 McCormack, Kevin	77 Wohl, Michael D.
24 Ellis, Gary D.	51 McNamara, Michael L.	78 Wolfson, III, Louis
25 Fekas, William L.	52 Melton, Melvin B.	
26 Fitch, Hollis M.	53 Midura, Ronald J.	
27 Fore, Richard L.	54 Mirmelstein, George	

NON-PROFITS, LHAs & (PUBLICLY TRADED) CORPORATIONS

- 1 AHC, Inc.
- 2 Alexandria RHA
- 3 Arlington Partnership for Affordable Housing (APAH)
- 4 Better Housing Coalition
- 5 Buckeye Community Hope Foundation
- 6 Community Housing Partners
- 7 Community Housing, Inc.
- 8 ElderHomes (dba Project: Homes)
- 9 Enterprise Homes, Inc
- 10 Fairfax County RHA
- 11 Homes for America, Inc.
- 12 Humanities Foundation, Inc.
- 13 Huntington Housing, Inc.
- 14 Newport News RHA
- 15 NHT Communities
- 16 Norfolk Redevelopment Housing Authority
- 17 People Incorporated
- 18 Piedmont Housing Alliance
- 19 Preserving US, Inc.
- 20 Portsmouth RHA
- 21 RHA/Housing, Inc.
- 22 The Community Builders
- 23 Virginia Supportive Housing
- 24 Virginia United Methodist Housing Development Corporation
- 25 Wesley Housing Development Corporation

Q

Documentation of Rental
Assistance

Board of Commissioners
Robert J. Adams, Chairman

Veronica G. Blount
Marilyn B. Olds
Elliott M. Harrigan
Samuel S. Young, Jr.
Jonathan Coleman
Robley S. Jones
Heidi Abbott
Neil S. Kessler



February 28, 2019

Interim Chief Executive Officer
Orlando C. Artze
901 Chamberlayne Parkway
P.O. Box 26887
Richmond, VA 23261-6887
804-780-4200
Fax 804-780-8712
TTY: Dial 7-1-1
www.rrha.com

Virginia Supportive Housing
Attn: Allison Bogdanovic, Executive Director
8002 Discovery Drive, Suite 201
Richmond, VA 23229
Abogdanovic@virginiassupportivehousing.org

Dear Allison Bogdanovic:

Thank you for responding to Richmond Redevelopment and Housing Authority's Request for Proposal No. RRHA-RFP-2019-04 for Project Based Vouchers (PBVs) issued on **February 05, 2019**. In response to your proposal, I am pleased to inform you that you have been awarded **16** PBVs for the **1900 Cool Lane** located at **1900 Cool Lane, Richmond, VA.** The term of the PBVs will be for 15 years subject to the execution of a HAP contract. This commitment is in effect from March 1, 2019 - September 1, 2021 (30 months) subject to your satisfactory compliance with the terms and conditions stipulated in the aforementioned RFP.

In addition, if you indicated in your response to the aforementioned RFP that your project was applying for Low Income Housing Tax Credits (LIHTCs) through VHDA, then this commitment is contingent upon the receiving an allocation of Low Income Housing Tax Credits no later than December 31, 2019.

Again, congratulations on receiving this commitment. We look forward to working with you.

Sincerely,



Kerry L. James,
Director of Procurement and Contract Administration

cc/ file

R

Documentation of
Operating Budget

Documentation of Operating Budget

The proposed operating budget for Cool Lane Apartments is based on the operating budget for New Clay House II in Richmond. New Clay House II is the adaptive re-use and new construction of 80 units. Expenses have been increased to reflect 86 units at Cool Lane Apartments. A breakdown of the miscellaneous budget categories is included below.

Miscellaneous Administrative Costs:

Pre-employment Screening	\$260.00
Postage	\$460.00
IT Contract	\$7,200.00
Computer Software	\$4,198.00
Office Equipment Leasing	\$3,000.00
Bad Debts	\$7,500.00
Credit Reports	\$540.00
Criminal Reports	\$460.00
Staff Mileage	\$2,000.00
Staff Training	\$900.00
Travel/Lodging	\$150.00
Membership Dues	\$320.00
Conferences	\$200.00
Meals	\$350.00
Resident Activities	\$1,200.00
Asset Management Fee	\$9,500.00

Miscellaneous Operating Costs:

Exterminating Supplies	\$100.00
Appliances	\$1,300.00
Fire Alarm Suppression	\$3,125.00
Security Maintenance and Repairs	\$1,225.00
Equipment Repair and Replacement	\$2,500.00
Telephone Equipment	\$150.00

Miscellaneous Taxes/ Business/ Permits Costs:

Personal property taxes, inspections, and tags	\$1,820.00
--	------------

S

Supportive Housing
Certification

VHDA Permanent Supportive Housing Services Certification

Permanent Supportive Housing is housing consisting of units designated for individuals or families that are homeless, at-risk of homelessness or who have multiple barriers to independent living.

Best practices are described by the U.S. Department of Health and Human Services:
<http://store.samhsa.gov/shin/content/SMA10-4510/SMA10-4510-06-BuildingYourProgram-PSH.pdf>

For consideration, provide **all** of the following:

1. Attach a list of developments for which you've provided permanent supportive housing services. Describe the types of services that were provided.
2. A signed copy of an MOU with a local service provider agency(ies). If no MOU exists, the service provider must sign this certification. If neither is available, provide an explanation for the lack of demonstrated partnership and describe how the property will receive referrals and from whom the residents will receive services.

3. Describe your target population(s).

4. List the types of supportive services to be offered.

5. Who will be providing supportive services?

6. What percentage of the total number of units will be marketed to and held available for tenants in need of supportive services?

_____ %

In addition, I/we certify the following:

Services

Tenant choice. Supportive housing tenants will have choices in what support services they receive (i.e., not a limited menu of services). Individual Support Plans will reflect tenant-defined needs and preferences. As supportive service tenants' needs change over time, tenants can receive more or less intensive support services.

Assertive outreach and engagement. The service team will use a variety of outreach and engagement techniques to bring tenants into helping relationships.

Case management. Case managers will serve as the bridge between tenants and the supports that help them achieve stability and long-term tenancy.

Recovery supports. Services will include at least one of the following:

- Mainstream supports, e.g., income supports from public benefits programs, healthcare from hospitals and clinics and employment help from vocational agencies
- Specialized supports, e.g., life skills training, budgeting, medication management and behavioral health treatment
- Natural supports, e.g., connections with peers, family, community and faith communities

Housing

Tenant choice. Supportive housing tenants will be able to choose where they want to live. Tenants cannot be evicted from their housing for rejecting services.

Access. Supportive housing units will be available to people who are experiencing homelessness, are precariously housed and/or who have multiple barriers to housing stability, including disabilities and substance abuse.

Quality. Supportive housing units will be similar to other units in the project.

Integration. Supportive housing tenants with disabilities will have a right to receive housing and supportive services in the most integrated settings available, including in buildings that include neighbors who do not have disabilities and where there is access to an array of community services and resources used by people with and without disabilities.

Rights of tenancy. Supportive housing tenant leases or subleases will confer full rights of tenancy, including limitations on landlords' entry into the property and the right to challenge eviction in landlord-tenant court. Tenants can remain in their homes as long as the basic requirements of tenancy are met—paying the rent, not interfering with other tenants' use of their homes, not causing property damage, etc. House rules, if any, are similar to those found in other housing.

Affordability. Supportive housing tenants should pay no more than 30% of their incomes toward rent and basic utilities.

Coordination between housing and services. Property managers and support service staff will stay in regular communication and coordinate their efforts to help prevent evictions and to ensure tenants facing eviction have access to necessary services and supports.

Delineated roles. There will be a functional separation of roles, with the housing elements (rent collection, property maintenance, enforcement of responsibilities of tenancy) carried out by different staff than those providing services (case management, mental health treatment, wraparound services).

The undersigned Owner certifies that each of the above statements is true and correct.

I/We agree that the commitment to provide supportive housing will remain in place throughout the Compliance Period (as described in the Extended Use Agreement).

March 11, 2019

Date

Allison Bogdanovic
Owner/Applicant-Cool Lane Apartments, LLC

By: Allison Bogdanovic

Its: Executive Director of Cool Lane Apartments Development
Title Corporation, Its managing member

Allison Bogdanovic
Service Provider-Virginia Supportive Housing

By: Allison Bogdanovic

Its: Executive Director of Virginia Supportive Housing

Title

Virginia Supportive Housing

VHDA Permanent Supportive Housing Services Certification

Developments where Virginia Supportive Housing provides Permanent Supportive Housing Services:

<u>Name</u>	<u>Location</u>	<u>Units</u>	<u>Type of Services Offered</u>
New Clay House	Richmond	80	* See below
Gosnold Apartments	Norfolk	60	* See below
Cloverleaf Apartments	VA Beach	60	* See below
South Bay Apartments	Portsmouth	60	* See below
Studios at S. Richmond	Richmond	60	* See below
The Crossings at Fourth and Preston	Charlottesville	60	* See below
Heron's Landing	Chesapeake	60	* See below
Crescent Square	Virginia Beach	80	* See below
Church Street Station Studios	Norfolk	80	* See below

*Supportive services offered at each property are similar; see the attached description of Virginia Supportive Housing on-site supportive services.



PERMANENT SUPPORTIVE HOUSING

SUPPORTIVE SERVICES PROGRAM DESCRIPTION

On-Site Supportive Services provided by Virginia Supportive Housing (VSH)

Case Management

VSH supportive services staff assist tenants with accessing mainstream community services and resources, monitor the quality and effectiveness of those services, and ensure coordination of care to promote achievement of each individual's personal goals including maintaining housing, securing work or entitlement income, and improving health and mental health conditions. We engage residents who seek services in developing a housing stabilization/care plan that outlines their individual goals and strategies needed to achieve their goals.

Housing Stabilization

Supportive services staff engage residents in activities that promote a consistent and safe housing environment. We offer mediation services with property management staff when required to minimize lease violations and delinquency. We provide move-in support and orientation to new residents. We coordinate with community partners and donors to provide essential household items.

Independent Living Skills

Supportive services staff provide individual and group counseling to help individuals resolve life issues, promote recovery and community integration, and manage mental health symptoms. Skills training is provided to improve individuals' abilities to budget and manage finances, manage medication, secure and maintain employment, and develop positive social supports. Crisis prevention, intervention, and stabilization is provided to individuals experiencing acute distress. Other activities of daily living include navigating public transportation, nutrition and diet, personal hygiene, household cleaning and maintenance, medication management, and interpersonal skills.

Community Engagement and Social Support

Supportive services staff work with our residents to ensure a strong sense of social connectedness in the apartment community as well as with the larger community in which they are located. For example, individuals participate in community meetings, attend civic association meetings and community events, plan and participate in recreational and volunteer activities, and engage in family reunification as appropriate.

Employment, Education, and Vocational Support

Supportive services staff provide assistance with resumes and employment searches. We connect residents with workforce development initiatives that may include, but are not limited to, teaching employable skills, computer classes, returning to school, and GED tutoring.

Transition Planning

Supportive services staff help coordinate transition to other subsidized housing with less intensive services when appropriate. We do this through our move-on program that connects those residents who are ready to transition to a more independent setting without on-site services. We ensure the resident is connected with community providers as their unique needs require and provide a year of follow-up services so that they can continue to be stably housed. In addition, we coordinate external placements for those who can no longer live independently and need a higher level of care, such as an assisted living or nursing facility. Lastly, we offer next of kin services to coordinate burial/memorial services.



3/11/2019

Dear Virginia Supportive Housing,

Congratulations on becoming a CORES certified organization!

The Certified Organization for Resident Engagement & Services (CORES) Certification recognizes owners that have developed a robust commitment, capacity, and competency in providing resident services coordination in affordable rental homes. The CORES Certification is applicable across the entire portfolio and is inclusive of family, senior and supportive housing communities (www.coresonline.org).

The CORES Certification recognizes Virginia Supportive Housing's investment in and development of the tools necessary to implement a robust system of resident services coordination under the Direct Model.

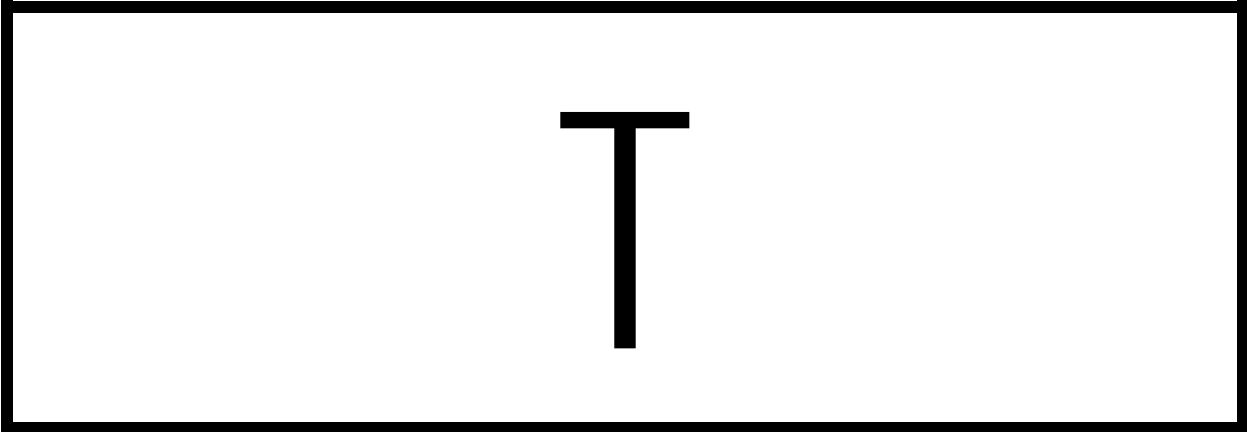
We have provided a version of the CORES logo which recognizes your organization as CORES certified. Please feel free to use this logo on your website or any other promotional materials.

The CORES certification lasts **five years** and will expire on March 11, 2024. We recommend starting the renewal process three months in advance of the certification expiration date.

If you have any further questions, please contact us at cores@sahfnet.org.

Sincerely,

Eileen Fitzgerald
President and CEO
SAHF



T

Funding Documentation



BON SECOURS
VIRGINIA HEALTH SYSTEM
Bon Secours Health System, Inc.

Allison Bogdanovic
Virginia Supportive Housing
P.O. Box 8585
Richmond, VA 23226

Dear Ms. Bogdanovic:

I am pleased to inform you that Bon Secours Richmond Health System has approved a gift of \$150,000 to Virginia Supportive Housing (VSH). These funds are to be used for predevelopment and capital improvements to Cool Lane Apartments.

The funds will be delivered to VSH incrementally on the following dates July 1, 2019, July 1, 2020 and July 1, 2021. Please confirm receipt of this letter via email to Rebecca_Christensen@bshsi.org. We would appreciate a report on the use of these funds annually starting March 1, 2020.

Sincerely

Toni R. Ardabell, Market President

Bon Secours Richmond Health System



**VCU Health System
Administration**

March 7, 2019

Allison Bogdanović
Executive Director
Virginia Supportive Housing
PO Box 8585
Richmond, Virginia 23226

1012 East Marshall Street
P.O. Box 980549
Richmond, VA 23298-0549

O 804.828.9771
F 804.828.8002

Marsha D. Rappley, M.D.
Vice President for VCU Health
Sciences and Chief Executive
Officer of VCU Health System

Dear Ms. Bogdanovic:

On behalf of the Virginia Commonwealth University Health System Authority (VCUHS), it is my pleasure to inform you that Virginia Supportive Housing's application was selected for a Community Health Partnership Fund grant in the amount of \$150,000 to be disbursed in \$50,000 increments over three years to support the Cool Lane Initiative project as outlined in your application and proposal dated March 5, 2019 (the "Project"). In the coming days, Byron Hunter will be in contact with you to discuss disbursement of funds for the Project.

Once you have a chance to review this letter, please sign below and return a copy to me to acknowledge your acceptance of the following terms and conditions upon which this award is issued:

- By accepting this award, Virginia Supportive Housing assumes legal, financial, administrative, and programmatic responsibility for administering the award in accordance with all provisions included in the award and all relevant statutes, regulations, and other laws implicated by receiving and administering this award, all of which are hereby incorporated into your award by reference.
- Funds must be used in accordance with the budget included with the Project proposal.
- Virginia Supportive Housing shall immediately notify VCUHS of a change in its tax exempt status.
- While VCUHS may provide reminders regarding award requirements, the absence of receiving such notice does not relieve Virginia Supportive Housing of its responsibilities.
- Failure to comply with these requirements may result in termination of the award and VCUHS' recovery of funds.

VCUHS appreciates the important work of Virginia Supportive Housing, and it is a pleasure to issue this award in advancement of the important missions of both our organizations.

Sincerely,

Marsha D. Rappley, MD
Chief Executive Officer, VCU Health System
Sr. Vice President, VCU Health Sciences

ACCEPTED AND AGREED:

Signed: Allison Bogdanović
Allison Bogdanović, Executive Director, VSH

Date: 3/7/2019

INTRODUCED: February 11, 2019

AN ORDINANCE No. 2019-028

To declare surplus and to direct the sale of City-owned real estate located at 1900 Cool Lane and 2011 Mechanicsville Turnpike for nominal consideration to Virginia Supportive Housing for the purpose of facilitating the redevelopment thereof.

Patron – Mayor Stoney

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: FEB 25 2019 AT 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That, notwithstanding the provisions of sections 8-58(c) or 8-60 of the Code of the City of Richmond (2015), as amended, to the contrary, the real estate owned by the City of Richmond, located at 1900 Cool Lane and 2011 Mechanicsville Turnpike and identified as Tax Parcel Nos. R000-0025/001 and E012-0146/002, respectively, in the 2019 records of the City Assessor hereby is declared surplus real estate and is directed to be sold for nominal consideration to Virginia Supportive Housing for the purpose of facilitating the redevelopment thereof in accordance with the applicable provisions of Chapter 8 of the Code of the City of Richmond (2015), as amended (except sections 8-58(c) or 8-60 thereof), the Charter of the City

AYES: 7 NOES: 0 ABSTAIN: 1

ADOPTED: FEB 25 2019 REJECTED: _____ STRICKEN: _____

of Richmond (2018), as amended, the Code of Virginia (1950), as amended, and the Constitution of Virginia.

§ 2. That, pursuant to section 8-65(b) of the Code of the City of Richmond (2015), as amended, the Chief Administrative Officer is hereby directed to execute, on behalf of the City, the deed and such other documents, all of which must first be approved as to form by the City Attorney, as may be necessary to consummate the sale of such property.

§ 3. This ordinance shall be in force and effect upon adoption.

4-8509
JAN 16 2019



CITY OF RICHMOND

INTRACITY CORRESPONDENCE

Office of the
Chief Administrative Officer

O&R REQUEST **RECEIVED**

DATE: January 15, 2019

JAN 31 2019
EDITION: 1

TO: THE HONORABLE MEMBERS OF CITY COUNCIL

OFFICE OF CITY ATTORNEY

THROUGH: THE HONORABLE LEVAR M. STONEY, MAYOR

JS 1/23/19
SD

THROUGH: SELENA CUFFEE-GLENN, CHIEF ADMINISTRATIVE OFFICER

THROUGH: LENORA G. REID, DEPUTY CHIEF ADMINISTRATIVE OFFICER, FINANCE & ADMINISTRATION

JS

THROUGH: DOUGLAS C. DUNLAP, INTERIM DEPUTY CHIEF ADMINISTRATIVE OFFICER FOR ECONOMIC DEVELOPMENT AND PLANNING

DD

THROUGH: JANE C. FERRARA, INTERIM DIRECTOR OF ECONOMIC DEVELOPMENT

JCF

FROM: PAUL MCCLELLAN, PROGRAMS ADMINISTRATOR – REAL ESTATE STRATEGIES, ECONOMIC DEVELOPMENT

PM

RE: TO DECLARE AS SURPLUS AND AUTHORIZE THE CHIEF ADMINISTRATIVE OFFICER TO CONVEY THE CITY-OWNED PROPERTY LOCATED AT 1900 COOL LANE (HENRICO COUNTY TAX PARCEL # 799-726-0294) AND 2011 MECHANICSVILLE TURNPIKE (RICHMOND TAX PARCEL # E0120146002)

ORD. OR RES. No. _____

PURPOSE: To declare as surplus and authorize the conveyance of the City-owned property located at 1900 Cool Lane (Henrico County Tax Parcel #799-726-0294) AND 2011 Mechanicsville Turnpike (Tax Parcel # E0120146002)) from the City to Virginia Supportive Housing (the Purchaser).

REASON: The properties located at 1900 Cool Lane and 2011 Mechanicsville Turnpike were operated as the former Seven Hills Nursing Home which was owned and managed by the Hospital Authority of Richmond. The nursing home ceased operation in 2008 and the property was conveyed to the City of Richmond in 2009. The properties have remained vacant and underutilized since that time. By conveying these properties to

O & R Request

Virginia Supportive Housing the City will facilitate the creation of much needed affordable housing and permanent supportive housing for formerly homeless adults as well as stimulate private investment, job creation and economic development in the area.

RECOMMENDATION: The City Administration including the Department of Economic Development recommends approval.

BACKGROUND: The 1900 Cool Lane parcel consists of approximately 5.34 acres of land and a 90,000 square foot building that was previously operated as a nursing home. The 2011 Mechanicsville Turnpike parcel consists of approximately 0.38 acres of land and is developed as a parking lot to serve the adjacent nursing home. The site was formerly the Seven Hill Nursing Home which was operated by the Hospital Authority of Richmond. The existing zoning of the property is B-2 (Community Business) within the City for the 0.38 acre parcel and A-1 (Agricultural District) within Henrico County for the 5.34 acre parcel.

Virginia Supportive Housing is proposing to redevelop the properties with high quality, much needed affordable housing and permanent supportive housing for formerly homeless adults. They propose up to 105 multi-family dwelling units within the existing building with a unit mix that will include zero, one and two-bedroom units. Virginia Supportive Housing has initiated an application to the Henrico County Board of Supervisors to rezone the 1900 Cool Lane parcel from A-1 to R-6 (General Residence) in order to allow their proposed use. The offeror hopes to complete the rezoning of the 1900 Cool Lane parcel by February 2019 and plans to file for VHDA Low Income Housing Tax Credits in March 2019. The offeror intends to complete construction of the property improvements by December 2021 and they project a total development cost of \$30 million. The last time the building was occupied was January 14, 2008 and the building has experienced significant deterioration since that time due to vandalism and deferred maintenance of the property. Virginia Supportive Housing is asking the City to donate the 2 parcels to them at no cost to the offeror. The total 2018 Henrico County Assessment for the 1900 Cool Lane parcel including land and improvements is \$2,754,500. The total 2019 City of Richmond Assessment for the 2011 Mechanicsville Turnpike parcel including land and improvements is \$172,000.

In accordance with City Code Section 8-58 (which was amended by Ordinance No. 2017-069 on November 13, 2017) the Department of Economic Development is required to solicit competitive bids for the property prior to making a recommendation to sell the property and submitting an Ordinance to City Council requesting authorization for the CAO to sell a property. The City Attorney's Office has confirmed that this request to donate City property would likely be classified as an Unsolicited Offer and would therefore be subject to the City Code Section 8-58 requirements. However the City Attorney's office has advised that City Council may override the Code Section 8-58 procedures by ordinance if it wishes to proceed with the donation of this property to Virginia Supportive Housing.

O & R Request

FISCAL IMPACT/COST TO CITY: The conveyance of this property will result in \$0.00 in sales proceeds to the City.

FISCAL IMPLICATIONS: None other than the City will no longer need to expend funds to maintain and secure the existing building and site.

BUDGET AMENDMENT NECESSARY: No

REVENUE TO CITY: Once the property is sold for redevelopment will become taxable real estate on the City's real estate tax rolls.

DESIRED EFFECTIVE DATE: Upon adoption.

REQUESTED INTRODUCTION DATE: February 11, 2019

CITY COUNCIL PUBLIC HEARING DATE: February 25, 2019

REQUESTED AGENDA: Consent

RECOMMENDED COUNCIL COMMITTEE: City Planning Commission February 19, 2019.

CONSIDERATION BY OTHER GOVERNMENTAL ENTITIES: None

AFFECTED AGENCIES: Mayor, Chief Administrative Officer, Public Utilities, Budget, Public Works, Economic Development, Housing and Community Development

RELATIONSHIP TO EXISTING ORD. OR RES.: None

REQUIRED CHANGES TO WORK PROGRAM(S): None

ATTACHMENTS: Letter from Virginia Supportive Housing dated October 16, 2018 requesting that the City donate the former Seven Hills Nursing Home site.

STAFF:

Douglas Dunlap, Planning and Economic Development 646-6822

Jane Ferrara, Economic Development 646-6737

Paul McClellan, Economic Development 646-3061

October 16, 2018

BOARD OF DIRECTORS

Pamela Goggins
President

Sharon Nusbaum
Vice President

John S. Finn, Jr.
Secretary

Nathalia D. Artus

James F. Banta

Keith L. Conley

F. Andrew Heatwole

Anne T. Hines

John D. (Jack) Horn

James Mellendick

Sharon L. Payne

Jason Snook

Allison Bogdanović
Executive Director

COUNCIL OF ADVOCATES

Betsy Bighinatti

Karl Bren

Imad Damaj

Jane Henderson

W. Barry Hofheimer

Kelly King Horne

Laura Lafayette

Penny Johnson McPherson

Gilbert M. Rosenthal

Robert C. Sledd

T. K. Somanath

Wallace Stettinius

Nancy B. Stutts

James Ukrop

Ms. Selena Cuffee-Glenn
Chief Administrative Officer, City of Richmond
900 East Broad Street, Suite 201
Richmond, Virginia 23219

Re. **Unsolicited Offer for City-Owned Real Estate**
Seven Hills Health Care Center | 1900 Cool Lane

Dear Ms. Cuffee-Glenn:

On behalf of Virginia Supportive Housing (VSH), please receive this unsolicited offer made pursuant to Sec. 8-58 of the Code of the City concerning vacant property owned by the City of Richmond formerly known as the Seven Hills Health Care Center and located at 1900 Cool Lane in Henrico County (the "Property").


VSH desires to acquire and redevelop the Property into beautiful, high-quality, and much-needed affordable housing and permanent supportive housing for formerly homeless adults, as further described in the enclosed project summary. In connection with this proposal, we request that the City initiate (or permit VSH to initiate on the City's behalf) an application to the Board of Supervisors of Henrico County to amend the zoning district classification of the Property from A-1 agricultural to R-6 general residence. If approved, the rezoning would permit VSH's proposed use of the Property, which includes up to 105 multifamily dwelling units comprised of zero-, one- and two-bedrooms and VSH offices. This residential community will be specifically designed to provide affordable housing and permanent supportive housing for formerly homeless adults.

As you know, VSH has three decades of experience and success with the adaptive reuse and construction of high quality affordable housing with permanent supportive services for formerly homeless adults. We have developed, own, and currently operate 17 properties across the Commonwealth. This track record speaks to VSH's commitment to working with stakeholders in this community to ensure that this neighborhood's existing residents and our entire region will benefit from the proposed reinvestment. With the City's assistance in meeting the critical timeline detailed in the enclosed project summary, those benefits could become visible as soon as late 2020.

The proposed project has the strong support and endorsement of Henrico County's Manager, John Vithoukas, subject to approval of the necessary rezoning by the Henrico County Board of Supervisors. This regional partnership between the City, Henrico County, and VSH, as a non-profit leader in the development of high-quality, sustainable affordable housing will demonstrate the wisdom of this approximately \$30 million investment in a community where affordable housing, churches and schools, coffee shops and market-priced condominiums can co-exist and thrive.

We hope that the enclosed proposal describes a vision that the City will embrace and help us achieve. Should you have any questions or require any further information in connection with this request, please contact me via phone (804-332-0500) or email (abogdanovic@virginiassupportivehousing.org). We look forward to your response.

Sincerely,



Allison Bogdanovic
Executive Director, Virginia Supportive Housing

cc: Honorable Members, Richmond City Council (via email)
T. Preston Lloyd, Jr., Esq., Williams Mullen (via email)

COOL LANE APARTMENTS

Collaborating to create homes for our community's most vulnerable

CONTENTS

- Summary
- Proposed Use of the Property
- Financial Ability of VSH to Provide for Proposed Use
- Community Impact of Project
- Purchase Price Offered
- Photos of Similar Projects

SUMMARY

Virginia Supportive Housing (VSH) requests that the City of Richmond authorize the transfer of title to the Property, which has been vacant for ten years, to Virginia Supportive Housing for the purpose of redevelopment into approximately 105 high-quality zero-, one- and two-bedroom units as further outlined in this proposal. The City presently owns the land and improvements located on the Property, which is in Henrico County. The City's approval will enable VSH to redevelop the property into a new residential community that will provide much-needed affordable housing and permanent supportive housing for formerly homeless adults.

PROPOSED USE OF THE PROPERTY

Description – The proposed development will renovate a vacated assisted living facility on Cool Lane in Henrico, Virginia into approximately 105 zero-, one- and two-bedroom units. Upon its completion, the adaptive reuse of this facility will be a mixed-income community with units available for both formerly homeless and low-income individuals earning 50% or less of the area median income. The property will incorporate best practices that reflect VSH's 30 years of experience developing affordable housing, such as the following:

- The units will range in size from approximately 500 to 950 square feet and will include a private full bathroom and kitchen with full-size appliances.
- The building will contain a large community room with a kitchen, a resident computer lab, a phone room for resident use, a fitness room, laundry facilities, a front desk, staff offices for on-site support services and property management staff, and off-street parking.
- The building will have an extensive security system, and the front desk will be staffed sixteen hours a day with a night monitor on call during the evening hours.
- Residents will sign a lease and pay 30% of their income for rent. In Richmond, the average annual income of our most vulnerable clients is \$7,579.

The entire development will meet the Virginia Housing and Development Authority's (VHDA) Universal Design guidelines and be certified for green building and resource and energy efficiency.

ABILITY OF VSH TO PROVIDE FOR PROPOSED USE

Costs and funding sources - The projected total cost for the development is \$30,000,000. VSH has a proven track record of successfully obtaining diverse funding sources for its supportive housing redevelopments, which include the following:

- Low Income Housing Tax Credits
- National Housing Trust Fund
- DHCD: Virginia Housing Trust Fund, HOME, Permanent Supportive Housing
- Local CDBG and HOME
- City of Richmond Affordable Housing Trust Funds
- Federal Home Loan Bank of Atlanta AHP
- The Home Depot Foundation
- Private Foundations
- VHDA REACH Loan

Timeline – The following provides a high-level view of the timeline, including actions taken to-date and activities based on our experience completing 17 similar projects across three regions of Virginia.

2010	City of Richmond asks VSH to consider acquiring the vacant property at 1900 Cool Lane and converting it into permanent supportive housing. VSH expresses interest, but Henrico County is unable to move forward at that time.
July 2018	Henrico County confirms with VSH Executive Director Allison Bogdanovic that they are prepared to consider a permanent supportive housing community within Henrico County. County Manager John Vithoukas proposes the Cool Lane location as a viable option.
September 6, 2018	Initial meeting between VSH team and City Administration to discuss prospective proposal and confirm process.
September and October 2018	VSH begins informational meetings with project stakeholders and potential partners.
October 12, 2018	VSH presents the City with unsolicited offer for the site.
November 8, 2018	Filing deadline for submission of Application to County
Nov. 2018 – February 2019	Complete rezoning process
March 2019	VSH submits LIHTC application to VHDA
April 2019 – December 2020	Acquire funding, complete HUD review, construction drawings
January 2021	Begin construction
December 2021	Complete construction
June 2022	Complete lease-up

Rezoning Request - As a component of the proposal, we request the City's approval of the filing of a rezoning application with the County by November 8, 2018. The form of application will be submitted to the City for review and comment on or prior to the deadline. This will enable VSH to obtain the rezoning prior to the March 2019 deadline to apply for Low-Income Housing Tax Credits (LIHTC) from Virginia Housing Development Authority (VHDA). We request assistance from all necessary City stakeholders (e.g. Mayor's Office, Administration and City Council) in navigating this accelerated timeline so that more than 100 people in need will have a home in 2021.

Track record - VSH currently owns and operates 17 apartment communities. Of those, five are new construction featuring 60-80 units, and 12 are renovations or adaptive reuse of existing buildings, including New Clay House, our flagship property in Richmond. In 1992, VSH's founders purchased and renovated the historic building in Richmond's Carver neighborhood and opened Virginia's first supportive housing community. Since that time, VSH has opened 16 other properties in Virginia and honed its supportive housing development expertise considerably. In 2017, with critical support from the City, we began renovating and expanding New Clay House from 47 units to 80, bringing it up to the agency's current standards to foster independence and build community among residents. The renovated community will feature 67 units for formerly homeless individuals and 13 units for individuals earning 50% or less of AMI. A detailed summary of VSH's supportive projects is included as Exhibit A to this Proposal.

Today, emerging best practices promote an even more diverse mixed-income model. Our leadership team is analyzing how to modify our model to better align with those practices. As with the proposed community at Cool Lane, we are evolving our model of affordable housing to serve formerly homeless and extremely low-income individuals. Such properties help build stronger, more diverse neighborhoods.

Mission and history - VSH's mission is to end homelessness in Virginia by providing permanent housing and supportive services. Our approach works. Of those we serve, 97% remain permanently housed.

The organization was founded in 1988 by a small group of volunteers who shared the goal of helping homeless individuals in Richmond. In 1992, with the opening of New Clay House in Richmond's Carver neighborhood, VSH became the first agency to develop and manage supportive housing in Virginia. Today, VSH provides permanent supportive housing to more than 900 individuals living in Richmond, Hampton Roads, and Charlottesville. We accomplish our mission by:

- Creating affordable supportive housing opportunities by constructing new or rehabilitating old properties into apartments that VSH owns and operates and by partnering with private landlords to lease apartments to our clients.
- Offering comprehensive supportive services to help clients achieve housing, health, and economic stability.
- Serving as a leading provider of rapid rehousing and supportive services to veterans. VSH has played a significant role in Virginia's efforts to end veteran homelessness.

COMPATIBILITY OF PROPOSAL WITH CITY'S MASTER PLAN

The proposed use of the Property furthers the goals of, and is compatible with, the City's master plan. The redevelopment will more evenly distribute the region's burden to provide housing for its most vulnerable residents and will help the City to foster a more equitable distribution of low cost and assisted housing throughout Metro Richmond. Reducing the City's disproportionate share of responsibility for subsidized housing falls squarely within the objectives of the Master Plan. [MP pp 103].

The proposed adaptive reuse benefits a challenged area of the City where vacant and abandoned structures are a source of blight. [MP pp 121]. This redevelopment will not only resurrect a vacant building, it will also improve the appearance of the Mechanicsville Turnpike Corridor and Fairfield Gateway. This is a step toward the master plan goal of maintaining a high quality visual environment along the gateways into the City. [MP pp 29]. By finding a new residential use for an otherwise obsolete and currently vacant building, VSH can achieve Richmond's master plan goal of eliminating the negative appearance of abandoned property while it simultaneously achieves our shared goal to serve the formerly homeless and the vulnerable. This win-win not only benefits both VSH and the City, it further advances the City's cooperative goal of supporting initiatives that engage the surrounding counties to solve low- and moderate-income housing problems. [MP pp 100].

The proposed use provides housing to residents who might otherwise require services from RRHA's public housing, and further, it gives residents the support they need to remain independent. This achieves a targeted strategy laid out in Richmond's master plan to address the public housing problem by replacing public housing units with a tenant-based system. [MP pp 106].

Finally, this project represents a partnership the City can support that fits within one of the master plan's Basic Premises as to housing, namely, that maintaining decent, affordable housing requires investment and reinvestment from the private sector. [MP pp 102]. VSH has a proven track record of achieving funding from both private and public sector sources to maintain our 17 communities across the Commonwealth.

COMMUNITY IMPACT OF PROJECT

Need – The renovated property will serve formerly homeless adults and adults earning 50% or less of AMI (area median income). For these individuals, affordable rental housing is the primary tool that decreases their chances of experiencing homelessness.

The need to serve these vulnerable populations is critical. Homeward's January 2018 Point In Time (PIT) count, completed January 24, 2018, identified 535 adults experiencing homelessness in the Richmond region. The City of Richmond Affordable Housing Strategy Final Report prepared by David Paul Rosen & Associates for the City in November 2014 cites, "There are nearly 8,400 renter households, representing one in five households in Richmond, that earn less than 30% of AMI (\$21,900 per year for a family of four in 2014) and pay more than 50% of their limited gross income on housing (rent plus utilities). These households represent the most severe housing need for the City." [Rosen pp 2].

Benefits - VSH has always targeted individuals with the highest levels of need and the longest histories of street homelessness, including those who are chronically homeless, medically vulnerable or severely mentally ill. We follow the "Housing First" model, which calls for housing individuals first, then providing supportive services to help them maintain housing stability. We customize those services according to each person's needs. The outcomes we achieve are proof our organization is successfully working to enable low-income individuals and our communities to grow and prosper.

Of the clients we served in Richmond in 2017, 97% remain permanently housed. The benefits extend from the individual to the community. It costs a community approximately \$31,000 per year for a chronically homeless person to be homeless. Conversely, it costs an average of only \$10,000 per year to provide this same individual with permanent supportive housing. (Shinn, G. 2014).

Community engagement – VSH believes that collaboration is the key to providing quality, cost-effective services and programs tailored to the needs of the community. Our partnerships with local governments, public housing authorities and community development financial entities have pioneered an extraordinary example of regional cooperation for the public good.

In Richmond, Homeward coordinates the region's planning efforts. VSH is an active participant in the process, attends meetings, shares data, and identifies services gaps. The Richmond Behavioral Health Authority, The Daily Planet, Bon Secours, VCU Health Systems, the Department of Veterans Affairs, the Department of Social Services, CARITAS and other homeless service providers are partners in providing essential services to VSH clients.

For a project of this scale, our collaboration begins well before we break ground. We have spoken with the Cool Lane Civic Association and the Central Gardens Civic Association in addition to the pastor of Faith Community Baptist Church, and we will continue our dialogue with the community.

PROPOSED PRICE OFFERED

The current proposal requests that the City contribute the property at no cost to VSH, which will leverage the diverse sources of funds described above to achieve this transformative redevelopment.

EXHIBIT A

Virginia Supportive Housing Supportive Studio Apartments for Homeless and Low-Income Single Adults

- **New Clay House— 1125 West Clay Street, Richmond**
 - Developed in 1992
 - 47 studio units with supportive services for homeless adults
 - First SRO in Virginia
 - Total cost of \$1,900,000
 - Sources of funds included: low-income housing tax credits, state, and private foundation funds
 - Currently under construction to renovate and expand to 80 supportive studio units
 - Total cost of \$19,000,000
 - Sources of funds included: low-income housing tax credits, historic tax credits, state HOME and Housing Trust Funds, National Housing Trust Funds, Richmond and Henrico CDBG funds, Richmond Affordable Housing Trust Funds, Federal Home Loan Bank of Atlanta AHP funds, a VHDA REACH Loan, and private foundation funds

- **South Richmond SRO— 5409 Hull Street Road, Richmond**
 - Developed in 1996, expanded in 2011, and renovated in 2016
 - 60 studio units with supportive services for homeless adults
 - Total cost of \$9,500,000 (expansion \$3,500,000 and renovation \$6,000,000)
 - Sources of funds included: low-income housing tax credits, state HOME and Housing Trust Funds, Richmond CDBG, Henrico CDBG, Chesterfield CDBG, Richmond Affordable Housing Trust Funds, Federal Home Loan Bank of Atlanta AHP funds, a VHDA REACH Loan, and private foundation funds

- **Gosnold Apartments— 2425 Gosnold Avenue, Norfolk**
 - Developed in 2006
 - 60 studio units with supportive services
 - Total cost of \$5,600,000
 - Sources of funds included: low-income housing tax credits, state HOME, local CDBG and HOME, and private foundation funds

- **Cloverleaf Apartments— 964 South Military Highway, Virginia Beach**
 - Developed in 2008
 - 60 studio units with supportive services
 - Total cost of \$6,900,000
 - Sources of funds included: low-income housing tax credits, state HOME, local CDBG and HOME, and private foundation funds

- **South Bay Apartments—1600 South Street, Portsmouth**
 - Developed in 2010
 - 60 studio units with supportive services
 - Total cost of \$6,900,000
 - Sources of funds included: low-income housing tax credits, state HOME, local CDBG and HOME, and private foundation funds

- **The Crossings at Fourth and Preston— 401 Fourth Street NW, Charlottesville**
 - Developed in 2012
 - 60 studio units with supportive services
 - Total cost of \$6,700,000
 - Sources of funds included: low-income housing tax credits, state HOME, local CDBG and HOME, a VHDA REACH loan, Federal Home Loan Bank of Atlanta AHP, and private foundation funds

- **Heron’s Landing—2133 South Military Highway, Chesapeake**
 - Developed in 2012
 - 60 studio units with supportive services
 - Total cost of \$9,900,000
 - Sources of funds included: low-income housing tax credits, state HOME, local CDBG and HOME, Federal Home Loan Bank of Atlanta AHP, and private foundation funds

- **Crescent Square—1333 Diamond Springs Road, Virginia Beach**
 - Developed in 2016
 - 80 studio units with supportive services
 - Total cost of \$12,400,000
 - Sources of funds included: low-income housing tax credits, state HOME and Housing Trust Funds, local CDBG and HOME, Federal Home Loan Bank of Atlanta AHP, a VHDA REACH loan, and private foundation funds

- **Church Street Station Studios—2016 Church Street, Norfolk**
 - Developed in 2017
 - 80 studio units with supportive services
 - Total cost of \$13,900,000
 - Sources of funds included: low-income housing tax credits, state HOME, local CDBG and HOME, Federal Home Loan Bank of Atlanta AHP, a VHDA REACH loan, and private foundation funds


**COUNTY OF HENRICO - FINANCE DEPARTMENT
REAL ESTATE ASSESSMENT DIVISION**
Address: 4301 E. Parham Rd.
Henrico, VA 23273-2745
Phone: 804-501-4300
Fax: 804-501-5420

Print Friendly

(County Home)

(Back)

Base Information

Parcel ID	799-726-0294	Parcel Address	1900 COOL LN
Vision PID #	79797	Appraiser	O
State Code	Exempt Local	Neighborhood	09940 - Elderly Housing
Use Code	331 Hospitals/Health Care	Acreage	5.34
Tax Type	Exempt	Owner (Jan 1)	CITY OF RICHMOND
Zoning	A-1	Owner (Cur)	CITY OF RICHMOND
Tax Dist	Regular	Mailing Address	
Magisterial	Fairfield		900 E BROAD ST ROOM 300
Subdivision	Acreage		RICHMOND VA
Section		Zip	23219-1907
Block		Old Map #	01390A0000 0003
Lot	5.34 acres	Pre 1992 Map #	1 A2 8
		Map Page #	221

Commercial Information

Building Name	Bldg #	Type	Section	Year Built	Stories	Height	Occupancy	Sqft
VACANT BUILDING	1	Occ 1	1	1977	2	12	313 - Convalescent Hospital	90,407
VACANT BUILDING	1	Occ 1	2 - Basement	1977	1	10	331 - Hospital	15,195
Report Total:								105,602
								1-2

Last 5 Transfers

Sale Date	Sale Price	Deed Book	Page	Owner	Sale Comment
09/16/2009	\$0	4692	1736	CITY OF RICHMOND	Non-Qualified
07/01/1993	\$0	2440	1809	HOSPITAL AUTHORITY OF RIC	Non-Qualified
12/01/1976	\$3,157,000			CITY OF RICHMOND	

Last 5 Assessments

Year	Date	Land	Land Use	Improvements	Total
2019	01/29/2019	\$756,000		\$2,096,900	\$2,852,900
2018	01/30/2018	\$756,000		\$1,998,500	\$2,754,500
2017	01/31/2017	\$756,000		\$2,020,300	\$2,776,300
2016	01/29/2016	\$756,000		\$1,988,400	\$2,744,400
2015	02/02/2015	\$756,000		\$1,972,000	\$2,728,000

Extras, Features and Outbuildings

Type	Description	Units/Area
Extra	240 SF STORAGE	
Extra	Site Imp (5.34 Ac)	
Feature	Malls-Covered	724
		1 - 3

Land Information

Type	# Units	Unit Type	Sqft	Zoning
S5	232610	SQUARE FOOTAGE	232,610	A-1

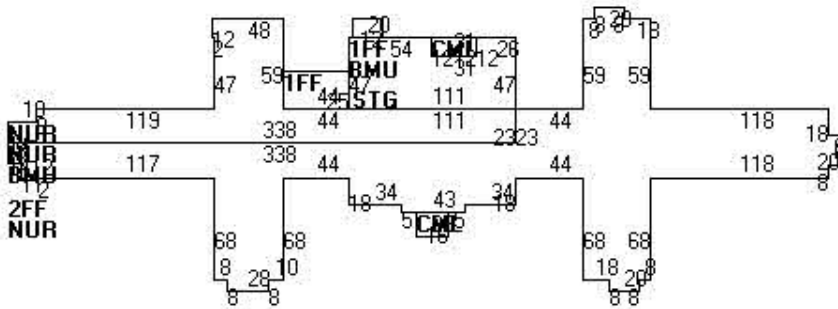
Notes

1) City of Richmond Nursing Home aka Seven Hills Health Care Center (licensed for 169 beds) 2) 9/25/01 POD 88-76 admin approved to construct a sunroom and patio addition 3) 1/27/03 Building Permit 2001-00808: 1,100sf dining room addition. 4) Nursing home closed after losing Medicaid and Medicare eligibility due to management issues. Last residents were to be relocated by 1/14/08.

Image



Last Photo Update 04/03/2017



Sketch Details

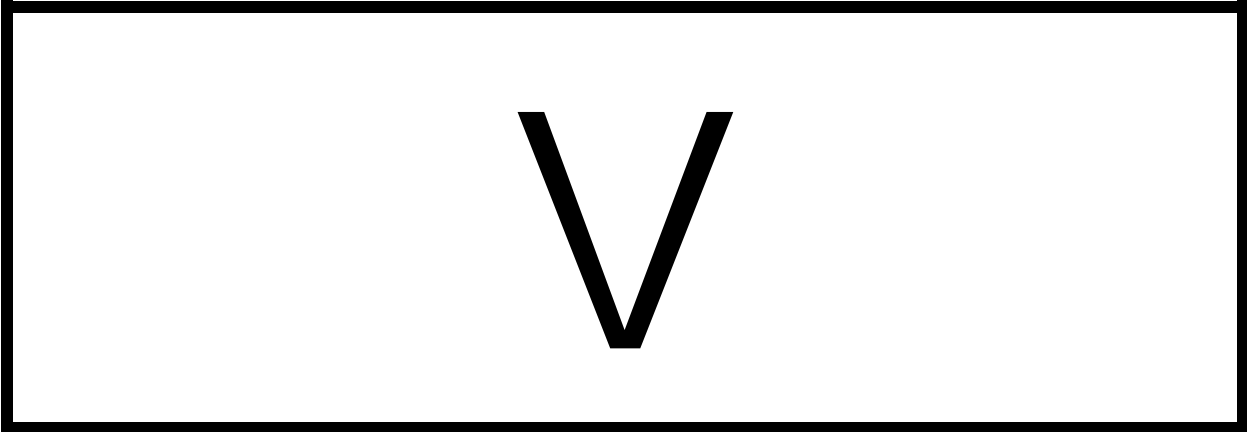
Code	Desc	Gross
1FF	1st FI Finished	5,945
2FF	2nd FI Finished	29,181
BMU	Basement Unfinished	15,195
CML	Covered Mall	724
NUR	Nursing Home	49,881
STG	Storage (comm)	240

Legal Disclaimer: Non-confidential real estate assessment records are public information under Virginia law, and Internet display of non-confidential property information is specifically authorized by Virginia Code 58.1-3122.2. While the Real Estate Division has worked to ensure that the assessment data contained herein is

accurate, Henrico County assumes no liability for any errors, omissions, or inaccuracies in the information provided or for any reliance on any maps or data provided herein. Please consult County records in the Real Estate Division for official information.

U

Documentation to
Request Exception to
Restriction-Pools with
Little/No Increase in Rent
Burdened Population



V

Nonprofit or LHA Purchase
Option or Right of First
Refusal

Prepared By and
Return to:

Williams Mullen Center
200 South 10th Street
Suite 1600
Richmond, VA 23219
Attention: Lauren Nowlin

RIGHT OF FIRST REFUSAL AND PURCHASE OPTION AGREEMENT

This Right of First Refusal and Purchase Option Agreement (the "Agreement") is effective as of March 14, 2019, by and between **COOL LANE APARTMENTS, LLC**, a Virginia limited liability company (the "Company"), and **VIRGINIA SUPPORTIVE HOUSING**, a Virginia nonprofit corporation ("Grantee").

WHEREAS, Cool Lane Apartments Development Corporation, Inc., a Virginia corporation, the managing member of the Company ("Managing Member"), and Grantee have entered into that Operating Agreement made effective as of February 5, 2019 (the "Operating Agreement"), which governs the operations of the Company; and

WHEREAS, the Company was formed for the purpose of acquiring, owning or leasing, developing, constructing and/or rehabilitating, leasing, managing, operating, and, if appropriate or desirable, selling or otherwise disposing of a residential project, including all reserves established therefor, located in the City of Richmond and the County of Henrico, Virginia (the "Project Property") on the land described on the attached Exhibit A; and

WHEREAS, the Company desires to give, grant, bargain, sell and convey to Grantee, or such other governmental or qualified Section 501(c)(3) organization as may be designed by the Grantee for the Refusal Right (defined below), certain rights to purchase the Project Property on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the execution and delivery of this Agreement and the payment by the Grantee to the Company of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Grant of Refusal Right. In the event that the Company determines to sell or receives an offer to purchase the Project Property, which offer the Company intends to accept, or receives any bona fide third party offer to purchase the Project Property (the "Offer"), Grantee shall have a right of first refusal to purchase the Project Property (the "Refusal Right") for a period of thirty-six (36) months (the "Refusal Right Period") following the close of the fifteen (15) year compliance period for the low-income housing tax credit for the Project Property (the "Compliance Period"), as determined under Section 42(i)(1) of the Internal Revenue Code of 1986, as amended (the "Code"), on the terms and conditions set forth in this Agreement and subject to the conditions precedent to exercise of the Refusal Right specified herein. In addition to all other applicable conditions set forth in this Agreement, (a) the foregoing grant of the

Refusal Right shall be effective only if Grantee is a governmental entity or qualified nonprofit organization, as defined in Section 42(h)(5)(c) of the Code currently and remains such at all times as of (i) the date that the Refusal Right has been exercised and the resulting purchase and sale has been closed or (ii) the date that the Refusal Right has been assigned to a Permitted Assignee (as defined herein), and (b) any assignment of the Refusal Right permitted under this Agreement and the Refusal Right so assigned shall be effective only if the assignee is at the time of the assignment and remains at all times thereafter, until the Refusal Right has been exercised and the resulting purchase and sale has been closed, a Permitted Assignee described in Paragraph 7 hereof meeting the requirements of Section 42(i)(7)(a) of the Code. Prior to accepting any offer to purchase the Project Property, the Company shall notify Grantee and the Managing Member and deliver to each of them a copy thereof. The Company shall not accept any such offer unless and until the Refusal Right has expired without exercise by Grantee under Paragraph 1 hereof.

2. Refusal Right Purchase Price. The purchase price for the Project Property (the “Refusal Purchase Price”) pursuant to the Refusal Right shall be the lesser of:

- (i) the price in the Offer or the proposed sales price, provided such price is not less than the fair market value of the Project Property subject to all restrictive covenants or other agreements regarding use of the Project Property as affordable housing, any such appraisal to be made jointly by two independent appraisers, one selected by the Company and one selected by Grantee. If the appraisers are unable to agree on the fair market value of the Project, they shall jointly appoint a third appraiser. The decision of a majority of such appraisers shall be final and binding. Each party shall pay the cost of its own appraiser and shall evenly divide the cost of the third appraiser, if necessary, or
- (ii) the sum of the principal amount of outstanding indebtedness secured by the Project Property and all Federal, state and local taxes attributable to such sale. The Refusal Purchase Price shall comply with and be interpreted and calculated consistently with the provisions of Section 42(i)(7)(B) of the Internal Revenue Code. In the absence of formal IRS guidance or legal precedents to the contrary, the phrase “principal amount of outstanding indebtedness” shall exclude any accrued interest owed. In the event that accrued interest is determined to be included in the phrase “principal amount of outstanding indebtedness,” then, in the absence of formal IRS guidance or legal precedent to the contrary, the phrase “other than indebtedness incurred with the 5-year period ending on the Closing Date” shall include any accrued interest incurred in the 5-year period ending on the Closing Date that remains unpaid as of that date. The Company agrees to accept Grantee’s computation of the amount described in this clause (ii) if the method of computation is supported by an opinion of a national or regional law firm with recognized expertise in matters relating to Section 42 of the Code.

3. Exercise of Refusal Right. In the event that Grantee elects to exercise the Refusal Right, it shall give the Company written notice of its intent to exercise the Refusal Right pursuant to Paragraph 8 below (the “Refusal Notice”) and shall specify a date for delivery of the deed not less than ninety (90) days and no more than two hundred seventy (270) days after the Grantee’s delivery of the Option Notice. Subject to the prior consent of the relevant lenders, Grantee may pay all or a portion of the Refusal Purchase Price by assuming the existing indebtedness of the Company. The Company agrees upon request of Grantee to use its best efforts to obtain the consent of all relevant lenders to such assumption.

4. Grant of Option to Purchase. The Company hereby grants to Grantee an option (the “Purchase Option”) to purchase the Project Property for a period of sixty (60) months following the expiration of the Compliance Period, on the terms and conditions and subject to the conditions precedent specified herein.

5. Purchase Option Purchase Price. The purchase price for the Project Property pursuant to the Purchase Option shall be the greater of the following amounts: (a) the amount set forth in Paragraph 2(ii) above, or (b) the fair market value of the Project Property, as determined by an appraisal conducted by an experienced appraiser selected by Grantee, using the income capitalization method of valuation, and assuming that the rent restrictions and any other restrictive covenants in effect during the ten-year Credit Period shall remain in effect in perpetuity.

6. Exercise of Option. In the event that Grantee elects to exercise the Purchase Option, it shall give the Company written notice thereof (the “Option Notice”) and shall specify a date for delivery of the deed not less than ninety (90) days and no more than two hundred seventy (270) days after the Grantee’s delivery of the Option Notice. Subject to the prior consent of the relevant lenders, Grantee may pay all or a portion of the Purchase Option Price by assuming the existing indebtedness of the Company. The Company agrees upon request of Grantee to use its best efforts to obtain the consent of all relevant lenders to such assumption.

7. Assignment. Grantee may assign all or any of (1) its Refusal Rights under this Agreement to (a) a qualified nonprofit organization, as defined in Section 42(h)(5)(C) of the code, (b) a government agency, or (c) a tenant organization (in cooperative form or otherwise) or resident management corporation of the Project Property or (2) its Purchase Option rights (each a “Permitted Assignee”). Prior to any assignment or proposed assignment of its rights hereunder, Grantee shall give written notice thereof to the Company and the Managing Member. Upon any permitted assignment hereunder, references in this Agreement to Grantee shall mean the Permitted Assignee where the context so requires, subject to all applicable conditions to the effectiveness of the rights granted under this Agreement and so assigned. No assignment of Grantee’s rights hereunder shall be effective unless and until the Permitted Assignee enters into a written agreement accepting the assignment and assuming all of Grantee’s obligations under this Agreement and copies of such written agreement are delivered to the Company and the Managing Member. Except as specifically permitted herein, Grantee’s rights hereunder shall not be assignable.

8. Conditions Precedent and Termination. The parties rights and obligations pursuant to this Agreement shall be subject to Company's receipt of an allocation of Low Income Housing Tax Credits from the Virginia Housing Development Authority in connection with the Project Property and in an amount acceptable to the Company by December 31, 2019. In the event the foregoing condition set forth above is not satisfied within the Compliance Period, the Company shall have the right to terminate this Agreement and its obligation to sell the Project Property, in which event neither party shall have any further liability or obligation hereunder.

9. Contract and Closing. The Company and Grantee shall enter into a written contract for the purchase and sale of the Project Property in accordance with this Agreement and containing such other terms and conditions as are standard and customary for similar commercial transactions in the geographic area which the Project Property is located. Such contract shall permit sufficient time to apply for the so-called nine percent (9%) tax credits, and if unsuccessful, determine if tax exempt bond financing with four percent (4%) tax credits is feasible during the financial feasibility period and sufficient time to close on such financing or alternative financing in the sole discretion of the Grantee. The following provisions will apply to any sale of the Project Property (or interest of the Investor Member) pursuant to the Refusal Right or Purchase Option granted hereunder:

- (a) The place for delivery of the deed or other transfer documents will be the land records of the proper local jurisdiction of the Commonwealth of Virginia or such other location as mutually acceptable to the Grantee and the Company.
- (b) In any sale pursuant to this Agreement, the Project Property will be conveyed in "as is" condition, with all defects, and the Company will have no obligation to make any repairs or improvements in connection with such sale.
- (c) Upon receipt of an Option Notice or Refusal Notice from the Grantee exercising the Purchase Option or Refusal Right, the Company will promptly provide to the Grantee an abstract of title or registered property abstract to the Project Property, certified to a current date to include, without limitation, proper searches covering bankruptcies, judgments, and state and federal liens. At the closing, the Company will deliver to the Grantee a good and sufficient Special Warranty Deed conveying good and clear record and marketable title to the Project Property, subject only to those liens and encumbrances set forth on the abstract of title, subject to liens in favor of such lenders whose debt is to be assumed and to such other encumbrances which do not materially interfere with the use of the Property as affordable residential housing. At the closing, the parties will make equitable adjustments for items as are typically adjusted in connection with the transfer of multifamily housing such as the Project Property.
- (d) Exercise of the Purchase Option or Refusal Right by the Grantee will operate to terminate and extinguish any purchase agreement between the Company and any other party or parties thereto, and such other party or parties will thereupon have no right or interest whatsoever in the Project Property or any part thereof or in the

agreement between the Company and the Grantee formed by the exercise of the Purchase Option or Refusal Right.

- (e) In the event Grantee does not exercise its Refusal Right and the Project Property is disposed of to a different party or for different consideration or on any different terms from those stated in the Disposition Notice or offer, then any such disposition by the Company will be null and void and the Project Property will continue to be subject to the Refusal Right and Purchase Option.
- (f) In the event that the Company fails to offer the Project Property to the Grantee as set forth above in violation of this Agreement, whoever may then hold title will convey the Project Property forthwith to the Grantee, upon demand, for the same consideration that the Grantee would have had to pay had the offer been properly made. Such demand of the Grantee upon the then title holder will be made within sixty (60) days after receipt by the Grantee of actual notice that a transfer of the Project Property has been completed. Constructive notice by recording or otherwise will not constitute such actual notice.

10. Miscellaneous.

- (a) The Company agrees to insert reference to this Agreement in any deed, ground lease, or other instrument for conveyance or transfer of the Project Property, provided, however, that the enforceability of this Agreement will not be affected by a failure to insert a reference to this Agreement in any such deed, ground lease or other instrument.
- (b) In no event will the Refusal Right or Purchase Option or a sale after a purchase pursuant to such Purchase Option or Refusal Right be exercised so as to restrict ownership, use or occupancy of the Project Property because of race, creed, color, sex, religion, or national origin or any other basis prohibited by law.
- (c) This Agreement will be governed by, construed, and enforced in accordance with the laws of the Commonwealth of Virginia and may not be amended other than by an agreement in writing signed by an authorized representative of the party to be charged therewith and recorded with the land records.
- (d) If any of the provisions of this Agreement, or the application thereof to any person or circumstance will, to any extent, be invalid or unenforceable, the remainder of this Agreement and its application to other persons or circumstances will not be affected thereby and each of the other provisions of this Agreement will be valid and enforceable to the fullest extent permitted by law.
- (e) The term of this Agreement will be ninety years commencing on the date first written above unless sooner terminated pursuant to the provisions hereof. This

Agreement and the Refusal Right and Purchase Option herein granted are covenants running with the land and the terms and provisions hereof will be binding upon, inure to the benefits of and be enforceable by the parties hereto and their respective successors and assigns.

- (f) As an alternative to acquiring the Project Property under the Purchase Option, the Grantee will have the right to elect to acquire the interests of the Investor Members for the amount the Investor Members would receive from a sale of the Project Property for the purchase price as determined herein (i.e., either the Refusal Purchase Price or the Purchase Option Price, as applicable) and confirmed by an accountant of the Grantee and approved by the Company. Such payments to the Investor Member will be determined pursuant to the Operating Agreement, but with respect to the Refusal Right, such payments will be no less than the price established herein. Notwithstanding anything herein to the contrary, in determining the purchase price of the Project Property or the interests of the Investor Member, any purchase of the Project Property or the interests of the Investor Members will not include the value of any cash reserves.

11. Counterparts. This Agreement may be executed in separate counterparts or counterpart signature pages, which together will constitute a single agreement. PDF, TIF, facsimile, or other electronic images of signatures will be deemed originals for all purposes.

12. Covenants to Run with the Land. The covenants and agreements set forth herein shall be revised as required so that they may be recorded against and run with the land. The covenants and agreements set forth herein shall be binding upon and shall inure to the benefit of the successors and assigns of the respective parties hereto.

13. Defined Terms. The capitalized terms used in this Agreement shall have the definitions provided for in the Operating Agreement unless otherwise specified herein.

14. Headings. This Agreement's headings are for convenience of reference and are not intended to qualify the meaning of any provision or covenants herein.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

GRANTEE:

VIRGINIA SUPPORTIVE HOUSING,
a Virginia nonprofit corporation

By: Allison Bogdanovic (SEAL)
Name: Allison Bogdanovic
Title: Executive Director

COMMONWEALTH OF VIRGINIA)
CITY/COUNTY OF Richmond) TO-WIT:

The foregoing instrument was acknowledged before me this 14 day of March, 2019, by Allison Bogdanovic, as Executive Director of Virginia Supportive Housing, a Virginia nonprofit corporation, on behalf of the corporation.

My Commission Expires: 3/31/2020
Registration Number: 7694219

Elizabeth C. Nice
Notary Public

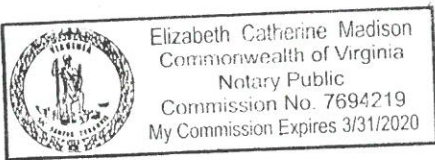


EXHIBIT A

Legal Description

ALL that certain piece or parcel of land, with the improvements thereon, lying and being partly in the City of Richmond, and partly in the County of Henrico, Virginia, containing 5.72 acres, described as follows:

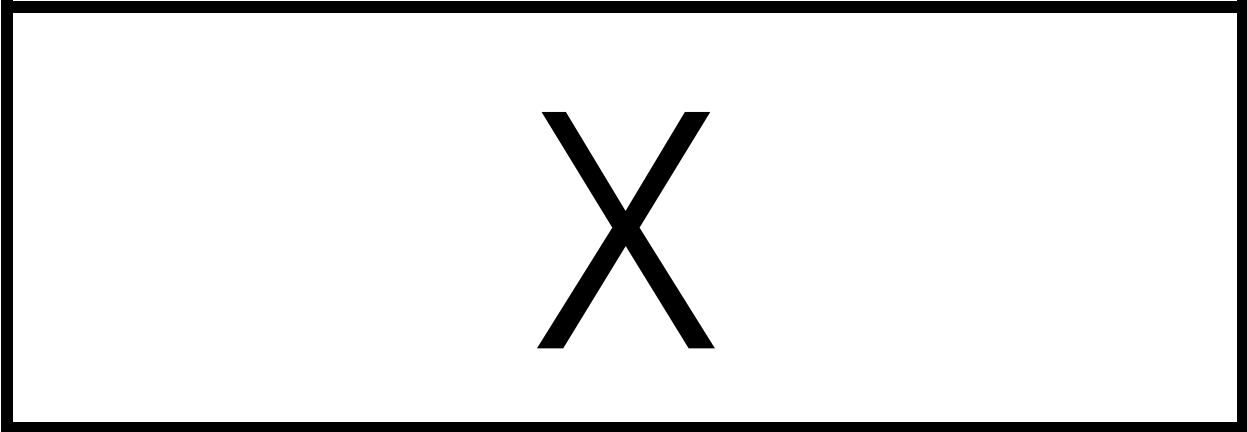
COMMENCING at a stone on the North line of Cool Lane, 134 feet, more or less, East of its intersection with Mechanicsville Turnpike (U.S. Route 360), which point of beginning is located on the 1942 City of Richmond Corporation Line dividing the City of Richmond and the County of Henrico; thence from said point of beginning extending N. 26° 39' E. 150 feet to a point; thence extending N. 73° 26' W. 133.90 feet to a point on the East line of Mechanicsville Turnpike; thence extending N. 32° 12' 40" E. 56.60 feet along the East line of Mechanicsville Turnpike to a stone; thence continuing along the East line of said Mechanicsville Turnpike N. 30' 10" E. 72.18 feet to a stone; thence leaving Mechanicsville Turnpike and extending Eastwardly along the South Line of Ramp "C", Interstate Rt. No. 64, along the following courses and distances: S. 84° 38' 30" E. 131.45 feet to a stone; S. 60° 23' 30" E. 180.77 feet to a stone; S. 73° 17' 30" E. 128.45 feet to a stone; N. 77° 26' 30" E. 188.88 feet to a stone; N. 56° 52' 30" E. 241.72 feet to a stone; and N. 85' 34' 30" E. 98.75 feet to a rod; thence extending S. 26° 21' 30" W. 576.80 feet along the West line of Cool Lane Court Subdivision to a rod; thence extending N. 73° 26' W. 673.56 feet along the North line of Cool Lane to the point of beginning.

Further as shown on a plat of survey made by Chas. H. Fleet & Assocs., dated December 31, 1971 entitled 'PLAT OF PROPERTY SITUATED BETWEEN COOL LANE AND ROUTE NO. 64 AND EAST OF MECHANICSVILLE TURNPIKE RICHMOND & HENRICO CO., VA.', which plat is recorded in the Clerk's Office, Circuit Court, City of Richmond, Virginia in Deed Book 675-B, Page 321.

BEING the same real estate conveyed to the City of Richmond, Virginia, a municipal corporation of the Commonwealth of Virginia, by deed from Hospital Authority of Richmond, dated August 7, 2009, recorded September 25, 2009 in the Clerk's Office, Circuit Court, City of Richmond, Virginia as Instrument No. 090020776 and in the Clerk's Office, Circuit Court, Henrico County, Virginia in Deed Book 4692, Page 1736.

W

(Reserved)



X

Marketing Plan

For units meeting accessibility requirements of HUD section

504

COOL LANE APARTMENTS MARKETING PLAN FOR UNITS MEETING ACCESSIBILITY REQUIREMENTS

Cool Lane Apartments is an eighty-six unit supportive housing apartment community for homeless and low-income individuals from the Richmond metropolitan area. Fifteen percent (15%) of the eighty-six units at Cool Lane Apartments will be reserved for individuals with qualifying disabilities as defined by the Fair Housing Act. Virginia Supportive Housing will ensure that these units are actively marketed to people with qualifying disabilities by working with the following outreach partners:

- CARITAS – Karen O’Brien – (804) 358-0964
- Commonwealth Catholic Charities (CCC) – Abby Boyd – (804) 648-4177
- Daily Planet – Helena DeLigt – (804) 783-2505, extension #226
- Richmond Behavioral Health Authority – Katie Chlan – (804) 819-4255
- Richmond Department of Social Services – Phyllis Grooms Gordon – (804) 646-8864
- Richmond Redevelopment and Housing Authority – Tammy L. Grubb – (804) 780-4200
- Central Virginia Resource Agency – Gerald O’Neill – (804) 353-6503
- Henrico Area Mental Health and Developmental Services – Mary Beth Schutte – (804) 727-8526

Referrals will be accepted from designated city representatives from redevelopment and housing authorities, area homeless and human services providers, major hospitals, communities of faith, community action agencies, and other regional service providers, including home health agencies and nursing homes. Virginia Supportive Housing (VSH) will inform outreach partners of vacancies as units for individuals with disabilities become available. VSH will also work closely with the Richmond Redevelopment and Housing Authority to review the housing waiting list as voucher based units become available.

Outreach partners and referring organizations will be given Application Guidelines, as well as brochures about Cool Lane Apartments and Virginia Supportive Housing, to provide to homeless and low-income individuals with qualifying disabilities. These Application Guidelines are updated annually as needed and will be distributed to these organizations and service providers as requested.

Cool Lane Apartments will be listed on the Virginia Housing Search website at (<http://www.virginiahousingsearch.com>). The property listing will be maintained regularly and updated as needed. In addition to Virginia Housing Search, vacancies for individuals with disabilities will also be marketed in print and/or digital advertisement.

Receiving and Screening Applications

Individuals who are homeless or earning 50% or less of the Area Median Income that have a qualifying disability and are interested in applying for a unit are directed to call Cool Lane Apartments to set up a time for a rental screening. The rental screening, which is completed in accordance with the Cool Lane Apartments Tenant Selection Plan, is a two-part interview involving Property Management and Supportive Services.

Applicants are required to comply with the following:

- Complete in full and sign an application, prior to their rental screening interview.
- Supply VSH with a current government issued photo ID.

- Sign release forms for Residential Inquiry, Verification of Rental History, Credit Check, and a Criminal History Record Request.

A residential, criminal, and credit history inquiry will be performed for each applicant upon the authorization of the applicant.

Specialists familiar with the target population as defined in the Tenant Selection Plan may be consulted at any time during the screening and selection process. Units meeting the requirements for individuals with disabilities as defined in Section 504 will be held vacant for 60 days during which ongoing marketing must be documented.

Resident Selection

Selection and screening of Residents will be the responsibility of Property Management and Support Services Managers and will be conducted in accordance with the Cool Lane Apartments Tenant Selection Plan.

Those selected for residency must meet the HUD income and eligibility requirements. Selected applicants must have the ability to live independently in an apartment. Priority will be given to individuals who have a qualifying disability. Additionally, preference will be given to qualifying applicants having state rental assistance. These applicants will not be subject to more restrictive eligibility requirements or lease terms than those outlined herein or in the Cool Lane Apartments Tenant Selection Plan.

Applicants may be rejected for the following reasons:

- Unable to disclose and document social security numbers of all household members, or does not execute a certification stating that no social security numbers have been assigned.
- Has household characteristics that are not appropriate for the specific type of unit available, or has a household of a size not appropriate for the unit size available.
- Actively poses a threat to others as assessed by a mental health professional may be ineligible for admission.
- Does not meet other owner/manager tenant screening criteria as defined in the Tenant Selection Plan and/or the screening criteria of the agency or housing authority providing tenant rental assistance.

Tenant Selection Review

The Tenant Selection Criteria will be regularly reviewed and updated as necessary by staff of Virginia Supportive Housing.

Procedures for Certifying Income and Eligibility

Determining Resident eligibility and certifying and recertifying Resident income will be done by the Richmond Redevelopment and Housing Authority (RRHA), and VSH using HUD and VHDA established procedures. All initial and annual recertification information will be transmitted into VHDA's WTCMS system. Verification of a Resident's qualifying disability as defined by the Fair Housing Act will be the responsibility of VSH Property Management and/or Supportive Services Staff following the process outlined in the Tenant Selection Plan.

Measures to Protect Confidentiality

VSH will keep Resident files at a secure location. All files will be kept confidential.

Instruction in Laws

All VSH staff members are required to attend Fair Housing training at least annually, as well as training on other applicable laws, such as ADA. All marketing and leasing activities will abide by Federal Fair Housing Law, Civil Rights Law, and the Violence Against Women Act.